

**2015**  
Annual Review of  
Activities and  
Annual Accounts



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**Mary Mitchell O'Connor TD**  
MINISTER FOR JOBS, ENTERPRISE  
AND INNOVATION



**Simon Hamilton MLA**  
MINISTER FOR THE ECONOMY

## Joint Ministerial Foreword

We are pleased to introduce InterTradelreland's Annual Report for 2015. In a year which has seen indications of recovery and growth for firms across the island, those SMEs that are innovating and exporting are gaining the benefit with a visible increase in recruitment. InterTradelreland's Business Monitor for Q4 2015 based on the views of more than 750 business managers across Northern Ireland and Ireland showed that 89% of firms are now stable or growing with manufacturing being the predominant sector.

However market conditions are constantly changing and it is essential that businesses adapt to those changes, discover new openings and meet higher customer expectations.

On the pulse of cross-border business intelligence as well as demonstrating a proven track record of unlocking innovation, funding provision and identifying collaborative opportunities, InterTradelreland has the tools and expertise to guide and nurture SMEs across Northern Ireland and Ireland as they seek to develop and grow, assisting them to seize potential business opportunities right here on their doorstep. By making the most of all the opportunities that lie close to home, businesses will be in a better position to exploit those that lie further afield.

This year, achievements from the Body have exceeded targets with 1,216 jobs created or protected in firms as a result of their participation in InterTradelreland programmes - an increase of 86 jobs compared to the original target of 1,130.

With a financial target of £55m/€68m in business value and a ratio of 9:1 for return on expenditure, these figures were surpassed with a ratio of 13:1 achieved and an actual business value attainment of £82m/€101m. The targets for first time exporters and first time innovators were also exceeded by more than 97% and 41% respectively; excellent news for both economies.

As encouraging as the 2015 results from InterTradelreland are, there is no doubt that challenges lie ahead for 2016.

To help SMEs manage and excel in these ever changing times, InterTradelreland has a vital role to play. Companies participating in the Body's programmes or approaching InterTradelreland for support are in the advantageous position of increasing their likelihood for success, based on the historical experience of the thousands of companies the Body has assisted since 2000.

Increased cross-border trade has strengthened both economies and with our respective

Government Departments continuing to endorse InterTradelreland, we anticipate the extension of further business rewards in 2016.

Furthermore, we are encouraged by the progress made towards the €175m target for collaborative North South proposals in the Horizon 2020 programme. Early statistics show progress is on track to achieve this ambitious target. In the period Jan '14 – Nov '15, collaborative applications involving Northern Ireland and Ireland participants have drawn down €39,275,214 in competitive funding which is a 90% increase on the comparable period in the previous framework programme. We also welcome the continued growth of the US Ireland R&D Partnership with a strong pipeline of proposals and the first awards connecting Research Centres in the US, Northern Ireland and Ireland. Further development of this unique partnership sees an expansion into agricultural research with calls expected in 2016.

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

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**Martin Cronin**  
CHAIRMAN

A handwritten signature in dark ink, appearing to read 'Martin Cronin'.

## Chairman's Introduction

Running a successful business today is by no means an easy task. Competition has never been stronger, product life cycles have never been shorter, technology is developing apace and customer loyalty is more fickle than ever before. At InterTradelreland we recognise that the pressures facing management teams in businesses across the island have never been stronger.

Indeed our Q4 2015 Business Monitor indicated that pressures for businesses had changed since the last quarter and were now topped by concerns typical of a growing economy with more than half of businesses citing competition and discounting by competitors as a key issue for their business.

We also recognise that it is not our task to run other peoples' businesses for them. InterTradelreland is a facilitator – here to assist SMEs to maximise the benefits of operating right across the island. By fostering competitiveness at home, it is our conviction that businesses will be better placed to tackle the global market.

This is InterTradelreland's 15th annual report and it reflects another active year for the Body. Through InterTradelreland's suite of cross-border supports, 2,815 companies received tangible and practical assistance this year and a business value of £82m/€101m was achieved.

Our range of services was extended to include a new 'Funding for Growth' Advisory Service. The service was launched in February in Belfast and Dublin. It is aimed at established businesses and was developed to address a need that we identified in our report, 'SMEs, Credit Constraints and Growth: A Cross-Border Study'. The service offers SMEs who are seeking funding for growth the opportunity to learn about funding options from traditional, new and alternative funding sources. There has been a strong appetite for the new service with 761 SMEs attending a series of workshops and clinics held across the island.

This year we also worked to make InterTradelreland supports and services more visible and accessible to a wider audience. We chose the theme 'Discover What's Possible' and challenged small businesses to do just that. We presented our services and supports in 5 key areas – Sales support, Tendering, Raising Finance, Business Intelligence and Innovation - to make it easier for businesses to identify the services and supports they need.

InterTradelreland also works to help shape an environment where businesses and policy makers can make informed decisions that will enhance performance and facilitate growth. We do this by researching the workings of some of the most



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important sectors on the island and producing policy reports.

In November, InterTradelreland published a report 'Mapping the Potential for All-island Sectoral Ecosystems' which highlighted a number of opportunities to strengthen all-island sectoral ecosystems. The report proposes a new framework setting out the potential benefits and the ways in which these might be achieved. 2016 will see the practical application of this research in cooperation with our sister development agencies across the island.

At the end of 2015, the second year of our three year Corporate Plan, we are currently on track to meet our goals of engaging with more than 8,500 companies and achieving £170m/€207m additional business development value.

I would like to acknowledge all the good work carried out in 2015 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.

I would also like to extend my thanks to my colleagues on the Board for their commitment to the organisation and for their support and advice throughout the year.

My sincere thanks also to our partners in Enterprise Ireland, Invest NI 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; Minister of Enterprise, Trade and Investment, Jonathan Bell, MLA, who took over in May 2015 from Arlene Foster, MLA, and Richard Bruton, TD, Minister for Jobs, Enterprise and Innovation. Both Departments worked hard to support the organisation throughout the year. Indeed in 2016, I also look forward to working with our new Ministers Mary Mitchell O'Connor TD and Simon Hamilton MLA.

As we look ahead into 2016, there are several potential challenges which may affect trading conditions for companies in Northern Ireland and Ireland. Whatever the outcome, InterTradelreland will continue to provide practical advice, guidance and support to SMEs, North and South, and will make every effort to maximise their potential and to 'Discover What's Possible....



**Thomas Hunter McGowan**  
CHIEF EXECUTIVE

*Thomas Hunter McGowan*

## Chief Executive's Message

InterTradelreland has been supporting small businesses for over 15 years and has helped over 31,000 companies to trade more effectively in the cross-border market, to win new business and to open up new opportunities, which may not have been possible without such assistance.

InterTradelreland's role is about much more than simply providing funding to SMEs. Across the island we help to shape policy, develop networks which facilitate North South collaboration, we support businesses with advice and impart our cross-border expertise through workshops and mentoring, as well as facilitating innovation.

FUSION, InterTradelreland's innovation programme, is helping many companies in the current climate to re-invent themselves and rebuild their business through new innovations. A total of 58 projects commenced this year each one creating a valuable graduate job. Also in 2015 companies that had previously completed FUSION projects reported a business value of £27m/€33m and a jobs impact of 352.

Through our Seedcorn Investor Readiness Competition we were able to bring 121 companies through to the business plan submission stage, 19% more than 2014, demonstrating that innovation is on the increase. The level of ingenuity in our local businesses is exceptional and this competition is a springboard to help many fledgling

companies become 'investor ready'. Those which do not progress to the final stages still report that participation is an invaluable experience as the advice and critique they receive from the experts can dramatically enrich their business plans and provide a vital and impartial, external viewpoint.

Our trade development programmes, Acumen and Elevate, have also attained excellent results this year. Acumen, which is designed to stimulate cross-border business for SMEs, supported 103 organisations, providing employment for 14 graduates. Evaluation of the programme in 2015 highlighted that to date Acumen had achieved a reported business value of £16.9m/€20.9m and a jobs impact of 504.

The Elevate programme helps micro-businesses to explore the opportunities available in the cross-border market and take the first steps in exporting, with 79 companies supported in 2015. In August, we provided additional consultancy time on a trial basis.

Public tendering remains important for SMEs on the island and this market, worth around £2.8bn in Northern Ireland and €12bn in Ireland, opens up many new opportunities for them. A 'Meet the Buyer' event in Belfast hosted by the Department of Trade, Enterprise and Investment Minister, Jonathan Bell MLA, was organised which saw an attendance of 510 suppliers from across Northern Ireland and Ireland, an increase of 18% on last year.



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A corresponding event in Dublin was attended by 693 suppliers and opened by the Minister of State at the Departments of Finance Public Expenditure and Reform and Taoiseach with Special Responsibility for the Office of Public Works, Public Procurement, and International Banking, Simon Harris TD.

Through our Go-2-Tender programme, we provide businesses with the confidence, knowledge and skills to tender successfully within the public sector. 221 companies attended Go-2-Tender workshops during the year. In 2015 we extended our procurement support provisions to encompass the Consortia Facilitator service, which assists companies develop joint partnerships to bid for larger public procurement contracts. Over 90 companies attended Consortia Facilitator seminars in Dublin and Belfast this year.

Our All Island Innovation Programme offers SMEs the opportunity to engage with an international innovation expert, in a closed focused session. Eight masterclasses were delivered across four partnering universities this year with a further two to be completed in early 2016. Topics have included 'the building of an effective innovation ecosystem', 'building an appealing value proposition to existing and potential customers' and 'developing frameworks for leadership'. More than 260 delegates attended the first six masterclasses, with 56% of these from local industry.

