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Richard Bruton

Richard Bruton TD
MINISTER FOR JOBS,
ENTERPRISE AND
INNOVATION



Arlene Foster

Arlene Foster MLA
MINISTER FOR ENTERPRISE,
TRADE AND INVESTMENT

Joint Ministerial Foreword

We are pleased to present InterTradelreland's Annual Report for 2011, a year that has been full of uncertainty and challenges to the economies of both Northern Ireland and Ireland.

In the midst of a recession and with the effects of the current Eurozone crisis being felt throughout the business community, InterTradelreland has been continuing its work of encouraging cross-border trade and innovation through a wide range of business supports for SMEs.

Indeed, during this period, InterTradelreland's Business Monitor indicated that 70% of companies surveyed felt that the uncertainty surrounding the Eurozone economies has had a damaging effect on their business, with larger firms and exporters feeling a greater impact through their exposure to the crisis.

There is also frustration for business owners who are finding that many of the issues that are adversely affecting them, such as rising energy costs, other overheads and a lack of consumer confidence, are largely outside their control.

Access to bank finance continues to be an issue for firms with a lack of confidence in the banking sector resulting in only seven per cent of businesses surveyed saying that they had applied for a loan or overdraft at the end of last year.

We as Ministers understand that these are areas that continue to require our attention. However, there have been some signs of hope for the future with new opportunities highlighted by InterTradelreland's Economic Forum report which indicated how the economic crisis has presented both governments with the opportunity to create a new future built on a radically different foundation. The Forum also considered how economic adversity could be a catalyst of change, bringing more strategic thinking into the public service.

In spite of the sustained economic challenges faced by both economies InterTradelreland's return on investment in 2011 continues to grow and for every £1 invested in the organisation, it delivered a seventeen fold return in business development value during this period. It is encouraging to see a high level of participation and engagement from businesses in the various programmes and events run by InterTradelreland in partnership with agencies including Invest NI, Enterprise Ireland and others. Companies are increasingly recognising the need to take an innovative approach in order to survive and grow in the current economic climate and we would encourage businesses to continue to take advantage of the opportunities open to them.

“As ever, InterTradelreland continues to encourage companies to make the most of the cross-border trade opportunities available and has assisted companies in every city and every county.”

As ever, InterTradelreland continues to encourage companies to make the most of the cross-border trade opportunities available and has assisted companies in every city and every county. The support and advice given by InterTradelreland to businesses across the island has had tangible and meaningful results. The organisation has provided advice and business information to 2,691 companies in the last year.

In total, 63 firms have become first time exporters and 65 firms have become first time innovators. Indeed, the total value of reported trade and business development activity generated by firms engaged in InterTradelreland's co-operative North/South Trade and Innovation programmes and all-island business networks was an impressive £122M/€149M in 2011.

Our congratulations and thanks must go to the members of the outgoing Board under the Chairmanship of David Dobbin which ended its term of office in October. Each Board member brought a range of valuable skills and experience to their role, ensuring that InterTradelreland continues to deliver on its remit. We wish the current Board every success and thank its members for the drive and commitment that they have already shown since commencing their roles in December.

We would like to take this opportunity to give a special thanks to outgoing Chief Executive, Liam Nellis. We congratulate him on his leadership of the organisation over the last twelve years and look forward to welcoming his successor in 2012.



M. Cronin

Martin Cronin
CHAIRMAN

Chairman's Introduction

With 2011 bringing further challenges for businesses across the island, it is now more vital than ever that knowledge and resources are shared across the island for the mutual benefit of both economies. North/South co-operation of this kind will allow us to drive additional trade, jobs and wealth creation in Northern Ireland and Ireland and help us gain a competitive advantage on the global stage.

There is no doubt that continuing economic uncertainty and the Eurozone crisis in particular are still impacting on local businesses. InterTradelreland's Business Monitor Surveys illustrated how a decline in customers, stubbornly high costs, a fall in confidence and a decrease in applications for finance, creates a vicious circle that we must work to break out of. These combined issues continue to have a knock-on effect on cash flow, suggesting that the trading environment is likely to remain difficult for some time.

Businesses, however, are adapting to the new economic reality by actively reducing internal costs and pricing their products and services more keenly. Businesses are also fighting back by developing new products and markets. InterTradelreland is supporting small businesses to do this by assisting them to access new markets through Acumen and Elevate, to develop new products and services through Innova and FUSION and to access public procurement opportunities through the Go2Tender programme.

Our research indicates that those who export or who trade cross-border are significantly more likely to report increased sales than those who rely solely on the domestic market. InterTradelreland is therefore addressing demand problems by assisting more companies onto the first rung of the exporting ladder and supporting them to seek out new opportunities across the island.

'Our challenge ahead is to continue to foster cross-border co-operation, investment and innovation to allow businesses to diversify and grow.'

Throughout 2011, InterTradelreland also completed and published eight significant research reports. The 'Market report on the Energy Management Sector' provided an overview of this growing segment of the energy industry and the 'Business and Carbon Measurement on the Island of Ireland' explored the risks and opportunities for companies due to the increase in stakeholder and market requirements for business-related Greenhouse Gas (GHG) information. The 'Environmental regulations and Cross-Border Trade and Business' report made useful recommendations on how SME's can overcome barriers to cross-border trade due to these regulations.

Our challenge ahead is to continue to foster cross-border co-operation, investment and innovation to allow businesses to diversify and grow. InterTradelreland continues to work with business owners, business agencies, government bodies and investors to ensure that it addresses the changing needs of the business community.

I am very grateful for the support of Minister Foster MLA, Minister Bruton TD and their Departments, the cooperation of InvestNI and Enterprise Ireland and the commitment and professionalism of the senior management team and staff of InterTradelreland. I would like to thank the outgoing Chairman and Board for their dedication during their term of office. I am delighted to be working with the new Board to build on the organisation's achievements to date and achieve further successes in the future.

I would also like to acknowledge the central role played by the CEO, Liam Nellis in building InterTradelreland from scratch as a successful organisation which adds real economic value across the island, and to wish him well in his retirement. It is my pleasure to welcome Thomas Hunter McGowan who will succeed Liam as CEO in 2012.




Liam Nellis
CHIEF EXECUTIVE

Chief Executive's Message

As my tenure as Chief Executive of InterTradelreland draws to a close after almost twelve years, I am delighted to report that the targets set for the organisation in 2011 have been exceeded. Despite another difficult year for businesses across the island, we have helped SMEs to generate a significant £122M/€149M of new trade and business development value in 2011.

One of the companies participating on our North-South collaborative innovation programme, Innova, who attributed an order of £30m directly to the programme. This illustrates the value and importance of such initiatives which can make a significant difference to the success of our SMEs and encourage entrepreneurial innovation which is vital to our economic recovery.

Our sales and marketing programme Acumen also reported strong results with the initiation of 84 projects of which 27 were first time exporters. Ongoing monitoring of companies who have participated on Acumen shows Business Value of £46.8/€57M and the creation or protection of 254 jobs in 2011.

In August 2011, InterTradelreland launched an exciting new sales development programme, Elevate. The programme aims to help micro businesses survive and grow by maximising cross-border export opportunities through practical one-to-one advice and support with industry experts. Around 50 companies were approved for support during the first stage.

Our new Challenge Innovation programme was also launched, which targets small locally focussed companies which aspire to grow through innovation but which lack the necessary capabilities. More than 100 companies attended briefing sessions and after a two-day workshop and the submission of a growth plan and presentation, 10 companies were chosen to benefit from six days of intensive one to one support from an innovation mentor.

With billions of Euros still available in EU Framework Programme 7 Funding, the new EU Research Connections Programme was also developed in 2011 specifically to increase the number and success rate of collaborative North-South project applications.

“Despite another difficult year for businesses across the island, through our programmes and support, we have helped SMEs to generate a significant £122M/€149M of new trade and business development value in 2011.”

Following the successful introduction of our ‘Business Ambassador Initiative’ in Northern Ireland in 2010, we launched the initiative in Dublin in 2011 at the Mansion House. The purpose of this initiative is to showcase the success stories of SMEs who have participated in our programmes to the political leaders across the island. The event in Dublin was very well attended by members of the Oireachtas and for many new Deputies it gave them a useful introduction to InterTradelreland and the work that we do. We hope that promoting the results that can be achieved through our programmes will encourage other companies to take their business to the next level.

During 2011, InterTradelreland provided practical advice and support to around 2,700 SMEs across the island, helped 63 companies to become first-time exporters and 65 companies to become first-time innovators. We also created and/or protected nearly 500 jobs through companies participating in our trade and innovation.

This success could not have been achieved without the contribution of supporting agencies including Enterprise Ireland, Invest NI, Enterprise Boards, Enterprise Agencies and Chambers of Commerce amongst others and we are very grateful for their help in enabling us to deliver continued value for businesses.

I would like to take this opportunity to express my sincere gratitude and appreciation to the outgoing Board and all of the staff at InterTradelreland for all their hard work and commitment to the body over the last year. I would like to wish the very best to the new Board, the members of which have already displayed great enthusiasm and dedication in assisting InterTradelreland in evolving into the future. I also wish all the best to my successor and hope he has as enjoyable and worthwhile experience in the role as I have had.

Finally, I wish to put on record my thanks to all of those at Ministerial and Departmental level and all of those in the other agencies who have provided support to me personally and to InterTradelreland over the years during my tenure as Chief Executive.

Thanks again.

Strategic Performance Summary

Summary Performance Report – Corporate Plan 2011-2013

This 2011 Annual Report sees the beginning of InterTradelreland's Corporate Plan for 2011-2013. InterTradelreland's key strategic goals for the period 2011-2013 are:

- To increase the number of businesses involved in cross-border trade and innovation activity by 10,000 (through access to, and exploitation of, InterTradelreland information, advice services and business support programmes).
- To deliver a Return on Investment of 8:1.

The performance of each of our Trade and Innovation Programmes is aggregated and reported against the following Key Performance Indicators defined for the period 2011-2013:

- Strategic Performance Indicator - [Return on Investment¹ 8:1] Business Value generated through InterTradelreland's North/South Programmes.
- Key Performance Indicator 1 - Companies engaged in North/South Business.
- Key Performance Indicator 2 - Jobs Impact.
- Key Performance Indicator 3 - First Time Exporters.
- Key Performance Indicator 4 - First Time Innovators.

Key Achievements for Year 1 of the 2011- 2013 Corporate Plan:

- Total Business Value² Achieved [& Return on Investment] 2011: £122M/€149M³ [17:1]⁴
- We have provided North/South business information and advice to 2,691 companies.
- 386 companies have participated on our North/South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have reported that 495 jobs have been created or protected as a result of their participation.
- 63 firms have become first time exporters⁵.
- 65 firms have become first time innovators⁶.
- 12 business and economic policy research reports have been published. There have been 2,332 downloads of these reports.
- 3 new programmes have been designed and implemented, Elevate, Innovation Challenge and EU Research Connections.
- Our portfolio of unique North/South programmes continues to provide direct support to the business community in those areas vital to competitive performance; Innovation programmes such as FUSION, Innova and EquityNetwork and Sales & Marketing programmes such as Acumen and Go-2-Tender.

