



Special EU Programmes Body
Foras Um Chláir Speisialta An AE
Boord O Owre Ocht UE Projects



Special EU Programmes Body Annual Report & Accounts 2015



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**Special EU Programmes Body Annual Report
Annual Report and Accounts
for the year ended 31 December 2015**

Laid before the Northern Ireland Assembly under North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 Schedule 1, Annex 2, Part 7, paragraphs 1.3 and 2.6 by the Department of Finance and before both Houses of the Oireachtas under Article 49 (1) of the British-Irish Agreement Act, 1999

on Monday 19th December 2016.



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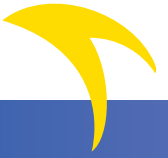
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Cover image:

Photograph taken at the family adventure facility in Slieve Gullion as part of the INTERREG IVA funded CASA (Castleblayney and South Armagh) Rural Investment Initiative.



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Chief Executive's Foreword

I am delighted to present the Annual Report in my role as Chief Executive Officer of the SEUPB. It is a position that I accepted with a great deal of enthusiasm, particularly at this exciting time in the history of the Body as we embark on the third decade of PEACE and INTERREG funding for the region.

2015 has been an extremely busy period for the organisation. Not only are we undertaking extensive work on the closure of the PEACE III and INTERREG IVA Programmes, but we are also concluding the final negotiations regarding the content of the new Programmes for 2014-2020.

Following extensive public consultation, over a two year period, and approval from the NI Executive, the Irish Government and the Scottish Government (for INTERREG VA only) we submitted draft cooperation programmes to the European Commission for both INTERREG VA and PEACE IV.

The new INTERREG VA Programme, which has a total value of €283 million, was formally adopted by the Commission in February 2015. This allowed us to open funding calls halfway through the year under each of the Programme's objectives. We have already received a large volume of applications to the new Programme and are currently assessing these with a view to issuing the first letters of offer in the latter half of 2016.

The PEACE IV Programme, which has a total value of €270 million, was formally adopted by the Commission in November 2015. It has four key priority areas including 'Shared Education', 'Children and Young People', 'Shared Spaces and Services' and



'Building Positive Relations'. Following the inaugural PEACE IV Monitoring Committee planned for March 2016, funding calls will be opened under the Building Positive Relations, Shared Education and Shared Spaces and Services priorities of the Programme.

During 2015 the SEUPB organised many events to assist potential beneficiaries with their applications and raise awareness of the results focus of the new programming period. These events proved to be very successful and attracted over 700 attendees from right across the eligible areas of both the PEACE IV and INTERREG VA Programmes.

Without doubt 2015 was a challenging year, but it gave us an opportunity to celebrate the launch of a number of high-profile capital build projects, funded under the 'Shared Spaces' objective of PEACE III.

After taking up the post of CEO in September I had the privilege of participating in a number of project launches including the V36 cross-community play-park in Newtownabbey, the People's Park in Portadown and the Termon project located between the twin villages of Pettigo in Donegal and Tullyhommon in Fermanagh.

Whilst all of these projects are unique they share a singular common goal; the creation of a safe, neutral

space where people from all different backgrounds and cultures can come together and learn from each other.

Throughout the year I was also able to participate in the closure events of a number of notable projects funded under the INTERREG IVA Programme. Key amongst these was the launch of a new state-of-the-art laboratory at the Centre for Renewable Energy and Sustainable Technologies (CREST) in Enniskillen, the official launch of the newly improved Enterprise Belfast-Dublin train service and an event to mark the completion of the Drogheda Viaduct refurbishment.

Although all of the projects funded under the 2007-2013 programming period have now come to a successful conclusion a lot of work remains in terms of the evaluation of and reporting on their impact. This is a normal part of programme management to close the Programmes and submit final reports on them to the European Commission.

The SEUPB played a central role in managing the annual Certifying Authority conference which took place in October at the RDS, Dublin. The discussions and learning which took place during the conference will serve to enhance the work of the participating Certifying Authorities across Europe in the 2014-2020 Programming period.

August 2015 saw the retirement of our previous Chief Executive Pat Colgan who had been with the SEUPB for over a decade. Throughout this period under his leadership the organisation delivered over €1.7 billion worth of EU funding to tens of thousands of projects across the region. I would like to take this opportunity to commend his dedication throughout his tenure and wish him well for his future.

As part of its corporate governance arrangements, the SEUPB reports to the North South Ministerial

Council (NSMC) in Sectoral format and this took place in Armagh on 11 December 2015. The meeting was attended by Richard Bruton TD, Minister for Jobs, Enterprise and Innovation, Arlene Foster MLA, Minister of Finance and Personnel, and Junior Minister in OFMDFM Jennifer McCann MLA. Minister Bruton chaired the meeting.

The SEUPB also regularly appears before a number of NI Assembly and Oireachtas Committees to account for the implementation of the EU funding programmes which it manages. On 18 February the SEUPB was invited to give evidence before the NI Assembly Finance and Personnel Committee in relation to the PEACE and INTERREG Programmes. A written evidence submission was subsequently requested later in the year and provided on 12 October 2015.

I would like to congratulate all of those who took part in the 2007-2013 Programmes, we were able to fund some fantastic projects, but it was the endeavours of the people who managed those projects that should be applauded. I would also like to thank all those who contributed to the creation of the new 2014-2020 Programmes. The approval of both European Union Programmes is a tremendous achievement and one which will help to transform the lives of tens of thousands of people across the region.

The SEUPB is entering a new and exciting period. I am looking forward to working with all our stakeholders in Northern Ireland, Ireland and Western Scotland and making funding awards to innovative projects that will contribute to a more peaceful and prosperous cross-border region.

Gina McIntyre
Chief Executive
Special EU Programmes Body

The Role of the Special EU Programmes Body

Our Mission

To effectively manage and implement funding programmes on behalf of the two governments and the European Union aimed at delivering social and economic improvements to the people in Northern Ireland and Ireland through cross-border, transnational and inter-regional cooperation.

Our Vision

The SEUPB will work as a trusted agent of both governments and the European Commission in the management and delivery of programmes that contribute to the economic and social well-being of the region. Its work will be imbued by the values of openness, transparency and accessibility.

Our Role Explained

The Special EU Programmes Body (SEUPB) is a North/South Body, established under the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland (the Agreement) and came into effect on 2 December 1999.

The Agreement stipulates that the SEUPB will implement the policies directed by the North South Ministerial Council (NSMC) as specified by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999, as amended.

The SEUPB holds the role of Managing Authority and Certifying Authority as well as providing the Joint Technical Secretariat (JTS) for the PEACE III and INTERREG IVA Programmes (2007-2013). All project activity within these Programmes ceased on 31

December 2015 and the SEUPB has developed a detailed work plan to ensure the successful and efficient administrative closure of the 2007-2013 Programmes.

The SEUPB has played a significant role in the development of the European Territorial Cooperation Programmes for the new programming period 2014-2020. The Member States requested the Body to develop the new Operational Programmes and these were both approved by the European Commission during 2015. The SEUPB maintains the role of Managing Authority, Certifying Authority and Joint Technical Secretariat (JTS) for the new PEACE IV and INTERREG VA Programmes (2014-2020).

The SEUPB has a broad role to support North/South participation in INTERREG VB Transnational Programmes which are relevant to the North of Ireland (NI). Alongside this the SEUPB has an advisory and signposting role for North/South participation in the INTERREG VC Inter-regional programme.



Pictured at night is the EU INTERREG IVA Drogheda Viaduct refurbishment project.



Key Achievements for 2015

Corporate Objectives

Key Outputs

<p>1. To effectively achieve the objectives of the PEACE III and INTERREG IVA Programmes, by providing guidance and support to the approved projects to enable them to maximise their contribution to society.</p>	<ul style="list-style-type: none"> • During 2015 the Monitoring Committee met as per the regulatory requirement. Their duties for the PEACE III and INTERREG IVA Programmes have been successfully transferred to the PEACE IV and INTERREG VA Monitoring Committees. • Throughout 2015 funded projects were mentored and assisted to successfully conclude their activities and achieve the objectives of both Programmes. • By the end of 2015, project closure for both Programmes is on schedule to meet the European Commission deadlines and maximise receipts.
<p>2. To ensure that funded projects are provided with support and guidance to enable their functioning in accordance with EU and Member State Regulatory Framework.</p>	<ul style="list-style-type: none"> • First Level Control completed on all NI partner expenditure relating to INTERREG IVB/IVC Programme supported projects. A total of 26 First Level control verifications were carried out in 2015. • A total of 13 NI Partners secured funding under the INTERREG VB (2014-2020) Programmes in 2015; all were supported post approval by SEUPB.
<p>3. To ensure effective business processes for closure are implemented for the 2007-2013 Programmes which will result in a maximisation of EU receipts for both Member States.</p>	<ul style="list-style-type: none"> • The SEUPB has managed the closure of PEACE III and INTERREG IVA funded projects. • A cross departmental team was formed to secure Programme closure of over 300 projects.