In December 2015 the new Competitive Partnerships for Horizon 2020 Pilot, an initiative offering expert advisory services to help all applicants identify additional resubmission opportunities, completed. Overall the results of the pilot were encouraging with the scheme engaging with 34 North South partnerships in total. The programme will be rolled out in 2016 adding to our range of supports aimed at encouraging more successful North South collaborative applications to the H2020 programme.

As we look forward to next year, we will continue to evolve as an organisation to meet the challenges ahead and support businesses across the island for the mutual benefit of both economies. We will continue to make companies that participate in our programmes stronger and give them greater capability.

I would like to thank the Board and the InterTradelreland team, whose enthusiasm and dedication, drives the organisation forward. Together we look forward to the challenges and the rewards that 2016 will bring.



# Strategic Performance Summary

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# Strategic Performance Summary

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## Summary Performance Report – Corporate Plan 2014-2016

This 2015 Annual Report reports on the performance of the second year of InterTradelreland's Corporate Plan for 2014- 2016.

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.

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>1</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>1</sup> Return on expenditure is the ratio of Business Value generated by InterTradelreland programmes against the cost of delivering those programmes.

## Key Achievements for Year 2 of the 2014-2016 Corporate Plan:

- Total Business Value<sup>2</sup> Achieved [& Return on Expenditure].  
2015: £82M/€101<sup>3</sup> [13:1]
- We have provided North South business information and advice to 2,815 companies.
- 469 companies have participated on our North South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have reported that 1216 jobs have been created or protected as a result of their participation.
- 122 firms have become first time exporters.
- 82 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 a firm's 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%.

<sup>2</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 InterTradeIreland programme. Business value is captured through InterTradeIreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes

<sup>3</sup> 1=£0.81 (2015 Business Planning Guidance from DPER (Ireland) & DFP (Northern Ireland)).

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## Summary Performance Report - 2015 Business Plan

### 2015 Targets

#### Strategic Performance Indicator [Return on Expenditure 9:1]

Target: £55M/€68M 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.

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

Target: 2745 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 [Jobs]

Target: 1130 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: 52 companies to become first-time exporters through participation on an InterTradelreland Trade programme.

#### Key Performance Indicator 4 [First Time Innovators]

Target: 58 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.



**Table 1: 2015 Performance against Business Plan Targets**

REFERENCE	MEASURE	2015 TARGET	2015 PERFORMANCE
Strategic Performance Indicator	Return on Expenditure [Business Value Achieved]	9:1 [£55M/€68M]	13:1 £82M/€101M
Key Performance Indicator 1	Additional companies engaged in cross-border trade and business development	2745	2815
Key Performance Indicator 2	Total Jobs Impact	1130	1216
Key Performance Indicator 3	First Time Exporters	52	122
Key Performance Indicator 4	First Time Innovators	58	82



# Board Members

# Board Members 2015

## Board Members

During 2015 InterTradelreland had an Executive Board consisting of 12 members appointed by the North South Ministerial Council.

Four board members' terms expired on 12th December 2015 - Brendan Butler, Patricia McKeown, Ray Hayden and Hubert Brown Kerr.

Four new board members were appointed on 13th December 2015 – Patrick Joy, Paul O'Sullivan, Cllr Paul Greenfield and James Spratt.



### MARTIN CRONIN - CHAIRMAN

Martin Cronin was appointed Chairman of InterTradelreland in 2011. Prior to this he 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 a member of the Advisory Council for Science, Technology and Innovation.

He was Director of Operations in IDA Ireland, the agency responsible for the promotion of Foreign Direct Investment into the Republic of Ireland, from 1994 until 2002. During that time his responsibilities included the IDA's 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.



### JOANNE SPAIN – VICE CHAIR

Joanne Spain has been vice-chair of InterTradelreland for the past four years and a member of its audit committee. A graduate of Trinity College Dublin, Joanne 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.

She is now a full-time author, with her best-selling crime fiction books published by Quercus, London.



### HUBERT BROWN KERR

*(Term expired 12th December 2015)*

Hubert Brown Kerr is a fully qualified, award-winning baker who established his own business in 1989. Since then, he has built up a highly successful business selling biscuits to all of the major supermarket chains, and major health food stores, throughout the United Kingdom and Ireland. He has also opened depots in Paris, Chicago and Toronto from where he distributes extensively to the whole of Europe, North America and Canada. In the past he has worked with Bord Bia, the Irish Food Board, in promoting Irish produce and has represented Ireland on a number of promotional trips to North America and Canada. For the past 10 years he has also worked in an advisory capacity with the Bank of England. Hubert is involved in horse-racing and is well known in horse-racing circles in Ireland. He also has a keen interest in history and has been a contributor of artefacts to the Battle of the Boyne Museum in Drogheda.



### JACK GALLAGHER

Jack Gallagher was appointed to the Board of InterTradelreland in 2011. Born in Belfast, Northern Ireland in 1940, Jack is a graduate of Stranmillis College, Belfast; the Open University; and Queens University, Belfast. On his retirement in 1993 he had enjoyed thirty two years working as a teacher and as Vice Principal/Principal. In the period from 1979-1998 Jack represented FIFA as Honorary Instructor and Technical Adviser for Coach Education.

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.

From 1999-2007 he was a member of Northern Ireland Sports' Council including a four year term as Chair of Sports Development Committee; Chair of Audit Committee and V-Chair Safety in Sports' Grounds Committee. He was a member from 1994-97 of the N-S Liaison Committee. He is also a Board Member of Maze Long Kesh Development Corporation.

Married for forty eight years, he has two children and four grand children.

## Board Members 2015



### KEVIN NORTON

Kevin Norton was appointed as an InterTradelreland Board Member in 2011. Kevin 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.



### RAY HAYDEN

*(Term expired 12th December 2015)*

Ray Hayden is a Public Relations and Public Affairs consultant and has run his own business, Anglewise, for twenty years.

Prior to that, he worked extensively in print and broadcast journalism in both Northern Ireland and the Republic of Ireland. He was Industrial/Business Correspondent at UTV for ten years, and before that, was a Current Affairs and Parliamentary reporter and producer for BBC Northern Ireland. He has also reported extensively for ITN and Sky News.

An award-winning journalist, he was Deputy Editor of the 'East Antrim Times' in Larne and a general news reporter with the 'Connacht Tribune' in Galway and the 'Midland Tribune' in his home town of Birr, County Offaly.

From 2000 to 2002, he served as Special Adviser to the Minister for Enterprise, Trade and Investment (DETI), Sir Reg Empey, in the devolved administration in Northern Ireland, and was closely involved in the creation of InterTradelreland and the south-north gas pipeline project.





### **TIMOTHY MAYES**

Timothy Mayes was appointed InterTradelreland Board Member in 2011. Timothy 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. 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 1900 to 1926, Football and Ulster-Scots Culture.



### **PATRICIA McKEOWN**

*(Term expired 12th December 2015)*

Patricia McKeown is NI Regional Secretary of the public service union UNISON. She is lead negotiator and represents both UNISON and ICTU on a wide range of public policy forums.

Patricia has pioneered award winning union/ employer partnerships in health and social care including the successful job creation partnership in West Belfast with the Belfast Trust. Her union is a leader on workplace partnerships on lifelong learning and Continuing Professional Development.

Patricia is a feminist and lifelong campaigner for equality and human rights. She was Deputy Chairperson of the Equal Opportunities Commission (NI) and represented ICTU in the Bill of Rights Forum where she convened its Working Group on Socio-Economic Rights.

Patricia was Chair of the ICTU Northern Committee (2004-2006) and President of the Irish Congress of Trade Unions (2007-2009). She represented ICTU on the cross-border body InterTradelreland.

## Board Members 2015

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### BRENDAN BUTLER

*(Term expired 12th December 2015)*

Recently completed a 40 year career in the Public Sector and IBEC. Currently Chairman of Startup Ireland, a Board Member of InterTradelreland and Chair of its Equity Network. Also a Board Member of the Press Council of Ireland and the Institute of International and European Affairs (IIEA). Previously a member of the National Competitiveness Council, NESC, NESF, North South Roundtable Group and represented IBEC at Business Europe, ILO, IOE and BIAC.



### ROSEMARY DELANEY

Rosemary Delaney was appointed to the InterTradelreland Board in 2013. 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; it includes the flagship title WMB – the Irish Magazine for Businesswomen and the business website: Womenmeanbusiness.com. A year later, she launched the very successful annual WMB Conference and 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 (Orpen Press).



### PROFESSOR TERRI SCOTT

Professor Terri Scott was appointed as an InterTradelreland Board Member in 2013. Professor Scott is Principal/CEO of Northern Regional College ([www.NRC.ac.uk](http://www.NRC.ac.uk)). NRC has an enrollment of 16,000 students across 6 campuses in Northern Ireland. She took up her current role in October 2014 after serving 6 years as President of the Institute of Technology, Sligo. Professor Scott has previously held leadership positions in Dublin City University and the University of Ulster.

She has extensive experience of developing partnerships and collaboration with institutions across Europe, USA and Asia. She has been responsible for leading many commercial ventures and collaborative projects between industry and academia. From 2002-2006 she was Managing Director at Invest Northern Ireland responsible for entrepreneurship and regional development. During this time she has worked extensively with technology start-ups, SMEs and multinationals in promoting economic development and innovation. Terri has held several Board appointments and was a Director of the Industrial Development Agency (IDA) from 2007-2011.



### TERRY CROSSAN

Appointed to the InterTradelreland Board in 2014, 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 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 four years.

## Board Members 2015



### PATRICK JOY

*(Appointed 12th December 2015)*

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 five children and two 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, Seapoint and Co. Louth golf clubs. He is also a council member of the Irish Exporters Association.



### CLLR PAUL GREENFIELD

*(Appointed 12th December 2015)*

Paul Greenfield was elected to Armagh City, Banbridge and Craigavon Borough Council in May 2014. He is vice chair of the Economic Development and Regeneration Committee and also serves on the committees for Environmental Services, and Strategy and Community Planning.

