

FORFÁS ANNUAL REPORT 2014

(1 JANUARY – 31 JULY 2014)

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Introduction

Forfás was the national policy advisory board for enterprise, trade, science, technology and innovation and was an agency of the Department of Jobs, Enterprise and Innovation (DJEI) up to end July 2014, the date of its dissolution, in accordance with the provisions of the Industrial Development (Forfás Dissolution) Act 2014. On the dissolution of Forfás as a separate legal entity, its policy research capability was integrated into the Department of Jobs, Enterprise and Innovation, the Irish National Accreditation Board (a division of Forfás) was transferred to the Health and Safety Authority and other functions and responsibilities were transferred to other bodies. In this context, this report represents the final Annual Report of Forfás, in respect of the period 1 January 2014 to 31 July 2014.

About Forfás

Forfás was the national policy advisory board for enterprise, trade, science, technology and innovation. In addition to its primary policy analysis and advisory functions, Forfás activities in 2014 also included delivering accreditation services through the Irish National Accreditation Board and certain shared corporate services to IDA Ireland, Enterprise Ireland, Science Foundation Ireland and Forfás itself.

Work Programme January - July 2014

Forfás developed detailed business plans for 2014 which set out its key policy priorities, accreditation activities and other work programme items. On transfer to other legal entities, these business plans became part of the work plans of those entities for the remainder of 2014.

Policy Analysis and Advice

As an agency of the Department of Jobs, Enterprise and Innovation (DJEI), Forfás continued to work closely with DJEI and Forfás' sister agencies, Enterprise Ireland, IDA Ireland and Science Foundation Ireland, to ensure the coherence of policies across the enterprise development agencies in support of enterprise growth and job creation over the period covered by this report.

Forfás provided the Minister for Jobs, Enterprise and Innovation, DJEI and Government with independent policy advice in a range of policy areas from an enterprise perspective. Many of the policy areas which impacted on enterprise were within the Minister's brief, while responsibility for others resided with other Ministers and Departments, requiring Forfás to work across Government Departments and agencies. These included the preparation of the combined enterprise agency pre-Budget submission and inputs to reviews on a number of taxation measures by the Department of Finance in 2014. Forfás also completed analyses from an enterprise and competitiveness perspective of key infrastructure investment and regulatory issues, including in the areas of transport, energy and environmental services.

As well as ongoing policy research work, Forfás provided the Minister and DJEI with responsive, real-time policy advice on a broad range of emerging issue such as in the areas of Big Data and Data

Analytics and Innovation in Services and Business Processes. Forfás also supported DJEI in the promotion and implementation of its advice.

Forfás managed the work of, and provided research and analytical support to, the National Competitiveness Council, the Expert Group on Future Skills Needs and the Research Prioritisation Action Group. Forfás also worked closely with DJEI and the Department of Education and Skills on the implementation of the ICT Skills Action Plan. Forfás continued to support the work of the Export Trade Council and contributed to the review of *Ireland's Trade, Tourism and Investment Strategy*, led by the Department of Foreign Affairs and Trade.

Forfás had a policy coordination role in relation to the functions of its sister agencies, Enterprise Ireland, IDA Ireland and Science Foundation Ireland. Forfás completed the *2013 Employment Survey* of the agency-assisted client base. Forfás also completed a number of evaluations of enterprise policy interventions including the business development and mentoring programmes of the agencies.

Forfás policy advice in 2014 addressed four overarching policy areas of critical importance to the success of enterprise in Ireland.

Enterprise	Supporting the development of sustainable enterprises and jobs
Knowledge & Innovation	Making research and technology work for business and Ireland
Competitiveness	Ensuring Ireland is a good place to do business
People	Building a highly skilled, talented and flexible labour force

During 2014 Forfás continued to provide high quality, evidence based policy advice and recommendations to Government, which included a central role in the policy making process and playing a lead role in the preparation of the *Action Plan for Jobs 2014* and delivering on a number of the actions contained in the Action Plan. Initiatives undertaken included the tendering for an integrated licensing application system for business with the Local Government Management Agency and DJEI.

Other policy work conducted in 2014 included work towards the development of a Medium Term Enterprise Strategy to 2025 and the DJEI FDI Policy Statement and publication of the following reports, based on research and analysis carried out by Forfás:

- *Ireland's Competitiveness Scorecard 2014 (National Competitiveness Council);*
- *Review of Business Mentoring Services in Ireland;*
- *National Research Prioritisation Exercise, First Progress Report;*
- *Assessing the Demand for Big Data and Analytics (Expert Group on Future Skills Needs);*
- *Assessment of Publically Funded Research;*
- *Development and Innovation Supports for Innovation in Services and Business Processes;*
- *Evaluation of Enterprise Supports for Research, Development and Innovation;*
- *Evaluation of Enterprise Supports for Start Up and Entrepreneurship;*
- *Annual Employment Survey;*
- *Costs of Doing Business In Ireland 2014 (National Competitiveness Council);*

- *Innovation in Agency Supported High Growth Firms in Ireland;*
- *Survey of Economic Impact;*
- *Consumer Costs and Inflation; and*
- *Guidance for Higher Education Providers of Current and Future Skills Needs of Enterprise - Springboard 2014.*

Non-Policy Activity

Whilst Forfás' primary function was to conduct policy research and deliver policy advice, it also carried out a number of other significant functions in 2014.

Accreditation

The Irish National Accreditation Board (INAB) is the designated national body with sole responsibility for accreditation in Ireland and is a sub-board and division of Forfás.

It has responsibility for the accreditation of laboratories, certification bodies and inspection bodies. It is Ireland's only signatory to the multilateral agreements (MLAs) for Europe through the European co-operation for Accreditation (EA) and worldwide through the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF).

It provides accreditation in accordance with the relevant International Organisation for Standardisation ISO 17000 series of standards and guides and the harmonised EN 45000 series of European standards.

