

2009 Annual Review of Activities and Annual Accounts



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Batt O'Keeffe

Batt O'Keeffe TD
MINISTER FOR ENTERPRISE
TRADE 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 2009 - a challenging year for the economies of Ireland and Northern Ireland as we confronted the global recession.

The InterTradelreland Business Monitor captured the impact of recession on the local business community. Over 80% of firms in both jurisdictions reported that the recession had a severe impact on their businesses, with the majority reporting falling demand for goods and services and liquidity issues as their main competitiveness challenges.

Despite these difficult times, businesses responded to the crisis with decisive action to reduce costs, improve efficiency and stimulate demand. These measures began to address the challenges posed by cash-flow, demand and costs, with InterTradelreland's Business Monitor survey indicating some fragile signs of optimism among businesses in the latter half of last year.

Now, we are on the path to economic recovery and new opportunities have emerged for innovative firms to build capability and become more competitive. Businesses that can commercialise ideas into world-class products, processes and services and firms that can adapt to compete in new high-growth markets will help to drive our recovery.

Encouragingly, InterTradelreland's business monitor survey reports that 88% of firms are planning to review their business strategy in the coming year with plans to diversify into new markets, develop new products and services and reduce costs.

InterTradelreland is the organisation uniquely placed to offer proactive and relevant interventions in the interest of the economies in Northern Ireland and Ireland.

“While the path to economic recovery remains subject to many uncertainties, new opportunities have emerged for those companies that can innovate effectively.”

Since its inception just over 10 years ago, the organisation has helped more than 14,000 small and medium-sized enterprises (SMEs) with practical cross-border support and advice. In addition, over £540 million/€600 million worth of trade and business development value has been created through companies taking part in InterTradelreland projects.

Last year, InterTradelreland supported firms' business growth models, delivering more than £80 million/€90 million worth of trade and business development value and representing a 10:1 return on investment. This is an impressive result and we would like to take this opportunity to thank InterTradelreland's Chairman, Board members, Chief Executive, the senior management team and all staff for their hard work and dedication over the past year.

We will continue to support InterTradelreland in stimulating innovation, research and development and cross-border trade. We will help the organisation to make it easier for SMEs to operate and grow their businesses across the two jurisdictions.

Through enhanced co-operation, Ireland and Northern Ireland can reap the rewards of increased trade, competitiveness and economies of scale.



David Dobbin

Dr David Dobbin CBE
CHAIRMAN

Chairman's Introduction

In the current tough economic times, economic co-operation continues to offer real opportunities for businesses in both jurisdictions to grow their sales, develop new business opportunities and improve their competitiveness. Against the backdrop of considerable public finance resource constraints, InterTradelreland has embraced the challenge of doing more with less and helped companies, especially SMEs and micro businesses across the island, to generate £80m/c€90m of additional trade and business development value.

These results were achieved by providing practical advice and direct support to businesses through our range of trade and innovation initiatives. Cross-border trade was not immune to the impact of the downturn but despite this, demand for our programmes and initiatives was stronger than ever.

In 2009, business sentiment across the island was strongly negative about both current and future performance. In the last quarter of the year, while there was a sense amongst

businesses that the recession was beginning to bottom out, the consensus view was that the speed of recovery would not match the rate of decline.

This view was echoed by international economic experts that attended the first InterTradelreland All-Island Economic Forum held at Farmleigh, Dublin in June. The Forum comprised over 120 leading economists, commentators and senior policy makers, internationally and from both Northern Ireland and Ireland to provide a consensus view on the likely depth and duration of the economic downturn. The Forum succeeded in identifying potential paths for recovery. It also stimulated discussion on local policy options within a wider global context, on the issue of optimising the use of resources to create economies of scale and scope to improve competitiveness.

Following the appointment of a new Board in 2008, we conducted a comprehensive strategic review of InterTradelreland in partnership with its Senior Management Team throughout

“As we move into 2010, key objectives for InterTradelreland will be to help businesses to recover, innovate and plan for growth by exploiting cross-border business opportunities.”

2009. Key themes emerging from the strategic review included the need to focus on economic outcomes and to become more business relevant, better co-ordination with other economic development agencies and sponsor departments, the need to focus on activities with the greatest economic development and clarity of InterTradelreland's focus and message.

As a consequence, we have significantly increased our direct contact with businesses to better understand their needs and have taken action to improve the co-ordination between InterTradelreland, Invest NI, Enterprise Ireland, the Industrial Development Authority (IDA) and other business support agencies to optimise effectiveness, reduce duplication and eliminate provision gaps.

As we move into 2010, key objectives for InterTradelreland will be to help businesses to recover, innovate and plan for growth by exploiting cross-border business opportunities. As an organisation, our challenge for the year ahead will be to get maximum leverage from

our limited resources, identify efficiency savings in service delivery, maximising value for money in terms of economic outcomes while continuing to increase our business outreach across the island.

I want to thank our Board, Executive Team and staff for their considerable experience, enthusiasm and commitment which together with the leadership and support of both Ministers and their departments, continues to make a real difference to those companies we seek to help. During the year we welcomed a new member to the Board, Mr Vincent Parker who succeeded Ms Rosaleen Doherty, who resigned from the Board to take up an appointment in the US. Rosaleen has been a dedicated member of the Board since 2006 and during this time has made an excellent contribution to the work of InterTradelreland, we wish her and Vincent every future success in their new roles.



Liam Nellis
CHIEF EXECUTIVE

Chief Executive's Message

As the economic and business landscape was subject to dramatic change in 2009, InterTradelreland stepped up its activity in Northern Ireland and Ireland to meet the increased demand from businesses seeking practical advice and support. Despite the effects of the downturn and subsequent impact on cross-border trade value, I am delighted to report increased company performance levels and key achievements of the organisation in 2009.

InterTradelreland provided practical advice and support to more than 3,000 SMEs and delivered more than £80m/€90m in trade and business development value, representing a 10:1 return on the investment made through our business support programmes. Through our programmes we also assisted more than 90 companies to become first-time exporters and 50 companies to become first-time innovators.

While the value of cross-border trade has not been immune to the recession, it is encouraging to note that the number of companies embarking on cross-border trade has increased. Between 2003 and 2009, the number of Northern Ireland companies exporting to Ireland has grown from 34% to 44%. In the same period, the number of Irish companies exporting to Northern Ireland increased from 28% to 31%.

In April 2009, we launched a major outreach campaign to SMEs in the current economic climate to demonstrate the range of supports available to help businesses recover and plan for long term growth. We were overwhelmed by the positive response from SMEs and as a result, InterTradelreland engaged with almost 1,000 businesses, the vast majority of whom had yet to benefit from cross-border trade and business development.

Our range of trade and innovation programmes continued to help businesses to increase cross-border sales, develop new products and processes through cross-border co-operation, and raise new equity finance.

We also produced a number of research studies which included a Gravity Model research study to identify unexploited cross-border trade potential, a mapping study to identify differences in business regulation in Northern Ireland and Ireland which pose potential barriers to trade, a competitiveness report on all-island public procurement, an assessment of management capabilities and a range of market intelligence reports. This research underpins InterTradelreland's cross-border initiatives and enables recommendations to be made to stakeholders, in both jurisdictions, on policy issues of mutual benefit to both economies.

“InterTradelreland provided practical advice and support to more than 3,000 SMEs and delivered more than £80m/ c€90m business development value.”

In line with the findings of the strategic review, InterTradelreland continued to focus on its range of trade and innovation initiatives to support businesses in 2009.

One of our innovation programmes, FUSION, which partners companies with a technology need with third level institutes and academics, reported impressive results with value generated of more than £47m/c€53m and the creation of 140 jobs, while our sales and marketing programme, Acumen, generated more than £8.2m/c€9.2m worth of additional sales and resulted in 71 jobs being created.

InterTradelreland also provides a range of services aimed at helping early stage companies to become investor ready and raise new risk capital. During 2009, more than £19m/c€22m in new equity was leveraged by finalists in our Seedcorn competition. In addition, Halo Ireland reported €33m in direct angel investment and leveraged a further €1.8m funding. The Northern Ireland Halo Network reported a total of £487,000 in direct angel investment and leveraged £1.8m matching investment.

The US-Ireland R&D partnership for which InterTradelreland provides the secretariat, also announced funding of up to €7m for collaborative R&D projects between researchers and industry in Northern Ireland, Ireland and the US in 2009.

Since its inception over ten years ago, InterTradelreland has had to continuously evolve and adapt to changing market conditions and the needs of the wider business community in both jurisdictions. As a result, we are a dynamic and innovative organisation and our performance in 2009 demonstrates InterTradelreland's continued value in difficult times.

None of this could be possible however without the support of both Governments, our Board, Senior Management Team, our staff and relevant business agencies. As we look forward to next year, we will continue to evolve as an organisation to meet the challenges ahead and to support businesses for the mutual benefit of both economies.

**2009
business plan
performance
summary**

2009 Business Plan Performance Summary

InterTradelreland 2009 Performance against Business Plan Targets.

InterTradelreland Corporate Plan 2008-2010.

InterTradelreland's key strategic goals for the period 2008-2010 are:

- To generate business value, by enhancing company competitiveness and capability through co-operative North/South initiatives.
- To improve the competitive environment on the island, for mutual benefit, through co-operative policy research, reports and networks.

InterTradelreland Business Plan Targets 2009.

KPI 1 - £60M/c€77M¹ total value of reported trade and business development activity generated by our all-island business networks and by firms engaged in our co-operative North/South programmes.

KPI 2 - 1500 firms engaged in developing their all-island business capabilities through the utilisation of our information and knowledge services.

- 500 firms actively involved in developing the competitiveness of their businesses through participation in our co-operative North/South programmes and networks.

These 500 firms will include 60 First Time Innovators, and 100 First Time Exporters.

- 200 New Business Linkages and 5 New Co-operative Research & Development Partnerships will be created.

