

**2014**  
Annual Review of  
Activities and  
Annual Accounts



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**Richard Bruton TD**  
MINISTER FOR JOBS, ENTERPRISE  
AND INNOVATION



**Jonathan Bell MLA**  
MINISTER OF ENTERPRISE,  
TRADE AND INVESTMENT

## Joint Ministerial Foreword

We are pleased to introduce InterTradelreland's Annual Report for 2014; an important year which saw strong evidence of broad-based recovery with businesses performing better in terms of growth, increasing employment levels and sales performance.

InterTradelreland's Business Monitor, which surveys 750 companies each quarter from a range of sectors, has identified the strength of the recovery with the latest survey for Q4 2014 showing that 85 per cent of firms surveyed are either stable or growing.

Awareness of and access to growth finance remains a significant issue for SMEs in any recovery, a fact highlighted in InterTradelreland's recent report - Firm Growth, Credit Constraints and Financial Distress: A cross-border study. The report also shows that firms generally are leaving behind the effects of the financial crisis but that some key structural issues, mainly around clarity of information and financial expertise, remain.

InterTradelreland has used the findings from this report to develop an appropriate and timely new advisory service, Funding for Growth, designed for established businesses to provide expertise and support to help them secure growth funding. InterTradelreland has a central role to play in helping businesses in Ireland and Northern Ireland to maximise their potential by providing business funding, business intelligence and meaningful contacts, as well as undertaking vital research.

Competitiveness and innovation are the springboard for enterprise development in both economies. InterTradelreland has specifically designed initiatives to assist companies to respond to these challenges through cross-border activities, whether it is to tender more successfully, to succeed in raising finance, to access EU R&D funding, to trade successfully cross-border or to unlock innovation success. In 2014, a total of 3005 companies were engaged in North South business with the assistance of InterTradelreland's Trade and Innovation Activities & Services.

Achievements from InterTradelreland this year have exceeded targets, with 1881 jobs created or protected by companies as a result of participation in the Body's programmes. The strategic performance indicator target of a 9:1 ratio of business development value to investment with a business value target of £62m/€72m was surpassed and reached a 10:1 ratio in 2014, with a business value achieved of £67m/€78m. The Target figure for first time exporters was exceeded by more than 118% representing a 60% increase on last year's figures, which is excellent news for both economies.

Looking forward, we will continue to support InterTradelreland in stimulating innovation and R&D, supporting cross-border trade and business development and by making it easier for SMEs to operate and grow their business across both jurisdictions. In doing so, both Northern Ireland and Ireland can realise the mutual benefits of increased trade, competitiveness and economies of scale for both economies as a result of enhanced cooperation.

We offer the CEO and Board our support for their undertakings and by working together, we are confident that further successes can be delivered in 2015.

**'In 2014, a total of 3005 companies were engaged in North South business with the assistance of InterTradelreland's Trade and Innovation Activities & Services'.**



**Martin Cronin**  
CHAIRMAN

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

## Chairman's Introduction

In the current economic climate, North South economic co-operation offers real opportunities for businesses to grow their sales, develop new business opportunities and improve their competitiveness. Against the backdrop of considerable public finance resource constraints, InterTradelreland has embraced the challenge of doing more with less and helped SMEs and micro businesses across the island, to generate £67m/€78m of additional trade and business development value through cross-border activities.

This was achieved by providing practical advice and direct support to businesses through our range of trade and innovation initiatives. In 2014, demand for our programmes and initiatives was very strong, with 3005 businesses availing of our support directly.

Our latest Business Monitor survey indicates that 50 per cent of firms involved in cross-border trade are experiencing growth compared to 33 per cent of businesses which are not exporting. InterTradelreland is therefore assisting more companies onto the first 'cross-border' rung of the exporting ladder by supporting them to seek out new opportunities across the island.

Our goal is to ensure we meet the needs of SMEs and continue to offer them the services and support they need to flourish and grow. We continuously monitor and work to improve the effectiveness of our business supports and to identify areas where more knowledge and clarity is needed in relation to cross-border business issues.

In 2014 the research was carried out for two reports – '*SMEs, Credit Constraints and Growth: A Cross-Border Study*' and '*Mapping the Potential for All-Island Sectoral Ecosystems*'.

Using detailed data from over 2,500 businesses, '*SMEs, Credit Constraints and Growth: A Cross Border Study*' covers a broad spectrum of issues related to the funding of the SME sector, including the types of finance most commonly used, the demand for finance, the extent to which firms are subject to credit constraints, whether this is affecting their overall performance and how widespread instances of financial distress are amongst firms. The report also examines whether differences in banking strategies North and South of the border impact on these issues.

**‘InterTradelreland has embraced the challenge of doing more with less and has helped SMEs and micro businesses across the island, to generate £67m/€78m of additional business development value’.**

The second report *‘Mapping the Potential for All-Island Sectoral Ecosystems’*, identifies for the first time the benefits which could accrue from an all-island approach to the development of sectoral ecosystems or clusters. The research explored how greater economies of scale and scope (or synergies) can arise when cross-border cooperation is brought into play. The researchers mapped sectoral concentrations on an all-island basis and used three case study sectors (pharmaceuticals, medical devices and software/IT services) to identify specific opportunities for cross-border cooperation in areas such as research and innovation, training and institutional support.

2014 was the first year of our new Corporate Plan. Ambitious targets have been set for the period of the plan as we aim to engage more than 8,500 companies through our activities and assist them to achieve £170m/€207m additional business development value. At the end of year one, we are on track to meet these targets.

So on behalf of the Board I would like to acknowledge and thank the Chief Executive, his senior management team and the staff for their

unstinting commitment and strong performance in 2014.

I would like to thank my Deputy Chairman Joanne Spain and every member of the Board for their commitment to the organisation and for their support and invaluable advice over the year.

I would also like to extend my sincere thanks to our colleagues in Enterprise Ireland, Invest NI, and the many business organisations who have worked so closely with us.

I would like to pay particular tribute and thanks to the two Government Ministers responsible for InterTradelreland during this time, Minister of Enterprise, Trade and Investment, Arlene Foster MLA and Minister for Jobs, Enterprise and Innovation, Richard Bruton TD for their encouragement and support and I look forward to working with Jonathan Bell MLA, the new Minister of Enterprise Trade and Investment.

Our challenge for 2015 is to encourage companies to discover what’s possible for their business and in a challenging commercial world, to provide them with the business energy they need through a strong mix of business intelligence, meaningful contacts and funding support.



**Thomas Hunter McGowan**  
CHIEF EXECUTIVE

*Thomas Hunter McGowan*

## Chief Executive's Message

In 2014 our wide range of programmes has continued to provide companies in Ireland and Northern Ireland with tailored support. All of InterTradelreland's activities are based on the results of research, which ensures that the programmes and supports delivered meet the current needs of businesses. In addition, the InterTradelreland quarterly Business Monitor keeps the Body on the pulse of business.

Our sales and marketing programme, Acumen, saw 107 new projects initiated with a further 25 graduates completing a Post Graduate Diploma in Sales Management at UCD. To date 95 graduates have participated on the programme since the pilot phase commenced in 2012. In 2014 companies that had previously completed Acumen projects reported business value of £25m/€29m and a jobs impact of 428. An additional 25 graduate jobs were also created through new projects starting.

Our FUSION programme, which delivers science, engineering and IT based projects, had an additional 46 projects commence in 2014, with each creating a valuable graduate job. In 2014 companies reported a business value of £15m/€17.4m and a jobs impact, excluding the graduate positions, of 388. The pipeline is strong with over 50 project starts

planned for 2015. The benefit to graduates is that 80% are offered full-time employment with their host company and many go on to lead further innovation projects for the firms

As a trade and business development body, we are continually looking at how our programmes can evolve to meet changing needs. Our new initiative Funding for Growth was designed specifically for established businesses which are interested in learning about new and alternative sources of finance to grow their businesses. A series of free SME workshops are planned for 2015.

Our Go-2-Tender workshops provide businesses with the confidence, knowledge and skills to tender successfully for public sector contracts. During 2014 InterTradelreland delivered 21 standard workshops and 3 advanced workshops with a total of 388 companies attending and in addition half day mentoring has been delivered to over 65% of participating companies. In 2015 an independent evaluation identified that companies who had previously participated in the programme attributed a business value of £11.6m/€13.5m and a jobs impact of 320 to Go-2-Tender.