Paul has 20 years experience working in the retail motor industry in some of Northern Ireland's leading dealerships. During the course of his career, Paul has enjoyed progressing through the business, from trainee sales, to business finance manager, sales manager and over ten years as General Manager. He currently manages three 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 and also Vice Chairman of his local DUP branch.

Paul is married, with three young children and lives in Waringstown.





### **PAUL O'SULLIVAN**

*(Appointed 12th December 2015)*

Paul O'Sullivan has worked in Dublin Institute of Technology since 1977, is a Director of the Institute and is Dean of the College of Business. 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 O'Sullivan 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 and 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 startups.



### **JAMES SPRATT**

*(Appointed 12th December 2015)*

James Spratt is a married man with four grown up sons and seven grandchildren. He 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 to 2014 and Chairman of the Assembly Executive Review Committee 2008-2011.

He served on the Committee of First and Deputy First Minister from 2007-2015.

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





# Organisation Profile

# Organisation Profile

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## Senior Management Team



### THOMAS HUNTER MCGOWAN, CHIEF EXECUTIVE

Thomas was appointed Chief Executive of InterTradelreland in 2012 and leads the organisation in fulfilling its mandate to enhance co-operation on North South trade and business development opportunities. Thomas reports to the Board and is responsible for the daily management of the organisation. Thomas spent three years as Director of Finance at Kildare County Council (with six months spent with the Local Government Efficiency Review Group) before coming to InterTradelreland. Prior to that, he spent 19 successful years at Swansea Cork Ferries Ltd as Managing Director. He was a board member of the Cork Chamber of Commerce and on the board of Chambers Ireland and sits on a number of other boards. Thomas is a graduate of University College Dublin and of University College Cork and is a Fellow of the Chartered Institute of Management Accountants and an Associate of the Institute of Chartered Secretaries and Administrators.



### **AIDAN GOUGH, STRATEGY AND POLICY DIRECTOR**

In his role as Strategy and Policy Director, Aidan formulates strategy to guide the work of the organisation, defining and implementing an economic and business research agenda to generate new policy ideas and initiatives that will boost North South economic co-operation to mutual benefit. Aidan is particularly involved in ensuring the implementation of a science, technology and innovation strategy for the Body. He also is responsible for building co-operative relationships with a range of stakeholders across the island and manages an extremely talented high performance team in Strategy and Policy. Aidan is a graduate of Queen's University, Belfast with an MBA and MSc in Economics. Prior to joining InterTradelreland, Aidan was Director of the Northern Ireland Economic Council.



### **LAURENCE LORD, CORPORATE SERVICES DIRECTOR**

Laurence leads the Corporate Services team in promoting and guiding the activities and governance of InterTradelreland. This highly professional team provide the Body's Communications, Human Resources, Finance and Information Technology functions. Previously, he spent twelve years in Australia and Southern Africa in senior roles in the financial services, dairy and security sectors as well as two years with a humanitarian organisation. Laurence also 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 a Graduate Certificate in Information Technology from Dublin City University.



### **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. 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 SMEs and early stage companies. She led the development of InterTradelreland's Equity Network Programme. She was appointed to her current position in December 2009.

# Organisation Profile

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## Directorates and Contacts

### 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 and 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.





# Strategy and Key Performance Indicators

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# Strategy and Key Performance Indicators

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## 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 Ireland and Northern Ireland. Also to 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 two 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 are set within the organisation's Annual Business Plans and reported each year. The 2015 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.



# Business Plan Performance Report

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# Business Plan Performance Report

## Business Plan Targets

### Strategic Performance Indicator [Total Business Value Achieved<sup>4</sup>]

Target: £55M/€68M 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 Indicator [Return on Expenditure<sup>5</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: 2745 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: 1130 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: 52 companies to become first-time exporters through participation on an InterTradelreland Trade programme.

### Key Performance Indicator 4 [First Time Innovators]

Target: 58 companies to become first-time Innovators through participation on an InterTradelreland Trade programme.

<sup>4</sup>€1=£0.81 (2015 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>5</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.

**Table 1: 2015 Performance against Business Plan Targets**

BALANCED SCORECARD REFERENCE	MEASURE	2015 TARGET	2015 PERFORMANCE
<b>Stakeholder Value</b>			
Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.	- Return on Expenditure	9:1	13:1
	- First Time Innovators	58	82
	- First Time Exporters	52	122
	- Total Jobs Impact	1,130	1,216
	- Efficiency Savings	4%	4%
<b>Customer Value</b>			
Increase the number of companies benefiting from North South business.	- Number of companies engaged in North South business through InterTradelreland Trade and Innovation Activities & Services	2,745	2,815
	- Total Business Value achieved through InterTradelreland Trade and Innovation Activities & Services.	£55m/€68m	£82m/€101m



# Business Plan Performance Report

## Programme Area Report

### Trade

#### Acumen

Acumen is a trade programme designed to stimulate cross-border business for SMEs. Phase 4 of the Programme commenced in January 2014 and recruitment of companies to the programme has continued to be steady with a total of 134 applications to the end of 2015 resulting in 103 approvals. The final group of 14 graduates recruited under the Acumen Programme completed their Level 7 Postgraduate Diploma in Leadership and Management by the Institute of Leadership and Management (ILM) in June. During 2015 companies that had previously completed Acumen projects reported business value of £16.9m/€20.9m and a jobs impact of 504.

#### Elevate



Thomas Hunter McGowan, InterTradelreland with Alistair Carson, Advanced Machinery Installation Limited, an Elevate participant.

Elevate focuses on helping micro enterprise to take the first steps in exporting and explore opportunities in a new cross-border market. In 2015 Elevate received 514 enquiries from SMEs and 139 applications which resulted in 79 companies being approved for support. In a recent pilot collaboration with Waterford Local Enterprise Office, 13 companies were supported through attending a series of pre planned meetings with potential customers in Northern Ireland. A total of 65

meetings were held and initial feedback has been very positive.

In August the Elevate team implemented a new pilot initiative to provide additional consultancy time to follow-up and support companies in the short term after the conclusion of their main Elevate project. Feedback from the companies and the marketing advisors has shown that very often an Elevate project comes to a conclusion at a point when the consultant has identified and facilitated introductions to a number of sales leads for a company. However, left on their own at such a critical stage, a company often lacks the skills and confidence to see the introductions through to a successful conclusion. In addition there are certain sectors that require a long lead in time before companies will have an opportunity to 'quote'. It is at this point, potentially 3 to 6 months after project completion, that companies will require additional support/guidance/mentoring to secure the actual sale. Companies that have participated under phase 4 of Elevate were offered the opportunity to make a case for additional consultancy support, 7 applications were received and 6 were approved. Monitoring of companies in 2015 that have previously completed Elevate projects identified a business value of £515k/€636k and a jobs impact of 30.

#### Tendering

Public Procurement, a market worth around £2.8bn in Northern Ireland and €12bn in Ireland, provides a very important business opportunity, especially for SMEs during the current difficult trading conditions.

A Meet the Buyer event was delivered in Belfast on 17th June, with Minister Jonathan Bell MLA, Minister of Enterprise, Trade and Investment, outlining the importance of public tendering to the island's SME community and the potential opportunities presented by buyer organisations attending. A total

of 510 suppliers attended which represented an 18% increase on the previous year. The 94 buyers present represented over 40 buying organisations and more than 10 business support organisations attended to promote company support programmes. A Dublin based Meet the Buyer event was opened by Minister Simon Harris TD, Minister of State, on the 21st October and attended by 693 suppliers. A total of 147 procurement professionals and business support staff were present to provide information and support. Over 100 companies attended the NI Water Supplier day on 26th March to meet Category buyers and learn about our range of support programmes.



Minister Jonathan Bell MLA with Margaret Hearty, InterTradelreland at Belfast Meet the Buyer event.

Our Go-2-Tender programme provides businesses with the confidence, knowledge and skills to tender successfully for public sector contracts. In 2015 InterTradelreland delivered 16 standard workshops and 2 advanced workshops with a total of 221 companies attending; in addition half day mentoring has been delivered to over 50% 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 the establishment of the OGP. Twelve presentations have been delivered and work is progressing with

the LEOs to increase SME participation through introducing a 'Lite' version of the programme. Four half day workshops have been delivered.



Minister Simon Harris TD speaking at Dublin Meet the Buyer event

The Consortia Facilitator service aims to support companies in the development of consortia to bid for new larger public procurement contracts. Four information seminars were delivered in Dublin and Belfast to inform and recruit participants, over 91 SMEs attended these seminars. Three Consortia applications have been supported in 2015.

## Science, Technology & Innovation

### FUSION

FUSION is our technology transfer programme which provides companies with new product or process development needs through access to a three-way partnership that includes a third-level research institution with specialist expertise and a high-calibre science or technology graduate. FUSION is helping many companies in the current economic climate to re-invent themselves and re-build their business as well as helping other companies to lead their sector and industry 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 business.

# Business Plan Performance Report



*Tyrone based CDEnviro receiving FUSION Exemplar Award*

Each year a number of projects are selected as 'FUSION Exemplars' to showcase the achievements of the projects and benefits to the companies, academic institutions and graduates involved. For 2015 the exemplar projects were carried out by ABC Nutrition (Clare) with Ulster University, CDEnviro (Tyrone) with Trinity College Dublin, Davra Networks (Dublin) with Southern Regional College, Gallagher's Bakery (Donegal) with CAFRE and Malone Farm Machinery (Mayo) with South West Regional College. During 2015 the FUSION team visited over 160 companies and InterTradelreland has approved 68 projects for support. A total of 58 projects have commenced this year, with each creating a valuable graduate job. In 2015 companies that had previously completed FUSION projects reported a business value of £27m/€33m and a jobs impact of 352.