KPI 3 - 4 new co-operative all-island business networks will be established and 2 new all-island economic policy fora will be established to address the recommendations from selected all-island policy research reports.

2009 Performance against Target.

Key Performance Indicators (KPI)		2009 Target	2009 Achieved
KPI 1	Business Development Value	£60M/€77M ¹	£83.5M/€92.7M ²
KPI 2A	Firms Utilising ITI Knowledge Resources	1500	3329
KPI 2B	Firms Participating on ITI Programmes & Networks	500	461
KPI 2C	First Time Exporters	100	93
KPI 2D	First Time Innovators	60	50
KPI 2E	New Business Linkages	200	158
KPI 2F	New Co-operative R&D Partnerships	5	5
KPI 3A	New Business Networks	4	6
KPI 3B	New All-Island Policy Fora	2	4
Additional Indicators (AI)			
AI A	Firms Joining ITI Programmes/Networks	-	338
AI B	New Jobs Created	-	211
AI C	Policy Reports Published	4	8

¹ Target: €1=£0.78 (NSMC 2009 Business Planning Guidance).

² Achieved: Average Interbank Rate 2009 €1=£0.90

¹ Target: €1=£0.78 (NSMC 2009 Business Planning Guidance).

**board
members**

Board Members 2009

During 2009, InterTradeIreland had an Executive Board consisting of 12 members who were appointed by the North/South Ministerial Council. Rosaleen Doherty resigned from the board in October 2009 and was replaced by Vincent Parker in December 2009.



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 agri-

food 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 its 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 last December.



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.



ROSALEEN DOHERTY
(Stepped down on 27 October 2009)

Rosaleen Doherty is a recently returned emigrant from the USA where she spent 11 years working in the food industry; she held a variety of senior positions within research

& development prior to moving into business development in 2004. She is a graduate of University College Galway, with a degree in Chemistry and Biochemistry and University College Dublin with a Masters in Food Science. On her return to Ireland, Rosaleen divides her time between her consulting business specializing in business development for a US ingredient company within the European market and running a family owned pub & restaurant in North Donegal.



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 2006 Brendan became IBEC's Director of Strategy, Trade, EU and International Affairs responsible for Trade, All- Island, EU and International Policy. In recent months Brendan has also taken responsibility for the development of Education, Training and Innovation policy in IBEC. Brendan has been involved in the negotiations for the last six national 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.

Board Members 2009



DR WILLIAM GERARD O'HARE CBE

Dr. Gerard O'Hare is one of Northern Ireland's most successful property and business entrepreneurs. His property company, 'Parker Green International', manages an extensive portfolio of Irish, UK and International developments.

He is a visiting professor at the University of Ulster and the Harvard Graduate School of Design. He is also Chairman of the University of Ulster Foundation; and in 2004 established a Chair in Property Development & Design at the university to promote academic excellence.

The Newry born Dr. O'Hare has been and remains an active supporter of the region's economic development. He is a former President of the Newry Chamber of Commerce & Trade and was instrumental in creating Newry's first Local Partnership in 1997, helping transform Newry from a border town into a thriving regional city.

Dr. O'Hare is also a Board Member of the International Institute of Urban Design; Business in the Community NI; a member of the Prince's Trust NI Council; IOD; and CBI and was appointed as Chairman of Tall Ships 2009 for Northern Ireland.

In June 2009 HRH Prince Charles appointed Dr. O'Hare as his Ambassador for Business and Corporate Social Responsibility in Northern Ireland.

In October 2009 Dr. O'Hare received a Lambda Alpha International Award for International Urban Affairs which he shared with Valerie Jarrett, Senior Advisory to President Barack Obama.

Dr. O'Hare was also included in the 2009 New Years Honors List in which he was awarded a CBE.



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. At InterTradelreland he chairs the 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.



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.

His other activities include a Property Development Partnership, Property Management Letting and Sales Company and property interests in Ireland and the UK.

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 and is a Director of a number of charities.



PATRICIA MCKEOWN

Patricia McKeown is the Northern Ireland 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).

Board Members 2009



PÁDRAIG MAC LOCHLAINN

Pádraig Mac Lochlainn is a member of Donegal County Council and Bunrana Town Council. He served as Mayor of Bunrana 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 (INOUE) from 1997 to 2001. He also served on the INOUE 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.



TOM SCOTT OBE

Tom Scott was, until 2005, a Northern Ireland senior civil servant latterly with the Department for Employment and Learning with the 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. 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 Managing Director 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 InterTradeIreland All-Island Seedcorn Business 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 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 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 (appointed 16 Dec 2009)

Vincent Parker is a Ministerial 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 Queen's 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 Féile an Phobail.

**organisation
and staffing
profile**

Organisation and Staffing Profile

Chief Executive and Directors



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 in 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.

InterTradelreland was established in 2000 to identify, develop and deliver North/South business development and trade opportunities. Since then, more than 1500 companies across the island have participated directly in its programmes; reporting over £540m of added value and more than 800 jobs have been created.

Liam is married to Catherine with two sons.



Aidan Gough,
Strategy and Policy Director

In his role as Strategy and Policy Director, Aidan advises on collaborative strategy, policy and initiatives to help InterTradelreland in boosting North/South economic co-operation to the mutual benefit of both economies on the island. Aidan leads InterTradelreland's policy and research team to identify areas where joint Government intervention can help to create an environment where it is easier to do business and increase the competitiveness of individual businesses and the island in the global economy. Aidan is a graduate of Queen's University, Belfast with an MBA and MSc in Economics. Prior to joining InterTradelreland in 2000, Aidan was Director of the Northern Ireland Economic Council.



Laurence Lord,
Corporate Services Director

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

Margaret is a business and marketing graduate. She completed an MBA in 2004. Margaret's career to date has focused on supporting the development of SMEs and early stage companies. She led the development of InterTradelreland's EquityNetwork Programme. She 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, who 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 2009

As at the 31st December 2009, InterTradelreland employed 39 permanent staff, (FTE-Full Time Equivalent of 38), had two positions out on offer and had two current vacancies.

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 & 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 2009, seven permanent posts across all grades were filled. These vacancies were advertised across the island of Ireland and attracted substantial interest with 218 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		3	5	3	11
Deputy/Project Manager		6	3	2	11
Executive & Administrative Staff	1	6	1	5	13
Totals	2	16	10	11	39*

*As several Staff Members avail of the Body's Family Friendly Policies and work reduced hours the Staffing Full Time Equivalent is 38.

**strategy
and key
performance
indicators**

InterTradelreland Strategy & Key Performance Indicators

Vision, Mission and Strategic Goals

In straightforward terms, trade depends on being competitive, and competitiveness depends on a productive use of economic resources.

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 and wealth creation.

For the period of InterTradelreland's 2008-2010 Corporate Plan our mission is to enhance the global competitiveness of the economy of both jurisdictions for mutual benefit, through co-operative business, policy and research programmes, partnerships and networks.

A new strategic framework has been developed to enable us to pursue this mission effectively. This strategic framework is 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. To generate business value, by enhancing company competitiveness and capability through co-operative North/South initiatives.
2. To improve the Competitive Environment on the island, for mutual benefit, through co-operative policy research, reports and networks.

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, public sector departments and agencies. Such connections can lead to more efficient delivery of services and initiatives and open a gateway to new international relationships³.

Communicating Co-operative Success

Co-operation between Northern Ireland and Ireland remains a relatively untapped source of competitive advantage. Communicating such success continues to be a key tool to extend participation in new and existing co-operative initiatives.

³Such 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.

Key Performance Indicators

InterTradelreland has defined three discrete 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 2008-2010 are:

KPI 1 The business value generated through InterTradelreland's initiatives.

KPI 2 The number of firms engaged in InterTradelreland initiatives.

KPI 3 The number of North/South trade and business development networks supported by InterTradelreland.

Targets against these three Key Performance Indicators above are set within the organisation's Annual Business Plans. Performance against these KPIs and in relation to a number of Additional Performance Indicators will be published each year. The 2009 Business Plan Performance Report in the next section provides quantitative and qualitative data on our operational programmes and networks, our business and economic research reports, work within the North/South policy and operational secretariats with which we are engaged and the online services which 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.

1. InterTradelreland 2009 Performance against Business Plan Targets

InterTradelreland Corporate Plan 2008-2010

InterTradelreland's key strategic goals for the period 2008-2010 are:

- To generate Business Value, by enhancing company competitiveness and capability through co-operative North/South initiatives.
- To improve the Competitive Environment on the island, for mutual benefit, through co-operative policy research, reports and networks.

InterTradelreland Business Plan Targets 2009

KPI 1 £60M/€77M⁴ total value of reported trade and business development activity generated by our all-island business

networks and by firms engaged in our co-operative North/South programmes.

KPI 2 1500 firms engaged in developing their all-island business capabilities through the utilisation of our information and knowledge services.

- 500 firms actively involved in developing the competitiveness of their businesses through participation in our co-operative North/South programmes and networks. These 500 firms will include 60 First Time Innovators, and 100 First Time Exporters. 200 New Business Linkages and 5 New Co-operative Research & Development Partnerships will be created.

KPI 3 4 new co-operative all-island business networks will be established and 2 new all-island economic policy fora will be established to address the recommendations from selected all-island policy research reports.

2009 Performance against Target

Key Performance Indicators (KPI)		2009 Target	2009 Achieved
KPI 1	Business Development Value	£60M/€77M ⁴	£83.5M/€92.7M ⁵
KPI 2A	Firms Utilising ITI Knowledge Resources	1500	3329
KPI 2B	Firms Participating on ITI Programmes & Networks	500	461
KPI 2C	First Time Exporters	100	93
KPI 2D	First Time Innovators	60	50
KPI 2E	New Business Linkages	200	158
KPI 2F	New Co-operative R&D Partnerships	5	5
KPI 3A	New Business Networks	4	6
KPI 3B	New All-Island Policy Fora	2	4
Additional Indicators (AI)			
AI A	Firms Joining ITI Programmes/Networks	-	338
AI B	New Jobs Created	-	211
AI C	Policy Reports Published	4	8

⁴ Target: €1=£0.78 (NSMC 2009 Business Planning Guidance).