**‘To date 25,000 companies have benefited from InterTradelreland’s cross-border information and 6,000 have taken part in our programmes. In 2015 we will be encouraging companies to energise their businesses and to come to us to discover what’s possible’.**

Two major Meet the Buyer events were held in Belfast (22 October) and Dublin (12 November). Each event had over 50 buying organisations represented with over 1,100 companies attending. The events provided a unique opportunity for buyers and suppliers alike to meet and engage in one location. SMEs gained access to buyers to better understand their needs and got an opportunity to showcase new and innovative products and services.

Elevate is a programme focused on helping micro enterprises to take the first steps in exporting and explore opportunities in a new cross-border market. In 2014 68 applications for support under the programme were approved. Monitoring of companies in 2014 that have previously completed Elevate projects identified a business value of £2.1m/€2.4m and a jobs impact of 76.

98 SMEs from Ireland and Northern Ireland were awarded ‘Business Ambassador’ status by InterTradelreland this year. Every county and constituency across the island was represented by the Ambassadors, who were nominated as companies that had successfully embraced innovation; developed new cross-border markets or secured venture capital with InterTradelreland’s

support. Representing the full spectrum of industries, the 98 companies between them have generated at least £30m/€40m in additional business value to the economy so far. The companies were recognised at two special events in Dublin and Belfast hosted by Minister Richard Bruton TD in Dublin and Alastair Ross MLA in Belfast.

The group of InterTradelreland Business Ambassadors were also invited to meet President Michael D. Higgins at a special reception at Áras an Uachtaráin to mark their achievements where he described the companies as “the finest of Irish entrepreneurial spirit and innovation”.

To date 25,000 companies have benefited from InterTradelreland’s cross-border information and 6,000 have taken part in our programmes. In 2015 we will be encouraging companies to energise their businesses and to come to us to discover what’s possible.

I would like to finally thank the Board and the wider InterTradelreland team for their dedicated work, support and enthusiasm. This on-going support means a lot to me and I look forward to the challenges and rewards that lie ahead for the organisation.



# Strategic Performance Summary

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# Strategic Performance Summary

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## Summary Performance Report – Corporate Plan 2014-2016

This 2014 Annual Report reports on the performance of the first 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 1 of the 2014- 2016 Corporate Plan

- Total Business Value<sup>2</sup> Achieved [& Return on Expenditure]. 2014: £67M/€78M<sup>3</sup> [10:1]
- We have provided North South business information and advice to 3005 companies.
- 630 companies have participated on our North South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have reported that 1881 jobs have been created or protected as a result of their participation.
- 127 firms have become first time exporters.
- 64 firms have become first time innovators.
- 4 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 Made as a direct result of a company's participation on an InterTradelreland programme. Business Value is captured through ITI monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

<sup>3</sup> €1=£0.86 (2014 Business Planning Guidance from DPER (Ireland) & DFP (Northern Ireland)).

## Summary Performance Report - 2014 Business Plan

### 2014 Targets

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

Target: £62M/€72M 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: 3090 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: 1270 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: 58 companies to become first-time exporters through participation on an InterTradelreland Trade programme.

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

Target: 66 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.

**Table 1: 2014 Performance against Business Plan Targets**

REFERENCE	MEASURE	2014 TARGET	2014 PERFORMANCE
Strategic Performance Indicator	Return on Expenditure [Business Value Achieved]	9:1 [£62M/€72M]	10:1 £67M/€78M
Key Performance Indicator 1	Additional companies engaged in cross-border trade and business development	3090	3005
Key Performance Indicator 2	Total Jobs Impact	1270	1881
Key Performance Indicator 3	First Time Exporters	58	127
Key Performance Indicator 4	First Time Innovators	66	64





# Board Members

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# Board Members 2014

## Board Members

During 2014 InterTradelreland had an Executive Board consisting of 12 members appointed by the North South Ministerial Council. In 2014 there was one appointment to the Board, Terry Crossan, on the 22nd October 2014.



### MARTIN CRONIN - CHAIRMAN

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

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

He has been a Board member at the Institute of Public Administration, Dublin, and at the Higher Education Authority, Dublin, a member of the Irish National Competitiveness Council and 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

A graduate of Trinity College Dublin, Joanne Spain has worked in the field of politics and economics for the past twelve years. Joanne currently works as economic advisor to the Sinn Féin Oireachtas team and produces the party's pre-budget submissions, budgetary responses and economic policy. She has been based in the Dáil for the past seven years and works out of Pearse Doherty TD's office.

As well as dealing with financial legislation for most of this time, she co-ordinated the party's continuous engagement with the EU/IMF/ECB representatives overseeing the implementation of the financial programme in the South of Ireland and continues to co-ordinate the party's engagement with the Department of Finance.

Joanne is certified in taxation policy-making by the Institute of Taxation Ireland. She has served as vice-chair of InterTradelreland for the past two years and is also a member of the body's audit committee.



### **HUBERT BROWN KERR**

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**

Born in Belfast, Northern Ireland in 1940, Jack Gallagher 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 of Lisnasharragh High School in South East Belfast (1979-1993). In the period from 1979-2007 Jack represented FIFA as Honorary Instructor and Technical Adviser for Coach Education. This involved activity on behalf of FIFA in association with Government Sports' Commissions; National Governing Bodies; Coca-Cola Asia; Adidas and the International Olympic Committee in thirty five countries world wide. In 1998 he was awarded the Merit/ Excellence Award of the PR China FA for services to Football Development in twenty five cities in PR China over a thirteen year period. From 2000-2007 Jack was employed at different periods in the Northern Ireland Assembly as Special Ministerial Adviser and Senior Assembly Assistant at Stormont. These positions involved working in a supporting role to deal with complex problems, offering advice and influencing strategic direction in an environment characterised by rapid political, structural and cultural change. 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.

## Board Members 2014

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### KEVIN NORTON

Kevin Norton is Chief Executive of Basta Parsons Limited. He was educated at Newbridge College and is a Commerce Graduate of UCD. After qualifying as a Chartered Accountant, he worked in industry for 10 years before setting up his own Accountancy practice. His involvement with BASTA began when he advised on a Management takeover in 1984 – the first BES Scheme in Ireland. In 1990, when BASTA was on the verge of liquidation, he initiated a rescue, which led to him becoming Chairman and Chief Executive. Basta is now the leading supplier of builder's hardware in Ireland. Since 1990, Basta has made 3 acquisitions in Britain. These acquisitions enabled it to develop exports from Ireland, have a wider geographic spread of sales, and larger portfolio of products. Today, 60% of its sales are outside Ireland. Kevin is also currently the Chairman of Alzheimer Society of Ireland.



### RAY HAYDEN

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

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

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

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



### **PATRICIA McKEOWN**

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).

## Board Members 2014

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### BRENDAN BUTLER

Brendan 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

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 & 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 is Principal / CEO of Northern Regional College. 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 collaborations 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 22nd October 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.





# Organisation Profile

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# Organisation Profile

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## Senior Management Team



### **THOMAS HUNTER MCGOWAN, CHIEF EXECUTIVE**

Thomas is the Chief Executive of InterTradelreland and leads the organisation in fulfilling its mandate to enhance cooperation 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 & 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 & 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 Northern Ireland and Ireland. Identify and help eliminate the barriers to cross-border trade and business development, both general and sectoral, by bringing these where appropriate to government policy makers, and/or pioneering relevant, flexible and responsive programmes and services.

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

### **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 above are set within the organisation's Annual Business Plans and reported each year. The 2014 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: £62M/€72M total value of reported trade and business development activity generated by firms engaged on our co-operative North South Trade and Innovation programmes and our all-island business networks.

### Strategic Performance Indicators [Return on Expenditure<sup>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: 3,090 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: 1270 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: 58 companies to become first-time exporters through participation on an InterTradelreland Trade programme.

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

Target: 66 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.

<sup>4</sup> €1=£0.86 (2014 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 Made 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 ITI monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

**Table 1: 2014 Performance against Business Plan Targets**

BALANCED SCORECARD REFERENCE	MEASURE	2014 TARGET	2014 PERFORMANCE
<b>Stakeholder Value</b>			
Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.	- Return on Expenditure	9:1	10:1
	- First Time Innovators	66	64
	- First Time Exporters	58	127
	- Total Jobs Impact	1270	1881
	- 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.	3090	3005
	- Total Business Value achieved through InterTradelreland Trade and Innovation Activities & Services.	£62M/€72M	£67M/€78M

# 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 Acumen Programme commenced at the beginning of January 2014. In the 12 months between January and December there were 143 applications to this phase of the programme resulting in 107 approvals, 10 withdrawals, 18 rejections and 8 deferrals. A further 25 graduates completed the Post Graduate Diploma in Sales Management at UCD in July 2014. To date this marks a total of 95 graduates who have participated on the programme since the pilot phase commencement in 2012. In the period January to December companies that had previously completed Acumen projects reported business value of £25m/€29m and a jobs impact of 428. An additional 25 graduate jobs have been created through new projects starting.

