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annual review of activities 2002

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# JOINT MINISTERIAL FOREWORD

**MARY HARNEY TD, AN TÁNAISTE AND MINISTER FOR ENTERPRISE, TRADE AND EMPLOYMENT**  
**IAN PEARSON MP, MINISTER FOR ENTERPRISE, TRADE AND INVESTMENT**

The future economic prosperity of both parts of the island of Ireland depends to a large degree upon the ability of the business community to operate in the global market. We recognise that prosperity can also be considerably enhanced by expanding the range of trade and depth of business co-operation within the island. Indeed the opportunities to do so have hardly been more promising than at the present time. During 2002 InterTradelreland continued to make its presence felt, delivering action programmes to highlight these opportunities.

In the past year companies from all sectors faced difficult trading conditions, and competitiveness remained a key issue both at the macro economic level and at enterprise level. To highlight and focus debate on this issue InterTradelreland hosted the first All-Island Competitiveness Conference along with the Centre for Competitiveness and the National Competitiveness Council, where business delegates had an opportunity to discuss with and give input to economic advisors and policy makers on selected key drivers of competitiveness on the island of Ireland at this crucial juncture.

InterTradelreland has demonstrated that it can rise to the challenge of equipping businesses with the knowledge and linkages that they need to identify the full potential of the island market.

The range and scope of InterTradelreland's activities is testimony to the scale of commercial opportunities that, for too many years, were overlooked and underdeveloped. In a short space of time, InterTradelreland, continuing to build on the work of existing agencies, North and South, has developed and delivered programmes that address specific business needs in spheres as diverse as private equity uptake, knowledge transfer from academia to industry, benchmarking, public procurement and guidance on the nuts and bolts of how to trade in the other jurisdiction on the island.

We have been impressed at InterTradelreland's focus on delivering projects at the point of need for the business community. Although strategically based at Newry close to the mid-point of the Belfast/Dublin corridor, the emphasis has been on providing a service throughout all parts of the island.

Towns such as Dundalk, Athlone, Sligo, Letterkenny, Omagh and Carlow have featured on the itinerary along with the island's major cities. As befits an organisation devoted to promoting trade across the island InterTradelreland has taken to the road and brought the message to the North, South, East and West.

We would like to take this opportunity to convey our deep appreciation to the members of the first board of InterTradelreland whose term of office expired during December 2002. The first Board can be proud of its achievements in meeting the challenge to serve business across this island. Dr Harold Ennis, Vice Chairman, Mr Kieran McGowan, and His Grace the Duke of Abercorn, stepped down following three years of personal commitment and dedicated public service, which has been of immense assistance to InterTradelreland.

We are confident that the new Board will build on the progress achieved to date. We look forward to the continued good relationship between the business communities North and South working closely with InterTradelreland.

We wish to acknowledge the valuable contribution of the Chief Executive Mr Liam Nellis and the staff of InterTradelreland in the past year. Thanks to their efforts InterTradelreland has become a recognised dynamic for North/South co-operation and partnership.



**Mr Ian Pearson MP**  
MINISTER FOR ENTERPRISE,  
TRADE AND INVESTMENT



**Ms Mary Harney TD**  
AN TÁNAISTE AND MINISTER  
FOR ENTERPRISE, TRADE  
AND EMPLOYMENT

## CHAIRMAN'S INTRODUCTION

The last year has been an important one for InterTradeIreland. Now into our third year of operation we are no longer the 'new kid on the block'. The task of forming a new agency is now behind us and 2002-2003 has been a period in which we've been able to dedicate all our efforts to delivering island-wide programmes making a real difference to the business community.

A visible demonstration that InterTradeIreland is now an established body came early in March 2002 when our headquarters in Newry were officially opened. In the same year that Newry became one of the newest cities on the island, we were delighted to open up our offices to 200 guests including Sir Reg Empey and An Tánaiste Mary Harney whose continued support and encouragement has been much appreciated.

However, InterTradeIreland is not about bricks and mortar. Our usefulness to the island's business community will not be assessed by the facilities on offer at our offices - and nor would we want it to be. InterTradeIreland's mission is to drive forward trade on this island by helping businesses to make the most of the opportunities that lie in their own backyard and this has been an important year for achieving just that.

This has been a year of firsts, both for InterTradeIreland and the business community. Many of our early projects and initiatives have borne fruit and important milestones have been crossed.

One way in which we're encouraging greater cross-border trade is by showcasing and highlighting those companies who have thrived and prospered by making the most of the island market. May 2002 for example saw the inaugural All-Island Trade Awards organised in conjunction with IBEC-CBI. What better example of cross-border excellence could there have been than Graham (Dromore) Ltd who picked up the top prize - a Northern Ireland company noted for its work improving the main road link between Dublin and Belfast.

Involvement in ceremonies such as the All-Island Trade Awards, the Design Awards, the Innovation Awards and the Fast 50 Awards are one way in which we can help business people from North and South to mix together and discuss common interests.

Another example was the island's first ever Private Equity Conference held in Belfast, hosted by our EquityNetwork initiative. Up to three hundred funders and companies interested in securing finance gathered to listen and learn from an array of local and international experts - they also had the chance to meet each other to talk about potential deals.

Networking however doesn't have to be confined to here on the island. One of the undoubted highlights of 2002-2003 was the US-Ireland Business Summit in Washington which both I and Liam Nellis attended. Many relationships were built at the Summit and some of the positive decisions taken included an initiative to bring the Centre for Competitiveness in Northern Ireland and the National Council for Competitiveness Ireland together for the first time. The establishment of a US-All Ireland Research and Development Task Force, comprising private and public sector membership from the United States, Northern Ireland and Ireland, provides a unique platform to build novel research partnerships between the U.S. and the island of Ireland, representing a key step in expanding research and development capacity throughout the island. InterTradeIreland looks forward to supporting the advancement of these strategic endeavours and further moves towards the creation of a 'Digital Island' - a co-ordinated approach to the fullest exploitation of digital technologies across the island.

Partnership has also been a theme of the year. I'd like to take this opportunity to thank our sister development agencies on the island for all their help on the many joint programmes and schemes that we run in association with each other. For example, under the Chairmanship of InterTradeIreland and in conjunction with every other agency, North and South, the Irish Benchmarking Forum has been established to help companies learn how benchmarking tools can reinvigorate their businesses.

I am very encouraged by the many initiatives and programmes we have in place, which I have no doubt will bear fruit in the coming years.

Thanks must also go to the continuing hard work and dedication of InterTradeIreland's Board of Directors and the limitless enthusiasm of our staff. The breadth and quality of InterTradeIreland's programme is a reflection of their dedication to the task of making this island a more profitable place to do business.



**Dr Martin Naughton**  
CHAIRMAN

## CHIEF EXECUTIVE'S MESSAGE

Every year on the island of Ireland, business becomes more competitive and more demanding. However, every year the boundaries of what is feasible are also expanded and new possibilities emerge. Successful business people know how to identify, assess and take hold of these opportunities.

During 2002-2003, InterTradelreland has been helping businesses to do just that. Often on this island business relationships go undeveloped or potential customers are overlooked. A lack of knowledge often prevents business people from making the most of doing business on the island. By opening the island for business and through equipping companies to achieve their goals, InterTradelreland is helping the business community to make the most of the resources available - North and South.

This is only InterTradelreland's third Annual Report and it's been another tremendously busy and active twelve months. Last year we launched several major programmes such as EquityNetwork, FOCUS and FUSION and this year we've been rolling the programmes out across the island and delivering real, bottom line benefits to business. EquityNetwork for example has proved highly popular with SMEs seeking assistance on how to secure private equity and venture capital funding. We've assembled an impressive team of equity experts who understand how the marketplace operates and are helping SMEs become investor ready.

Although InterTradelreland is based in Newry, EquityNetwork (as with all our initiatives) is being delivered in a manner which is accessible to the business community in all corners of the island. This has been achieved in part by hosting a series of 11 Private Equity Seminars in towns and cities such as Galway, Athlone, Limerick, Londonderry and Omagh to advise SMEs of the benefits of securing funding. Recently EquityNetwork has been focusing on its innovative work in the area of improving corporate governance. In a year when corporate governance scandals hit the headlines this has certainly been a timely initiative. Part of our work involved the formation of a Non-Executive Director panel drawn from 50 of the island's top business people. With their assistance InterTradelreland is providing SMEs with invaluable business advice and introducing them to potential non-executive directors who can meet their specific requirements.

FOCUS and FUSION have also been very successful at delivering real business value to companies on the ground. During the year 49 high calibre FUSION graduates have been helping SMEs to tackle technical problems in partnership with third level education institutions - a unique arrangement which is helping transfer leading academic R&D directly to SMEs.

FOCUS, which has 20 graduates onboard is encouraging companies from a range of sectors to develop their island-wide sales and marketing function. The scheme has proved to be very popular and effective in helping to source new trading opportunities and several of the graduates have already secured full-time employment with their companies.

Another venture which I was very pleased to see rolled out across the island was the North/South Business Forums. Experts from the fields of VAT, Tax, Financial Incentives and Law were on hand at several venues to deal with the queries and questions, pertinent to SMEs who are keen to find out how to trade more profitably in the other jurisdiction on the island. The Forums received very positive feedback which led to the production of 'Guidelines' - a web-based index with updated information on trading issues across the border.

A major breakthrough for cross-border trade was also achieved in the area of North/South transportation links. For too long trade development on the island has been hampered by poor communications, but that is rapidly changing. Following a study by InterTradeIreland into the provision and feasibility of inter-island air flights, new services were launched connecting Belfast to Dublin and Cork. Aviation facilitates the exchange of people, ideas, products and investment, and InterTradeIreland believes that the new services will open the island for trade and help stimulate the island economy to new levels.

These are only some of the ways in which InterTradeIreland has been engaging with the business community and helping them to open up new commercial opportunities. However, none of our work would be possible without the interest and support shown by the business community which understand that success often starts at home on the island market. Many thanks for all your encouragement.

This has been a busy year for InterTradeIreland. However, we're still looking forward to building on our achievements and will continue to strive to open up every corner of this island for business over the coming years.



**Liam Nellis**  
CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to read 'Liam Nellis', written in a cursive style.

# BOARD MEMBERS



## **DR MARTIN NAUGHTON**

*Chairman of InterTradelreland*

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Dr Naughton is the founder, Executive Chairman and major shareholder of the privately owned Glen Dimplex Group which has 6 manufacturing companies in Ireland, North and South. The Group also manufactures in the UK, Germany, Canada and France. Dr Naughton is an engineer who was educated in Dundalk, Co Louth and Southampton, England. He was granted Honorary Doctorates by UCD, TCD, QUB, UU and Notre Dame, USA. He is also trustee of Notre Dame College. He is a member of the Council of State in Ireland and served on the Industrial Development Board for Northern Ireland between January 1996 and January 2000.



## **MR BARRY FITZSIMONS**

*Vice Chairman of InterTradelreland, Chairman of EquityNetwork*

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Mr Fitzsimons is Senior Director of Cunningham Coates Stockbrokers and has been associated with Cunningham Coates Stockbrokers all his working life, becoming a member of the Stock Exchange in 1978 and a partner in Josias Cunningham & Co shortly after. He is a member of the Securities Institute (MSI) and is an active manager of a 150 acre beef and sheep farm at his home in Co Down. He is a member of the Advisory Committee of the NI Central Investment Fund for Charities, Vice-Chairman of Lagan Valley Constituency Association and also sits on the Executive of the Ulster Unionist Party.



## **MR LIAM NELLIS**

*Chief Executive of InterTradelreland*

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Mr Nellis has been with the Northern Ireland Civil Service since 1973. He obtained a Law Degree from the University of London and a Masters in Social Policy, Planning and Administration from the University of Ulster. He spent his early career in the Department of Health and Social Services before joining the Department of Economic Development (DED) in 1984. From then on he was involved in labour market, tourism and small business policy issues until 1990 when he was seconded to establish and head up NI-CO, the public sector marketing company. In 1997 he joined IDB where he was Executive Director responsible for Inward Investment until he accepted a further secondment to set up and head the Trade and Business Development Body. He was confirmed as CEO of InterTradelreland in November 2000.



## **MS MARY BRESLIN**

Mary Breslin is a Partner in Waterville Properties and non-executive Chairman of Cer-con Ltd a design - build consortium involved in industrial and commercial projects. She is the former Managing Partner of Total Engineering, a Fellow of the Institution of Mechanical Engineers and an Associate Member of the Chartered Institute of Marketing. She is Chairman of Londonderry Port and Harbour Commissioners, Patron of Women in Enterprise, Member of the Business in the Community North West Leadership Team and serves on CBI Northern Ireland Business and Economic Affairs Committees.



### **MR FEARGAL McCORMACK**

Feargal McCormack is Managing Partner of FPM Chartered Accountants, located in Newry and Dundalk, who specialise in cross-border business. He is a member of the Board of EquityNetwork and was Chairman of the Ulster Society of Chartered Accountants in 2002/2003. As Managing Partner of FPM, Feargal has had lead responsibility for developing FPM since its inception in 1991. Feargal is also accredited with playing a central role in the economic regeneration of Newry and Newry's successful bid for city status.



### **MS JACKIE HARRISON**

Jackie Harrison is Director of Social Policy in the Irish Business and Employers Confederation. She previously held positions of Director of Enterprise and Director of Clothing and Textiles and Engineering within the Confederation. She is also a former Director of the Ireland-France Chamber of Commerce and was nominated as Chevalier in the Ordre National de Mèrite in October 2001. She is a member of the National Competitiveness Council, the Irish Research Council for Science Engineering and Technology, and Board member of the Digital Hub.



### **MR CARL McCANN**

Mr McCann is Vice-Chairman of the fresh produce company Fyffes. He joined Fyffes in 1980 and was appointed as Finance Director in 1983. He became Vice-Chairman in 1988 and is responsible for the company's acquisition programme. He attained a Bachelor of Business Studies from Trinity College, Dublin and is a Chartered Accountant. He worked for Chartered Accountants KPMG before joining Fyffes.



### **MS INEZ McCORMACK**

Inez McCormack was the first woman officer appointed by the National Union of Public Employees (NUPE) in 1976. Previously active in the civil rights movement and qualified as a social worker. She is NI Regional Secretary of Unison, the largest public service union in the UK and was the first woman to be elected as President of Irish Congress of Trade Unions (1999-2001). She chairs the ICTU North-South Anti Racism Task Force. She was founder member of the Equal Opportunities Commission and Fair Employment Agency. Inez served as Deputy Chair of the Equality Opportunities Commission from 1978-1988. In 1999 she was appointed to the Northern Ireland Human Rights Commission. She has received a number of international awards in similar recognition including the 'Eleanor Roosevelt Award' from the City of New York. She has also received the 'Person of the Year' Belfast community award and the 'Inclusive Ireland Award' from the South Inner City Dublin Development Association.



### **MS MARY AINSCOUGH**

Mary Ainscough is the Director of Equality at Dublin City University. She is a graduate of Trinity College, Dublin, with a degree in English and Philosophy and a Masters in Management Science. She studied law at the Incorporated Law Society of Ireland where she qualified as a solicitor. She began her career with the IDA in New York, marketing Ireland as a location for inward investment in the IT sector. On her return to Ireland she practised law specialising in aspects of labour and employment law. She has worked at the School of Business Studies, Trinity College and with the Irish Management Institute as a Lecturer in Organisational Psychology. She is a former Chief Executive of the American Chamber of Commerce in Ireland.