⁵ Achieved: Average Interbank Rate 2009 €1=£0.90.

2. Programme Area Report - Science, Technology & Innovation

FUSION

FUSION is InterTradelreland's technology transfer programme that gives companies with technology-based needs the opportunity to work within a three-way partnership that includes third-level research institutions with specialist expertise and a high-calibre science and technology graduate. In 2009, 18 companies that participated on Phases I & II of the programme reported a total business development value of £47.8m/€53m and the creation of 140 jobs. In addition, 36 FUSION graduates completed their Postgraduate Diploma in Management and two-thirds of all graduates participating on the programme to date have taken up permanent positions with their companies. A further 64 projects were approved under Phase III in 2009 bringing the total number of active projects to 101 across sectors including Engineering, Food, ICT, Medical Devices and Manufacturing.

Some of the projects under Phase III include:

- Research feasibility, design and implementation of an integrated hybrid energy supply strategy.
- Development of optical and fibre optic sensors for use in power transformers and identification of the means by which key physical and chemical effects can be monitored.
- Development of new products, review and updating of existing product ranges and embedding principles of lean manufacturing.

FUSION Case Study: E&I Engineering Ltd, Donegal, used their FUSION Project to improve their engineering capability to allow the design, testing and manufacture of 'Busbar' trunking to complement its existing product range. Three years after the FUSION project completed the company has attributed a business development value of £34.5m/€38.8m and the creation of 86 new jobs. A new spin out company, PowerBar has also been established to manufacture and develop the new products.

Innova

Innova is a unique cross-border collaborative Research & Development programme offering companies an opportunity to accelerate new product, process or service developments through partnering with a company in the other jurisdiction. In 2009 the roll-out phase of the programme completed its first call for applications, resulting in nine collaborative projects which include:

- A web-based quality management system for waste water treatment plants. It is anticipated that significant commercial opportunities with Local Authorities and NI Water will be exploited.
- A hand held portable micro-fluidic device reader. It is anticipated that this device will be deployed in clinician and hospital environments as well as mobile locations with Emergency Services.
- Applied thermal welding research for thermoplastic composites to aircraft structures.

- A telemedicine system specifically for chronic disease management, based in the home environment.
- A plasma discharge sensing device with applications including manufacturing optimisation and disease diagnosis.
- Manual and automated clinical diagnostic tests for inherited metabolic disorders in newborns.

During 2009, the final project under the original Pilot programme between Hunter Apparel (Londonderry) and Itronik (Letterkenny) was completed. Both partners have jointly bid for the Northern Ireland Health Service uniform contract which is a five year contract scheduled for award in 2010.

US-Ireland Research & Development Partnership

The US-Ireland Research & 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 2009, the work of the alliance resulted in the announcement of four significant projects with a total value of £6.3m/€7m. These projects are addressing topics of climate change and public health, the development of energy efficient transistor devices and genetic research on the complications associated with diabetes.

All-Island Innovation Programme



The All-Island Innovation Programme, delivered by InterTradelreland in partnership with University College Dublin, NUI Galway and Queens University Belfast, brings international expertise and best practice in innovation to Ireland and Northern Ireland. The aim of this community is to study innovation in several academic disciplines, to align best practice in innovation research with current policy thinking and to inform the development and implementation of future policy. In 2009 the series had an overall attendance of 1,021, including 561 companies.

There were 3 Chairs of Innovation:

- Professor Erko Autio, who delivered two public innovation lectures and a series of Masterclasses in Belfast and Dublin at the end of March 2009. Professor Autio currently holds the Chair in Technology Transfer and Entrepreneurship at Imperial College London.
- Professor Julian Birkinshaw, Professor of Strategic and International Management at the London Business School provided

the keynote address on both days of the InterTradelreland Innovation Conference which was held at NUI Galway in June 2009.

- Professor Henry Chesbrough delivered two public innovation lectures and a series of seminars in Belfast and Galway in November 2009. Professor Chesbrough is Director of the Centre for Open Innovation at the University of California, Berkeley.

Innovation Awards

The Irish Times Innovation Awards, in association with InterTradelreland, were launched in October 2009. There are six award categories which include a separate category for North/South Collaboration. The overall winner receives a unique and extremely high profile communications package worth more than €200,000. The judging panel included representatives from InterTradelreland, Microsoft Ireland, Balderton Capital and the Irish Times. The final awards ceremony will take place in 2010.



Wiser Workforces – Women in Technology & Science (WITS)

The Wiser Workforces initiative commenced in September 2007 and was completed in December 2009. This Re-Enter educational and

mentoring pilot programme identified, re-trained and supported scientific and technically qualified women to return to the workforce following career breaks. Results from the 20 graduates who participated on this programme show that 14 of the 20 women participating have returned to Science, Engineering and Technology careers and a further five are actively seeking employment.

Design - A Study to Map Design Services & Support Initiatives to Business across Northern Ireland & Ireland

This study was carried out by the Centre for Design Innovation and Design Connect, on behalf of InterTradelreland, to identify collaborative opportunities for the promotion, support and supply of design as a source of competitive advantage to companies. Subsequent to the publication of the study, resources are being developed as part of a Design promotion campaign. The resources include case studies; sign-posting to funding and best practice examples of design being used to create competitive advantage.

Bridging the Border

The 'Bridging the Border' seminars, organised by InterTradelreland in partnership with Invest Northern Ireland and Enterprise Ireland aim to provide businesses with information on collaborative opportunities and to facilitate partnership meetings. Three events in 2009, held in Dundalk, Dublin and Enniskillen, were attended by 256 companies. During these events a total of 168 contact meetings took place.

Research Connections Programme

The Research Connections programme brings together research groups in Northern Ireland and Ireland from strategically important research areas to develop relationships and partnerships. The development of a co-operative research community will pool resources, disciplines and scientific excellence to achieve critical mass and utilise more fully the earlier research investments of both jurisdictions. There were four workshops in 2009 which involved researchers from each of the universities in Ireland and Northern Ireland, Athlone Institute of Technology, Waterford Institute of Technology, Sligo Institute of Technology together with industry representatives from the Northern Ireland Polymers Association, Plastics Ireland and First Polymer Training. These events focused on the polymer and ICT sectors.

Innovation Connections Programme (ICP)

The Innovation Connections programme, which will be launched in 2010, will provide a highly-structured innovation methodology that helps companies to innovate and access new customers and markets in a new way through a process of user-centred innovation. Planning for the pilot phase of this programme commenced in September 2009 with a focus on the Civil Security sector, in particular security/detection services within airports.

EquityNetwork

InterTradelreland's EquityNetwork programme offers a range of supports to help early stage companies to improve their ability to have business plans which are 'investor ready'.



In 2009 the Private Equity Conference, which was attended by more than 200 delegates, heard from a range of experienced entrepreneurs and funders. During 2009, £19.6m/c€21.7m in new equity was raised by companies who had been regional finalists in the Seedcorn Competition. In addition, Halo Ireland reported 15 deals which resulted in €3.03m in direct angel investment and leveraged a further €1.8m in funding. The Northern Ireland Halo Network reported a total of seven deals with a total of £487k direct angel investment and leveraged £1.8m matching investment.



The 2009 Seedcorn Competition received 408 registrations and the submission of 226 Business Plans. The award of €100k for the Overall Best High Growth Company went to

SOPHIA Search Ltd and €100k for the Overall Best Emerging Company was awarded to Cauwill Technologies. The Seedcorn Business Competition Annual Alumni Association Networking Event was held in May 2009, with Julie Meyer, founder of First Tuesday and Ariadne Capital in London the keynote speaker. The fifth edition of A Guide to Venture Capital was published which contains the most up-to-date information on sources of venture capital and business angel finance in Ireland and Northern Ireland.

Entrepreneurship Masterclass Series

InterTradelreland has developed a network of some of the most successful entrepreneurs, in Ireland and Northern Ireland, with the objective of using their skills and expertise to assist growth companies through a series of Masterclasses. This year saw the delivery of five Masterclasses, in Belfast, Dublin and Cork, to 36 companies based in the ICT, engineering, digital media and clean-technology sectors.

Ernst & Young Entrepreneur of the Year 2009

In 2009 InterTradelreland was a partner in the Ernst & Young Entrepreneur of the Year Awards, the premier all-island entrepreneurship initiative, providing support, participating on the judging panel, and nominating 30 companies to the programme. Following the final awards ceremony in October, InterTradelreland sponsored the 'Blue Ocean' strategy day for Ernst and Young finalists from Ireland and Northern Ireland.

3. Programme Area Report: Trade

Acumen

Acumen is a cross-border trade programme designed by InterTradelreland to stimulate cross-border business for small and medium enterprises in Ireland and Northern Ireland. The programme provides tailored consultancy and salary support mechanisms for market builders in cross-border markets. In 2009, companies participating on the programme increased their cross-border sales by a total of £8.26m/€9.17m and created 71 jobs. In the latest phase, an additional 117 companies have been approved to join the programme from a number of sectors including Engineering, Food, Environmental and ICT.

Acumen Case Study: Biznet IIS, a Belfast IT company, received Acumen support which enabled them to employ a sales and marketing executive in the Dublin area. As a result the company secured new business of more than €500k with clients including Faltte Ireland and Dublin Bus.