Corporate Objectives

Key Outputs

<p>4. Enhance business performance of SEUPB and its staff through the implementation of effective and efficient administrative processes.</p>	<ul style="list-style-type: none"> • SEUPB staff were trained in the new assessment process, EU regulations and Programmes Rules guidance in readiness for the successful implementation of PEACE IV and INTERREG VA for 2014-2020. • ‘Pre-Application Development’ workshops were held across the region, on a cross-border basis, to highlight the content, results focus and regulatory requirements of the new PEACE IV and INTERREG VA Programmes. • Effective administrative and governance processes operated, including prompt payment of invoices, implementation of agreed efficiency savings, engagement with an active Audit & Risk Committee, and achievement of an unqualified audit opinion.
<p>5. To ensure the development of effective administrative structures and processes which will facilitate the implementation of future Programmes for the period 2014-2020, in accordance with the regulatory frameworks of the EU.</p>	<ul style="list-style-type: none"> • The INTERREG VA Programme was adopted by the Commission in February 2015. • The PEACE IV Programme was adopted by the Commission in November 2015. • In September 2015, Programme rules were issued which apply to both the PEACE IV and INTERREG VA Programmes. • The Management and Control System and the 17 Designation procedures have been written, reviewed and approved and submitted for Audit in December 2015.



PEACE Programme Overview



Established in 1995, the PEACE Programme was created by the European Union as a response to the positive developments in the NI Peace Process in 1994. The Programme works to reinforce progress towards a peaceful and stable society in the North and the Border Region of Ireland.

From the inception of PEACE I in 1995 to the conclusion of the PEACE IV Programme in 2020, the eligible region will have benefitted from over £2.2 billion of funding (£1.5 billion from EU and £700m in national contributions).

PEACE III

PEACE III was focused on four specific priorities including 'Building Positive Relations at a Local Level', 'Acknowledging and Dealing with the Past', 'Creating Shared Public Spaces' and 'Developing Key Institutional Capacity for a Shared Society'.

By the end of 2015 the PEACE III Programme, which has a total value of €333m, was fully committed providing support to a total of 215 projects. The SEUPB also had a number of corporate objectives in relation to the implementation of the Programme. These included the provision of guidance and support to all approved projects in order to help them maximise their contribution to society.

The Body held regular training events and provided the guidance required for all funded projects to meet the EU and Member State Regulatory Framework. It also effectively managed the Programme closure process to ensure that the maximum funding available was drawn down by the Member States from the EU.

In terms of recordable outputs the PEACE III Programme has exceeded a number of core targets. Under the Programme, a total of 7,367 individuals received trauma counselling against a set target of 5,000.

Support was provided for 2,169 conflict resolution workshops (against a target of 1,300) which were attended by 25,296 people (against a set target of 13,000).

The Programme supported 7,252 events designed to address sectarianism (against a target of 5,000), with a total of 174,000 people attending these events (against a target of 56,000).

The Programme also supported the attendance of 40,300 people (against a target of 25,000) at events designed to support the needs of victims and survivors of the conflict.

The following examples highlight a selection of the projects supported under the EU's PEACE III Programme.





Children from the local area enjoy the new facilities on offer at the V36 playpark in Newtownabbey.



V36 Voices from Valley Park

An area of contested, under-used open space in Newtownabbey has been transformed into an exciting new state-of-the-art shared facility. Situated beside the Valley Leisure Centre and named 'V36' after the postcode of the area, the project received £3.58m of EU PEACE III funding.

A floodlit 3G pitch suitable for football, rugby and Gaelic sports has been created, in addition to a civic linear park with a performance area for events and a

unique 'Gulliver's Travels'- themed adventure play area for families. The park also includes areas of open space, paths, public art displays and a picnic area. These new attractions will complement the existing leisure and play facilities currently on offer at the Valley Leisure Centre.

For more information or to book the 'V36' event space or 3G pitch, visit www.antrimandnewtownabbey.gov.uk/V36



Local harpist Nodhlaig Ni Bhrollaigh is pictured at the Glórtha Aduaidh (Northern Voices) TV and Radio documentary series launch at Belfast City Hall.



‘Northern Voices’ – unheard voices from the conflict

This new bi-lingual TV and Radio documentary series which documents previously unheard voices and stories about the conflict was launched following support from the European Union’s PEACE III Programme, managed for the SEUPB by the Community Relations Council/ Pobal Consortium.

‘Glórtha Aduaidh (Northern Voices)’ is a six-part TV and radio series which highlights the issues faced by ordinary people on all sides of the sectarian divide during the conflict. It was broadcast on TG4 and on Raidió na Gaeltachta and Raidió Fáilte in Belfast.

‘Glórtha Aduaidh (Northern Voices)’ documents the experiences of those families that were directly affected by the conflict, but whose stories have, until now, been previously unheard.

The series was produced as part of a PEACE III project which included extensive research, interviews and themed events, debates and conferences and involved participants from both sides of the border.



Pictured is stained glass artist Theresa Coyle, who was responsible for the creation of one of the main artworks located within the new 'City Centre Garden of Reflection'.



City Centre Garden of Reflection

The 'City Centre Garden of Reflection' is a new shared space which aims to reintegrate communities in Derry~Londonderry. Inspired by a similar space in Amsterdam, the 'Garden of Reflection' has benefited from £2.1m of funding from the EU's PEACE III Programme.

The project has transformed a derelict courtyard into a neutral, peaceful space where local people and visitors can take a break from city life to reflect on

matters of mutual respect and reconciliation. The Garden includes a water feature, a series of sculptures commissioned from local and international artists, an art gallery and a storytelling booth.

Further information on the 'City Centre Garden of Reflection' can be found at www.gardenofreflection.org



Pictured (l-r) are Joe McHugh TD, Gina McIntyre CEO of the SEUPB, Martin Eves Chairman of ADoPT and First Minister Arlene Foster MLA along with two local school children at the launch of the project.



Termon Project

Led by Donegal County Council in partnership with Fermanagh District Council and ADoPT (the Association for the Development of Pettigo and Tullyhommon), the 'Termon Project' received €8 / £5.6 million worth of support to transform the twin villages of Pettigo in Donegal and Tullyhommon in Fermanagh.

The main construction work of the project involved the development of the Termon Complex, a replacement for the community hall. The Termon Complex is a multi-purpose cross-community centre, complete with indoor sports facilities, black box

theatre, gym and training rooms as well as a Welcome Centre providing information on the history of the area.

The Methodist Hall in Tullyhommon has been refurbished and extended thereby increasing its appeal for a range of community activities. A Community in Action Plan was developed and delivered alongside the project and was implemented by ADoPT. It involved a wide-range of successful social integration activities targeted at local communities on both sides of the border.



Local children attend the official launch of the Portadown Peoples Park, supported by the EU's PEACE III Programme.



Portadown Peoples Park

Craigavon Borough Council secured £5,469,045 for the 'SPACE' Project from the European Union's PEACE III Programme to create a shared, neutral space by introducing a range of new features into the People's Park in addition to a community engagement programme. The Park itself is located within an interface area, which has been characterised by high levels of deprivation, segregation and poor inter-community relations.

The result is a sprawling urban oasis which includes a state-of-the-art play park, themed gardens, a pond area, two bridges, two grass soccer pitches, a grass multi sports pitch catering for soccer, American football, Gaelic games and rugby as well as a 7-a-side 3G synthetic pitch, an amphitheatre and 5-a-side multi use games area (MUGA).

**For further information please visit
www.portadownpeoplespark.co.uk**



INTERREG Programme Overview



The INTERREG Programme has been specifically designed to address problems that arise from the existence of borders. Borders can reduce economic development, hamper the efficient management of the environment, obstruct travel and hinder the delivery of essential health and social care services.

From the beginnings of INTERREG IA in 1991 to the conclusion of INTERREG VA in 2020, the Programme will have contributed approximately €1.13 billion to the region. Of this figure approximately €810 million was provided directly from the European Union.

INTERREG IVA

INTERREG IVA was focused on four specific areas including Enterprise, Public Sector Collaboration, Infrastructure and Tourism.

The year was significant for the INTERREG IVA Programme as it reached its 25 year anniversary. This was marked by a series of celebratory events across the EU and coincided with the launch of a Europe-wide consultation on cross-border co-operation. The SEUPB hosted a visit by Nicholas Martyn, Deputy-Director General from the European Commission in October to help celebrate 25 years of INTERREG funding in the region and encourage local people to take part in the consultation.

By the end of 2015 the Programme was fully committed and had allocated funding to 88 projects with a combined value of €267.56m.

The SEUPB also had a number of corporate objectives in relation to the Programme. These included the provision of guidance and support to all approved projects in order to help them maximise their contribution to society.

The Body held regular training events and provided the guidance required for all funded projects to meet the EU and Member State Regulatory Framework. It also effectively managed the Programme closure process to ensure that the maximum funding available was drawn down by the Member States from the EU.