#### Elevate

Elevate is a programme focused on helping micro enterprises to take the first steps in exporting and explore opportunities in a new cross-border market. From January to December 2014 there were 93 applications for support under the programme resulting in 68 companies being approved for support, the remaining 25 were either deemed ineligible or withdrew from the programme. Monitoring of companies in 2014 that have previously completed Elevate projects identified a business value of £2.1m/€2.4m and a jobs impact of 76.

#### Tendering

Go-2-Tender provides businesses with the confidence, knowledge and skills to tender successfully for public sector contracts. Public

Procurement, a market worth c.£10bn/€11.7bn annually, provides a very important business opportunity, especially for SMEs during the current difficult trading conditions. In 2015 an independent evaluation identified that companies which had previously participated in the programme attributed a business value of £11.6m/€13.5m and a jobs impact of 320 to Go-2-Tender.

During the year InterTradelreland delivered 21 standard workshops and 3 advanced workshops with a total of 388 companies attending and in addition half day mentoring has been delivered to over 65% of participating companies. InterTradelreland has completed an evaluation of Phase 5 (2011-2012) which is very positive in relation to the benefits companies derived from their participation on the programme.

In 2014 The All-Island Steering Group delivered two major Meet the Buyer events in Belfast (22nd October) and Dublin (12th November) respectively. Each event had over 50 buying organisations represented with over 1,100 companies attending. Pre-events for each of the main Meet the Buyer events were held to help prepare suppliers and over 250 SMEs attended.



*Des Armstrong CPD, Paul Quinn OGP, Margaret Hearty InterTradelreland, Minister Simon Hamilton MLA and Ray Hayden InterTradelreland at the 2014 Meet the Buyer event in Belfast.*



Margaret Hearty InterTradelreland with Minister Simon Harris TD at the Meet the Buyer event in Dublin.

The Consortia Facilitator service aims to support companies in the development of Consortia to bid for new larger public procurement contracts. Three information seminars were delivered in July/September/November in Dublin and Belfast, to inform and recruit participants. Over 80 SMEs attended the workshops. To date 16 SMEs have availed of the service.

## Science, Technology & Innovation

### FUSION

FUSION is InterTradelreland's flagship technology transfer programme which provides companies with new product or process development needs access to a three-way partnership that includes a third-level research institution with specialist expertise and a high-calibre science or technology graduate. 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, many of which go on to lead innovation projects in the business.

At the end of the year presentations were made to 4 exemplar projects for 2014. These projects were chosen based on criteria that included level of innovation, benefits achieved and overall contribution

to the programme. The 2014 exemplars are Arbarr Electronics (Limavady); MackleSnacks (Moy); Epona Biotech / StableLab (Sligo) and Biocore Environmental (Bray).



Heinrich Anhold receiving the Exemplar award on behalf of StableLab, Sligo.

During 2014 the FUSION team has visited over 170 companies and approved 63 projects for support. The pipeline is strong with over 50 project starts planned for 2015. A total of 46 projects commenced during 2014 with each creating a valuable graduate job. In 2014 companies reported a business value of £15m/€17.4m and a jobs impact, excluding the graduate positions, of 388.

# Business Plan Performance Report

## 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.

In 2014 two applications were approved for funding. The Innova budget has been substantially decreased in 2015, and the programme will be closed to new applicants with resources diverted to other priorities and activities.

## 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 3 year phase of the Challenge programme that will reach over 300 companies and provide intensive mentoring to 75 companies commenced in February 2014. Briefing sessions took place with over 150 companies and this led to 23 companies accepting the offer of intensive support to help embed a proven, sustainable, repeatable innovation process in their company. A further 16 were working through the selection process. In 2014 monitoring of companies that have previously undertaken the Challenge programme reported a business value of £1.2m/€1.4m and a jobs impact of 34.

## EquityNetwork

EquityNetwork offers a range of supports to help companies improve their ability to raise equity finance by developing their investor readiness and supporting business angel networks.

March 2014 saw the highest ever attendance at the annual InterTradelreland Venture Capital Conference with 332 attendees. Patrick Joy, 2013 Entrepreneur of the Year was secured as one of the key note speakers. In April Minister Bruton launched a report on The Economic Impact of Venture Capital 2012. The report published by the Irish Venture Capital Association in conjunction with InterTradelreland demonstrates the benefits to the economy in terms of jobs and exports.



*Patrick Joy, Suretank,  
Keynote speaker at the Venture Capital Conference 2014 held in Belfast.*

In 2014, a series of 27 regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Galway, Letterkenny, Limerick and Cork with 120 companies availing of advice from a seasoned venture capital professional on their fundraising plans and signposting to potential funding sources.

The HBAN programme acts as the umbrella group for business angels investing on the island. It has a specific remit to help develop and facilitate business angel syndicates on a regional, all island and sectoral basis. It works in partnership with Halo NI, the Northern Ireland business angel network and with the Irish BICs to grow regional business angel networks in the Republic of Ireland. In the year to December 2014, the halo networks reported a total of 48 deals representing £8m/€9.3m direct



investment from angels and additional leveraged investment was almost £18m/€21m. The halo networks have been funded by InterTradelreland, Enterprise Ireland and Invest NI since 2004. Government support for business angel networks is a longstanding and widespread initiative especially in Europe. HBAN has had considerable success to date and has made significant strides in developing the embryonic angel investment marketplace. HBAN has brought substantial professionalism to the process of syndicate formation and development. To date syndicates have been established in the technology/ICT, med tech and food sectors and plans for 2015 include the scoping of new syndicates in the agri tech and wellness/nutrition sectors.

The 2014 Seedcorn Investor Readiness Competition had its award ceremony in November. A total of 277 companies registered for the competition with 201 submitting an application. Assessment of applications took place in June and then 138 companies were invited to submit a full business plan. In total, 68.7% of applications were shortlisted compared to 49% in 2013 reflecting an increase in the quality of applications. The best Early Stage Company was awarded to Aventamed a medical device company from Cork. The company has developed a novel medical device which allows grommets to be placed safely and quickly in an office setting, eliminating the need for general anaesthesia and costly operating room time. The best New Start company prize was awarded to Dublin based True Pivot which designs and develops software which allows engineers to store and search for engineering designs in the cloud. Regional winners included Jenarron Therapeutics and PT Dock from Northern Ireland. In 2014, over £3m/€3.5m in new equity was raised by companies which have been regional finalists in the competition.



*InterTradelreland Seedcorn Overall Winners Aventamed and True Pivot with Margaret Hearty, InterTradelreland.*

An entrepreneurship master class was held in October to assist companies seeking to export food products. Six Business Planning Workshops were held across the island to assist companies in preparing a business plan for investors and it was noted that 20 of the 24 regional finalists in the Seedcorn Competition had attended the workshop. Three Venture Capital Case studies were also held in the latter half of 2014 giving entrepreneurs an opportunity to learn about a real life investment cycle.

### Horizon 2020 Support Programme

During the 2014 calendar year InterTradelreland's Horizon 2020 activities have become embedded into the support programmes of both jurisdictions and are adding value to the operation of each support system and driving joint North South participation in the H2020 programme.

In the same period, the financial support provided by the Cross-Border and EU Travel schemes enabled 32 new cross-border meetings to take place between prospective H2020 partners, and 13 established North South partnerships working on new proposals were supported to attend

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consortium meetings in Europe. The H2020 Enquiry Service provided information and advice to over 53 individuals and the Horizon 2020 App, which was launched in December 2013, has achieved an impressive 564 users of which 42% are from industry. In addition, InterTradelreland delivered 8 H2020 'Focus On' events and an all-island conference. The objective of Focus On events is to provide opportunities for North South engagement around specific topics in the H2020 programme. As part of the all-island H2020 conference InterTradelreland launched a strategic action plan for H2020. The plan was prepared under the auspices of the All-Island Steering Group and sets out a target drawdown of €175m from proposals with a joint North South dimension.