- Our business and economic research publications have highlighted and identified opportunities that can be exploited through North/South business and economic co-operation, and ensure that our activities continue to be designed on sound economic principles.
- We have achieved Efficiency Savings of 3%.

¹Return on Investment is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes.

²Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments Made as a direct result of a company's participation on an InterTradelreland programme.

³€1=£0.82 (2011 Business Planning Guidance from DPER (Ireland) & DFP (Northern Ireland)).

⁴The substantially higher than target ROI is due to the success of one company on the Innova Programme attributing an order of £30m directly to their participation on the Programme. This figure of £30m was independently validated.

⁵The figures do not include the equity network figures which demonstrate strong growth due to increased uptake in the Business Angel Network.

⁶The figures do not include the equity network figures which demonstrate strong growth due to increased uptake in the Business Angel Network.

Strategic Performance Summary

Summary Performance Report - 2011 Business Plan

2011 Targets

Strategic Performance Indicator [Return on Investment 8:1]

Target: £60M/€73M 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: 2500 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: 150 jobs; new jobs created plus existing jobs protected as a direct result of company participation on an InterTradelreland programme.

Key Performance Indicator 3 [First Time Exporters]

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

Key Performance Indicator 4 [First Time Innovators]

Target: 30 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.

2011 Performance against Business Plan Targets

Reference	Measure	2011 Target	2011 Performance
Strategic Performance Indicator	Return on Investment [Business Value Achieved]	8:1 £60M/€73M	17:1 £122M/€149M
Key Performance Indicator 1	Additional companies engaged in cross border trade and business development	2500	2691
Key Performance Indicator 2	Jobs Impact	150	495
Key Performance Indicator 3	First Time Exporters	50	63
Key Performance Indicator 4	First Time Innovators	30	65

**board
members**

Board Members 2011

During 2011 InterTradeIreland had an Executive Board consisting of 12 members appointed by the North South Ministerial Council. Their term of office ended on the 12th December and on the 13th December 2011, 9 new members were appointed with two of the existing Board members staying on for a further period of office.

BOARD MEMBERS IN PLACE FROM JANUARY – OCTOBER 2011



DR DAVID DOBBIN CBE CHAIRMAN

Dr David Dobbin CBE has extensive international business experience in the food and drink and packaging sectors and is currently Group Chief Executive of United Dairy Farmers, a leading UK dairy processor based in Northern Ireland. He is actively involved in promoting regional economic development and is Chairman of the Strategic Investment Board for Northern Ireland and serves on the Board of Invest Northern Ireland. He has previously held a number of public and industry appointments including Chairman of CBI Northern Ireland and Chairman of the Prince's Trust in Northern Ireland.

A First Class Honours Graduate in Mechanical Engineering from Queen's University Belfast, Dr. Dobbin has completed post graduate business courses at the London and Harvard Business Schools and is a Chartered Engineer and a Fellow of the Institute of Directors. In addition to receiving the CBE in the 2005 Birthday Honours for his service to the agrifood and

packaging industries, Dr Dobbin was awarded the IOD Lunn's Award for Excellence in 2008, an honorary doctorate from Queen's University Belfast in 2005 for his services to the economy and an honorary Chinese citizenship in 1998 by the city of Kunshan in recognition of his service to economic development in China.



JOHN FITZGERALD VICE CHAIRMAN

John Fitzgerald was appointed Dublin City Manager in 1996 and stepped down from that position in June 2006. He is chairman of the Grangegorman Development Agency, which was established by Government to provide a campus for the Dublin Institute of Technology and it's 20,000 students in Dublin's north inner city. He is chairman of the Regeneration Agencies set up in Limerick resulting from the recommendations of his report to Government on problems of social exclusion in that city. He is chairman of An Post and was appointed chairman of the National Transport Authority in December 2009.



JACK GILMOUR

Jack Gilmour started his working life in a family controlled commercial printing company. When he was in his early twenties in 1970, this was sold and he moved into another existing family business of public houses. At the end of the 1970's, he was in charge of the day-to-day

operation of three businesses. Through a further acquisition, he greatly enlarged the group turnover and increased the employees to 110. He then sold his interest in these public houses and retired for a couple of years. In 1992 he purchased his present establishment, situated at Upper Malone on the southern outskirts of Belfast, where he currently employs twenty-five staff. He has been married for thirty eight years, his daughter Nicola is proprietor / publisher of a Wall Street weekly electronic paper in New York and his son is an architect, currently in London.



BRENDAN BUTLER

Brendan Butler joined the Irish Business and Employers Confederation (IBEC) in 1988 having previously worked in the public sector for 15 years. Brendan worked in a number of different roles in IBEC including as Director of the Small Firms Association (SFA) also as IBEC's Director of Social Policy and Director of Enterprise. In 2010 Brendan became IBEC's Director of Policy and International Affairs.

Brendan was involved in the negotiations for the various social partnership programmes first introduced in Ireland in 1987. Brendan is a member of the National Economic and Social Council (NESC) and the National Competitiveness Council (NCC).

Brendan holds a B.Comm from University College Dublin and M.Sc. (Economics) from Trinity College Dublin.



DR WILLIAM GERARD O'HARE CBE

Gerard is one of Northern Ireland's most successful property and business entrepreneurs with a portfolio of developments across Ireland, the UK, Central Europe and the USA. As founder and CEO of Parker Green, Gerard has grown an international portfolio of properties and investments fast approaching \$1 Billion Dollars which includes; the Quays Shopping Centre in Newry and the Fairgreen Shopping Centre in Carlow. As an ambassador for Northern Ireland respected for good business practice, sound vision and a proven ability, Gerard has been the catalyst in bringing together many major developments and attracting outside investment into Northern Ireland from the early 1990's to present day, motivating and securing some of the early PFI schemes. Hugely influential through his dedicated commitment to community support and academic excellence, Gerard's distinguished career has seen him appointed as Chairman of the Communities Support Group, President of the Newry Chamber of Commerce and Trade, Chairman of the University of Ulster Foundation as well as a visiting professor at the University of Ulster School of the Built Environment. 2009 was a busy year for Dr O'Hare having been appointed by HRH Prince Charles as Ambassador for Business and Corporate Social Responsibility in Northern Ireland; received a joint Lambda Alpha International Award for International Urban Affairs; appointed as Honorary Consul for Latvia; and awarded his CBE Honours.

Board Members 2011



HUGH LOGUE

Hugh Logue is an economist and was a senior official of the European Commission in Brussels from 1985 to 2005 with experience of R&D development. Whilst there he initiated the STRIDE (Science and Technology for Regional Innovation and Development in Europe) programme. He was a member of the Delors Task Force which created the EU Peace and Reconciliation Programme. Prior to Brussels he was economist at the National Board for Science and Technology in Dublin and a Director of the Youth Employment Agency. At InterTradelreland he chairs the award winning FUSION programme. He is a director of two international renewable energy companies and chairman of a consultancy firm. He is vice-chairman of the Irish Peace Institute, University of Limerick. From 1998-2002 he was seconded from Brussels as Special Adviser to the Office of the First and Deputy First Minister at Stormont. He was elected for the Derry constituency to the N.I Assembly in 1973, 1975 and 1982. He has published widely in many journals - national and international.



RAY DOHERTY

Ray Doherty began his working career as a Marine Radio Engineer and then completed a Marketing Degree and spent the next 12 years in Marketing and Sales in the fuel industry. He then established the franchise for a well known international restaurant chain in Cork where he operated 3 restaurants, employing over 300 people and has spent 25 years in that business, from which he recently retired. Currently he is director of property related companies and a property development partnership, has property interests in Ireland, UK and Portugal and is a board member and investor in small and medium business start ups.

Ray has served on several Boards and for many years was the representative for the Restaurants Association of Ireland on the Joint Labour Council for the Catering Industry at the Department of Labour in Dublin. He has recently retired as a founding Board member of the National Treatment Purchase Fund. He has held the senior high profile position as President of the Cork Business Association representing over 200 businesses in Cork City. Ray is a member of the Marketing Institute of Ireland, Irish Management Institute, the Cork Chamber of Commerce, the Cork Business Association and is a Director of a number of Charities.



PATRICIA MCKEOWN

Patricia McKeown is the NI Regional Secretary of the public service union UNISON. She is lead negotiator in the public service and represents both UNISON and ICTU on a wide range of public policy forums. Patricia is a lifelong campaigner for equality and human rights - with a primary focus on women's rights. She represented ICTU in the Bill of Rights Forum and was Chair of its Working Group on Socio Economic Rights. Patricia is the outgoing President of the Irish Congress of Trade Unions (2007-2009) and currently represents ICTU on the cross-border body InterTradelreland. She has previously chaired the ICTU Northern Ireland Committee and as a trade union nominee was Deputy Chairperson of the Equal Opportunities Commission (NI).



PÁDRAIG MACLOCHLAINN

Pádraig Mac Lochlainn is a member of Donegal County Council and Buncrana Town Council. He served as Mayor of Buncrana from June 2005 to June 2006. Pádraig has been the Sinn Féin candidate for Donegal North East in Dáil elections on two occasions. In 2002, he received 10% (3611 votes) and in the 2007 general election, he received 17.5% (6733 votes), just missing out on a Dáil seat. He is Chairperson of his party's National Councillors forum (NCF). He has served on the Sinn Féin Ard Comhairle (National Executive) and continues to represent the party at national and international level on a regular basis. Pádraig acted as the Donegal spokesperson for the Irish National Organisation of the Unemployed (INOU) from 1997 to 2001. He also served on the INOU National Executive from 1997 until 2000 as well as representing the organisation on the National Rural Development Forum. At local level, he was a community director on the Inishowen Partnership Board for 5 years from 1996 to 2001. His work as a community activist and political representative has led him to speak at conferences across Europe on the issues of unemployment, regional neglect and rural poverty.

Board Members 2011



TOM SCOTT OBE

Tom Scott was until 2005 a Northern Ireland senior civil servant latterly with the Department for Employment and Learning with responsibility for skills, management development and youth training policy. In November 2005 he became Chair of the Greater Shankill Partnership Board in Belfast leading the partnership on neighbourhood regeneration strategy and in January 2011 he was appointed to the Chair of the Ulster Scots Agency. Tom is a board member of Ormeau Enterprise Ltd, a local enterprise agency, and is involved with several private and public sector bodies. He is also involved in youth issues through Scouting, Belfast Activity Centre and the Gerry Rogan Initiative Trust. Tom was awarded an OBE in the 2008 New Years Honours List for services to the community in Northern Ireland.



SEAN GALLAGHER

Sean Gallagher is co-founder and former CEO of Dundalk based company Smarthomes. Set up in 2002, the company specialises in the manufacture and installation of technology solutions for the residential construction sector.