In terms of recordable outputs the INTERREG IVA Programme has exceeded a number of its core targets. Under the Programme 2,758 businesses (against a target of 600) have been assisted, 444 of which have entered new markets, both domestic and international.

Over 114,000 people have benefited from enhanced cross-border services, with 333 conferences held and over 13,500 attendees at those conferences.

The following examples highlight a selection of the projects supported under the EU's INTERREG IVA Programme.





A scientist demonstrates some of the renewable green technology on offer at the CREST centre for local businesses.



(CREST) Centre for Renewable Energy and Sustainable Technologies

CREST, the largest green technology and training facility in NI, opened the doors on a new purpose-built bioenergy laboratory designed to advance international research and boost local industry. The state-of-the-art laboratory was part-financed through the INTERREG IVA Programme, and is the latest addition to the CREST Centre which opened at South West College's Technology and Skills Centre in January 2015.

Understood to be the most extensive research facility of its type in NI, the laboratory puts South West College among a small group of international colleges

with the capacity to contribute to world-leading bioenergy research.

The facilities are available to businesses or individuals within NI, the border counties of Ireland and Western Scotland who have ideas for new products or process developments but who do not have the physical and/ or technical capacity to develop, test and commercialise them.

To find out more about the 'CREST Centre' and the array of innovation and R&D services available, visit www.thecrestproject.com



Pictured is the NW Regional Science Park based in Derry, winner of the prestigious 'Sail of Papenburg' cross-border region award for 2015.



NW Science Park wins EU Award

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The INTERREG IVA-funded North West Regional Science Park has won the prestigious European 'Sail of Papenburg' Cross-Border Region Award 2015.

Awarded at the Association of European Border Regions conference in November, the 'Sail of Papenburg' is given to outstanding programmes and projects which are an exemplar of cross-border co-operation. Award winners are seen as a motivation for border and cross-border regions to contribute actively to a better understanding and better relations at the borders between the nations throughout Europe.

The North West Regional Science Park, which provides 50,000 square foot of flexible workspace on the site of a former army barracks, is a partnership between the North West Cross-Border Group, NI Science Park and Letterkenny Institute of Technology (LyIT). The Science Park opened in September 2015 and is already fully let. The associated extension to the Letterkenny Institute of Technology's successful Co-Lab business incubator was completed earlier this year.

For further information, please visit
<http://www.catalyst-inc.org/>



Retired lighthouse keeper Gerard Butler is pictured at the official launch of the EU INTERREG IVA funded Great Lighthouses of Ireland project.



Great Lighthouses of Ireland

This exciting and new tourism experience, which has benefitted from €2.6 million of funding from the EU's INTERREG IVA Programme, will enable visitors from home and abroad to explore a choice of 12 lighthouses in stunning coastal locations. Each lighthouse reflects its own history and heritage, nature and environment, people and place, with aspects to appeal to people of all ages and interests.

With a range of services from accommodation to visitor centres and guided tours, 'Great Lighthouses of Ireland' will create a deep appreciation of the role of lighthouses, past and present, in the maritime and seafaring story of the island of Ireland, and will enable local communities to preserve their own lighthouse to tell its own story.

For further information and booking, please visit www.greatlighthouses.com/



Kieran Fagan, project manager of the VITAL project speaks at its initial launch event.



VITAL – Ideas Connected to Business

Funded by the EU’s INTERREG IVA Programme, the €2.56m ‘VITAL’ initiative was designed to link innovative business ideas to SMEs and entrepreneurs in the hope of sustaining more innovative start-up projects in NI and across the Border Region.

Created through a partnership between Dublin City University, Queen’s University Belfast and led by Dundalk Institute of Technology, ‘VITAL’ developed a pilot initiative support framework to allow good ideas to be commercialised effectively through a matching process and to allow new channels to market to be accessed through targeted supports. In just two years, the project has successfully established 34 product and technology matches.

Another key benefit of ‘VITAL’ was the opportunity to further develop the links between Dublin and Belfast and strengthen the economic corridor between the two cities.



The Gobbins cliff path in Islandmagee has been transformed into a major tourist attraction thanks to funding from the EU's INTERREG IVA Programme.



The Gobbins Cliff Path & Sliabh Liag

The iconic Gobbins cliff path in Islandmagee has been restored thanks to £5 million of funding from the EU's INTERREG IVA Programme. The Gobbins is an area of basalt sea cliffs, up to 60m in height, on the east coast of Islandmagee and this project has restored the original cliff path consisting of a series of spectacular bridges and gantries. The newly created Visitor Centre includes a Café, Interpretation/Exhibition space, pre-tour rooms, an outlet for branded memorabilia and local crafts, as well as a Tourist Information point.

Meanwhile the project's sister site at Bunglass / Sliabh Liag in County Donegal, also received funding under the cross-border initiative. With the highest sea cliffs in Europe, Sliabh Liag is already a popular visitor attraction in South West County Donegal attracting 120,000 visitors annually.

This cross-border tourism project brings together two coastal attractions, based in Counties Donegal and Antrim. It serves to enhance the growing coastal tourism route across NI and the Border Region of Ireland, thereby increasing the number of visitors that come to these shores every year.



EU Programmes 2014-2020

EU Programmes 2014-2020

During 2015 the SEUPB submitted draft cooperation programmes for PEACE IV and INTERREG VA. The content of both programmes was created following extensive public consultations held in 2012 and 2014.

Following agreement by NI Executive, the Irish Government and the Scottish Government (for

INTERREG VA only) the draft programmes were submitted to the European Commission.

The new INTERREG VA Programme was adopted by the European Commission in February 2015 and the PEACE IV Programme was adopted in November 2015.

In line with our corporate objectives, the SEUPB prepared for the new programming period by devising new administrative processes and Programme guidance which focused on reduced bureaucracy and simplification (whenever possible).

INTERREG VA 2014-2020

The new INTERREG VA Programme has a total value of €283m, with €240m coming from the European Regional Development fund and the remaining €43m coming from the NI Executive and the Irish Government.

In line with the results focus of the new programming period the PEACE IV Programme has four key priority areas including Research and Innovation, Environment, Sustainable Transport, and Health.

Following the Programme Monitoring Committee a series of funding calls were opened under all of INTERREG VA's key priority areas throughout 2015. To assist potential applicants a number of sectoral workshops were also held with each funding call, as appropriate. A number of applications were received during 2015 and underwent the first stage of the new project assessment process.

PEACE IV 2014-2020

The new PEACE IV Programme has a total value of €270m, with €229 coming from the European Regional Development Fund and the remaining €41m coming from the NI Executive and the Irish Government.

In line with the results focus of the new programming period the PEACE IV Programme has four key priority areas including Shared Education; Children and Young People; Shared Spaces and Services and Building Positive Relations.

Following the inaugural PEACE IV Monitoring Committee planned for March 2016, funding calls will be opened under the Building Positive Relations, Shared Education and Shared Spaces and Services priorities of the Programme.



Transnational and Interregional Programmes

INTERREG IVB & IVC (Transnational and Inter-regional)

The SEUPB continued its work as the First Level Controller (FLC) for all remaining NI expenditure under the INTERREG IVB and IVC Programmes. By the end of 2015, all projects with NI partners have now closed and all expenditure has been vouched and verified.

A total of €10.9m from the European Regional Development Fund was allocated to NI partners for IVB and IVC Projects during the 2007-2013 Programme period.



INTERREG VB & VC (Transnational and Inter-regional Programmes)

2015 saw the launch of three INTERREG VB and VC Programmes including the North West Europe, Northern Periphery and Arctic (NPA) and INTERREG Europe Programmes. The SEUPB fulfils the role of Regional Contact Point for NI under the NPA Programme and acts in a project development role and as an information point for the other Transnational and Inter-regional programmes in NI.

A total of five calls for applications were held across three Programmes in 2015. SEUPB supported applicants in the region through regular project development guidance and workshops as well as a series of application clinics based around each of the calls.

By the end of 2015, a total of 11 projects with NI partners were approved and will draw down ERDF funding of €2.44m. The SEUPB also continued to promote North/South collaboration under the Programmes, eight out of the eleven projects approved involve partners from both jurisdictions.

One remaining Programme (Atlantic Area) will open in 2016. In preparation for this, the SEUPB organised and hosted an Information Seminar on the Programme in October 2015 which was attended by 60 people from NI and Ireland in order to assist and encourage organisations from both regions to collaborate on projects under the programme when it opens.

Throughout 2015, the SEUPB publicised all the new INTERREG VB/C programmes at various events, workshops and through the publication of six InterREGIONAL newsletters and through the Your EU! magazine. An INTERREG VB/C Programme Booklet was also produced and circulated to interested parties in the region to further promote the Programmes within the region.





Sharing our Knowledge in 2015

Lithuania Delegation Visit – March 2015

SEUPB welcomed a study visit delegation of 12 experts from the Lithuanian ERDF Managing Authority. The topic of the training was “Structural Funds and Public Procurement control”. As part of the study visit there was a session dedicated to the work of the Special EU Programmes Body and its experience in delivering cross-border funding for tens of thousands of projects over a period of two decades.