First Stop Shop



The First Stop Shop, launched in May 2009, is a new service provided by InterTradelreland to assist and advise businesses on issues of cross-border trade. The key elements of this service include:

- A Simple Guide to Cross-Border Business: A practical guide that provides answers to the most common financial and legal questions of operating cross-border.
- Trade Accelerator Voucher: A financial support for companies operating in the other jurisdiction to get professional advice in areas such as taxation, employment law, currency, or regulation.
- Market and Industry Information: The Business Monitor and Trade Statistics Webpage provide extensive market and industry information.

Go-2-Tender

Go-2-Tender aims to give businesses the confidence, knowledge and skills to tender successfully for public sector contracts, particularly on a cross-border basis. In 2009, demand for the programme remained strong with 103 companies taking part in intensive

seminars in Belfast, Dublin, Cookstown, Cork and Lisburn. 46 of these companies had never previously targeted public sector contracts in the other jurisdiction. Public Procurement has been identified by the administrations in Ireland and Northern Ireland as an important tool for companies to generate business during the recession.



Network & Getwork

Network & Getwork is a trade development programme which helps small and medium sized enterprises to meet and do business with some of the largest public and private sector buyers in Ireland and Northern Ireland. In 2009, the programme enabled 123 companies to pitch to senior purchasing managers in buyer organisations such as Dublin Airport Authority, Ulster Bank, BT, Queen's University, Translink, Redizor Group, Jury's Inn, Carroll's, NI Prison Service and Regional Supplies Services.

All-Island Digital Media Forum

The All-Island Digital Media Forum organised two events for iPhone developers in Dublin and Belfast. The events allowed business development and technical development staff from APPLE to receive pitches from software development professionals representing firms

from Northern Ireland and Ireland. Over 230 business people attended the event in Dublin with 120 attending in Belfast. In response to the demand for these events, additional events which were jointly supported by the Digital Circle and the All Island Software Network were held in Cork and Galway, attracting a further 119 attendees.

All-Island Software Network

The All-Island Software Network is a partnership between InterTradelreland, the Irish Software Association, Momentum (the Northern Ireland ICT Federation) and IT@Cork. In 2009, the Network provided support to over 760 companies through a range of activities, including:

- Expert events for Mobile Telephony Technology companies in conjunction with the Digital Media Forum, Dublin and the Digital Circle, Belfast. The events focused on the skills and advice to develop and sell Mobile Applications.
- The Mobile Advertising Alliance assisted companies with commercial proposals to major mobile communications network operators.

All-Island Polymer & Plastics Network

The All-Island Polymer & Plastics Network is focused on delivering benefits to companies in relation to benchmarking, training and up-skilling of employees, lean manufacturing, energy and waste best practice and innovation. In 2009, an evaluation of the network demonstrated that companies had benefited considerably from the

network, particularly through sharing information and best practice on a consistent basis. The business development value generated was £1.22m/c€1.35m.

In 2009 some of the key activities included:

- A Sustainable Manufacturing Masterclass.
- Completion of an all-island energy benchmarking exercise.
- Assisting the development of collaboration between Cherry Polymers, TSM Ltd and JL Goor to develop high value custom compounds from plastics recycle.
- Development of a 'Simple Guide to the Polymer & Plastics Sector on the Island'.

REMINAC

Reminac is a business network which supported three companies in the development of a hand held device that would remotely manage the monitoring of Asthma and Chronic Obstructive Pulmonary Disease (COPD). As a result of achieving successful clinical trials and the necessary EMC, CE & FDA approvals, the device has been deployed in a number of controlled trials within the health sector. The network has identified the Russian market as their next target market and is currently seeking the necessary regulatory approvals.

REMCA

REMCA is a business network focused on the development of a tracking & management solution for the medical industry utilising state of the art RFID (radio frequency identification) technology. In 2009, the project moved

forward on its development schedule with a prototype being successfully completed and field trials conducted. It is anticipated that significant business development activity will be undertaken in early 2010, initially within Health Services Executive contracts in Ireland.

MicroTrade

MicroTrade is a joint initiative between InterTradelreland, the County & City Enterprise Boards (CEBs), and Enterprise Northern Ireland which is the alliance of Local Enterprise Authorities (LEAs) in Northern Ireland. The programme helps small businesses to build contacts, markets and partnerships in Ireland and Northern Ireland. In 2009, the CEB/LEA Enterprise Forum, Dublin, held a workshop on Effective Collaborations, presentations on Joint EU Funding opportunities and a CEB & LEA 'Best Practice' presentation. MicroTrade also facilitated a Trade Visit to Belfast for 18 companies from Ireland to explore possible business and trade opportunities in Northern Ireland. In addition, companies in Ireland and Northern Ireland received MicroTrade assistance under the Link-Up and Market Entry Funding schemes.

'Time for Business' Roadshows



The campaign rationale for the 'Time for Business' Roadshows was to:

- Reach out to the SME community in the current economic downturn
- Generate a pipeline of quality SMEs for InterTradelreland programmes
- Raise awareness of InterTradelreland in Ireland and Northern Ireland
- Establish and develop relationships with key regional Government, economic development and business stakeholders

A total of six events took place across Cork, Letterkenny, Enniskillen, Waterford, Ballymena and Galway, which attracted 900 companies with whom InterTradelreland is following up the companies' potential participation on InterTradelreland's programmes.



4. Programme Area Report: Economic & Policy Research

All-Island Economic Forum – Global Outlook

In 2009, InterTradelreland hosted the first All-Island Economic Forum with over 120 leading economists, economic commentators and senior policy makers, both international and from Ireland and Northern Ireland participating in the event. The broad objective of the Forum was to provide a consensus view from leading economic experts on the likely extent (depth and duration) of the current global downturn, the nature of any recovery and to consider government and private sector responses in terms of stimulus remedies and transformational opportunities, in a co-operative context. The Forum succeeded in exploring the scope of the global recession and identifying potential paths for recovery. It considered local policy options within a global context and placed strategic co-operation in a global context where the issues of optimising economic resources to create economies of scale that can improve competitiveness become paramount.

A Gravity Model Approach to Estimating the Expected Volume of North/South Trade

This study was commissioned by InterTradelreland and overseen by a steering committee with representatives from the Economic Research Institute NI (ERINI), Central Bank (Ireland), Forfás (Ireland), University of Ulster (UU), University College Dublin (UCD) and the Economic and Social Research Institute (ESRI). The aim of the study was to identify and quantify the expected volume of cross-border

trade in light of international experience of bilateral trade. The final report was published in 2009 and shows that there is a significant and increasing gap between actual and expected cross-border trade in both directions and across almost every sector.

Mapping Differences in Business Regulation on the Island of Ireland

The objective of this study, undertaken by InterTradelreland in conjunction with the Department of Enterprise, Trade and Investment (DETI Northern Ireland), the Department of Enterprise, Trade and Innovation (DETI Ireland) and Forfás, was to explore where differences in business regulation exist and establish the cost to companies wishing to conduct business in the other jurisdiction. The findings include main differences in five selected regulations (working time directives, TUPE, distant selling regulations, data protection and the construction industry scheme). A new InterTradelreland programme emerged from the recommendations of this report, the First Stop Shop, which commenced in May 2009. Through the First Stop Shop, 12 companies have received consultancy advice on legal and taxation issues this year by using the Trade Accelerator vouchers.

InterTradelreland Business Monitor

The InterTradelreland Business Monitor is a quarterly survey of 1,000 businesses in Ireland and Northern Ireland designed to capture business confidence and views on subjects such as cross-border trade and the cost of doing business. In 2009, the business sentiment revealed by the owners/managers surveyed was one of very sharp negativity about current and

future performance in the early quarters followed by a slow recovery in sentiment in the second half of the year. It is worth noting that the impact of the recession appears to have been deeper and sharper for businesses in Ireland than those (at least up to the final quarter of 2009) in Northern Ireland.

Management Matters in Northern Ireland and the Republic of Ireland, Managerial Capabilities on the Island of Ireland

InterTradelreland has worked in partnership with Department of Enterprise, Trade and Investment (DETI) Northern Ireland and the Department for Employment and Learning (DEL) to ensure North/South coverage in this research through the involvement of the Forfás Expert Skills Group. The key objective of the research was to compare the levels of managerial skills with those in Great Britain and other countries and indicate where targeted improvements could improve performance. The research highlights that there is significant potential for improvement. The report shows that improving management practices is a highly efficient way for firms to leverage their existing labour and capital. Those that do so give themselves an opportunity to access rapid, cost-effective and sustainable competitive advantage.

Market Intelligence Reports

Through the First Stop Shop a series of sectoral market intelligence reports are being published. These reports help companies to make informed decisions and develop sound strategies covering the issues and challenges in the sectors, but also the opportunities to develop cross-border trade. In 2009 the first

report 'Composting and Anaerobic Digestion Sectors' was published in collaboration with Cré (the Composting Association of Ireland).

A Simple Guide to Cross-Border Trade

The Guide is a key part of InterTradelreland's First Stop Shop and it has become the first point of reference for any company seeking to enter the cross-border market, offering up-to-date and user-friendly, comprehensive information on questions connected with doing business in the other jurisdiction. The subjects covered include legal considerations, taxation and banking issues. The new edition of the guide was published in October 2009.

Newry/Dundalk Study



The objective of this study was to develop a collaborative framework in the Newry/Dundalk twin city region and, as a pathfinder research project, demonstrate what a collaborative framework would mean on the ground and how it could benefit the development of border region hubs and gateways. The final report was launched in February 2009.

All-Island Public Procurement: A Competitiveness Paper

This study was commissioned by InterTradelreland and overseen by a Steering Committee with representatives from the Department of Finance (Ireland), Central Procurement Directorate (NI), Strategic Investment Board (NI) and the National Treasury Management Agency (Ireland). The objective was to research and complete a policy paper to make recommendations for mutually beneficial cooperative initiatives to enhance the competitiveness of SMEs to access public procurement opportunities in Ireland and Northern Ireland. It includes recommendations for mutually beneficial cooperative actions in the areas of the supports provided by InterTradelreland and other organisations to build company capacity and capability; the identification and removal of barriers preventing the operation of an open public procurement market; and the use of public procurement to drive innovation.