### **MR ROBBIE SMYTH**

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Robbie Smyth is currently Sinn Fein's General Secretary. He was formerly the research and policy development manager for the party in Leinster House and in addition has been a staff journalist at An Phoblacht Republican News writing on economic, social and political affairs since 1991. Mr Smyth was also until September 2002, the deputy head of the Journalism and Media Communications Faculty at Griffith College Dublin.



### **MR JACK GILMOUR**

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Jack started his working life in a commercial printing company. This was a family controlled firm. When this was sold, he moved into another existing family business of public houses in 1970, when he was in his early twenties. 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 on the southern outskirts of Belfast, at Upper Malone, where he currently employs a more manageable number of personnel in the region of twenty five. He has been married for thirty years, has a daughter working in London for the Financial News, and a son, who is an architect, currently in Aberdeen.



### **MR JOHN FITZGERALD**

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John Fitzgerald was appointed Dublin City Manager in mid 1996. He qualified as an Accountant while working in industry and then moved to Cork Corporation as City Finance Officer. He subsequently took up duty as Dublin City Treasurer and moved to the position of Dublin Assistant City and County Manager immediately prior to reorganisation of Local government in Dublin. He was one of the three managers involved in the formation of the three new Dublin Counties and was appointed first County Manager with South Dublin County Council in January 1994. He is Chair of the steering group which prepared and monitors the strategic planning guidelines for the greater Dublin area. He contributes to the work of a number of agencies involved in the promotion of local government in the Dublin region and nationally.



### **DR TREFOR CAMPBELL**

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Joined Moy Park's former holding company, Moygashel Limited, in 1960 and moved through the ranks at Moy Park to become Managing Director in 1983 and has been largely responsible for the growth and consolidation of the company. He led a management buyout of Moy Park in 1984. His interest in the development of the Northern Ireland food industry extends beyond his own business as he is involved in various capacities in several organisations aimed at improving marketing, training and quality improvement in industry. He was the first Chairman of the Northern Ireland Food and Drink Association and has served on both the Board of Food From Britain and the Industrial Development Board. He was awarded an OBE for his services to the food industry. In 1998, he was awarded an Honorary Doctorate from Queen's University, Belfast. In 2000, he was awarded the CBE.

**WE WISH TO ACKNOWLEDGE THE VALUABLE CONTRIBUTION AND DEDICATION OF THE MEMBERS OF THE FIRST BOARD OF INTERTRADEIRELAND WHOSE TERM OF OFFICE EXPIRED IN DECEMBER 2002.**

**His Grace the Duke of Abercorn**

**Mr Kieran McGowan**

**Dr Harold Ennis**

# CHIEF EXECUTIVE AND DIRECTORS



**Mr Laurence Lord**  
CORPORATE SERVICES DIRECTOR

A Chartered Management Accountant and MBA, Laurence comes from a background in organisational development and financial management. He has worked extensively on institutional strengthening projects in Australia and Africa as well as within the Irish commercial sector.



**Mr Aidan Gough**  
STRATEGY & POLICY DIRECTOR

Aidan Gough is responsible for developing the strategic direction of InterTradeIreland as it seeks to deliver its legislative mandate. Aidan is a graduate of Queen's University, Belfast with an MBA and MSC in Economics. Prior to joining InterTradeIreland, Aidan was Director of the Northern Ireland Economic Council.



**Ms Catriona Regan**  
DEVELOPMENT DIRECTOR

Catriona is responsible for developing and delivering a wide range of initiatives aimed at increasing cross-border trade and business. Catriona is a graduate of Queen's University, Belfast and was previously head of the Civic Forum Secretariat.

# INTERTRADEIRELAND STAFF 2003



## Strategy & Policy Directorate

### From Left to Right, Back Row

Bernadette McGahon, Science & Technology Manager  
 Aidan Gough, Strategy & Policy Director  
 Eileen McGloin, Policy Research Manager  
 Dermot O'Doherty, Senior Advisor

### From Left to Right, Front Row

Marion McAnaney, Science & Technology Manager  
 Aidan Monaghan, Monitoring Officer  
 Eoin Magennis, Information Executive  
 Harry Hamill, Policy & Planning Manager

### Not pictured

Isabel Willerton, Policy & Planning Executive  
 Orla McGlennon, Project Appraisal Manager  
 Grace Leatham, Student Placement



## Corporate Services Directorate

### From Left to Right, Back Row

Joanne Stewart, HR Manager  
 Colin Rainey, IT Manager  
 Laurence Lord, Corporate Services Director  
 Christine Currie, Finance Executive  
 Carrie Small, Administrative Officer

### From Left to Right, Front Row

Paula Butler, HR Executive  
 Des Oliver, Finance Manager  
 Gerry Campbell, Facilities Manager  
 Anne McMinn, Receptionist

### Not pictured

Suzanne Doran, Communications Manager  
 Shelley Moore, Communications Executive  
 Bronagh Morgan, Administrative Officer



## Operations Directorate

### From Left to Right, Back Row

Bernadette Doran, Operations Executive  
 Paddy Savage, Operations Manager  
 Nicola McGuinness, Operations Executive  
 Pat McLoughlin (seated),  
 Operations Manager  
 Gary Stokes, Deputy Operations Manager  
 Catriona Regan, Development Director  
 Julie Jordan, Operations Manager  
 Siobhan McCauley,  
 Deputy Operations Manager  
 Richella O'Reilly, Temporary Administrator  
 Denise McCreesh, Administrative Officer

### From Left to Right, Front Row

Lisa O'Neill, Administrative Officer  
 Darren McGeeney, Student Placement  
 Jenny Williamson,  
 Deputy Operations Manager  
 Grant Gilmore, Operations Manager

### Not pictured

Margaret Hearty, Operations Manager  
 Fergal McCann, EquityNetwork Advisor  
 Dianne Fee,  
 Deputy Operations Manager  
 Karen Murray,  
 Deputy Operations Manager

## RECRUITMENT ANALYSIS JANUARY - DECEMBER 2002

The Body continued to recruit its complement of permanent staff throughout 2002 with the following posts being filled:

- Deputy Operations Manager - Private Equity
- Receptionist
- Policy Research Manager
- IT Manager
- Deputy Operations Manager
- Science & Technology Manager
- Facilities Manager
- HR Manager

All the vacancies were advertised across the island of Ireland and attracted substantial interest with over 130 applications returned. Applications were of a high calibre and had a wide representation in terms of gender, community background and North/South origin.

The target headcount for the Body is 42 permanent members of staff and actual headcount on 31 December 2002 was 35 staff comprising 34 permanent staff and 1 secondee (from Forfás).

GRADE	NO
CEO	1
Directors	3
Managers	12
Deputy Managers	4
Executive	8
Administrative	6
<b>TOTAL</b>	<b>34</b>

*Breakdown of permanent staff on 31 December 2002 by grade*





# STRATEGY

InterTradelreland's Mission is to lead the development of the island economy through distinctive knowledge-based interventions that will produce significant returns in the areas of cross-border trade and business development.

## STRATEGIC GOALS

InterTradeIreland's two Strategic Goals within the life of the 2002-2004 Corporate Plan are:

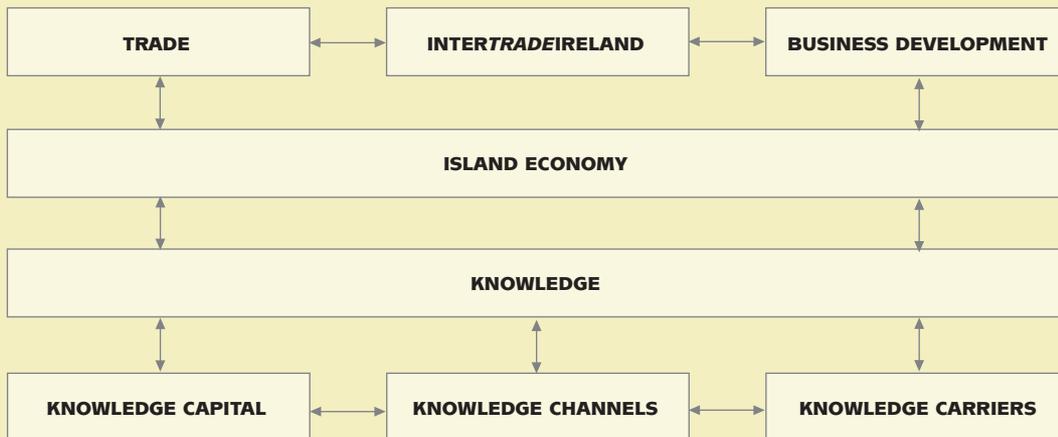
1. To develop the capability of businesses to trade within the island economy by increasing the quality and quantity of knowledge and information on the dynamics of cross-border trade and business development.
2. To develop the capability of businesses to trade within the island economy by improving the flow of, and access to, relevant knowledge and information between stakeholders in the two jurisdictions to facilitate business and economic policy decisions.

InterTradeIreland's Strategic Framework has been developed to focus our resources on the achievement of these Strategic Goals.

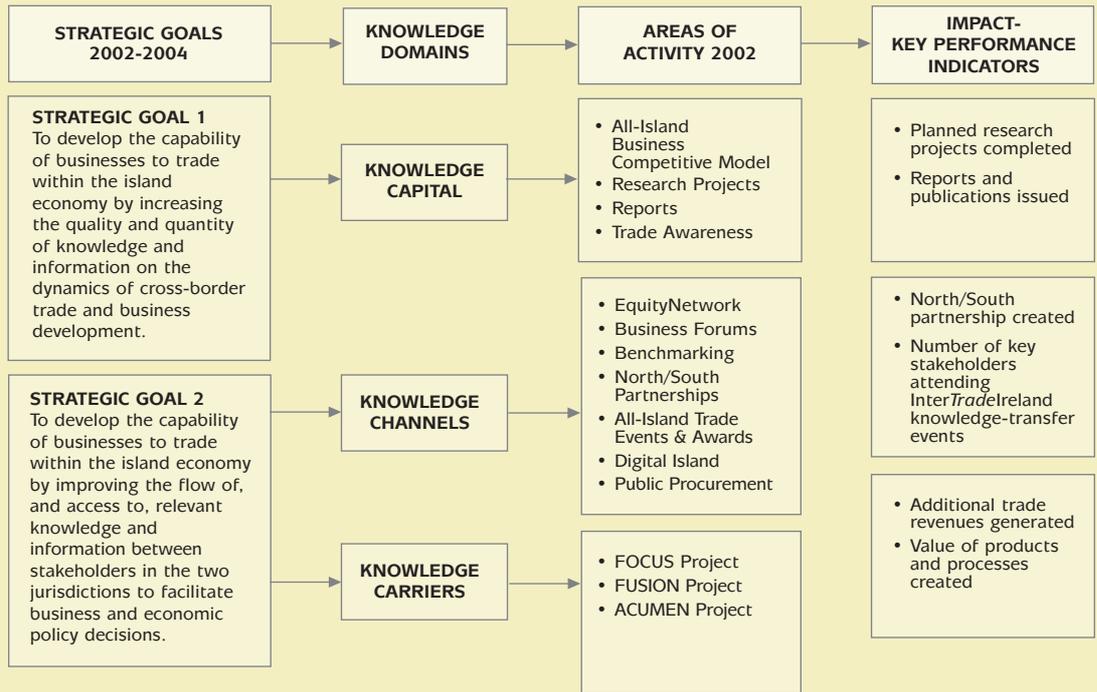
The framework describes three Knowledge Domains - Knowledge Capital, Knowledge Channels and Knowledge Carriers - as the means by which we will create new knowledge and information, disseminate that information to those who can use it to create value, and then to assist and support organisations and individuals to exploit such information to realise benefits in terms of increased trade and business development activity across the island.

This strategic framework provides the direction for the organisation within carefully chosen boundaries and spheres of activity. It delineates the operational activity of InterTradeIreland and does so in a manner which complements the work of the other economic development agencies on the island.

## INTERTRADEIRELAND STRATEGIC FRAMEWORK

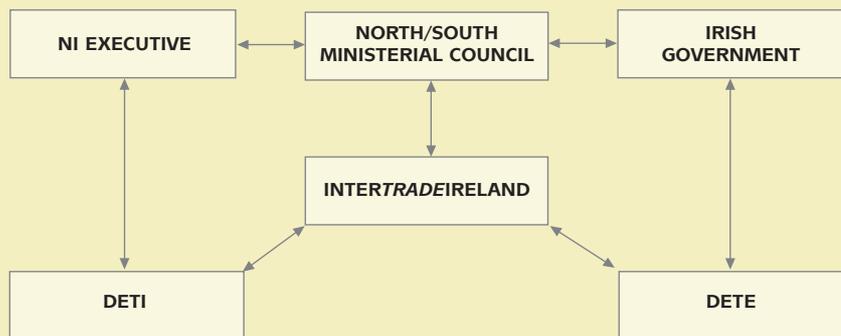


# STRATEGIC IMPACT - 2002



# OPERATING ENVIRONMENT

Our operating structure is complex. We are jointly funded by the two economic development departments - the Department of Enterprise, Trade and Employment in Ireland and the Department of Enterprise, Trade and Investment in Northern Ireland. We have an Executive Board and report directly to the North/South Ministerial Council (NSMC).



## LEGISLATIVE CONTEXT

Uniquely, InterTradelreland has a joint mandate from both administrations to bring North/South trade and business development into the mainstreams of government policies North and South of the border. Following the suspension of the Northern Ireland Assembly on 14 October, the UK and Irish Governments agreed that a procedure would be put in place to enable decisions to be taken on policies and actions relating to InterTradelreland, and the other North/South Bodies set up under the Good Friday Agreement. This reflected the fact that during suspension the North/South Ministerial Council could not meet.

## SOCIAL LEGISLATION

Within InterTradelreland's legislative complex are explicit and implicit responsibilities in the social dimension, in areas such as Equality, Human Rights and Social Inclusion as enshrined in Irish, UK and EU law. InterTradelreland is committed to ensuring that obligations under such initiatives form an integral part of its everyday activities. InterTradelreland will ensure that within the knowledge and information creation and dispersal aspects of this Corporate Plan, the Social Inclusion dimension is addressed to the benefit of those groups who depend upon such information to prepare their own forward strategies and plans.

## ECONOMIC RATIONALE

InterTradeIreland's legislative remit as enshrined in the North/South Co-operation (Implementation bodies) (Northern Ireland) order 1999 and the British - Irish Agreement Act, 1999 (Annex 1, part 3) is:

**'to exchange information and co-ordinate work on trade, business development and related matters..'**

The implicit economic rationale is that increased co-ordination of trade and business activity can help engineer the realisation of economic spillovers and synergies that will mutually benefit both the North and the South.

The legislation describes the business and business - related initiatives through which such benefits can be realised - ranging from the promotion of market awareness, developing North/South supply chains and making recommendations to increase enterprise competitiveness.