Bahraini Delegation Visit – October 2015

The SEUPB facilitated a learning session for a delegation of civil society leaders visiting from Bahrain on 20 October 2015. During the event the SEUPB provided a detailed outline of the structure and delivery methods used by the various incarnations of the EU’s PEACE Programme, since its initial creation in 1995.

Ukrainian Delegation – May 2015

SEUPB welcomed a visit from a number of Ukrainian officials in May who were keen to learn more about the experience of implementing a peace and reconciliation funding programme on a cross-border basis.



F.E. McWilliam Gallery in Banbridge which has received EU PEACE funding.



Accounts

Year Ended

31 December 2015

Background Information

The Special EU Programmes Body (SEUPB) is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Public Expenditure & Reform in Ireland. The SEUPB was established on 2 December 1999 under the Good Friday Agreement 1998 and the British Irish Agreement 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. Reporting to the North/South Ministerial Council, the SEUPB's principal functions are to administer certain EU Structural Funds such as PEACE and INTERREG, and thereby to support a range of development and regeneration programmes in Northern Ireland, the Border Region of Ireland, and Western Scotland.

These accounts have been prepared in accordance with:

- The financial arrangements of Part 7 of Annex 2 to the British-Irish Agreement establishing Implementation Bodies;
- A direction by the Department of Finance and Personnel and the Department of Public Expenditure & Reform as provided for in SEUPB's Financial Memorandum; and
- The Annual Report and Accounts Guidance provided by the Department of Finance and Personnel and the Department of Public Expenditure & Reform.

Business Overview

An overview of the SEUPB's activities and future developments is given in the Annual Report.

Income and Expenditure for the year

The income and expenditure of the Special EU Programmes Body is set out in detail on page 32. The surplus for the year was €nil (Stg £nil) - 2014: €nil (Stg £nil).

Fixed Assets

Details of the movement of fixed assets are set out in Note 8 to the accounts. During the year the main expenditure on fixed assets was in relation to IT hardware and software.

Research and Development

There was no significant expenditure in this area.

Important Events Occurring After the Year End

There have been no important events since the year end that have had an impact on these Accounts.

Charitable Donations

The Special EU Programmes Body made no charitable donations during the financial year.

Board Members

The functions of the SEUPB are exercised by the Chief Executive. There are no board members.

The Chief Executive holds no other directorships or interests which would conflict with her management responsibilities.

Payment to Suppliers

The Special EU Programmes Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment Of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2013, and the Irish Late Payments in Commercial Transactions Regulations 2013. Unless otherwise stated in the contract, payment is due within 30 or 45 days, as appropriate, of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later.

The SEUPB operates a 30-day prompt payment rule across all of its offices regardless of the jurisdiction where the bill originated. Regular reviews conducted to measure how promptly the Special EU Programmes Body paid its bills found that 99.8% (2014 - 99.8%) of bills were paid within this target.



In December 2008, Public Bodies were instructed to support businesses through every effort to make payments to suppliers within 10 days of receipt of a valid invoice. During 2015 SEUPB paid 88% of its invoices within 10 days (2014: 90%).

The SEUPB has entered into Terms and Conditions for Payment of Grant with Accountable Departments in order to make payments to projects via the Centralised Payment Unit. This requires the SEUPB to make payments to projects within 8 working days of receipt of a valid claim. This has been achieved for 99.42% (2014 - 96.40%) of payments made during the year, analysed as follows:

	No. of Invoices	% on target	Late payments
PEACE III	417	99.76%	1
INTERREG IVA	624	99.20%	5
Total	1,041	99.42%	6

Health & Safety Policy

The SEUPB has developed a written Health and Safety Policy and circulated it to all staff. The policy reflects the legal requirements to be fulfilled on health and safety in both jurisdictions in order for the SEUPB to attain a high standard of health and safety within the organisation.

Disabled Employees

The SEUPB's Disability Action Plan is a statement of the organisation's commitment to fulfil its statutory obligations in compliance with Section 49A of the Disability Discrimination Act 1995.

The plan outlines measures that the SEUPB will take to ensure that equality of opportunity is achieved not only for its own employees but also applicants and future employees. The plan is reviewed and updated every three years in line with the SEUPB Corporate Planning timetable.

The SEUPB is committed to treating all staff or applicants for employment with disabilities with dignity and respect and will provide a working environment free from unlawful discrimination, victimisation or harassment on the grounds of disability.

Specifically, the SEUPB will aim to:

- Promote a positive working environment within which people with disabilities are readily accepted;
- Examine the working environment and practices to ensure that barriers impacting on the ability of staff with disabilities to participate fully in the life of the SEUPB are removed where practicable;
- Provide a safe working environment;
- Ensure the development of skills and potential of staff with disabilities, through training and staff development; and
- Provide access to the full range of recruitment and career development opportunities to people with disabilities.

The Disability Action Plan was updated for 2015 - 2016 to align it with the current Corporate Plan 2014 -2016. Consultation will commence in early 2016 on developing a revised Disability Action Plan for the next corporate planning period 2017 - 2019.

Employee Involvement

Employees have been kept informed of developments through formal and informal means, including staff meetings, ad hoc staff working groups, and structured annual corporate planning events. Communication of all staff policies is managed through an online portal, ensuring that information is available and up to date.

Gina McIntyre
Chief Executive Officer
10 June 2016



Statement of Responsibilities

The Department of Finance and Personnel and the Department of Public Expenditure & Reform have directed the SEUPB 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 in the appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view of the SEUPB's state of affairs at the year end and of its income and expenditure, total recognised gains and losses, and cash flows for the calendar year.

In preparing the accounts the SEUPB 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 judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the SEUPB will continue in operation.

The Chief Executive's responsibilities as the Accounting Officer for the SEUPB, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum.

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SEUPB's policies, aims and objectives, whilst safeguarding the public funds and the SEUPB's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland and Public Financial Procedures (guide for Irish Government Departments & Offices).

The Financial Memorandum between the SEUPB and its Sponsor Departments sets out in detail the responsibilities of the Accounting Officer (the Chief Executive), within a financial and business framework. The SEUPB must operate within the standards and guidance on accounting and financial procedures, as set out in the Managing Public Money (NI) manual and Irish Public Financial Procedures.

Service Level Agreements are in place to govern the relationship between the SEUPB and Accountable Departments, including the responsibilities of all parties.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable 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 successful achievement of the



SEUPB's policies, aims and objectives. The SEUPB evaluates the likelihood of those risks being realised and the impact of that realisation and the actions required to manage them efficiently, effectively and economically. The system of internal control has been in place in the SEUPB for the year ended 31 December 2015 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Capacity to handle risk

I have carried out appropriate procedures to ensure that I have identified the SEUPB's risk appetite for the key category areas identified which encompass the risks identified within SEUPB. I have determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the SEUPB has set out its attitude to risk to the achievement of its objectives.

I have ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. A full risk and control assessment has been carried out for the year ended 31 December 2015. Risk management has been incorporated fully into the corporate planning and decision making process of the SEUPB. The Management team must report to me regularly on key risks identified that may affect their area of work. I receive regular reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

The risk and control framework

During the year ended 31 December 2015, the SEUPB has:

- Reviewed and communicated the organisational Risk Appetite;
- Regularly reviewed and updated the record of risks facing the organisation;

- Operated a system of key performance and risk indicators;
- Operated an Audit & Risk Committee, in line with best practice;
- Maintained an organisation-wide risk register; and
- Arranged for reports from the Directors and Managers of the SEUPB on internal control activities.

A risk at year-end relates to the development of a Programme Database for the 2014-20 Programmes. A single database was commissioned by DFP in 2014, to cover the requirements of SEUPB and other NI Departments, for the management of five EU Programmes (including PEACE IV and INTERREG V). Following the appointment of a contractor via competitive tender in 2015, an initial delivery timetable was agreed which involved a staged roll-out of the system during 2015, and completion by December 2015. The SEUPB is a member of the Project Board along with the other Programme representatives. DFP officials hold the roles of Senior Responsible Owner and Project Manager.

The project is significantly delayed, and the contractor has not delivered on any of the initial stages. The Central Procurement Directorate (DFP), has written to the contractor as a result of difficulties encountered regarding delivery of some database functions.

The database is essential to enable SEUPB to manage the Programmes, and operation in the absence of a database increases levels of risk in a number of business areas. This risk will escalate during 2016 should the delays in the development of a database continue, and will crystallise in mid-2017 should SEUPB remain unable to submit claims to the European Commission for reimbursement of funds spent.



The SEUPB is therefore exploring contingency arrangements to mitigate against the risk of non-delivery of the contracted database.