INAB is the sole national accreditation body for Ireland under Regulation 765/2008 which provides a legal framework for the provision of accreditation services across Europe.

Accreditation plays an important role in guaranteeing the access of Irish products and services to both EU and worldwide markets. During 2014 INAB continued to experience growth in demand for its services across all programmes. Demand for accreditation of medical testing laboratories continues to grow as does accreditation of bodies certifying food schemes.

INAB underwent a successful international peer evaluation in 2014, which confirmed continued MLA (Multilateral recognition agreement) signatory status and extended the MLA for recognition of verification body accreditation status for the GHG (Green House Gases) Emissions Trading Scheme. The peer evaluation comprised a team of 7 accreditation body experts undertaking a week long evaluation of INAB and its accreditation programmes (35 man days) against mandatory ISO 17011 and EU Reg 765/2008 requirements. This successful international peer evaluation ensures that INAB accredited clients outputs are recognised and accepted internationally.

Corporate and Shared Services

Forfás shared corporate services staff continued to provide important and efficient services to IDA Ireland, Enterprise Ireland and Science Foundation Ireland up to the end of July 2014. These included aspects of financial and accounting services, human resources, pensions, coordination of corporate insurances and management of a Freedom of Information network for the enterprise agencies and some other public bodies.

In anticipation of the dissolution of Forfás and the transfer of its responsibilities to other bodies, responsibility for facilities and property management and certain other internal services, and associated staff, had already transferred from Forfás to IDA Ireland in July 2013.

Pensions Management

As legal employer of staff across the development agencies (Enterprise Ireland, IDA Ireland and Science Foundation Ireland and some staff members of the National Standards Authority of Ireland (NSAI)), Forfás centrally managed the pension schemes of Forfás itself and its preceding organisations¹, the associated pension compliance obligations and related staff benefits and insurance schemes. All pension benefits arising for retiring and retired staff of IDA Ireland, Enterprise Ireland, Science Foundation Ireland and Forfás, as well as their preceding organisations, were paid on an ongoing basis by Forfás.

Dissolution of Forfás

A key focus for the Forfás Board, management and staff in the period January 2014 to end July 2014 was to work closely with the Department of Jobs, Enterprise and Innovation, its sister Agencies (IDA Ireland, Enterprise Ireland, Science Foundation Ireland), the Health and Safety Authority and the National Standards Authority of Ireland on the detailed arrangements in preparation for the dissolution of Forfás and the smooth transfer of its responsibilities to the Department and other bodies.

In late 2011, Minister Bruton had announced his intention to integrate the policy research capability of Forfás with the Department of Jobs, Enterprise and Innovation (DJEI). In April 2013 the Minister secured Government agreement to commence drafting legislation to give effect to this change and this legislation was passed by the Houses of the Oireachtas and was signed into law by the President on 29 June 2014. This legislation provided for dissolution of Forfás as a legal entity and transfer of all of its functions, responsibilities and liabilities to other legal entities. In accordance with the provisions of the legislation, the Minister appointed, by order, relevant dates for the coming into operation of the various provisions of the Act, up to and including the dissolution of Forfás.

In summary, the provisions of the legislation included;

- Integration of the policy research capability of Forfás and associated staff with the Department of Jobs, Enterprise & Innovation. The staff transferred to the Department now form the core of a new Strategic Policy Division, within the Department.
- Transfer of the functions of the Irish National Accreditation Board to the Health and Safety Authority.
- Transfer of legal responsibility for legacy Pension schemes and pensions in payment to the Department of Jobs, Enterprise & Innovation and provision for the administration of these legal responsibilities, on an outsourced basis, by Enterprise Ireland, on behalf of the Department of Jobs, Enterprise & Innovation.
- Transfer of employer responsibilities, including pension responsibilities, for serving Forfás staff in IDA Ireland, Enterprise Ireland, Science Foundation Ireland, and a small number of staff in the National Standards Authority of Ireland, into direct employment with those Agencies.
- Transfer of grant giving powers directly to IDA Ireland and Enterprise Ireland

As part of the Minister's decision to integrate Forfás with the Department of Jobs, Enterprise and Innovation, in October 2012 the Forfás Board membership was reduced in number to comprise the

¹ Industrial Development Authority, Eólas, National Board for Science and Technology, An Bord Tráchtála and the Irish Goods Council.

following members, Eoin O’Driscoll, Chairman, Forfás, Chairman Southwestern; Martin D. Shanahan, Chief Executive, Forfás; Mark Ferguson, Director General, Science Foundation Ireland; John Murphy, Secretary General, Department of Jobs, Enterprise and Innovation; Barry O’Leary, Chief Executive Officer, IDA Ireland; and Julie Sinnamon, Chief Executive Enterprise Ireland. This Board remained in place up until the Forfás dissolution on 31 July 2014.

During 2014, Forfás continued to work closely with DJEI and other bodies on all of the necessary steps required to give effect to the provisions of the legislation and the associated practical arrangements. An implementation team, chaired by the Secretary General of DJEI and comprising the Chief Executive of Forfás and senior officials from DJEI, Forfás and the Department of Public Expenditure and Reform, met regularly to progress and oversee the successful implementation of this initiative. Within Forfás, the Forfás Board, Audit Committee and Executive Committee provided oversight to the governance and other arrangements required to be put in place, in preparation for dissolution and integration with other bodies. At their final meetings, the Forfás Board and Audit Committee were satisfied that all necessary steps were in place for the dissolution and integrations to take place.

At the final Forfás Board meeting the Chairman acknowledged the work of the senior management teams of Forfás, the Department of Jobs, Enterprise and Innovation and the agencies to ensure that all necessary steps for integration had been taken and ensuring that integration was happening in an efficient and effective way. He gave credit to all involved for the smooth transitions, ensuring that the work continued to a high standard and without impact on clients and stakeholders.

