



 InterTradeIreland

2020  
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Annual Review of Activities  
and Annual Accounts



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**InterTradeIreland is in a unique all-island position to respond quickly to support businesses as the implications of Brexit negotiations become clearer.**

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## Contents

Chairman's Introduction	4
Designated Accounting Officer's Message	6
Board Members	9
Organisation Profile	14
Business Plan 2017	20
Strategy and Key Performance Indicators	
Performance Report	
Programme Area Report	
Corporate Plan 2017-2019	34
Year 1 Summary Performance Report	
Audited Accounts	45



**Ken Nelson**  
Chairman

Since taking up the position as Chairman of InterTradelreland at the end of 2016, my passion for supporting entrepreneurship and small business growth is as strong as ever. This culture is embedded in the very ethos of InterTradelreland and it is a key contributing factor as to how it has successfully continued to meet the evolving needs of small businesses across the island in a dynamic economic landscape.

## Chairman's Introduction

InterTradelreland is in a unique all-island position to respond quickly to support businesses as the implications of Brexit negotiations become clearer. We want to help companies maximise opportunities and overcome any barriers, trade or otherwise, that may emerge.

SMEs and growing micro-enterprises need to be empowered, therefore we are continually developing our programmes to encourage businesses to trade successfully in the midst of changing circumstances. We have built strong relationships with a range of partners giving us better reach to deliver effectively across Northern Ireland and Ireland whilst avoiding duplication.

My Board colleagues and I want to build on these strong foundations to boost cross-border trading opportunities and support business growth while meeting the increasing demand for our business intelligence, programmes and workshops.

2017 marked the first year of our new three year Corporate Plan, which sets out our targets and key performance indicators. These included engaging with more than 2665 companies to achieve £53m/€61m additional business development value.

Although we are a relatively small team, we continue to outperform our business goals with our stakeholder value delivery surpassing all our targets. Despite engaging with slightly fewer companies than planned, the actual business value achieved was £81m/€93m delivering a 12:1 impact of expenditure versus our 9:1 target.

On behalf of the Board, I would like to pay tribute to the hard work of the Chief Executive, his senior leadership team and all our employees. Our strong performance is a testament to the dedication and commitment of everyone in delivering measurable value with our interventions.

I would also like to extend my thanks to my colleagues on the Board for their commitment to the organisation and for their support and advice throughout the year.

My sincere thanks also goes to our partners in Enterprise Ireland, Invest NI, the Local Enterprise Offices, Enterprise NI members, Northern Ireland local authorities and the many business organisations with whom we have worked so closely.

I would like to express my gratitude to the Government Ministers responsible for InterTradelreland during this period; Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor TD and subsequently, Tánaiste Frances Fitzgerald TD and Heather Humphreys TD in Ireland and in the early months of 2017, Minister for the Economy, Simon Hamilton MLA in Northern Ireland, followed by senior civil servants, led by Dr Andrew McCormick. Both Departments have worked hard to support the organisation throughout the year.

Next year could be a pivotal one for many companies as the implications of the post-Brexit era emerge. I believe InterTradelreland has a significant role to play as these fresh challenges come into play but I am confident we can meet these head on and help businesses continue to survive and grow in a post-Brexit world.

**Ken Nelson**

# Designated Accounting Officer's Message



**Aidan Gough**  
Strategy &  
Policy Director  
(Designated Accounting Officer)

InterTradelreland's remit is to support cross-border trade and business development opportunities. These opportunities are particularly important for small businesses and since inception InterTradelreland has engaged with 36,000 small and medium sized businesses across the island.

Over 7,000 small and medium sized businesses have benefitted directly from our supports in areas such as trade development, product and process innovation, access to public procurement markets and help with funding to pursue business growth plans. In doing so they have generated over €1bn of additional value since InterTradelreland's inception and created and supported over 12,000 jobs.

In the past 17 years, cross-border trade on the island of Ireland has grown on average by over 4 percent per annum. The entrepreneurs involved have shown their resilience in recovering from several major shocks to the economy and to their businesses. The decision by the UK to exit the European Union has the potential to deliver another shock to the economic system and perhaps change the trading relationship between the two jurisdictions on the island. A key focus of our activity over 2017 has been to encourage and support small businesses in preparing for the new challenges and opportunities that lie ahead.

Through our quarterly All-Island Business Monitor survey, which is the largest all-island quarterly survey of businesses and ground breaking research on the impact of tariff and non-tariff barriers, published in 2017, we remain on the pulse of the challenges and concerns facing small businesses. We have launched a Brexit Advisory Service to help small and medium sized businesses prepare for the new trading relationships as it emerges. The service comprises of an expert team with a range of supports, including £2k/€2k vouchers for professional services, information, guides and events. They have already delivered several Brexit outreach activities in 2017 including 5 regional events and major conferences in Belfast and Dublin with over 800 delegates attending. Members of our team also spoke at a further 29 events across the island. In total the Brexit Advisory Service engaged directly with over 2,350 SMEs across the island through the various elements of its Brexit Advisory Service in 2017.

FUSION is InterTradelreland's technology transfer programme which provides companies with new product or process development needs, access to a three-way partnership that includes a third-level research institution with specialist expertise and a high-calibre science or technology graduate. Between January and December 2017 the FUSION team has dealt with over 300 enquiries and InterTradelreland approved 61 projects for support. A total of 43 graduate jobs have been created to date this year through projects commencing. In 2017 companies that had previously completed FUSION projects reported a business value of £40.9m/€47m and a jobs impact of 419.

Go-2-Tender, our tendering programme, provides businesses with the knowledge and skills to tender successfully for public sector contracts. Public Procurement, a market worth c.£10.5bn/€12.7bn annually, remains a very important business opportunity for SMEs. During 2017 there were 15 'Introduction to Tendering' workshops with an overall attendance of 215 participants and 16 standard workshops with 252 SMEs attending.

The Funding for Growth programme continues to offer a range of supports to help both start up and established companies improve their ability to raise finance by improving their understanding of the current funding landscape, developing their investor/funding readiness and supporting business angel networks. As part of this service, the 2017 Seedcorn Investor Readiness Competition was launched on the 8th March. A total of 25 promotional workshops were held across the island with 225 companies attending, and of these 103 submitted an application. £3.5m/€4m in new equity was raised by companies who have been shortlisted in the competition in 2017 which in turn generated a jobs impact of 112.

Building on the large increase in North South applications and drawdown for the FP7 programme, the NSMC agreed a challenging target of drawdown of €175m to the Horizon 2020 programme. To date, €65m has been secured and despite uncertainty over Brexit, this target remains achievable. In 2017 InterTradelreland conducted a survey of possible participants on the potential for cross-border partnerships to continue applying to Horizon 2020 in light of the UK's decision to leave the EU and will be rolling out a range of supports based on the survey findings. These include, bespoke training for Horizon 2020 funding applications, protected time for lecturers/researchers and a series of targeted events.

Our trade development programmes, Acumen and Elevate have also attained excellent results this year. Acumen, which is designed to stimulate cross-border business for SMEs had dealt with 423 enquiries and had supported 100 businesses. The Elevate programme, which helps micro-businesses explore the opportunities available in the cross-border market and take the first steps in exporting, has supported 64 businesses during 2017.

Finally, I would like to commend and thank the staff of InterTradelreland. Their flexibility and enthusiasm to drive maximum value for the businesses and organisations we support is what ensures InterTradelreland continues to deliver against corporate objectives. Much has been achieved in 2017. Demand for all our supports remains very high and a key challenge for InterTradelreland is to develop new ways of meeting this demand to ensure that we continue to support the growth and development of as many small entrepreneurial businesses across the island through the realisation of cross-border trade and business development opportunities.

**Aidan Gough**

During 2017 InterTradelreland had an Executive Board consisting of 12 members appointed by the North South Ministerial Council (NSMC).

Two board members' appointments expired on 12th December 2017 – Rosemary Delaney and Prof Terri Scott. The previous Vice-Chair – Joanne Spain resigned on 26th April 2017 (no replacement yet).

No new Board Members were appointed in 2017.

Minister Humphreys made two nominations to fill the Southern vacancies on the Board of InterTradelreland on the 14th February 2018. Their terms of office will be 4 years from their date of appointment which needs ratification by the NSMC.

## Board Members



### Ken Nelson MBE

Chairman

Ken Nelson has extensive involvement in economic development, business start-up and growth as chief executive of Local Economic Development Company (LEDCOM) Ltd. Ken has over 25 years' experience working as a business advisor, mentor and trainer with entrepreneurs, start-up companies, small businesses and social enterprises. He has wide ranging experience in designing and delivering support initiatives for economic development, business incubation, managed workspace development, social entrepreneurship and small business growth.

Ken was one of the founding directors and former Chairman of Enterprise Northern Ireland, the association of NI's local enterprise centres. In 2010 he was the sole Northern Ireland recipient of the Queen's Award for Enterprise Promotion. Brought up on a farm and married with six children, Ken began his career in the textile industry working in production management and product management.

Ken is a voluntary member of the board of directors of three social enterprises. He has a BA in Business Studies, MBA and MSc in Human Resource Management as well as being a Chartered Manager (CMgr) and Fellow of the Chartered Management Institute (FCMI). He is also a member of the Board of Governors of the Northern Regional College and Stranmillis University College.

Ken is a regular speaker at economic development and entrepreneurship conferences locally, nationally and internationally, as well as writing an occasional column on business issues for a local newspaper.

In April 2012, he was appointed to the Board of Invest NI by the Northern Ireland Minister for Enterprise, Trade & Investment. He was re-appointed to the Board of Invest NI in April 2015.

In December 2016, he was appointed as Chairman of InterTradelreland by the North South Ministerial Council and in 2018 was awarded an MBE in the New Year's Honours List.



**Paul  
O'Sullivan**  
Vice-Chair

Paul O'Sullivan is a former Director and Dean of the College of Business in the Dublin Institute of Technology. He has served as a member of the Higher Education Authority of Ireland and is currently a member of the Board of Solas, the government body for policy, strategy, financing and direction of all Further Education, Apprenticeship and Industrial Training in the Republic of Ireland.

Paul has been a Director of the Bolton Trust (1992-2012), a registered charity devoted to fostering high tech graduate entrepreneurs and he was the first Chairman of the Small Enterprise Seed Fund. He has published in the areas of Marketing Communication and Sponsorship and Business Planning for SMEs. He has acted as Marketing Advisor to a number of public bodies and chaired a major Marketing Review for the GAA. He has served on the Board of a number of media companies and software start-ups.

In December 2016, he was appointed as Vice-Chair of InterTradelreland by the North South Ministerial Council.



**Micheál  
Briody**

Micheál Briody FCMA is the CEO of Silver Hill Farm which is the Irish-owned leading producer of premium Peking Duck worldwide. The company has operations north and south of the border, exports to 27 countries and employs over 230 people. Micheál has been with the company since 2011 and in that time has led the company to double their turnover and break into the Asian market.

Prior to working in Silver Hill, Micheál worked in a number of lead roles in the lighting, furniture and consultancy industries. He is also national chairman of the GAA's Club Player Association which acts as the voice for all GAA club players in the 32 counties.



**Tim  
Cairns**

Tim Cairns is Wales and Northern Ireland Director for the Community Transport Association UK. Having served as a Special Adviser in the office of the First Minister and at the Department of Enterprise, Trade and Investment, Tim's background is in policy and public affairs.

Tim also served as Director of Policy for the Democratic Unionist Party and has worked in the voluntary sector, both in Northern Ireland and Canada, for over 15 years. A non-practising barrister, Tim has been engaged widely in development, implementation and advocacy, across a range of diverse policy areas.



**Terry  
Crossan**

Terry Crossan worked for many years in the Licensed Trade industry with the Garvan O'Doherty Group. Now semi-retired, he works part-time as a Security Advisor for music events and festivals.

He served on the Board of Foyle Carlingford and Irish Lights for 10 years including 3 years as Chair of the Board. He was also on the Board of Bogside Brandiwell Initiative for several years as well as serving on the Board of Cooperation Ireland for four years.



**Paul  
Greenfield**

Paul Greenfield was elected to Armagh City, Banbridge and Craigavon (ABC) Borough Council in May 2014. He is currently Deputy Lord Mayor of the ABC Council and serves on the Economic Development and Regeneration Committee and also the Leisure Services Committee. Paul has 20 years' experience working in the retail motor industry in some of Northern Ireland's leading dealerships. He currently manages three new car franchises and a used car department. Paul has enjoyed numerous successes throughout his career including a Customer Quality award, ranking top in the UK.

He is Board member of East Border Region, Vice-Chairman of his local DUP branch and Co-Chair of the Peace IV Partnership Board. Paul is married, with three young children and lives in Waringstown.



**Patrick  
Joy**

Patrick Joy is the founder of Suretank Group and was the 2013 Irish EY Entrepreneur of the Year. He is a Chartered Mechanical Engineer (University College Dublin, 1974) and also has an MBA (Trinity College Dublin, 1988). Married to Mary, they have five children and three grandchildren and live in Baltray, Co. Louth.

Patrick recently hired a new CEO for Suretank and has stepped back from his previous full time role of managing his business. He devotes his time to mentoring and investing in new start-up businesses and he is a director of a number of companies including Suretank Group where he retains a significant shareholding.

Outside of his business interests, Patrick is a member of Engineers Ireland, EO – The Entrepreneurs Organisation, Boyne RFC, Royal Dublin Society and Co. Louth Golf Club. He is also a council member of the Irish Exporters Association.