Information Assurance

I recognise my responsibility for accurate and secure handling of all information, and the accurate capture and processing of information, particularly where this may be used by third parties, or relied on by other parts of government. In order to discharge this responsibility effectively, the following actions have been taken:

- The Director of Corporate Services has been appointed as the SEUPB's Senior Information Risk Officer (SIRO). The SIRO has in turn taken assurance from managers, who have added information considerations to their risk registers, which are reported on a monthly basis. The SIRO responsibilities revert to the CEO for any periods during which the Director of Corporate Services position is vacant.
- An Information Officer has been appointed to assist with the ongoing implementation of the SEUPB's Information Policies and an information audit has been carried out, with all staff assessing common areas of good practice, risks and improvements required.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the SEUPB, who have responsibility for the development and maintenance of the internal control framework, and also by comments made by the external auditors in their report to those charged with governance and other reports. I have been advised on the implications of the results of my

review of the effectiveness of the system of internal control by the Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The SEUPB has a Service Level Agreement with the Department of Finance and Personnel's (DFP) Internal Auditor, who operates to standards defined in the Government Internal Audit Standards. Regular reports are received which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the SEUPB's system of internal control together with recommendations for improvement. For 2015 an overall 'satisfactory' annual assurance level has been awarded. All of the individual audits in 2015 resulted in an assurance level awarded of at least 'satisfactory'. The areas covered by internal audits included: Procurement, Information Assurance, First Level Control, Programme Closure, and Complaints Handling.

Under article 59 of Council Regulation (EC) No 1083/2006, an Audit Authority has been designated by the Member States to take responsibility for verification of the effective functioning of the management control system. A team within DFP in Northern Ireland has been designated to fulfill this role, which is accountable directly to the EU Commission. The Audit Authority has additional specific responsibility for:

- Audits of operations on the basis of an appropriate sample to verify expenditure declared;
- Presentation of an audit plan to the Commission;
- Submission of Annual Control Reports and Audit Opinions to the EU Commission (unqualified audit opinions have been issued for the 14/15 year). These reports are made available to the SEUPB, Sponsor Departments, and to the Audit & Risk Committee.



The SEUPB is occasionally subject to further audits undertaken by the European Court of Auditors (ECA), within the context of a Statement of Assurance for the European Regional Development Fund. Such audits will focus on a sample of expenditure certified and submitted to the Commission. The most recent such audit related to PEACE III and took place in early 2011. The findings of that audit have been agreed with the European Commission and there are no significant issues arising for SEUPB. This audit was formally closed in February 2016.

During 2015, the SEUPB's Audit & Risk Committee met four times and considered a range of issues including the systems of internal control in operation within the SEUPB. Throughout 2015 an independent chairman and one further independent member were active members of the Audit & Risk Committee.

The membership of the Audit & Risk Committee during the year was as follows:

Independent Chair	Brendan Mullan
Independent Member	Joe Campbell
DFP representative	Frank Duffy
DPER representative	Gearoid O'Keeffe

The responsibilities of the Committee as a whole are laid out in its Terms of Reference, and include providing advice to the Accounting Officer on the following:

- The strategic processes for risk, control and governance;
- The accounts, accounting policies and Annual Report;
- Planned activity of internal and external audit; and
- Assurances relating to governance and management of the EU Programmes.

To aid in the discharge of these responsibilities, the Committee meets to review its own effectiveness and all members also receive minutes of key senior staff meetings.

The Committee also prepares an Annual Report to summarise its activity during the year, and has concluded that risk control and governance is at a satisfactory level within SEUPB.

The SEUPB is committed to the prevention of fraud and the promotion of an anti-fraud culture. The organisation operates a zero-tolerance attitude to fraud and requires staff, Lead Partners and final beneficiaries to act honestly and with integrity at all times and to report all reasonable suspicions of fraud. The SEUPB will investigate all instances of actual, attempted and suspected fraud and will seek to recover funds and assets lost through fraud. The SEUPB is placing a clear emphasis on the prevention of fraud and has embarked on a series of exercises to promote an anti-fraud culture within the Programmes.

A small number of serious issues have arisen in relation to projects funded by the Programmes which are managed by the SEUPB. Where appropriate, funding offers have been withdrawn and recovery orders issued. In some cases, investigation is ongoing and when appropriate, the PSNI have been informed. Further details can be found in note 23 to these accounts. I am satisfied that the emergence of these cases does not represent any systemic weakness in the SEUPB's internal control framework, however any lessons learned from the specific issues will be incorporated into future systems and procedures.

Gina McIntyre
Accounting Officer
10 June 2016



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

We have audited the accounts of the Special EU Programmes Body (the Body) for the year ended 31 December 2015 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes and appendix. These accounts have been prepared under the accounting policies set out within them.

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

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis set out in the accounts direction in the appendix to these accounts. The Chief Executive, as Accountable Officer, is responsible for ensuring propriety and regularity in relation to the use of public funds. Our responsibility is to audit and certify the accounts in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require us and our staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

accounting policies are appropriate to the Body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Body; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Review of Activities and the Foreword to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our certificate.

We are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the accounts have been applied to the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

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

Opinion on the accounts

In our opinion:

- The accounts have been properly prepared in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and directions issued thereunder; and



- the accounts give a true and fair view, in accordance with those accounts directions, of the state of the Body's affairs as at 31 December 2015 and of its surplus, total recognised gains and losses and cash flows for the year then ended.

Opinion on other matters

In our opinion the information in the Foreword for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we report by exception

We report by exception if:

- adequate accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all of the information and explanations we require for our audit; or
- the information given in the Annual Review of Activities is not consistent with the related accounts: or
- the Statement on Internal Control does not reflect compliance with applicable guidance on corporate governance.

We have nothing to report in respect of those matters upon which reporting is by exception.

Mr Kieran Donnelly

Comptroller and Auditor General
for Northern Ireland
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

13 June 2016

Mr Seamus McCarthy

Irish Comptroller and Auditor General
3A Mayor Street
Dublin 1
Ireland

17 June 2016



Income and Expenditure Account for the year ended 31 December 2015

INCOME	Notes	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Grant from Departments	2	2,511	2,379	1,822	1,917
Other Operating Income	4	1	1	1	1
Capital Grant Release	14	136	120	99	97
Net Deferred Funding for Pensions	12(c)	973	932	706	751
<u>CENTRAL PAYMENTS UNIT</u>					
Grant Received from Accountable Departments	3	26,259	28,768	19,056	23,181
<u>EU COMMISSION</u>					
Claims Receivable from the EU	3	64,841	71,928	47,054	57,960
TOTAL INCOME		94,721	104,128	68,738	83,907
EXPENDITURE					
Depreciation	8	(136)	(120)	(99)	(97)
Staff Costs	5	(2,689)	(2,614)	(1,951)	(2,106)
Other Operating Costs	7	(795)	(697)	(577)	(562)
Interest repayable to Department of Finance and Personnel	3	(1)	(1)	(1)	(1)
<u>CENTRAL PAYMENTS UNIT</u>					
Payments Made to Projects	3	(91,100)	(100,696)	(66,110)	(81,141)
TOTAL EXPENDITURE		(94,721)	(104,128)	(68,738)	(83,907)
Surplus for the year transferred to General Reserve		-	-	-	-

All amounts above relate to continuing activities.

The notes on pages 36 to 59 and the appendix on page 60 form part of these accounts.



Statement of Total Recognised Gains and Losses for the year ended 31 December 2015

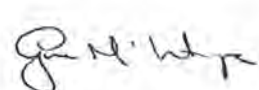
	Notes	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Surplus for the year		-	-	-	-
Experience gains on pension scheme liabilities including exchange rate effect	12(d)	143	254	104	205
Changes in assumptions underlying the present value of pension scheme liabilities	12(b)	1,774	(815)	1,287	(657)
Actuarial gains/(losses)	12(b)	1,917	(561)	1,391	(452)
Adjustment to deferred pension funding		(1,917)	561	(1,391)	452
		-	-	-	-
Exchange gains/(losses)	13	8	9	-	-
Total recognised gain/(loss) for the year		8	9	-	-



Balance Sheet as at 31 December 2015

	Notes	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Fixed Assets					
Tangible Assets	8(a)	346	426	254	333
Intangible Assets	8(b)	81	83	59	65
Total Fixed Assets		427	509	313	398
Current Assets					
Debtors - amounts due within one year	9(a)	496	54,887	364	42,747
Cash at bank and in hand	10	28,564	20,380	20,988	15,872
Total Current Assets		29,060	75,267	21,352	58,619
Current Liabilities					
Creditors - amounts due within one year	11(a)	(29,928)	(75,136)	(21,990)	(58,517)
Net Current Liabilities/Assets		(868)	131	(638)	102
Debtors - amounts due after one year	9(b)	42,980	-	31,580	-
Total Assets less Current Liabilities, before Long Term Liabilities		42,539	640	31,255	500
Creditors - amounts due after one year	11(b)	(42,112)	-	(30,942)	-
Deferred pension funding	12(c)	9,291	9,644	6,826	7,511
Pension liabilities	12(b)	(9,291)	(9,644)	(6,826)	(7,511)
Net Assets		427	640	313	500
Financed by:					
Capital and Reserves					
General Reserve	13	-	131	-	102
Capital Grant Reserve	14	427	509	313	398
		427	640	313	500

The accounts were approved by the Chief Executive on 10th June 2016



Gina McIntrye
Chief Executive Officer

The notes on pages 36 to 59 and the appendix on page 60 form part of these accounts.