*Minister Richard Bruton TD speaking at the H2020 Conference in Dublin.*

## US-Ireland R&D Partnership

In 2014 there have been a number of changes to the composition of the US-Ireland R&D Partnership steering group. The new Northern Ireland Co-Chair, Dr. Rosemary Hamilton CBE was appointed by Dr. Stephen Farry, MLA, Minister of Employment and Learning, Arlene Foster, MLA, Minister of Enterprise, Trade and Investment and Edwin Poots, MLA, then Minister for Health, Social Services and Public Safety. Assistant Secretary Dr. Kerri-Ann Jones has departed her position in the US State Department and that of US Co-Chair. Deputy Assistant Secretary for Science, Space and Health, Jonathan Margolis will assume the role of US Co-Chair until a permanent replacement is identified.

A joint paper on the US-Ireland R&D Partnership from the 3 former Co-Chairs was published in April 2014 in the Science and Diplomacy journal, which is a quarterly publication of the American Association for the Advancement of Science Centre for Science Diplomacy in the US.

The Memorandum of Understanding (MOU), describing the terms under which the National Science Foundation, Science Foundation Ireland, the Department for Employment and Learning and Invest NI will conduct joint funding of research was renewed and extended to incorporate centre to centre collaborations. The MOU will remain in effect until 30th September 2017. The joint research areas are nanoscale science and engineering, sensors and sensor networks, telecommunications and energy and sustainability.

Up to December 2014, a total of 19 projects have been awarded a total of €31.5m or £23.7m or \$35.5m coming from a combination of sources. The sources 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.

## All Island Innovation Programme

The All Island Innovation Programme for 2014 had two chairs of innovation each delivering a lecture and three masterclasses across the four participating universities. The chairs included Professor Wim Vanhaverbeke, Professor of Strategy and Innovation at the University of Hasselt and Professor Erik Vermeulen, Professor of Business and Financial Law at Tilburg University and Tilburg Law and Economics Centre. The year ended with the all-island innovation lecture delivered by Dr Trish Gorman, former Dean of the Jack Welch Management Institute and a former Academic Director of the Global Consulting Practicum at the Wharton Graduate School of Business. The three year all-island innovation programme has now come to an end. In the three years of the programme, there have been 12 public lectures attended by over 1,450, of which 65% were industry attendees. A total of 36 masterclasses have been held, attended by over 1,150 of which 68% were from industry. Three all-island conferences have been held attended by over 650, of which 65% were industry attendees.



*Dr Trish Gorman, Former Dean of the Jack Welch Management Institute, Keynote speaker at the 2014 Innovation Conference.*

## All Island Innovation Awards

The awards ceremony for the 2014 Irish Times InterTradelreland Innovation Awards took place in April at the Irish Museum of Modern Art in Dublin. The awards included 6 different innovation categories: Agri-Food, Bioscience, Creative Industries, Energy and the Environment, IT and Telecommunications and Manufacturing, and finally a special recognition for the best North South collaboration project. The overall 'Innovation of the Year' award includes a communications prize package to the value of €150,000. From a total of 140 high quality entries received, the overall 'Innovation of the Year' winner was UCD spin-out company Oxymem Ltd for their breakthrough technology which can reduce the operating cost of wastewater treatment plants by up to 75%.



*Winners, Oxymem - with Thomas Hunter McGowan InterTradelreland, An Taoiseach Enda Kenny TD and Liam Kavanagh The Irish Times*

## 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 Northern Ireland and Ireland and interviews

# Business Plan Performance Report

conducted with 750 SMEs. The Business Monitor has now built up eight 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 4 Business Monitor (October – December 2014) provided further evidence that the recovery had taken hold across all sizes and sectors of firms. Stability has become embedded in the economy with 85% of businesses either stable or growing. Exporters and those involved in cross-border trade continue to drive growth and are more likely to increase sales and employment. These firms are also twice as likely as other firms to have plans to invest in recruitment, new market entry or upgrading their technology over the next year.

In 2014 the InterTradelreland Business Monitor has continued to receive extensive media coverage in Ireland and Northern Ireland and has strengthened its position as the key business survey for policy makers.

## Research Publications

InterTradelreland carry out business and economic research activities to identify the opportunities and barriers affecting increased levels of trade and business development co-operation between Northern Ireland and Ireland. During 2014 there were 4,280 downloads of policy publications from the InterTradelreland website.

In 2014 the research was carried out for two reports to be published in 2015. The 'SMEs, Credit Constraints and Growth: A Cross-Border Study', follows up on previous research by InterTradelreland on access to finance and uses data from the Business Monitor from 2012 and



2014. It will cover in detail a range of issues related to SME funding such as the types of finance most commonly used by businesses; their demand for finance; the extent of credit constraints on SMEs and the effect of credit constraints on overall performance; a new measurement of financial distress; and whether the banking system North and South impacts on these issues.

The 'Mapping the Potential for All-Island Sectoral Ecosystems' report, researched by a consortia including ESRI, Queen's University, NUI Maynooth and DCU, will identify sectors where the development of all-island or cross-border clusters are capable of delivering added value to both economies. The final report will include a framework outlining the potential benefits from enhanced cross-border development of clusters, map the spatial concentrations of these clusters across the island and detailed analysis of three sectors (pharmaceuticals, medical devices and software). The report will identify opportunities for cross-border co-operation within each of these sectors and the agencies which can be brought together for their further development.

## Trade Statistics Website

This interactive web-based North South statistics portal has continued to be widely consulted for its accessible data and charts (both of which can be downloaded) on various types of cross-border flows from trade to tourism, and shopping to higher education students. It was highlighted for good practice in providing useful business and policy intelligence in the OECD review of cross-border cooperation in innovation. In December 2014 the 2013 cross-border trade figures were updated showing a 7.5% increase over 2012 to a total of £2.579bn/€3.048bn. In 2014 there were 1,459 page views and 1,203 unique views of the website.



## Business Ambassador Event

On 1st July 2014 thirty-five companies from across Northern Ireland were recognised as InterTradelreland Business Ambassadors at a special ceremony in Parliament Buildings hosted by Alastair Ross MLA, Assembly Private Secretary for the Department of Enterprise, Trade and Investment.



*Northern Ireland Business Ambassadors with Margaret Hearty InterTradelreland and Alastair Ross MLA at Stormont.*

Every county and constituency across Northern Ireland was represented by the Ambassadors, who were nominated as companies that had successfully embraced innovation; developed new cross-border markets or secured venture capital with InterTradelreland's support. Representing the full spectrum of industries, the 35 companies between them have generated at least £15m in additional business value to the economy so far.

Companies that were commended at the event included Hutchinson Engineering from Co Londonderry, which through support from InterTradelreland's FUSION programme, was able to expand the range of services it offers to customers and introduce more efficient manufacturing techniques.

On 1st October 2014 sixty-three companies from across Ireland were recognised as Business Ambassadors by InterTradelreland for their enterprise and innovation. Between them the companies have generated at least €20m in additional business value to the economy so far.

The event was held in the Mansion House in Dublin and was hosted by Richard Bruton TD, Minister for Jobs, Enterprise and Innovation. Companies recognised at the event included Java Republic, an independent Irish coffee roasting company and the second largest roaster and distributor of roasted coffee in Ireland. Java Republic participated in InterTradelreland's flagship sales and marketing programme, Acumen. The company hired a sales graduate to focus solely on the Northern Ireland market - the result was an increase in market share from 8% to 13% and over €140,000 in trade for Java Republic in Northern Ireland.

The 63 companies acknowledged at the Dublin event bring the total number of InterTradelreland Business Ambassador companies to almost 100 when combined with the existing representatives from Northern Ireland who were recognised at an event in Stormont earlier in the year. The ambassador companies were nominated as firms that have successfully embraced innovation, developed new cross-border markets or secured venture capital through InterTradelreland's support.

The group of InterTradelreland Business Ambassadors were also invited to meet President Michael D. Higgins at a special reception at Áras an Uachtaráin to mark their achievements where he described the companies as "the finest of Irish entrepreneurial spirit and innovation".



*Business Ambassador Element Software - Dorothy Creavan and James Harkin with President Michael D. Higgins*



# Audited Accounts

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# Audited Accounts

## FOREWORD TO THE ACCOUNTS

### Background Information

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

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

### Business Review

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

InterTradelreland notes the ongoing difficulties in respect of the budgetary position within Northern Ireland for the 2015/16 financial year and continues to monitor the situation within the context of Departmental financial support to the organisation and its programmes.