**Ann  
Rudden**

Ann Rudden runs one of Ireland's leading artisan chocolate companies, Áine Hand Made Chocolate. Ann completed a course in bakery and management in the Dublin Institute of Technology in Kevin Street which led to landing her first full-time job with the Irish Chocolate Company, now known as Butlers Chocolates and then Lily O'Brien's.

In 1999 Ann started developing her own range of chocolate products. Based in the village of Stradone, her business grew from strength to strength and won numerous awards including 25 Great Taste Awards, two IQ awards and recommendations from leading food critics such as John and Sally McKenna and food guru Rick Stein.

The Company now produce a range of bars and gift boxes and has markets in Ireland, UK, Malaysia, France, Dubai and a host of independent retailers such as Avoca, Kilkenny Shop, Morton's and Fallon and Byrne. In addition, she also ships to a number of finefood retail outlets in the UK, Dubai, Russia and Malaysia.

Ann Rudden is a member of the Cavan Economic advisory forum at Cavan Council.



**James  
Spratt**

James Spratt has worked all his life in the public sector and has extensive knowledge of local and central government. He served on Castlereagh Council from 2005 to 2013 serving on many committees and bodies. He was Chairman of the Northern Ireland Joint Council representing the 26 councils and also served on the National Joint Council.

James also was a member of the NI Assembly from 2007 to 2015. He was Chairman of the Standard and Privileges Committee 2014 to 2015, Chairman of the Regional Development Committee 2011 to 2014 and Chairman of the Assembly Executive Review Committee 2008 to 2011. He also served on the Committee of First & Deputy First Minister from 2007 to 2015.

James was a Member of the NI Policing Board 2008 to 2011 as well as serving as Chairman of the Human Resources Committee during that period. James Spratt is a married man with 4 grown up sons and 7 grandchildren.

# Organisation profile

## Senior leadership team



**Aidan Gough**

Strategy & Policy Director  
(Designated Accounting Officer)

Aidan Gough, in his role as Strategy and Policy Director, advises on collaborative strategy, policy and initiatives to help InterTradelreland in boosting North South economic co-operation to the mutual benefit of both economies on the island. Aidan leads InterTradelreland's policy and research team to identify areas where joint Government intervention can help to create an environment where it is easier to do business and increase the competitiveness of individual businesses and the island in the global economy.

Aidan is a graduate of Queen's University, Belfast with an MBA and MSc in Economics. Prior to joining InterTradelreland in 2000, Aidan was Director of the Northern Ireland Economic Council.



**Margaret Hearty**

Director of Programmes  
and Business Services

Margaret leads the Operations team in the development and delivery of InterTradelreland's suite of programmes and business services. InterTradelreland provides a wide range of business supports for small businesses across the island including Innovation supports, Cross Border Export supports, Public Tendering, Funding for Growth supports and a Brexit Advisory Service.

Margaret is a business and marketing graduate. She completed an MBA in 2004. Margaret joined InterTradelreland in 2001 and headed up the Body's Funding for Growth Programme. She was appointed to her current position in December 2009.



**Alan Morrow**

Assistant Director  
of Programmes and  
Business Services

Alan is responsible for assisting in the development and delivery of InterTradelreland's suite of programmes and business services. Alan is an engineering graduate and a Chartered Manager and has been with InterTradelreland since 2009 working primarily on the Innovation programmes. Alan has extensive experience in the private sector. He has managed factories and production units in the textile and chemical industries.

Alan has also delivered and managed graduate development and training programmes and has worked as a Business Support manager in IT and Consultancy.



**Alayne Kinver**

Assistant Director of  
Strategy and Policy

Alayne is responsible for ensuring the delivery of the strategy, policy and collaboration initiatives to deliver mutual economic growth to the economies of Ireland and Northern Ireland. Alayne has worked in the US and Canada for a major Northern Irish Exporter and also as consultant to SMEs in delivering accelerated export development and technology transfer programmes.

She spent 10 years working in a variety of roles for a blue chip company and prior to joining InterTradelreland was the Director of Development for a large third sector organisation. Alayne is a business and languages graduate of the University of Ulster and also has a MSc in Business Development and Innovation.



**Martin Agnew**

Corporate Services  
Director

Martin joined InterTradelreland in 2013 and was appointed Corporate Service Director in April 2018. Martin leads the Corporate Services team to support and promote InterTradelreland's wide range of business supports for small businesses across the island.

Martin is a Fellow of Chartered Accountants Ireland and is a graduate of the University of Ulster and Queens University, Belfast. His previous employments included financial management roles within an advertising company and a large accountancy practice.



# Forward, Further, Together.



**The cross-border market is a key stepping stone for companies seeking to export off island**



## Directorates

### Operations Directorate

The Operations Directorate is responsible for the development and delivery of InterTradelreland's business supports including Innovation supports, Cross-Border Trade/Export supports, Public Tendering supports, Funding for Growth supports and the recently introduced Brexit Advisory Service.

InterTradelreland's Innovation supports assist companies to commercialise new products and processes through collaboration with Academia and experienced third level graduates. They also support companies with Ideas Generation working on the concept of "Failing Fast and Failing Cheap".

The Cross-Border Trade/Export Business provides an escalator of supports for First Time Exporters right through to established businesses seeking to increase their presence in the cross-border market. Companies can get access to experienced industry experts to develop their export plan as well as financial assistance to employ full and part time sales. The cross border market is a key stepping stone for companies seeking to export off island.

Businesses can access our Public Tendering Supports helping them to understand the public procurement market on the island and tailored assistance to prepare tenders. This also includes unique access to public sector buyers North and South through our Meet the Buyer events.

Our Funding for Growth programme has expanded to include our Funding Advisory Service aimed at helping established businesses consider alternative sources of bank and other forms of funding for business growth. Our work with early stage businesses continues through our Equity Advisory Service, Seedcorn Investor Readiness Competition and our involvement in the HBAN Business Angel Networks on the island.

The Brexit Advisory Service was established to inform and guide companies on the potential implications of the UK exiting the European Union and how best to plan for any new trading regime. Businesses have access to a €2,000/£2,000 voucher to assist with getting prepared.

The Directorate also establishes and develops business networks to help companies pool their knowledge and resources, share costs and risks and achieve competitive advantage faster, cheaper and with less disruption to their operations.

### Strategy and Policy Directorate

The Strategy and Policy Directorate is responsible for the definition of the organisation's strategic plans and its programme policies. It completes the business and economic research necessary to provide the evidence base from which it can design and customise its programmes and services to the specific needs of companies, and identify new cross-border opportunities.

Such research lead to the establishment of the Brexit Advisory Service in 2017. In addition, it develops InterTradelreland's role as a collaborative catalyst delivering new cross-border opportunities, primarily but not exclusively, based on cooperative cross-border or all-island partnerships in the area of science, technology and innovation. It is also responsible for InterTradelreland's international collaborative initiatives such as the US-Ireland R&D Partnership and Horizon 2020 support programmes.

The team delivers expertise in the areas of Strategy and Policy Development, Economic Development Programmes, Science, Technology and Innovation, Business and Economic Research, Programme Appraisal and Evaluation and Business Planning and Performance Management.

The Directorate manages close working relationships with external business and policy organisations and with the other economic development agencies on the island.

### Corporate Services Directorate

The Corporate Services Directorate consistently adds value to InterTradelreland through building and maintaining the confidence and support of key internal and external stakeholders. It develops and implements key strategies around communications, information technology and financial and human resource management in support of InterTradelreland's business objectives and unique standing as an Implementation Body.

# Business Plan 2017

## Strategy and Key Performance Indicators

### Vision, Mission and Strategic Goals

InterTradelreland's vision is to drive competitiveness, jobs and growth by improving connectivity between businesses and vital resource providers on a cross-border basis through the twin pillars of innovation and trade.

Our Mission is to develop a connected ecosystem which Ireland and Northern Ireland co-operate to ensure businesses are making full use of cross-border opportunities to drive competitiveness, growth and jobs.

The approach of InterTradelreland is to identify and realise co-operative opportunities that will enable trade and business development and have a key impact on job creation, business and economic performance in Northern Ireland and Ireland. Identify and help eliminate the barriers to cross-border trade and business development, both general and sectoral, by bringing these where appropriate to government policy makers, and/or pioneering relevant, flexible and responsive programmes and services.

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

### The Strategic Framework shows two core goals

1. Drive job creation
2. Deliver an impact of expenditure 12.5:1

### Key Performance Indicators

InterTradelreland has defined Direct Impact Measures to ensure that the public resources that we utilise deliver value for money in ways which align with the organisation's legislative remit and strategic goals.

### Key Performance Indicators (KPIs) for 2017 -2019 are

- Key Performance Indicator 1**  
Companies engaged in North South Business
- Key Performance Indicator 2**  
Total Jobs Impact
- Key Performance Indicator 3**  
First Time Exporters
- Key Performance Indicator 4**  
First Time Innovators

Targets against these Strategic and Key Performance Indicators above are set within the organisation's Annual Business Plans and reported each year. The 2017 Business Plan Performance Report in the next section provides quantitative and qualitative data on our operational programmes and our business and economic research reports, work within the North South policy and operational secretariats with which we are engaged and the online services that we have created and are delivering.

Indirect Impact Measures reflect the medium to longer term impact of InterTradelreland's programmes and initiatives. These include improved co-operation-driven business capability and competitiveness, increased business flows, increased knowledge flows and innovation, and increased levels of North South trade.

# Performance Report

### InterTradelreland Business Plan Targets 2017

**Strategic Performance Indicator**  
[Total Business Value Achieved]<sup>1</sup>

Target: £53M/€61M total value of reported trade and business development activity generated by firms engaged on our co-operative North South Trade and Innovation programmes and our all-island business networks.

**Strategic Performance Indicators** [Impact of Expenditure]<sup>2</sup>

Target: 9:1 The ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes.

**Key Performance Indicator 1**  
[Companies engaged in North South Business]

Target: 2,665 additional companies engaged in developing their North South business capabilities through the utilisation of our business information and advice services and through participation on our Trade and Innovation programmes.

**Key Performance Indicator 2**  
[Total Jobs Impact]

Target: 1,100 jobs; new jobs created plus existing jobs protected as a direct result of company participation on an InterTradelreland programme.

**Key Performance Indicator 3**  
[First Time Exporters]

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

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

Target: 56 companies to become first time innovators through participation on an InterTradelreland Innovation programme.

**Table 1: 2017 Performance against Business Plan Targets**

Balanced Scorecard Reference	Measure	2017 Target	2017 Performance
<b>Stakeholder Value</b> Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.	• Impact of Expenditure	9:1	12:1
	• First Time Innovators	56	82
	• First Time Exporters	50	102
	• Jobs Impact	1100	1301
<b>Customer Value</b> Increase the number of companies benefiting from North South business.	• Number of companies engaged in North South business through InterTradelreland Trade and Innovation Activities & Services.	2665	2611
	• Total Business Value achieved through InterTradelreland Trade and Innovation Activities & Services.	£53M/€61M <sup>3</sup>	£81M/€93M

<sup>1</sup>€1=£0.87 (2017 Business Planning Guidance from DPER (Ireland) and DoF (Northern Ireland). Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments Leveraged as a direct result of a company's participation on an InterTradelreland programme.

<sup>2</sup>Impact of Expenditure is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes.

<sup>3</sup>Business Value is captured through InterTradelreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

# Programme Area Report

## Trade and Innovation Activities - Highlights

### Trade

#### Acumen

Acumen is one of our trade programmes designed to stimulate cross-border business for SMEs. During 2017 a total of 127 companies applied to the programme resulting in 100 approvals. In 2017 companies that had previously completed Acumen projects reported a business value of £22.7m/€26m and a jobs impact of 468.



Revive Active, Galway

#### Elevate

Elevate is a programme focused on helping micro enterprises to take their first steps in exporting and exploring opportunities cross-border. During 2017 the programme received 240 enquiries from SMEs and 106 applications which resulted in 72 companies being approved for support. In 2017 companies that had previously completed Elevate projects reported a business value of £2.2m/€2.5m and a jobs impact of 82.

Within Elevate, the Export Knowledge Programme was created, originating from discussions between InterTradeIreland and the Irish Exporters Association (IEA). Both organisations identified a need to help small companies improve their capability to export into existing and/or new markets on the island of Ireland. A total of 20 companies were recruited to participate on the programme and 17 graduated in July 2017 at a ceremony held in Dublin. An initial review of the programme carried out by

the Irish Exporters Association in June 2017 showed 80% of companies surveyed have reported additional sales as a direct result of their participation on the programme.

#### Tendering

Go-2-Tender, our tendering programme, provides businesses with the knowledge and skills to tender successfully for public sector contracts. Public Procurement, a market worth c.£10.5bn/€12.7bn annually, remains a very important business opportunity for SMEs.

During the period January to December 2017 there were 15 Introduction to Tendering workshops undertaken by 215 participants and 16 Standard workshops with 252 SMEs attending. A specific e-Tenders portal workshop was delivered in partnership with Limerick LEO and was attended by 17 SMEs.

Two Category Specific Briefings were also delivered during 2017. These briefings are market focused and opportunity driven aiming to inform SMEs of market specific information and to support them in refining targeted tendering plans for sectors.