In 2004 the company won the InterTradelreland Seedcorn competition and in 2006 Sean was a finalist in the Ernst & Young Entrepreneur of the Year Programme. Sean has a diverse background in the areas of Enterprise Development, Politics and Education. He holds a Masters Degree in Business (MBA) from Dundalk Institute of Technology and the University of Ulster at Jordanstown. He was formerly Deputy CEO of the Louth County Enterprise Board where he focused on supporting start up enterprises in the border area. Prior to that, and at the age of 28, he was appointed political secretary to Government Minister Dr. Rory O'Hanlon T.D. Earlier in his career, having qualified as one of the Ireland's first professional Youth and Community Development workers, from NUI Maynooth, he was the author of the Government's first National Alcohol Education Programme for the Departments of Health, Education and the Irish Youth Service.

He is a panelist on the hugely successful RTE TV business programme "Dragons Den" and is a keenly sought after speaker in the areas of Motivation and Enterprise. A keen fitness enthusiast and in line with his commitment to those with disabilities, he participated in and won the 2009 Reality TV Boxing Show "Charity Lord of the Ring" raising much needed funds for his chosen charity The National Council for the Blind. In 2010 he was appointed to the Board of FAS, Ireland's National Training and Employment Agency.



VINCENT PARKER

Vincent Parker is a Minsiterial and Assembly Policy Advisor to Sinn Féin, providing advice on a range of strategic political and public policy issues. He is Director of Sinn Féin's Equality and Human Rights Department, and managed the party's delegation during the recent Bill of Rights Forum. Vincent has extensive strategic and operational management, business development, marketing management and public policy experience gained in an international environment, within the private and public sector. A history graduate from Queens University Belfast, Vincent also holds a masters degree from the Institute of European Studies and a postgraduate diploma in marketing from the University of Ulster. He has also studied in Aarhus, Denmark and Boston, USA. Vincent was previously European Director of a leading global life science business with responsibilities including strategic planning, project and business management, brand management and communications. He has also held management roles in the public policy consultancy sector, and the community sector. He is currently vice-chair of South Belfast District Policing Partnership, chairperson of Finaghy Crossroads Group and a Board member of Feile an Phobail.

Term of Office ended 10th October 2011.

New Board Members With Effect From 13th December 2011



MARTIN CRONIN - CHAIRMAN

Martin Cronin was Chief Executive of Forfás, 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 at the Technology Research for Independent Living (TRIL) research programme. 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 ten years. Joanne currently works as economic advisor to the Sinn Fein Oireachtas team and produces the party's pre-budget submissions and budgetary responses. She has been based in the Dail for the past 5 years, initially as a parliamentary assistant shadowing the Finance, Workers' Rights and Enterprise departments. As well as dealing with financial legislation for most of this time, she also had responsibility for producing major policy documents, including a job creation submission to the Oireachtas Committee for Enterprise, Trade and Employment. Her current work involves continuous engagement with the Department of Finance and the EU/IMF/ECB representatives overseeing the implementation of the financial programme currently in place. Joanne previously worked as the overall political manager of the Sinn Fein party in Leinster House, was chairperson of the party's national policy committee, and is also a member of the party's Ard Comhairle. In 2006, she attended negotiations at St. Andrew's as part of the Sinn Fein delegation.



BRIDGET MEEHAN

Dr Bridget Meehan is a political advisor for Sinn Fein working in the Derry constituency. She has a first class honours degree in computer science from the University of Ulster, a Masters' degree in computer science from the University of Limerick and a PhD in Engineering from the University of Ulster. She worked in the computing industry for over 10 years mainly in the telecommunications sector and also taught as a lecturer in computer science at the University of Ulster. More recently, Bridget changed career and became involved in community development and politics. In that context, she worked as the strategy manager for the Neighbourhood Renewal Board in the Waterside in Derry, and also participated in Derry's regeneration process where she was chair of the City Region Assets sectoral working group. She currently sits on the Regeneration Strategy Board. The regeneration process emphasised a rights-based approach to regeneration whereby the necessity to promote equality and address inequalities through targeted interventions was paramount.



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.

New Board Members With Effect From 13th December 2011



JACK GALLAGHER

Born in Belfast, Northern Ireland in 1941, 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 1979-1998 Jack represented FIFA as Honorary Instructor and Technical Adviser for Coach Education. In 1998 he was awarded the Merit/Excellence Award of the PR China FA for services to Football Development in twenty five cities in PR China over a thirteen year period. From 2000-2007 Jack was employed at different periods in the Northern Ireland Assembly as Special Ministerial Adviser and Senior Assembly Assistant at Stormont. From 1999-2007 he was a member of Northern Ireland Sports' Council including a four year term as Chair of Sports Development Committee; Chair of Audit Committee and V-Chair Safety in Sports' Grounds Committee. He was a member from 1994-97 of the N-S Liaison Committee.



KEVIN NORTON

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



MAIREAD SORENSEN

Mairead Sorensen is Chairman of Butlers Chocolates. She has worked in the family owned business for 30 years and her primary areas of interest have always been strategy, marketing and product development. She was Joint Managing Director until nine years ago. During the course of her career, Mairead has been involved with the Irish Management Institute, Network and the American Chamber of Commerce. In 1991, she won the Veuve Cliquot Business Woman of the Year. She travels extensively both for work and pleasure and is on the Export Trade Council of Ireland. Mairead is Vice Chairman of the Hope Foundation in Ireland and also on the board of the Hope Foundation UK. Hope is a charity set up in Ireland, taking care of the needs of street children in Calcutta.



RAY HAYDEN

Ray Hayden has over twenty years experience in both print and broadcast journalism. An award-winning journalist, he has worked for newspapers in Northern Ireland and the Republic of Ireland. His broadcasting experience is extensive. He worked as a Current Affairs/ News/Parliamentary reporter and Producer for the BBC before moving to UTV where, for 10 years, he was the Industrial/Business Correspondent. He has also reported for ITN and Sky News. Before moving to broadcasting, he was Deputy Editor of the 'East Antrim Times', Larne; General News Reporter with the 'Connacht Tribune', Galway and Trainee/Junior Reporter with the 'Midland Tribune' in his home town of Birr, Co. Offaly. In 1995, he set up Anglewise which focuses on Public Affairs, Media Skills Training, Presentation Skills Training, PR Crisis Training and DVD production. 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.

New Board Members With Effect From 13th December 2011



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 has been a member of the Board of Governors of Tandragee Junior High School for the past 20 years and Chairman for the past ten years. 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 the NI Regional Secretary of the public service union UNISON. She is lead negotiator in the public service and represents both UNISON and ICTU on a wide range of public policy forums. Patricia is a lifelong campaigner for equality and human rights - with a primary focus on women's rights. She represented ICTU in the Bill of Rights Forum and was Chair of its Working Group on Socio Economic Rights. Patricia is the outgoing President of the Irish Congress of Trade Unions (2007-2009) and currently represents ICTU on the cross-border body InterTradeIreland. She has previously chaired the ICTU Northern Ireland Committee and as a trade union nominee was Deputy Chairperson of the Equal Opportunities Commission (NI).



BRENDAN BUTLER

Brendan Butler joined the Irish Business and Employers Confederation (IBEC) in 1988 having previously worked in the public sector for 15 years. Brendan worked in a number of different roles in IBEC including as Director of the Small Firms Association (SFA) also as IBEC's Director of Social Policy and Director of Enterprise. In 2010 Brendan became IBEC's Director of Policy and International Affairs. Brendan was involved in the negotiations for the various social partnership programmes first introduced in Ireland in 1987. Brendan is a member of the National Economic and Social Council (NESC) and the National Competitiveness Council (NCC). Brendan holds a B.Comm from University College Dublin and M.Sc. (Economics) from Trinity College Dublin.

**organisation
and staffing
profile**

Organisation and Staffing Profile

Senior Management Team



Chief Executive **Liam Nellis, Chief Executive**

Liam obtained a Law Degree (LLB) from the University of London. He went on to receive an MS.c in Social Policy, Planning and Administration from the University of Ulster. Having joined the Northern Ireland Civil Service in 1973, he established NI-CO (the public sector marketing company) in 1990. In 1997 he joined the Industrial Development Board as Executive Director, responsible for attracting foreign direct investment to Northern Ireland. After a brief period on secondment to set up the body, Liam was appointed CEO of InterTradelreland in 2000.

Liam is on the Council of the University of Ulster and is an Advisor to the National Competitiveness Council Dublin. He sits on the Northern Committee for the Sales Institute of Ireland, is a member of the Institute of Directors and is on the Board of the Institute of British Irish Studies at University College Dublin. Liam is also on the Board of several charitable trusts including Caring Breaks, The Gerry Rogan Initiative Trust and the Drake Music Project.



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 joined InterTradelreland in 2001 and leads the Corporate Services Directorate in supporting and promoting the Body's activities. He spent twelve years working in Australia and several countries in Southern Africa in senior roles in the financial services, dairy and security sectors. He also spent two years with a humanitarian organisation focussing on refugee resettlement in Zambia. 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. InterTradelreland provides financial assistance and support to businesses across the island. InterTradelreland's support is centered around Trade and Innovation including helping companies to access new markets, develop new products and processes and raising early stage finance.

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

Organisation and Staffing Profile

Directorates

Operations Directorate

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

Staffing Profile

January – December 2011

As at the 31st December 2011, InterTradelreland employed 43 permanent staff, (FTE - Full Time Equivalent of 42).

The staff of the Body are highly qualified and experienced across a range of business related and other disciplines, including economics, project management, finance and the sciences. Several staff members have post graduate qualifications including up to Masters and PhD level and/or are professionally qualified members of chartered institutes e.g. Accountancy and CIPD.

While the Body is structured along the lines of the three directorates outlined above, in practice many activities and projects are undertaken on a cross-directorate basis with a matrix approach being applied to the management of the Body's processes and projects.

During 2011, 3 permanent posts were filled, and at the end of the year, a recruitment process was ongoing for 1 further position. These vacancies were advertised across the island of Ireland and attracted substantial interest with 74 applications returned. Applications were of a high calibre in terms of experience and skills. Currently 2.5 % of staff in InterTradelreland have declared themselves to have a disability under the definition of the Disability Discrimination Act 1995/Disability Act 2005. The Body will continue to make adjustments to both the workplace/and or working practices as appropriate.

The distribution of staff – by headcount – across the organisation was as follows:

Grade	CEO's Office	Operations Directorate	Strategy & Policy Directorate	Corporate Services Directorate	Total
CEO	1				1
Director		1	1	1	3
Manager		4	5	3	12
Deputy/Project Manager		6	3	2	11
Executive & Administrative Staff	1	7	2	6	16
Totals	2	17	11	12	43*

*As several Staff Members avail of the Body's Family Friendly Policies and work reduced hours the Staffing Full Time Equivalent is 42.

**strategy
and key
performance
indicators**

Strategy & Key Performance Indicators

Vision, Mission and Strategic Goals

InterTradelreland’s Vision is of a globally competitive enterprise environment in which Ireland and Northern Ireland co-operate to ensure the optimal utilisation of economic resources, particularly knowledge resources, to drive additional trade, jobs and wealth creation. Our Mission is to identify and help realise opportunities to improve competitiveness, generate economic growth and create sustainable, quality jobs in both jurisdictions through increased levels of North/South trade and co-operation on innovation and business development opportunities.