Cash Flow Statement for the year ended 31 December 2015

	Notes	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	15.1	9,000	(6,493)	5,716	(6,613)
Capital expenditure and financial investment					
Payments to acquire fixed assets		(54)	(80)	(38)	(63)
Net cash inflow/(outflow) before financing		8,946	(6,573)	5,678	(6,676)
Financing					
Capital funding received		54	80	38	63
Net cash inflow from financing		54	80	38	63
Increase/(decrease) in cash/bank balances	15.2	9,000	(6,493)	5,716	(6,613)



Notes to the Accounts for the year ended 31 December 2015

1. Accounting Policies

1.1. Accounting Convention

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

The accounts comply with accounting and disclosure requirements issued by the Department of Finance and Personnel and by the Department of Public Expenditure and Reform.

1.2. Fixed Assets

Fixed Assets are valued at their cost to the SEUPB. Intangible assets include purchased software.

Fixed assets are depreciated from the month following their dates of acquisition, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter. The estimated useful lives of the main categories of fixed assets are:

Fixtures and Fittings	7 years
Computer Equipment	5 years
Office Equipment	7 years
Leased assets	The shorter of the term of the lease and the useful economic life of the asset
Intangible assets	5 years

The value of the operational assets in use within the SEUPB is not considered sufficient to require annual revaluation.

1.3. Pension Costs

The SEUPB operates a defined benefit pension scheme which is funded annually on a 'pay as you go' basis from monies available to it, including monies provided by the Department of Finance and Personnel (DFP) in Northern Ireland and the Department of Public Expenditure & Reform (DPER) in Ireland.

Funding is also provided by way of deductions from staff salaries, which are repaid by the SEUPB to DFP and DPER. Deductions are included within salaries and wages costs (note 5).

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

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.

Actuarial gains or losses arising from changes in Actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from DFP/DPER.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from DFP/DPER.



1.4. Value Added Tax

The SEUPB is not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of fixed assets.

1.5 Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease and are charged to the income and expenditure account.

Rentals are charged to the income and expenditure account over the term of the lease.

1.6 Currencies

The SEUPB's transactions are effected in the currencies of each jurisdiction. The Financial Statements are presented in both currencies, each representing an aggregation of all transactions for the year in each jurisdiction translated at the average respective exchange rates during the year. At the year end assets and liabilities are translated at the rate existing at that time.

The rates of exchange used for 2014 and 2015 are as follows:

	2015	2014
Average rate	£1 = €1.378	£1 = €1.241
Year-end rate	£1 = €1.361	£1 = €1.284

Variances between current year figures and comparitors in the secondary currency may appear to be exaggerated or understated due to the impact of movements in exchange rates.

1.7 Central Payments Unit

The SEUPB operates a Central Payments Unit which has been established to make payments to projects funded under relevant EU Programmes on behalf of Accountable Government Departments in Northern Ireland and Ireland.

Service Level Agreements are in place between the SEUPB and each Accountable Department, outlining responsibilities of both parties, and clearly state that the funds may not be used at the discretion of the SEUPB, but only for the purposes of making payments to projects under the relevant Accountable Department, Programme and Theme.

Funds are drawn from the Departments and held in dedicated bank accounts. Payments are made to projects on the basis of suitably authorised electronic vouchers.

For INTERREG IVA and PEACE III, payments made to projects (as adjusted for accruals and unearned advances) are shown within expenditure on the Income & Expenditure Account. Income to cover these payments is split between the EU Commission 'Claims Receivable', and match funding from Accountable Departments. Any surplus/shortfall in funding received from Departments is shown as accrued/deferred income within debtors/creditors.



The SEUPB carries out this function in its role as Certifying Authority for the PEACE III and INTERREG IVA Programmes.

Payments made to beneficiaries which are subsequently deemed to be ineligible are recovered by the SEUPB either via offset against subsequent Lead Partner claims, or via a direct reimbursement from the project. Should recovery by these means prove unsuccessful, the SEUPB seeks guidance from the relevant Accountable Departments as to the recovery process. In cases where recovery is not possible, responsibility reverts to the Member States.

1.8 Capital Grant Reserve

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

1.9 Commitments

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



2. Grant from the Departments

	DFP	DPER	TOTAL	TOTAL
	€'000	€'000	2015	2014
	€'000	€'000	€'000	€'000
Grant receivable:				
Administration and Expenses	1,344	1,167	2,511	2,379
Capital funding	25	26	51	50
Total	1,369	1,193	2,562	2,429

Split as follows:

Grants credited to Income & Expenditure account	1,344	1,167	2,511	2,379
Grants credited to Capital Grant Reserve	25	26	51	50
Total	1,369	1,193	2,562	2,429

	DFP	DPER	TOTAL	TOTAL
	£'000	£'000	2015	2014
	£'000	£'000	£'000	£'000
Grant receivable:				
Administration and Expenses	975	847	1,822	1,917
Capital funding	18	18	36	40
Total	993	865	1,858	1,957

Split as follows:

Grants credited to Income & Expenditure account	975	847	1,822	1,917
Grants credited to Capital Grant Reserve	18	18	36	40
Total	993	865	1,858	1,957



3. Operational Analysis

In terms of the areas of activity, the results for the year can be analysed as follows:

		Central Payments Unit	Administration	TOTAL 2015	TOTAL 2014
		€'000	€'000	€'000	€'000
<u>Income</u>					
Grant Receivable	(i)	-	2,511	2,511	2,378
Grants from Accountable Departments	(ii)	26,259	-	26,259	28,768
Other Operating Income		-	1	1	1
Capital Grant Release		-	136	136	120
Claims receivable from the EU		64,841	-	64,841	71,928
N/S Pension Scheme Funding		-	973	973	932
		91,100	3,621	94,721	104,127
<u>Expenditure</u>					
Depreciation		-	(136)	(136)	(120)
Staff Costs		-	(2,689)	(2,689)	(2,614)
Other Operating Costs		-	(795)	(795)	(696)
Interest repayable to Department of Finance and Personnel		-	(1)	(1)	(1)
Project Payments	(iii)	(91,100)	-	(91,100)	(100,696)
		(91,100)	(3,621)	(94,721)	(104,127)
Surplus/(Deficit)					
		-	-	-	-



3. Operational Analysis (Cont'd)

		Central Payments Unit	Administration	TOTAL 2015	TOTAL 2014
		£'000	£'000	£'000	£'000
Income					
Grant Receivable	(i)	-	1,822	1,822	1,916
Grants from Accountable Departments	(ii)	19,056	-	19,056	23,181
Other Operating Income		-	1	1	1
Capital Grant Release		-	99	99	97
Claims receivable from the EU		47,054	-	47,054	57,960
N/S Pension Scheme Funding		-	706	706	751
		66,110	2,628	68,738	83,906
Expenditure					
Depreciation		-	(99)	(99)	(97)
Staff Costs		-	(1,951)	(1,951)	(2,106)
Other Operating Costs		-	(577)	(577)	(561)
Interest repayable to Department of Finance and Personnel		-	(1)	(1)	(1)
Project Payments	(iii)	(66,110)	-	(66,110)	(81,141)
		(66,110)	(2,628)	(68,738)	(83,906)
Surplus/(Deficit)		-	-	-	-



3. Operational Analysis (Cont'd)

- (i) 'Grant Receivable' includes funding for running costs receivable from the SEUPB's Sponsor Departments (DFP & DPER).
- (ii) 'Grants from Accountable Departments' includes 'match funding' from Accountable Departments, to cover expenditure under PEACE III and INTERREG IVA.

Project Payments (and income recognised to fund such expenditure) of £66,110k (€91,100k) can be analysed by Programme as follows:

	€'000	£'000
PEACE III	46,727	33,909
INTERREG IVA	44,373	32,201
	91,100	66,110

The expenditure reflected in the SEUPB accounts excludes Scottish 'match funding' which does not flow through the SEUPB, but rather is funded by the projects themselves via various sources. In 2015 the value of Scottish 'match funding' amounted to approximately €0.7m (2014: €0.6m).

- (iii) Included within 'Project Payments' are Technical Assistance costs incurred by the SEUPB and the Consortium amounting to €2.8m (£2.0m) in 2015, €3.1m (£2.5m) in 2014. Analysis is as follows:

2015	€'000	£'000
SEUPB	2,679	1,944
Consortium	117	85
	2,796	2,029
2014	€'000	£'000
SEUPB	2,852	2,298
Consortium	278	224
	3,130	2,522

These costs are incurred in relation to the management of the PEACE III and INTERREG IVA Programmes, including expenditure in respect of staff, overheads, appraisal, professional advice, communications, training, IT, audit and evaluation etc. The SEUPB element of £1,944k in 2015 includes £898k in respect of staff costs (see note 5b), and £309k in respect of operating costs (see note 7). In addition to this amount, some Project Lead Partners will be in receipt of grant support to contribute towards their administration costs, as part of their Letter of Offer (e.g. PEACE III Joint Committees, and INTERREG IVA Cross Border Groups).