The Chairman paid tribute to all members of the Forfás team for the outstanding contribution that they have made to policy development and economic growth over the past 20 years. In particular he acknowledged their continued commitment to the delivery of excellence in their work through a challenging period of change. He wished staff well in their transfer to other bodies and noted that they would be bringing valuable knowledge, skills, experience and professionalism to their new organisation and that these new organisations would, in turn, present new learning and development opportunities for staff.

Oireachtas Grant

Forfás’ detailed Financial Statements begin on page 10 of this report.

The Department of Jobs, Enterprise and Innovation provided Oireachtas grant funding to Forfás of €22.565 million in 2014. Funding provided to pay pensions to cross-agency pensioners (i.e. Forfás, Enterprise Ireland, IDA Ireland, Science Foundation Ireland and their preceding agencies) represented 87 per cent of the Oireachtas grant. In anticipation of the integration of the policy research activity into DJEI during 2014, the Department retained the Forfás non-Pay budget, with the exception of non-Pay funding for INAB activity.

Corporate Governance

Forfás was established under the Industrial Development Act 1993 and operated in accordance with the provisions of the Industrial Development Acts 1986 to 2009 and under the aegis of the Minister for Enterprise, Trade and Innovation. Forfás had put in place procedures to ensure compliance with the following specific requirements:

Ethics in Public Office Act, 1995 and Standards in Public Offices Act, 2001

In accordance with the provisions of the Ethics in Public Office Act, 1995 and Standards in Public Offices Act 2001, Forfás Board Members along with members of the Irish National Accreditation Board (INAB), which operated as a division and sub-Board of Forfás, furnished statements of material interest to the Commission Secretary, Standards in Public Office Commission and copied to the Secretary of Forfás.

With effect from 2011 members of the Expert Group on Future Skills Needs (EGFSN) along with members of the National Competitiveness Council (NCC) were designated under the Acts.

In addition, Forfás staff members holding designated positions complied with both Acts.

Freedom of Information (FOI)

With effect from January 2001, Forfás was covered by the provisions of the Freedom of Information (FOI) Acts. These Acts established three statutory rights:

- A legal right for each person to access information held by public bodies;
- A legal right for each person to have official information held by a public body relating to him/herself amended where it is incomplete, incorrect or misleading; and
- A legal right to obtain reasons for decisions affecting oneself taken by a public body.

Employment Equality Acts, 1998 and 2004

Forfás was committed to a policy of equal opportunities and adopted a positive approach to equality in the organisation.

It operated a number of schemes, providing staff with options in relation to meeting their career and personal needs, such as job sharing, study leave and educational programmes.

Forfás complied with its statutory obligations under the Equality Acts 1998 and 2004. A policy on the Protection of Dignity at Work was in operation and had been communicated to all staff.

Worker Participation (State Enterprises) Act, 1988

Arrangements existed for a Joint Participative Forum to meet the requirements of the Worker Participation (State Enterprises) Act 1998.

Safety, Health and Welfare Act, 2005

In accordance with the Safety, Health and Welfare at Work Act 2005 and the Safety, Health and Welfare at Work Act (General Applications) Regulations 2010, Forfás had prepared a Safety Statement that encompasses all the aspects affecting staff and visitor welfare. This document had been updated on an on-going basis.

Prompt Payment of Accounts

The Prompt Payment of Accounts Act 1997 (the Act), which came into operation on 2 January 1998, was amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002.

The payment practices of Forfás, as required by the Act, were as reported below for the period ended 31 July 2014.

1. It is the policy of Forfás to ensure that all invoices are paid promptly. Specific procedures are in place that enable it to track all invoices and ensure that payments are made before the due date. Invoices are registered daily and payments are issued as required to ensure timely compliance.
2. The system of internal control incorporates such controls and procedures as are considered necessary to ensure compliance with the Act. The organisation's system of internal control includes accounting and computer controls designed to ensure the identification of invoices and contracts for payment within the prescribed payment dates defined by the Act. These controls are designed to provide reasonable, and not absolute, assurance against material non-compliance with the Act. The Finance Department produces a report that identifies unpaid outstanding invoices and this report is reviewed regularly.

Management is satisfied that Forfás complied with the provisions of the Act in all material respects. There have been no material developments since 1 January 2014.

Prompt Payment to Suppliers

Forfás was committed to meeting its obligations under the 15 day Prompt Payment Rule, which came into effect on 1 July 2011.

This provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days.

Forfás reported quarterly in the [Our Commitments](#) section of the website on the implementation of the 15 day Prompt Payments Rule.

Code of Practice for the Governance of State Bodies, 2009

Following the revision of the Code of Practice for the Governance of State Bodies in 2009, Forfás had reviewed its processes to ensure that it was complying with the provisions of the Revised Code.

Board Members Disclosure of Interests

In accordance with the Revised Code of Practice for the Governance of State Bodies, 2009, Forfás Board Members, on their appointment to the Board and during their tenure in office, furnished details of interests which could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Board.

Board Fees and Attendance

Board Member	Fees €'000	Attendance (3 meetings held in 2014)
Eoin O'Driscoll	12	3 of 3
Mark Ferguson	Nil	3 of 3
John Murphy	Nil	3 of 3
Barry O'Leary	Nil	2 of 3
Julie Sinnamon	Nil	3 of 3
Martin D. Shanahan	Nil	3 of 3

Board Expenses

There were no expenses paid to Board Members in 2014.

Customer Charter

Forfás' Customer Charter set out its commitment to a high quality of service to its customers. This Charter includes a procedure for dealing with complaints.

In 2014 no complaints were received.

Energy Efficiency

Under Statutory Instrument (SI) 542 European Communities (energy end-use efficiency and energy services) Regulations 2009, the public sector has specific energy reporting obligations. In each area relevant to energy usage and services to its buildings, Forfás endeavoured to employ the most energy efficient and environmentally friendly means available. In compliance with regulatory requirements, Forfás displayed a Display Energy Certificate in its reception area.