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. Increase the number of businesses involved in cross-border Trade and Innovation activity by 10,000 (through access to and exploitation of InterTradelreland information, advice services and business support programmes).
2. Deliver a Return on Investment of 8:1.

Building Business and Institutional Connections

Our strategic framework offers a structure within which InterTradelreland will contribute to enhanced optimisation of the island’s economic resources through cross-border co-operative initiatives that will have mutually positive micro (business value) and macro (environmental) impacts. The key to unlocking the potential to optimise economic resources will be the building of meaningful connections with and between representatives of the business community, academia, government departments and agencies. Such connections can lead to more efficient delivery of services and initiatives and open a gateway to new international relationships⁷.

Communicating Co-operative Success

Co-operation between Northern Ireland and Ireland remains a relatively untapped source of competitive advantage. Communicating the economic benefits and impacts of successful co-operation is a key tool in helping to extend participation in new and existing initiatives.

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 2011 - 2013 are:

- KPI 1 - Companies engaged in North/South Business
- KPI 2 - Jobs Impact
- KPI 3 - First Time Exporters
- KPI 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 2011 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.

⁷ Such as the tripartite US Ireland R&D Partnership which has been established between the US, Northern Ireland and Ireland, and for which InterTradelreland provides a secretariat function.

Business Plan Performance Report

Targets and Performance

Strategic Performance Indicator [Return on Investment⁸ 8:1].

Target: £60M/€73M⁹ 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: 2,500 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: 150 jobs; new jobs created plus existing jobs protected as a direct result of company participation on an InterTradelreland programme.

Key Performance Indicator 3 [First Time Exporters].

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

Key Performance Indicator 4 [First Time Innovators].

Target: 30 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.

2011 Performance against Business Plan Targets

Reference	Measure	2011 Target	2011 Performance
Stakeholder Value		8:1	17:1 ¹⁰
Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.		30	65
		50	63
		150	495
		3%	3%
Customer Value Increase the number of companies benefitting from North/South business	- Number of companies engaged in North/South business through InterTradelreland Trade and Innovation Activities & Services.	2,500	2,691
	- Total Business Value achieved through InterTradelreland Trade and Innovation Activities & Services.	£60M/€73M	£122M/149€M

2011 Performance against Business Plan Targets

Performance against these targets is outlined in the table on the page to the left. It should be noted that in 2011 InterTradelreland introduced a new technology-based performance management process and a more comprehensive company monitoring programme. The new systems will help InterTradelreland move to a situation in which it will be able to assess the impact of every pound/euro given through its business development programmes. Due to the improved coverage and comprehensive nature of the new system it is likely to create a spike in performance data in 2011.

In 2011 a total of 101 new FUSION projects were initiated which included 59 companies as first time innovators and created 34 graduate jobs as projects commenced. Ongoing monitoring of companies who have completed their FUSION projects shows a Business Value of £29.6M/€36M, a jobs impact of 106 and 1 company exporting for the first time.

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.

In 2011, 4 new projects were approved, and 9 development grants were awarded to assist companies with preparatory work towards full proposals. For 6 of the companies involved, Innova represents the first time that they have participated on a North/South collaborative innovation programme. Ongoing monitoring of companies participating on Innova shows that Business Value of £33.2M/€40.5M has been generated and 11 new jobs have been created.

Programme Area Report

Science, Technology & Innovation

FUSION

FUSION is InterTradelreland's technology transfer programme. It provides companies with technology-based needs the opportunity to work within a three-way partnership that includes a third-level research institution and a high-calibre science or technology graduate.



⁸ Return on Investment is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes

⁹ 2011 Planning Guidance from DPER (Ireland) & DFP (Northern Ireland): €1=£0.82 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.

¹⁰ The substantially higher than target ROI is due to the success of one company on the Innova Programme attributing an order of £30m directly to their participation on the Programme. This figure of £30m was independently validated.

Business Plan Performance Report

Innovation Challenge Programme

The new Innovation Challenge Programme builds on the success of the pilot Innovation Capability Programme and targets small locally focussed companies which aspire to grow through innovation but which lack the necessary capabilities. It provides a cost-effective opportunity to affect substantial innovation and a step-change in company performance for the participants by embedding best practice in innovation management.

In 2011 the programme delivered briefing sessions to over 100 companies throughout the island and this was followed by a workshop phase where 27 companies attended two-day workshops. Following this phase companies entered the Challenge by submitting a growth plan and making a presentation to an adjudicating panel. Ten companies were chosen as winners and have since benefitted from 6 days each of intensive one to one support from an innovation mentor.

US-Ireland Research and Development Partnership

The US-Ireland Research and Development Partnership is an alliance of academic and research institutes from the United States, Ireland and Northern Ireland. Its aim is to promote collaborative and innovative projects amongst researchers across the three jurisdictions offering a unique opportunity to advance research interests, healthcare and economic development in priority areas such as Diabetes, Cystic Fibrosis, Nanotechnology and Sensor Technology.

In 2011 a further sensor technology project was approved for funding, involving researchers from Queen's University Belfast, University College Dublin and the University of Alabama. This brings to eight the total number of research projects now active, with a total value of £12.3/€15M. A 7th Steering Group Meeting was held in Farmleigh, Dublin in November 2011, at which the scope of the Partnership was extended to include Telecommunications and Energy and Sustainability.



All-Island Innovation Programme

The All-Island Innovation Programme, delivered by InterTradelreland in partnership with University College Dublin, National University of Ireland Galway and Queen's University Belfast, brings international expertise and best practice in innovation to Ireland and Northern Ireland. The aim of this programme is to study innovation across academic disciplines, to align best practice in innovation research with current policy thinking and to inform the development and implementation of future policy.

The first two 'Chair of Innovation' events took place in March 2011, with Dr Peter Kelly from the School of Science, Aalto University, Finland whose lectures focused on 'Creativity Inspired Innovation'. The Chair for the June events was Professor Thomas Lawton (Professor of Strategy and International Business EMLYON Business School, and Visiting Professor at the Tuck School of Business, Dartmouth College). A total of 14 lectures and masterclasses were held and attendance included 527 representatives from industry.



The InterTradelreland All-Island Innovation Conference entitled 'Building Capacity for Innovation' took place in the Whitla Hall, Queen's University Belfast on Tuesday 4th October and Wednesday 5th October 2011. The keynote speaker Professor Rosabeth M Kanter from Harvard Business School gave an address to the 380 attendees on the following topics: 'Innovation: Classic Traps and the Enduring Success Factors and Creating a Supportive Environment for Innovation to Flourish'.



Business Plan Performance Report

EU Research Connections Programme and FP7 Support

The new EU Research Connections Programme has been developed specifically to increase the number and success rate of collaborative North/South project applications for EU Framework Programme 7 funding. InterTradelreland has also introduced a number of other initiatives to assist those looking to work on a North/South basis going into FP7. An EU Notice Board has been generated allowing those searching for partners to post online the details of their requirements and a travel voucher has been made available to help with the costs of travelling to meet potential FP7 partners. In November 2011 a Focus on FP7 Cancer Research event with 20 attendees was held in Dublin.

In June 2011 the FP7 conference, 'Collaborate to Innovate' was held in Belfast with an attendance of over 200. The conference was organised by InterTradelreland in cooperation with the European Commission office in Belfast, and was one outcome from the FP7 Steering Group being led by InterTradelreland and included key partners from Northern Ireland and Ireland. The objective of the conference was to provide information on accessing and increasing the success rate in securing funding from the remaining €20Bn funding available through the EU FP7 programme which runs up to 2013.



Irish Times InterTradelreland Innovation Awards

Over 120 companies entered the seven categories of the awards competition. Intune Networks from Dublin was announced as the winner of the overall 'Innovation of the Year' award at the Irish Times InterTradelreland Innovation Awards which were held in the Irish Museum of Modern Art in Kilmainham in March 2011. The company has developed their breakthrough technology - Optical Packet Switch and Transport – which enables major internet service providers to manage data traffic more efficiently. The company received a communications and advertising package from the Irish Times worth €200,000. The Awards ceremony attracted over 290 attendees which included 50 companies from across the island.



Bridging the Border

A Bridging Borders event was held in Belfast on 5th May 2011 with 77 companies in attendance, including representatives from Systematic (France), Cap Digital (France), West Midlands ICT Cluster (GB), Northern Ireland and Ireland. One deal is being negotiated for a French distribution partner for a Northern Ireland company, and a collaborative R&D project between a Northern Ireland company and Trinity College is being planned. One of the French companies identified a potential business partner through the event.

EquityNetwork

InterTradelreland's EquityNetwork Programme offers a range of supports to help companies improve their ability to develop investor-ready business plans to attract equity investment to fund growth.

In 2011, companies that we have supported have raised £13.3M/€16.2M in equity investment, and for 50 companies it was the first time that they had raised venture capital or business angel finance to enable them to develop or complete the development a new product, service or technology.

All-island Seedcorn Business Competition

The 2011 Seedcorn Competition provided a total prize fund of €280,000, and is the largest annual business competition for early stage/high growth companies on the island. The competition gives companies the opportunity to develop their business ideas and plans, become investor-ready and gain exposure to equity funders. During 2011 previous Seedcorn competition companies reported an investment value of £7.3M/€8.9M and a jobs impact of 124.

HALO Business Angel Networks

The EquityNetwork HALO Business Angel Networks in Northern Ireland and Ireland have continued to match companies seeking investment with Business Angel investors. In Northern Ireland 6 events were run by HALO to provide companies with the opportunity to present their business plans to potential investors, resulting in the completion of 8 deals with a total investment value of £816K/€995K. In Ireland, HALO investors have completed 27 deals with companies, representing a total investment value of £5.2M/€6.4M. A Business Angel conference was held in Dublin in March 2011, attracting 100 attendees, predominantly from the private investor community.

There is growing momentum within the Business Angel industry on the island. This trend is expected to continue and has been enhanced by the establishment of formal Business Angel syndicates by HALO Business Angel Networks. A tangible output of this is both an increase in first time innovators and exporters.



Business Plan Performance Report

Venture Capital Conference

The InterTradelreland Venture Capital Conference took place in Dublin in April 2011. Held in association with Kernel Capital, the event brought together more than 250 business people with investors with access to €250M of venture capital. The main focus of the event was to assist companies to build world-class venture-backed businesses.

Other EquityNetwork initiatives to assist companies to become investor-ready include an Advisory Service, Masterclasses and Roundtable events. In 2011 EquityNetwork reported that 48 companies had raised venture capital or business angel finance that had enabled them to commence exporting outside their home market for the first time.



Entrepreneurship Masterclasses

InterTradelreland has developed a network of some of the island's most successful entrepreneurs with the objective of using their skills and expertise to assist growth companies through a series of masterclasses.