### Results for the Financial Year 1 January 2014 - 31 December 2014

The results of the Trade and Business Development Body are set out in detail on pages 59-80. The surplus for the period was £94,284 (€116,960) (2013: surplus £535,551 (€630,612))

### Fixed Assets

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

### 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.



## Important Events Occuring After the Year End

There have been no significant events since the year end 31 December 2014, which would affect these accounts.

## Charitable Donations

There were no charitable donations made by the Trade and Business Development Body during 2014.

## Business Plan

The Body's 2014 Business Plan was approved by the North South Ministerial Council on 22 January 2014. The 2015 Business Plan was approved on 5th 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  
Mr Jack Gallagher  
Mr Ray Hayden  
Mr Hubert Brown Kerr  
Mr Timothy Mayes  
Ms Patricia McKeown  
Mr Kevin Norton  
Ms Rosemary Delaney  
Professor Terri Scott  
Mr Terry Crossan (*appointed 22 October 2014*)

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

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

The Policy reflects model procedures and practices recommended by the Equality Commission.

We are opposed to all forms of unlawful and unfair discrimination. All full-time and part-time employees and job applicants (actual or potential) will be treated fairly and selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. Our customers, suppliers and members of the public with whom we interact are also afforded equality of treatment in this regard.

Our building is fully compliant with the requirements of the Disability Discrimination Act 1995 and won the William Keown Access Award in 2002. Currently 2.6% of our employees have declared that they have a disability under the definitions of the Act.

## Statutory Equality Scheme

The Body'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;
- Between persons with dependants 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

The Body formally recognises NIPSA for negotiation and consultation.

## Payment to Suppliers

The Trade and Business Development Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, 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 2,628. Ninety-eight percent of these were paid within the relevant period.

## Health and Safety Policy

The Trade and Business Development Body has a Health & Safety Policy and Procedures covering the organisation and its premises. Procedures for evacuation and security arrangements are in place for the Body and regular drills and tests are carried out. First aiders and fire wardens have been appointed and received necessary training.

## Energy Usage

Overview of Energy Usage in 2014

In 2014, InterTradelreland consumed 259.4 MWh of energy, comprising:

- 102.884 MWh of electricity
- 156.554 MWh of fossil fuels;
- 0 MWh of renewable fuels.

In 2014 InterTradelreland further reduced energy consumption in respect of both electricity usage and fossil fuel consumption. The reduction is attributable to energy saving measures undertaken, and also mild weather.

## Actions Undertaken in 2014

Measures taken during 2014 to improve energy performance included:

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

## Actions Planned for 2015

In 2015 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: 29 June 2015**

## STATEMENT OF RESPONSIBILITIES

### Trade and Business Development Body Responsibilities

The Finance Departments have directed the Trade and Business Development Body to prepare a statement of accounts for each year ended 31 December in the form and on the basis set out in the accounts direction at the appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year-end and of its income and expenditure, recognised gains and losses, and cash flows for the calendar year. The functions of the Body are exercised by the Board.

In preparing the accounts the Trade and Business Development Body is required to:

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Trade and Business Development Body will continue in operation.

### Chief Executive's Responsibilities

- The Chief Executive's responsibilities as the accountable person for the Trade and Business Development Body (including responsibility for the propriety and regularity of the public finances and the keeping of proper records) are set out in the Financial Memorandum of the Body

**Thomas Hunter McGowan**  
Chief Executive

**Date: 29 June 2015**

## 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 the Trade and Business Development Body's policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and the Trade and Business Development Body'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 - the Trade and Business Development Body 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 the Trade and Business Development Body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trade and Business Development Body for the year ended 31st December 2014 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. Inter-departmental or cross-directorate working and learning is actively encouraged and facilitated with the objective of reducing risk through awareness.

## The Risk and Control Framework

The Trade and Business Development Body 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 2014. Risk management has been incorporated into the corporate planning and decision making processes of the Trade and Business Development Body.

During 2014 further refinements were made to the Body's risk management processes. Risk Management Procedures and Guidance were documented and approved by the Audit and Risk Assurance Committee. These Procedures and Guidance are 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 signalled that the level of funding it would make available to the Body was likely to reduce significantly (of the order of 15%) in the immediate future. The Body worked constructively with both Sponsoring Departments to manage this risk. An accommodation involving the utilisation of Revenue Reserves has been reached which facilitates authorised expenditure for both 2014 and 2015 to be maintained at the levels set out in the 2014-2016 Corporate Plan. No Revenue Reserves were utilised during 2014.

## 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 the Trade and Business Development Body,

who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their 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 plan 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 2014 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 2014 was provided and considered by the Board;
- A review of the Assurance Statements provided by the Body's Directors and Managers in support of this Statement of Internal Control;
- The application of a risk-based three year internal audit programme. In June 2014, the internal auditors (ASM) were re-appointed following a procurement exercise and undertook internal audits in the areas of Information Technology General Controls and Programmes - Managing Agents.
- An annual statement of assurance, in respect of 2014, 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'. However, they did highlight the potential vulnerability associated with the recent loss of the Body's dedicated IT Officer. InterTradelreland is currently implementing a medium-term plan, which has proven effective to date, to address the situation. The effectiveness of this plan will be formally reviewed in 2015 by the Audit & Risk Assurance Committee;

- The application of delegated sanctions agreed by both the respective Sponsoring Departments (DETI and DJEI) and Finance Departments (DFP and DPER);
- 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: 29 June 2015**

## **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 2014 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 and for being satisfied that they give a true and fair view. 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 give a true and fair view of the state of the Body's affairs as at 31 December 2014 and of its surplus, total recognised gains and losses and cash flows for the year then ended; and
- 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.

## 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**

**Date: 30 June 2015**

**Seamus McCarthy**  
**Irish Comptroller and Auditor General**  
**Dublin Castle**  
**Dublin 2**  
**Ireland**

**Date: 30 June 2015**



## InterTradelreland

### Income and Expenditure account for Financial Year 1 January 2014-31 December 2014

	NOTES	2014	2013	2014	2013
		£	£	€	€
<b>INCOME</b>					
Revenue Grants from Departments	2	9,307,358	9,978,850	11,545,778	11,750,096
Capital Grant Release from Departments	13	42,720	35,613	52,994	41,935
Other Operating Income	3	668,175	679,907	828,872	800,590
<b>TOTAL INCOME</b>		<b>10,018,253</b>	<b>10,694,370</b>	<b>12,427,644</b>	<b>12,592,621</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	2,323,985	2,256,039	2,882,903	2,656,487
Depreciation	8 and 9	42,720	35,613	52,994	41,935
Other Operating Costs	6	841,345	872,115	1,043,689	1,026,914
Programme Costs	7	6,714,564	6,993,505	8,329,417	8,234,851
		<b>9,922,614</b>	<b>10,157,272</b>	<b>12,309,003</b>	<b>11,960,187</b>
<b>Surplus before tax</b>		95,639	537,098	118,641	632,434
<b>Corporation Tax Payable</b>	6 (b)	( 1,355)	( 1,547)	( 1,681)	( 1,822)
<b>Surplus for the period</b>		<b>94,284</b>	<b>535,551</b>	<b>116,960</b>	<b>630,612</b>
<b>Surplus for period transferred to General Fund</b>		<b>94,284</b>	<b>535,551</b>	<b>116,960</b>	<b>630,612</b>
<b>Statement of total recognised gains and losses</b>					
Surplus for the year		94,284	535,551	116,960	630,612
Actuarial (losses)/gains	15	( 204,323)	132,521	( 253,463)	156,044
Transfers out of/(into) the Scheme	15	-	50,047	-	58,930
Adjustment to Deferred Pension Funding		204,323	( 182,568)	253,463	( 214,974)
<b>Total recognised gain for the year</b>		<b>94,284</b>	<b>535,551</b>	<b>116,960</b>	<b>630,612</b>

All amounts above relate to continuing activities.

The notes on pages 62 to 80, together with Appendix A (page 81) form part of these accounts.