4. Other Operating Income

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Interest Receivable	1	1	1	1

5. Staff Costs

(a) The average weekly number of employees (full time equivalent, including supernumerary) was:

	2015	2014
Senior Management	4	4
Programme Management	6	5
Project Assessment & Support (including verification)	30	33
Corporate Services (including project payments & certification)	17	17
Total	57	59

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

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Wages and Salaries	2,513	2,373	1,823	1,912
Temporary agency staff & secondees	117	82	85	66
Social Security Costs:				
- Current year costs	196	186	142	150
Other Pension Costs:				
- Current service & interest costs	1,101	988	799	796
	3,927	3,629	2,829	2,924
Funded via PEACE III Technical Assistance	(619)	(508)	(449)	(409)
Funded via INTERREG IVA Technical Assistance	(619)	(507)	(449)	(409)
Total	2,689	2,614	1,951	2,106

The accounting policy for pensions is detailed in Note 1.3



5. Staff Costs (Cont'd)

(c) The emoluments and pension entitlements of the CEO, key management and Committee Members were as follows:

	Emoluments £'000	Real increase in pension earned £'000	Accrued pension (as at 31/12/15) £'000	Age (years)	Benefits in kind £'000
Mr P Colgan (Chief Executive until 31/08/15)	55 - 60	n/a	n/a	65	nil
Ms G McIntyre (Corporate Services Director until 31/08/2015, Chief Executive from 01/09/15)	Consent withheld				
Mr S Henry (Managing Authority Director)	50 - 55	0 - 2.5 (including 0 - 2.5 lump sum)	50 - 55 (including 35 - 40 lump sum)	51	nil
Ms L McCourt (JTS Director - Resigned 8/1/16)	Consent withheld				
Mr B Mullan (Chair of Audit Committee)	0 - 5	n/a	n/a	n/a	nil
Mr J Campbell (Independent Member of Audit Committee)	0 - 5	n/a	n/a	n/a	nil



6. Performance Against Key Financial Targets

The SEUPB successfully operated within its budget allocation for the year.

The SEUPB has successfully maximised EU Receipts within the INTERREG IV Programme.

Within the PEACE III Programme, outturn is anticipated to exceed 99% of the total value of the Programme.

7. Other Operating Costs

	2015	2014	2015	2014
	€'000	€'000	£'000	£'000
Travel and Subsistence	19	26	14	21
Telecommunications	32	32	23	26
IT & Office Consumables	44	48	32	39
Stationery & Printing	23	31	17	25
Postage	6	5	4	4
Repairs & Maintenance	33	31	24	25
Office Premises Expenses	445	382	323	307
Professional Services	79	50	57	40
Training & Conferences	25	26	18	21
Subscriptions	7	6	5	5
Publicity & Advertising	12	-	9	-
Incidentals	14	9	10	7
Hospitality	1	2	1	2
Audit fees - External	36	32	26	26
- Internal	19	17	14	14
TOTAL	795	697	577	562

The above costs are funded from the SEUPB's Core budget. In addition to these costs further Other Operating Costs of £309k (2014 £355k) are funded from technical assistance – see note 3 (iii).



8. Fixed Assets

(a) Tangible Fixed Assets

	Leasehold Improvements €'000	Office Equipment €'000	Computer Equipment €'000	Fixtures & Fittings €'000	Total €'000
Cost or Valuation					
At 1 January 2015	1,225	60	657	121	2,063
Additions	6	3	14	1	24
Disposals	-	(3)	-	(2)	(5)
At 31 December 2015	1,231	60	671	120	2,082
Depreciation					
At 1 January 2015	961	58	524	94	1,637
Provision for year	56	1	37	10	104
Depreciation on disposals	-	(3)	-	(2)	(5)
At 31 December 2015	1,017	56	561	102	1,736
Net Book Value (€)					
At 31 December 2015	214	4	110	18	346
At 31 December 2014	264	2	133	27	426
Net Book Value (£)					
	£'000	£'000	£'000	£'000	£'000
At 31 December 2015	169	3	87	15	274
Currency Translation Adjustment	(12)	-	(6)	(2)	(20)
At 31 December 2015 (as adjusted)	157	3	81	13	254
At 31 December 2014	206	2	104	21	333

Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

No assets are held under finance leases or hire purchase contracts.



8. Fixed Assets (Cont'd)

(b) Intangible Fixed Assets

	Software €'000
Cost or Valuation	
At 1 January 2015	410
Additions	30
Disposals	-
At 31 December 2015	440
Depreciation	
At 1 January 2015	327
Provision for year	32
Disposals	-
At 31 December 2015	359
Net Book Value (€)	
31 December 2015	81
31 December 2014	83
Net Book Value (£)	
31 December 2015	63
Currency Translation Adjustment	(4)
31 December 2015 (adjusted)	59
31 December 2014	65

Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.



9(a) Debtors - (amounts due within one year)

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Prepayments and accrued income	(i)	95	11,006	70	8,572
Amounts due from EU Commission	(ii)	337	43,854	247	34,154
Other debtors		64	27	47	21
		496	54,887	364	42,727

9(b) Debtors - (amounts due after one year)

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Amounts due from EU Commission	(ii)	42,980	-	31,580	-
		42,980	-	31,580	-

- (i) On demonstration of need, advance payments are made to projects, to be converted to actuals at a later date. This is in line with EU Regulations and Managing Public Money NI.
- (ii) The SEUPB acts as Certifying Authority for the INTERREG IVA and PEACE III Programmes and is responsible for claiming funds from the EU Commission.

As at 31 December 2015, €43,316,768 (£31,827,163) was receivable, relating to both submitted and unsubmitted claims, of which €336,636 (£247,345) falls due within one year. The remaining €42,980,132 (£31,579,818) falls due after one year, due to the 'retention' process, whereby the EU Commission retains an element of funding at the end of each Programme until the closure process is complete (likely to be in 2017).

The debtor balance falling due after one year will be settled partly in cash, and partly through offset of an advance totalling €31,265,042 (£22,972,110) which was received from the Commission at the beginning of the Programme period, and passed on to the Member States.

The amount due from the EU Commission at 31 December 2014 was reimbursed in full within one year of that balance sheet date.



10. Cash at bank and in hand

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Cash at bank:					
- Held for administration payments		91	316	67	246
- Held for Programme payments	(i)	28,473	20,064	20,921	15,626
Total		28,564	20,380	20,988	15,872

(i) Cash held for Programme payments reflects amounts drawn from Government Departments to enable the SEUPB to meet its obligations to make payments to projects on a timely basis, plus any EU receipts not yet reimbursed to Government Departments. These balances are used and re-drawn on a quarterly basis in line with forecasted requirements. At 31 December 2015, the balance included approx £7.25m (€9.87m) relating to EU advance payments for PEACE IV and INTERREG VA, which will be paid to DFP/DPER post year-end.

11(a) Creditors - (amounts due within one year)

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Trade and Project Creditors		267	-	196	-
Accruals and Deferred Income	(i)	17,283	19,568	12,699	15,240
ERDF due to Accountable Departments	(ii)	12,178	55,432	8,948	43,171
Other amounts due to Departments	(iii)	200	136	147	106
		29,928	75,136	21,990	58,517



11(b) Creditors - (amounts due after one year)

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
ERDF due to Accountable Departments	(ii)	42,112	-	30,942	-
		42,112	-	30,942	-

- (i) For the PEACE III and INTERREG IVA Programmes, funding received in excess of recognised expenditure is treated as deferred income and recorded within 'Accruals and Deferred Income'. For the prior Programming period (PEACE II and INTERREG IIIA), any funding remaining unused at year end is recognised as Departmental funds, and recorded within 'Other amounts due to Departments'.
- (ii) Funds are drawn from the Departments and used to facilitate payments to projects during the course of the year.

Claims are then submitted for reimbursement of the ERDF element of eligible expenditure incurred.

Upon receipt of these reimbursements from the EU Commission, the SEUPB is required to reimburse Accountable Departments (via DFP and DPER). At 31 December 2015 the amount due to Departments in respect of PEACE III and INTERREG IVA was €44,899,218, (£32,989,874), of which €2,787,681 (£2,048,259) will be reimbursed within one year. The balance of €42,111,537 (£30,941,614) will fall due after one year (after the closure process completes, and the EU Commission 'retention' period concludes). Settlement of the 'more than one year' amount will be partly in cash, and partly via offset against Programme advances held by Member States (see note 9ii).

The ERDF due to Accountable Departments at 31 December 2014 was paid within one year of that balance sheet date.