Four masterclasses were held in 2011 in the ICT, Connected Health and Engineering sectors. The hosts included Declan Kavanagh (Sogeti Ireland), Kevin Haverty (Mentec International), Peter Shields (EG), Michael Cullen (Beacon Medical Group), Johnny Walker (Global Diagnostics) John Toner (WIS) and John Concannon (JFC Manufacturing).

Ernst & Young Entrepreneur of the Year

In 2011 InterTradelreland provided support to the Ernst & Young Entrepreneur of the Year awards, including representation on the judging panel. Opennet, a Dublin-based Communications and Media Software company was announced as the overall winner of the competition at the final awards ceremony in October that had over 1200 attendees.

Trade

Acumen

Acumen is a sales and development programme designed by InterTradelreland to stimulate cross-border business for small and medium enterprises in Ireland and Northern Ireland. The programme provides a range of supports including tailored consultancy and salary support packages.

In 2011, 84 new Acumen projects were initiated, of which 27 companies are first-time exporters. Ongoing monitoring of companies who have participated on Acumen shows Business Value of £46.8/€57M and a jobs impact of 254. As a component of InterTradelreland's Efficiency Savings Plan, selected project management processes have been brought in-house during 2011, allowing for cost savings and more efficient claims management for companies.

Elevate

Elevate, a new sales development programme was launched in August 2011 and is aimed at supporting companies with fewer than 10 employees to exploit the opportunities offered through cross-border trade. A comprehensive marketing campaign resulted in 38 companies being approved for support during 2011.



Go-2-Tender

Go-2-Tender is a series of two day workshops that give businesses the confidence, knowledge and skills to tender successfully for public sector contracts in Ireland and Northern Ireland, a market estimated to be worth £18Bn/€21Bn¹¹ annually. Public Procurement is seen to provide a very important business opportunity, especially for SME's during the current difficult trading conditions.

There have been twelve Go-2-Tender workshops in 2011, in Drogheda, Kilkenny, Omagh, Castlebar, Banbridge, Dublin (2), Belfast, Tullamore, Limerick and Newry (2), with a total of 202 companies participating. A 2011 innovation was the introduction of an iPhone Application which provides access to daily information updates on all public sector contract opportunities in Ireland and Northern Ireland. InterTradelreland also took the lead in organising two 'Upping Your Game' public procurement events; in Cookstown in May 2011, in Dublin in June 2011 and a 'meet the buyer' event in Dundalk in November 2011.

¹¹ Combined public contracts available under management by the National Procurement Service (NPS) in Ireland and the Central Procurement Directorate (CPD) Northern Ireland

Business Plan Performance Report

ABC Ireland Network

ABC Ireland is a collaborative Network for the Life and Health Technologies Sector, engaging Academia, Businesses and Clinicians (ABC) to drive Innovation, Product Development and New Market Opportunities, in the two high-priority areas of Connected Health and Personalised Medicine. The network is taking forward three academic, business and clinician networks which will be facilitated through the second year of operation; Connected Health; Stroke Screening and Reminiscence Therapy Network. The network engaged with more than 30 different partners in 2011, and it is anticipated that business value generated will be £8M/€9.7M from Personalised Medicine projects and £5M/€6M from Connected Health projects.

All-Island Software Network

The All-Island Software Network project is a partnership between InterTradelreland, The Irish Software Association, Momentum (the Northern Ireland ICT Federation) and IT@Cork. The Network has engaged with more than 500 companies including networking events, and one-to-one advice on cross border business development, early-stage funding and R&D funding. Business highlights for the period include a contract won by NiSoft with ESB £344K/€420K, and a successful R&D funding application for €2.4M (under the EU FP7 Ambient Assisted Living Call). The Network has also been active in generating a number of applications for FP7 funding.

Business and Economic Research and Corporate Activities

Business Monitor

The InterTradelreland Business Monitor offers a unique survey of business sentiment surveying the views of 1,000 owner/managers in Ireland and Northern Ireland every quarter. Since 2007 it has provided a review of business performance, intentions and future expectations alongside insights into the impact of the current economic downturn. In addition to standing business sentiment survey questions the Business Monitor has addressed key topical themes.

In the 2011 Quarter 1 Monitor we asked businesses about the impact of the economic downturn; in Quarter 2 the theme was Innovation, addressing internal company capabilities and external linkages. Analysis of the findings from the Quarter 3 Business Monitor suggest that a complex trilemma, a decline in customers, a fall in confidence and contraction in cash with each reinforcing the other, is creating a vicious circle from which it is difficult to break free. Results also indicate that those who export or who have cross-border sales are significantly more likely than those who rely solely on the domestic market to report increased sales, and are less likely to have experienced a decrease.

Business Networks on the Island of Ireland

Business network activity has increased dramatically in recent years, in part as a result of an increased policy emphasis on inter-firm collaboration. This report was commissioned to enhance understanding about the contribution that business networks make to enterprise development, about the specific benefits they confer at the level of the firm and how their positive impacts can be optimised. The report identifies a number of conclusions, which in some cases provide confirmation of known trends, but also new challenges and issues. The report finds that Networks have the potential to contribute to export growth, innovation and skills; all of which are essential components in helping the economy to grow.

Market Report on the Energy Management Sector

This market report was published in collaboration with the Sustainable Energy Authority of Ireland, Imperative Energy and the Northern Ireland Housing Executive. The report considers energy management and energy efficiency services, a new sector that involves businesses engaged in measuring and managing energy efficiency through a combination of information and communications technology (e.g. sensor technologies) and software as well as consultancy and advice services. The report provides an overview of this important and growing segment of the wider energy industry, with an emphasis on the prospects for indigenous businesses.

Business and Carbon Measurement on the Island of Ireland

InterTradelreland, Invest NI and Enterprise Ireland commissioned a study to assess the risks and opportunities for businesses in Ireland and Northern Ireland arising from increasing stakeholder and market requirements for business-related Greenhouse Gas (GHG) information. The report provides an assessment of the key issues and challenges facing companies and also options for helping companies overcome the challenges and barriers to carbon measurement.

Environmental Regulations and Cross Border Trade and Business Report

The report identifies where the different interpretation and application of environmental regulations in Ireland and Northern Ireland can create barriers to cross-border trade and business for SMEs. A series of recommendations are made to make easier cross-border compliance with these regulations.

Market Report on the Composting and Anaerobic Digestion Sectors

This market report was published in collaboration with Cré, the Composting and Anaerobic Digestion Association of Ireland. The report examines the key factors influencing the market for organic waste as well as new initiatives and the environmental benefits from processing organic waste in composting and anaerobic digestion facilities. The report estimates that the sector has the potential to create 1,500 direct employment and 10,000 indirect employment opportunities.

Business Plan Performance Report

Exploration of Factors that might explain the level of North/South Trade

This follow-up research to the Gravity Model Approach to North/South levels of Trade Study looks at the differences in the sectoral structure of the two economies on the island, the level of foreign direct investment (FDI) and how they affect trade patterns. Taking these factors into account shows that the real gap between actual and expected North/South trade volumes is considerably closer.

A Simple Guide to Cross-Border Business

The Simple Guide provides up-to-date and user-friendly, comprehensive information on questions regarding trade or business linkages in the other jurisdiction. This guide aims to help SMEs overcome some of the most commonly encountered regulatory barriers and also offers practical advice to those companies seeking to exploit new opportunities. The subjects covered by this publication include advice on employment law, banking and insurance, establishing cross-border joint ventures, taxation, research & development reliefs and regulatory affairs.

Agri Food: A Study for Cross-Border Co-operation

The objective of the study was to identify new cooperative opportunities that can deliver mutually beneficial competitiveness gains to the agri-food industry in Ireland and Northern Ireland. The report shows the scale, productivity and significance of the agri-food sector both within the island and on a broader international stage. The main body of the report provides a detailed description of the proposed initiatives for cross-border cooperation that have emerged from the research and a summary of these proposals.

Economic Forum

The third InterTradelreland Economic Forum took place in Dublin Castle on 25th November 2011. The InterTradelreland Economic Forum serves as a platform for high-level discussions and debate on the economic questions facing the island. The Forum offered a unique opportunity to discuss important regional economic issues in an international context and generated a lively discussion on the new political and economic landscape and on the options of recovery for the island.

Richard Bruton TD, Minister for Jobs, Enterprise and Innovation delivered the opening speech to 100 delegates including business leaders, economists, economic commentators and senior policy makers from Ireland and Northern Ireland. Speakers included Kevin O'Rourke, Chichele Professor of Economic History, University of Oxford, John P Martin, OECD Director for Employment, Labour and Social Affairs, Reinhilde Veugelers, Professor of Managerial Economics, Katholieke Universiteit Leuven and Soumitra Dutta, Roland Berger Professor of Business and Technology, INSEAD. The Forum explored how global developments will influence the path of recovery at the local level and how greater cross-border co-operation can contribute to recovery.



Trade Statistics Service

The InterTradelreland Trade Statistics website provides access to data such as cross-border trade, tourism and transport flows. Including an interactive Trade Statistics facility, the website provides access to comparative historical trade data, and commentaries taken from analysis provided through the largest business sentiment survey on the island, the InterTradelreland Business Monitor. Additional datasets have been added to the statistics service in 2011, including regional economic indicators.

InterTradelreland has provided responses to economic policy consultation papers¹² in Northern Ireland and Ireland and regularly presents briefings on policy matters related to its trade and business development remit to Statutory Committees of the Northern Ireland Assembly and of the Oireachtas.

Business Ambassador Event

On 1st June 2011 sixty-five companies from across Ireland were recognised as Business Ambassadors by InterTradelreland at a special ceremony at Áras an Uachtaráin hosted by President Mary McAleese. Companies recognised at the event included Ennis based medical devices firm Vitalograph Ltd which was supported by InterTradelreland to develop a complete tele-medicine system for chronic disease management. The company formed a collaborative R&D partnership with County Antrim electronics firm Marturion to develop the innovative system which aims to improve the quality of life for patients with respiratory conditions. Also nominated as a Business Ambassador is Sonru.com, an online video technology company from Enniscorthy that has developed an automated video interview tool to

significantly reduce time and cost resources for companies undertaking recruitment.

The company is working with InterTradelreland to accelerate product development through collaborative innovation and to identify and develop new market opportunities in Northern Ireland.

The sixty-five businesses acknowledged at the Dublin event bring the total number of InterTradelreland Business Ambassador companies to 100 across the island, joining the existing 35 representatives from Northern Ireland. 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.



¹² Including; Spatial Strategies on the island of Ireland, NI Executive Economic Strategy and Rebalancing the Northern Ireland Economy.

**audited
accounts**

InterTradelreland Audited Financial Statements Year Ended 31 December 2011

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 Report.

Results for the Financial Year 1 January 2011 - 31 December 2011

The results of the Trade and Business Development Body are set out in detail on pages 67-87. The deficit for the period was £1,321,812 (€1,522,990) (2010: deficit £219,341(€255,686)).