Agri-Food Study

This study commenced in 2009 following the establishment of a steering committee in 2008 to explore the scope for collaboration at strategic level within the sector and to identify where mutual benefit exists from joint responses to common challenges. The steering committee consists of representatives from Department of Enterprise, Trade and Investment (DETI) Northern Ireland, Department of Enterprise, Trade and Innovation (DETI) Ireland, Enterprise Ireland (EI), Invest Northern Ireland (INI), Department of Agriculture and Regional Development (DARD) and the Department of Agriculture and Fisheries (DAFF). The study will identify new opportunities for co-operation in

the agri-food sector that could deliver mutually shared competitiveness and productivity benefits. The report will be published in 2010.

An Infrastructure for an Island Population of Eight Million

This study was conducted in partnership with Engineers Ireland and the Irish Academy of Engineering, and was driven by a high level taskforce of 14 members with a strong North/South spread. The study estimates that the combined population of Ireland and Northern Ireland will reach eight million in the 2030s, and makes recommendations on the long term infrastructure requirements to cater for this increased population to support a world class competitive economy. The study recognises the economies of scale and other benefits in considering the combined infrastructure needs of both jurisdictions, and the significance of adopting a longer term perspective to ensure the best economic choices are made. The report will be published in 2010.

Networks Study

The objective of this study, overseen by a Steering Committee representing InterTradelreland, Enterprise Ireland, the Department of Enterprise Trade and Innovation in Ireland, Forfás and Invest Northern Ireland, is to explore the effectiveness of networks and clusters as an industrial development tool and make recommendations on how best to support collaborative business network activity in Ireland and Northern Ireland. Oxford Economics have been commissioned to assess the economic impact of networks as well as to identify the best policies to support networks development. The report will be published in 2010.

InterTradelreland Performance Report 2009

Trade Statistics Website

This website enables access to a range of comparable data on trade and production for Northern Ireland, Ireland and composite all-island data in the form of statistics, charts, and interactive graphs. During 2009 there were a total of 1,516 visits to the website and 8,367 hits. In 2009 an enhanced version of the website was developed to provide easy access to data concerning North/South matters such as trade, tourism and transport flows. The new website has been designed to facilitate access to comparable historical data and provide a snapshot of the InterTradelreland Business Monitor. With this information, InterTradelreland aims to help the user to identify the economic trends and seize the benefits of cross-border trade and business development. It is expected that with the improvements, the number of visits will increase substantially.

Get2business

This unique InterTradelreland guide to business support services in both Ireland and Northern Ireland helps businesses find the information they need, quickly and easily, from business planning and financial assistance to training and networking opportunities. The website connects businesses with partners and organisations that can deliver practical, reliable and effective advice and support. In 2009 there were a total of 3,534 visits to the website and 33,979 hits.

Business and Economic Research Reports - Downloads

Demand for the business and economic research published by InterTradelreland remained high in 2009 with over 13,000 downloads from our website.

Downloads	
Mapping the Bio Island (2003)	134
A Review of the All-Island Construction Sector (2003)	496
North/South Trade: A Statistical Ground Clearing Exercise (2003)	381
A North/South Analysis of Manufacturing Growth and Productivity (2003)	180
A Review of the Horticulture Industry (2004)	136
Entrepreneurship on the Island of Ireland in 2003 (2004)	132
Review of the All-Island Financial Services Sector (2004)	198
Cutting Our Cloth: A Review of the All-Island Clothing and Textiles Industry (2005)	151
Entrepreneurship on the Island of Ireland in 2004 (2005)	144
Spatial Strategies for the Island of Ireland (2006)	4
BIIGC Study of the All-Island Economy (2007)	105
North Atlantic Shipping Study (2007)	148
Business Networks on the Island of Ireland (2005)	40
Entrepreneurship Case Studies (2007)	111
Mapping Study of RTD Centres (2008)	32
Freight Transport on the Island of Ireland (2008)	1,605
Opportunities for the EGS Sector on the Island of Ireland (2008)	1,514
A Competitiveness Analysis of the Polymer & Plastics Sector on the Island of Ireland (2008)	0
Simple Guide to Cross-Border Business (2007-09)	1,548
InterTradelreland Quarterly Business Monitor (2009)	2,576
Management Matters: Ireland and Northern Ireland (2009)	118
Regulatory Barriers to Cross-Border Trade and Business (2009)	765
A Gravity Model Approach to North/South Trade (2009)	786
Market Intelligence: Composting and AD (2009)	1,310
An Investigation into North/South Trade Statistics (2009)	384
All-Island Public Procurement: A Competitiveness Study (2009)	54
Total Downloads	13,052

**audited
accounts**

InterTradelreland Audited Financial Statements Year Ended 31 December 2009

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 Enterprise Trade and Employment 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 2009 - 31 December 2009

The results of the Trade and Business Development Body are set out in detail on pages 9-25. The surplus for the period was £881,797 (€990,079).

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, the Body's priority area of activity stated in the 2008-2010 Corporate Plan is Science, Technology & Innovation (STI), which it will address through programmes such as North/South STI policy development and North/South STI programmes such as technology transfer and collaborative inter-firm research and development. The Body will also execute a programme of economic and business research.

Future Developments

The Body is implementing its 2008-2010 Corporate Plan. InterTradelreland's two core goals for the period of this Corporate Plan are to generate business value, by enhancing company competitiveness and capability through co-operative North/South initiatives, and to improve the competitive environment on the island, for mutual benefit, through co-operative policy research, reports and networks.

Important Events Occurring After the Year End

There have been no significant events since the year end 31st December 2009, which would affect these accounts.

Charitable Donations

There were no charitable donations made by the Trade and Business Development Body during 2009.

Board Members

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

Dr David Dobbin (Chairman)

Mr John Fitzgerald (Vice Chairman)

Mr Brendan Butler

Mr Ray Doherty

Ms Rosaleen Doherty
(resigned 24 November 2009)

Mr Sean Gallagher

Mr Jack Gilmour

Mr Hugh Logue

Mr Padraig MacLochlainn

Ms Patricia McKeown

Dr Gerard O'Hare

Mr Tom Scott

Mr Vincent Parker
(appointed 16 December 2009)

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:

- Gender, marital or family status
- Religious belief or political opinion
- Disability
- Race or ethnic origin
- Nationality
- Sexual orientation

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

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

Our building is fully compliant with the requirements of the Disability Discrimination Act 1995 and won the William Keown Access Award in 2002.

Currently two percent 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; and
- Between persons with dependents and persons without.

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

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. Ninety-six percent of all approved invoices 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.

Liam Nellis
Chief Executive
23 June 2010

Statement of Responsibilities

Trade and Business Development Body Responsibilities

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

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

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and

- 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
23 June 2010

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.

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 Enterprise Trade and Innovation in Ireland (formerly the Department of Enterprise, Trade and Employment). 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 2009 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 2009. Risk management has been incorporated more fully 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 management letter 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 2009 included:

- The presentation of the Body's risk register to the Board.
- Review of the risk register by the Audit Committee at each meeting.

- Three 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. Areas audited in the 2009 Internal Audit Programme included Fixed Assets, Travel and Subsistence, Risk Management, Board Members and Senior Management Register of Interests, and Communications. The overall opinion of the internal auditors in regard to the areas covered in their 2009 programme was that the processes in place are satisfactory.
- In early 2010, the InterTradeIreland Audit Committee undertook a self assessment which was facilitated by the Internal Auditors and modelled along Treasury guidelines.
- An annual statement of assurance, in respect of 2009, from the Internal Auditors. They expressed the opinion that “the effectiveness of InterTradeIreland’s overall control environment, risk management procedures and governance framework is satisfactory”;
- In late 2007, the Internal Auditors conducted a Fraud Risk Assessment. They concluded that InterTradeIreland’s “overall vulnerability to risk is low”. Recommendations from the report have since been implemented e.g Fraud Awareness training for staff. The application of delegated sanctions agreed by both the respective Sponsoring Departments (DETI(NI) and DETI Ireland and Departments of Finance (DoF and DFP);

- The application of the provisions of the Financial Memorandum in conjunction with the above departments; and
- Taking cognisance of the recommendations and conclusions of evaluations around the Body’s own programmes and those of its sister agencies so as to continually strive for best practice in terms of programme delivery and propriety.

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.

Additionally, as a North/South Implementation Body jointly sponsored by the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment, InterTradeIreland may, at the discretion of the Departments, be subject to audit by their internal auditors.

Liam Nellis
Chief Executive
23 June 2010

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 financial statements of the Trade and Business Development Body (‘the Body’) for the year ended 31 December 2009 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. These comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out within them.

Respective responsibilities of the Board, the Chief Executive and the Auditors

As explained more fully in the Statement of Responsibilities, the Board of 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 the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us and our staff to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Body’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the accounts. In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the accounts have been applied for the purposes intended by the Northern Ireland Assembly and Dáil Éireann and that 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 for the purposes intended by the Northern Ireland Assembly and Dáil Éireann 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 2009, and of its surplus and cash flows for the year then ended; and
- the accounts have been properly prepared in accordance with the accounts direction issued under the governing legislation.

Opinion on other matters

In our opinion, the information given 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 have nothing to report in respect of the following matters which we report to you if, in our opinion:

- 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.