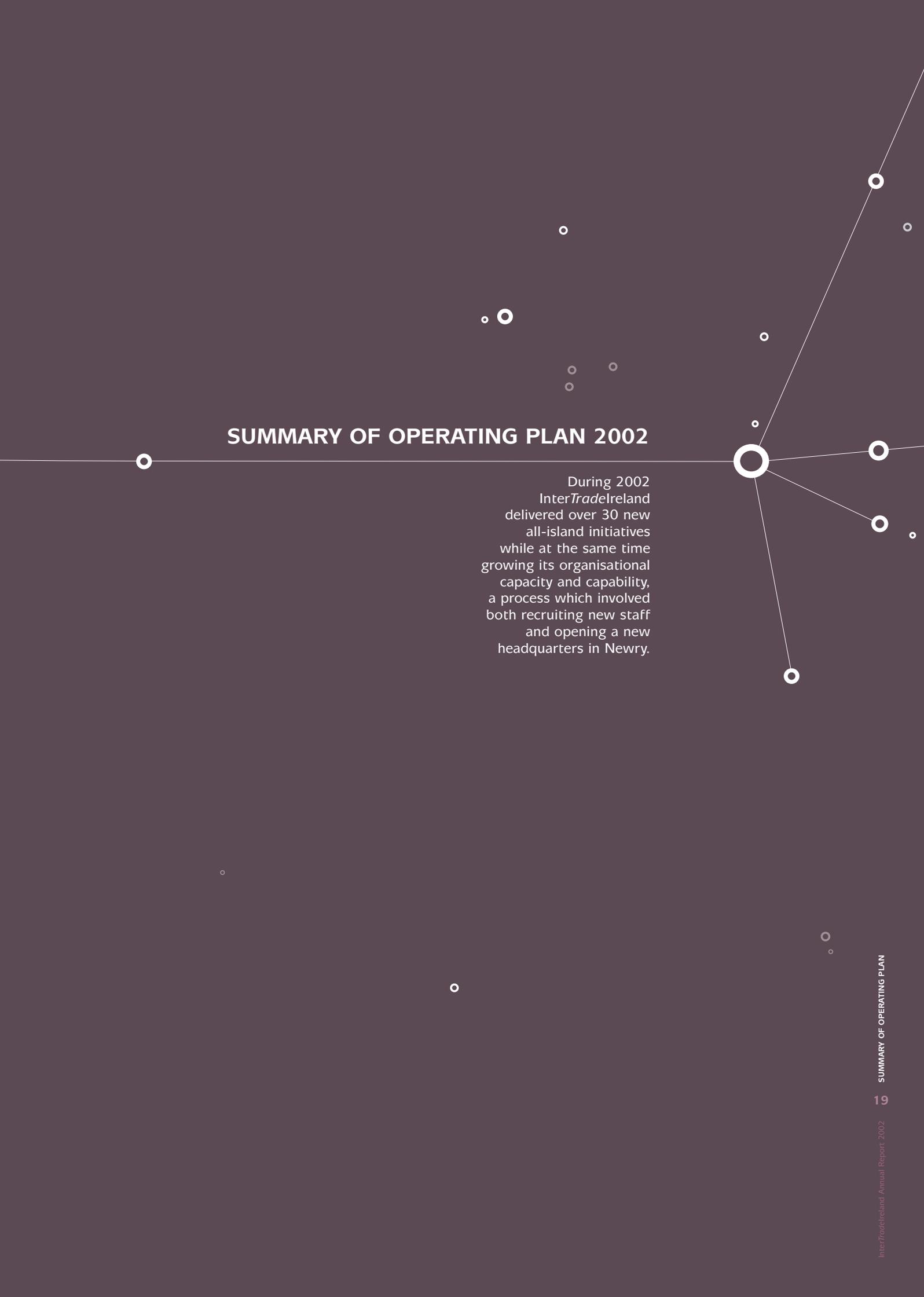
In the context of the deepening of economic links on the island of Ireland, actual benefits will be achieved through co-operation, alliances and trade between firms, the opportunity to address a larger overall market, exposure of products and services to a wider range of demanding customers and improved supply-side characteristics such as skills, training, technology and telecommunications infrastructure and energy.

The realisation of economic spillovers and synergies may also generate higher volumes of trade between the two jurisdictions but increasing the volume of the trade per se should not be regarded as the main performance measurement of the effectiveness of InterTradeIreland.

Importantly and increasingly, InterTradeIreland's interventions and initiatives are created through direct contact with organisations representing the business communities, such as Trade Associations, Chambers of Commerce and IBEC-CBI Joint Business Council. It is through the creation of formal alliances between members of the business communities North and South that InterTradeIreland is seeking to improve the cross-border business environment and to drive improvements in both trade and business development activity.

While it is economically important that cross-border trade in traditional products, such as food and live animals, is maximised and synergies exploited, the future competitiveness of the island economy and of both jurisdictions which comprise it, will depend upon co-ordinating and exchanging information and knowledge which will improve the capability of indigenous business to trade higher up the value chain.





## SUMMARY OF OPERATING PLAN 2002

During 2002 InterTradeIreland delivered over 30 new all-island initiatives while at the same time growing its organisational capacity and capability, a process which involved both recruiting new staff and opening a new headquarters in Newry.

Our initiatives do not aim to subsidise, but rather to promote competition, eliminate barriers and to realise external effects of knowledge and technology through the development of all-island networks. Generally our interventions are facilitative, indirect and flexible with regular testing of results.

Our work on cross-border trade and business development is underpinned by a solid research agenda that seeks to develop our understanding of the dynamics behind the emerging island economy. It is our policy to disseminate our research to as wide an audience as possible through publications and seminars. Foremost among *InterTradelreland's* all-island initiatives in 2002 were:

- The EquityNetwork Programme which is building awareness and exploitation of the use of private equity to fund company growth.
- The development, through consultation, of an All Island Research Agenda and the completion of research projects and publication of associated reports under the *InterTradelreland* Policy Research Series to satisfy that agenda.
- FUSION, an all-island technology transfer project linking companies in one jurisdiction to research institutes in the other jurisdiction through placing science and technology graduates within companies to develop new products and processes.
- High profile All-Island Awards Events such as the Trade Awards, Design Awards and Innovation awards to promote best practice and the development of networks across the island.
- The reconciliation of trade and related statistics through the first phase of the All-Island Business Competitiveness Model project.
- The Digital Island, a policy framework designed to initiate the fullest exploitation of digital technologies in support of increased trade and business development on the island.
- A series of North/South Business Forums to disseminate information on the legal and financial implications of doing business across the island.
- FOCUS, an all-island sales and marketing development initiative.
- The creation, in collaboration with Enterprise Ireland and Invest Northern Ireland, of an award winning All-Island Public Procurement Directory - **go-source.com**.
- The Irish Benchmarking Forum, a collaborative venture with Enterprise Ireland, Forfás, IDA Ireland, Invest Northern Ireland, Shannon Development and Udárás na Gáeltáchtá, providing the statistical information necessary to allow SMEs to benchmark their performance against other companies across the island, and with European best-in-class exemplars.
- The development of *InterTradelreland's* Information Resource Centre and Website to facilitate the co-ordination, capture and dissemination of this overall increased stock of knowledge.

*InterTradelreland* works in close partnership with other economic and industrial development agencies across the island, and in addition to the specific projects described below we have continued to take as critically important cross-cutting themes the development and facilitation of strategic relationships, networks and partnerships between businesses and business representative bodies, public sector institutions, economic development agencies and education institutes in order to improve the value of all-island trade and business development activity.

In delivering a comprehensive and challenging programme within 2002 *InterTradelreland* has significantly improved the stock of information and knowledge and increased the flow of that information to its stakeholders in North/South trade and business development activity.

## KNOWLEDGE CAPITAL

### RESEARCH PROJECTS AND PUBLICATIONS

#### 'SUPPLY CHAIN LOGISTICS AND TRANSPORTATION ON THE ISLAND OF IRELAND'

In January 2002, in association with the IBEC-CBI Joint Business Council, InterTradeIreland launched its research report 'Supply Chain Logistics and Transportation on the island of Ireland.' The overall key findings of the report were that:

1. The development of supply chain management is crucial to success in meeting the challenges of global competitiveness.
2. Close co-operation between governments will facilitate the development of services to supply chain management.
3. Deficiencies in cross-border infrastructure are impeding the ability to realise the potential of supply chain management as a means of improving competitiveness.

The report also specifies five areas for active co-operation under each of the three research modules addressed - Supply Chain Management, Transportation Services and Transport Infrastructure.

### ALL-ISLAND RESEARCH AGENDA

An InterTradeIreland project to define a research agenda to examine what is needed to further develop cross-border trade and business capability was completed in June 2002.

The project was conducted in three stages. Firstly, a questionnaire with four propositions regarding the research needs of the island economy was prepared. This was used as a basis for a series of interviews with business and trade union leaders, economists and economic policy makers from both jurisdictions. From these a discussion paper was prepared which structured the responses and placed them in an economic and policy context.

The paper was presented in May 2002 at a Forum in Newry, and the seminar was attended by over 40 invited representatives from the academic, policy and business arenas and chaired by Sir George Quigley. The final report was compiled from the ideas and suggestions generated by the initial interviews and the proceedings of the Newry seminar. Sir George, speaking at the Forum, said 'To sum up, now is the time for the island to establish itself as a world-class milieu and innovator, inventing new forms of competitive advantage and increasingly writing its own rules of engagement. Why not make the project a joint venture between both parts of the island? This research study could begin to write the specification and InterTradeIreland, I suggest, is in pole position to make it happen'.

## **COMMERCIALISATION STAFF & SKILLS IN MAJOR R&D PERFORMING INSTITUTIONS ON THE ISLAND OF IRELAND**

In May 2002, InterTradelreland launched a working paper designed to inform debate on the crucial issue of commercialising research and development. The evidence came from a survey carried out in the 25 higher education and other research institutions, North and South. The overall findings of the research were that:

1. There was a serious under-resourcing of the commercialisation function in R & D institutions across the Island.
2. Many of the institutions had only a little experience, or awareness, of the range of support services that are required to adequately fulfil a commercialisation function.
3. There is a need to educate researchers as well as the institutions of the importance of intellectual property right in the processes leading to successful commercialisation.

## **ALL-ISLAND BUSINESS COMPETITIVENESS MODEL - PHASE 1**

With the active collaboration of the Northern and Southern official statistical agencies, InterTradelreland has produced harmonised analyses of the industrial census data and the North/South trade data. This highlighted some areas in which data North and South are readily comparable e.g. the Census of Industrial Production (CIP) and the Annual Business Inquiry (ABI) and other areas where significant definitional, methodological and numerical discrepancies exist e.g. data on North/South and comparable international trade flows. It also highlighted the importance of a sectoral, or enterprise level approach, to understanding competitiveness within the all-island economy given the profound structural contrasts between the Northern and Southern economies. Two publications have been produced.

## EQUITYNETWORK PUBLICATIONS

### Accelerating Business Growth - The Role of the Non-Executive Director

This publication sets out guidance for companies who are considering the appointment of a Non-Executive Director, and also explores the issues of governance and role for those considering taking on the Non-Executive Director role.

### Grow Your Own Business - Workbook

This publication was sponsored by EquityNetwork and it provides a practical, exercise-driven approach to the development and implementation strategy by owner-managers and their management teams. It helps the reader to identify the potential of their business and then work step-by-step towards the achievement of a more profitable business.

### The Board

This is a regular quarterly publication produced by the EquityNetwork to promote the work of the project.

### Business 2000 - Schools Publication

A highly valuable tool for teaching business at senior cycle in second level schools nationwide. This publication offers a series of relevant, stimulating, and imaginative case studies as an integral part of the business syllabus. EquityNetwork and InterTradelreland were two of the case studies featured.

### EquityNetwork Seedcorn Research

InterTradelreland undertook a detailed scoping study to identify gaps in the provision of, and recommendations for, improving the supply of seedcorn support for early stage/start up projects on the island of Ireland. The outputs of this research has formed much of the basis for the EquityNetwork Business Plan for 2003 which includes a comprehensive education and awareness programme targeted at early stage/start-up projects on the island seeking to raise private equity.

## NORTH/SOUTH BUSINESS FORUMS - Guidelines

At the core of a series of North/South Business Forums run across the island during 2002 was the dissemination of information under the following headings:

- Financial Incentives
- Corporate and Employment Law
- Corporate and Personal Taxation
- VAT & Indirect Taxes

The information was compiled by leading experts from KPMG, BDO Stoy Hayward, FPM Chartered Accountants, Matheson Ormsby Prentice and Cleaver Fulton Rankin Solicitors. Such was the demand for the information presented that a series of four *Guidelines* documents, one for each of the topics above, has been produced. Each document provides key information on each of the topics and directs the reader to the InterTradelreland website for comprehensive and regularly updated information.

## AIR FLIGHTS RESEARCH PROJECT

In 2002 InterTradelreland initiated, in co-operation with key representatives from the business, tourism and airline sectors, its project into the definition of the potential for the introduction of additional cross-border Air Flights. The work has produced a comprehensive report through research, surveys of the business community and face-to-face meetings with both business leaders and the service providers and airports involved. The report includes the following information:

- Current situation and experience
- Potential point-to-point passenger flows
- Potential contribution of interline traffic for sector viability
- Overview of financial viability of most promising routes
- The regulatory framework
- Development of an effective strategy to advance the case for island-wide air services

The Air Flights Report was launched formally in April 2003.

## **INTERTRADEIRELAND YEARBOOK**

A great deal of useful information, both in a direct business context and for informal networking, resides in new and existing organisations, directories and databases, North and South. As part of *InterTradelreland's* commitment to facilitating access to knowledge across the island, we presented this information in our Yearbook 2002 with the aim of bringing to current and potential users, an awareness of the large volume of both information providers and information itself within Ireland, North and South.

## **THE IMPACT OF THE EURO**

A consortium has been set up to carry out a 12 month research project to study the impact of the euro on Northern Ireland (both on businesses and consumers) in the context that Ireland is now a member of the eurozone. The aim of the study is to evaluate the impact of the new currency on Northern Ireland and cross-border trade and business relationships, and to learn from the experience of Northern Ireland as a case study of a non-eurozone region which is contiguous to a eurozone member country. The lessons learned from this exercise should be of particular interest to Northern Ireland, Britain and European Union policy makers.

## **INTERTRADEIRELAND COMPETITIVENESS SERIES - Skills Availability, eBusiness and Information & Communications Technologies**

Commissioned by the North/South Ministerial Council in November 2001 these three reports were published in February 2002.

The reports address and make recommendations which will assist with the drive to ensure enterprise competitiveness in a North/South context. A number of the recommendations made are being actioned within *InterTradelreland's* Digital Island project.

## **SPONSORSHIP OF THE HOT ORIGIN REPORT - Ireland's Software Cluster**

*InterTradelreland* was a sponsor for the research and publication of this report in a sector which is recognised for its strategic importance. Our sponsorship was used to provide an all-island aspect to the report.

## **IRISH ENTREPRENEURSHIP DEVELOPMENT CENTRE**

The enhancement of entrepreneurial activity on an all-island basis is viewed as fundamental to wealth creation on the island and as being of particular importance in the development of North/South trade and business links. In this light three Universities - Trinity College Dublin (TCD), University College Dublin (UCD) and University of Ulster (UU) facilitated by *InterTradelreland*, plan to co-operate on a programme to fully exploit their entrepreneurial training and educational skills, and to build upon their knowledge base, in the context of technological innovations, which have the potential to be commercialised through a business incubator process.