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, one of the Body's priority areas of activity as stated in the 2011-2013 Corporate Plan is Science, Technology & Innovation (STI). The Body will address this through programmes which will facilitate greater connections and collaborations across both jurisdictions to assist with the generation, development, and commercialisation of business ideas. Activities will include an increase in North/South participation in EU research and development programmes, and a pilot programme to deliver enhanced innovation capability leading to transformational change. The Body will also execute a programme of economic and business research.

Future Developments

The Body is implementing its 2011-2013 Corporate Plan. The priority areas of activity for this period are North/South Trade and Innovation. These are aligned to government economic policies in N.Ireland and Ireland, which identify Exports and Innovation as key drivers of future economic recovery and future competitiveness.

Important Events Occurring After the Year End

There have been no significant events since the year end 31st December 2011, which would affect these accounts.

Charitable Donations

There were no charitable donations made by the Trade and Business Development Body during 2011.

Board Members

The functions of the Body are exercised by the Board. The majority of the Board completed their term of appointment on 12 December 2011. Mr Brendan Butler and Ms Patricia McKeown continued to serve on the new Board, which was appointed from 13 December 2011.

1 January 2011 - 12 December 2011

Dr David Dobbin CBE (Chairman)

Mr John Fitzgerald (Vice Chairman)

Mr Brendan Butler

Mr Ray Doherty

Mr Sean Gallagher
(resigned 5 July 2011)

Mr Jack Gilmour

Mr Hugh Logue

Mr Pdraig MacLochlainn
(resigned 5 March 2011)

Ms Patricia McKeown

Dr Gerard O'Hare CBE

Mr Tom Scott OBE

Mr Vincent Parker
(term completed 10 October 2011)

13 December 2011 - 31 December 2011

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 Bridget Meehan

Ms Patricia McKeown

Mr Kevin Norton

Ms Mairead Sorensen

The Chief Executive is Mr. Liam Nellis. The Chief Executive is responsible for the management and control generally of the administration of the Body.

Equal Opportunities

The Trade and Business Development Body has continued to promote an Equal Opportunities Policy which sets out our commitment to provide employment equality to all, irrespective of 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 has won the William Keown Access Award in 2002. Currently 2% of our employees have declared that they have a disability under the definitions of the Act.

Statutory Equality Scheme

The Body’s Equality Scheme was approved by the Equality Commission in March 2002. The Body continues to be committed to implementation of its statutory responsibilities, by having regard to the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Between men and women generally;
- Between persons with a disability and persons without;
- Between persons with dependents and persons without.

In carrying out its functions relating to Northern Ireland, the Body will have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinion or racial group.

The Trade and Business Development Body has been actively working to implement its action plan and following a screening process has undertaken Equality Impact Assessments, in key areas.

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, and the Late Payments in Commercial Transactions Regulations 2002. 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 2,769. Ninety-nine 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 2011

In 2011, InterTradelreland consumed 292.5 MWh of energy, consisting of:

- 124.2 MWh of electricity;
- 168.2 MWh of fossil fuels; and
- 0 MWh of renewable fuels.

Actions Undertaken in 2011

In 2011 InterTradelreland undertook a range of initiatives to improve energy performance, including changing the boiler fuel from gas oil to natural Gas in November 2011. This, together with other energy saving measures, saved InterTradelreland 53 MWh as compared with energy consumption in 2010.

Actions Planned for 2012

In 2012 InterTradelreland intends to further improve energy performance by undertaking the following initiatives:

- Conserve the use of electricity by switching off equipment where possible, which will save an estimated 10 MWh annually; and
- Lower the heated room temperature by 0.25 degrees where possible, which will save 5 MWh annually.

Liam Nellis
Chief Executive

Statement of Responsibilities

Trade and Business Development Body Responsibilities

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

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

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

Chief Executive’s Responsibilities

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

Liam Nellis
Chief Executive

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 2011 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 Committee meets up to four times each year and reports to the board at the subsequent board meeting. A standing item on the Audit Committee agenda is the review of the risk register for accuracy, import and to ensure that all appropriate steps to control or mitigate risk are in place. The full 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 2011. Risk management has been incorporated into the corporate planning and decision making processes of the Trade and Business Development Body.

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 my review of the effectiveness of the system of internal controls by the Board and the Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place. Following the formal adoption of a Risk Management Policy Statement by the Board in 2003, processes in place for maintaining and reviewing the effectiveness of the system of internal control during the year ended 31st December 2011 included:

- The presentation of the Body's risk register to the Board;
- Review of the risk register by the Audit Committee at each meeting of the Audit Committee;
- Four meetings of the Audit Committee to consider and advise on matters arising around the system of internal control and the risk register;
- The application of a risk-based three year internal audit programme. The Trade and Business Development Body has outsourced the Internal Audit function which operates to appropriate standards. Internal Audit reports include an independent opinion on the adequacy and effectiveness of the Trade and Business Development Body's system of internal control together with recommendations for improvement. Goldblatt McGuigan completed two audits on Committee Structures and the IT Strategy, prior to completion of their three year term as internal auditors in May 2011. Following a tender process, ASM were appointed as Internal Auditors in June 2011. Areas audited as part of ASM's 2011 Internal Audit Programme comprised Payroll, Pensions, Travel and Subsistence, Budgetary Management and Programmes;

- An annual statement of assurance, in respect of 2011, from the Internal Auditors. They expressed the opinion that 'InterTradelreland's systems in relation to risk management, control and governance were adequate and operated effectively thereby providing satisfactory assurance in relation to the effective and efficient achievement of ITI's objectives';
- In early 2011, the Internal Auditors conducted a Fraud Risk Assessment. They concluded that ITI has "a low fraud risk exposure";
- The application of delegated sanctions agreed by both the respective Sponsoring Departments (DETI and DJEI) and Departments of Finance (DoF and DFP);
- The application of the provisions of the Financial Memorandum in conjunction with the above departments;
- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of its sister agencies so as to continually strive for best practice in terms of programme delivery and propriety;
- Liaison and collaboration with Sponsoring Departments around on-going and proposed activities and compliance issues. A significant example of such collaboration during 2011 was reaching agreement with the Departments around the application of some £1.5 million in reserves which had accumulated over several years from Gains on Currency Exchange and income generated by the Body. The Body agreed an adjustment to its 2011 funding with the Departments in order to utilise these reserves while remaining within the budgetary parameters of its approved 2011 Business Plan; and

- The implementation and testing of off-site “mirrored” server and data bank for Business Continuity/Disaster Recovery purposes. The “mirrored” server and data bank would provide immediate network continuity and minimal data loss in the event of the loss of the on-site servers or offices of the Body.

Additionally, 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.

Liam Nellis
Chief Executive
29 June 2012

Trade and Business Development Body

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

We have audited the accounts of InterTradelreland (‘the Body’) for the year ended 31 December 2011 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 appendices. 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 financial statements 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 Foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparant material misstatements or inconsistencies we consider the implications for our certificate.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied for the purposes intended by the Northern Ireland Assembly and Dail Eireann 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 have been applied to the purposes intended by the Northern Ireland Assembly and Dail Eireann and the financial transactions conform to the authorities which govern them.

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 2011, and of its deficit, 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 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.

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

Date: 9th July 2012

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

Date: 4th July 2012

InterTradeIreland Income and Expenditure account for
Financial Year 1 January 2011-31 December 2011

	Notes	2011	(restated) 2010	2011	(restated) 2010
Income		£	£	€	€
Revenue Grants from Departments	2	8,598,176	10,000,471	9,906,818	11,657,549
Capital Grant Release from Departments	13.2	32,578	36,746	37,536	42,835
Other Operating Income	3	519,124	511,746	598,135	596,542
TOTAL INCOME		9,149,878	10,548,963	10,542,489	12,296,926
Expenditure		£	£	€	€
Staff Costs and Board Remuneration	4	2,153,026	2,196,448	2,480,716	2,560,399
Depreciation	8,9	32,578	36,746	37,536	42,835
Other Operating Costs	6	1,012,567	1,054,530	1,166,679	1,229,266
Programme Costs	7	7,271,500	7,478,439	8,378,222	8,717,616
		10,469,671	10,766,163	12,063,153	12,550,116
(Deficit) before tax		(1,319,793)	(217,200)	(1,520,664))	(253,190)
Corporation Tax Payable	6 (b)	(2,019)	(2,141)	(2,326)	(2,496)
(Deficit) for the period		(1,321,812)	(219,341)	(1,522,990)	(255,686)
(Deficit) for period transferred to General Fund		(1,321,812)	(219,341)	(1,522,990)	(255,686)
Statement of Total Recognised Gains and Losses		£	£	€	€
(Deficit) for the year		(1,321,812)	(219,341)	(1,522,990)	(255,686)
Actuarial gains/(losses)	15.3	521,807	(62,160)	601,226	(72,460)
Adjustment to Deferred Pension Funding		(521,807)	62,160	(601,226)	72,460
Total recognised (loss) for the year		(1,321,812)	(219,341)	(1,522,990)	(255,686)

All amounts above relate to continuing activities.
The notes on pages 69 to 87 form part of these accounts.

InterTradelreland Balance Sheet as at 31 December 2011

	Notes	2011	2010	2011	2010
Fixed Assets		£	£	€	€
Intangible Assets	8	20,787	30,013	24,886	34,869
Tangible Assets	9	70,215	64,422	84,060	74,845
		91,002	94,435	108,946	109,714
Current Assets		£	£	€	€
Debtors	10	135,404	212,778	162,102	247,205
Cash at bank and in hand	14.2	2,646,909	4,096,223	3,168,800	4,758,992
		2,782,313	4,309,001	3,330,902	5,006,197
Current Liabilities		£	£	€	€
Creditors - amounts due in less than one year	11	1,934,182	2,218,948	2,315,546	2,577,972
Provisions - amounts due in less than one year	12	727,558	647,670	871,011	752,463
		2,661,740	2,866,618	3,186,557	3,330,435
Net Current Assets/(Liabilities)		120,573	1,442,383	144,345	1,675,762
Total Assets Less Current Liabilities Before Pensions		211,575	1,536,818	253,291	1,785,476
Pension Liabilities	15.2	(5,504,975)	(4,447,255)	(6,590,391)	(5,166,821)
Deferred Pension Funding		5,504,975	4,447,255	6,590,391	5,166,821
Total Assets Less Total Liabilities		211,575	1,536,818	253,291	1,785,476
Financed by :					
Capital and Reserves		£	£	€	€
General Fund	13.1	120,572	1,442,383	144,346	1,675,762
Capital Grant Reserve	13.2	91,003	94,435	108,945	109,714
		211,575	1,536,818	253,291	1,785,476

The notes on pages 69 to 87 form part of these accounts.