## InterTradelreland

### Balance Sheet as at 31 December 2014

	NOTES	2014	2013	2014	2013
		£	£	€	€
<b>FIXED ASSETS</b>					
Intangible Assets	8	2,661	8,069	3,416	9,679
Tangible Assets	9	61,915	79,788	79,493	95,706
		<b>64,576</b>	<b>87,857</b>	<b>82,909</b>	<b>105,385</b>
<b>CURRENT ASSETS</b>					
Debtors	10	112,142	140,207	143,979	168,179
Cash at bank and in hand	14	2,740,590	3,017,170	3,518,644	3,619,095
		<b>2,852,732</b>	<b>3,157,377</b>	<b>3,662,623</b>	<b>3,787,274</b>
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	11	1,540,391	1,740,857	1,977,708	2,088,159
Provisions - amounts due in less than one year	12	424,415	622,878	544,906	747,142
		<b>1,964,806</b>	<b>2,363,735</b>	<b>2,522,614</b>	<b>2,835,301</b>
<b>NET CURRENT ASSETS</b>		<b>887,926</b>	<b>793,642</b>	<b>1,140,009</b>	<b>951,973</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<b>952,502</b>	<b>881,499</b>	<b>1,222,918</b>	<b>1,057,358</b>
Pension Liabilities	15	( 7,623,807)	( 6,784,953)	( 9,788,206)	( 8,138,551)
Deferred Pension Funding		7,623,807	6,784,953	9,788,206	8,138,551
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>952,502</b>	<b>881,499</b>	<b>1,222,918</b>	<b>1,057,358</b>
Financed by :					
<b>CAPITAL AND RESERVES</b>					
General Fund	13	887,926	793,642	1,140,009	951,974
Capital Grant Reserve	13	64,576	87,857	82,909	105,384
		<b>952,502</b>	<b>881,499</b>	<b>1,222,918</b>	<b>1,057,358</b>

The notes on pages 62 to 80, together with Appendix A (page 81) form part of these accounts.

**Thomas Hunter McGowan**  
Chief Executive

**Date: 29 June 2015**

## InterTradelreland

### Cash Flow Statement for the year 1 January 2014 - 31 December 2014

	NOTES	2014	2013	2014	2013
		£	£	€	€
<b>OPERATING ACTIVITIES</b>					
Net cash (outflow)/inflow from Operating Activities	14	( 281,811)	267,706	( 106,940)	250,368
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest Received		6,778	7,734	8,409	9,107
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire Fixed Assets	9	( 19,439)	( 40,244)	( 24,114)	( 47,387)
<b>TAXATION</b>					
Corporation Tax Paid		( 1,547)	( 1,409)	( 1,919)	( 1,658)
<b>FINANCING</b>					
Grant Received for Capital Purposes	13	19,439	40,244	24,114	47,387
<b>(Decrease)/Increase in Cash</b>		<b>(276,580)</b>	<b>274,031</b>	<b>(100,450)</b>	<b>257,817</b>

The notes on pages 62 to 80, together with Appendix A (page 81) form part of these accounts.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

### ACCOUNTING POLICIES

#### 1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention.

Without limiting the information given, the financial statements are prepared on an accruals basis and comply with the accounting standards and disclosure requirements issued by the Department of Finance and Personnel, and Department of Public Expenditure and Reform.

#### 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 2014.

#### 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 2014 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 2014 and comparative figures for 2013.

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

The Trade and Business Development Body was not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of Fixed Assets.

#### 1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the Balance Sheet date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income and Expenditure Account. Translated amounts have been disclosed in the Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and the related notes in Euro (€). The closing rate used for the Balance Sheet was £1=€1.2839(2013:£1=€1.1995) and the average rate used for the Income and Expenditure Account was £1= €1.2405 (2013:£1=€1.1775). 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 2014 - 31 December 2014

	DETI (NORTHERN IRELAND)	DETI (NORTHERN IRELAND)	DJEI (IRELAND)	DJEI (IRELAND)	TOTAL	TOTAL
	£	€	£	€	£	€
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>

### 2.2 Financial Year 1 January 2013 - 31 December 2013

	DETI (NORTHERN IRELAND)	DETI (NORTHERN IRELAND)	DJEI (IRELAND)	DJEI (IRELAND)	TOTAL	TOTAL
	£	€	£	€	£	€
Revenue Grant	3,196,831	3,696,686	6,782,019	8,053,410	9,978,850	11,750,096
Capital Grant	13,414	15,795	26,828	31,590	40,242	47,385
	<b>3,210,245</b>	<b>3,712,481</b>	<b>6,808,847</b>	<b>8,085,000</b>	<b>10,019,092</b>	<b>11,797,481</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).

## 3. OTHER OPERATING INCOME

Other operating income comprises:

	NOTE	2014	2013	2014	2013
		£	£	€	€
Bank interest receivable		6,778	7,737	8,408	9,111
Conference Income		23,288	25,213	28,889	29,688
Staff secondment		3,578	42,436	4,439	49,968
Net deferred funding for pensions	15.4	634,531	604,521	787,136	711,823
		<b>668,175</b>	<b>679,907</b>	<b>828,872</b>	<b>800,590</b>



## 4. STAFF COSTS AND BOARD REMUNERATION

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

		2014	2013
Permanent Staff	- CEO Office	2	2
	- Corporate Services	11	11
	- Policy	10	10
	- Operations	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:

	2014	2013	2014	2013
	£	£	€	€
Salaries & Wages	1,435,194	1,381,693	1,780,358	1,626,944
Social Security Costs	115,151	111,650	142,845	131,468
Other Pension Costs - Current service and interest costs	692,070	660,695	858,512	777,969
Amounts payable in respect of Agency/Temporary staff	19,890	39,952	24,674	47,043
<b>Total Staff Costs</b>	<b>2,262,305</b>	<b>2,193,990</b>	<b>2,806,389</b>	<b>2,583,424</b>
Board Remuneration	61,680	62,049	76,514	73,063
<b>Total Board Costs</b>	<b>61,680</b>	<b>62,049</b>	<b>76,514</b>	<b>73,063</b>
<b>TOTAL BOARD AND STAFF COSTS</b>	<b>2,323,985</b>	<b>2,256,039</b>	<b>2,882,903</b>	<b>2,656,487</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 2014 fell within the following bands:**

	2014	2013
£40,000 - 49,999	8	8
£50,000 - 59,999	2	2
£60,000 - 69,999	1	1
£70,000 - 79,999	0	0
£80,000 - 89,999	1	1
£90,000 - 99,999	0	0
	<b>12</b>	<b>12</b>

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

	SALARY 2014	SALARY 2014	SALARY 2013	SALARY 2013
€	£	€	£	€
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	77,803	62,719	73,852
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 2014 or 2013.

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

	FEES 2014	FEES 2014	FEES 2013	FEES 2013
	£	€	£	€
Mr Martin Cronin (Chairman)	9,649	<b>11,970</b>	10,166	<b>11,970</b>
Ms Joanne Spain (Vice Chairperson)	7,925	<b>9,830</b>	8,348	<b>9,830</b>
Mr Brendan Butler	6,203	<b>7,695</b>	6,535	<b>7,695</b>
Mr Jack Gallagher	<b>5,235</b>	6,494	<b>5,235</b>	6,164
Mr Ray Hayden	<b>5,235</b>	6,494	<b>5,235</b>	6,164
Mr Hubert Brown Kerr	-	-	-	-
Mr Timothy Mayes	<b>5,235</b>	6,494	<b>5,235</b>	6,164
Ms Patricia McKeown	<b>5,235</b>	6,494	<b>5,235</b>	6,164
Mr Kevin Norton	6,203	<b>7,695</b>	6,535	<b>7,695</b>
Ms Rosemary Delaney	6,203	<b>7,695</b>	-	-
Professor Terri Scott	<b>1,745</b>	2,165	-	-
Mr Terry Crossan (appointed 22 October 2014)	1,225	<b>1,519</b>	-	-

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 £3,856 (€4,783 being the Euro equivalent) was paid to Board members to cover travel and subsistence expenses during the year 2014. 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 2014 or 2013.

Mr Hubert Brown Kerr waived his Board fees in respect of 2014.

**(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2014:**

	REAL INCREASE/ (DECREASE) IN PENSION AND RELATED LUMP SUM AT AGE 60 IN 2014 £'000	TOTAL ACCRUED PENSION AT AGE 60 AT 31 DECEMBER 2014 £'000	REAL INCREASE IN PENSION AND RELATED LUMP SUM AT AGE 60 IN 2013 £'000	TOTAL ACCRUED PENSION AT AGE 60 AT 31 DECEMBER 2013 £'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	0 - 2.5 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 the Trade and Business

Development Body. Annual operating plans, including predetermined performance indicators, are presented to North South Ministerial Council and approved.