The first briefing was held on 10th March in Dublin on the opportunity; Housing: Rebuilding Ireland, with speakers from the key players in the sector; Cluid, Ibec and Construction Industry Federation (CIF). The briefing was attended by 35 participants. Following on from this InterTradeIreland has developed a partnership with the Construction Industry Training Board NI (CITBNI) and The Federation of Master Builders to deliver bespoke construction procurement training to members. The first workshop at CITBNI HQ was attended by 19 SMEs and a programme of events is planned for 2018. InterTradeIreland will be engaging with The Construction Industry Federation (Ireland) to deliver similar focussed workshops. The second briefing involved the delivery of a series of presentations at 10 locations across the island during May and June. The purpose was to reach out to the supply base to raise awareness of the potential for an upcoming Framework opportunity in the water industry: The Irish Water Framework for Repairs and



**InterTradeIreland enabled us to explore the cross-border market. Two years on we have new customers and a strong pipeline of business.**

Fiona Craul, Sweetspot Sourcing





Brilliant Trails, Ballymena

Maintenance. These briefings were aimed at micro-businesses and SMEs operating within the sector and the wider water industry. A total of 241 SMEs attended these briefings.

Following on from the success of the sector/category focused 'Meet the Buyer' event in Cork in 2016, InterTradelreland refined its Buyer/Supplier engagement offering in 2017 and held a Local Government Supplier engagement event in Cookstown on the 21st June 2017. The aim of the event was to raise awareness and promote opportunities for SMEs to compete for Local Government contracts. It provided a platform to inform and educate SMEs about who the buyers are, what they buy, and created opportunities for SMEs to meet key buyers and crucially fellow suppliers. The event was very successful with over 414 suppliers/delegates and there were 60 exhibitors; comprising of procurement and economic development personnel from the 11 Northern Ireland Councils, 5 of the 6 Border Local Authorities, and Economic Development Agencies on the island.

During the year InterTradelreland developed strategic partnerships with Belfast City Council and NI Water respectively to support upcoming procurement opportunities. Through the Council's Leisure Transformation programme, InterTradelreland delivered Supplier Engagement events, with Heron Bros. (Prime Contractors) with over 120 participants. In November, NI Water's full category procurement team met with over 100 participants to find pipeline opportunities and present innovative solutions. Data collected in this year from companies that had undertaken Go2Tender workshops in 2014 identified a business value of £4.6m/€5.3m and a jobs impact of 218.

#### Brexit

The Brexit Advisory Service was established in May 2017 to provide a focal point for SMEs, working to navigate the changes in cross-border trading relationships brought about by Brexit negotiations. The service includes a range of tailored supports to help keep businesses one step ahead on the journey.

There were significant Brexit outreach activities in 2017 comprising of 5 regional events hosted by InterTradelreland.

In addition, conferences were held in Belfast and Dublin with over 800 delegates attending. InterTradelreland was invited to speak at a further 29 events at various locations and this provided the opportunity to interact with over 1,500 SMEs. This included hosting a workshop at the ISME Annual Conference, speaking at the Team Ireland conference and participation at Brexit discussions hosted by the NSMC and the Committee for Exiting the EU.

In terms of geographic spread, events and speaking engagements took place across Northern Ireland and in Ireland, including Louth, Monaghan, Westmeath, Waterford, Cavan, Mayo, Donegal, Galway, Dublin and Cork which include 6 of the Action Plan for Jobs areas. The Brexit Advisory Service has been enhanced with data captured and collated through InterTradelreland's All-Island Business Monitor, several in depth case studies and detailed research carried out in conjunction with the the Economic and Social Research Institute (ESRI). To date the Brexit Advisory Service has engaged directly with over 2,350 SMEs in Ireland through the various elements of its Brexit Advisory Service.



Mark Steritt, Brexit Manager Brexit All Facts No Noise conference in Croke park December 2017

“  
Our business takes people on new journeys. Our journey was to greater success with cross-border trade.

Allan Hamilton, *Brilliant Trails*.



“  
**From artistry to machinery, we can now make movies into the real thing.**  
 ”

Richard Hill, Business Development Director  
 Deluxe Group



Science, Technology & Innovation

FUSION

FUSION is InterTradelreland’s technology transfer programme which provides companies, with new product or process development needs, access to a three-way partnership that includes a third-level research institution with specialist expertise and a high-calibre science or technology graduate. FUSION is helping many companies in the current economic climate to re-invent themselves and re-build their business as well as helping other companies to lead their sector and industry through new innovations. Over 80% of FUSION graduates are offered jobs by their host companies and many of these continue to lead innovation projects in the business.



Complete Laboratory Solutions, Galway

Between January and December 2017 the FUSION team dealt with over 300 enquiries and InterTradelreland approved 61 projects for support. A total of 43 graduate jobs have been created to date this year through projects commencing. In 2017 companies that had previously completed Fusion projects reported a business value of £40.9m/€47m and a jobs impact of 419.

Challenge

Aimed at MDs and CEOs of ambitious SMEs, the InterTradelreland Challenge Programme allows business owners to transform their company’s prospects in just 9 months by learning and applying the most effective methods of generating, marketing and launching new products and services. The aim is to provide a cost-effective opportunity to embed a process which will help create, evaluate and commercialise ideas and deliver a step-change in company performance.

A 3-year phase of the Challenge programme, to reach over 300 companies and provide intensive mentoring to 75 companies, commenced in 2014 and is currently approaching completion. During the phase 330 companies have been engaged with and workshops have been delivered to over 100 companies. By December 2017, 73 companies had availed of intensive mentoring and support to embed a proven, sustainable, repeatable innovation process in their company. A new 3-year phase of Challenge commenced in late 2017 and 20 companies have been engaged with to date.



Grainne Mackin Morgans Fine Fish, OMeath

“  
 The FUSION programme fast-tracked my career while the company got training from an innovation specialist  
 ”

Grainne Mackin, *Morgans Fine Fish, OMeath.*





## The Challenge programme gave us the drive to succeed in a cross-border market

Sinead Doran, *Ventac*.



### Funding for Growth

The Funding for Growth programme offers a range of supports to help both start up and established companies improve their ability to raise finance by improving their understanding of the current funding landscape, developing their investor/funding readiness and supporting business angel networks.

The 16th InterTradelreland Venture Capital Conference was held on Wednesday 8th March in Dublin. This year Sean Mitchell, Founder of Movidius, was keynote speaker. Movidius was the overall InterTradelreland Seedcorn Competition winner in 2007 and it was recently bought over by Intel. A total of 314 delegates attended the event.

In 2017, the Halo Business Angel Network across the island reported 33 deals which represented £6.7m/€7.7m direct angel investment which leveraged an additional £15.7m/€18m investment. Syndicate groups continue to demonstrate capacity to close large deals; particularly the med tech syndicate and increasingly syndicates are co-investing alongside other syndicate groups. A more recent development has been the establishment of a number of overseas diaspora investment groups who have looked to close investment rounds which have been led by Irish based syndicates.

In 2017, a series of 35 regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Cork, Limerick, Galway, Letterkenny, Drogheda, Athlone and Waterford with 171 companies availing of advice from a venture capital professional on their fund raising plans and signposting to potential funding sources.

The 2017 Seedcorn Investor Readiness Competition was launched on the 8th March. A total of 25 promotional workshops were held across the island with 225 companies attending, and of these 103 submitted an application. Overall the competition attracted a total of 273 registrations, with 191 submitting an application form. Following assessment of initial applications 163 companies were invited to submit a full business plan resulting in 102 business plans being received. The competition culminated on 22 November 2017. The overall winners were Phion Therapeutics, a Queen's University spin

out from Belfast that has developed revolutionary drug delivery technology and Cerebreon Technologies, a Donegal based company that specialises in high-end data analytics for the insolvency market. £3.5m/€4m in new equity was raised by companies who have been shortlisted in the competition in 2017 which in turn generated a jobs impact of 12.

By the end of 2017, 6 business planning workshops were held and 5 venture capital workshops. The purpose of these events are to assist early stage companies in the business planning process and educate entrepreneurs and advisors on the venture capital fund raising process.



The 2017 Overall Seedcorn winners, Phion Therapeutics, Belfast

### Horizon 2020

InterTradelreland is helping companies and researchers from Ireland and Northern Ireland to collaborate in Horizon 2020, the European Commission's 7 year €80 billion Research and Innovation programme designed to boost jobs and growth across Europe. The programme aims to do this by engaging industry so scientific ideas can be turned into viable products and services. During 2017 InterTradelreland has continued to expand its Horizon 2020 activities with a view to increasing joint North South participation in the H2020 programme. This included commissioning an all-island survey on the potential for cross-border partnerships to continue applying to Horizon 2020 in light of the UK's decision to leave the EU. The results of the survey will be communicated and disseminated to various stakeholders in appropriate

formats early in 2018. The key message is that where perceived barriers to North South participation existed, they were relatively minor, and the results have helped InterTradelreland to develop new ideas for support, some of which have the potential for joint-delivery with the other organisations involved in the Horizon 2020 Networks. As a first-step, a meeting with the NSMC representatives from the All-island Steering Group for Horizon 2020 has been arranged to discuss these actions early in 2018.

The data covering the call period January 2014 to June 2017 indicates that there have been 1173 collaborative applicants, of which 167 have been successful (70 Northern Ireland and 97 Ireland) giving a 13.3% success rate which exceeds the EU average of 11.6%. These successful applicants have been involved in 52 separate projects securing €65.95m.

In 2017, 34 cross-border partners have received financial support from the InterTradelreland Horizon 2020 Cross-border and EU Travel schemes. These schemes enable new cross-border meetings to take place between prospective partners, and support North South partnerships working on new proposals to extend their consortium building activities in Europe. InterTradelreland is aware of at least 8 projects supported by these schemes that have achieved success, resulting in a jobs impact of 26. InterTradelreland was also made aware that participants from Phase 1 of The Competitive Partnerships Programme (CPP) for Horizon 2020 Programme achieved a successful North South resubmission to H2020 this brings the total successes for the CPP initiative to 3 North South projects.

InterTradelreland and Enterprise Ireland co-organised a large all-island Conference to launch the new Horizon 2020 work programmes, hosted at UCD, Dublin, on 16th October 2017. The event attracted over 600 delegates from across the island, and the plenary session included invited expert speakers from the European Commission and Research Community, followed by breakout sessions led by the National and Northern Ireland Contact Points. This event was a particularly productive platform for encouraging responses to the InterTradelreland BREXIT Impact survey.

On 21st November 2017, InterTradelreland held a large H2020

'Focus On' event to look at opportunities in the new 2018-2020 Work Programme for SC2, Agri-food and the Marine. The objective of 'Focus On' events is to provide opportunities for North South engagement around specific topics in the H2020 programme and this event attracted 57 delegates, of which 21 were from Ireland. Arising from this InterTradelreland is currently working with the National Contact Point (NCP) and Northern Ireland Contact Point (NICP) to identify up to 4 cross-border partnerships to benefit from pre-submission training in advance of preparing North South submissions. A second InterTradelreland 'Focus On' event with a 'Big Data' theme took place on 16th November 2017 in Belfast. Hosted by the successful North South MIDAS consortium, this event attracted 60 delegates, and opened discussions on the potential for a second North South submission from the MIDAS consortium.

#### US-Ireland R&D Partnership

The US-Ireland R&D Partnership is a tri-jurisdictional alliance which was officially launched in 2006. Its aim is to promote collaborative innovative research projects which create value above and beyond individual efforts.

The US-Ireland R&D Partnership steering group met on 14th March 2017 and reported the continuation of its significant progress. To date a total of 40 projects have been awarded funding which represents a combined investment value of €67m/c£58m/c\$78m. This is an increase of 5 successful projects for the period ending November 2017. From Ireland the sources of funding include the US National Science Foundation, the National Institute of Food & Agriculture, the National Institutes of Health; Science Foundation Ireland (SFI), the Department of Agriculture, Food & Marine and the Health Research Board (HRB). Northern Ireland sources include the Health & Social Care R&D, in partnership with the Medical Research Council, the Department for Agriculture, Environment & Rural Affairs, the Department for the Economy and Invest NI.

Following the agreement of the Partnership to include agriculture research, the pilot programme was extended and the U.S. Department of Agriculture's National Institute of Food and Agriculture published details of a second call inviting U.S., Ireland and Northern Ireland researchers to

submit collaborative research applications. These proposals are undergoing competitive peer review and details of successful applicants will be known in early 2018.

#### All-Island Innovation Programme

The All-Island Innovation Programme aims to promote and encourage innovation across the island. A series of innovation lectures, seminars and masterclasses are held throughout the year to share international best practice in areas of innovation. The events, which take place in Belfast, Dublin, Galway and Cork each year, are attended by over 1,000 business leaders, policy makers, students and academics from across the island.

In May 2017 at UCC, Professor Ellen Enkel delivered a seminar 'Succeeding in Open Innovation' and a masterclass 'Revolutionising your industry: Harnessing the potential of the ecosystem through effective business models'. The last events for the 2016/2017 All-Island Innovation Programme took place in September 2017 at Queens University Belfast, with Professor Patrick Collister delivering a lecture entitled 'Fame, Fortune and Beautiful Lovers - How to use Creativity and Innovation in the Workplace' and two masterclasses 'Inside the Creative Toolbox - 7 ideas to help you build a better business'.

By September 2017, the programme had exceeded its remit and delivered a total of 24 events, comprising 11 masterclasses, 9 specialised seminars and 4 innovation lectures. A new programme of events for the All-Island Innovation Programme will continue in 2018.