Liam Nellis
Chief Executive
29 June 2012

Cash Flow Statement for the year 1 January 2011 - 31 December 2011

	Notes	2011	2010	2011	2010
Operating Activities		£	£	€	€
Net cash (outflow) from Operating Activities	14.1	(1,453,552)	(288,757)	(1,595,055)	(178,900)
Returns On Investments and servicing of Finance		£	£	€	€
Interest Receivable	3	6,379	10,201	7,350	11,891
Capital expenditure and financial investment		£	£	€	€
Payments to acquire Fixed Assets	9	(29,467)	(38,826)	(33,952)	(45,259)
Taxation		£	£	€	€
Corporation Tax Paid		(2,141)	(4,037)	(2,487)	(4,546)
Financing		£	£	€	€
Grant Received for Capital Purposes	13.2	29,467	38,826	33,952	45,259
(Decrease) in Cash		(1,449,314)	(282,593)	(1,590,192)	(171,555)

The notes on page 69 to 87 form part of these accounts.

Notes To The Accounts
For The Year Ended
31 December 2011

1. Accounting Policies

1.1 Accounting Convention

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

Without limiting the information given, the financial statements are prepared on an accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 (as amended by the Companies (Northern Ireland) Order 1990), the Companies Acts 1963 to 2009 of Ireland, the accounting standards issued or adopted by the Accounting Standards Board, and accounting and disclosure requirements issued by the Department of Finance and Personnel, and by the Department of Finance, insofar as those requirements are appropriate.

1.2 Fixed Assets

- a) All Fixed Assets are included at cost or valuation to the body. Intangible assets comprise purchased software.
- b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:
- | | |
|------------------------|----------------------------|
| Software Licences | 20% Straight Line |
| 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 2011.

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 Finance to the Body which then funds the administrator. The Northern Ireland share of the benefits paid during the year is directly funded to the administrator by the UK Exchequer.

Financial Reporting Standard (FRS) 17 covers retirement benefits. The liability at 31 December 2011 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 2011 and comparative figures for 2010.

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=€1.19717(2010:£1=€1.1618) and the average rate used for the Income and Expenditure Account was £1= €1.1522 (2010:£1=€1.1657). 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. Where the full amount of the grant has not been claimed by the year end, a liability is recognised based on amounts estimated by InterTradelreland programme managers, according to their assessment of project progress. Where the amount of the liability, and the 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, the liability is provided for as a provision and disclosed within provisions (Note 12).

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 2011 - 31 December 2011

	Notes	DETI (Northern Ireland)	DETI (Northern Ireland)	DJEI (Ireland)	DJEI (Ireland)	Total	Total
		£	€	£	€	£	€
Revenue Grant		2,870,697	3,291,794	5,727,479	6,615,024	8,598,176	9,906,818
Capital Grant		9,822	11,317	19,645	22,635	29,467	33,952
		2,880,519	3,303,111	5,747,124	6,637,659	8,627,643	9,940,770

2.2 Financial Year 1 January 2010 - 31 December 2010 (restated)

	Notes	DETI (Northern Ireland)	DETI (Northern Ireland)	DJEI (Ireland)	DJEI (Ireland)	Total	Total
		£	€	£	€	£	€
Revenue Grant		3,347,244	3,839,722	6,653,227	7,817,827	10,000,471	11,657,549
Capital Grant		12,942	15,086	25,884	30,173	38,826	45,259
		3,360,186	3,854,808	6,679,111	7,848,000	10,039,297	11,702,809

The Body was paid grants from money voted by the Northern Ireland Assembly and Dáil Éireann. NSMC, 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).

The amounts for 2010 have been restated to reclassify Net Deferred Funding for Pensions as ‘Other Operating Income’ (Note 3 over). Previously these amounts had been accounted for within ‘Grants from the Departments’.

3. Other Operating Income

Other Operating Income Comprises:

	Notes	2011	2010 (restated)	2011	2010 (restated)
		£	£	€	€
Bank interest received		6,379	10,200	7,350	11,890
Conference Income		18,520	43,140	21,339	50,288
Net deferred funding for pensions	15.4	494,225	458,406	569,446	534,364
		519,124	511,746	598,135	596,542

The amounts for 2010 have been restated to classify Net Deferred Funding for Pensions as ‘Other Operating Income’. Previously these amounts had been accounted for within ‘Grants from the Departments’ (Note 2 over)

4. Staff Costs And Board Remuneration

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

		2011	2010
Permanent Staff	- Corporate Services & CEO Office	13	13
	- Policy	10	10
	- Operations	18	17
Agency/Temporary staff		1	1
		42	41

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:

	Notes	2011	2010	2011	2010
		£	£	€	€
Salaries & Wages		1,420,072	1,395,862	1,636,207	1,627,156
Social Security Costs		115,187	109,322	132,718	127,437
Other Pension Costs -					
- Current service costs	15.4	253,854	226,407	292,491	263,923
- Interest on Pension Scheme liabilities	15.4	247,927	233,596	285,661	272,303
- Death-in-Service payment		-	97,340	-	113,469
Amounts payable in respect of Agency/Temporary staff		42,632	51,276	49,121	59,772
Total Staff Costs		2,079,672	2,113,803	2,396,198	2,464,060
Board Remuneration		73,354	82,645	84,518	96,339
Total Board Costs		73,354	82,645	84,518	96,339
Total Board and Staff Costs		2,153,026	2,196,448	2,480,716	2,560,399

The accounting policy for pensions is detailed in Note 1.3.

(c) Number of employees whose emoluments for the twelve months ending 31 December 2010 fell within the following bands:

	2011	2010
£40,000 - 49,999	3	4
£50,000 - 59,999	2	2
£60,000 - 69,999	1	0
£70,000 - 79,999	0	0
£80,000 - 89,999	1	1
£90,000 - 99,999	0	0

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

	Salary 2011	Salary 2011	Salary 2010	Salary 2010
	£	€	£	€
Chief Executive: Mr Liam Nellis	84,630	97,511	84,630	98,653
Mr Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mr Aidan Gough	60,806	70,061	58,390	68,066
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 2011 or 2010.

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

	Fees 2011	Fees 2011	Fees 2010	Fees 2010
	£	€	£	€
Dr David Dobbin CBE (Chairman)	8,570		8,570	
Mr John Fitzgerald (Vice-Chairman)	-	10,350	-	10,350
Mr Brendan Butler	-	8,100	-	8,100
Mr Ray Doherty	-	8,100	-	8,100
Mr Sean Gallagher (resigned 05 July 2011)	-	4,050	-	8,100
Mr Jack Gilmour	5,510	-	5,510	-
Mr Hugh Logue	-	8,100	-	8,100
Mr Pádraig MacLochlainn (resigned 5 March 2011)	-	1,420	-	8,100
Ms Patricia McKeown	5,510	-	5,510	-
Dr Gerard O'Hare CBE	5,510	-	5,510	-
Mr Vincent Parker (Term of Office ended 10 October 2011)	4,239	-	5,510	-
Mr Tom Scott OBE	5,510	-	5,510	-

The Chairman and the Board members did not receive any benefits in kind during the years 2011 or 2010.

(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2011:

	Real increase/ (decrease) in pension and related lump sum at age 60 in 2011	Total accrued pension at age 60 at 31 December 2011	Real increase in pension and related lump sum at age 60 in 2010	Total accrued pension at age 60 at 31 December 2010
	£'000	£'000	£'000	£'000
Chief Executive : Mr Liam Nellis	0 - 2.5 plus 2.5 - 5.0 lump sum	40 - 45	0 - 2.5 plus 0 - 2.5 lump sum	40 - 45
Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Aidan Gough	0 - 2.5 plus (5 - 7.5) lump sum	16 - 20	(5 - 7.5) plus (5 - 7.5)lump sum	16 - 20
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

	2011	2010	2011	2010
	£	£	€	€
Travel and Subsistence	79,198	54,897	91,252	63,993
Publications	-	27,318	-	31,845
Postage, Stationery, Telephone	50,895	52,338	58,641	61,011
Currency Loss / (Gain)	52,815	59,020	60,853	68,800
Rent and Rates	251,961	235,633	290,309	274,677
Heat, Light and Power	26,424	32,193	30,446	37,528
Maintenance	27,148	14,355	31,280	16,733
Promotion and Web Development	217,767	206,229	250,911	240,401
Professional Fees	11,825	11,392	13,625	13,280
Meeting Costs	636	2,172	733	2,532
Internal Auditor's Remuneration	16,105	7,669	18,556	8,940
External Auditor's Remuneration	20,000	19,518	23,044	22,752
Recruitment Costs	21,053	23,391	24,257	27,266
Insurance	13,493	18,018	15,547	21,004
Pension Admin Costs	27,478	26,316	31,660	30,676
Office Expenses	5,297	3,981	6,103	4,641
Computer Expenses	81,122	160,078	93,469	186,603
Non-Capitalised Costs of Assets	5,068	422	5,839	492
Disposal of capitalised assets	(24)	-	(28)	-
Training	33,699	42,106	38,828	49,083
Equality	7,008	487	8,075	568
General Expenses	3,891	4,806	4,483	5,602
Bank Charges	5	(42)	6	(49)
Hosting Costs	4,406	2,265	5,077	2,641
Cleaning	16,447	16,081	18,950	18,746
Security Costs	36,998	31,883	42,629	37,166
Equipment Hire	1,852	2,003	2,134	2,335
Total	1,012,567	1,054,530	1,166,679	1,229,266

6(b). Corporation Tax Payable

	2011	2010	2011	2010
	£	£	€	€
Corporation Tax	2,019	2,141	2,326	2,496

A Corporation Tax liability arose in InterTradelreland in 2011, due to tax paid on the interest on savings within the bank accounts.

7. Programme Costs

7.1 InterTradelreland Costs	2011	2010	2011	2010
	£	£	€	€
Trade: Programmes & Initiatives	1,010,098	760,250	1,163,835	886,223
Science Technology & Innovation	1,994,100	1,776,801	2,297,602	2,071,217
Economic and Policy Research	256,510	263,052	295,551	306,640
7.2 Financial Assistance to Other Organisations	2011	2010	2011	2010
	£	£	€	€
Fusion	1,496,822	1,887,274	1,724,638	2,199,995
Acumen	418,543	586,559	482,245	683,752
Equity/Venture Capital	226,841	236,403	261,366	275,575
Innova	1,782,806	1,906,144	2,054,149	2,221,992
ABC Ireland	85,780	61,256	98,836	71,406
REMCA/Reminac	-	700	-	816
Total	7,271,500	7,478,439	8,378,222	8,717,616

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

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £418,543 (2010:£586,559) paid out under the Acumen programme solely represents the amount paid to other organisations from InterTradelreland resources. Under this programme both Invest NI and Enterprise Ireland also provide financial assistance to participating organisations. InterTradelreland has entered into a Memorandum of Understanding with both Invest NI and Enterprise Ireland to perform a treasury function on their behalf. A principle of this treasury function is that, within specified limits,

in the event InterTradelreland pays monies to either an Invest NI or Enterprise Ireland client organisation, those monies may be recouped from Invest NI and Enterprise Ireland accordingly.

In the year under review, Enterprise Ireland has not availed of this function. The amount paid or committed to Invest NI client organisations under this treasury function was £70,712. Any monies not recouped from Invest NI in the period under review are accounted for in the balance sheet as debtors. These monies have been netted against the financial assistance programme costs above.