K J Donnelly
Comptroller and Auditor General for Northern Ireland
106 University Street
Belfast BT7 1EU
2010

John Buckley
Irish Comptroller and Auditor General
Dublin Castle
Dublin 2
Ireland
2010

InterTradeIreland Income and Expenditure Account for Financial Year 1 January 2009-31 December 2009

	Notes	2009	(restated) 2008	2009	(restated) 2008
		£	£	€	€
Income					
Revenue Grants from Departments	2	11,960,155	9,313,655	13,428,862	11,720,304
Capital Grant Release from Departments	13.2	35,308	44,077	39,644	55,466
Other Operating Income	3	37,138	129,683	41,699	163,193
TOTAL INCOME		12,032,601	9,487,415	13,510,205	11,938,963
Expenditure					
Staff Costs and Board Remuneration	4	1,949,381	2,094,424	2,188,765	2,635,622
Depreciation	8,9	35,308	44,077	39,644	55,466
Other Operating Costs	6	1,321,705	401,161	1,484,011	504,823
Programme Costs	7	7,840,373	6,589,753	8,803,172	8,292,546
		11,146,767	9,129,414	12,515,592	11,488,457
Surplus before tax		885,834	358,001	994,613	450,506
Corporation Tax Payable	6 (b)	(4,037)	(20,174)	(4,533)	(20,864)
Surplus for the period		881,797	337,827	990,080	429,642
Surplus for period transferred to General Fund		881,797	337,827	990,080	429,642
Statement of Total Recognised Gains and Losses					
Surplus for the year		881,797	337,827	990,080	429,642
Actuarial (losses)/gains	15.5	(757,143)	648,475	(850,120)	816,041
Adjustment to Deferred Pension Funding		757,143	(648,475)	850,120	(816,041)
Total recognised gain for the year		881,797	337,827	990,080	429,642

All amounts above relate to continuing activities. The notes on pages 58 to 81 form part of these accounts.

InterTradeIreland Balance Sheet as at 31 December 2009

	Notes	2009	(restated) 2008	2009	(restated) 2008
Fixed Assets		£	£	€	€
Intangible Assets	8	15,777	18,724	17,765	19,364
Tangible Assets	9	76,578	81,817	86,227	84,615
		92,355	100,541	103,992	103,979
Current Assets		£	£	€	€
Debtors	10	178,595	110,710	201,098	114,497
Cash at bank and in hand	14.2	4,378,817	3,751,110	4,930,548	3,879,398
		4,557,412	3,861,820	5,131,646	3,993,895
Current Liabilities		£	£	€	€
Creditors - amounts due in less than one year	11	2,341,604	1,761,419	2,636,645	1,821,660
Provisions - amounts due in less than one year	12	554,084	1,320,474	623,899	1,365,634
		2,895,688	3,081,893	3,260,544	3,187,294
Net Current Assets/(Liabilities)		1,661,724	779,927	1,871,102	806,601
Total Assets Less Current Liabilities Before Pensions		1,754,079	880,468	1,975,094	910,580
Pension Liabilities	15.2	(3,920,515)	(2,807,737)	(4,414,500)	(2,903,762)
Deferred Pension Funding		3,920,515	2,807,737	4,414,500	2,903,762
Total Assets Less Total Liabilities		1,754,079	880,468	1,975,094	910,580
Financed by :					
Capital and Reserves		£	£	€	€
General Fund	13.1	1,661,724	779,927	1,871,102	806,601
Capital Grant Reserve	13.2	92,355	100,541	103,992	103,979
		1,754,079	880,468	1,975,094	910,580

The notes on pages 58 to 81 form part of these accounts.

Liam Nellis
Chief Executive
23 June 2010

Cash Flow Statement for the year 1 January 2009 - 31 December 2009

	Notes	2009	2008	2009	2008
Operating Activities		£	£	€	€
Net cash inflow/(outflow) from Operating Activities	14.1	627,955	(247,354)	1,049,626	(1,549,070)
Returns On Investments and servicing of Finance		£	£	€	€
Interest Receivable		19,926	112,079	22,373	141,040
Capital expenditure and financial investment		£	£	€	€
Payments to acquire Fixed Assets		(27,512)	(43,592)	(30,890)	(54,856)
Taxation		£	£	€	€
Corporation Tax Paid		(20,174)	(20,932)	(20,849)	(28,478)
Financing		£	£	€	€
Grant Received for Capital Purposes	8,9	27,512	43,592	30,890	54,856
Increase/(Decrease) in Cash		627,707	(156,207)	1,051,150	(1,436,508)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 Republic of Ireland Companies Acts 1963 to 2005, 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, in so far 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 |
| Office Equipment | 15% Straight Line |
| Fixtures & Fittings | 15% Straight Line |
| Computer Equipment | 33.33% Straight Line |
| Leasehold Improvements | Remainder of life of lease |
- c) A capitalisation threshold of £500 has been applied in the accounts during 2009.

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 2009 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 PriceWaterhouseCoopers. This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of InterTradeIreland for the purposes of the accounts for the year ended 31 December 2009 and comparative figures for 2008.

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.

FRS 17 was applied in conjunction with the payment of ASLCs during 2009 and the comparative year 2008, and hence the Body has accounted for the ASLC payment for the period January-March 2009, in addition to the FRS17 pension cost, in accordance with guidance agreed by the Dept of Finance and Personnel in Northern Ireland, Dept of Finance in Ireland, and the Comptroller and Auditor Generals in both jurisdictions.

1.4 Deferred Pension Funding

In accordance with accounting practice for non-commercial State bodies in the Republic of 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.

1.5 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.

1.6 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=€1.126 (2008: £1=€1.0342) and the average rate used for the Income and Expenditure Account was £1= €1.1228 (2008: £1=€1.2584). Both these rates are the European Central Bank exchange rates.

1.7 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).

1.8 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.

1.9 Capital Commitments

Capital Commitments represent contractual obligations in future years in respect of contracts existing at the year end (Note 16).

2. Grant from the Departments

2.1 Financial Year 1 January 2009 - 31 December 2009

	Notes	DETI	DETI	DETE	DETE	Total	Total
		£	€	£	€	£	€
Revenue Grant		4,461,346	4,960,523	7,132,956	8,057,559	11,594,302	13,018,082
Net deferred funding for pensions							
- service costs	15.4	51,486	57,808	102,970	115,615	154,456	173,423
- interest on scheme liabilities	15.4	61,898	69,499	123,794	138,996	185,692	208,495
Non cash revenue grant - ASLCs		25,705	28,862	-	-	25,705	28,862
		4,600,435	5,116,692	7,359,720	8,312,170	11,960,155	13,428,862
Capital Grant		9,171	10,297	18,341	20,593	27,512	30,890
		4,609,606	5,126,989	7,378,061	8,332,763	11,987,667	13,459,753

The total Euro receipts are expressed per accounting policy 1.5. Revenue and Capital grants shown from DETE and DETI reflect the actual respective Euro and Sterling grants

Any liabilities which relate to project activity in the current year are provided for as accruals or provisions, as deemed appropriate.

1.10 Leases

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

received during 2009. The Non-cash Revenue grant represents revenue grant funding which has been abated by the sponsor Department, in respect of employer pension contributions due.

2.2 Financial Year 1 January 2008 - 31 December 2008 (restated)

	Notes	DETI	DETI	DETE	DETE	Total	Total
		£	€	£	€	£	€
Revenue Grant		2,545,751	3,418,283	6,294,577	7,706,386	8,840,328	11,124,669
Net deferred funding for pensions							
- service costs	15.4	62,908	79,163	125,816	158,327	188,724	237,490
- interest on scheme liabilities	15.4	61,811	77,783	123,623	155,567	185,434	233,350
Non cash revenue grant - ASLCs		99,169	124,794	-	-	99,169	124,794
		2,769,639	3,700,024	6,544,016	8,020,280	9,313,655	11,720,304
Capital Grant		14,531	25,852	29,061	29,003	43,592	54,855
		2,784,170	3,725,876	6,573,077	8,049,283	9,357,247	11,775,159

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 - DETE (2) and DETI (1). The 2008 amounts have been restated to reflect the service costs and interest on pension scheme liabilities as required by FRS17.

3. Other Operating Income in Financial Year

1 January 2009 - 31 December 2009 Other Operating Income Comprises:

	2009	2008	2009	2008
	£	£	€	€
Bank interest received	19,926	112,079	22,373	141,040
Conference Income	16,881	17,604	18,954	22,153
Sundry income	331	-	372	-
	37,138	129,683	41,699	163,193

4. Staff Costs and Board Remuneration in Financial Year

1 January 2009 - 31 December 2009

(a) The average monthly number of employees (full time equivalent) per directorate was:		2009	2008
Permanent Staff	- Corporate services	14	13
	- Policy	10	12
	- Operations	16	16
Agency/Temporary staff		2	-
		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	2009	(restated) 2008	2009	(restated) 2008
		£	£	€	€
Salaries & Wages		1,324,023	1,382,253	1,486,613	1,739,427
Social Security Costs		81,771	78,159	91,812	98,355
Other Pension Costs -					
- Current service costs	15.4	154,456	188,724	173,423	237,490
- Interest on Pension Scheme liabilities	15.4	185,692	185,434	208,495	233,350
- Permanent Employee ASLCs		25,705	99,169	28,862	124,794
- Forfas Seconded		-	12,270	-	15,441
Amounts payable in respect of Agency/Temporary staff		83,548	58,936	93,808	74,165
Total Staff Costs		1,855,195	2,004,945	2,083,013	2,523,022
Board Remuneration		94,186	89,479	105,752	112,600
Total Board Costs		94,186	89,479	105,752	112,600
Total Board and Staff Costs		1,949,381	2,094,424	2,188,765	2,635,622

InterTradeIreland pay, and conditions of service broadly follow, those of the N.I Public Sector. The 2006 Pay Award expired in August 2009. No provision is made in these accounts for any changes in staff pay beyond that date.

The accounting policy for pensions is detailed in Note 1.3 and 1.4. The amounts for 2008 have

been restated to reflect the service costs and interest on pension scheme liabilities as required by FRS 17. In accordance with departmental guidance, ASLC costs are recognised in addition to the FRS17 pension costs, for periods where FRS17 is applied in conjunction with the payment of ASLCs. This applies in respect of the period January to March 2009, and for all of 2008.