## SUPPLY CHAIN MANAGEMENT

Building on the work completed in 2001, consultants were retained in 2002 to complete a Strategy and Action Plan that would direct the Body's activities over the medium term.

The resulting comprehensive strategy encompassed international best practice, existing agency support mechanisms, business consultation, gap analysis and sector reviews. Its challenging aim was "To rapidly accelerate the take up and exploitation of SCM-related tools and management practices in order to improve competitiveness and achieve increased levels of cross-border trade and business development activity within and between the two jurisdictions."

The emerging recommendations centred on the development of an all-island network of key decision makers and influencers in the field of Supply Chain Management and the implementation of an innovative "Champions" programme.

The network aims to bring together companies, educators and public sector programme providers to exchange information, assess relevance and quality of interventions and draw on international best practice.

The Champions programme engages the private sector and ensures that practical SCM implementation positively impacts on company competitiveness.

The programme has set challenging targets for the year ahead and represents a significant challenge for Trade Development activity.

## PUBLIC PROCUREMENT POSITION PAPER

Completed in 2002, InterTradeIreland had commissioned this paper in association with Enterprise Ireland and the Local Economic Development Unit (the functions of which are now incorporated in to Invest Northern Ireland). The basic terms of reference for this paper were:

- to review the scale, dynamics and characteristics of the Public Procurement Market on the Island of Ireland
- to assess gaps and market failures in procurement support and awareness
- to identify opportunities for InterTradeIreland to develop initiatives and programmes which would be complementary on a North/South basis to developments in both jurisdictions of the island

The above research led to an extensive series of recommendations. The priority areas, out of all the recommendations made in the Position Paper for InterTradeIreland to add value in a North/South Public Procurement context were as follows:

- to lead the debate in terms of ensuring that reliable management information is captured to support an overall assessment of the total value of public sector contracts won by suppliers from the North in the South and vice versa
- to establish an all-island portal acting as a gateway to public procurement opportunities on the island
- to engage in supplier education in a North/South context
- there is an opportunity to increase dissemination of the learning and benefits from cross-border/all-island contracting and the good news/success stories of suppliers winning public sector contracts on a cross-border basis

These recommendations will lead to programmes and initiatives being developed by InterTradeIreland during 2003.

## CREATIVE INDUSTRIES

A report into this sector was commissioned by InterTradelreland to inform the definition and validation of a number of pilot projects relating to the digital media sector on the island as well as providing an overview of the current status of the sector, North and South, its nature and impact, and comparing policy and progress in the two jurisdictions. It identified market drivers and market inhibitors and considered the climate for future development that must exist if the sector is to fulfil its growth potential.

## SECTORAL RESEARCH

### Construction

This study provides a status report on the construction sector in Ireland, North and South. It identifies the key strategic and operational strengths and weaknesses of the industry, and suggests developmental opportunities for the construction industry from an island-wide perspective. The report aims to be a central point of reference for the sector, highlighting market trends, opportunities and barriers to development and co-operation in a cross-border context that exist or may potentially exist, for the benefit of both economies. Based on the findings of the review, a number of recommendations are proposed to help the industry realise its potential under the current uncertain economic conditions. This report is due for publication Summer 2003.

### Horticulture

In recent years the horticulture industry on the island has experienced significant growth having increased its emphasis on quality and production of value-added goods. The horticulture sector is divided into two main sub-sectors: food – fruit and vegetables (especially mushrooms and potatoes); and amenity – trees, flowers and bulbs. Market development and enhancement have been attributed to consumer lifestyle changes and an increased emphasis on quality of life. This study provided a comprehensive overview of the sector – highlighting the strengths, weaknesses and the developmental opportunities for the horticulture sector on the island.

## Private Biotechnology Sector

In 2002 a survey of the private sector biotechnology capability research was conducted by InterTradelreland. The study had two related objectives:

- to identify the stock, scale and locations of biotechnology companies on the island
- to explore the opportunities to build biotechnology communities/collaborations between companies and to make the island a 'smart place' to locate

From the study it is quite clear that there is a strong aspiration to grow more biotechnology companies on the island. The current activities of the governments, the universities and the industry show a zealous desire to establish a stronger platform for research and development. This should help lead to a more distinct culture of collaboration between the key players and help to permanently establish a biotechnology sector on the island. The report was launched in March 2003.

## TOWARD MUTUAL RECOGNITION OF QUALIFICATIONS ON THE ISLAND

### - An Information Piece

InterTradelreland has, in consultation with relevant bodies North/South (N/S), recognised a need to develop a N/S qualifications mapping framework. Consequently a scoping study was undertaken to establish the current state of N/S qualifications mapping. As part of the initial research we identified that changes are currently being made to the qualifications frameworks North and South – it would therefore be sensible to defer a full N/S qualifications mapping project until the new system in each jurisdiction has become embedded. It was however decided, after consultation, to develop this short piece of work as an information guide on existing procedures.

## FORFÁS

### - All-Island participation in International Innovation and Globalisation Benchmarking Survey

This report is the result of a joint effort by the Ministries for Business Affairs in the following four countries: Ireland, Norway, Sweden, and Denmark. All were joined together in a shared interest for further knowledge on:

- What makes firms global?
- And how are the national firms faring in a comparison with firms in other small open economies on the Northern European periphery?

This report is based on a detailed questionnaire and was conducted with a representative sample of exporting private firms in the four countries in the late spring of 2002. InterTradeIreland provided financial support to have 150 firms from Northern Ireland included in this survey to provide an all-island dimension to the work.

## INFORMATION RESOURCE CENTRE

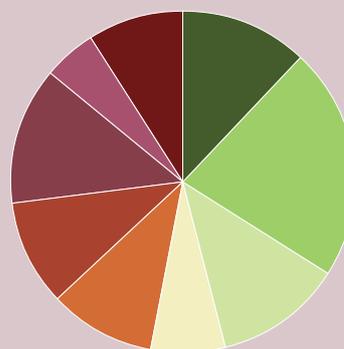
The period covered by this Annual Report saw the first full year of operations in the InterTradeIreland Information Resource Centre (IRC). The work of InterTradeIreland's IRC can be seen in two main areas:

- Collection and dissemination of relevant economic and business information from across the island; and
- Enquiry service for internal staff and external users.

In terms of collecting information resources, a stock of reports (from both the private and public sectors), research papers, newspapers/periodicals and textbooks was built up by subscription and request in 2002. In addition, there is now a full collection of economic and social statistical data for the use of InterTradeIreland and external users. One final and growing part of this role is the dissemination of InterTradeIreland's research reports to a wider audience.

The enquiry service has been active since the end of 2001 to answer queries in all areas encompassing everything from InterTradeIreland's services through to how a business can enter the market on the other side of the border. The service runs via e-mail and telephone with the promise of an answer within 48 hours. In 2002 the IRC dealt with over 795 enquiries from businesses, trade associations, academic institutions and economic development agency staff, North and South. The figure below provides a breakdown of these enquiries into the general areas shown.

### Breakdown of 2002 Enquiries



MARKET INFORMATION	12%
COMPANY INFORMATION	22%
INTERTRADEIRELAND INFORMATION	12%
MEDIA INFORMATION	7%
DEVELOPMENT AGENCY INFORMATION	10%
ECONOMIC POLICY	10%
RESEARCH ASSISTANCE	13%
LEGAL/TAX ISSUES	5%
FUNDING ISSUES	9%

# KNOWLEDGE CHANNELS

## EQUITYNETWORK

EquityNetwork is the outcome of comprehensive research undertaken in 1999 by InterTradelreland into private equity provision on this island. The findings revealed a dramatic increase in the amounts of private equity raised and invested in the past decade. The research also highlighted a gap in the supply of equity finance to early stage start up projects. To address this shortfall, InterTradelreland developed EquityNetwork.

EquityNetwork is a major initiative with the Mission, *'To Promote Private Equity to Accelerate Business Growth'*. 2002 has seen significant activity by the EquityNetwork team.

## Conference

The International Private Equity Conference held in the Ramada Hotel, Belfast on 24th April 2002 was very successful and attracted 270 delegates from the business, private equity, banking and economic development communities.

***"The best thing that's happened for Private Equity on the island for years."***

*Colin Walsh Managing Director of Crescent Capital*

This event also proved to be the first meeting of the chairmen of the British and Irish Venture Capital Associations.

## Seminars

Thirteen Private Equity Seminars were held with over 1000 attendees in total. The venues included Athlone, Derry/Londonderry, Dublin, Dundalk, Galway, Limerick, Omagh, Carlow, Cork and Belfast.

***"Venture capital is more than just an injection of cash. This event was the ideal opportunity for local companies to ask questions and find out from those who have already been there, what private equity funding can do."***

*Chris Armstrong from 2PM Technologies Ltd at the Athlone seminar*

## Publications

Two editions of the periodical 'The Board' were produced during 2002, and two new publications "Growing your own Business" and "Accelerating Business Growth: The Role of the Non-Executive Director" were produced and issued.

The EquityNetwork All-Island Non-Executive Director Network has been established and a Seedcorn Scoping Study completed. The Seedcorn Scoping Study concluded that whilst there remains a gap in funding provision there is still a substantial weakness on the demand side. The report highlighted a continuing gap for early stage/start-up programmes. One of the recommendations of the report was to establish a seedcorn competition on a regional basis. This recommendation has been carried forward into EquityNetwork's plan for 2003. EquityNetwork co-sponsored The Irish Times publication "Business 2000".

## Non-Executive Director Advisory Panel

InterTradelreland held its inaugural meeting of the Non-Executive Director Advisory Panel in November 2002. Mr. Derek Higgs, author of the Higgs Review on Corporate Governance, addressed the panel:

***"The service that EquityNetwork will provide comes at a time when expert corporate governance is at its most crucial to` growing companies."***

## EquityNetwork Advisory Service

Launched in 2001, the advisory service had over 120 consultations in 2002. This service is designed to help make businesses investor ready and direct them to sources of private equity funding.

EquityNetwork now provides the following services to the business community:

- An island-wide education programme to raise the awareness of the availability of the benefits of using private equity
- Free, value added information services to businesses to assist in making them "investor ready"
- Signposting for businesses seeking equity finance
- The promotion and development of a comprehensive island-wide non-executive director advisory panel available to businesses
- The development of an island-wide centre of excellence on private equity and related matters

## TRADE AWARDS

The All-Island Trade Awards, organised by InterTradeIreland in conjunction with IBEC-CBI Joint Business Council aim to recognise best practices in North/South trade and business development and acknowledge those who have maximised the opportunity to achieve business success by trading in both parts of the island. The 2002 Award ceremony took place in the Waterfront Hall, Belfast in May. Over 300 business people from North and South attended the event and the audience was addressed by An Tánaiste Mary Harney and the Northern Ireland Minister for Finance Sean Farren alongside InterTradeIreland's Vice Chairman Harold Ennis and Chief Executive Liam Nellis. Construction and Facilities Management Company Graham (Dromore) Ltd won the coveted, overall All-Island Trade Award. The company has been trading for over 200 years and has recently completed some high profile projects including the Dundalk-Dunleer motorway, Connolly Station Office and site clearance for Xerox, Dundalk.

## 2002 AGENCY FORUM

The Agency Forum co-ordinated by InterTradeIreland brings together government bodies involved in economic development across the island to discuss their current policy in the light of the changing economic climate. Fifty five delegates attended the event this year held in the Citywest Hotel Dublin in April, which discussed and debated key issues such as policy research and information, funding issues, digital island and creativity and innovation.

## NORTH/SOUTH BUSINESS FORUMS

These events were aimed at business advisors and entrepreneurs on the island and InterTradeIreland were delighted to have the Law Societies in Dublin and Belfast, the Institute of Chartered Accountants in Ireland and the Ulster Society of Chartered Accountants as partners in this venture. This was the first time that all four professional bodies co-operated on such an event.

The subjects covered by the professional bodies at the forums included matters such as Corporate & Employment Law, Tax, Financial Incentives and VAT. The aim of the forums was to raise awareness of the opportunities, advantages, pitfalls and barriers involved in trading with the other jurisdiction on the island. Some 300 delegates attended the events in Newry, Belfast, Derry/Londonderry and Sligo. Each delegate received a comprehensive manual covering all the subjects discussed at the forums. This resource was later developed into the Guidelines series of brochures and the web based reference material at [www.intertradeireland.com/cbtguidelines](http://www.intertradeireland.com/cbtguidelines)

## SCIENCE & TECHNOLOGY

Expertiseireland.com – the island's knowledge portal is being developed in conjunction with the Conference of Heads of Irish Universities (C.H.I.U.) and represents a strategic partnership with the nine universities on the island. The portal will act as the gateway to the island's knowledge base and provide in one searchable database up-to-date details of the academic and business expertise available North and South. By providing a single access point, expertiseireland.com will encourage and facilitate industry-academic linkages. It will create enhanced consultancy and collaboration opportunities and help the island-wide and international business and research community tap into the world-class intellectual capital available on the island.

The All-Island Science and Technology Steering Committee has been established to explore initiatives that will further enhance North/South co-operation in science and technology. The main opportunity areas identified include the EU Sixth Framework Programme, Technology Commercialisation and Science and Technology Awareness. Task forces have been created to develop actions around each of these areas.

## GO-SOURCE

Go-Source is the result of a collaborative venture between InterTradelreland, Enterprise Ireland and Invest NI and was launched in February 2002 as a unique guide to one of the island's largest and most lucrative markets. The website directory is aimed at suppliers keen to tackle the island's huge public procurement market, which is worth over £7 billion (€11 billion) per annum.

Apart from providing in-depth information and contact details on nearly 500 organisations across the island which spend public money, Go-Source also gives suppliers advice on how to tender successfully, the pitfalls to avoid and which products and services are in demand. While entries are updated on a regular basis to ensure their relevance a unique feature of the directory is that its entries can be downloaded and used as a marketing tool. All of this information can be accessed at [www.go-source.com](http://www.go-source.com)

## INSTITUTE OF DESIGNERS IN IRELAND DESIGN AWARDS 2002

The annual Design Awards aim to promote the importance of 'creativity and design' for SME's throughout the Island, and to recognise the achievement of excellence in the design sector, which facilitates competitiveness on the Island. The Awards also aim to increase the level of knowledge and contact between the sectors covered by the awards sponsored by InterTradelreland in 2002. This year was the sixth year of the awards, which were held at the Leopardstown Racecourse in October. The 2002 grand prix winner was Dublin-based web company Sharc Design.

## CRAFT SHOWCASE

Showcase Ireland is the only European trade fair to offer fashion, accessories, jewellery, gift, home and tabletop products, at one event. In its third year, the showcase Best New Product Awards sponsored jointly by InterTradelreland and Crafts Council of Ireland, successfully highlighted new products and encouraged exhibitors in the launch of new ranges and product development across the island. The Official Opening of Showcase Ireland this year was conducted by An Tánaiste Ms Mary Harney TD, Minister for Enterprise, Trade and Employment.

## INNOVATION AWARDS

The Innovation Awards is a new island-wide competition to find and affirm the excellence of new products, processes and management systems developed and produced in the new knowledge-based economy.