*Dublin based Davra Networks receiving FUSION Exemplar Award*

## 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 now in the final phase of delivery. Monitoring of companies this year that had previously participated in Innova has identified a business value of £21.6m/€26.7m and a jobs impact of 156.

## 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 2015 over 220 companies have been reached and workshops will have been delivered to over 70 companies. In December 18 places were offered on the intensive support phase to add to the 34 companies who have already accepted this intensive support to help embed a proven, sustainable, repeatable innovation process in their company. To date this year monitoring of companies that have previously undertaken the Challenge programme reported a business value of £4.3m/€5.3m and a jobs impact of 42.

## 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.

February saw the launch of the Funding for Growth advisory service with launch events in Belfast and



Dublin attended by several hundred delegates. In 2015, 12 workshops and 20 advisory clinics were held at various venues across the island. A total of 761 SMEs attended the events during the year.



*Minister Richard Bruton TD speaking at this year's Venture Capital Conference in Dublin*

InterTradelreland held its 14th annual Venture Capital Conference on Wednesday 11th March in The Helix at Dublin City University. Kernel Capital and Eugene F. Collins were once again event sponsors. A total of 304 delegates attended the event which was very well supported by the investor community. Speakers included Minister Richard Bruton TD, Ian Duffy, former Chairman of FeedHenry and Niamh Bushnell, Dublin Commissioner for Startups.

The Halo business angel networks across the island reported 50 deals in 2015. This compares favourably to 48 deals in 2014. These deals represented £8.6m/€10.6m direct angel investment which in turn leveraged €26.5m (2014 - €20.7m) additional investment, facilitating a total of €37m (2014 - €30m) investment into early stage companies. Syndicate groups continue to demonstrate capacity to close large deals and new syndicate groups centered on FinTech and the Irish Diaspora were being explored.

In 2015 a series of 27 regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Galway, Letterkenny, Limerick, Waterford, Sligo and Cork with 139

companies availing of advice from a venture capital professional on their fund raising plans and signposting to potential funding sources.

The 2015 Seedcorn Investor Readiness Competition was launched at the Venture Capital Conference on 11th March. A total of 23 promotional workshops were held across the island with 228 companies attending, and of these 102 submitted an application. Overall the competition attracted a total of 290 registrations, with 223 submitting an application form. Following assessment of initial applications 170 companies were invited to submit a full business plan. In total, 76.2% of applications were shortlisted compared to 68.7% in 2014 reflecting an increase in the quality of applications. This year, 121 business plans were received compared to 102 in 2014. Prior to the regional finals in November all 24 finalist companies were invited to avail of an investment pitch master class. The final awards ceremony was held in Dublin, with 195 guests attending. The event was attended by Minister Richard Bruton TD, Minister for Jobs, Enterprise and Innovation. Prior to the final 4 regional finals took place in Cork, Athlone, Dublin and Belfast and at the final ceremony, Ocean Survivor from Limerick was announced as overall winner and received a milestone based award of €100,000. The company has developed a system for the off-shore oil and gas industry which works alongside existing lifejackets and aims to extend survival time in cold water by actively donating heat to the core body elements. The title for Best Early Stage Company and winning a milestone-based prize fund of €50,000 was awarded to Sirius XT from Dublin. The company has developed a machine which uses soft X-Rays to obtain 3D cell images which will allow drug companies to understand better how diseased cells grow. In 2015 companies previously shortlisted in the Seedcorn Competition reported as £3.4m/€4.2m in new equity was raised.

# Business Plan Performance Report



*Overall 2015 Seedcorn Winner, Kieran Normoyle from Ocean Survivor, Limerick*

Six Business Planning Workshops were held this year. Attendances were up reflecting the fact that Seedcorn applicants value them as part of their preparation for the competition. Five Venture Capital Case study workshops were held including one held in October 2015 to coincide with the Startup Gathering as part of the Department for Jobs, Enterprise and Innovation Action Plan for jobs. In October InterTradelreland in association with the Irish Venture Capital Association launched the latest edition of 'A Guide to Venture Capital'. Two events, an equity advice clinic and a Venture Capital Case Study were held in Dublin and Cork to coincide with the Start Up Gathering week in October.

## Horizon 2020 Support Programme

During 2015 InterTradelreland has continued to expand its Horizon 2020 activities with a view to increasing joint North South participation in the H2020 programme.

In this period, the financial support provided by the Cross-Border and EU Travel schemes enabled 18 new cross-border meetings to take place between prospective H2020 partners, and enabled 20 established North South partnerships working on new proposals to extend their consortium building activities in Europe. These measures have supported

a total of 73 researchers and businesses across the island. InterTradelreland is aware that at least six projects supported by these schemes have achieved success, resulting in a jobs impact of 12. The H2020 Enquiry Service provided information and advice to over 104 individuals and the Horizon 2020 App, which was launched in December 2013, has achieved an impressive 621 users of which 41% are from industry. In addition, InterTradelreland delivered seven 'Focus On' events looking at opportunities around the Marie Curie Actions, SC5 (Environment), and ICT parts of the programme along with a specialist event on how to deliver impact and a larger-scale event looking at opportunities in SC2 (Agri-food & The Marine). The objective of Focus On events is to provide opportunities for North South engagement around specific topics in the H2020 programme.



*Minister Ann Phelan TD addressing delegates at Horizon 2020 SC2 Conference*

The 5th annual Collaborate to Innovate Conference took place on 23rd October 2015 in Belfast. This all-island event was aimed at current or future Horizon 2020 applicants with a view to encouraging North South partnerships and helping them to write competitive Horizon 2020 proposals. Over three sessions, delegates heard from Dr Sean McCarthy and Dr John Dinsmore and had the opportunity to have one-to-one meetings with representatives



from the Horizon 2020 support networks in both jurisdictions. This successful event attracted 107 delegates from industry and academia on both sides of the border.

The new Competitive Partnerships for Horizon 2020 Pilot Programme finished in December 2015. This initiative was open to all successful and unsuccessful North South applicants to Horizon 2020, offering an expert advisory service with a view to identifying additional resubmission opportunities. A number of advisory workshops were also held in the University of Ulster, Dublin City University and University College Dublin. Additional individual industry engagements also took place. Overall, the results of the pilot are very encouraging with this scheme engaging with 34 North South partnerships in total. 19 partnerships received an ESR analysis and advisory report, and from this group 12 are intending to make a new or resubmission to a future Horizon 2020 call and two partnerships are making submissions to the MSCA call closing in January 2016. These opportunities would not have been pursued outside of the pilot. The programme will be rolled-out in 2016.

As well as actively participating at meetings held by the various groups associated with both support networks i.e. High Level Group, National Support Network, the NICP network and NI H2020 Steering Panel. The All-Island Steering Group, chaired by InterTradelreland, has met three times since January 2015. InterTradelreland has produced two video case studies for the ENACT and WASTCARD projects to showcase the benefits of working on a North South basis.

## US-Ireland R&D Partnership

The US-Ireland R&D Partnership steering group met on 13th November and reported a total of 27 successful projects that have a combined investment value of €43m/£32m/\$49m. These projects include two inaugural centre-to-centre collaborations that have been supported under the new Memorandum of Understanding with the National Science Foundation. 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 of Employment and Learning and Invest NI.

The meeting also marked the announcement of an extension of the Partnership to include agriculture research. A delegation of U.S. officials, led by Deputy Under Secretary Dr. Ann Bartuska, USDA's Research, Education and Economics mission area, and Acting Deputy Assistant Secretary for Science, Space and Health, Dr. Jonathan Margolis, U.S. State Department, attended the meeting to formalize the expansion. The agriculture component of the Partnership, in its pilot phase, will focus on plant-associated micro-organisms and plant-microbe interactions; plant-associated insects and nematodes; animal health and disease; and animal nutrition, growth, and lactation.

## All-Island Innovation Programme

A new one-year All-Island Innovation Programme was launched in 2015. This is based on the most valued aspect of the previous programme - the opportunity to engage with an invited international or European innovation expert in a smaller, more focused masterclass setting. Over the year 10 masterclasses will be delivered across the four

# Business Plan Performance Report

partnering universities; University College Cork (UCC), Queen's University Belfast (QUB), National University of Ireland, Galway (NUIG) and University College Dublin (UCD). In addition, to increase the mobility and interaction of academics across the four universities, expose local industry leaders to new research and increase potential for new H2020 research collaborations, each university will host a specialised seminar, delivered by national experts from the other partnering universities.

In the first 10 months of the programme, eight masterclasses have taken place. Tom Lawton, Professor of Strategy and International Management and Director of the Government Affairs Research Club (GARC) at the Open University Business School, UK delivered two masterclasses in UCC. These focused on building an appealing value proposition to existing and potential customers and how to configure and improve on an efficient and effective business model. Dr Martin Kalungu-Banda, Core-Faculty Member of the Presencing Institute and visiting faculty for the University of Cambridge Institute for Sustainability delivered two masterclasses in UCD. These focused on Frameworks for Leadership – Change, Innovation and Creativity. Professor John Bessant, Chair of Innovation and Entrepreneurship at the University of Exeter, UK delivered two masterclasses in QUB. These focused on building an effective innovation ecosystem. The most recent masterclasses have been delivered in UCC by Dr Marcel Bogers from the University of Copenhagen. The topics covered included new business models and open innovation. There have been over 260 attendees at the first six masterclasses with 56% coming from industry. The final events will take place in January and February 2016, with Nigel Biggs, Passionate Innovation and Professor Julian Birkinshaw, London Business School delivering events at UCD and QUB respectively.

## Business Research and Policy Development Activities

### Business Monitor

InterTradelreland's quarterly Business Monitor Survey is the largest and most comprehensive business survey covering business owners' views in both Ireland and Northern Ireland and interviews conducted with 750 SMEs. The Business Monitor has now built up nine years of data tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting activity.