H2020 event





Pictured at the launch of the Analysis of Cross-Border Trade and Supply Chains Report are L to R Kerry Curran, Policy Research Manager InterTradelreland, Minister Heather Humphreys TD, Ken Nelson Chairman InterTradelreland and Aidan Gough Strategy & Policy Director InterTradelreland.

## Business & Economic Research

### Business Monitor

InterTradelreland's quarterly Business Monitor Survey remains the largest and most comprehensive business survey covering business owners' views in both Northern Ireland and Ireland with interviews conducted with 750 SME owner/managers across the island.

By Quarter 4, 2017 the Business Monitor had built up 11 years of data tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting.

The Quarter 2, 2017 Business Monitor (April to June) showed that 56% of businesses reported they were in a stable position, the highest since the Business Monitor began recording business stability and growth in 2011. Coupled with the fact that 82% of firms across the island are working at close to capacity, in Q2 2017 the Business Monitor revealed remarkable steadiness in the economy with few signs of direct negative impacts from the prevailing uncertainty, despite concerns around Brexit. Exporting businesses claimed the lack of clarity around Brexit was stalling planning efforts with 77% reporting that 'uncertainty makes it difficult to plan'.

The results of the Quarter 3 2017 Business Monitor (July-September) painted a buoyant economy with 39% of businesses in growth mode and a further 57% in a stable position. Companies trading cross-border fared particularly well, with 50% enjoying growth. Growth however did not translate into a similar upsurge in employment with only 7% of companies reporting that employment levels have increased over the past quarter. The reluctance to take on new staff against the positive market background chimed with the findings that despite sectoral differences 89% of businesses overall were close to or at full capacity. While this may have signalled a welcome improvement in productivity performance it may also have been a reflection on an increasing number of businesses reporting difficulties in recruiting appropriate skills.

Cost increases in overheads and through the supply chain were also major challenges that firms had to deal with. The fact that only 95% of businesses were still not actually planning for Brexit remained a real concern particularly as 22% overall and 41% of cross border traders said it was having a negative impact on their business.

### Research Publications

InterTradelreland carries out business and economic research activities to identify the opportunities and barriers affecting increased levels of trade and business development co-operation between Northern Ireland and Ireland.

The research agenda for 2017 was successfully completed and included the following reports:

- The Potential Impact of WTO tariffs on Cross-Border Trade
- Analysis of Cross-Border Trade and Supply Chains
- Working Paper: British Exit from the European Union - Case Studies

In the latter part of 2017 following on from the earlier 2017 report on WTO Tariffs and Non-Tariff Barriers the Cross-Border Trade and Supply Linkages report was completed. The report examines the patterns of cross-border trade on the island of Ireland, focusing on the role of supply chain links, measured by the extent of trade in intermediate products and the contribution to overall trade of two-way trading firms (those simultaneously importing and exporting). The analysis is motivated by the key role that trade plays in overall economic performance across both parts of the island and, in the more immediate policy context posed by Brexit, the importance of understanding and quantifying the cross border linkages both in terms of direct trade in final products and also in firms' supply chains.



“

**InterTradelreland's quarterly Business Monitor Survey remains the largest and most comprehensive business survey**

”

# Corporate Plan 2017-2019

Year 1  
Summary Performance Report

This 2017 Annual Report details the performance of the first year of InterTradelreland's Corporate Plan for 2017-2019.

InterTradelreland's key strategic goals for the period 2017-2019 are:

- 1 To drive competitiveness, jobs and growth
- 2 To develop a connected ecosystem

The performance of each of our Trade and Innovation programmes is aggregated and reported against the following Key Performance Indicators defined for the period 2017-2019:

- Strategic Performance Indicator - [Impact of Expenditure<sup>4</sup> 12.5:1] Business Value generated through InterTradelreland's North South Programmes.
- Key Performance Indicator 1 - Companies engaged in North South Business
- Key Performance Indicator 2 - Jobs Impact
- Key Performance Indicator 3 - First Time Exporters
- Key Performance Indicator 4 - First Time Innovators

## Key Achievements for Year 1 of the 2017- 2019 Corporate Plan:

- Total Business Value Achieved<sup>5</sup> [& Impact of Expenditure]. 2017: £81M/€93M<sup>6</sup> [12:1]
- We have provided North South business information and advice to 2,611 companies.
- 487 companies have participated on our North/South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have reported that 1301 jobs have been created or protected as a result of their participation.
- 102 firms are first time exporters.
- 82 firms are first time innovators.
- 4 Business Monitor reports have been published.
- We continue to support micro businesses and SMEs in the development of innovation and export capability. We have delivered a range of trade and innovation programmes that use cross-border collaborative opportunities to enhance a firm's growth prospects: Innovation programmes such as FUSION, Challenge and Funding for Growth, and Sales and Marketing programmes such as Acumen, Elevate and Go-2-Tender.
- A Brexit Advisory Service has been established to provide a focal point for SMEs, working to navigate the changes in cross-border trading relationships brought about by Brexit negotiations and includes a range of tailored supports to help keep businesses one step ahead on the journey.
- All our activities continue to be based on sound economic research.

<sup>4</sup> Impact of Expenditure is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes. Business Value is captured through InterTradelreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

<sup>5</sup> Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments Made as a direct result of a company's participation on an InterTradelreland programme.

<sup>6</sup> €1=£0.87 (2017 Business Planning Guidance from DPER (Ireland) & DoF (Northern Ireland)).



“We have designed a range of trade and innovation programmes that use cross-border collaborative opportunities to enhance a firm's growth prospects”

**Our people  
have the  
passion,  
dedication,  
and know-how  
to help keep  
businesses  
connected**



# Foreword to the Accounts

for the year ended 31 December 2017

## Background Information

InterTradelreland - The Trade and Business Development Body (the Body) - is a North South implementation body sponsored by the Department for the Economy in Northern Ireland (previously called the Department of Enterprise, Trade and Investment until 8 May 2016), and the Department of Business, Enterprise and Innovation in Ireland (previously called the Department of Jobs, Enterprise and Innovation until 1 September 2017). InterTradelreland was established on the 2nd of December 1999 under the Belfast Agreement 1998 and the British-Irish Agreement 1998 establishing implementation bodies, which is underpinned by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999.

InterTradelreland's principal functions are to exchange information and co-ordinate work on trade, business development and related matters, in areas where the two administrations specifically agree that it would be in their mutual interest. Specific areas include amongst others - co-operation on business development opportunities North and South, devising new approaches to business development and competitiveness, promotion of North-South trade supply chains and other areas when tasked jointly to do so.

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

## Business Review

A full review of InterTradelreland's activities is given in the Annual Review of Activities.

## Results for the Financial Year 1 January 2017 - 31 December 2017

The results of InterTradelreland are set out in detail on pages 54 to 81. The surplus for the period was £949,508 (€1,083,103) (2016: restated surplus £436,290 (€532,405)).

The surplus is primarily attributable to funding made available by the Department of Business, Enterprise and Innovation in Ireland from the agreed 2017 allocation.

## Fixed Assets

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

During 2017 expenditure on Fixed Assets related to Software Licences and Computer Equipment.

## Research and Development

Evidence based research underpins the development of the Body's activities. The Body researches and advises on cross-border and economic issues in Ireland and Northern Ireland through the development of the all-island Business Monitor and specific research projects.

## Future Developments

**Brexit** - The Body is actively promoting a Brexit Advisory Service to SMEs across the island and has Day 1 planning scenarios in place in respect of its operations.

**Corporate Plan** - The Body has historically prepared Corporate Plans for a three year period, with the most recent approved Plan being the 2014-2016 Corporate Plan. At the date of approval of these accounts, the Body has not yet received guidance from the Sponsor Departments relating to the Corporate Plan for 2017-2019. A draft has been prepared and submitted for approval, which refers to the Body's mission to drive competitiveness, jobs and growth, by improving connectivity between businesses and vital resource providers on a cross-border basis through the twin pillars of innovation and trade.

## Future Commitments

As at 31 December 2017, the Body has future programme expenditure commitments potentially amounting to £8,304,342 (€9,359,824). These commitments relate to Letters of Offer and delivery agent contracts of varying durations, which were issued in 2017 or previous years, and which relate to future years. The commitments arise principally in respect of the Acumen and Fusion programmes, and indicate the level of demand for the InterTradelreland suite of programmes.

## Charitable Donations

There were no charitable donations made by InterTradelreland during 2017.

## Business Plan

In the absence of Ministers within Northern Ireland, and consequently the North South Ministerial Council, the full legislative process for InterTradelreland's 2017 Business Plan could not be completed, including the approval of the Draft Business Plan and the recommendations as to the amount of grant.

In Northern Ireland, contingency arrangements were put in place by the Department of Finance in 2017 to ensure the continuation of service delivery by all the North South Bodies, while avoiding illegal spend by Departments. These contingency arrangements provided approval to the payment of grants by Sponsor Departments to Bodies, and in the absence of a Finance Minister these grants were approved by Department of Finance officials, as permitted under the 1999 Order. In the absence of an Assembly, the Northern Ireland Budget Act 2017 passed through Westminster on 16 November 2017, providing the legislative cover necessary for the Departmental use of both resources and cash. The Department for Business, Enterprise and Innovation continued to fund the Body's activities in the absence of an approved Business Plan.

The 2017 Business Plan and Cash Grant Guidance for Sponsor Departments and North South Implementation

Bodies was issued on 14 December 2017. The draft 2017 Business Plan is in line with this Guidance, to allow it to be approved once Ministers have been appointed.

## Important Events Occurring After the Year End

### Approval of 2017 and 2018 Business Plans

At the date of approval of these accounts, InterTradelreland's Draft 2017 and 2018 Business Plans had not been approved due to the absence of Ministers in Northern Ireland.

The Department of Business, Enterprise and Innovation in Ireland has continued to fund the Body's activities in the absence of an approved Business Plan. In Northern Ireland, the contingency arrangements implemented in 2017, which enabled the Department for the Economy to fund the Body in the absence of an approved Business Plan, will continue for 2018. Consequently, all 2017 funding and 2018 funding requested to date has been paid by both Sponsor Departments.

### Board Members

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

- Mr Ken Nelson (Chairman)
- Mr Paul O'Sullivan (Vice-Chair)
- Ms Joanne Spain (resigned 26 April 2017)
- Ms Rosemary Delaney (term completed 12 December 2017)
- Professor Terri Scott (term completed 12 December 2017)
- Mr Patrick Joy
- Mr Paul Greenfield
- Mr James Spratt
- Mr Terry Crossan
- Ms Ann Rudden
- Mr Micheal Briody
- Mr Timothy Cairns

The Chief Executive is responsible for the management and control generally of the administration of the Body. Mr. Thomas Hunter McGowan resigned as Chief Executive on 16 October 2017. Due to the absence of a Northern Ireland Executive, the Body is not in a position to recruit a replacement for Mr Hunter McGowan. As an interim measure, Mr Aidan Gough, Director of Strategy and Policy within the Body, has been appointed as Designated Officer, with the agreement of the Sponsor Departments.

The Body is awaiting the appointment of three new Board members by the North South Ministerial Council. Due to the absence of a Northern Ireland Executive, it has not been possible to make these appointments. Two members have been nominated by the DBEI Minister, however they cannot yet be formally appointed.

### Equal Opportunities

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

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

Our building is fully compliant with the requirements of the Disability Discrimination Act 1995 and won the William Keown Access Award in 2002. Currently 6.8% of our employees have declared that they have a disability under the definitions of the Act.

### Statutory Equality Scheme

InterTradelreland's original Equality Scheme was approved by the Equality Commission in March 2002. A revised Equality Scheme was approved in July 2012. The Body continues to be committed to implementation of its statutory responsibilities, by having regard to the need to promote equality of opportunity:

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

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

### Employee Involvement

InterTradelreland formally recognises NIPSA for negotiation and consultation.

### Payment to Suppliers

InterTradelreland is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2002, and the Late Payments in Commercial Transactions Regulations 2012. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later as required by legislation. The total number of approved invoices paid during the year was 2,734 (2016: 2,540). Ninety-nine percent of these were paid within the relevant period.

### Health and Safety Policy

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



Aidan Gough  
Designated Officer

Date: 2nd July 2018

# Statement of Responsibilities

## InterTradelreland Responsibilities

The Finance Departments have directed InterTradelreland to prepare a statement of accounts for each year ended 31 December in the form and on the basis set out in the accounts direction at the appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view, in accordance with the accounts direction, of the Body's state of affairs at the year-end and of its income and expenditure, changes in equity, and cash flows for the calendar year.

In preparing the accounts InterTradelreland is required to:

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

## Chief Executive's Responsibilities

The Chief Executive's responsibilities as the accountable person for InterTradelreland, 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.