8. Intangible Assets

	Software Licences	Total	Total
Cost or Valuation	£	£	€
At 1 January 2011	51,143	51,143	59,418
Additions	-	-	-
Disposals			
At 31 December 2011	51,143	51,143	59,418
Depreciation	£	£	€
At 1 January 2011	21,130	21,130	24,549
Provision for Year	9,226	9,226	10,630
Disposals	-	-	-
At 31 December 2011	30,356	30,356	35,179
Net Book Value at 31/12/11	20,787	20,787	24,239
Currency Translation Adjustment	-	-	647
Net Book Value at 31/12/11	20,787	20,787	24,886
Net Book Value at 31/12/10	30,013	30,013	34,869

9. Fixed Assets

	Leasehold Improvemants	Fixtures & Fittings	Office Equip.	Computer Equip.	Total	Total
Cost or Valuation	£	£	£	£	£	€
At 1 January 2011	145,225	75,591	73,433	227,881	522,130	606,611
Additions	-	2,870	575	26,022	29,467	33,952
Disposals	-	(1,486)	(14,303)	(45,744)	(61,533)	(70,898)
At 31 December 2011	145,225	76,975	59,705	208,159	490,064	569,665
Depreciation	£	£	£	£	£	€
At 1 January 2011	125,351	63,775	70,151	198,431	457,708	531,765
Provision for Year	3,471	3,387	808	15,687	23,353	26,907
Disposals	-	(1,165)	(14,303)	(45,744)	(61,212)	(70,528)
At 31 December 2011	128,822	65,997	56,656	168,374	419,849	488,144
Net Book Value at 31/12/11	16,403	10,978	3,049	39,785	70,215	81,521
Currency Translation Adjustment	-	-	-	-	-	2,539
Net Book Value at 31/12/11	16,403	10,978	3,049	39,785	70,215	84,060
Net Book Value at 31/12/10	19,874	11,816	3,282	29,450	64,422	74,845

10. Debtors (amounts due within one year)

	2011	2010	2011	2010
	£	£	€	€
Other Debtors	33,215	140,847	39,764	163,636
Prepayments and accrued income	102,189	71,931	122,338	83,569
Total	135,404	212,778	162,102	247,205

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

	2011	2010	2011	2010
	£	£	€	€
Trade Creditors	498,568	403,761	596,871	469,090
Accruals	1,433,595	1,813,046	1,716,349	2,106,386
Corporation Tax	2,019	2,141	2,326	2,496
Total	1,934,182	2,218,948	2,315,546	2,577,972

12. Provisions

	2011	2010	2011	2010
	£	£	€	€
Provisions (amounts falling due less than one year)				
Opening Balance	647,670	554,084	752,463	623,899
Provided in the Year	727,558	647,670	838,292	754,989
Provisions not required written back	-	(15,384)	-	(17,933)
Provisions Utilised in the Year	(647,670)	(538,700)	(746,245)	(627,963)
Difference on Foreign Exchange Translation	-	-	26,501	19,471
Closing balance	727,558	647,670	871,011	752,463

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

13. Reserves

13.1 General Fund

	2011	2010	2011	2010
	£	£	€	€
General Fund Opening Balance	1,442,383	1,661,724	1,675,762	1,871,102
(Deficit) for the year	(1,321,812)	(219,341)	(1,522,990)	(255,686)
Difference on Foreign Exchange Translation	-	-	(8,426)	60,346
General Fund Closing Balance	120,572	1,442,383	144,346	1,675,762

13.2 Capital Grant Reserve

	2011	2010	2011	2010
	£	£	€	€
Opening Balance	94,435	92,355	109,714	103,992
Capital Grants Received	29,467	38,826	33,952	45,259
Less: Transfer to Income & Expenditure	(32,578)	(36,746)	(37,536)	(42,835)
Adjustment for Fixed Asset Disposal	(321)	-	(370)	-
Difference on Foreign Exchange Translation	-	-	3,185	3,298
Capital Grants Reserve Closing Balance	91,003	94,435	108,945	109,714

14. Notes To Cash Flow Statement

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

	2011	2010	2011	2010
	£	£	€	€
(Deficit) for the year before tax paid	(1,319,793)	(217,200)	(1,520,664)	(253,190)
Depreciation	32,578	36,746	37,536	42,835
Transfer from Capital Grant Reserve	(32,578)	(36,746)	(37,536)	(42,835)
Bank Interest Receivable	(6,379)	(10,200)	(7,350)	(11,890)
Decrease/(Increase) in debtors	77,374	(34,183)	85,103	(46,107)
(Decrease)/increase in creditors (excluding Corporation Tax Creditor)	(204,754)	(27,174)	(143,718)	71,941
Difference on Foreign Exchange Translation	-	-	(8,426)	60,346
Net cash (outflow) from operating activities	(1,453,552)	(288,757)	(1,595,055)	(178,900)

14.2 Reconciliation of net cash inflow to movement in net debt

	2011	2010	2011	2010
	£	£	€	€
Cash at Bank and in hand at 1 January	4,096,223	4,378,817	4,758,992	4,930,548
Net Cash (outflow)	(1,449,314)	(282,594)	(1,590,192)	(171,556)
Cash at Bank and in hand at 31 December	2,646,909	4,096,223	3,168,800	4,758,992

15. Pensions

15.1 Accounting Treatment

The valuation used for FRS 17 disclosures has been based on an actuarial valuation as at 31 December 2011 by an independent actuarial firm, Xafinity Consulting. The principal assumptions used to calculate scheme liabilities are:

	31-Dec-11	31-Dec-10	31-Dec-09
Discount rate			
Northern Ireland:	4.70%	5.40%	5.70%
Ireland:	4.60%	4.70%	5.10%
Rate of increase in Retail Prices Index			
Northern Ireland:	2.60%	3.40%	3.70%
Ireland:	2.50%	2.50%	2.50%
Rate of increase in salaries:	4.00%	4.00%	4.00%
Average rate of increase in pensions			
Northern Ireland:	2.60%	3.40%	3.70%
Ireland:	2.50%	2.50%	-
In line with salary increases	4.00%	4.00%	4.00%
Average expected future life at age 65 for			
Male currently aged 65	21.40	21.30	21.20
Female currently aged 65	24.00	23.90	23.80
Male currently aged 45	23.30	23.20	23.10
Female currently aged 45	25.90	25.80	25.70

15.2 Movement in Net Pension Liability during the financial year

	2011	2010	2011	2010
	£	£	€	€
Opening value of scheme's liabilities	4,447,255	3,920,515	5,166,821	4,414,500
Service cost	253,854	226,407	292,491	263,923
Member Contributions	24,578	23,336	28,319	27,203
Interest on scheme liabilities	247,927	233,596	285,661	272,303
Actuarial loss/(gain)	521,807	(62,160)	601,226	(72,460)
Net transfers in/out of the scheme	17,110	107,158	19,714	124,914
Benefits paid	(7,556)	(1,597)	(8,706)	(1,862)
Difference on foreign exchange translation	-	-	204,865	138,300
Net Pension Liability at 31 December	5,504,975	4,447,255	6,590,391	5,166,821

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

	2011	2010	2011	2010
	£	£	€	€
Experience loss	175,519	(225,422)	202,233	(262,775)
Loss/(gain) on change of financial assumptions	346,288	163,262	398,993	190,315
Actuarial loss/(gain)	521,807	(62,160)	601,226	(72,460)

15.4 Income & Expenditure account analysis

	2011	2010	2011	2010
Analysis of the net deferred funding for pensions is as follows:	£	£	€	€
Service cost	253,854	226,407	292,491	263,923
Other finance cost	247,927	233,596	285,661	272,303
Benefits paid during the year	(7,556)	(1,597)	(8,706)	(1,862)
Total	494,225	458,406	569,446	534,364
Analysis of the net deferred funding for pensions is as follows:	£	£	€	€
Service cost	253,854	226,407	292,491	263,923
Other finance cost	247,927	233,596	285,661	272,303
Total	501,781	460,003	578,152	536,225

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 2011 amounted to £5,504,975 (€6,590,391) (2010: £4,447,255 (€5,166,821)).

13.2 Capital Grant Reserve

	2011	2010	2011	2010
	£	£	€	€
Opening balance at 1 January	4,447,255	3,920,515	5,324,120	4,554,854
Increase in Deferred Funding of Pension Asset	1,057,720	526,740	1,266,271	611,967
	5,504,975	4,447,255	6,590,391	5,166,821

15.6 History of Defined Benefit Liabilities

	2011	2010	2009	2011	2010	2009
	£	£	£	€	€	€
Deficit as at 31 December	5,504,975	4,447,255	3,920,515	6,590,391	5,166,821	4,414,500
Experience loss/(gain)	175,519	(225,422)	(157,501)	202,233	(262,774)	(176,842)
Percentage of Scheme Liabilities	3.2%	(5.1%)	(4.0%)	3.2%	(5.1%)	(4.0%)

The cumulative actuarial loss recognised in the Statement of Recognised Gains and Losses amounts to £568,315.

16. Capital Commitments

16.1 Capital commitments at 31 December 2011 for which no provision has been made

	2011	2011
	£	€
Contracted	-	-
Authorised but not contracted	-	-
Total	-	-

16.2 Other Commitments

	2010	2010
	£	€
Total	5,432,313	6,503,402

This commitment relates mainly to letters of offer which were issued prior to the year end 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 2011.

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 Trade and Innovation. 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. Transactions during the year with such organisations, which were all conducted at arm’s length and were subject to normal project and programme rules and tendering procedures, where appropriate, are listed overleaf:

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

Board Member	Organisation	Amount Paid 2011
None		

Funding Provided to Companies

Board Member	Organisation	Amount Paid 2011
None		

b) Non Beneficial Interests

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

Board Member	Company / Organsiation	Position Held
Dr David Dobbin CBE	InvestNI	Board Member

(iii) North / South Pension Scheme

The Chief Executive of InterTradelreland, Liam Nellis, is Chair of the CEO Committee of the 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 2011, a total of £175,659 (2010:£137,152) 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:

Operating Leases which Expire	Land & Buildings				Other			
	2011	2011	2010	2010	2011	2011	2010	2010
	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Within One Year	-	-	-	-	-	-	2	2
In Two To Five Years	195	225	-	-	2	2	-	-
Over Five Years	-	-	195	226	-	-	-	-
Total	195	225	195	226	2	2	2	2

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 2011.

23. Post Balance Sheet Events

There have been no significant events since the year end 31 December 2011, which could affect these accounts.

Appendix A

InterTradelreland

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

The annual accounts shall give a true and fair
view of the income and expenditure and cash
flows for the financial year, and the state of
affairs at year- end. Subject to this requirement,
the Body shall prepare accounts for the
financial period ended 31 December 2000 and
subsequent years in accordance with:

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

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

Signed by authority of the:
Department of Enterprise Trade and Investment

A.W. Hamilton
21 June 2001

Department of Enterprise Trade
and Employment

Ronald Long
21 June 2001

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

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