These Awards aim to recognise and reward companies that can demonstrate how innovation, in any aspect of the business, has resulted in an improved competitive position. Sponsored by InterTradelreland in association with Forfás and Invest Northern Ireland, the 2002 Awards were held in The Shelbourne Hotel, Dublin. Highlighting the importance of successful innovation in business, the 2002 winner was Ulster Carpets.

### **PLATO SME/MNE PROGRAMME**

PLATO Ireland seeks to improve linkages between SME's and MNE's North and South, as well as developing linkages between the island SME community. This initiative will be co-ordinated by PLATO and involve developing buyer/supplier relationships across the island.

### **BIOIRELAND CONFERENCE**

BioIreland 2002 took place in November and its primary aims was to promote biotechnology on the island of Ireland. It was organised in conjunction with the Irish Bioindustry Association, Centre for Innovation in BioTechnology, Conference of Heads in Irish Universities, Queen's University, Belfast, University of Ulster, Science Foundation Ireland, BioResearch Ireland, Seroba BioVentures, IBEC/CBI Joint Business Council and InterTradelreland. The Conference was addressed by the US Secretary of Health and Human Services, Tommy Thompson and was attended by delegates from across Europe and America.

### **CROSS-BORDER FUNDERS' FORUM**

InterTradelreland has been instrumental in establishing and facilitating the Cross-Border Funders Forum. The purpose of the Forum is to provide operational staff directly involved with implementing funding policies and appraising proposals, with an opportunity to discuss funding matters of mutual interest, to assist with the identification of multiple funding applications and to promote best practice.

The work of the Forum assists the following activities:

- Identification of multiple funding applications
- Avoidance of duplication of effort e.g. economic appraisals
- Signposting through directing proposers to most appropriate agency
- Identification of funding priorities
- Potential to escalate proposals on a wider basis
- Promotion of co-operation in developing proposals with an understanding of the remit of each agency

The Forum is comprised of representatives from Co-Operation Ireland, the International Fund for Ireland, InterTradelreland, Area Development Management/Combat Poverty Agency, SEUPB, Interreg and DETI.

## IRISH BENCHMARKING FORUM

The Irish Benchmarking Forum (IBF) is an organisation which has been set up to promote all-island collaboration and co-operation in the area of Benchmarking and Best Practice. All the mainstream economic development agencies on the island are represented on the Forum including Invest Northern Ireland, Shannon Development, Enterprise Ireland, Údarás na Gaeltachta, Forfás and IDA. The Forum meets in plenary session once a month under the chairmanship of InterTradelreland.

Among the Forum's activities in 2002 were:

- A major conference in October on "Improving Company Profitability through Benchmarking and Best Practice". The conference was attended by 70 delegates who heard about the benefits of benchmarking from both international experts and local case studies. Four SMEs from North and South presented their real-life experiences of benchmarking and the academic and international dimension was covered by Patrick McNamee of the University of Ulster and Daniela Magni of ECIPAR in Italy. The conference was an interactive event, providing those attending with practical advice on how benchmarking can make a direct impact on their companies' competitiveness.
- In 2002 the Irish Benchmarking Forum launched their new website at [www.irishbenchmarkingforum.com](http://www.irishbenchmarkingforum.com). The site contains information on upcoming events, case studies, links to other benchmarking sites and there are plans to have an interactive area where registered members are able to carry out a self assessment exercise to give a taste of what benchmarking is all about.
- During the year the IBF through the auspices of Invest NI and Enterprise Ireland, collated a large amount of company data sets and analysed the information using a set of agreed core metrics. This information will be published in late 2003 and will provide companies with sectoral information on an all-island basis.

## AIR FLIGHTS ADVISORY GROUP

An Air Flights Advisory Group was created in July 2002 containing representatives from Airline Companies North and South of the Island, The Chamber of Commerce Northern Ireland, Dublin Chamber of Commerce and CBI/IBEC to consider the Air Flights Report produced through an InterTradelreland research project on the potential for introducing additional cross-border air flights.

## DIGITAL ISLAND

### - Steering Group and Task Forces

The critical importance of exploiting the digital technologies is acknowledged in both jurisdictions on the island as being key to future economic development. InterTradelreland's Digital Island Initiative seeks to bring about a focused all-island approach for the fullest exploitation of digital technologies to the benefit of both economies, through identifying where all-island working can deliver increased value to all stakeholders. Three taskforces have been set up in the areas of ICT Infrastructure & Services, Government Support to Business and Electronic Business and each are bringing forward collaborative projects.

## ENTERPRISE FORUM 2002

Enterprise bodies in the North and South signed an agreement on the development of all-island trade. The agreement, in the form of a Memorandum of Understanding, was signed at the Enterprise Forum 2002 at Dublin's CityWest Hotel by the City and County Enterprise Boards and Enterprise Northern Ireland, the representative body of enterprise agencies in Northern Ireland. The Enterprise Forum brings together these groups to continue their work on implementing a tri-partite Action Plan on the most effective way to reach and improve the profitability and competitiveness of micro-enterprise. The Memorandum of Understanding declares a common commitment and formally agrees to co-operate in developing an all-island network of trade and business support for such enterprises.

## CREATIVE INDUSTRIES FORUM

The main activity was the bringing together of an overall Creative Industries Forum drawn from North and South and across the wide range of sectors coming under this heading. These activities include advertising, architecture, art, crafts, design, fashion, film, interactive leisure software, music, the performing arts, publishing, software, television and radio in close inter-relationship with tourism, hospitality, museums and galleries and the heritage sector. A recent survey of the creative industries in Northern Ireland has revealed that up to 4% of the overall workforce are involved in these activities - a similar proportion to that in the rest of the UK. A unique feature of these industries, however, is that they have more trade and business links with the South than with Great Britain. One of the main aims of this area of work in 2003 will be to address both the size and scale of these sectors in the South as well as exploring current and possible future links, North and South.

InterTradelreland research conducted during 2002 will be used to define and to validate proposals to assist North/South collaboration in the sector during 2003.

## INNOVATION NORTH WEST

InterTradelreland is providing financial support and expertise to Innovation North West, a regional partnership initiated in late 2001 by InterTradelreland, the North West office of Enterprise Ireland, the Western and North Western Offices of Invest Northern Ireland and The International Fund for Ireland. The project covers the counties of Derry, Tyrone, Fermanagh, Sligo, Leitrim and Donegal. Reflecting the developmental challenges that peripheral locations face, its purpose is to secure a sea-change in the understanding and importance given to innovation, and to enable North West Ireland to achieve its potential as a successful, competitive, and self-reliant region.

# KNOWLEDGE CARRIERS

## FOCUS

InterTradelreland's FOCUS project is the first all-island sales and marketing initiative to operate across the island of Ireland. The emphasis is on the promotion of all-island trade through identifying new market opportunities and delivering real sales for businesses on a cross-border basis.

*The initiative facilitates partnerships and projects between:*

- **Companies:** private sector businesses
- **Graduates:** degree/diploma holders graduated within the last five years
- **Sales Consultants:** experienced sales and marketing advisors

During 2002, the first 20 companies commenced the pilot phase of FOCUS. Mid-way through their projects, they have collectively secured over £650K/€1.03M of their first cross-border sales. It is estimated that this will result in a final figure of up to £1M/€1.59M on completion of all 20 projects rising to £2M/€3.18M, 3 years after completion.

***“Our initial expectations have been exceeded. We have developed a complex knowledge of the Irish market, set up new premises in Ashbourne and, most important of all, our sales have really started to take off. As well as that, we now have a full-time employee who may not have joined a small company without FOCUS.”***

*Malachy McElmeel, MD of McElmeel Mobility*

As well as securing new sales, the marketing benefits to the participating companies have been wide ranging enabling cross-border market penetration. Examples include the re-branding of company name and products, establishment of premises in the cross-border market and product modification to meet market needs in the opposite jurisdiction.

In essence, for the participating companies, FOCUS has enabled increased awareness and understanding of and presence in the all-island market.

***“Our company has found the addition of a graduate with the support of an experienced consultant the ideal way to assess the level of market opportunity in the Northern Ireland market and to understand the level of resource which needs to be dedicated to that market over the longer term.”***

*Carmel O'Carroll, MD of Image Development*

The project is also seen by the participating graduates as an important learning experience and career opportunity.

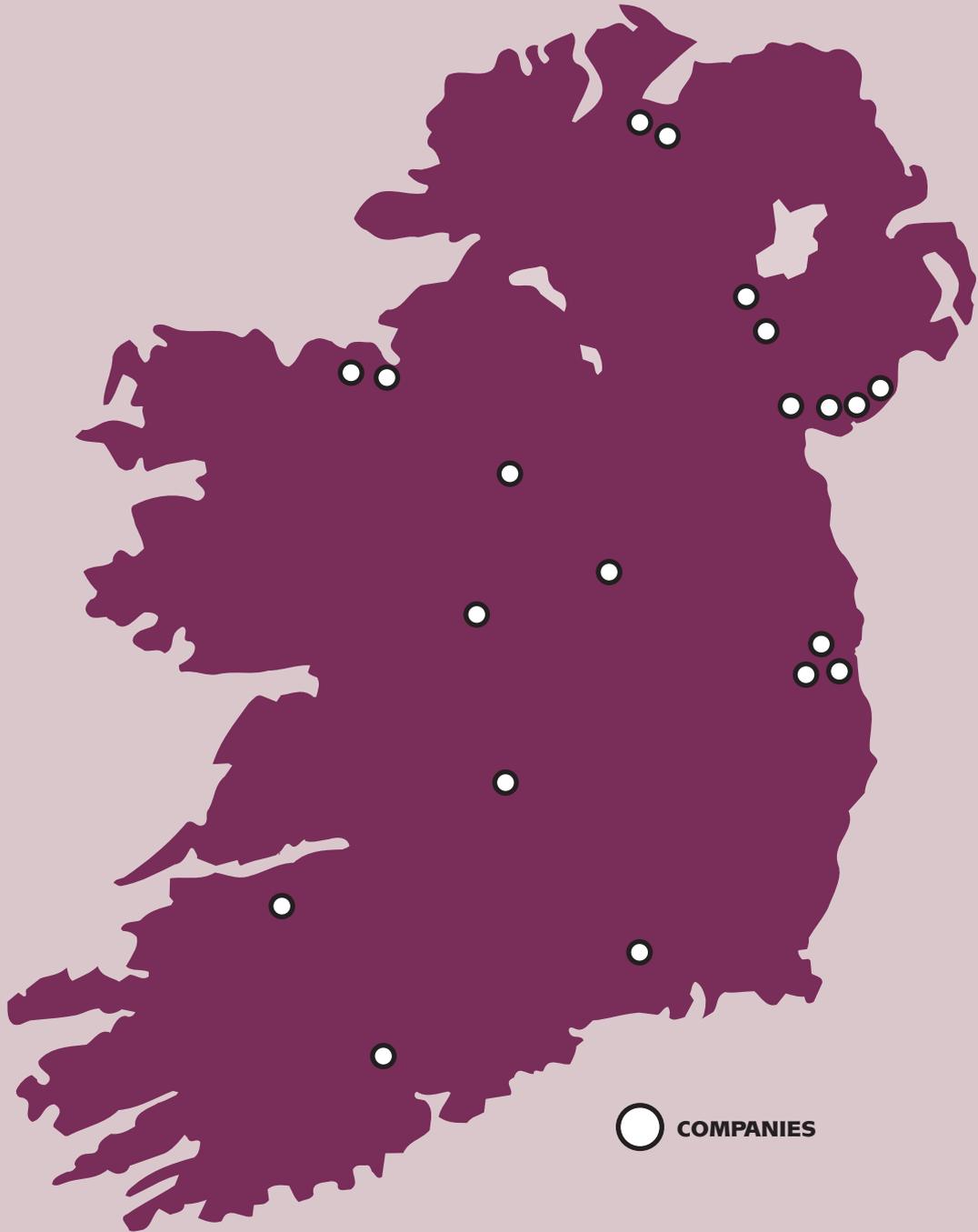
***“I like a challenge and I certainly found one on the FOCUS programme. My company has now employed me full-time. I feel that in years to come, I will look back at InterTradelreland's FOCUS programme as one of the major milestones of my career.”***

*Peadar Tobin, Graduate*

With 2002 having witnessed the success of the pilot phase of FOCUS, in 2003 work will commence on the roll-out process for the mainstream FOCUS project, incorporating the lessons learned from the pilot phase.

# FOCUS

*Delivering All-Island Sales Success*



## FUSION

InterTradeIreland's FUSION project is the first all-island network between industry and academia. The network enables knowledge and technology transfer across the island, supporting business innovation and increased capability.

*FUSION develops and supports three-way partnerships and projects between:*

- **Companies:** private sector businesses with technology-based development needs.
- **Knowledge Centres:** third level institutes such as colleges, universities, technology and research centres.
- **Graduates:** high-calibre science or technology degree/diploma holders graduated within the last 5 years.

Partnerships are driven by company need. Within each three-way project, the partners work collectively to develop and implement a solution to a technology need within the company. In 2002, the pilot phase of FUSION exceeded its initial target of 40 with a total of 49 partnerships and projects established across the island reaching from Cork to Coleraine and Galway to Dublin.

Each company is partnered with a knowledge centre with specialist expertise in the research area required. The knowledge centre provides one-to-one tailored assistance to solve the company's technology need, and a high-calibre graduate/diploma holder is employed within the company to spearhead the project. This graduate operates as the link and agent for technology transfer between the company and knowledge centre.

There have been very real outcomes and benefits for each of the participating partners during the pilot phase of the project:

*"FUSION resulted in three key outcomes for us. Firstly, it ensured that we not only remained operational by meeting EU directives on waste management but also significantly increased efficiency in our existing fish processing plant. Secondly, the work that we have carried out on FUSION has resulted in the establishment of a new spin-out company involved in composting waste product. Thirdly, it is envisaged that the FUSION graduate will lead this exciting project as manager of the composting plant."*

*Gareth Gallagher, MD of Atlanfish*

Seamus Lennon of Sligo Institute of Technology, one of the FUSION academic partners, explains the benefit to academia:

*"FUSION has enabled us to work directly with a commercial company in Northern Ireland which, we would hope, may lead to a long-term strategic partnership. This is not only an opportunity to work with industry but also to do so on a cross-border basis."*

And for the graduates, FUSION offers a fast track career development:

*"FUSION has given me the opportunity to work within a dynamic company on a specialised project. The programme has facilitated the development of my technical and business management skills. In association with the FUSION programme I am undertaking a post graduate diploma in management practice which promotes the integration of best practice theory in a genuine business environment."*

*Kathy O'Neill, Graduate*

With the successful completion of the pilot project due mid 2003, Plans are already underway to roll-out the mainstream FUSION project.

# FUSION

Knowledge Transfer Across The Island



## ACUMEN

The new all-island InterTradelreland Acumen Programme has been created during 2002 and will be launched in 2003. InterTradelreland Acumen will seek to provide participating companies with the market knowledge and practical support required to successfully break into and develop sales in the cross-border market through two main supports:

*The InterTradelreland Acumen Programme aims to create cross-border business development and growth for participating companies through two main supports:*

- The provision of carefully targeted market research and practical consultancy support.
- Financial support to individual SMEs towards the appointment of an experienced salesperson in the cross-border market.