## 6. OTHER OPERATING COSTS

	2014	2013	2014	2013
	£	£	€	€
Travel and Subsistence	13,712	76,484	17,010	90,060
Postage, Stationery, Telephone	46,714	70,894	57,949	83,478
Currency Loss/(Gain)	61,519	( 26,420)	76,314	( 31,110)
Rent and Rates	255,786	254,756	317,303	299,975
Heat, Light and Power	25,471	27,603	31,597	32,503
Maintenance	15,563	12,002	19,306	14,132
Promotion and Web Development	164,570	171,160	204,149	201,541
Professional Fees	4,773	8,232	5,921	9,693
Meeting Costs	633	1,150	785	1,354
Internal Audit	8,976	9,360	11,135	11,021
External Audit	22,000	22,000	27,291	25,905
Recruitment Costs	1,768	8,472	2,193	9,976
Insurance	7,960	11,168	9,874	13,150
Pension Admin Costs	29,063	32,163	36,053	37,872
Office Expenses	7,939	6,586	9,848	7,755
Information Systems	103,038	106,999	127,819	125,991
Non-Capitalised Costs of Assets	279	-	346	-
Training	15,773	23,482	19,566	27,650
Equality	-	375	-	442
General Expenses	1,014	3,669	1,258	4,320
Bank Charges	1,603	136	1,989	160
Hosting Costs	2,676	1,942	3,320	2,287
Cleaning	13,977	14,379	17,338	16,931
Security Costs	36,538	35,523	45,325	41,828
<b>TOTAL</b>	<b>841,345</b>	<b>872,115</b>	<b>1,043,689</b>	<b>1,026,914</b>

From 2014, Travel and Subsistence and telephone costs related to programme activity are charged to programme costs (see Note 7.2).

## 6(b). CORPORATION TAX PAYABLE

	2014	2013	2014	2013
	£	£	€	€
Corporation Tax	1,355	1,547	1,681	1,822

A Corporation Tax liability arose in InterTradelreland in 2014, due to tax payable on the interest on bank account balances.

## 7. PROGRAMME COSTS

	2014	2013	2014	2013
	£	£	€	€
<b>7.1 INTERTRADEIRELAND COSTS</b>				
Trade: Programmes & Initiatives	1,339,025	1,322,506	1,661,061	1,557,251
Science Technology & Innovation	2,100,126	2,175,949	2,605,206	2,562,180
Economic and Policy Research	184,830	195,645	229,282	230,372
<b>7.2 FINANCIAL ASSISTANCE TO OTHER ORGANISATIONS</b>				
FUSION	1,860,831	1,765,348	2,308,361	2,078,697
Acumen	752,059	521,224	932,929	613,741
Equity/Venture Capital	219,314	235,179	272,059	276,923
Innova	243,135	764,976	301,609	900,759
Research Connections	15,244	12,678	18,910	14,928
<b>TOTAL</b>	<b>6,714,564</b>	<b>6,993,505</b>	<b>8,329,417</b>	<b>8,234,851</b>

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £752,059 (2013:£521,224) 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 £75,000 (2013:£43,750) from Invest NI in respect of Invest NI client organisations being assisted by the Acumen programme. An amount of £nil (2013:£nil) remained to be recouped by InterTradelreland from Invest NI at the year end.

From 2014, Programme costs include travel and subsistence and phone costs amounting to £65,447 which are attributable to programme activity (see Note 6).

## 8. INTANGIBLE ASSETS

	SOFTWARE LICENCES	TOTAL	TOTAL
	£	£	€
<b>Cost or Valuation</b>			
At 1 January 2014	51,454	51,454	61,719
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2014</b>	<b>51,454</b>	<b>51,454</b>	<b>61,719</b>
<b>Depreciation</b>			
At 1 January 2014	43,385	43,385	52,040
Provision for Year	5,408	5,408	6,709
Disposals	-	-	-
<b>At 31 December 2014</b>	<b>48,793</b>	<b>48,793</b>	<b>58,749</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2014</b>	<b>2,661</b>	<b>2,661</b>	<b>2,970</b>
<b>Currency Translation Adjustment</b>			<b>446</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2014</b>	<b>2,661</b>	<b>2,661</b>	<b>3,416</b>
<b>NET BOOK VALUE AT 31 DECEMBER 2013</b>	<b>8,069</b>	<b>8,069</b>	<b>9,679</b>

## 9. TANGIBLE ASSETS

	LEASEHOLD IMPROVE MENTS	FIXTURES AND FITTINGS	OFFICE EQUIP.	COMPUTER EQUIP.	TOTAL	TOTAL
	£	£	£	£	£	€
<b>Cost or Valuation</b>						
At 1 January 2014	145,225	79,237	59,705	271,676	555,843	666,734
Additions	-	-	-	19,439	19,439	24,114
Disposals	-	(2,699)	(1,059)	(1,240)	(4,998)	(6,200)
<b>At 31 December 2014</b>	<b>145,225</b>	<b>76,538</b>	<b>58,646</b>	<b>289,875</b>	<b>570,284</b>	<b>684,648</b>
<b>Depreciation</b>						
At 1 January 2014	135,764	72,448	58,356	209,487	476,055	571,028
Provision for Year	3,471	2,736	624	30,481	37,312	46,285
Disposals	-	(2,699)	(1,059)	(1,240)	(4,998)	(6,200)
<b>At 31 December 2014</b>	<b>139,235</b>	<b>72,485</b>	<b>57,921</b>	<b>238,728</b>	<b>508,369</b>	<b>611,113</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>73,535</b>
<b>Currency Translation Adjustment</b>						<b>5,958</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>
<b>NET BOOK VALUE AT 31 DECEMBER 2013</b>	<b>9,461</b>	<b>6,789</b>	<b>1,349</b>	<b>62,189</b>	<b>79,788</b>	<b>95,706</b>

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

	2014	2013	2014	2013
	£	£	€	€
Other Debtors	34,712	52,332	44,567	62,773
Prepayments and accrued income	77,430	87,875	99,412	105,406
<b>TOTAL</b>	<b>112,142</b>	<b>140,207</b>	<b>143,979</b>	<b>168,179</b>

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

	2014	2013	2014	2013
	£	£	€	€
Trade Creditors	318,285	292,595	408,646	350,968
Accruals	1,220,751	1,446,715	1,567,322	1,735,335
Corporation Tax	1,355	1,547	1,740	1,856
<b>TOTAL</b>	<b>1,540,391</b>	<b>1,740,857</b>	<b>1,977,708</b>	<b>2,088,159</b>

## 12. PROVISIONS

	2014	2013	2014	2013
	£	£	€	€
Provisions (amounts falling due less than one year) Opening Balance	622,878	706,857	747,142	866,140
Provided in the Year	424,415	622,878	526,487	733,439
Provisions Utilised / Released in the Year	( 622,878)	( 706,857)	( 772,680)	( 832,324)
Difference on Foreign Exchange Translation	-	-	43,957	( 20,113)
<b>CLOSING BALANCE</b>	<b>424,415</b>	<b>622,878</b>	<b>544,906</b>	<b>747,142</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

	2014	2013	2014	2013
	£	£	€	€
General Fund Opening Balance	793,642	258,091	951,974	316,250
Surplus for the year	94,284	535,551	116,960	630,612
Difference on Foreign Exchange Translation	-	-	71,075	5,112
<b>GENERAL FUND CLOSING BALANCE</b>	<b>887,926</b>	<b>793,642</b>	<b>1,140,009</b>	<b>951,974</b>



## 13.2 Capital Grant Reserve

	2014	2013	2014	2013
	£	£	€	€
Opening Balance	87,857	83,226	105,384	101,979
Capital Grants Received	19,439	40,244	24,114	47,388
Less: Transfer to Income & Expenditure	( 42,720)	( 35,613)	( 52,994)	( 41,935)
Difference on Foreign Exchange Translation	-	-	6,405	( 2,048)
<b>CAPITAL GRANTS RESERVE CLOSING BALANCE</b>	<b>64,576</b>	<b>87,857</b>	<b>82,909</b>	<b>105,384</b>

## 14. NOTES TO CASH FLOW STATEMENT

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

	2014	2013	2014	2013
	£	£	€	€
Surplus for the year before tax	95,639	537,098	118,641	632,434
Depreciation	42,720	35,613	52,994	41,935
Transfer from Capital Grant Reserve	( 42,720)	( 35,613)	( 52,994)	( 41,935)
Bank Interest Receivable	( 6,778)	( 7,737)	( 8,408)	( 9,111)
Decrease / (Increase) in debtors	28,065	(4,586)	24,200	( 1,997)
(Decrease) in creditors / provisions	( 398,736)	( 257,069)	( 312,448)	( 376,070)
Difference on Foreign Exchange Translation			71,075	5,112
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>	<b>(281,811)</b>	<b>267,706</b>	<b>(106,940)</b>	<b>250,368</b>