(c) Number of employees whose emoluments for the twelve months ending 31st December 2009 fell within the following bands

	2009	2008
£40,000 - 49,999	4	4
£50,000 - 59,999	1	1
£60,000 - 69,999	1	-
£70,000 - 79,999	0	-
£80,000 - 89,999	1	-
£90,000 - 99,999	0	1

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

	Salary 2009	Salary 2009	Salary 2008	Salary 2008
	£	€	£	€
Chief Executive: Mr Liam Nellis	85,530	96,033	91,773	115,487
Mr Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mr Aidan Gough	61,778	69,364	49,762	62,621
Ms Margaret Hearty (appointed 2 December 2009)	Consent Withheld	Consent Withheld	N/A	N/A
Mrs Catriona Regan	N/A	N/A	41,244	51,901

The Chief Executive and Senior Management team did not receive benefits in kind during the years 2009 or 2008.

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

	Fees 2009	Fees 2009	Fees 2008	Fees 2008
	£	€	£	€
Dr David Dobbin (Chairman)	9,520	-	9,520	-
Mr John Fitzgerald (Vice-Chairman)	-	11,500	-	11,500
Mr Brendan Butler	-	9,000	-	9,000
Mr Ray Doherty	-	9,000	-	9,000
Mr Rosaleen Doherty (resigned 24 November 2009)	--	7,500	-	9,000
Mr Sean Gallagher	-	9,000	-	9,000
Mr Jack Gilmour	6,120	-	6,210	-
Mr Hugh Logue	-	9,000	-	9,000
Mr Pdraig Mac Lochlainn	-	9,000	-	9,000
Ms Patricia McKeown	6,120	-	6,120	-
Dr Gerard O'Hare	6,120	-	6,120	-
Mr Vincent Parker (appointed 16 December 2009)	255	-	-	-
Mr Tom Scott	6,120	-	6,120	-

The Chairman and the Board members did not receive any benefits in kind during the years 2009 or 2008.

(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2009:

	Real increase in pension and related lump sum at age 60 in 2009	Total accrued pension at age 60 at 31 December 2009	Real increase in pension and related lump sum at age 60 in 2008	Total accrued pension at age 60 at 31 December 2008
	£'000	£'000	£'000	£'000
Chief Executive: Mr Liam Nellis	0 - 2.5 plus 5 - 7.5 lump sum	35 - 40	0 - 2.5 plus 5 - 7.5 lump sum	35 - 40
Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Aidan Gough	2.5 - 5 plus 12.5 - 15 lump sum	16 - 20	0 - 2.5 plus 2.5 - 5 lump sum	10 - 15
Margaret Hearty (appointed 2 December 2009)	Consent Withheld	Consent Withheld	N/A	N/A

5. Performance against key financial targets

The Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment 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 the North/South Ministerial Council and approved.

6. Other Operating Costs in Financial Year 1 January 2009 - 31 December 2009

	2009	2008	2009	2008
	£	£	€	€
Travel and Subsistence	67,065	77,898	75,301	98,027
Publications	5,887	23,455	6,610	29,516
Postage, Stationery, Telephone	55,952	59,172	62,823	74,462
Currency Loss / (Gain)	261,919	(636,835)	294,083	(801,393)
Rent and Rates	257,609	240,778	289,243	302,995
Heat, Light and Power	28,107	29,168	31,559	36,705
Maintenance	8,266	14,673	9,281	18,465
Promotion	309,257	244,992	347,234	308,298
Professional Fees	9,375	27,655	10,526	34,801
Meeting Costs	1,487	3,544	1,670	4,460
Internal Auditor's Remuneration	8,644	9,241	9,705	11,628
External Auditor's Remuneration	26,869	24,089	30,168	30,314
Recruitment Costs	50,393	20,430	56,581	25,709
Insurance	16,792	20,474	18,854	25,764
HR Consultancy	-	(4,583)	-	(5,767)
Pension Admin Costs	39,916	24,511	44,818	30,845
Office Expenses	8,059	12,368	9,049	15,564
Computer Expenses	74,054	87,305	83,148	109,865
Non-Capitalised Costs of Assets	1,567	7,471	1,759	9,402
Training	29,631	47,069	33,270	59,232
Equality	527	8,633	592	10,864
General Expenses	4,430	3,698	4,974	4,654
Bank Charges	52	-	58	-
Hosting Costs	4,194	4,874	4,709	6,133
Cleaning	18,260	19,707	20,502	24,799
Security Costs	31,374	29,020	35,227	36,519
Equipment Hire	2,019	2,354	2,267	2,962
Total	1,321,705	401,161	1,484,011	504,823

6(b). Corporation Tax Payable in Financial Year 1 January 2009 - 31 December 2009

	2009	2008	2009	2008
	£	£	€	€
Corporation Tax	4,037	20,174	4,533	20,864

A Corporation Tax liability arose in InterTradelreland in 2009, due to tax paid on the interest on savings within the bank accounts.

7. Programme Costs in Financial Year 1 January 2009 - 31 December 2009

7.1 InterTradelreland Costs	2009	2008	2009	2008
	£	£	€	€
Trade: Programmes & Initiatives	1,220,144	929,468	1,369,978	1,169,643
Science Technology & Innovation	2,488,466	1,419,869	2,794,050	1,786,764
Economic and Policy Research	459,032	375,326	515,401	472,310
Third Party Financial Assistance	-	-	-	-

7.2 Financial Assistance to Other Organisations	2009	2008	2009	2008
	£	£	€	€
Fusion	1,906,133	2,493,888	2,140,206	3,138,309
Acumen	537,669	604,803	603,695	761,084
Equity/Venture Capital	313,762	292,266	352,292	367,788
Innova	723,219	44,812	812,031	56,391
Focus	-	33,801	-	42,535
Mobile Advertising Platform	-	103,184	-	129,847
Reminac	37,909	101,111	42,564	127,238
Polymer & Plastics	69,695	73,373	78,254	92,333
All Island Digital Media Forum	44,162	38,181	49,585	48,047
WITS - Wiser Workforce	34,963	76,322	39,257	96,044
Pilot Programme Initiatives	5,218	-	5,859	-
Expertise Ireland	-	3,348	-	4,213
Total	7,840,373	6,589,753	8,803,172	8,292,546

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. The 2009 Programme Costs and related projects classification differs from 2008, and reflects the prioritisation

of Trade and Science, Technology and Innovation (STI) programmes and activities. Expenditure incurred on programmes in 2008 has been reanalysed within these new project classifications, as appropriate.

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £537,669 (2008: £604,803) 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 £17,376. Any monies not recouped from Invest NI in the period under review are accounted for in the balance sheet as trade debtors. No element of any monies paid or committed under the treasury function on behalf of Invest NI is included in the above figure.

8. Intangible Assets in Financial Year 1 January 2009 - 31 December 2009

	Software Licences	Total	Total
Cost or Valuation	£	£	€
At 1st January 2009	26,235	26,235	27,132
Additions	2,421	2,421	2,718
Disposals	-	-	-
At 31st December 2009	28,656	28,656	29,850
Depreciation	£	£	€
At 1st January 2009	7,511	7,511	7,768
Provision for Year	5,368	5,368	6,027
Disposals	-	-	-
At 31st December 2009	12,879	12,879	13,795
Net Book Value at 31/12/09	15,777	15,777	16,055
Currency Translation Adjustment	-	-	-
Net Book Value at 31/12/09	15,777	15,777	17,765
Net Book Value at 31/12/08	18,724	18,724	19,364

9. Fixed Assets in Financial Year 1 January 2009 - 31 December 2009

	Leasehold Improvements	Fixtures & Fittings	Office Equip.	Computer Equip.	Total	Total
Cost or Valuation	£	£	£	£	£	€
At 1st January 2009	145,225	74,857	85,143	359,661	664,886	687,625
Additions	-	-	-	25,091	25,091	28,172
Disposals	-	-	(13,050)	(71,852)	(84,902)	(95,328)
At 31st December 2009	145,225	74,857	72,093	312,900	605,075	620,469
Depreciation	£	£	£	£	£	€
At 1st January 2009	118,409	56,271	80,902	327,487	583,069	603,010
Provision for Year	3,471	4,279	1,109	21,081	29,940	33,617
Disposals	-	-	(12,660)	(71,852)	(84,512)	(94,890)
At 31st December 2009	121,880	60,550	69,351	276,716	528,497	541,737
Net Book Value at 31/12/09	23,345	14,307	2,742	36,184	76,578	78,732
Currency Translation Adjustment	-	-	-	-	-	7,495
Net Book Value at 31/12/09	23,345	14,307	2,742	36,184	76,578	86,227
Net Book Value at 31/12/08	26,816	18,586	4,241	32,174	81,817	84,615

10. Debtors (amounts due within one year)

	2009	2008	2009	2008
	£	£	€	€
Trade Debtors	73,187	25,994	82,409	26,88
Prepayments and accrued income	105,408	83,588	118,689	86,447
Other Debtors	-	1,128	-	1,167
Total	178,595	110,710	201,098	114,497

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

	2009	2008	2009	2008
	£	£	€	€
Trade Creditors	475,817	427,393	535,770	442,010
Accruals	1,821,871	1,269,321	2,051,425	1,312,732
Other Creditors	39,879	44,531	44,904	46,054
Corporation Tax	4,037	20,174	4,546	20,864
Total	2,341,604	1,761,419	2,636,645	1,821,660

12. Provisions

	2009	2008	2009	2008
	£	£	€	€
Provisions (amounts falling due less than one year) Opening Balance	1,320,474	2,104,653	1,365,634	2,863,380
Provided in the Year	530,208	1,112,629	595,318	1,400,132
Provisions not required written back	(98,348)	(432,646)	(110,425)	(544,442)
Provisions Utilised in the Year	(1,198,250)	(1,464,162)	(1,345,395)	(1,842,501)
Difference on Foreign Exchange Translation	-	-	118,767	(510,935)
Closing balance	554,084	1,320,474	623,899	1,365,634