## SUMMARY

There has been clear progress towards the achievement of InterTradelreland's Strategic Goals during 2002 through the 2002 Operating Plan projects described. This is evidenced by new knowledge being created, new partnerships established, new means of disseminating knowledge and information created and the exploitation of such knowledge and information taking place, resulting in increased trade and valuable forms of business development activity.

Our 2003 Operating Plan has been produced and approved, still with the strategic emphasis laid within our three Knowledge Domains - Knowledge Capital, Knowledge Channels and Knowledge Carriers. With the benefit of our experiences in 2002, including a better understanding of what needs to be done and a pragmatic understanding of what will deliver the optimum impact from our endeavours we have selected eight priority programme areas for 2003:

- Trade Development
- Trade Awareness
- Micro-Enterprise Support
- Business & Economic Research
- EquityNetwork
- Science & Technology
- All Island Benchmarking
- Supply Chain & Cluster Development

# COMMUNICATIONS AND CORPORATE AWARENESS

## COMMUNICATIONS

The Communications function is to provide a professional information, publicity and media management service to InterTradelreland and co-ordinate a managed programme of marketing and promotional activity for individual operational areas within the organisation and for the Body as a whole.

The available resources include the Communications personnel (manager and executive plus additional support from Corporate Services staff when required), four key service companies, agreed processes as set down in the Communications manual, a tailored Database Management tool, and the support of the whole staff team in implementing agreed Communications Plans.

The role of communications within InterTradelreland is to liaise closely with all those directly involved in delivering the outcomes set out in the current Operating Plan. This translates as providing advice and support in the development of effective communications plans for each operational area and ensuring quality control and co-ordination in the implementation of these plans.

Central to the successful delivery of the organisation's targets are the tools of information management and event co-ordination.

The main role of Communications is to further the strategic aims of the Body. The primary objective of the Communications Strategy is to facilitate the achievement of targets and the delivery of results. Central to the planning of all communications is an understanding of the legislation around equality. This refers to everything from printing publications to choosing venues for events.

*During 2002, the key achievements from the Communications team were:*

- The Official Opening of the InterTradelreland building Newry
- Appointment of key service companies to provide event management; PR; media monitoring; and advertising, design and print
- Production of an internal Communications Manual
- Media training undertaken by Board members and staff
- Production of a series of supplements with the Irish Times

## INTERTRADEIRELAND AND INFORMATION TECHNOLOGY (IT)

Throughout 2002 the InterTradelreland web site continued to be a great source of best practice, cross-border trade knowledge and valuable information to anyone visiting the site.

There are several hundred users of the Business Section, where visitors can search for a supplier, contribute to a Forum and match-make with other users.

In March 2002, [www.intertradeireland.com](http://www.intertradeireland.com) was a finalist in the BT GoldenEye awards for Best Public Sector web site. The sophisticated content management system allows InterTradelreland staff to easily update News, Events, and Publications and also drop in new sections for projects, policy development and business sectors.

The Go-Source.com web site also continued to go from strength to strength with its on-line directory of public sector organisations both North and South and guidelines to help companies do more business with the buyers.

In October 2002, InterTradelreland helped to launch the IrishBenchmarkingForum.com web site. This is another exciting addition to the island web community, and provides case studies, best practice, news and events for Benchmarking both in Ireland and abroad.

InterTradelreland have consolidated their use of the Windows 2000 operating system, and are now entirely W2K on all desktop, laptop and server systems - with a few new XP systems for good measure.

IT security has been strengthened by the introduction of upgraded firewall technology, and end user policies for use of email and internet. A Disaster Recovery solution has also been implemented to ensure that InterTradelreland can get back on-line in the event of a major incident.

InterTradelreland's adherence with software licensing regulations was also recognised by the Business Software Alliance, who presented a certificate to the IT Manager, Mr Colin Rainey.





**CALENDAR OF EVENTS**  
JANUARY TO DECEMBER 2002

# A BRIEF LOOK AT EVENTS & ACTIVITIES IN 2002

## JANUARY

**14TH LAUNCH OF SUPPLY CHAIN REPORT**

**19-22ND SHOWCASE IRELAND**

The Craft Council of Ireland's Annual National Trade Fair, which represents manufacturers from every county in the island of Ireland. InterTradeIreland sponsors the Showcase Best New Product Awards jointly with the Crafts Council of Ireland.

**RDS, DUBLIN**

This year's overall winner was Alan Ardiffe Jewellery.



L-R An Tánaiste, Ms Mary Harney TD  
Minister for Enterprise, Trade and Employment  
Alan Ardiffe - Overall Winner  
Liam Nellis - Chief Executive, InterTradeIreland

**29TH INTERTRADEIRELAND LAUNCHES ITS CORPORATE PLAN 2002-2004**

**30TH PRIVATE EQUITY AWARENESS WORKSHOP**

The first in a series of workshops this year to promote an awareness of the availability of, and benefits to, SMEs of using private equity from Venture Capitalists and Business Angels.

**UNIVERSITY COLLEGE, GALWAY**

**EquityNetwork**

*Promoting Private Equity to Accelerate Business Growth*

## FEBRUARY

- 11TH PRIVATE EQUITY AWARENESS WORKSHOP DUBLIN CITY UNIVERSITY**
- 12TH PRIVATE EQUITY AWARENESS WORKSHOP ATHLONE INSTITUTE OF TECHNOLOGY**

Addressing the delegates at the Athlone event were Dermot Berkery, General Partner of Delta Partners, one of the island's largest venture capital firms, who presented an overview of Private Equity and Chris Armstrong, joint founder and Chief Executive of 2pm Technologies, a fast growing company specialising in developing and publishing communications software applications in the mobile/wireless sector, that has benefited from using private equity.



L-R Gery Moloney, InterTradeIreland, Dermot Berkery, Delta Partners and Nick Mernagh, Enterprise Ireland at the Private Equity Awareness Seminar in Athlone.

- 13TH NORTH/SOUTH BUSINESS FORUM CANAL COURT HOTEL, NEWRY**

The first in a series of events hosted by InterTradeIreland, aimed at raising awareness of the opportunities, advantages, pitfalls and barriers involved in trading with the other jurisdiction on the island.

These events were aimed at business advisors and SMEs and InterTradeIreland were delighted to have the Law Societies in Dublin and Belfast, the Institute of Chartered Accountants in Ireland and the Ulster Society of Chartered Accountants as partners in this venture. This is the first time that all four professional bodies have co-operated on such an event.



Opening the first North/South Forum in Newry were L-R Alan Hewitt - President, Law Society Northern Ireland, Liam Nellis - Chief Executive, InterTradeIreland, Dr Martin Naughton - Chairman, InterTradeIreland

- 15TH LAUNCH OF GO-SOURCE DIRECTORY AND WEBSITE CANAL COURT HOTEL, NEWRY**

In conjunction with Enterprise Ireland and LEDU, InterTradeIreland combined resources, funding and effort to create a website and comprehensive guide to doing business with the public sector on an all-island basis.



Unlocking Government Opportunities

[www.go-source.com](http://www.go-source.com)

- 16-17TH PRIVATE EQUITY AWARENESS WORKSHOP PERSONAL ENTERPRISE ROADSHOW DKIT, DUNDALK**
- 23-24TH PRIVATE EQUITY AWARENESS WORKSHOP PERSONAL ENTERPRISE ROADSHOW MILLENIUM FORUM, DERRY/LONDONDERRY**

**27TH FAST 50 AWARDS** **O'REILLY HALL, UCD**  
 InterTradeIreland was the major sponsor of the second Annual Deloitte and Touche Fast 50 Technology Awards for Ireland.

**27TH NORTH/SOUTH BUSINESS FORUM** **WELLINGTON PARK HOTEL, BELFAST**



The key speakers at the North/South Forum held in Belfast were  
**L-R** Feargal McCormack - FPM Chartered Accountants  
 Bernard Doherty - Matheson, Ormsby, Prentice (Dublin)  
 Michael Irvine - Matheson, Ormsby, Prentice (Dublin)  
 John Hanson - Chairman, Ulster Society of Chartered Accountants  
 Rosalie Prytherch - Cleaver, Fulton, Rankin Solicitors (Belfast)  
 Stephen Cross - Cleaver, Fulton, Rankin Solicitors (Belfast)  
 Frank McCartan - BDO Stoy Hayward (Belfast)

## MARCH

**1ST OFFICIAL OPENING INTERTRADEIRELAND BUILDING** **NEWRY**  
 Over 200 guests attended the ceremony in the presence of An Tánaiste Ms Mary Harney TD, Minister for Enterprise Trade and Employment and Sir Reg Empey MLA, Minister for Enterprise Trade and Investment.



Pictured with Sir Reg Empey MLA and An Tánaiste Mary Harney TD, is Harold Ennis, Vice Chairman of InterTradeIreland and Martin Naughton, Chairman of InterTradeIreland

**5TH IRISH TIMES COMMERCIAL SUPPLEMENT**  
**SPONSORED BY INTERTRADEIRELAND 'INGENUITY UNLIMITED'.**  
 This report examined the management styles, strategies and issues most influencing Ireland's successful transition from a production-based to a knowledge-based economy in which the creation of core competitive value depends increasingly on ideas and innovation.

**6TH NORTH/SOUTH BUSINESS FORUM** **EVERGLADES HOTEL, DERRY/LONDONDERRY**

**12TH NORTH/SOUTH BUSINESS FORUM**

**SLIGO PARK HOTEL, SLIGO**

**MARCH JUDGING OF THE TRADE AWARDS 2002**

**INTERTRADEIRELAND, NEWRY**



The judges came together in Newry to agree the overall winners of the Trade Awards 2002

**12TH PRIVATE EQUITY AWARENESS WORKSHOP**

**LETTERKENNY**

**13TH PRIVATE EQUITY AWARENESS WORKSHOP**

**QUEEN'S UNIVERSITY, BELFAST**



Speaking at the Private Equity Awareness Workshop were  
**L-R** Barry Fitzsimons - Chairman, EquityNetwork  
Colin Walsh - Crescent Capital  
Hugh Cormican - Andor Technology Ltd

**19TH PRIVATE EQUITY AWARENESS WORKSHOP**

**UNIVERSITY OF LIMERICK**

**21ST PRIVATE EQUITY AWARENESS WORKSHOP**

**DUBLIN**



## APRIL

### 11TH-12TH FOCUS GRADUATES TRAINING WORKSHOP

Approximately 12 FOCUS graduates attended this two day sales and marketing workshop run by Brilliant Red Consulting.



FOCUS graduates pictured with Liam Nellis, Chief Executive InterTradelreland, Brilliant Red Consulting trainers and Julie Jordan, FOCUS Project Manager



**INTERTRADEIRELAND, NEWRY**

### 18TH-19TH AGENCY FORUM

The event brought the key economic development agencies on the island together to share experience and expertise.



L-R Dan Filter - Enterprise Ireland  
Bruce Robinson - DETI  
Dr Martin Naughton - InterTradelreland  
Paul Haran - DETE  
Tracy Meharg - Invest NI

**CITYWEST HOTEL, DUBLIN**

### 23RD-25TH IFEX 2002

InterTradelreland took a stand at this exhibition to raise awareness of the programmes available to the food industry on the island.



Liam Nellis addressing the crowd at IFEX 2002 King's Hall, Belfast where InterTradelreland had a stand

**KING'S HALL, BELFAST**

**24TH PRIVATE EQUITY CONFERENCE****RAMADA HOTEL, BELFAST**

*'An international and island perspective on current trends and future developments in venture capital'*

Among the high profile speakers at this event were Scott Malpass, University of Notre Dame, Dr Chris Horn, Iona Technologies, and Brody Sweeney, O'Briens sandwich bar.



L-R Martin Naughton – Chairman, InterTradeIreland  
Liam Nellis – Chief Executive, InterTradeIreland  
Scott Malpass – University of Notre Dame  
Harold Ennis – Vice Chairman, InterTradeIreland  
Barry Fitzsimons – Chairman, EquityNetwork  
Feargal McCormack – Board Member, InterTradeIreland

**25TH-27TH IRISH MANAGEMENT INSTITUTE ANNUAL CONFERENCE****KILLARNEY**

InterTradeIreland sponsored the keynote speaker Mr. Geoff Sachs at this event.

**28TH IRISH TIMES COMMERCIAL SUPPLEMENT 'UNDERSTANDING SCM'**

This report examined the issue of Supply Chain Management (SCM), now recognised as one of the most important sources of improved profitability and competitive edge.

**MAY****30TH ALL-ISLAND TRADE AWARDS****WATERFRONT HALL, BELFAST**

Organised in conjunction with IBEC-CBI, these awards recognise best practice in North/South trade and business development and acknowledge those who have maximised the opportunity to achieve business success by trading in both parts of the island. This year's overall winner was Graham (Dromore)Ltd.

The audience was addressed by An Tánaiste Mary Harney and the Northern Ireland Minister for Finance, Sean Farren.

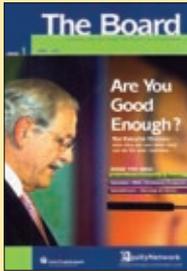


Pictured with the Overall Winners  
Award is Michael Graham of  
Graham (Dromore) Ltd

**MAY**

**LAUNCH OF 'THE BOARD'**

May saw the launch of the first edition of 'The Board', a quarterly publication produced by EquityNetwork, to promote the work of the project.



**JUNE**

**26TH**

**LAUNCH OF INNOVATION AWARDS**

**EUROPA HOTEL, BELFAST**

The Innovation Awards is a new island-wide competition to find and affirm the excellence of new products, processes and management systems developed and produced in the new knowledge-based economy.



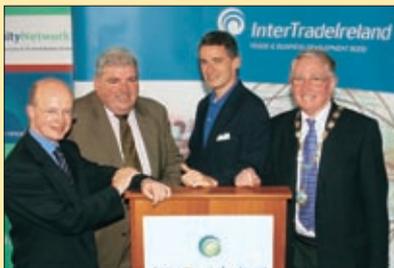
Pictured launching the Innovation Awards are Tracy Meharg, Invest Northern Ireland and Liam Nellis, InterTradeIreland

**JULY**

**18TH**

**GOVERNOR OF NEW JERSEY JAMES MCGREEVY VISITS INTERTRADEIRELAND AS PART OF A TRADE MISSION**

The Governor addressed a business audience of over 80 guests from the Newry and Mourne and surrounding areas at the InterTradeIreland offices in Newry as part of his Trade Mission to Ireland.



L-R Peter Murray, Newry Chamber of Commerce & Trade  
Feargal McCormack, InterTradeIreland  
Governor James E McGreevy (New Jersey)  
Councillor Frank Feeley, Chairman of Newry and Mourne District Council

## SEPTEMBER

- 4-6TH

**US - IRELAND SUMMIT**

The US Ireland summit provided a forum for unprecedented dialogue on key business issues both sides of the Atlantic. Chairman Martin Naughton and Chief Executive Liam Nellis attended.

**WASHINGTON, USA**
- 13TH

**JUDGING FOR DESIGN AWARDS**

**NATIONAL MUSEUM OF IRELAND, DUBLIN**
- 16TH

**INTERTRADEIRELAND ANNUAL REPORT 2001 PUBLISHED**

## OCTOBER

- 16TH

**IRISH BENCHMARKING FORUM**

*'Improving Company Profitability with benchmarking and best practice'*

The conference was the first of its kind on the island, drawing together experts in the field from Ireland and abroad as well as local entrepreneurs who have used benchmarking tools to reinvigorate their businesses. InterTradeIreland chairs the forum.