The Quarter 3 2015 Business Monitor (July-September) provides further evidence that the recovery has spread to all sizes and sectors of firms, 42% of these are stable with 42% growing, and that growth in Ireland's firms is stronger than that in Northern Ireland's. As shown in Quarter 2 2015 the recovery is being driven by around 40% of all firms. They are businesses with more than 10 employees and those engaged in cross-border trade or exporting. Innovation, skills, recruiting the best people and ambition to grow are all key characteristics of the fastest-growing businesses. The InterTradelreland Business Monitor continued to receive extensive media coverage in Ireland and Northern Ireland in 2015 and has further strengthened its position as the key all-island business survey for policy makers.

### Research Publications

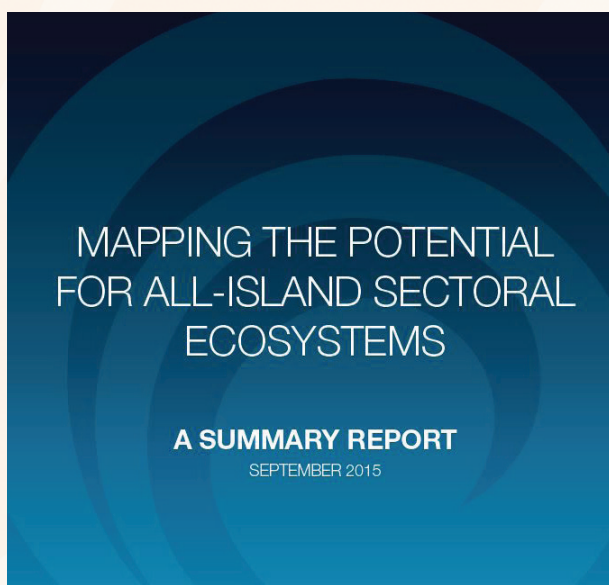
InterTradelreland carries out business and economic research activities to identify the opportunities and barriers affecting increased levels of trade and business development co-operation between Ireland and Northern Ireland. In 2015 there were 3,093 downloads of policy publications from the InterTradelreland website, 56% of these by business users.



Two reports, for which research began in 2014, were published in 2015. In February 'SMEs, Credit Constraints and Growth: A Cross-Border Study', which followed up on previous research by InterTradelreland on access to finance and used data from the Business Monitor from 2012 and 2014, was published with press coverage and a workshop held in Dublin. The report shows that, as the economy recovers, and moves from crisis to more normal conditions, some structural issues remain in the market for finance for SMEs. Despite an overall improvement in the financing environment that has eased credit constraints and financial distress for all types of firms, the report shows that we continue to observe small and younger firms across both jurisdictions experiencing greater difficulty accessing finance. The report concludes that "informational opacity" is a key cause of this structural defect and that supporting access to finance from this group of firms should be an ongoing policy objective.

in November 2015. It is based on extensive research undertaken by a consortia including The Economic and Social Research Institute, Queen's University, Maynooth University and Dublin City University. The report proposes a new framework which sets the areas in which potential benefits could be expected from all-island sectoral ecosystems and the ways in which these might be realised. Using a new measurement index, the research identifies and maps sectoral concentrations on an all-island basis. Finally, based on case study analysis of three sectors (pharmaceuticals, medical devices and software) the report presents a series of potential opportunities which could enhance the development of new all-island sectoral ecosystems. These are different, depending on the sector, but arise particularly in the areas of research, technology and innovation and education and training.

Research began in June 2015 on two new research projects: 'Key characteristics of an innovative SME on the island of Ireland' and 'Funding for Growth: The business angels market on the island of Ireland'.



The second report, entitled 'Mapping the Potential for All-island Sectoral Ecosystems' report, undertaken by a consortia including ESRI, Queen's University, NUI Maynooth and DCU, was published

### Trade Statistics Website

The interactive web-based North South statistics portal, which has been highlighted for good practice in providing useful business and policy intelligence in the OECD review of cross-border cooperation in innovation, continues to be widely consulted for its accessible data and charts. There were 390 downloads of data and charts in 2015, with cross-border flows in trade, tourism and shopping most popular, and 1,459 page views and 1,203 unique views of the website. The 2014 cross-border trade figures show a 0.7% increase over 2013 to a total of €3.07/£2.45 billion.





# Audited Accounts

## FOREWORD TO THE ACCOUNTS

### Background Information

InterTradelreland - The Trade and Business Development Body (the Body) - is a North South implementation body sponsored by the Department of Enterprise Trade and Investment in Northern Ireland 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 2015 - 31 December 2015

The results of InterTradelreland are set out in detail on pages 60-84. The deficit for the period was £467,185( €643,643) (2014: *surplus* £94,284(€116,960)).

### Fixed Assets

Details of movement of fixed assets are set out in Note 8 and Note 9 to the accounts.

During 2015 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. Activities will include an expansion of support which aims to increase North/South participation in the EU Horizon 2020 programme, a Research & Innovation programme designed to boost jobs and growth across Europe. The Body will also execute a programme of economic and business research.

### Future Developments

The Body is implementing its 2014-2016 Corporate Plan. The priority areas of activity for this period are Exporting and Innovation. These are aligned to government economic policies in Northern Ireland and Ireland, which identify Exports and Innovation as

key drivers of future economic recovery and future competitiveness.

### **Future Commitments**

As at 31 December 2015, the Body has future programme expenditure commitments potentially amounting to £9,102,571 (€12,402,253). These commitments relate to Letters of Offer and delivery agent contracts of varying durations, which were issued in 2015 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.

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

#### **Northern Ireland Sponsor Department**

As a result of a restructuring within the Northern Ireland Civil Service, from 9 May 2016, InterTradelreland's Sponsor Department in Northern Ireland is the Department for the Economy.

#### **Approval of 2016 Business Plan**

At the date of approval of these accounts, InterTradelreland's 2016 Business Plan had not been formally approved by the North South Ministerial Council (NSMC). The Northern Ireland Sponsor Department has adopted a position where it will only fund the Body once the Business Plan is approved by the NSMC. It is anticipated that the 2016 Business Plan will be approved by the NSMC in June 2016. Until then, the entirety of the Body's activities is being funded by the Southern Sponsor Department. Thereafter it is anticipated that the normal funding protocols will be re-instated such that the agreed 2:1 funding ratio will apply during 2016.

### **Premises lease**

The lease for the InterTradelreland office premises expires after September 2016. As at the date of approval of these accounts, negotiations were at an advanced stage to enter into a new lease for the current premises.

### **Charitable Donations**

There were no charitable donations made by InterTradelreland during 2015.

### **Business Plan**

InterTradelreland's 2015 Business Plan was approved by the North South Ministerial Council on 5 March 2015.

### **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)

Ms Joanne Spain (Vice Chairperson)

Mr Brendan Butler (term completed 12 December 2015)

Mr Jack Gallagher

Mr Ray Hayden (term completed 12 December 2015)

Mr Hubert Brown Kerr (term completed 12 December 2015)

Mr Timothy Mayes

Ms Patricia McKeown (term completed 12 December 2015)

Mr Kevin Norton

Ms Rosemary Delaney

Professor Terri Scott



Mr Terry Crossan

Mr Paul Greenfield (appointed 13 December 2015)

Mr James Spratt (appointed 13 December 2015)

Mr Patrick Joy (appointed 13 December 2015)

Mr Paul O'Sullivan (appointed 13 December 2015)

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. Ms Margaret Hearty was designated as Accounting Officer on 1 October 2014 during a period of extended absence of the Chief Executive. Mr Hunter McGowan reassumed his position as Accounting Officer on his return to work in February 2015.

## 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 dependents.

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 2,559. 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 2015

In 2015, InterTradelreland consumed 206.4 MWh of energy, comprising:

- 100.710 MWh of electricity
- 205.708 MWh of fossil fuels;
- 0 MWh of renewable fuels.

In 2015 InterTradelreland further reduced overall energy consumption, however there was an increase in natural gas consumption attributable to unseasonably cool weather experienced during the spring and summer of 2015.

### Actions Undertaken in 2015

Measures taken during 2015 to improve energy performance included:

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

### Actions Planned for 2016

In 2016 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°.

**Thomas Hunter McGowan**  
**Chief Executive**

**Date: 9 June 2016**

## STATEMENT OF RESPONSIBILITIES

### Trade and Business Development Body 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 judgments and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that 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: 9 June 2016**

## 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 of Enterprise Trade and Investment in Northern Ireland (DETI) 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 2015 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 up to 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. InterTradelreland 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 2015. Risk management has been incorporated into the corporate planning and decision making processes of InterTradelreland.

During 2015 further refinements were made to the Body's risk management processes. 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.

During 2014 the Northern Sponsoring Department had signalled that the level of funding it would

make available to the Body was likely to reduce significantly in the immediate 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 for the Corporate Plan. However, the Northern Sponsoring Department has adopted a position where it will only fund the Body once the 2016 Business Plan has been approved by the NSMC. The earliest time this approval will be secured is mid 2016. Until such time as it is secured, the entirety of the Body's activities will be funded by the Southern Sponsoring Department. Thereafter it is anticipated that the normal funding protocols will be re-instated such that the agreed 2:1 funding ratio will apply during 2016.

## 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 Reports 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 2015 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 2015 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 2015, the Body's internal auditors, ASM, conducted audits in respect of Corporate Governance, Fraud and Risk Management, a high level review of Financial Systems, and Programmes - Programme Claims. The level of assurance awarded was 'substantial' for the Financial Systems audit, and 'satisfactory' for the Corporate Governance, Fraud and Risk Management, and Programmes audits. The internal auditors also performed a follow-up review of recommendations made during previous audits undertaken in 2013 and 2014.
- An annual statement of assurance, in respect of 2015, from the Internal Auditors. They expressed the opinion that 'InterTradelreland's systems in relation to risk management, control and governance provided 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 (DETI and DJEI) and Finance Departments (DPER and DFP);
- The application of the provisions of the Financial Memorandum in conjunction with the above Departments;
- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of its sister agencies so as to continually strive for best practice in terms of programme delivery and propriety.