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

13. Reserves

13.1 General Fund	2009	2008	2009	2008
	£	£	€	€
General Fund Opening Balance	779,927	442,100	806,601	601,478
Surplus/(Deficit) for the year	881,797	337,827	990,079	429,642
Difference on Foreign Exchange Translation	-	-	74,422	(224,519)
General Fund Closing Balance	1,661,724	779,927	1,871,102	806,601

13.2 Capital Grant Reserve	2009	2008	2009	2008
	£	£	€	€
Opening Balance	100,541	101,026	103,979	137,446
Capital Grants Received	27,512	43,592	30,890	54,856
Less: Transfer to Income & Expenditure	(35,308)	(44,077)	(39,644)	(55,466)
Adjustment for Fixed Asset Disposal	(390)	-	(438)	-
Difference on Foreign Exchange Translation	-	-	9,205	(32,857)
Capital Grants Reserve Closing Balance	92,355	100,541	103,992	103,979

14.1 Reconciliation of surplus for the Financial Year 1 January 2009 - 31 December 2009 to net cash inflow from operating activities

	2009	2008	2009	2008
	£	£	€	€
Surplus/(Deficit) for the year before tax paid	885,834	358,001	994,613	450,506
Depreciation	35,308	44,077	39,644	55,466
Transfer from Capital Grant Reserve	(35,308)	(44,077)	(39,644)	(55,466)
Bank Interest Receivable	(19,926)	(112,079)	(22,373)	(141,040)
Decrease/(Increase) in debtors	(67,885)	125,649	(86,601)	207,070
(Decrease)/increase in creditors (excluding Corporation Tax Creditor)	(170,068)	(618,925)	89,565	(1,841,087)
Difference on Foreign Exchange Translation	-	-	74,422	(224,519)
Net cash inflow from operating activities	627,955	(247,354)	1,049,626	(1,549,070)

14.2 Reconciliation of net cash inflow to movement in net debt

	2009	2008	2009	2008
	£	£	€	€
Cash at Bank and in hand at 1 January 2009	3,751,110	3,907,317	3,879,398	5,315,906
Net Cash Inflow	627,707	(156,207)	1,051,150	(1,436,508)
Difference on Foreign Exchange Translation	-	-	-	-
Cash at Bank and in hand at 31 December 2009	4,378,817	3,751,110	4,930,548	3,879,398

15. Pensions

15.1 Accounting Treatment

For accounting periods ending on or after 1 January 2005, FRS 17 requires financial statements to reflect, at fair value, the assets and liabilities arising from an employer's obligations and any related funding and to

recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees. The information on pensions has been presented in line with new disclosure requirements required from 2008 under an amendment to FRS 17.

The effect of FRS 17 is to recognise as expenditure in the year the cost of pensions earned rather than the payments made to pensioners, and a corresponding funding amount. In addition, the Balance Sheet recognises the cumulative liability for pensions earned by employees, together with a corresponding asset.

The valuation used for FRS 17 disclosures has been based on a full actuarial valuation as at 31 December 2009 by PricewaterhouseCoopers (PwC) to take account of the requirements of FRS17 in order to assess the scheme liabilities at 31 December 2009. The financial assumptions used to calculate scheme liabilities are:

	31-Dec-09	31-Dec-08	31-Dec-07
Discount rate			
Northern Ireland:	5.70%	6.40%	5.80%
Republic of Ireland:	5.10%	6.40%	5.70%
Average rate of increase in pensions			
Northern Ireland:	3.70%	2.90%	3.30%
Republic of 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:	3.70%	2.90%	3.30%
Republic of Ireland:	-	-	-
In line with salary increases	4.00%	4.00%	4.00%
In line with CPI	2.50%	2.50%	2.50%
Average expected future life at age 65 for			
Male currently aged 65	21.20	21.20	21.20
Female currently aged 65	23.80	23.80	23.80
Male currently aged 45	23.10	23.10	23.10
Female currently aged 45	25.70	25.70	25.70

15.2 Assets & Liabilities of the Scheme	2009	2008	2009	2008
	£	£	€	€
Total Value of Assets	-	-	-	-
Present Value of funded liabilities	-	-	-	-
Funded surplus/(deficit)	-	-	-	-
Irrecoverable surplus	-	-	-	-
Unfunded liabilities	(3,920,515)	(2,807,737)	(4,414,500)	(2,903,762)
Total surplus/(deficit)	(3,920,515)	(2,807,737)	(4,414,500)	(2,903,762)
Related deferred tax (liability)/asset	no allowance	no allowance	no allowance	no allowance
Net asset/(liability)	(3,920,515)	(2,807,737)	(4,414,500)	(2,903,762)

15.3 Reconciliation of the value of the scheme's liabilities	2009	2008	2009	2008
	£	£	€	€
Opening value of scheme's liabilities	2,807,737	3,068,946	2,903,762	4,175,301
Service cost	154,456	188,724	173,423	237,490
Past service cost	-	-	-	-
Member Contributions	22,600	26,069	25,375	32,805
Interest on scheme liabilities	185,692	185,434	208,495	233,350
Loss/(gain) on change of assumptions	914,644	(622,471)	1,026,962	(783,318)
Experience losses/(gains)	(157,501)	(26,004)	(176,842)	(32,723)
Loss/(gain) from change in exchange rates	-	-	-	-
Curtailed loss/(gain)	-	-	-	-
Settlements	-	-	-	-
Net transfers in/out of the scheme	(7,113)	(12,961)	(7,986)	(16,310)
Benefits paid	-	-	-	-
Difference on foreign exchange translation	-	-	261,311	(942,833)
Closing value of scheme's liabilities	3,920,515	2,807,737	4,414,500	2,903,762

15.4 Analysis of the amount charged to operating profit	2009	2008	2009	2008
	£	£	€	€
Service cost	154,456	188,724	173,423	237,490
Past service cost	-	-	-	-
Interest on scheme liabilities	185,692	185,434	208,495	233,350
Losses/(gains) on settlements and curtailments	-	-	-	-
Total	340,148	374,158	381,918	470,840

15.5 Amount recognised in the statement of recognised gains and losses	2009	2008	2009	2008
	£	£	€	€
Actuarial gains/(losses)	(757,143)	648,475	(850,120)	816,041
Decrease/(increase) in irrecoverable surplus	-	-	-	-
Total	(757,143)	648,475	(850,120)	816,041

15.6 Cumulative actuarial gain or loss recognised in the STRGL

The cumulative actuarial loss recognised in the STRGL as at 31 December 2009 was £108,668.

15.7 Contribution by the Body

The employer does not contribute to the scheme though the Body makes up the difference between the benefits paid over the year and the employee contributions.

15.8 Amounts for the current and previous two periods	2009	2008	2007	2009	2008	2007
	£	£	£	€	€	€
Scheme's unfunded liabilities	3,920,515	2,807,737	3,068,946	4,414,500	2,903,762	4,175,301
Surplus/(deficit)	(3,920,515)	(2,808,737)	(3,068,946)	(4,414,500)	(2,904,796)	(4,175,301)
Experience adjustment on liabilities including exchange rate effect Gain/(loss)	157,501	26,004	-	177,346	26,893	-

16. Capital Commitments

16.1 Capital commitments at 31 December 2009 for which no provision has been made	2009	2009
	£	\$
Contracted	-	-
Authorised but not contracted	-	-
Total	-	-

16.2 Other Commitments	2009	2009
	£	\$
Total	9,051,627	10,192,132

This commitment relates mainly to letters of offer which were issued prior to the year end in respect of Acumen, FUSION and Innova.

17. Contingent Liabilities

There were no contingent liabilities as at 31 December 2009.

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 Enterprise Trade and Employment in Ireland. The above named departments are regarded as related parties. During the year the Trade and Business Development Body has had various transactions with these departments and with other entities for which the Department of Enterprise Trade and Investment or the Department of Enterprise Trade and Employment 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

During 2009 a grant of £8,000 was awarded from the Acumen programme to Apex Fastening Solutions Ltd, a company controlled by a son of the Chief Executive of InterTradelreland, Liam Nellis. Mr Nellis formally stood down from any consideration of the application. At the year end, none of this grant had been paid to the company.

(ii) Transactions Involving Board Members a) Beneficial Interests

The Body works with many private sector organisations including organisations in which Board Members 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 2009
None		

Funding Provided to Companies

Board Member	Organisation	Amount Paid 2009
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/Organisation	Position Held
Dr David Dobbin	Invest NI	Board Member
Mr Brendan Butler	Irish Business and Employers Confederation (IBEC)	Director of Strategy, Trade & International Affairs

19. Obligations Under Leases

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

Operating Leases which Expire	Land & Buildings				Other			
	2009	2009	2008	2008	2009	2009	2008	2008
	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Within One Year	-	-	-	-	-	-	-	-
In Two To Five Years	-	-	-	-	2	3	3	4
Over Five Years	191	215	191	260	-	-	-	-
Total	191	215	191	260	2	3	3	4

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 financed by resources voted annually by the Assembly or Parliament and the Oireachtas, as largely 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 DETE, in euro, yet discharges the majority of its transactions in sterling it is exposed to foreign currency risk.

22. Third Party Assets

A third party asset was in existence at the Balance Sheet date, in respect of a pension scheme transfer for the amount of £231,408, received in December 2009 in respect of a former employee. This was paid out immediately after the year-end. As the amount is not an InterTradelreland asset, it is not included within the accounts.

23. Post Balance Sheet Events

There have been no significant events since the year end 31 December 2009, 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; and
- 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 Department
of Enterprise Investment Trade and Employment

A.W. Hamilton
Ronald Long

Dated: 21 June 2001

InterTradeIreland 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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