**NUREMORE HOTEL, CARRICKMACROSS**



Speaker at the Irish Benchmarking Forum  
Patrick McNamee,  
University of Ulster

**Irish Benchmarking Forum**  
www.irishbenchmarkingforum.com

17TH

**LOGISTICS IRELAND 2002 - DEVELOPING IRELAND'S COMPETITIVE EDGE**

**WATERFRONT HALL,  
BELFAST**

Sponsored by NITL, Invest Northern Ireland, InterTradeIreland and Enterprise Ireland this was the first ever All-Island conference on supply chain management. The keynote address was given by Dr Richard Wilding, Senior Lecturer in Supply Chain Management, Cranfield School of Management.



**L-R** Liam Bradley, Enterprise Ireland  
Randal Faulkner, NITL  
Prof Richard Wilding, Cranfield School of Management  
Liam Nellis, InterTradeIreland  
Leslie Morrison, Invest NI

18TH

**IDI DESIGN AWARDS**

**LEOPARDSTOWN  
RACECOURSE**

InterTradeIreland co-sponsored the sixth year of the now annual Institute of Designers in Ireland Design Awards. This year's grand prix winner was Dublin based web No 10 Company, Sharc Design.



Sharc Design  
- Grand Prix Winner  
IDI Design Awards

24-25TH

**ENTERPRISE FORUM**

**CITYWEST HOTEL, DUBLIN**

This event brought together the Enterprise Agencies in the North and County Enterprise Boards in the South to discuss the development of micro enterprise in Ireland and Northern Ireland.

# NOVEMBER

## CROSS BORDER TRADE GUIDELINES PUBLISHED



Paddy Savage, Operations Manager, InterTradeIreland with the first CBT Guidelines publication

5TH

### 1ST ANNUAL NON-EXECUTIVE DIRECTOR (NED) MEETING

The Non-Executive Directors Advisory Panel was a new initiative from EquityNetwork which brought together 50 of the island's top business people to help match SMEs with suitable non-execs and provide business advice. Derek Higgs, author of the Higgs Review on Corporate Governance, spoke at the launch.

FOUR SEASONS, DUBLIN



L-R Derek Higgs, Dr Martin Naughton, InterTradeIreland Barry Fitzsimons, EquityNetwork

13-15TH

### ALL-ISLAND BIOTECHNOLOGY CONFERENCE

The primary aim of this conference was to raise the profile of the island of Ireland as a location for the development of the Biotech sector.

ROYAL HOSPITAL, KILMAINHAM

InterTradeIreland was one of the organisers of this key event.

14TH

### EQUITYNETWORK SEMINAR

OMAGH ENTERPRISE CENTRE

26TH

### EQUITYNETWORK SEMINAR

CARLOW INSTITUTE OF TECHNOLOGY



## DECEMBER

5TH

### INTERTRADEIRELAND NETWORKING EVENT ARMAGH SUPPORTERS GOT A REAL TREAT!

NEWRY



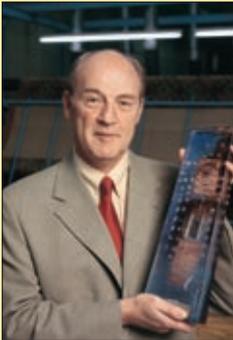
"Armagh supporters"  
(InterTradeIreland  
staff) at the December  
Networking event held  
in the Newry Office

9TH

### INNOVATION AWARDS

SHELBOURNE HOTEL, DUBLIN

Sponsored by InterTradeIreland in association with Invest Northern Ireland and Forfás. Highlighting the importance of successful innovation in business. This year's winner was Ulster Carpets.



Mr Mike Mills,  
Ulster Carpets,  
"Winner"  
Innovation Awards  
Dec 2002



- SHOWCASE IRELAND / DUBLIN
- PRIVATE EQUITY AWARENESS WORKSHOP / GALWAY
- PRIVATE EQUITY AWARENESS WORKSHOP / DUBLIN
- PRIVATE EQUITY AWARENESS WORKSHOP / ATHLONE
- NORTH/SOUTH BUSINESS FORUMS / NEWRY
- LAUNCH GO-SOURCE / NEWRY
- PRIVATE EQUITY AWARENESS WORKSHOP / DUNDALK
- PRIVATE EQUITY AWARENESS WORKSHOP / DERRY/LONDONDERRY
- FAST 50 AWARDS / DUBLIN
- N/S BUSINESS FORUMS / BELFAST
- INTERTRADEIRELAND OFFICIAL OPENING / NEWRY
- N/S BUSINESS FORUM / DERRY/LONDONDERRY
- N/S BUSINESS FORUM / SLIGO
- PRIVATE EQUITY AWARENESS WORKSHOP / LETTERKENNY
- PRIVATE EQUITY AWARENESS WORKSHOP / BELFAST
- PRIVATE EQUITY AWARENESS WORKSHOP / LIMERICK
- PRIVATE EQUITY AWARENESS WORKSHOP / DUBLIN
- FOCUS GRADUATES TRAINING / NEWRY
- AGENCY FORUM / DUBLIN
- IFEX 2002 / BELFAST
- PEC 02 / BELFAST
- TRADE AWARDS / BELFAST
- IBF / CARRICKMACROSS
- LOGISTICS IRELAND / BELFAST
- IDI DESIGN AWARDS / LEOPARDSTOWN RACECOURSE
- ENTERPRISE FORUM / CITYWEST DUBLIN
- NED MEETING / DUBLIN
- BIOTECH CONFERENCE / KILMAINHAM
- EQUITYNETWORK SEMINAR / OMAGH
- EQUITYNETWORK SEMINAR / CARLOW
- INNOVATION AWARDS / DUBLIN
- EQUITYNETWORK SEMINAR / CORK



AUDITED ACCOUNTS

# AUDITED ACCOUNTS

## FOREWORD TO THE ACCOUNTS

### Background Information

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InterTradeIreland - 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 1999 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

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A full review of the Trade and Business Development Body's activities is given on pages 1 to 53 of the Annual Report.

### Results for the Financial Period 1 January 2002 - 31 December 2002

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The results of the Trade and Business Development Body are set out in detail on page 60. The deficit for the period was **£716,303 (€1,139,709)**.

### Fixed Assets

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Details of movement of fixed assets are set out in note 8 to the accounts.

### Research and Development

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The Body has not participated in any scientific or technological research and development activities over the year. However, it was involved in economic and business related research.

### Future Developments

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During 2003 the Body will continue to implement its 2002-2004 Corporate Plan. This will entail extensive activity in its three principal domains - Knowledge Capital, Knowledge Carriers and Knowledge Channels. Examples of specific activities include, hosting and promoting business events such as another EquityNetwork Conference, further developing its Focus and Fusion projects and commissioning and conducting economic and business research.

## Important Events Occuring After the Year End

There have been no significant events since the year end 31st December 2002, which would affect these accounts

## Charitable Donations

The Trade and Business Development Body paid £600 to the Northern Ireland Leukaemia Research Fund in order for ten invited guests with different business and related backgrounds to attend a formal event and avail of the business networking opportunity it presented.

## Board Members

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

Dr Martin Naughton (Chairman)  
 Dr Harold Ennis (Vice Chairman)  
 Duke of Abercorn  
 Ms Mary Ainscough  
 Ms Mary Breslin  
 Mr Barry Fitzsimons  
 Ms Jackie Harrison  
 Mr Carl McCann  
 Mr Feargal McCormack  
 Dr Inez McCormack  
 Mr Kieran McGowan  
 Mr Robbie Smyth

Mr Kieran Mc Gowan, Dr Harold Ennis and the Duke of Abercorn retired on the 12th December 2002. Dr Trefor Campbell, Mr Jack Gilmour and Mr John Fitzgerald were appointed on the 13th December 2002, together with the other Board members for a period of three years.

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

InterTradeIreland has developed 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) are 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 recently won the William Keown Access Award 2002. Currently none 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 has been actively working to implement its action plans and comply with its statutory responsibilities. In May 2002 InterTradeIreland held a consultation meeting with umbrella groups on implementing its Equality Scheme responsibilities. This was facilitated by the Committee on the Administration of Justice and proved a very beneficial exchange of ideas with a number of the recommendations made taken forward by the Body.

## Employee Involvement

The Trade and Business Development Body does not have a trade union with negotiating rights. Staff, however, are consulted at all times as new procedures and policies are developed and they have an opportunity to contribute or comment.

## 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 Irish Prompt Payments Act 1997. Unless otherwise stated in the contract, payment is due within 30 or 45 days, as appropriate, of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. Ninety three percent of all approved invoices were paid within the relevant period.

A system was introduced during 2002 to review compliance with the prompt payment regulation.

## Health and Safety Policy

InterTradeIreland is in the process of developing a Health & Safety Policy and Procedures for the organisation. Procedures for evacuation and security arrangements are in place for the Body and regular drills and tests are carried out. First aid staff and fire wardens have been appointed and received necessary training.

**Liam Nellis**  
**Chief Executive 2003**

## STATEMENT OF RESPONSIBILITIES

### Trade and Business Development Body Responsibilities

The Department of Enterprise Trade and Employment and the Department of Enterprise Trade and Investment have directed the Trade and Business Development Body to prepare a statement of accounts for each financial year 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 financial year.

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

- Observe the accounts direction issued by the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is appropriate to presume that the Trade and Business Development Body will not 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 2003

### Statement on Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Trade and Business Development Body policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and Trade and Business Development Body's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The system of internal control is designed to manage rather than eliminate the 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 the principal risks to the

achievement of the Trade and Business Development Body's policies, aims and objectives, to evaluate the nature and extent to those risks and to manage them efficiently, effectively and economically. I expect to have the procedures fully embedded, per DFP guidance by December 2003. This takes account of the time needed to fully embed the processes which the Trade and Business Development Body has agreed should be established and improve their robustness.

We have carried out appropriate procedures to ensure that we have identified the Trade and Business Development Body's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Trade and Business Development Body has set out its attitude to risk to the achievement of the Trade and Business Development Body's objectives.

The Board 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 which is currently underway, will be completed and reviewed before reporting on the year ending 31 December 2003. Risk management has been incorporated more fully into the corporate planning and decision making processes of the Trade and Business Development Body.

The Board receives periodic reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

Following the identification of the Trade and Business Development Body's key objectives and risks, further work has been done to bring more consistency in the way in which the Trade and Business Development Body treats risks.

In addition to the actions mentioned above, in the coming year the Trade and Business Development Body plans to:-

- Regularly review and update the record of risks facing the organisation;
- Set up a system of key performance and risk indicators;
- Develop and maintain an organisation-wide risk register.

The Trade and Business Development Body has outsourced the Internal Audit function which operates to appropriate standards. Internal Audit submit an annual report which includes their independent opinion on the adequacy and effectiveness of the Trade and Business Development Body's system of internal control together with recommendations for improvement.

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.

**Liam Nellis**  
Chief Executive 2003

## TRADE AND BUSINESS DEVELOPMENT BODY

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

We have audited the accounts on pages 60 to 73. Our audit has been carried out 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 financial statements presented to us by the Body.

### Respective Responsibilities of the Board, the Chief Executive and the Auditors

The responsibilities of the Board of the Body and the Chief Executive, including those pertaining to the preparation of the financial statements and the regularity of financial transactions are set out in the Foreword to the Accounts on pages 56 to 59 and the Statement of the Board's and the Chief Executive's responsibilities on page 58. It is our responsibility to audit the accounts. As a result of our audit we express an opinion on the accounts.

We review whether the statement on page 59 reflects the Body's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We also report if, in our opinion, the Foreword or other information in the Annual Report is not consistent with the accounts.

### Basis of Opinion

We conducted our Audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the accounts. It also includes an assessment of the significant estimates and judgments made by the Board and Chief Executive in the preparation of the accounts, and of whether the accounting policies are appropriate to the Body's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in material respects, the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and Dáil Éireann and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the accounts.

We have obtained all the information and explanations which were necessary for the purposes of our audit.

### Opinion

In our opinion:

- Proper accounting records have been kept by the Body and the accounts, which are in agreement with them, give a true and fair view of the state of affairs of the Body at 31st December 2002 and of its transactions, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the accounts direction issued under the governing legislation.
- In all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly, Parliament and Dáil Éireann and the financial transactions conform to the authorities which govern them.

**J. M. Dowdall**  
Comptroller and Auditor  
General for Northern Ireland  
106 University Street  
Belfast  
BT7 1EU  
16 June 2003

**John Purcell**  
Irish Comptroller  
and Auditor General  
Dublin Castle  
Dublin 2  
16 June 2003

## Income and expenditure account for Financial Period 1 January 2002 - 31 December 2002

	Notes	2002 £	2001 £	2002 €	2001 €
<b>INCOME</b>					
Revenue Grants from Departments	2	4,346,495	2,658,697	6,915,707	4,276,525
Capital Grant Release	11.B	114,191	95,351	181,690	153,373
Other Operating Income	3	21,750	9,742	34,607	15,669
<b>TOTAL INCOME</b>		<b>4,482,436</b>	<b>2,763,790</b>	<b>7,132,004</b>	<b>4,445,567</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration*	4	1,173,851	912,800	1,867,714	1,468,242
Depreciation	8	114,191	95,351	181,690	153,372
Other Operating Costs	6	886,010	971,644	1,409,730	1,562,893
Programme costs	7	3,024,687	787,939	4,812,579	1,267,403
		<b>5,198,739</b>	<b>2,767,734</b>	<b>8,271,713</b>	<b>4,451,910</b>
<b>Surplus/(Deficit) for the period</b>		<b>(716,303)</b>	<b>(3,944)</b>	<b>(1,139,709)</b>	<b>(6,343)</b>
<b>Surplus/(Deficit) transferred to General Fund</b>		<b>(716,303)</b>	<b>(3,944)</b>	<b>(1,139,709)</b>	<b>(6,343)</b>

\* This item of expenditure has been re-stated for 2001. See note 4c.

The Body has no recognised gains or losses other than the results for the period as set out above.

All amounts above relate to continuing activities.

The notes on pages 63 to 73 form part of these accounts.

**Balance Sheet as at 31 December 2002**

	Notes	2002 £	2001 £	2002 €	2001 €
<b>FIXED ASSETS</b>					
Tangible Assets	8	260,154	353,247	399,493	580,489
<b>CURRENT ASSETS</b>					
Debtors	9	53,655	39,627	82,393	65,117
Cash at bank and in hand		102,638	268,334	157,610	440,951
		152,293	307,961	240,003	506,068
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year*	10	952,674	388,039	1,462,926	637,664
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(796,381)</b>	<b>(80,078)</b>	<b>(1,222,923)</b>	<b>(131,596)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(536,227)</b>	<b>273,169</b>	<b>(823,430)</b>	<b>448,893</b>
Creditors - amounts due in more than one year					
Deferred Income	-	-	-	-	-
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>(536,227)</b>	<b>273,169</b>	<b>(823,430)</b>	<b>448,893</b>
<b>Financed by:</b>					
<b>CAPITAL AND RESERVES</b>					
General Fund	11.A	(796,381)	(80,078)	(1,222,923)	(131,395)
Capital Grant Reserve	11.B	260,154	353,247	399,492	580,488
		<b>(536,227)</b>	<b>273,169</b>	<b>(823,430)</b>	<b>448,893</b>

\* This item of expenditure has been re-stated for 2001. See note 4c.