In late 2009, Forfás began a multi-year project aimed at improving the overall energy efficiency in Wilton Park House with the support of the Sustainable Energy Authority of Ireland. This included an oil to gas conversion (2010), installation of energy efficient lighting (2010), enhanced building management system and energy awareness initiatives. In July 2013, as part of the process of integrating Forfás into the Department of Jobs, Enterprise and Innovation, Head Lessor responsibility for Wilton Park House transferred to IDA Ireland.

Forfás Board



Eoin O'Driscoll
Chairman, Forfás
Chairman, Southwestern



Martin D. Shanahan
Chief Executive
Forfás



Mark Ferguson
Director General
Science Foundation Ireland



John Murphy
Secretary General
Department of Jobs,
Enterprise and Innovation



Barry O'Leary
Chief Executive Officer
IDA Ireland



Julie Sinnamon
Chief Executive Officer
Enterprise Ireland



Michael O'Leary
Secretary to the Board

Forfás Audit Committee

John Murphy (Chair)

Eoin O'Driscoll

Mark Ferguson

Michael O'Leary (Secretary to the Audit Committee)

Final Financial Statements
For the period 1 January - 1 August 2014



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Forfás

I have audited the financial statements of Forfás (now dissolved) for the period ended 1 August 2014 under the Industrial Development (Forfás Dissolution) Act 2014. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under paragraph 7 of the first schedule to the Industrial Development Act 1993, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the members of the Board and the Minister for Jobs, Enterprise and Innovation

The Board was responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of Forfás's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

The Board was dissolved on 1 August 2014 and its assets and liabilities transferred to the Minister for Jobs, Enterprise and Innovation and to other State agencies as outlined in the statement of accounting policies.

Following dissolution of the Board, the Minister for Jobs, Enterprise and Innovation is responsible for the preparation of the financial statements in accordance with Section 27 of the Industrial Development (Forfás Dissolution) Act 2014.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to Forfás's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read Forfás's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of Forfás's affairs at 1 August 2014 and of its income and expenditure for the period then ended.

In my opinion, proper books of account have been kept by Forfás. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in Forfás's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect Forfás's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

22 May 2015

Statement of Responsibilities of the Board of Forfás and the Minister of the Department of Jobs, Enterprise and Innovation

For 2014 Periodical Financial Statements

Responsibilities of Forfás

Paragraph 7(2) of the First Schedule to the Industrial Development Act, 1993 required Forfás to keep, in such form as may be approved of by the Minister for Jobs, Enterprise and Innovation with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

The Board was responsible for keeping proper books of account which disclose with reasonable accuracy at any time its financial position and which enables it to ensure that the financial statements comply with Paragraph 7(2) of the First Schedule to the Industrial Development Act, 1993. The Board was also responsible for safeguarding its assets and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibilities of Department of Jobs, Enterprise and Innovation

Under the Industrial Development (Forfás Dissolution) Act 2014 Forfás was dissolved on the 1st of August 2014. Under the provisions of the Act all of the functions, operations, assets and liabilities of Forfás transfer to the Minister for Jobs, Enterprise and Innovation (DJEI) or to various other State bodies on that date in accordance with the Act.

The Minister has directed the Accounting Officer of the department to prepare the account and, on his behalf, to submit them to the Comptroller and Auditor General for audit

DJEI is required under section 27 of the Industrial Development (Forfás Dissolution) Act 2014 to prepare final accounts of Forfás.

In preparing those financial statements, the Accounting Officer was required to:

- *select suitable accounting policies and apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *prepare the financial statements on the going concern basis unless that basis is inappropriate;*
- *disclose and explain any material departures from applicable Accounting Standards.*

The above requirements were complied with in preparing the financial statements.



John Murphy
Secretary General

Department of Jobs, Enterprise and Innovation

Statement on Internal Financial Control

As provided for, under the terms of Industrial Development (Forfás Dissolution) Act 2014, Forfás was dissolved on 1 August 2014 and all assets and liabilities of Forfás were transferred to the Minister of Jobs, Enterprise & Innovation or various other state bodies. Up to the date of dissolution the Board of Forfás were responsible for ensuring that an effective System of Internal Financial Controls was maintained and operated in the Agency.

I, as the Accounting Officer of the Department of Jobs, Enterprise & Innovation make the following statements based on the work of the former Board of Forfás.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

The following steps were taken to ensure an appropriate control environment was in place by:

- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Clearly defining management responsibilities and powers;
- Developing a culture of accountability across all levels of the organisation.

Processes were established to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring;
- Working closely with Government and various Agencies to ensure that there is a clear understanding of Forfás goals and support for Forfás strategies to achieve those goals.

The System of Internal Financial Control was based on a framework of regular management information, administration procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which was reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Formal project management disciplines.

Forfás had an outsourced internal audit function, which operated in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies and which reported directly to the Audit Committee. The work of internal audit was informed by analysis of the risk to which the body was exposed, and annual internal audit plans were based on this analysis. The analysis of risk and the internal audit plans were endorsed by the Audit Committee. The Audit Committee met quarterly to review, with the Internal Auditor, the outcome of their audits and to confirm the ongoing adequacy and effectiveness of the System of Internal Financial Control. The Board retained an external expert to advise the Audit Committee on technical financial matters.

Statement on Internal Financial Control (continued)

The former Board's monitoring and review of the effectiveness of the System of Internal Financial Control was informed by the work of the internal auditor and the Audit Committee which oversaw the work of the internal auditor and the control exercised by the executive managers within Forfás who had responsibility for the development and maintenance of the financial control framework and comments made by the Comptroller & Auditor General in his management letter.