**Aidan Gough**  
Designated Officer

Date: 2nd July 2018

# Statement of Internal Control/ Governance Statement

## Governance Framework

Mr. Thomas Hunter McGowan resigned as Chief Executive on 16 October 2017. Due to the absence of a Northern Ireland Executive, the Body is not in a position to recruit a replacement for Mr Hunter McGowan. As an interim measure, I have been appointed as Designated Officer and therefore Accountable person, with the agreement of the Sponsor Departments. As Accountable person, I have responsibility for maintaining a sound system of internal control that supports the achievement of InterTradelreland's policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and InterTradelreland's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

InterTradelreland is a North South implementation body sponsored by the Department for the Economy in Northern Ireland (DfE) and the Department of Business, Enterprise and Innovation in Ireland (DBEI). The Departments' Accounting Officers are responsible for the propriety and regularity of all resources voted to the Departments by the respective legislatures. In line with existing custom and practice in both jurisdictions, it is the responsibility of the Accounting Officers of the Departments to inter alia:

- Ensure that the Body's strategic aims and objectives are set in accordance with the Financial Memorandum;
- Ensure that his/her Department applies financial and other management controls as appropriate to safeguard the public funds provided to the Body in support of its operations;
- Ensure that controls being applied by the Body conform to the requirements of economy, propriety and good financial management; and

- Monitor expenditure and any borrowing.

In accordance with the establishing legislation, the Body has a Board, comprising twelve members, six from each jurisdiction, who are nominated by Ministers and appointed by the North South Ministerial Council. The Board meets at least ten times each year, and is supported in its work by a number of sub-Committees derived from the Board membership, including an Audit and Risk Assurance Committee, and other sub-Committees relating to programme delivery and communications. The Body is currently awaiting the appointment of three new Board members by the North South Ministerial Council. Due to the absence of a Northern Ireland Executive, it has not been possible to make these appointments. Two members have been nominated by the DBEI Minister, however they cannot yet be formally appointed.

### Risk and Control Framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of InterTradelreland's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in InterTradelreland for the year ended 31st December 2017 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Risk management has been incorporated into the corporate planning and decision making processes of InterTradelreland. The Body has adopted a formal policy on risk management, revised in January 2015, which allows for a proactive, on-going process of risk assessment, with the objective of prevention, control and containment of risk. A key element of the Guidance is the definition of roles and responsibilities for risk management, with the Board having a key role. Proposals for the setting of a risk appetite for the Body were agreed by the Board in April 2016 and procedures for identifying, assessing and mitigating risks were developed. The Body has ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. The Senior Leadership Team review the risk register on a regular basis. The Audit and Risk Assurance Committee meets at least four times each year and reports to the Board at the subsequent board meeting. A standing item on the Audit and Risk Assurance Committee agenda is the review of the risk register for accuracy, completeness and to ensure that all appropriate steps to control or mitigate risk are in place. The complete risk register is formally considered by the full board annually. Further to the annual Board review in August 2017, the risk register was reviewed by senior management and a new high-level Corporate Register was developed, which summarises the key corporate risks and is supported by detailed functional team risk registers. This process will continue to be regularly reviewed in 2018.

Staff manage risk through a range of embedded procedures within the Body. These include financial and budgetary controls, documented systems and procedures around processes and activities, schemes of delegated authority, appropriate insurances, comprehensive procedures around evaluation and appraisal, the taking of legal advice when required, and appropriate training in such areas as fraud awareness, evaluations and financial management. Inter-departmental or cross-directorate working and learning is actively encouraged and facilitated with the objective of reducing risk through awareness.

InterTradelreland has defined Direct Impact Measures (Key Performance Indicators) to ensure that the public resources utilised by the Body deliver value for money in ways which align with the organisation's legislative remit and strategic goals. The Body uses a bespoke information system, which has been independently evaluated, to provide performance monitoring data in respect of these direct impact measures.

### Key Issues

#### Approval of Business Plans

In the absence of Ministers within Northern Ireland, and consequently the North South Ministerial Council, the full legislative process for InterTradelreland's 2017 Business Plan could not be completed, including the approval of the Draft Business Plan and the recommendations as to the amount of grant.

In Northern Ireland, contingency arrangements were put in place by the Department of Finance in 2017 to ensure the continuation of service delivery by all the North South Bodies, while avoiding illegal spend by Departments. These contingency arrangements provided approval to the payment of grants by Sponsor Departments to Bodies, and in the absence of a Finance Minister these grants were approved by Department of Finance officials, as permitted under the 1999 Order. In the absence of an Assembly, the Northern Ireland Budget Act 2017 passed through Westminster on 16 November 2017, providing the legislative cover necessary for the Departmental use of both resources and cash.

The 2017 Business Plan and Cash Grant Guidance for Sponsor Departments and North South Implementation Bodies was issued on 14 December 2017. The draft 2017 Business Plan is in line with this Guidance, to allow it to be approved once Ministers have been appointed.

#### Brexit

The Body is actively promoting a Brexit Advisory Service to SMEs across the island and has Day 1 planning scenarios in place in respect of its operations.

#### Financial Memorandum

The Body operates within the context of a Financial Memorandum, which sets out the financial procedures and accountability arrangements, which govern financial relationships between the Body and the NSMC, the Sponsor Departments and Finance Departments. The Financial Memorandum was last updated by the

Sponsor and Finance Departments in January 2006. It is currently under review, and it is hoped that this process will be completed within the current financial year.

### Review of Effectiveness

As Accountable Person, I have responsibility for reviewing the effectiveness of the system of governance and internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within InterTradelreland, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their annual Report to Those Charged with Governance and other reports.

I have been advised on the implications of the result of the review of the effectiveness of governance and internal control by the Board and the Audit and Risk Assurance Committee. A process to address any weaknesses and ensure continuous improvement of the system is in place. Processes in place for maintaining and reviewing the effectiveness of the system of governance and internal control during the year ended 31st December 2017 included:

- The presentation of the Body's risk register to the Board;
- Review of the risk register at each meeting of the Audit and Risk Assurance Committee;
- Four meetings of the Audit and Risk Assurance Committee to consider and advise on matters arising around the system of governance and internal control and the risk register;
- An Annual Report of the Audit and Risk Assurance Committee to inform the Accounting Officer and Chairman of its work during 2017 was provided and considered by the Board;
- A review of the Assurance Statements provided by the Body's Directors and Managers in support of this Statement of Internal Control;
- The application of a risk-based three year internal audit programme. In July 2017 following the completion of the previous internal audit contract, RSMNI were appointed as internal auditors for a three year term. RSM have subsequently conducted audits in IT

- Security, Disaster Recovery and Business Continuity, and also Programmes. The level of assurance awarded for each audit was 'satisfactory'.
- A statement of assurance from the Internal Auditors, in respect of the period from their appointment in June 2017, to the year-end. They expressed the opinion that 'Given the outcome of the review delivered during the year ended 31st December 2017, it is our opinion that there is, overall, Satisfactory Assurance that the systems within InterTradelreland can be relied upon to support the overall achievement of objectives'.
  - The application of delegated sanctions agreed by both the respective Sponsoring Departments (DfE and DBEI) and Finance Departments (DPER and DoF);
  - The application of the provisions of the Financial Memorandum in conjunction with the above Departments; and
  - Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of other relevant agencies so as to continually strive for best practice in terms of programme delivery and propriety.

As a North South Implementation Body jointly sponsored by the Department for the Economy and the Department of Business, Enterprise and Innovation, InterTradelreland is required to provide the Departments with such returns of information relating to its proceedings or undertakings as the Sponsor Departments may from time to time require. For such purposes the Body shall permit any person authorised by the Sponsor Departments to inspect and make copies of their accounts, books, documents, data and records and shall afford such explanation as that person or the Sponsor Departments may require.



**Aidan Gough**  
Designated Officer

Date: 2nd July 2018

# Report on the Remuneration of Senior Management

The Senior Management of InterTradelreland are considered to be the CEO, the three members of the Senior Leadership Team and the Board of the Body. The Chief Executive is the Accounting Officer as approved by NSMC and is responsible for the management and control generally of the administration of the Body. Mr. Thomas Hunter McGowan resigned as Chief Executive on 16 October 2017. Due to the absence of a Northern Ireland Executive, the Body has not yet been able to recruit a replacement for Mr Hunter McGowan. As an interim measure, Mr Aidan Gough, Director of Strategy and Policy within the Body, has been appointed as Designated Officer, with the agreement of the Sponsor Departments.

## Policy on the remuneration of senior managers for current and future financial years

The pay scales of the Senior Management mirror those of the NICS pay scales. The pay scales for each NICS grade contain a number of pay points from minima to maxima, allowing progression towards the maxima.

## Service contracts

InterTradelreland's Recruitment Policy aims:

*"To employ suitably qualified and experienced staff to deliver the Body's Corporate and Operational Plan".*

The Body's Recruitment Policy has been defined by the legislative framework of the Good Friday Agreement which established the North South Implementation Bodies and by current employment legislation. It has been further defined by the Board & Management of InterTradelreland.

The Body adopts a best practice approach in recruitment and selection which aims to secure the best person for the job. A competency based interviewing process is used to select candidates whose experience best match the posts on offer. All appointments are then subject to a 6-month probationary period during which time performance will be closely monitored. Following satisfactory completion of this probation

period permanent contracts are confirmed and open-ended with a notice period of up to three months. Termination payments are in accordance with contractual terms.

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Body.



## Remuneration

(including salary) and pension entitlements of Senior Management staff

	2017				2016			
	Salary £	Salary €	Pension Benefits* £	Total £	Salary £	Salary €	Pension Benefits* £	Total £
Total senior management remuneration	£277,328	€316,348	£113,000	£390,328	£258,623	€315,597	£84,000	£342,623

Following the receipt of legal advice, a summary of senior management remuneration is presented, since disclosure of individual remuneration may represent a breach of the General Data Protection Regulations.

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

## Fair Pay Disclosure

The Body is required to disclose the relationship between remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2017 £	2017 €	2016 £	2016 €
The highest paid Director	65,000	74,146	85,000	103,726
Median remuneration of staff	37,325	42,577	37,325	45,548
Ratio	1.7		2.3	
Range of staff remuneration				
Lowest paid	22,514	25,682	22,514	27,474
Highest paid	69,342	79,098	84,630	103,274

The ratio is calculated using the mid-point of the banded remuneration of the highest paid director in post at the reporting date of 31 December, in accordance with the North/South Implementation Bodies Annual Report and Accounts Guidance. The movement in the ratio is due to the fact that a

new Chief Executive had not been able to be appointed by the reporting date, 31 December 2017, following the resignation of Mr Thomas Hunter McGowan on 16 October 2017. Mr Aidan Gough was appointed as Designated Officer following Mr Hunter McGowan's resignation.

## Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK/Irish taxation and any ex gratia payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Bonuses

It is not the policy of the Body to make any bonus payments to members of the senior management team or staff. No bonus payments were made in 2017 or 2016.

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated as a taxable emolument. There were no benefits in kind provided to senior management or staff in 2017 or 2016.

## Pension Entitlements

	Accrued pension at pension age as at 31/12/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/12/17	CETV at 31/12/16	Real increase in CETV
	£	£	£	£	£
<b>Director 1</b>	Pension £5,000 Lump Sum £15,000	Pension £1,000 Lump Sum £3,000	130,000	106,000	24,000
<b>Director 2</b>	Pension £24,000 Lump Sum £72,000	Pension £1,000 Lump Sum £3,000	526,000	491,000	35,000
<b>Director 3</b>	Pension £14,000 Lump Sum £2,000	Pension £2,000 Lump Sum £2,000	227,000	196,000	31,000
<b>Director 4</b>	Pension £ 10,000 Lump Sum £ 34,000	Pension £1,000 Lump Sum £3,000	218,000	191,000	27,000

Following the receipt of legal advice, senior management pension entitlements have been anonymized to ensure compliance with General Data Protection Regulations

### Pension Arrangements - General Description of the Scheme

The pension scheme consists of a number of sections with different benefit structures. The main sections are:

The Core Final Salary section - this is a final salary pension arrangement with benefits modelled on the Classic section on the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha section - this is a career averaged revalued earning pension arrangement or CARE scheme with benefits modelled on the alpha section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal Retirement Age is a member's State Pension Age in the relevant jurisdiction, which is currently 67, 68 or between 67 and 68 in the UK and 68 in Ireland. Pensions in payment (and deferment) increase in line with general price inflation.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the Core alpha section.

The valuation used for FRS 17 disclosures at 31 December 2017 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2017.

### Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits

accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Body's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### Compensation for loss of office

A payment of £10,000 was made in 2017 as compensation for loss of office. This payment is in accordance with the provisions of the Body's Financial Memorandum, and is disclosed as a special payment in Note 21 of the Accounts.

### Board Members' Remuneration

	Fee 2017 £	Fee 2017 €	Fee 2016 £	Fee 2016 €
Total Board member remuneration	74,942	85,486	69,456	84,757

Following the receipt of legal advice, Board member fees have been summarised to ensure compliance with General Data Protection Regulations

Board Members expenses in 2017 were £3,675 (€4,192) (2016 - £1,799 (€2,195)).

The Chairman and Board Members did not receive any benefits in kind during 2017 or 2016.

Members of the Board do not receive pension benefits.

### Salary bands for all employees

Number of employees, including Co-Innovate programme employees, whose emoluments for the twelve months ending 31 December 2017 fell within the following bands:

	2017 (Number of employees)	2016 (Number of employees)
Less than 40,000	28	25
40,000 – 49,999	8	8
50,000 – 59,999	1	2
60,000 – 69,999	3	1
70,000 – 79,999	-	-
80,000 – 89,999	1	1

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

### Opinion on the accounts

We certify that we have audited the accounts of InterTradelreland (the Body) for the year ended 31 December 2017 as required pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British/Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body.

The accounts comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows; and,
- the statement of changes in equity and the related notes. These accounts have been prepared under the accounting policies set out within them.