As a North/South Implementation Body jointly sponsored by the Department of Enterprise Trade and Investment 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: 9 June 2016**

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

We have audited the accounts of InterTradelreland (the Body) for the year ended 31 December 2015 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 an 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 our 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 that 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 recorded 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 recorded 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 accounts directions, of the state of the Body's affairs as at 31 December 2015 and of its deficit, total recognised gains and losses and cash flows for the year then 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 by exception if:

- adequate accounting records have not 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 accounts; 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.

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

**13 June 2016**

**Mr Seamus McCarthy**  
**Irish Comptroller and Auditor General**  
**3A Mayor Street**  
**Dublin 1**  
**Ireland**

**17 June 2016**

## InterTradelreland

### Income and Expenditure account for Financial Year 1 January 2015-31 December 2015

	NOTES	2015	2014	2015	2014
		£	£	€	€
<b>INCOME</b>					
Revenue Grants from Departments	2	8,229,283	9,307,358	11,337,483	11,545,778
Capital Grant Release from Departments	13	35,096	42,720	48,352	52,994
Other Operating Income	3	641,540	668,175	883,849	828,872
<b>TOTAL INCOME</b>		<b>8,905,919</b>	<b>10,018,253</b>	<b>12,269,684</b>	<b>12,427,644</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	2,260,447	2,323,985	3,114,219	2,882,903
Depreciation	8 and 9	35,096	42,720	48,352	52,994
Other Operating Costs	6	798,712	841,345	1,100,387	1,043,689
Programme Costs	7	6,277,590	6,714,564	8,648,635	8,329,417
		<b>9,371,845</b>	<b>9,922,614</b>	<b>12,911,593</b>	<b>12,309,002</b>
<b>(Deficit)/Surplus before tax</b>		(465,926)	95,639	(641,909)	118,641
<b>Corporation Tax Payable</b>	6 (b)	(1,258))	(1,355)	(1,734)	(1,681)
<b>(Deficit)/Surplus for the period</b>		<b>(467,185)</b>	<b>94,284</b>	<b>(643,643)</b>	<b>116,960</b>
<b>(Deficit)/Surplus for period transferred to General Fund</b>		<b>(467,185)</b>	<b>94,284</b>	<b>(643,643)</b>	<b>116,960</b>
<b>Statement of total recognised gains and losses</b>					
(Deficit)/Surplus for the year		( 467,185)	94,284	( 643,643)	116,960
Actuarial gains/(losses)	15	749,307	( 204,323)	1,032,320	( 253,463)
Adjustment to Deferred Pension Funding		( 749,307)	204,323	( 1,032,320)	253,463
<b>Total recognised (loss)/gain for the year</b>		<b>(467,185)</b>	<b>94,284</b>	<b>(643,643)</b>	<b>116,960</b>

All amounts above relate to continuing activities.

The notes on pages 63 to 83 form part of these accounts, together with Appendix A on page 84.

## InterTradelreland

### Balance Sheet as at 31 December 2015

	NOTES	2015	2014	2015	2014
		£	£	€	€
<b>FIXED ASSETS</b>					
Intangible Assets	8	5,023	2,661	6,844	3,416
Tangible Assets	9	41,314	61,915	56,290	79,493
		<b>46,337</b>	<b>64,576</b>	<b>63,134</b>	<b>82,909</b>
<b>CURRENT ASSETS</b>					
Debtors	10	186,477	112,142	254,075	143,979
Cash at bank and in hand	14	2,053,998	2,740,590	2,798,572	3,518,644
		<b>2,240,475</b>	<b>2,852,732</b>	<b>3,052,647</b>	<b>3,662,623</b>
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	11	1,625,910	1,540,391	2,215,302	1,977,708
Provisions - amounts due in less than one year	12	193,824	424,415	264,085	544,906
		<b>1,819,734</b>	<b>1,964,806</b>	<b>2,479,387</b>	<b>2,522,614</b>
<b>NET CURRENT ASSETS</b>		<b>420,741</b>	<b>887,926</b>	<b>573,260</b>	<b>1,140,009</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<b>467,078</b>	<b>952,502</b>	<b>636,394</b>	<b>1,222,918</b>
Pension Liabilities	15.2	( 7,490,117)	( 7,623,807)	( 10,205,284)	( 9,788,206)
Deferred Pension Funding	15.5	7,490,117	7,623,807	10,205,284	9,788,206
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>467,078</b>	<b>952,502</b>	<b>636,394</b>	<b>1,222,918</b>
Financed by :					
<b>CAPITAL AND RESERVES</b>					
General Fund	13	420,741	887,926	573,260	1,140,009
Capital Grant Reserve	13	46,337	64,576	63,134	82,909
		<b>467,078</b>	<b>952,502</b>	<b>636,394</b>	<b>1,222,918</b>

The notes on pages 63 to 83 form part of these accounts, together with Appendix A on page 84.

**Thomas Hunter McGowan**  
Chief Executive

**Date: 9 June 2016**

## InterTradelreland

### Cash Flow Statement for the year 1 January 2015 - 31 December 2015

Net cash (outflow)/inflow from Operating Activities	14	( 691,649)	( 281,811)	( 727,038)	( 106,940)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest Received		6,412	6,778	8,833	8,409
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire Fixed Assets	9	( 16,858)	( 19,439)	( 23,225)	( 24,114)
<b>TAXATION</b>					
Corporation Tax Paid		( 1,355)	( 1,547)	( 1,867)	( 1,919)
<b>FINANCING</b>					
Grant Received for Capital Purposes	13	16,858	19,439	23,225	24,114
<b>(Decrease) in Cash</b>	14.2	<b>( 686,592)</b>	<b>( 276,580)</b>	<b>( 720,072)</b>	<b>( 100,450)</b>

The notes on pages 63 to 83 form part of these accounts, together with Appendix A on page 84.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 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 DFP 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 2015.
- 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 of Enterprise, Trade and Investment.

Financial Reporting Standard (FRS) 17 covers retirement benefits. The liability at 31 December 2015 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 Xafinity Consulting. 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 2015 and comparative figures for 2014.

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=€1.3625(2014:£1=€1.2839) and the average rate used for the Income and Expenditure Account was £1= €1.3777 (2014:£1=€1.2405). 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.

## 2. GRANT FROM THE DEPARTMENTS

### 2.1 Financial Year 1 January 2015 - 31 December 2015

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>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>

### 2.2 Financial Year 1 January 2014 - 31 December 2014

Revenue Grant	3,103,030	3,799,871	6,204,328	7,745,907	9,307,358	11,545,778
Capital Grant	6,480	8,038	12,959	16,076	19,439	24,114
	<b>3,109,510</b>	<b>3,807,909</b>	<b>6,217,287</b>	<b>7,761,983</b>	<b>9,326,797</b>	<b>11,569,892</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 DETI(Northern Ireland)(1).

As a result of reduced availability of funding from DETI 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.

## 3. OTHER OPERATING INCOME

Other operating income comprises:

	NOTE	2015	2014	2015	2014
		£	£	€	€
Bank interest receivable		6,412	6,778	8,833	8,408
Conference Income		19,511	23,288	26,880	28,889
Staff secondment		-	3,578	-	4,439
Net deferred funding for pensions	15.4	615,617	634,531	848,136	787,136
		<b>641,540</b>	<b>668,175</b>	<b>883,849</b>	<b>828,872</b>



#### 4. STAFF COSTS AND BOARD REMUNERATION

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

		2015	2014
Permanent Staff		2	2
		11	11
			10
		16	16
Agency / Temporary staff		1	1
		40	40

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:

	2015	2014	2015	2014
	£	£	€	€
Salaries & Wages	1,392,482	1,435,194	1,918,422	1,780,358
Social Security Costs	109,579	115,151	150,968	142,845
Other Pension Costs - Current service and interest costs	674,008	692,070	928,581	858,512
Amounts payable in respect of Agency/Temporary staff	15,654	19,890	21,567	24,674
<b>Total Staff Costs</b>	<b>2,191,723</b>	<b>2,262,305</b>	<b>3,019,538</b>	<b>2,806,389</b>
Board Remuneration	68,724	61,680	94,681	76,514
<b>Total Board Costs</b>	<b>68,724</b>	<b>61,680</b>	<b>94,681</b>	<b>76,514</b>
<b>TOTAL BOARD AND STAFF COSTS</b>	<b>2,260,447</b>	<b>2,323,985</b>	<b>3,114,219</b>	<b>2,882,903</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 2015 fell within the following bands:**

	2015	2014
£40,000 - 49,999	10	7
£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>14</b>	<b>11</b>

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

	SALARY 2015	SALARY 2015	SALARY 2014	SALARY 2014
	£	€	£	€
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	86,408	62,719	77,803
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 2015 or 2014.