Liam Nellis  
Chief Executive  
2003

The notes on pages 63 to 73 form part of these accounts.

## Cash Flow Statement for the year 1 January 2002 - 31 December 2002

	Notes	2002 £	2001 £	2002 €	2001 €
<b>OPERATING ACTIVITIES</b>					
Net cash inflow/(outflow) from Operating Activities	12.1	(174,957)	83,500	(297,561)	134,309
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire Tangible Fixed Assets		(11,837)	(294,775)	(18,178)	(474,146)
<b>DISPOSAL PROCEEDS</b>					
<b>FINANCING</b>					
Grant Received for Capital Purposes	8	21,098	294,775	32,398	474,146
<b>Increase/(Decrease) in Cash</b>		<b>(165,696)</b>	<b>83,500</b>	<b>(283,341)</b>	<b>134,309</b>

The notes on pages 63 to 73 form part of these accounts.

# NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2002

## 1. ACCOUNTING POLICIES

### 1.1. Accounting Convention

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

Without limiting the information given, the financial statements are prepared on an accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Irish Companies' Acts 1963 to 2001, 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 the Department of Finance, insofar as those requirements are appropriate.

### 1.2. Fixed Assets

a) Tangible Fixed Assets are included at cost or valuation to the body

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:

Office Equipment	15% straight line
Fixtures & Fittings	15% straight Line
Computer Equipment	33.33% straight line

c) A capitalisation threshold of £500 has been applied in the accounts during 2002.

### 1.3. Pension Costs

During the period, some of the staff employed by the Body were on secondment. The first permanent staff member commenced employment from April 2001. The seconded staff all remained members of their respective pension schemes and the Trade and Business Development Body reimbursed their employers. The Department of Finance and Personnel, the Department of Finance and the Government Actuaries Department have been preparing a new pension scheme specifically for North/South implementation bodies. Although work on the new scheme is fairly advanced it is unlikely to be available to permanent staff until late in 2003.

### 1.4. Value Added Tax

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

### 1.5. Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the Balance Sheet date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income and Expenditure Account. Translated amounts have been disclosed in the Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and the related notes in EUROS €.

The rate used for the Balance was £1=€1.5356 and the rate used for the Income and Expenditure was £1=€1.5911.

### 1.6. 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.

### 1.7. Leases

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

## 2. GRANT FROM THE DEPARTMENTS

### 2.1 Financial Period 1 January 2002 - 31 December 2002

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	1,426,614	2,290,863	2,919,881	4,624,844	4,346,495	6,915,707
Capital Grant	7,033	10,799	14,065	21,599	21,098	32,398
	1,433,647	2,301,662	2,933,946	4,646,443	4,367,593	6,948,105

### 2.2 Financial Period 1 January 2001 - 31 December 2001

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	880,041	1,415,548	1,778,656	2,860,977	2,658,697	4,276,525
Capital Grant	98,258	158,049	196,517	316,119	294,775	474,168
	978,299	1,573,597	1,975,173	3,177,096	2,953,472	4,750,693

The Body was paid grants from money voted by the Northern Ireland Assembly and Dáil Éireann. The NSMC, with the approval of the Finance Ministers, recommended that the grants should be split on a 2:1 basis - DETE (2) and DETI (1). The grants were paid from money appropriated by the Appropriation (Northern Ireland) Order 1999 and from money voted by Dáil Éireann.

### 3. OTHER OPERATING INCOME in Financial Period 1 January 2002 - 31 December 2002

Other operating income comprises:

	2002 £	2001 £	2002 €	2001 €
Bank interest received	13,519	9,742	21,510	15,669
Conference Income	8,231	-	13,097	-
	<b>21,750</b>	<b>9,742</b>	<b>34,607</b>	<b>15,669</b>

#### 4. STAFF COSTS AND BOARD REMUNERATION in Financial Period 1 January 2002 - 31 December 2002

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

2002	2001
32	25

It should be noted that the average monthly number of employees includes new staff that were recruited during the year, together with the secondees, from different Departments. Some of these secondees have now returned to their own Departments.

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

	2002 £	2001 £	2002 €	2001 €
Staff Costs	1,006,567	781,048	1,601,548	1,256,323
Social Security costs	73,606	30,169	117,114	48,527
Pension costs	38,919	45,847	61,924	73,740
<b>Total Staff Cost</b>	<b>1,119,092</b>	<b>857,064</b>	<b>1,780,586</b>	<b>1,378,590</b>
Board Remuneration	51,600	51,600	82,101	82,999
Board Social Security costs	3,159	4,136	5,027	6,653
<b>Total Board Cost</b>	<b>54,759</b>	<b>55,736</b>	<b>87,128</b>	<b>89,652</b>
<b>Total Board and Staff Cost</b>	<b>1,173,851</b>	<b>912,800</b>	<b>1,867,714</b>	<b>1,468,242</b>

(c) Staff Costs in 2001 have been re-stated because of the removal of the pension accrual, this is in accordance with the guidelines issued in the production of these accounts.

(d) Number of employees whose emoluments (including pension contributions) for the twelve month ending 31st December 2002 fell within the following bands:

£40,000 - 49,999	2
£50,000 - 59,999	Nil
£60,000 - 69,999	2

(e) The Interim Chief Executive's emoluments including pension scheme contributions were as follows:

2002 £	2001 £	2002 €	2001 €
67,210	64,330	106,938	103,475

The Chief Executive's total emoluments of £67,210 comprise a salary of £57,200 and pension contributions of £10,010. In the event of premature loss of office, the Chief Executive would return to NICS. His contract is for a period of 5 years starting from 27 October 2000. The Chief Executive is a member of PCSPS (NI) Civil Service Superannuation Scheme.

(f) The total emoluments of the Board members (including the Chairman) were as follows:

2002 £	2001 £	2002 €	2001 €
51,600	51,600	82,101	82,999

(g) Number of Board members whose emoluments fell within the following bands:

	2002	2001
Nil - £4,999	10	10
£5,000 - £9,999	2	2
£10,000 - £14,999	-	-

(h) The Chairman's emoluments (excluding pension contributions) amounted to £6,400

## 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 Period 1 January 2002 – 31 December 2002

	2002 £	2001 £	2002 €	2001 €
Travel and Subsistence	74,827	57,038	119,058	91,746
Publications	47,142	87,289	75,007	140,405
Postage, Stationery, Telephone	82,457	59,020	131,198	94,935
Currency Losses	6,405	12,319	10,191	19,814
Rent and Rates	165,813	67,225	263,825	108,131
Heat, Light and Power	16,175	10,470	25,736	16,842
Maintenance	8,173	26,527	13,004	42,670
Promotion	113,737	82,168	180,967	132,167
Professional Fees	46,380	109,805	73,795	176,622
Meeting Costs	2,860	7,837	4,550	12,606
Auditor's Remuneration	28,226	14,113	44,910	22,700
Legal	1,175	-	1,870	-
Recruitment Costs	91,104	145,746	144,955	234,432
Insurance	16,485	7,901	26,229	12,709
Office Expenses	7,371	18,083	11,728	29,086
Computer Expenses	71,072	112,473	113,083	180,912
Non-Capitalised Costs of Assets Purchased	21,373	99,235	34,007	159,620
Research Material	-	20,313	-	2,673
Training	16,085	14,141	25,593	22,746
General Expenses	5,784	10,866	9,203	17,479
Bank Charges	236	216	375	348
Hosting Costs	16,453	-	26,178	-
Cleaning	17,897	-	28,476	-
Security Costs	22,594	-	35,949	-
Equipment Hire	6,186	8,859	9,843	14,250
<b>TOTAL</b>	<b>886,010</b>	<b>971,644</b>	<b>1,409,730</b>	<b>1,562,893</b>

## 7. PROGRAMME COSTS in Financial Period 1 January 2002 – 31 December 2002

	2002 £	2001 £	2002 €	2001 €
<b>7.1 InterTradeIreland Costs</b>				
Agency Forum		35,223		56,657
All Island Research & Statistics	199,203	9,715	316,953	15,627
Awards	248,114	66,337	394,773	106,703
Changing Face of Public Purchasing	155,534	73,159	247,470	117,676
E-Commerce	117,944	35,157	187,660	56,550
Entrepreneurship	100,023	10,000	159,147	16,085
Equity/Venture Capital	637,943	113,391	1,015,031	182,388
Events	79,463		126,434	
Focus	168,276	85,023	267,744	136,760
Fusion	273,412	143,586	435,027	230,959
North/South Pilot Placement (All-Island Knowledge Transfer)		48,004		77,215
Transport and Logistics Project		78,300		125,945
Primary Alliances	125,288		199,345	
Skills Availability	26,555	7,931	42,252	12,757
SME Business Development	337,262	36,642	536,617	58,939
Supply Chain	82,984		132,036	
Acumen	5,791		9,214	
Other	15,625	45,471	24,861	73,142
<b>7.2 Financial Assistance to Other Organisations</b>				
Focus	199,734		317,796	
Fusion	251,536		400,219	
<b>TOTAL</b>	<b>3,024,687</b>	<b>787,939</b>	<b>4,812,579</b>	<b>1,267,403</b>

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.

## 8. FIXED ASSETS in Financial Period 1 January 2002 – 31 December 2002

	FIXTURES & FITTINGS £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	TOTAL £
<b>Cost or Valuation</b>				
At 1st January 2002	182,975	74,860	243,525	501,360
Additions	11,826	3,040	6,232	21,098
Disposals				
At 31 December 2002	194,801	77,900	249,757	522,458
<b>Depreciation</b>				
At 1st January 2002	7,146	22,850	118,117	148,113
Provision for Year	27,325	8,641	78,225	114,191
Disposals				
At 31st December 2002	34,471	31,491	196,342	262,304
<b>Net Book Value at 31/12/02</b> £	160,330	46,409	53,415	260,154
€	246,202	71,266	82,025	399,493
<b>Net Book Value at 31/12/01</b> £	175,829	52,010	125,408	353,247
€	288,939	85,468	206,082	580,489

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

	2002 £	2001 £	2002 €	2001 €
Government Grants	Nil	Nil	Nil	Nil
Other Grants	Nil	Nil	Nil	Nil
Trade Debtors	159		245	
Prepayments and accrued income	53,496	39,627	82,148	65,117
<b>Total</b>	53,655	39,627	82,393	65,117

## 10. CREDITORS

### 10.1 Creditors (amounts falling due in less than one year)

	2002 £	2001 £	2002 €	2001 €
Trade Creditors	528,088	311,529	810,932	511,935
Accruals	424,586	76,510	651,994	125,729
<b>Total</b>	<b>952,674</b>	<b>388,039</b>	<b>1,462,926</b>	<b>637,664</b>

### 10.2 Creditors (amounts falling due in more than one year)

	2002 £	2001 £	2002 €	2001 €
Trade Creditors	Nil	Nil	Nil	Nil

## 11. RESERVES

### 11.A General Fund

General Fund	2002 £	2001 £	2002 €	2001 €
General Fund Opening Balance	(80,078)	(76,134)	(212,057)	(123,671)
Surplus/(Deficit) for the period	(716,303)	(3,944)	(1,139,709)	(6,343)
Difference on Foreign Exchange Translation	-	-	128,843	(1,581)
<b>General Fund Closing Balance</b>	<b>(796,381)</b>	<b>(80,078)</b>	<b>(1,222,923)</b>	<b>(131,595)</b>

### 11.B Capital Grant Reserve

Capital Grant Reserve	2002 £	2001 £	2002 €	2001 €
Opening Balance	353,247	153,823	580,489	249,867
Capital Grants Received	21,098	294,775	32,398	474,146
Less: Transfer to Income & Expenditure	(114,191)	(95,351)	(181,690)	(153,373)
Proceeds on Sale	-	-	-	-
Difference on Foreign Exchange Translation	-	-	(31,704)	9,848
<b>Capital Grant Reserve Closing Balance</b>	<b>260,154</b>	<b>353,247</b>	<b>399,493</b>	<b>580,488</b>

## 12. NOTES TO CASH FLOW STATEMENT

### 12.1 Reconciliation of surplus/(deficit) for the Financial Period 1 January 2002 - 31 December 2002 to net cash inflow from operating activities

	2002 £	2001 £	2002 €	2001 €
(Deficit) for the year	(716,303)	(3,944)	(1,139,709)	(6,343)
<b>Adjustment for non cash transactions</b>				
Depreciation	114,191	95,351	181,690	153,372
Transfer from Capital Grant Reserve	(114,191)	(95,351)	(181,690)	(153,372)
<b>Adjustments for movemetns in working capital</b>				
(Decrease)/Increase in debtors	(14,028)	552,402	(17,274)	896,561
(Decrease)/Increase in creditors	555,374	(464,958)	811,041	(746,222)
Difference on Foreign Exchange Translation			48,381	(9,687)
<b>Net cash inflow from operating activities</b>	<b>(174,957)</b>	<b>83,500</b>	<b>(297,561)</b>	<b>134,309</b>

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

	2002 £	2001 £	2002 €	2001 €
Cash at Bank and in hand at 1 January 2002	268,334	184,834	440,951	300,240
Net Cash Outflow	(165,696)	83,500	(283,341)	134,309
Difference on Foreign Exchange Translation				6,402
Cash at Bank and in hand at 31 December 2002	102,628	268,334	157,610	440,951

### 13. CAPITAL COMMITMENTS

#### 13.1 Capital commitments at 31 December 2002 for which no provision has been made

	£
Contracted	Nil
Authorised but not contracted	Nil
<b>Total</b>	<b>Nil</b>

#### 13.2 Other Commitments

	<b>2,321,463</b>
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The commitment relates mainly to letters of offer which were issued prior to the year end in relation to FOCUS, FUSION and some other programmes.

### 14. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2002

### 15. 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.

Mr Feargal McCormack (a board member of the Trade and Business Development Body) provided Consultancy Services. The total amount due was £4,817.50 (Incl VAT). This was invoiced from FPM, Chartered Accountants, an accountancy practice in which Mr Feargal McCormack is the senior partner.

None of the board members of the key management staff has undertaken any material transactions with the Trade and Business Development Body during the financial period 1 January 2002-31 December 2002.

### 16. OBLIGATIONS UNDER LEASES

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

Operating Leases which expire	Land & Buildings				Other			
	2002 £'000	2002 €'000	2001 £'000	2001 €'000	2002 £'000	2002 €'000	2001 £'000	2001 €'000
Within one year								
In two to five years					4	6	4	6
Over five years	159	244	159	262				
<b>TOTAL</b>	<b>159</b>	<b>244</b>	<b>159</b>	<b>262</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>

### 17. LOSSES AND SPECIAL PAYMENTS

There has been no losses and special payments.

## APPENDIX A

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### InterTradeIreland

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

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

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

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

Signed by authority of the:

Department of Enterprise,  
Trade and Investment

**A W Hamilton**

Department of Enterprise,  
Trade and Employment

**Ronald Long**

Dated 21 June 2001