In our opinion, the accounts give a true and fair view of the state of the Body's affairs as at 31 December 2017 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

### Opinion on regularity

In our opinion, the expenditure and income recorded in the accounts have in all material respects been applied to the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and the financial transactions reported in the accounts conform to the authorities which govern them.

### Basis of opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting

Council's Revised Ethical Standard 2016 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the accounts

The Body has presented certain other information together with the accounts. This comprises the annual report, the foreword to the accounts, the statement on the system of internal control/governance statement and the remuneration report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we report by exception

We have nothing to report in respect of the following matters which we report if, in our opinion:

- we have not received all the information and explanations we required for our audit, or
- the accounting records were not sufficient to permit the accounts to be readily and properly audited, or
- the accounts are not in agreement with the accounting records, or
- the statement on the system of internal control/governance statement does not reflect compliance with applicable guidance on corporate governance.

### Responsibilities of the Auditors

Our responsibility is to audit the accounts in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and to report thereon to the Northern Ireland Assembly and the Houses of the Oireachtas.

Our objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts. As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. In doing so

- We identify and assess the risks of material misstatement of the accounts whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- We conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Body to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

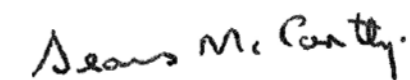
In addition, we are required to obtain evidence sufficient to give reasonable assurance that expenditure and income recorded in the financial accounts have been applied to the purposes intended by Assembly and Oireachtas and that the financial transactions recorded in the accounts conform to the authorities which govern them.



**Kieran Donnelly**  
Comptroller and Auditor General for Northern Ireland

106 University Street  
Belfast BT7 1EU

Date: 6 July 2018



**Seamus McCarthy**  
Irish Comptroller and Auditor General

3A Mayor Street Upper, Dublin 1  
Ireland D01 PF72

Date: 13 July 2018

## Income Statement

for the year ended 31 December 2017

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
<b>Income</b>					
Grant Receivable	2	10,153,166	9,104,417	11,581,717	11,110,120
Capital Grant Release	13.2	17,868	27,157	20,382	33,140
Other Operating Income	3	992,423	761,851	1,132,057	929,687
<b>Total Income</b>		<b>11,163,457</b>	<b>9,893,425</b>	<b>12,734,156</b>	<b>12,072,947</b>
<b>Expenditure</b>					
Staff Costs and Board Remuneration	4	2,905,396	2,439,799	3,314,186	2,977,287
Depreciation	8 & 9	17,868	27,157	20,382	33,140
Other Operating Costs	6	639,629	715,271	729,626	872,845
Programme Costs	7	6,650,705	6,273,821	7,586,459	7,655,944
<b>Total Expenditure</b>		<b>10,213,598</b>	<b>9,456,048</b>	<b>11,650,653</b>	<b>11,539,216</b>
Surplus before Tax		949,859	437,377	1,083,503	533,731
Corporation Tax Payable	6 (b)	(351)	(1,087)	(400)	(1,326)
Surplus for the Year		949,508	436,290	1,083,103	532,405
<b>Surplus for Year Transferred to General Fund</b>		<b>949,508</b>	<b>436,290</b>	<b>1,083,103</b>	<b>532,405</b>

## Statement of Comprehensive Income

for the year ended 31 December 2017

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
Surplus for the Year		949,508	436,290	1,083,103	532,405
Actuarial gains/(losses) on pension liabilities	16.3	387,868	(3,703,386)	442,441	(4,519,242)
Adjustment to Deferred Pension Funding		(387,868)	3,703,386	(442,441)	4,519,242
<b>Total recognised gain for the year</b>		<b>949,508</b>	<b>436,290</b>	<b>1,083,103</b>	<b>532,405</b>

All amounts above relate to continuing activities.

The Statement of Cash Flows and the notes on pages 58 to 81 form part of these accounts, together with Appendix A on page 82.

## Statement of Financial Position

as at 31 December 2017

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
<b>Fixed Assets</b>					
Intangible Assets	8	18,746	20,088	21,129	23,463
Property, Plant & Equipment	9	26,768	16,812	30,170	19,636
		<b>45,514</b>	<b>36,900</b>	<b>51,299</b>	<b>43,099</b>
<b>Current Assets</b>					
Receivables due within one year	10	419,821	223,078	473,180	260,555
Cash and cash equivalents	15.2	3,032,032	2,235,602	3,417,403	2,611,183
		<b>3,451,853</b>	<b>2,458,680</b>	<b>3,890,583</b>	<b>2,871,738</b>
<b>Current Liabilities</b>					
Payables - amounts due in less than one year	11	1,532,366	1,429,190	1,727,129	1,669,294
Provisions - amounts due in less than one year	12	112,948	172,459	127,304	201,432
		<b>1,645,314</b>	<b>1,601,649</b>	<b>1,854,433</b>	<b>1,870,726</b>
<b>Net Current Assets</b>		<b>1,806,539</b>	<b>857,031</b>	<b>2,036,150</b>	<b>1,001,012</b>
<b>Total Assets Less Current Liabilities Before Pensions</b>		<b>1,852,053</b>	<b>893,931</b>	<b>2,087,449</b>	<b>1,044,111</b>
Pension Liabilities	16.2	(12,512,928)	(11,931,670)	(14,103,321)	(13,936,191)
Deferred Pension Funding	16.5	12,512,928	11,931,670	14,103,321	13,936,191
<b>Total Assets Less Total Liabilities</b>		<b>1,852,053</b>	<b>893,931</b>	<b>2,087,449</b>	<b>1,044,111</b>
<b>Financed by Capital and Reserves</b>					
General Reserve	13.1	1,806,539	857,031	2,036,151	1,001,012
Capital Grant Reserve	13.2	45,514	36,900	51,298	43,099
		<b>1,852,053</b>	<b>893,931</b>	<b>2,087,449</b>	<b>1,044,111</b>



**Aidan Gough**  
Designated Officer

Date: 2nd July 2018

The Statement of Cash Flows and the notes on pages 58 to 81 form part of these accounts, together with Appendix A on page 82.

## Statement of Cash Flows

for the year ended 31 December 2017

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
<b>Net cash generated from Operating Activities</b>	15.1	792,096	178,760	801,276	(190,860)
<b>Cash flows from investing activities</b>					
Payments to acquire Intangible assets, Property, Plant & Equipment	8, 9	(26,482)	(16,858)	(30,208)	(23,225)
<b>Cash flows from financing activities</b>					
Grant Received for Capital Purposes	13.2	26,482	16,858	30,208	23,225
Interest Received	3	4,334	2,845	4,944	3,472
<b>Net increase/(decrease) in cash and cash equivalents</b>	15.2	<b>796,430</b>	<b>181,604</b>	<b>806,220</b>	<b>(187,388)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		2,235,602	2,053,998	2,611,183	2,798,572
<b>Cash and cash equivalents at the end of the year</b>		<b>3,032,032</b>	<b>2,235,602</b>	<b>3,417,403</b>	<b>2,611,184</b>

The notes on pages 58 to 81 form part of these accounts, together with Appendix A on page 82.

## Statement of Changes in Equity

as at 31 December 2017

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
<b>General Reserve</b>					
Balance at 1 January		857,031	420,741	1,001,012	573,260
Surplus for year		949,508	436,290	1,083,103	532,405
Actuarial Gain/(Loss)	16.3	(387,868)	3,703,386	(442,441)	4,519,242
Deferred Pension Funding		387,868	(3,703,386)	442,441	(4,519,242)
Exchange Gain/(Loss)		-	-	(47,964)	(104,653)
<b>Balance at 31 December</b>	<b>13.1</b>	<b>1,806,540</b>	<b>857,031</b>	<b>2,036,151</b>	<b>1,001,012</b>
<b>Capital Grant Reserve</b>					
Balance at 1 January		36,900	46,337	43,099	63,134
Capital Grants Received		26,482	17,720	30,208	21,624
Amortisation in line with asset depreciation		(17,868)	(27,157)	(20,382)	(33,140)
Exchange Gain/(Loss)				(1,627)	(8,519)
<b>Balance at 31 December</b>	<b>13.2</b>	<b>45,514</b>	<b>36,900</b>	<b>51,298</b>	<b>43,099</b>
<b>Total Equity at Year End</b>		<b>1,852,053</b>	<b>893,931</b>	<b>2,087,449</b>	<b>1,044,111</b>

The notes on pages 58 to 81 form part of these accounts, together with Appendix A on page 82.

# Notes to the Accounts

for the year ended 31 December 2017

## 1. Accounting Policies

### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland. This is the first set of financial statements prepared in accordance with this standard. The date of transition to FRS 102 is 1 January 2017, as directed by the Department of Finance in N.Ireland (DoF) and the Department of Public Expenditure and Reform in Ireland (DPER). The prior year financial statements were restated for material adjustments arising from the adoption of FRS102 in the current year. The results of this adoption are detailed in Note 14.

The accounts have been prepared in accordance with the historical cost convention. The accounts comply with the accounting and disclosure requirements issued by DoF and DPER in July 2017.

### 1.2 Property, Plant & Equipment

- a) All Fixed Assets are included at cost or valuation to the Body. Intangible assets comprise purchased software.
- b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:
- |                        |                            |
|------------------------|----------------------------|
| Software Licences      | 20% Straight Line          |
| Office Equipment       | 15% Straight Line          |
| Fixtures & Fittings    | 15% Straight Line          |
| Computer Equipment     | 33.33% Straight Line       |
| Leasehold Improvements | Remainder of life of lease |
- c) A capitalisation threshold of £500 has been applied in the accounts during 2017.
- d) The value of the operational assets in use at InterTradelreland is not considered sufficient to require annual revaluation.

### 1.3 Pension Costs

The North South Pension Scheme was established by the North South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Business, Enterprise and Innovation to the Body. The Northern Ireland share of the benefits is paid by the Department for the Economy.

The liability at 31 December 2017 has been included in the financial statements and a disclosure note has been included (Note 16) detailing the actuarial review calculations, which were carried out by Deloitte Total Reward and Benefits Ltd. This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of InterTradelreland for the purposes of the accounts for the year ended 31 December 2017 and comparative figures for 2016.

Pension costs reflect pension benefits earned by employees in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments. Pension liabilities represent the present value of future pension payments earned by staff to date. The actuarial basis of measuring pension liabilities is on the projected unit method. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income.

### 1.4 Value Added Tax

InterTradelreland was not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of Intangible Assets and Property, Plant & Equipment.

### 1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income Statement. Translated amounts have been disclosed in the Income Statement, the Statement of Cash Flows, the Statement of Financial Position and the related notes in Euro(€). The closing rate used for the Statement of Financial Position was £1=€1.1271(2016:£1=€1.1680) and the average rate used for the Income Statement was £1= €1.1407 (2016:£1=€1.2203). Both these rates are the European Central Bank exchange rates.

### 1.6 Grant Expenditure

Grant expenditure is recognised in the period in which the grant supported activity takes place. Grants are paid in support of specific projects. Payments are made on foot of claims relating to activity undertaken on the project. In preparing these accounts, a liability is recognised for amounts payable in respect of project activity which has not been claimed at the date accounts are prepared.

Where the amount of the liability, and the actual date of payment, is known with certainty, the liability is accounted for as an accrual, and disclosed in payables (Note 11). Where both the amount and the timing of payment are uncertain, but the activity has taken place, the liability is provided for as a provision and disclosed within provisions (Note 12). Grants awarded less amounts paid or provided for are disclosed in commitments (Note 17.2).

### 1.7 Capital Grant Reserve

Grants for capital purposes are credited to a Capital Grant Reserve and released to the Income Statement over the expected useful lives of the assets.

### 1.8 Commitments

Commitments represent contractual obligations in future years in respect of contracts existing at the year end (Note 17). Any liabilities which relate to project activity in the current year are provided for as accruals or provisions, as deemed appropriate.

### 1.9 Leases

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

### 1.10 Grant income

Grant income from the Body's Sponsor Departments for revenue purposes is credited to the Income Statement in the accounting period in which it is received. Grant for capital purposes is credited to a Capital Grant Reserve in the period in which it is received and is released to the Income Statement over the expected useful life of the related assets.

Expenditure on the Co-Innovate Programme, which is funded by the EU Interreg VA Programme, is retrospectively reimbursed by the Special EU Programmes Body, as Managing Agent for the Interreg Programme. The amount of grant income recognised in the Income Statement reflects the amount receivable in relation to expenditure incurred during the year, with the balance outstanding at the year-end being recognised as a receivable in Note 10. Grant income (Note 2.2) and programme expenditure (Note 7.3) for 2016 have been amended to reflect the balance outstanding at 31 December 2016 of £17,932, which was included as a receivable at 31 December 2016.