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

	FEES 2015	FEES 2015	FEES 2014	FEES 2014
	£	€	£	€
Mr Martin Cronin (Chairman)	8,688	<b>11,970</b>	9,649	<b>11,970</b>
Ms Joanne Spain (Vice Chairperson)	7,135	<b>9,830</b>	7,925	<b>9,830</b>
Mr Brendan Butler (term completed 12 December 2015)	5,585	<b>7,695</b>	6,203	<b>7,695</b>
Mr Jack Gallagher	<b>5,235</b>	7,212	<b>5,235</b>	6,494
Mr Ray Hayden (term completed 12 December 2015)	<b>5,235</b>	7,212	<b>5,235</b>	6,494
Mr Hubert Brown Kerr (term completed 12 December 2015)	-	-	-	-
Mr Timothy Mayes	<b>5,235</b>	7,212	<b>5,235</b>	6,494
Ms Patricia McKeown (term completed 12 December 2015)	<b>5,235</b>	7,212	<b>5,235</b>	6,494
Mr Kevin Norton	5,585	<b>7,695</b>	6,203	<b>7,695</b>
Ms Rosemary Delaney	5,585	<b>7,695</b>	6,203	<b>7,695</b>
Professor Terri Scott	<b>5,235</b>	7,212	<b>1,745</b>	2,165
Mr Terry Crossan	<b>5,235</b>	7,212	1,225	<b>1,519</b>
Mr Paul Greenfield (appointed 13 December 2015)	-	-	-	-
Mr James Spratt (appointed 13 December 2015)	-	-	-	-
Mr Patrick Joy (appointed 13 December 2015)	-	-	-	-
Mr Paul O'Sullivan (appointed 13 December 2015)	-	-	-	-

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

In addition a total of £5,054(€6,962 being the Euro equivalent) was paid to Board members to cover travel and subsistence expenses during the year 2015. 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 2015 or 2014. Mr Hubert Brown Kerr waived his Board fees in respect of 2015.

**(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2015:**

	REAL INCREASE/ (DECREASE) IN PENSION AND RELATED LUMP SUM AT AGE 60 IN 2015 £'000	TOTAL ACCRUED PENSION AT AGE 60 AT 31 DECEMBER 2015 £'000	REAL INCREASE IN PENSION AND RELATED LUMP SUM AT AGE 60 IN 2014 £'000	TOTAL ACCRUED PENSION AT AGE 60 AT 31 DECEMBER 2014 £'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	2.5 - 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 of Enterprise Trade and Investment 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

	2015	2014	2015	2014
	£	£	€	€
Travel and Subsistence	19,907	13,712	27,426	17,010
Postage, Stationery, Telephone	37,827	46,714	52,114	57,949
Currency Loss	32,733	61,519	45,096	76,314
Rent and Rates	252,804	255,786	348,287	317,303
Heat, Light and Power	25,258	25,471	34,798	31,597
Maintenance	41,465	15,563	57,127	19,306
Promotion and Web Development	72,484	164,570	99,862	204,149
Professional Fees	24,170	4,773	33,299	5,921
Meeting Costs	3,561	633	4,907	785
Internal Audit	8,826	8,976	12,160	11,135
External Audit	22,000	22,000	30,309	27,291
Recruitment Costs	11,309	1,768	15,580	2,193
Insurance	7,240	7,960	9,974	9,874
Pension Admin Costs	22,359	29,063	30,804	36,053
Office Expenses	5,809	7,939	8,003	9,848
Information Systems	129,125	103,038	177,896	127,819
Non-Capitalised Costs of Assets	-	279	-	346
Training	22,318	15,773	30,747	19,566
Equality	1,711	-	2,358	-
General Expenses	2,296	1,014	3,163	1,258
Bank Charges	1,427	1,603	1,966	1,989
Hosting Costs	4,346	2,676	5,987	3,320
Cleaning	15,779	13,977	21,739	17,338
Security Costs	33,958	36,538	46,785	45,325
<b>TOTAL</b>	<b>798,712</b>	<b>841,345</b>	<b>1,100,387</b>	<b>1,043,689</b>

## 6(b). CORPORATION TAX PAYABLE

	2015	2014	2015	2014
	£	£	€	€
Corporation Tax	1,258	1,355	1,734	1,681

A Corporation Tax liability arose in InterTradelreland in 2015, due to tax payable on the interest on bank account balances.

## 7. PROGRAMME COSTS

	2015	2014	2015	2014
	£	£	€	€
<b>7.1 INTERTRADEIRELAND COSTS</b>				
Trade: Programmes & Initiatives	1,432,765	1,339,025	1,973,920	1,661,061
Science Technology & Innovation	1,881,754	2,100,126	2,592,492	2,605,206
Economic and Policy Research	222,977	184,830	307,195	229,282
<b>7.2 FINANCIAL ASSISTANCE TO OTHER ORGANISATIONS</b>				
FUSION	1,852,466	1,860,831	2,552,142	2,308,361
Acumen	545,755	752,059	751,887	932,929
Equity/Venture Capital	207,195	219,314	285,453	272,059
Innova	126,676	243,135	174,522	301,609
Research Connections	8,002	15,244	11,024	18,910
<b>TOTAL</b>	<b>6,277,590</b>	<b>6,714,564</b>	<b>8,648,635</b>	<b>8,329,417</b>

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £545,755 (2014:£752,059) 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 £150,000 (2014:£75,000) from Invest NI in respect of Invest NI client organisations being assisted by the Acumen programme. An amount of £nil (2014:£nil) remained to be recouped by InterTradelreland from Invest NI at the year end.

## 8. INTANGIBLE ASSETS

	SOFTWARE LICENCES	TOTAL	TOTAL
	£	£	€
<b>Cost or Valuation</b>			
At 1 January 2015	51,454	51,454	66,062
Additions	5,024	5,024	6,921
Disposals	-	-	-
<b>At 31 December 2015</b>	<b>56,478</b>	<b>56,478</b>	<b>72,983</b>
<b>Depreciation</b>			
At 1 January 2015	48,794	48,794	62,646
Provision for Year	2,661	2,661	3,666
Disposals	-	-	-
<b>At 31 December 2015</b>	<b>51,455</b>	<b>51,455</b>	<b>66,312</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2015</b>	<b>5,023</b>	<b>5,023</b>	<b>6,671</b>
<b>Currency Translation Adjustment</b>			<b>173</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2015</b>	<b>5,023</b>	<b>5,023</b>	<b>6,844</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2014</b>	<b>2,661</b>	<b>2,661</b>	<b>3,416</b>



## 9. TANGIBLE ASSETS

	LEASEHOLD IMPROVE- MENTS	FIXTURES AND FITTINGS	OFFICE EQUIP.	COMPUTER EQUIP.	TOTAL	TOTAL
	£	£	£	£	£	€
<b>Cost or Valuation</b>						
At 1 January 2015	145,225	76,538	58,646	289,875	570,284	732,188
Additions	-	1,284	-	10,550	11,834	16,304
Disposals	-	-	-	-	-	-
<b>At 31 December 2015</b>	<b>145,225</b>	<b>77,822</b>	<b>58,646</b>	<b>300,425</b>	<b>582,118</b>	<b>748,492</b>
<b>Depreciation</b>						
At 1 January 2015	139,235	72,485	57,921	238,728	508,369	652,695
Provision for Year	3,471	1,937	287	26,740	32,435	44,686
Disposals	-	-	-	-	-	-
<b>At 31 December 2015</b>	<b>142,706</b>	<b>74,422</b>	<b>58,208</b>	<b>265,468</b>	<b>540,804</b>	<b>697,381</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2015</b>	<b>2,519</b>	<b>3,400</b>	<b>438</b>	<b>34,957</b>	<b>41,314</b>	<b>51,111</b>
<b>Currency Translation Adjustment</b>						<b>5,179</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2015</b>	<b>2,519</b>	<b>3,400</b>	<b>438</b>	<b>34,957</b>	<b>41,314</b>	<b>56,290</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2014</b>	<b>5,990</b>	<b>4,053</b>	<b>725</b>	<b>51,147</b>	<b>61,915</b>	<b>79,493</b>

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

	2015	2014	2015	2014
	£	£	€	€
Other Debtors	92,939	34,712	126,629	44,567
Prepayments and accrued income	93,538	77,430	127,446	99,412
<b>TOTAL</b>	<b>186,477</b>	<b>112,142</b>	<b>254,075</b>	<b>143,979</b>

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

Trade Creditors	371,226	318,285	505,795	408,646
Accruals	1,253,427	1,220,751	1,707,793	1,567,322
Corporation Tax	1,258	1,355	1,714	1,740
<b>TOTAL</b>	<b>1,625,910</b>	<b>1,540,391</b>	<b>2,215,302</b>	<b>1,977,708</b>

Included in accruals is an amount of £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

Opening Balance				747,142
Provided in the Year				526,487
Provisions Utilised / Released in the Year				( 772,680)
Difference on Foreign Exchange Translation				43,957
<b>CLOSING BALANCE</b>	<b>193,824</b>	<b>424,415</b>	<b>264,085</b>	<b>544,906</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 arise under the following programmes : INNOVA, Acumen, and FUSION.