In the context of the transfer of Forfás functions to the Department, from 1 January 2014, the Department assumed responsibility for a large proportion of Forfás non-pay expenditure. These payments totalling €1,515,248 were processed by the Department and will be accounted for in its 2014 Appropriation Account. The Department's grant to Forfás was reduced by a corresponding amount.

I confirm that in respect of the period to 1 August 2014, a review was conducted of the effectiveness of the System of Internal Financial Control.



John Murphy
Secretary General
Department of Jobs, Enterprise and Innovation

Accounting Policies

Industrial Development Acts 1993, 1995, 1998, 2003 and 2009

Forfás, which was the policy advisory and co-ordinating board for industrial development and science & technology in Ireland, was established on 1 January, 1994, under the provisions of the Industrial Development Act 1993, as amended by subsequent legislation. It was the body through which powers were assigned to Enterprise Ireland, for the promotion of indigenous industry, and to IDA Ireland, for the promotion of inward investment.

In addition to its core advisory and co-ordinating function, Forfás had the additional responsibility for pension costs of retired staff of Forfás, IDA Ireland, Enterprise Ireland, Science Foundation Ireland and certain former agencies, under the Industrial Development Acts 1993, 1998 and 2003, as set out in Note 8 of these Financial Statements.

1. Basis of Accounting

Dissolution of Forfás

The Industrial Development (Forfás Dissolution) Act 2014 provided for the dissolution of Forfás. All of the functions, operations, assets and liabilities of Forfás were transferred to the Minister for Jobs, Enterprise and Innovation or various other State bodies. All assets and liabilities have transferred at book value and accordingly no adjustments have been made to the carrying value of the assets and liabilities.

The Financial Statements were prepared under the historical cost convention in the form approved by the Minister for Jobs, Enterprise and Innovation with the consent of the Minister for Public Expenditure and Reform under the Industrial Development Act 1993. The Financial Statements were prepared on an accruals basis, except where stated below and are in accordance with generally accepted accounting practice. Financial Reporting Standards, recommended by the Accounting Standards Board, are adopted as they become applicable.

Period of Account and Transfer of Balances

These financial statements have been prepared for the period from 1 January 2014 to 1 August 2014, the date of dissolution of Forfás.

Income - The financial statements recognise all income received up to date of dissolution.

Expenditure - in the context of the transfer of Forfás functions to the Department later in 2014, from 1 January 2014, the Department assumed responsibility for expenditure in relation to all of Forfás non pay expenditure with the exception of expenditure relating to training and development and the activities of INAB. In the period 1 January 2014 to 1 August 2014, the Department paid €1,515,248 in relation to Forfás expenditure. This expenditure is reflected in the Department's Appropriation account and is not recognised in these financial statements. As a result, expenditure amounts for 2014 are not comparable to 2013 for some categories of expenditure. The Department grant to Forfás for the period was reduced by a corresponding amount

Assets and Liabilities - the financial statements recognise all assets and liabilities at the date of dissolution which were transferred to the Minister for Jobs, Enterprise and Innovation.

Assets and Liabilities transferred to the Minister for the Department of Jobs, Enterprise and Innovation or various other State bodies

The following is a summary of assets and liabilities transferred to the Minister of Jobs, Enterprise and Innovation or various other State Bodies:

	€'000
Fixed Assets	5
Accounts Receivable	513
Bank Balances	862
Accounts Payable	(11)
Pension Liability	(1,157,504)
Deferred Pension Funding	<u>1,157,504</u>

2. Income Recognition

Income from Oireachtas Grant represents actual cash receipts in the year.

3. Fixed Assets and Depreciation

Fixed Assets comprise tangible fixed assets which are owned by Forfás and are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of fixed assets over their estimated useful lives as follows:

- Computer Equipment: 3 years
- Motor Vehicles: 4 years
- Fixtures and Fittings: 5 years

Depreciation is charged in the year of purchase and not charged in the year of disposal. Fixtures, Fittings and Computer Equipment below the capitalisation threshold of €1,000 are expended in the Income & Expenditure Account in the year of purchase.

4. Capital Account

The Capital Account represents the unamortised funds utilised for the acquisition of Fixed Assets.

5. Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions.

6. Debtors

Known bad debts were written off as they arise and specific provision is made where recovery is considered doubtful.

7. Pension Costs

Forfás operated six unfunded defined benefit pension schemes, which were funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Jobs, Enterprise and Innovation and from certain contributions deducted from staff salaries.

Accounting Policies (continued)

Pension costs reflect pension benefits earned by employees in the period and are shown net of retained staff pension contributions. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities were reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method.

Income and Expenditure Account

For the Period from 1 January to 1 August 2014

		2014 7 months	2013 12 months
	Notes	€'000	€'000
Income			
Oireachtas Grant	1	22,565	40,076
Professional Fees - Irish National Accreditation Board	2	1,922	2,183
Other	3	–	12
Departmental Programmes	6	140	391
Net Deferred Pension Funding	8 (e)	14,700	27,474
		39,327	70,136
Expenditure			
Administration and General Expenses	4	3,508	9,282
Depreciation - 2013 Adjustment	7	3	85
Pension Costs	8 (c.i)	34,616	61,499
Departmental Programmes	6	140	391
		38,267	71,257
(Deficit)/Surplus for Period		1,060	(1,121)
Contribution to Exchequer	5	(1,020)	(488)
Balance at beginning of Period		1,271	2,804
Transfer (to)/from Capital Account	9	53	76
Balance at end of Period		1,364	1,271

The Accounting Policies, Cash Flow Statement and Notes 1 to 14 form part of these Financial Statements.

On behalf of the Board:



John Murphy
Secretary General

Department of Jobs, Enterprise and Innovation

Statement of Recognised Gains and Losses

For the Period from 1 January to 1 August 2014

		2014	2013
		7 months	12 months
	Notes	€'000	€'000
Statement of Total Recognised Gains and Losses			
(Deficit)/Surplus for Year		1,060	(1,121)
Actuarial Gain/(Loss) on Pension Liabilities	8 (c.ii)	(63,645)	25,395
Adjustment to Deferred Pension Funding	8 (c.ii)	63,645	(25,395)
Total Recognised Gain for the Year		1,060	(1,121)

The Accounting Policies, Cash Flow Statement and Notes 1 to 14 form part of these Financial Statements.