## 2. Grant Receivable

### 2.1 Grants from the Departments 2017

	DfE (Northern Ireland)	DfE (Northern Ireland)	DBEI (Ireland)	DBEI (Ireland)	Total	Total
	£	€	£	€	£	€
Revenue Grant	2,856,262	3,219,238	6,924,254	7,937,397	9,780,516	11,156,635
Capital Grant	6,667	7,605	19,815	22,603	26,482	30,208
	<b>2,862,929</b>	<b>3,226,843</b>	<b>6,944,069</b>	<b>7,960,000</b>	<b>9,806,998</b>	<b>11,186,843</b>

### Grants from the Departments 2016

	DfE (Northern Ireland)	DfE (Northern Ireland)	DBEI (Ireland)	DBEI (Ireland)	Total	Total
	£	€	£	€	£	€
Revenue Grant	2,866,385	3,542,653	6,220,100	7,545,584	9,086,485	11,088,238
Capital Grant	5,907	7,208	11,813	14,416	17,720	21,624
	<b>2,872,292</b>	<b>3,549,861</b>	<b>6,231,913</b>	<b>7,560,000</b>	<b>9,104,205</b>	<b>11,109,861</b>

The Body was paid grants from money provided by its Sponsor Departments, the Department for the Economy in Northern Ireland, and the Department for Business, Enterprise and Innovation in Ireland. The North South Ministerial Council, with the approval of Finance Ministers, recommended that the grants should be split on a 2:1 basis - DBEI(Ireland)(2) and DfE (Northern Ireland)(1).

This funding ratio was not met in 2017, as DBEI provided additional funding as part of its 2017 Euro allocation to the Body, for activities related to assisting businesses to prepare for Brexit.

### 2.2 Co-Innovate Programme

	2017	2016	2017	2016
	£	€	£	€
Grant Receivable	372,650	17,932	425,082	21,882

Expenditure incurred by the Body on the Co-Innovate Programme is reimbursed retrospectively by the Special EU Programmes Body, the Managing Agent for the EU Interreg VA Programme, which funds the delivery of Co-Innovate.

The amount for 2016 has been restated to reflect the amount of the outstanding balance at 31 December 2016, which is reflected in Receivables (Note 10).

## 3. Other Operating Income

	Notes	2017	2016 as restated	2017	2016 as restated
		£	£	€	€
<b>General Reserve</b>					
Bank Interest Receivable		4,334	2,845	4,944	3,472
Conference Income		18,963	20,839	21,631	25,430
Net Deferred Funding for Pensions	16.4	969,126	738,167	1,105,482	900,785
<b>Total</b>		<b>992,423</b>	<b>761,851</b>	<b>1,132,057</b>	<b>929,687</b>

## 4. Staff Costs and Board Remuneration

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

		2017	2016
Permanent Staff	CEO Office	2	2
	Corporate Services	11	10
	Policy	8	9
	Operations	17	16
		38	37
Co-Innovate Programme Staff		3	-
Agency / Temporary Staff		1	-
<b>Total Staff</b>		<b>42</b>	<b>37</b>

The average monthly number of employees includes new staff recruited during the year.

	2017	2016 as restated	2017	2016 as restated
	£	£	€	€
Salaries & Wages Permanent Staff	1,374,911	1,458,178	1,568,361	1,779,415
Salaries & Wages Co-Innovate Programme Staff	182,777	-	208,494	-
Social Security Costs Permanent Staff	144,841	115,435	165,220	140,865
Social Security Costs Co-Innovate Programme Staff	19,229	-	21,935	-
Other Pension Costs Current service and interest costs	1,090,247	796,730	1,243,645	972,250
Amounts payable in respect of Agency/ Temporary staff	18,449	-	21,045	-
<b>Total Staff Costs</b>	<b>2,830,454</b>	<b>2,370,343</b>	<b>3,228,700</b>	<b>2,892,530</b>
Board Remuneration	74,942	69,456	85,486	84,757
<b>Total Board Costs</b>	<b>74,942</b>	<b>69,456</b>	<b>85,486</b>	<b>84,757</b>
<b>Total Board and Staff Costs</b>	<b>2,905,396</b>	<b>2,439,799</b>	<b>3,314,186</b>	<b>2,977,287</b>

The accounting policy for pensions is detailed in Note 1.3.

Pay and pension details of the Chief Executive and Senior Leadership Team are included in the Remuneration Report which is detailed on pages 47 to 51.

## 5. Performance Against Key Financial Targets

The Department for the Economy and the Department of Business, Enterprise and Innovation do not consider it appropriate to set key financial targets for InterTradeIreland. Annual operating plans, including predetermined performance indicators, are presented to North South Ministerial Council and approved.



## 6. Other Operating Costs

	2017	2016	2017	2016
	£	£	€	€
Travel and Subsistence	11,967	10,116	13,651	12,345
Postage, Stationery, Telephone	48,044	31,106	54,804	37,958
Currency (Gain)	(54,433)	(88,222)	(62,092)	(107,657)
Rent and Rates	176,408	233,290	201,229	284,684
Heat, Light and Power	26,822	22,607	30,596	27,587
Maintenance	26,789	42,830	30,559	52,265
Promotion and Web Development	98,012	129,765	111,803	158,352
Professional Fees	7,795	20,155	8,892	24,595
Meeting Costs	2,311	1,780	2,636	2,173
Internal Audit	4,948	9,126	5,644	11,136
External Audit	22,000	22,000	25,095	26,847
Recruitment Costs	9,794	22,261	11,172	27,165
Insurance	7,125	6,929	8,127	8,455
Pension Admin Costs	26,590	10,314	30,331	12,586
Office Expenses	9,357	6,532	10,674	7,971
Information Systems	134,215	150,930	153,099	184,180
Training	14,926	21,452	17,026	26,178
General Expenses	3,449	1,502	3,934	1,833
Bank Charges	1,492	1,463	1,702	1,785
Board Meeting Costs	2,521	1,917	2,876	2,339
Cleaning	18,308	18,629	20,884	22,733
Security Costs	41,189	38,789	46,984	47,335
<b>Total</b>	<b>639,629</b>	<b>715,271</b>	<b>729,626</b>	<b>872,845</b>

### 6b. Corporation Tax Payable

	2017	2016	2017	2016
	£	£	€	€
Corporation Tax	351	1,087	400	1,326

A Corporation Tax liability arose in InterTradelreland in 2017, due to tax payable on the interest on bank account balances.

## 7. Programme Costs

7.1 InterTradelreland Costs	2017	2016	2017	2016
	£	£	€	€
Trade Activities	1,306,960	1,139,216	1,490,849	1,390,185
Innovation Activities	1,937,790	1,969,809	2,210,437	2,403,758
Business & Economic Research	163,586	151,637	186,603	185,043

7.2 Financial Assistance To Other Organisations	2017	2016	2017	2016
	£	£	€	€
Fusion	2,091,585	2,168,675	2,385,871	2,646,434
Acumen	722,993	561,691	824,718	685,432
Equity/Venture Capital	247,451	240,043	282,267	292,924
Innova	-	18,618	-	22,720
Research Connections	9,696	6,200	11,060	7,566
<b>Total</b>	<b>6,480,061</b>	<b>6,255,889</b>	<b>7,391,805</b>	<b>7,634,062</b>

7.3 Co-Innovate Programme	170,644	17,932	194,654	21,882
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Total Programme Expenditure	6,650,705	6,273,821	7,586,459	7,655,944
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With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £722,993 (2016:£561,691) in relation to the Acumen programme solely represents the amount payable to other organisations from InterTradelreland resources. Under this programme both Invest NI and Enterprise Ireland also provide financial assistance to participating organisations. InterTradelreland has entered into a Memorandum of Understanding with Invest NI and Enterprise Ireland to act as a conduit for funding of the programme.

In the year under review, Enterprise Ireland has not availed of this function. InterTradelreland received the amount of £150,000 (2016:£100,000) from Invest NI in respect of InvestNI client organisations being assisted by the Acumen programme.

Expenditure incurred by the Body on the Co-Innovate Programme is reimbursed retrospectively by the Special EU Programmes Body, the Managing Agent for the EU Interreg VA Programme, which funds the delivery of Co-Innovate. The amount for 2016 has been restated to reflect the amount of the outstanding balance at 31 December 2016, which is reflected in Receivables (Note 10).

## 8. Intangible Assets

	Software Licences	Total	Total
	£	£	€
<b>Cost or Valuation</b>			
At 1 January 2017	72,548	72,548	84,736
Additions	2,925	2,925	3,337
Disposals	-	-	-
At 31 December 2017	75,473	75,473	88,073
<b>Depreciation</b>			
At 1 January 2017	52,460	52,460	61,273
Provision for Year	4,267	4,267	4,867
Disposals	-	-	-
At 31 December 2017	56,727	56,727	66,140
Net Book Value at 31 December 2017	18,746	18,746	21,933
Currency Translation Adjustment			(804)
<b>Net Book Value at 31 December 2017</b>	<b>18,746</b>	<b>18,746</b>	<b>21,129</b>
Net Book Value at 31 December 2016	20,088	20,088	23,463

## 9. Property, Plant & Equipment

	Leasehold Improvements	Fixtures & Fittings	Office Equipment	Computer Equipment	Total	Total
	£	£	£	£	£	€
<b>Cost or Valuation</b>						
At 1 January 2017	145,225	77,822	58,646	302,075	583,768	681,841
Additions	-	-	-	23,557	23,557	26,871
Disposals	-	-	-	-	-	-
At 31 December 2017	145,225	77,822	58,646	325,632	607,325	708,712
<b>Depreciation</b>						
At 1 January 2017	145,225	75,495	58,512	287,724	566,956	662,205
Additions	-	882	86	12,633	13,601	15,515
Disposals	-	-	-	-	-	-
At 31 December 2017	145,225	76,377	58,598	300,357	580,557	677,720
Net Book Value at 31 December 2017		1,445	48	25,275	26,768	30,992
Currency Translation Adjustment						(822)
<b>Net Book Value at 31 December 2017</b>		<b>1,445</b>	<b>48</b>	<b>25,275</b>	<b>26,768</b>	<b>30,170</b>
Net Book Value at 31 December 2016		2,327	134	14,351	16,812	19,636

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

	2017	2016	2017	2016
	£	£	€	€
Other receivables	61,270	118,050	69,057	137,882
Prepayments and accrued income	54,934	87,096	61,916	101,728
SEUPB - Co-Innovate Programme expenditure	303,617	17,932	342,207	20,945
<b>Total</b>	<b>419,821</b>	<b>223,078</b>	<b>473,180</b>	<b>260,555</b>

The amount due from SEUPB represents expenditure incurred by InterTradelreland on the Co-Innovate Programme, which is due to be reimbursed by SEUPB. This includes costs in respect of staff employed for the delivery of the Programme.

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

	2017	2016 as restated	2017	2016 as restated
	£	£	€	€
Trade Payables	276,844	359,115	312,031	419,446
Accruals	1,255,224	1,069,506	1,414,762	1,249,183
Corporation Tax	298	569	336	665
<b>Total</b>	<b>1,532,366</b>	<b>1,429,190</b>	<b>1,727,129</b>	<b>1,669,294</b>

Included in accruals is an amount of £1,226,144 (2016: £1,041,113) relating to programme accruals, where grant supported activity has occurred, but the related expenditure has not yet been claimed by grantees.

## 12. Provisions (amounts falling due less than one year)

	2017	2016	2017	2016
	£	£	€	€
Opening Balance	172,459	193,824	201,432	264,085
Provided in the Year	112,948	172,459	128,840	210,452
Provisions Utilised/Released in the Year	(172,459)	(193,824)	(196,724)	(236,523)
Difference on Foreign Exchange Translation	-	-	(6,244)	(36,582)
<b>Closing Balance</b>	<b>112,948</b>	<b>172,459</b>	<b>127,304</b>	<b>201,432</b>

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

## 13. Reserves

### 13.1 General Reserve

	2017	2016 as restated	2017	2016 as restated
	£	£	€	€
General Reserve Opening Balance	857,031	420,741	1,001,012	573,260
Surplus for the year	949,508	436,290	1,083,103	532,405
Difference on Foreign Exchange Translation	-	-	(47,964)	(104,653)
<b>General Reserve Closing Balance</b>	<b>1,806,540</b>	<b>857,031</b>	<b>2,036,151</b>	<b>1,001,012</b>

### 13.2 Capital Grant Reserve

	2017	2016 as restated	2017	2016 as restated
	£	£	€	€
Opening Balance	36,900	46,337	43,099	63,134
Capital Grants Received	26,482	17,720	30,208	21,624
Less: Transfer to Income & Expenditure	(17,868)	(27,157)	(20,382)	(33,140)
Difference on Foreign Exchange Translation	-	-	(1,627)	(8,519)
<b>Capital Grants Reserve Closing Balance</b>	<b>45,514</b>	<b>36,900</b>	<b>51,298</b>	<b>43,099</b>

## 14. Transition to FRS102

Reconciliation of Reserves	As at 31 Dec 2016	As at 31 Dec 2016
	£	€
Reserves (as previously stated)	909,405	1,062,185
Holiday Pay Adjustment	(52,374)	(61,173)
<b>Reserves (as restated)</b>	<b>857,031</b>	<b>1,001,012</b>

Reconciliation of Surplus for the Year	As at 31 Dec 2016	As at 31 Dec 2016
	£	€
Surplus for the Year (as previously stated)	488,664	596,317
Holiday Pay Adjustment	(52,374)	(63,912)
<b>Surplus for the Year (as restated)</b>	<b>436,290</b>	<b>532,405</b>

The Body had not previously made provision at the year-end for holiday pay earned by employees but not taken. Under FRS102, the financial statements must recognise such accruals. The impact of this change is an increase in payables of £52,374 (€61,173) at 31 December 2016.