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

	2014	2013	2014	2013
	£	£	€	€
Cash at Bank and in hand at 1 January	3,017,170	2,743,139	3,619,095	3,361,278
Net Cash (outflow) / inflow	( 276,580)	274,031	( 100,451)	257,817
<b>CASH AT BANK AND IN HAND AT 31 DECEMBER</b>	<b>2,740,590</b>	<b>3,017,170</b>	<b>3,518,644</b>	<b>3,619,095</b>

## 15. PENSIONS

### 15.1 Accounting Treatment

The valuation used for FRS 17 disclosures has been based on an actuarial valuation as at 31 December 2014 by an independent actuarial firm, Xafinity Consulting. The principal assumptions used to calculate scheme liabilities are:

	31-DEC-14	31-DEC-13	31-DEC-12
<b>DISCOUNT RATE</b>			
Northern Ireland	3.60%	4.50%	4.10%
Ireland	2.10%	3.50%	2.70%
<b>RATE OF INCREASE IN RETAIL PRICES INDEX*</b>			
Northern Ireland	N/A	N/A	N/A
Ireland	N/A	N/A	2.50%
<b>RATE OF INCREASE IN CONSUMER PRICE INDEX*</b>			
Northern Ireland	2.00%	2.50%	1.80%
Ireland	2.00%	2.00%	N/A
<b>AVERAGE RATE OF INCREASE IN PENSIONS:</b>			
Northern Ireland	2.00%	2.50%	1.80%
Ireland	2.00%	2.00%	2.50%
<b>IN LINE WITH SALARY INCREASES</b>	<b>3.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>Average expected future life at age 65 for</b>			
Male currently aged 65	22.10	21.60	21.50
Female currently aged 65	24.30	24.20	24.10
Male currently aged 45	23.50	23.50	23.40
Female currently aged 45	25.80	26.00	25.90

\* For the financial years 2010 and 2011 the Retail Price Index was applied. This was changed to the Consumer Price Index from 2012 for Northern Ireland and from 2013 for Ireland.

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

	2014	2013	2014	2013
	£	£	€	€
Opening value of scheme's liabilities	6,784,953	6,363,000	8,138,551	7,796,838
Service cost	379,503	393,914	470,773	463,834
Interest on scheme liabilities	312,567	266,781	387,739	314,135
Actuarial loss / (gain)	204,323	(132,521)	253,463	(156,043)
Net transfers (out of) /into the scheme	-	(50,047)	-	(58,930)
Benefits paid	(57,539)	(56,174)	(71,377)	(66,145)
Difference on foreign exchange translation	-	-	609,057	(155,138)
<b>NET PENSION LIABILITY AT 31 DECEMBER</b>	<b>7,623,807</b>	<b>6,784,953</b>	<b>9,788,206</b>	<b>8,138,551</b>

The actuarial loss in 2014 arose due to a change in assumptions and also an experience gain. The change in assumptions related to a decrease in the discount rate used to value the scheme liabilities, and also a decrease in the inflation rate used to project future benefit payments. The experience gain is due to salary increases being lower than expected.

The pension liabilities disclosed at 31 December 2014 are based on the current benefit structure of the North/South Pension Scheme Core Section and Reserved Rights Sections. The Core Section of the Scheme is being reformed from 1 April 2015 in line with changes that are being implemented in Northern Ireland across all Public Service pension schemes. The main changes include:

- Future benefit accrual on a Career Average Revalued Earnings basis;
- Normal Retirement Age in line with a member's own State Pension Age; and
- Increased member contributions.

All InterTradelreland employees will automatically change to the reformed benefit scheme from 1 April 2015.

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

	2014	2013	2014	2013
	£	£	€	€
Experience (gain)	(148,282)	(107,521)	(183,944)	(126,606)
Loss / (Gain) on change of financial assumptions	352,605	(25,000)	437,407	(29,438)
<b>ACTUARIAL LOSS/(GAIN)</b>	<b>204,323</b>	<b>(132,521)</b>	<b>253,463</b>	<b>(156,044)</b>

#### 15.4 Income & Expenditure account analysis

	2014	2013	2014	2013
	£	£	€	€
<b>ANALYSIS OF THE NET DEFERRED FUNDING FOR PENSIONS IS AS FOLLOWS:</b>				
Service cost	379,503	393,914	470,773	463,834
Other finance cost	312,567	266,781	387,739	314,135
Benefits paid during the year	(57,539)	(56,174)	(71,377)	(66,145)
	<b>634,531</b>	<b>604,521</b>	<b>787,135</b>	<b>711,824</b>

	2014	2013	2014	2013
	£	£	€	€
<b>ANALYSIS OF THE CURRENT PENSION SERVICE COSTS IS AS FOLLOWS:</b>				
Service cost	379,503	393,914	470,773	463,834
Other finance cost	312,567	266,781	387,739	314,135
	<b>692,070</b>	<b>660,695</b>	<b>858,512</b>	<b>777,969</b>

Contributions received from members of the North/South Pension Scheme in 2014 amounted to £52,400 (€65,002) (2013: £28,591 (€33,666)). 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 2014 amounted to £7,623,807 (€9,788,206) (2013: £6,784,953 (€8,138,551))

	2014	2013	2014	2013
	£	£	€	€
Opening balance at 1 January	6,784,953	6,363,000	8,138,551	7,796,838
Increase in Deferred Funding of Pension Asset	838,854	421,953	1,077,005	506,133
Difference on foreign exchange translation	-	-	572,650	(164,420)
	<b>7,623,807</b>	<b>6,784,953</b>	<b>9,788,206</b>	<b>8,138,551</b>

## 15.6 History of Defined Benefit Liabilities

	2014	2013	2012	2014	2013	2012
	£	£	£	€	€	€
Deficit as at 31 December	7,623,807	6,784,953	6,363,000	9,788,206	8,138,551	7,796,838
Experience (gain)/loss	(148,282)	(107,521)	177,036	(183,944)	(126,606)	218,328
Percentage of Scheme Liabilities	1.9%	1.6%	2.8%	1.9%	1.6%	2.8%

The cumulative actuarial loss recognised in the Statement of Recognised Gains and Losses amounts to £1,083,153 (€1,343,651)

## 16. CAPITAL COMMITMENTS

### 16.1 Capital commitments at 31 December 2014 for which no provision has been made

	2014	2014
	£	€
Contracted	-	-
Authorised but not contracted	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 16.2 Other Commitments

	2014	2014
	£	€
<b>Total</b>	<b>6,524,493</b>	<b>8,376,797</b>

This commitment relates to letters of offer and delivery agent contracts of varying durations which were issued prior to the year end, principally in respect of Acumen, FUSION and Innova, less grant payments already paid or accrued for at the year-end.

## 17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2014.

## 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 the Trade and Business Development Body has had various transactions with these departments and with other entities for which the Department of Enterprise, Trade and Investment or the Department of 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 2014, a total of £174,572 (2013:£179,268) 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			
	2014	2014	2013	2013	2014	2014	2013	2013
OPERATING LEASES WHICH EXPIRE	£'000	£'000	€'000	€'000	£'000	£'000	€'000	€'000
Within one year	-	-	-	-	-	-	-	-
In two to five years	195	250	195	234	2	2	2	2
Over five years	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>195</b>	<b>250</b>	<b>195</b>	<b>234</b>	<b>2</b>	<b>2</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 Body is financed, the Body is not exposed to the degree of financial risk faced by business entities. The Body has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities.

### **21.2 Liquidity, Interest rate and Foreign Currency Risk**

The Body'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.

The Body's transactions are effected in the currencies of each part of Ireland, with realised gains and losses being taken to the Income and Expenditure Account. 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 the Body at 31 December 2014.

## **23. APPROVAL OF ACCOUNTS**

The accounts were approved by the Board on 27th May 2015.



## 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:

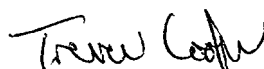
- a) The North South Implementation Bodies Annual Reports and Accounts Guidance;
- b) other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c) any other specific disclosures required by the sponsoring Departments;

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**

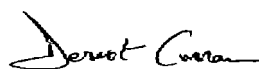
Trevor Cooper



Dated 20 February 2014

#### **Department of Jobs, Enterprise and Innovation**

Dermot Curran



Dated 20 February 2014

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