John Murphy
Secretary General
 Department of Jobs, Enterprise and Innovation

Balance Sheet

As at 1 August 2014

		1 August 2014	31 December 2013
	Notes	€'000	€'000
Fixed Assets			
Tangible Fixed Assets	7	5	58
Total Fixed Assets		5	58
Current Assets			
Accounts Receivable	10	513	693
Bank		862	1,092
		1,375	1,785
Accounts Payable	11	11	514
Net Current Assets		1,364	1,271
Deferred Funding Asset	8 (d)	1,157,504	1,189,753
Pension Liability	8 (d)	(1,157,504)	(1,189,753)
Total Assets Less Current Liabilities		1,369	1,329
Represented By:			
Capital Account	9	5	58
Income and Expenditure Account		1,364	1,271
		1,369	1,329

The Accounting Policies, Cash Flow Statement and Notes 1 to 14 form part of these Financial Statements.



John Murphy
Secretary General
 Department of Jobs, Enterprise and Innovation

Cash Flow Statement

For the Period from 1 January to 1 August 2014

		2014 7 months	2013 12 months
	Notes	€'000	€'000
Reconciliation of Net Movement for Year to Net Cash Flow from Operations			
Surplus for Period		1,060	(1,121)
Bank Interest		0	(12)
(Profit)/Loss on Disposal of Assets		51	4
Depreciation Charge:			
- Tangible Fixed Assets - 2013 Adjustment	7	3	85
(Increase)/Decrease in Accounts Receivable	10	180	2,281
Increase/(Decrease) in Accounts Payable	11	(503)	(42)
Net Cash Flow from Operations		791	1,195
Cash Flow Statement			
Net Cash Flow from Operations		791	1,195
Returns on Investment and Servicing of Finance			
Bank Interest		—	12
Cash Flow before Capital Expenditure		791	1,207
Capital Funding			
Disposal of Tangible Fixed Assets		—	—
Purchase of Tangible Fixed Assets	7	(1)	(13)
Cash Flow after Capital Expenditure		790	1,194
Contribution to Exchequer	5	(1,020)	(488)
Increase/(Decrease) in Cash		(230)	706
Reconciliation of Increase/(Decrease) in Cash to Cash at Bank			
Movement in Cash for the Period		(230)	706
Cash at Bank at beginning of Period		1,092	386
Cash at Bank at end of Period		862	1,092



John Murphy
Secretary General
Department of Jobs, Enterprise and Innovation

Notes to the Financial Statements

Period Ended 1 August 2014

1. Oireachtas Grant		2014	2013
		€'000	€'000
Funded by Department of Jobs, Enterprise and Innovation Vote 32			
Administration and General Expenses	Subhead A.3. Forfás	16,523	29,661
Financial Measures Act (Note 8 (a.i))	Subhead A.3. Forfás	6,042	10,415
Total		22,565	40,076

(a) Under Section 11 of the Industrial Development Act, 1993, as amended by Section 4(a) of the Industrial Development Act, 2009, the aggregate amount of grants made by the Minister to Forfás and its Agencies, to enable them to discharge their obligations and liabilities shall not exceed €7,000,000,000. At 1 August, 2014 the aggregate amount so provided to Enterprise Ireland, IDA Ireland and Science Foundation Ireland was €5,017,810,754.

(b) Under Section 14(3) of the Industrial Development Act, 1986, Section 37 of the Industrial Development Act, 1969, and Sections 2 and 3 of the Industrial Development Act, 1977, the aggregate amount of grants made by the Minister to Forfás and its Agencies to enable them to meet their obligations or liabilities in respect of principal and interest on foot of Loan Guarantees under any of these sections shall not exceed €158,717,260. At 1 August, 2014 the aggregate amount so provided was €13,547,211.

2. Professional Fees - Irish National Accreditation Board

The Irish National Accreditation Board (INAB) was established as a Committee of Forfás under Section 10 of the Industrial Development Act, 1993 as amended by Section 46 of the Industrial Development (Enterprise Ireland) Act, 1998 to perform the functions specified below.

It is the national body responsible for accreditation of organisations involved in calibration, testing, inspection and certification of quality, product, and personnel management systems in Ireland and is also the statutory GLP (Good Laboratory Practice) compliance monitoring authority. It is the competent body for EMAS (European Eco-Management and Audit Scheme). Professional Fees are generated from these activities which involve assessment of laboratories and certification bodies. Costs incurred in generating this income are included in the relevant expenditure heading.

Under the Industrial Development (Forfás Dissolution) Act 2014 the Irish National Accreditation Board has been transferred to the Health and Safety Authority.

Notes to the Financial Statements

Period Ended 1 August 2014

3. Other Income		
	2014	2013
	€'000	€'000
Bank Interest	–	12
Total	–	12
4. Administration and General Expenses		
	2014	2013
	€'000	€'000
Board Members' Remuneration and Expenses (Including Chief Executive Remuneration) ¹	125	222
Pay Costs ²	2,837	5,094
Other Personnel Costs	113	165
Travelling & Subsistence Expenses	44	167
Specialised and Professional Services	464	974
Research and Studies	(2)	784
Rents, Rates, Repairs and Maintenance	(74)	1,405
Other Operating Expenses	25	447
Audit Fee	(24)	24
Total	3,508	9,282
Pay Costs comprise:		
Wages and Salaries	2,619	4,695
Social Welfare Costs	189	339
Superannuation Costs	29	60
Total	2,837	5,094