## 15. Notes to Statement of Cash Flows

### 15.1 Reconciliation of Surplus for the Year to net cash inflow from operating activities

	2017	2016 as restated	2017	2016 as restated
	£	£	€	€
Surplus for the year before tax	949,859	437,377	1,083,503	533,731
<b>Adjustment for</b>				
Depreciation	17,868	27,157	20,382	33,140
Transfer from Capital Grant Reserve	(17,868)	(27,157)	(20,382)	(33,140)
Bank Interest Receivable	(4,334)	(2,845)	(4,944)	(3,472)
Tax Paid	(622)	(1,777)	(710)	(2,168)
(Increase) in Receivables	(196,743)	(36,601)	(212,625)	(6,480)
Increase/(Decrease) in Payables/ Provisions	43,936	(217,394)	(15,984)	(607,817)
Difference on Foreign Exchange Translation			(47,964)	(104,653)
<b>Net cash generated from operating activities</b>	<b>792,096</b>	<b>178,760</b>	<b>801,276</b>	<b>( 190,860)</b>

### 15.2 Reconciliation of net cash outflow to movement in net debt

	2017	2016	2017	2016
	£	£	€	€
Cash at Bank and in hand at 1 January	2,235,602	2,053,998	2,611,183	2,798,572
Net Cash inflow /(outflow)	796,430	181,604	806,220	(187,389)
<b>Cash at Bank and in hand at 31 December</b>	<b>3,032,032</b>	<b>2,235,602</b>	<b>3,417,403</b>	<b>2,611,183</b>

## 16. Pensions

### 16.1 Accounting Treatment

The pension scheme consists of a number of sections with different benefit structures. The main sections are:

The Core Final Salary section - this is a final salary pension arrangement with benefits modelled on the Classic section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three-eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha section - this is a career averaged revalued earnings pension arrangement or 'CARE' scheme with benefits modelled on the alpha section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation), and spouses's and children's pensions. Normal Retirement Age is a member's State Pension Age in the relevant jurisdiction, which is currently 67, 68 or between 67 and 68 in the UK and 68 in Ireland. Pensions in payment (and deferment) increase in line with general price inflation.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the Core alpha section.

The valuation used for FRS 102 disclosures at 31 December 2017 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Ltd). The results this year have been prepared by carrying out a full valuation of the scheme's liabilities incorporating market conditions and scheme membership data at 31 December 2017. The principal assumptions used to calculate scheme liabilities are:

	31-Dec-17	31-Dec-16	31-Dec-15
<b>Discount rate</b>			
Northern Ireland:	2.50%	2.70%	3.70%
Ireland:	2.10%	1.90%	2.65%
<b>Rate of increase in Consumer Price Index</b>			
Northern Ireland:	2.10%	2.30%	1.90%
Ireland:	1.65%	1.50%	2.00%
<b>Average rate of increase in pensions</b>			
Northern Ireland:	2.10%	2.30%	1.90%
Ireland:	1.65%	1.50%	2.00%
<b>In line with salary increases</b>			
Northern Ireland:	2.10%	2.30%	2.90%
Ireland:	3.00%	3.00%	3.00%
<b>Average expected future life at age 65 for</b>			
Male currently aged 65	22.10	22.20	21.90
Female currently aged 65	23.90	24.20	23.80
Male currently aged 45	23.50	23.90	23.10
Female currently aged 45	25.40	26.10	25.30

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

	2017	2016	2017	2016
	£	£	€	€
Opening value of scheme's liabilities	11,931,670	7,490,117	13,936,191	10,205,284
Service cost	780,261	530,493	890,044	647,361
Interest on scheme liabilities	309,986	266,237	353,601	324,889
Actuarial (gain)/loss	(387,868)	3,703,386	(442,441)	4,519,242
Benefits paid	(121,121)	(58,563)	(138,163)	(71,464)
Difference on foreign exchange translation			(495,911)	(1,689,121)
<b>Net Pension Liability at 31 December</b>	<b>12,512,928</b>	<b>11,931,670</b>	<b>14,103,321</b>	<b>13,936,191</b>

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

	2017	2016	2017	2016
	£	£	€	€
Experience (gain)/loss	(116,661)	702,629	(133,075)	857,418
(Gain)/Loss on change of financial assumptions	(271,207)	3,000,757	(309,366)	3,661,824
<b>Actuarial (gain)/loss</b>	<b>(387,868)</b>	<b>3,703,386</b>	<b>(442,441)</b>	<b>4,519,242</b>

## 16.4 Income Statement analysis

	2017	2016	2017	2016
	£	£	€	€
<b>Analysis of the net deferred funding for pensions is as follows</b>				
Service cost	780,261	530,493	890,044	647,361
Other finance cost	309,986	266,237	353,601	324,889
Benefits paid during the year	(121,121)	(58,563)	(138,163)	(71,464)
	<b>969,126</b>	<b>738,167</b>	<b>1,105,482</b>	<b>900,786</b>

	2017	2016	2017	2016
	£	£	€	€
<b>Analysis of the current pension service costs is as follows:</b>				
Service cost	780,261	530,493	890,044	647,361
Other finance cost	309,986	266,237	353,601	324,889
	<b>1,090,247</b>	<b>796,730</b>	<b>1,243,645</b>	<b>972,250</b>

Contributions received from members of the North South Pension Scheme in 2017 amounted to £108,559 (€123,833) (2016: £89,282 (€108,951)). As the North South Pension Scheme is an unfunded scheme, the member contributions are remitted to the Body's Sponsor Departments.

## 16.5 Deferred pension funding

In accordance with accounting practice for non-commercial State sponsored bodies in Ireland, InterTradelreland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, InterTradelreland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. This treatment is inconsistent with accounting practice for UK Non-Departmental Bodies, where, due to the absence of a formal guarantee, a funding liability is not recognised until the commitment falls due.

The deferred funding asset for pensions as at 31 December 2017 amounted to £12,512,928 (€14,103,321) (2016: £11,931,670 (€13,936,191))

	2017	2016	2017	2016
	£	£	€	€
Opening balance at 1 January	11,931,670	7,490,117	13,936,191	10,205,284
Increase in Deferred Funding of Pension Asset	581,258	4,441,553	655,136	5,187,734
Difference on foreign exchange translation	-	-	(488,006)	(1,456,827)
	<b>12,512,928</b>	<b>11,931,670</b>	<b>14,103,321</b>	<b>13,936,191</b>

## 16.6 History of Defined Benefit Liabilities

	2017	2016	2015	2017	2016	2015
	£	£	£	€	€	€
Deficit as at 31st December	12,512,928	11,931,670	7,490,117	14,103,321	13,936,191	10,205,284
Experience (gain)/loss	(116,661)	702,629	118,307	(133,075)	857,418	162,992
Percentage of Scheme Liabilities	0.9%	(5.9%)	(1.6%)	0.9%	(5.9%)	(1.6%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to £1,787,428 (€2,181,198).

## 17. Capital Commitments

### 17.1 Capital commitments at 31 December 2017 for which no provision has been made

	2017	2017
	£	€
Contracted	-	-
Authorised but not contracted	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 17.2 Other commitments

	£	€
Other Commitments	8,304,342	9,359,824

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

	Commitments at 31 Dec 2017 for Expenditure in	Commitments at 31 Dec 2017 for Expenditure in	Commitments at 31 Dec 2017 for Expenditure in or after	Total
	2018	2019	2020	Total
	£	£	£	£
Profile of Other Commitments by Year - Sterling	4,909,542	1,764,578	1,630,222	8,304,342
	€	€	€	€
Profile of Other Commitments by Year - Euro	5,533,545	1,988,856	1,837,423	9,359,824

## 18. Contingent Liabilities

There were no contingent liabilities as at 31 December 2017.

## 19. Related Party Transactions

The Trade and Business Development Body is a cross border implementation body sponsored by the Department for the Economy in Northern Ireland and the Department of Business, Enterprise and Innovation in Ireland. The above named departments are regarded as related parties. During the year InterTradelreland has had various transactions with these departments and with other entities for which the Department for the Economy or the Department of Business, Enterprise and Innovation are regarded as a parent Department. There were also transactions with Central Procurement Directorate, which is an executive agency of the Department of Finance.

(i) **Transactions Involving Senior Management**  
None

(ii) **Transactions Involving Board Members**  
**a) Beneficial Interests**

The Body works with many private sector organisations including organisations in which Board Members may have a beneficial interest. There were no transactions during the year with such organisations.

**b) Non Beneficial Interests**

The Body also works with many public/private funded organisations with whom joint projects and transactions have been undertaken during the year.

Mr Ken Nelson, the Chairman of the Body, is a Board Member of Invest Northern Ireland, which funds businesses participating on the Acumen programme, as detailed in Note 7 of these accounts. He is also CEO of LEDCOM, a member organisation of Enterprise Northern Ireland, which is a Delivery Partner of the Co-Innovate Programme.

Mr Paul Greenfield, a Board member, is also a Board member of East Border Region Limited, a Delivery Partner for the Co-Innovate Programme, of which InterTradelreland is Lead Partner. In 2017, East Border Region was paid the amount of €130,135 (£114,084) by the Special EU Programmes Body, the Managing Agent for the EU INTERREG VA Programme, in respect of its role in ensuring compliance of the Co-Innovate Programme with EU regulations.

(iii) **North South Pension Scheme**

InterTradelreland pays for certain pension administration costs on behalf of the other North South Bodies, and then recharges these bodies for the costs attributable to them, which are advised by the Scheme Administrators. In 2017, a total of £152,432 (2016:£229,359) was recharged to the other North South Bodies in respect of these pension administration costs.

## 20. Obligations Under Leases

At the year-end the Body had total commitments under operating leases as follows:

	Land & Buildings				Other			
	2017	2017	2016	2016	2017	2017	2016	2016
	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Within One Year	96	108	96	112	1	1	2	2
In Two To Five Years	384	433	384	449	4	5	-	-
Over Five Years	360	406	456	532	-	-	-	-
<b>Total</b>	<b>840</b>	<b>947</b>	<b>936</b>	<b>1,093</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>2</b>

The commitments are stated exclusive of VAT. In accordance with FRS 102, the amounts represent the total commitment payable under operating leases.



## 21. Losses and Special Payments

A special payment relating to Compensation for Loss of Office, for the amount of £10,000, was made in 2017 in accordance with the provisions of the Body's Financial Memorandum. This is disclosed in the Remuneration Report within the Annual Report.

No losses were incurred by the Body during the year.

## 22. Financial Instruments, Liquidity, Interest Rate and Foreign Currency Risk

### 22.1 Financial Instruments

Due to the non-trading nature of its activities and the way the InterTradelreland is financed, the Body is not exposed to the degree of financial risk faced by business entities. InterTradelreland has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities.

### 22.2 Liquidity, Interest rate and Foreign Currency Risk

InterTradelreland's net revenue resource requirements are almost entirely financed by resources voted annually by the Assembly and the Oireachtas, as is its capital expenditure. It is not therefore exposed to significant liquidity risks. The Body does not access funds from commercial sources and so is not exposed to significant interest rate risk.

InterTradelreland's transactions are effected in the currencies of each part of Ireland, with realised gains and losses being taken to the Income Statement. As the Body receives two thirds of its funding from DBEI(Ireland), in Euro, yet discharges the majority of its transactions in sterling it is exposed to foreign currency risk.

## 23. Third Party Assets

There were no third party assets held by InterTradelreland at 31 December 2017.

## 24. Post Balance Sheet Events

At the date of approval of these accounts, InterTradelreland's Draft 2017 and 2018 Business Plans had not been approved due to the absence of Ministers in Northern Ireland.

The Department of Business, Enterprise and Innovation in Ireland has continued to fund the Body's activities in the absence of an approved Business Plan. The contingency arrangements implemented in 2017, which enabled the Department for the Economy to fund the Body in the absence of an approved Business Plan, will continue for 2018. Consequently, all 2017 funding and 2018 funding requested to date has been paid by both Sponsor Departments.

The Body has historically prepared Corporate Plans for a three year period, with the most recent being the 2014-2016 Corporate Plan. At the date of approval of these accounts, the Body has not yet received guidance from the Sponsor Departments relating to the 2017-2019 Corporate Plan.

## 24. Approval of Accounts

The accounts were approved by the Board on 29 May 2018.

# Appendix A

## InterTradeIreland

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

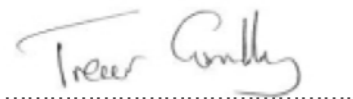
The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs at the year-end. Subject to this requirement, the Body shall prepare accounts for the financial period ended 31 December 2016 and subsequent years in accordance with:

- a) The North South Implementation Bodies Annual Reports and Accounts Guidance;
- b) other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c) any other specific disclosures required by the sponsoring Departments;
  - except where agreed otherwise with the Finance Departments, in which case the exception shall be described in the notes to the accounts.

Signed by authority of the:

Department for the Economy


Trevor Connolly



Dated 25 May 2017

Department of Jobs,  
Enterprise and Innovation

Dermot Mulligan



Dated 25 May 2017

## About InterTradelreland

InterTradelreland is a cross-border trade and business development body funded by the Department of Business, Enterprise and Innovation in Ireland and the Department for the Economy in Northern Ireland. It is the only organisation which has been given responsibility by both governments to boost North South economic co-operation to the mutual benefit of Northern Ireland and Ireland. InterTradelreland supports businesses through innovation and trade initiatives to take advantage of co-operative opportunities improving capability, driving competitiveness, economic growth and job creation.

InterTradelreland is a powerful resource for business growth, helping SMEs through a strong mix of business intelligence, funding support and meaningful contacts.

### InterTradelreland

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

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