## 13. RESERVES

### 13.1 General Fund

	2015	2014	2015	2014
	£	£	€	€
General Fund Opening Balance	887,926	793,642	1,140,009	951,974
(Deficit)/Surplus for the year	( 467,185)	94,284	( 643,643)	116,960
Difference on Foreign Exchange Translation	-	-	76,894	71,075
<b>GENERAL FUND CLOSING BALANCE</b>	<b>420,741</b>	<b>887,926</b>	<b>573,260</b>	<b>1,140,009</b>

### 13.2 Capital Grant Reserve

Opening Balance	64,576	87,857	82,909	105,384
Capital Grants Received	16,858	19,439	23,225	24,114
Less: Transfer to Income & Expenditure	( 35,096)	( 42,720)	( 48,352)	( 52,994)
Difference on Foreign Exchange Translation	-	-	5,352	6,405
<b>CAPITAL GRANTS RESERVE CLOSING BALANCE</b>	<b>46,337</b>	<b>64,576</b>	<b>63,134</b>	<b>82,909</b>

## 14. NOTES TO CASH FLOW STATEMENT

### 14.1 Reconciliation of Deficit for the Year to net cash inflow from operating activities

	2015	2014	2015	2014
	£	£	€	€
(Deficit)/Surplus for the year before tax	( 465,926)	95,639	( 641,909)	118,641
<b>Adjustment for Non-Cash Transactions</b>				
Depreciation	35,096	42,720	48,352	52,994
Transfer from Capital Grant Reserve	( 35,096)	( 42,720)	( 48,352)	( 52,994)
<b>Adjustment for Movements in Working Capital</b>				
(Increase)/Decrease in debtors	( 74,335)	28,065	( 110,096)	24,200
(Decrease) in creditors / provisions	( 144,976)	( 398,736)	( 43,094)	( 312,448)
Bank Interest Receivable	( 6,412)	( 6,778)	( 8,833)	( 8,408)
Difference on Foreign Exchange Translation			76,894	71,075
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>( 691,649)</b>	<b>( 281,811)</b>	<b>( 727,038)</b>	<b>( 106,940)</b>

## 14.2 Reconciliation of net cash outflow to movement in net debt

	2015	2014	2015	2014
	£	£	€	€
Cash at Bank and in hand at 1 January	2,740,590	3,017,170	3,518,644	3,619,095
Net Cash (outflow)	( 686,592)	( 276,580)	( 720,072)	( 100,451)
<b>CASH AT BANK AND IN HAND AT 31 DECEMBER</b>	<b>2,053,998</b>	<b>2,740,590</b>	<b>2,798,572</b>	<b>3,518,644</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-eighths 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 2015 has been carried out by a qualified independent actuary (Xafinity Consulting). 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 2015. The principal assumptions used to calculate scheme liabilities are:

## Accounting Treatment

	31-DEC-15	31-DEC-14	31-DEC-13
<b>DISCOUNT RATE</b>			
Northern Ireland	3.70%	3.60%	4.50%
Ireland	2.65%	2.10%	3.50%
<b>RATE OF INCREASE IN CONSUMER PRICE INDEX*</b>			
Northern Ireland	1.90%	2.00%	2.50%
Ireland	2.00%	2.00%	2.00%
<b>AVERAGE RATE OF INCREASE IN PENSIONS:</b>			
Northern Ireland	1.90%	2.00%	2.50%
Ireland	2.00%	2.00%	2.00%
<b>IN LINE WITH SALARY INCREASES</b>			
Northern Ireland	2.90%	3.00%	4.00%
Ireland	3.00%	3.00%	4.00%
<b>Average expected future life at age 65 for</b>			
Male currently aged 65	21.90	22.10	21.60
Female currently aged 65	23.80	24.30	24.20
Male currently aged 45	23.10	23.50	23.50
Female currently aged 45	25.30	25.80	26.00

## 15.2 Movement in Net Pension Liability during the financial year

Opening value of scheme's liabilities	7,623,807	6,784,953	9,788,206	8,138,551
Service cost	393,519	379,503	542,151	470,773
Interest on scheme liabilities	280,489	312,567	386,430	387,739
Actuarial (gain)/loss	( 749,307)	204,323	( 1,032,320)	253,463
Net transfers (out of) /into the scheme	-	-	-	-
Benefits paid	( 58,391)	( 57,539)	( 80,445)	( 71,377)
Difference on foreign exchange translation	-	-	601,262	609,057
<b>NET PENSION LIABILITY AT 31 DECEMBER</b>	<b>7,490,117</b>	<b>7,623,807</b>	<b>10,205,284</b>	<b>9,788,206</b>

## 15.3 Analysis of the movement in deficit in the Plan during the period is as follows

	2015	2014	2015	2014
	£	£	€	€
Experience loss/(gain)	118,307	( 148,282)	162,992	( 183,944)
(Gain)/Loss on change of financial assumptions	( 867,614)	352,605	( 1,195,312)	437,407
<b>ACTUARIAL (GAIN)/LOSS</b>	<b>(749,307)</b>	<b>204,323</b>	<b>(1,032,320)</b>	<b>253,463</b>



#### 15.4 Income & Expenditure account analysis

	2015	2014	2015	2014
	£	£	€	€
<b>ANALYSIS OF THE NET DEFERRED FUNDING FOR PENSIONS IS AS FOLLOWS:</b>				
Service cost	393,519	379,503	542,151	470,773
Other finance cost	280,489	312,567	386,430	387,739
Benefits paid during the year	( 58,391)	( 57,539)	( 80,445)	( 71,377)
	<b>615,617</b>	<b>634,531</b>	<b>848,136</b>	<b>787,135</b>

	2015	2014	2015	2014
	£	£	€	€
<b>ANALYSIS OF THE CURRENT PENSION SERVICE COSTS IS AS FOLLOWS:</b>				
Service cost	393,519	379,503	542,151	470,773
Other finance cost	280,489	312,567	386,430	387,739
	<b>674,008</b>	<b>692,070</b>	<b>928,581</b>	<b>858,512</b>

Contributions received from members of the North/South Pension Scheme in 2015 amounted to £81,300 (€112,007) (2014: £52,400 (€65,002)). 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-Departmental Bodies, where, due to the absence of a formal guarantee, a funding liability is not recognised until the commitment falls due.

The deferred funding asset for pensions as at 31 December 2015 amounted to £7,490,117 (€10,205,284) (2014: £7,623,807 (€9,788,206))

Opening balance at 1 January	7,623,807	6,784,953	9,788,206	8,138,551
(Decrease)/Increase in Deferred Funding of Pension Asset	( 133,690)	838,854	( 182,153)	1,077,005
Difference on foreign exchange translation	-	-	599,231	572,650
	<b>7,490,117</b>	<b>7,623,807</b>	<b>10,205,284</b>	<b>9,788,206</b>

## 15.6 History of Defined Benefit Liabilities

	2015	2014	2013	2015	2014	2013
	£	£	£	€	€	€
Deficit as at 31 December	7,490,117	7,623,807	6,784,953	10,205,284	9,788,206	8,138,551
Experience loss/(gain)	118,307	( 148,282)	( 107,521)	162,992	( 183,944)	( 126,606)
Percentage of Scheme Liabilities	(1.6%)	1.9%	1.6%	(1.6%)	1.9%	1.6%

The cumulative actuarial loss recognised in the Statement of Recognised Gains and Losses amounts to £1,201,460 (€1,655,251).

## 16. CAPITAL COMMITMENTS

### 16.1 Capital commitments at 31 December 2015 for which no provision has been made

	2015	2015
	£	€
Contracted	-	-
Authorised but not contracted	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 16.2 Other Commitments

	2015	2015
	£	€
<b>Total</b>	<b>9,102,571</b>	<b>12,402,253</b>

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, FUSION and Innova, less grant payments already paid or accrued for at the year-end.

	COMMITMENTS AT 31 DEC 2015 FOR EXPENDITURE IN 2016	COMMITMENTS AT 31 DEC 2015 FOR EXPENDITURE IN 2017	COMMITMENTS AT 31 DEC 2015 FOR EXPENDITURE IN OR AFTER 2018	TOTAL
	£	£	£	£
Profile of Other Commitments by Year - Sterling	4,597,932	2,140,330	2,364,309	9,102,571
	€	€	€	€
Profile of Other Commitments by Year - Euro	6,264,682	2,916,200	3,221,371	12,402,253

## 17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2015.

## 18. RELATED PARTY TRANSACTIONS

The Trade and Business Development Body is a cross border implementation body sponsored by the Department of Enterprise Trade and Investment in Northern Ireland and the Department of 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 of Enterprise Trade and Investment or the Department of Jobs, Enterprise and Innovation are regarded as a parent Department. There were also transactions with Construction Service and Business Development Service (BDS), which are executive agencies of DFP.

### (i) Transactions Involving Senior Management

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.

### (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, Xafinity Consulting. In 2015, a total of

£263,830 ( 2014:£174,572) 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 & BUILDINGS				OTHER			
	2015	2015	2014	2014	2015	2015	2014	2014
OPERATING LEASES WHICH EXPIRE	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Within one year	133	181	-	-	2	3	-	-
In two to five years	-	-	195	234	-	-	2	2
Over five years	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>133</b>	<b>181</b>	<b>195</b>	<b>234</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>

## 20. LOSSES AND SPECIAL PAYMENTS

There have been no losses or special payments.

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

### 21.1 Financial Instruments

Due to the non-trading nature of its activities and the way the 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 2015.

## 23. POST BALANCE SHEET EVENTS

### Northern Ireland Sponsor Department

As a result of a restructuring within the Northern Ireland Civil Service, as from 9 May 2016, InterTradelreland's Sponsor Department in Northern Ireland is the Department for the Economy.

### Approval of 2016 Business Plan

At the date of approval of these accounts, InterTradelreland's 2016 Business Plan had not been formally approved by the North South Ministerial Council (NSMC). The Northern Ireland Sponsor Department has adopted a position where it will only fund the Body once the Business Plan is approved by the NSMC. It is anticipated that the 2016 Business Plan will be approved by the NSMC in June 2016. Until then, the entirety of the Body's activities is being funded by the Southern Sponsor Department. Thereafter it is anticipated that the normal funding protocols will be re-instated such that the agreed 2:1 funding ratio will apply during 2016.

### Premises lease

The lease for the InterTradelreland office premises expires after September 2016. As at the date of approval of these accounts, negotiations were at an advanced stage to enter into a new lease for the current premises.

## 23. APPROVAL OF ACCOUNTS

The accounts were approved by the Board on 31 May 2016.



## Appendix A

### InterTradelreland

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

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs at the year- end. Subject to this requirement, the Body shall prepare accounts for the financial period ended 31 December 2013 and subsequent years in accordance with:

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

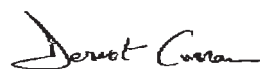
Trevor Cooper



Dated 20th February 2014

**Department of Jobs, Enterprise and Innovation**

Dermot Curran



Dated 20th February 2014





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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