Notes to the Financial Statements

Period Ended 1 August 2014

4. Administration and General Expenses (continued)		2014	2013
		€'000	€'000
¹ Board Members' Remuneration was as follows:			
Eoin O'Driscoll		12	21
Barry O'Leary		-	-
Frank Ryan	Retired 02/11/2013	-	-
Julie Sinnamon	Appointed 03/11/2013	-	-
Mark Ferguson		-	-
John Murphy		-	-
Martin D. Shanahan		-	-
Board Members Expenses €0 (2013 €0).			
Chief Executive's Remuneration			
The remuneration of the Chief Executive Officer for the period 1 January to 1 August 2014 amounted to salary of €102,407 which was subject to standard public sector pension arrangements and use of a company car subject to benefit in kind of €8,207 (€14,070 per annum). The annual salary of the Chief Executive for 2014 was €175,554. The Chief Executive does not receive a fee in his capacity as a Board Member.			
No performance bonuses were applicable.			
² Pension levy deducted from Pay and remitted to DJEI €200,734 (€396,907 in 2013)			

Notes to the Financial Statements

Period Ended 1 August 2014

5. Contribution to the Exchequer

Income, surplus to budgeted requirements, is surrendered to the Exchequer. The amount of €1,020,000 is comprised of refund of Oireachtas Grant (€405,000) and surplus Own Income (€615,000).

6. Departmental Programmes

These externally funded programmes are administered by Forfás, on behalf of the funding bodies listed below. These programmes are accounted for by matching income to expenditure. Over/under expenditure on these programmes is shown in accounts receivable (note 10)/payable (note 11) as appropriate.

		2014	2013
		€'000	€'000
b) Programmes			
Expert Group on Future Skills Needs	¹	140	391
Total		140	391

Details of Funding Bodies:

¹ National Training Fund of the Department of Education and Skills

Notes to the Financial Statements

Period Ended 1 August 2014

7. Tangible Fixed Assets				
	Computer Equipment €'000	Motor Vehicles €'000	Fixtures & Fittings €'000	Total €'000
Cost				
At 1 January 2014	930	47	2,615	3,592
Additions - 2013 Adjustment	1	-	-	1
Disposals	(576)	(47)	(2,369)	(2,992)
At 1 August 2014	355	-	246	601
Depreciation				
At 1 January 2014	926	36	2,572	3,534
Charge for Year - 2013 Adjustment	-	-	3	3
Disposals	(572)	(36)	(2,333)	(2,941)
At 1 August 2014	354	-	242	596
Net Book Amount				
At 1 January 2014	4	11	43	58
Net Movement for Year	(3)	(11)	(39)	(53)
At 1 August 2014	1	-	4	5

Notes to the Financial Statements

Period Ended 1 August 2014

8. Pensions

- a) Forfás had responsibility for the pension costs of retired staff of Forfás, IDA Ireland, Enterprise Ireland, Science Foundation Ireland and certain former agencies, under the Industrial Development Acts 1993, 1998 and 2003. These costs arise under the terms of the following schemes:

Scheme	Staff Covered	Type
Forfás	The Forfás scheme covers the following categories of staff in Forfás and its Agencies - (a) staff recruited up to 5 April 1995 who became pensionable after that date, (b) staff recruited after 5 April 1995, (c) a small number of staff previously covered by the Garda Síochána Superannuation Scheme, (d) a small number of staff previously covered by the FAS/AnCO Schemes, (e) a small number of staff previously covered by the Shannon Free Airport Development Co. Ltd Superannuation Scheme.	Contributory, Defined Benefit, Unfunded. A small number of those in category (b) are included on a non-contributory basis.
Former Industrial Development Authority	Staff of the former IDA and those recruited by Forfás and its Agencies in the appropriate grades between 1 January 1994 and 5 April 1995.	Contributory, Defined Benefit. Funded until 31/12/2009 (See Note 8(a.i))
Former Eolas	Staff of the former Eolas (other than those covered by the former NBST scheme below) and those recruited by Forfás and its Agencies in the appropriate grades between 1 January 1994 and 5 April 1995.	Non Contributory, Defined Benefit, Unfunded.
Former National Board for Science and Technology (NBST)	A small number of staff of the former NBST serving on 31 December 1987.	Contributory, Defined Benefit, Unfunded.
Former Irish Goods Council	A small number of staff of the former Irish Goods Council serving on 31 August 1991.	Contributory, Defined Benefit. Funded until 31/12/2009. (See Note 8(a.i))
Former An Bord Tráchtála (ABT)	Staff of the former ABT (other than those covered by the former Irish Goods Council scheme above) who were pensionable employees on 22 July 1998.	Contributory, Defined Benefit, Unfunded.

Notes to the Financial Statements

Period Ended 1 August 2014

8. Pensions (continued)

Apart from the former Irish Goods Council Scheme, each of the Schemes include Spouses' and Children's Schemes.

Forfás meets the net costs arising from normal retirements. These are paid out of current income. Contributions received by Forfás from staff in the contributory unfunded schemes outlined above are used to part fund ongoing pension liabilities.

- a.i) Under the Financial Measures (Miscellaneous Provisions) Act 2009 the assets of both the Former Industrial Development Authority and the Former Irish Goods Council schemes were transferred to the National Pension Reserve Fund on 31 December 2009. The pension schemes associated with these two funds continue in force for existing members with no impact on benefits or associated provision for members. IDA Ireland, Enterprise Ireland and Science Foundation Ireland remit their employer and employee contributions for these schemes to Forfás for onward remittance to the Exchequer with its own contributions. Total employer (441,683) and employee (€492,239) contributions for these schemes were remitted by Forfás to the Exchequer in 2014 and pension costs at retirement are now paid by Oireachtas Grant Subhead A.3.

b) Pension Disclosures under FRS 17

Financial Reporting Standard 17 (FRS17) requires financial statements to reflect at fair value the assets and liabilities arising from an employer's superannuation obligations and any related funding and to recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

c.i) Analysis of total pension charge	2014	2013
	€'000	€'000
Service costs	11,877	22,211
Interest on Pension Scheme Liabilities	24,356	42,346
Employee Contributions	(1,617)	(3,058)
	34,616	61,499
c.ii) Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL)		
Experience Gains and (Losses)	37,815	25,395
Changes in assumptions	(101,460)	-
Actuarial Gains/(Losses)	(63,645)	25,395

Notes to the Financial Statements

Period Ended 1 August 2014

8. Pensions (continued)

	2014	2013
	€'000	€'000
d) Pension Liability	(1,157,504)	(1,189,753)
made up of:		
Present Value of pension schemes' liabilities	(1,157,504)	(1,189,753)
Change in Pension Schemes' Liabilities		
Present value of schemes' obligations at start of year	(1,189,753)	(1,187,674)
Current Service Cost	(11,877)	(22,211)
Interest Costs	(24,356)	(42,346)
Payments to Pensioners	21,533	37,083
Liabilities Transferred to Other Agencies on 16th July 2014	110,594	-
Actuarial gain/(loss)	(63,645)	25,395
Present value of schemes' obligations at end of year	(1,157,504)	(1,189,753)
<p>Under the Industrial Development (Forfás Dissolution) Act 2014, staff seconded from Forfás to the Industrial Development Authority, Enterprise Ireland, Science Foundation Ireland and the National Standards Authority of Ireland became direct employees of those agencies with effect from 16 July 2014 and the liability in relation to related pension benefits transferred to those agencies</p>		
	2014	2013
e) Net Deferred Funding for Pensions in year	€'000	€'000
Funding recoverable in respect of current year pension costs	36,233	64,557
Funding to pay pensions	(21,533)	(37,083)
	14,700	27,474

Forfás recognises as an asset an amount corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. These events include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. Forfás has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The deferred funding asset for pensions as at 1 August 2014 amounted to €1,158 million (2013: €1,190million).

The quantification of the liability is based on the financial assumptions set out in Note 8 (f). The assumptions used, which are based on professional actuarial advice, are advised to the Department of Jobs, Enterprise and Innovation.

Notes to the Financial Statements

Period Ended 1 August 2014

8. Pensions (continued)

- f) The valuation used for FRS17 disclosures has been based on a full actuarial valuation at 1 August 2014. The financial assumptions used to calculate scheme liabilities under FRS17 as at 1 August 2014 were as follows:

Valuation method:	Projected Unit:	
	2014	2013
Discount Rate	2.70%	3.50%
Salary Increases	3.25%	3.50%
Pension Increases	2.75%	3.00%
Inflation Rate	1.75%	2.00%

Weighted average life expectancy for mortality tables used to determine benefit obligations at:

Member age 65 (current life expectancy in years)	Male	21.0	21.0
	Female	23.9	23.9
Member age 40 (life expectancy at age 65 in years)	Male	23.8	23.8
	Female	25.8	25.8

- g) History of experience gains and losses

	2014	2013	2012	2011	2010
History of defined benefit obligations and experience gains and losses					
Defined benefit obligation (€'000)	1,157,504	1,189,753	1,187,674	972,389	918,616
Fair value of plan assets (€'000) (Note 8(ai))	-	-	-	-	-
Deficit / (Surplus) (€'000)	1,157,504	1,189,753	1,187,674	972,389	918,616

Experience Gains / (Losses) on scheme liabilities

amount (€'000)	37,815	25,395	57,323	10,889	38,274
percentage of the present value of scheme liabilities	3.3%	2.1%	4.8%	1.1%	4.2%

The total recognised actuarial gain since 2004 is €224 million.

- h) Funding of Pensions

Forfás will have no funding obligations in 2015

Notes to the Financial Statements

Period Ended 1 August 2014

9. Capital Account

	€'000	€'000
At 1 January 2014		58
Transfer (to)/from Income and Expenditure Account		
- Cost Additions	1	
- Cost Disposals	(2,992)	
- Depreciation - 2013 Adjustment	(3)	
- Depreciation Disposals	2,941	
		(53)
At 1 August 2014		5

10. Accounts Receivable

	2014	2013
	€'000	€'000
General Debtors	199	324
Prepayments	-	21
Inter Agency Balances	283	333
Payroll	11	13
Departmental Programmes	20	2
Total	513	693

General Debtors include €0 (2013: €120,188) VAT Receivable by Forfás on behalf of the Forfás VAT Group (Forfás, IDA Ireland & Enterprise Ireland)

Interagency Balances represents amounts due, if any, from the Forfás Agencies (IDA Ireland, Enterprise Ireland and Science Foundation Ireland) and includes VAT receivable of €233,743 (2013: €310,708) from IDA, SFI and Enterprise Ireland.

Notes to the Financial Statements

Period Ended 1 August 2014

11. Accounts Payable

	2014	2013
	€'000	€'000
General Creditors	1	-
Accruals	-	162
Payroll	10	-
Inter-Agency Balances	-	352
Total	11	514

General Creditors include €0 (2013: €0) VAT payable by Forfás on behalf of the Forfás VAT Group (Forfás, IDA Ireland & Enterprise Ireland)

Interagency Balances represents amounts due, if any, to the Forfás Agencies (IDA Ireland, Enterprise Ireland and Science Foundation Ireland)

12. Taxation

Section 227 of the Taxes Consolidation Act, 1997, exempts Forfás from further taxation on Case IV and Case V rental income in excess of that deducted at source.

13. Board Members - Disclosure of Transactions

In the normal course of business, Forfás may enter into contractual arrangements with undertakings in which Forfás Board Members are employed or otherwise interested. Forfás has adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and Forfás has adhered to these procedures.

During 2014 no payments were made to any organisations associated with a Board Member.

14. Contingencies and Legal Actions

There are no contingencies or legal actions which require specific provision in the Financial Statements.