Advances of €9,390,340 (£6,899,589) relating to the PEACE IV and INTERREG VA Programmes are also included in this balance, and are all payable to DFP/DPER within one year.

- (iii) Other amounts due to Departments comprise bank interest earned on programme funds, and running balances of core funding from SEUPB's Sponsor Departments. Interest earned on funds held by the SEUPB for the purposes of making payment to projects amounted to £71k (€98k) in 2015, £64k (€80k) in 2014.

This interest is reimbursed to Sponsor Departments on a regular basis.



12. Pensions

a) Analysis of total pension costs charged to Expenditure:

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Current service cost	754	642	547	517
Interest on Pension Scheme Liabilities	347	346	252	279
	1,101	988	799	796

b) Movement in Net Pension Liability during the financial year

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Net Pension Liability at 1 January	9,644	7,477	7,511	6,231
Current Service Cost	754	642	547	517
Interest on scheme liabilities	347	346	252	279
Actuarial loss/(gain)	(1,917)	561	(1,391)	452
Net transfers in/(out)	-	96	-	77
Benefits paid	(128)	(56)	(93)	(45)
Exchange differences	591	578	-	-
Net Pension Liability at 31 December	9,291	9,644	6,826	7,511

Member contributions are included within the Current Service Cost, and amounted to £100k (€136k) in 2015, and £60k (€74k) in 2014. These amounts were paid over to Sponsor Departments in line with the agreed funding mechanisms.

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

Experience gain	143	254	104	205
Gain/(loss) on change of financial assumptions	1,774	(815)	1,287	(657)
Actuarial gain/(loss)	1,917	(561)	1,391	(452)



c) Deferred Funding for Pensions

In accordance with accounting practice for non-commercial State Bodies in the Republic of Ireland, the SEUPB 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, the SEUPB 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 Net Deferred Funding for Pensions recognised in the Income and Expenditure Account was as follows:

	2015	2014	2015	2014
	€'000	€'000	£'000	£'000
Funding Recoverable in respect of current year pension costs	1,101	988	799	796
Benefits paid during the year	(128)	(56)	(93)	(45)
	973	932	706	751

The deferred funding asset for pensions as at 31 December 2015 amounted to €9.291m (£6.826m); 2014: €9.644m (£7.511m).



d) History of defined benefit obligations

	2015	2015	2014	2014	2013	2013	2012	2012	2011	2011	2010	2010
	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Defined benefit obligations	(6,826)	(9,290)	(7,511)	(9,644)	(6,231)	(7,477)	(5,899)	(7,234)	(4,371)	(5,360)	(3,699)	(4,317)
Experience adjustment on liabilities including exchange rate effect gain/(loss)	104	143	205	254	18	21	(7)	(9)	86	99	100	117
Percentage of Scheme Liabilities	1.50%	1.50%	2.70%	2.70%	0.30%	0.30%	-0.10%	-0.10%	2.00%	2.00%	2.70%	2.70%

e) 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 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 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 FRS17 disclosures at 31 December 2015 has been carried out by a qualified independent actuary (Xafinity Consulting). 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 2015.



The principal assumptions were as follows:

	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
Discount rate:						
NI	3.7%	3.6%	4.5%	4.1%	4.7%	5.4%
ROI	2.65%	2.1%	3.5%	2.7%	4.6%	4.7%
Inflation rate:						
NI	1.9%	2.0%	2.5%	1.8%	2.6%	3.4%
ROI	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%
Rate of increase in salaries						
NI	2.9%	3.0%	4.0%	4.0%	4.0%	4.0%
ROI	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%
Ave rate of increase in pensions:						
NI	1.9%	2.0%	2.5%	1.8%	2.6%	3.4%
ROI (salary increases)	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%
ROI (CPI)	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%
Ave expected future life at age 65 for:						
Male currently aged 65	21.9	22.1	21.6	21.5	21.4	21.3
Female currently aged 65	23.8	24.3	24.2	24.1	24.0	23.9
Male currently aged 45	23.1	23.5	23.5	23.4	23.3	23.2
Female currently aged 45	25.3	25.8	26.0	25.9	25.9	25.8

13. Reconciliation of Movements in General Reserve

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
At 1 January	131	122	102	102
Exchange gains/(losses)	8	9	-	-
Offset departmental funding	(139)	-	(102)	-
Surplus for the year	-	-	-	-
At 31 December	-	131	-	102

Reserves brought forward have been utilised to offset against Departmental funding requirements, arising from fluctuating exchange rates.



14. Reconciliation of Movements in Capital Grant Reserve

	Note	2015 €'000	2014 €'000	2015 £'000	2014 £'000
At 1 January		509	549	398	457
Capital funding receivable during the period	2	51	50	36	39
Funding received via technical assistance		3	30	2	24
Profit/loss on disposal of fixed assets		-	-	-	-
Less amount released to income and expenditure account		(136)	(120)	(99)	(97)
Exchange gain/(loss) on acquisition of fixed assets		-	-	(24)	(25)
At 31 December		427	509	313	398

15. Notes To Cashflow Statement

15.1 Reconciliation of result for the period to net cash inflow/(outflow) from operating activities

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Surplus/(deficit) for the period	-	-	-	-
Adjustment for non cash transactions				
Exchange differences on translation of opening cash balances at 1 January	816	1,664	600	1,296
Depreciation	136	120	99	97
Capital Grant Release	(136)	(120)	(99)	(97)
Loss on disposal of fixed assets		-	-	-
Difference on Foreign Exchange Translation	8	9	-	-
Reserves offset against Departmental funding	(139)	-	(102)	-
Adjustments for movements in working capital				
Decrease/(increase) in debtors	11,411	(5,304)	10,803	(1,438)
(Decrease) in creditors	(3,096)	(2,862)	(5,585)	(6,481)
Net cash inflow/(outflow) from operating activities	9,000	(6,493)	5,716	(6,613)



15.2 Reconciliation of net cash outflow to movement in net debt

	2015 €'000	2014 €'000	2015 £'000	2014 £'000
Cash in bank at 1 January	20,380	28,537	15,872	23,781
Retranslation to current year exchange rates	(816)	(1,664)	(600)	(1,296)
	19,564	26,873	15,272	22,485
Net cash (outflow)/inflow	9,000	(6,493)	5,716	(6,613)
Cash in bank at 31 December	28,564	20,380	20,988	15,872

16. Provisions & contingent liabilities

There were no provisions or contingent liabilities at either 31 December 2015 or 31 December 2014.

17. Operating Lease Commitments

At 31 December SEUPB was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings 2015 €'000	Other 2015 €'000	Land and Buildings 2014 €'000	Other 2014 €'000
Leases which expire:				
Within one year	-	10	45	-
Within two to five years	418	-	49	14
After five years	-	-	187	-
	418	10	281	14
	€'000	€'000	€'000	€'000
Within one year	-	7	35	-
Within two to five years	307	-	38	11
After five years	-	-	146	-
	307	7	219	11



18. Capital Commitments

The SEUPB had no capital commitments at either 31 December 2014 or 31 December 2015. Some projects in receipt of Letters of Offer from the SEUPB under PEACE III and INTERREG IV include capital build elements. The commitment for such expenditure is included at note 19 below.

19. Grant Commitments

At 31 December 2015, the SEUPB had outstanding grant commitments as detailed below. Whilst this reflects the maximum outstanding commitment, the existence of significant slippage across both Programmes will result in a level of post year-end expenditure which is much lower than this maximum. The breakdown between Euro letters of offer and £STG letters of offer are set out below:

	Grant awarded	Paid to date	Outstanding Commitment 31/12/2015	Outstanding Commitment 31/12/2014
	€'000	€'000	€'000	€'000
€ Euro Letters of Offer:				
PEACE III	85,628	84,678	950	10,861
INTERREG IV	87,441	85,564	1,877	17,518
	173,069	170,242	2,827	28,379
	£'000	£'000	£'000	£'000
£ Stg Letters of Offer:				
PEACE III	201,991	196,583	5,408	42,201
INTERREG IV	143,241	132,350	10,891	37,570
	345,232	328,933	16,299	79,771

20. Related Party Transactions

The Special EU Programmes Body (SEUPB) is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Public Expenditure & Reform in Ireland.

The above named departments are regarded as related parties. During the year the SEUPB has had various transactions with these departments:

- (1) The Head of Internal Audit for the Department of Finance and Personnel provides Internal Audit Services to the SEUPB under an arm's length Service Level Agreement. Costs incurred are shown in Note 7 to the accounts.



- 
- (2) The functions of the Audit Authority are provided by a dedicated unit within the Department of Finance and Personnel, on a joint member-state basis. This relationship is governed by a Service Level Agreement.
 - (3) The SEUPB has a Service Level Agreement with the Northern Ireland Statistics and Research Agency (NISRA), an executive agency within DFP, which provides a monitoring and evaluation service in relation to the Programmes.
 - (4) DFP manages a central EU Grants database which is used by the SEUPB and DFP EU Division. A portion of the costs incurred in relation to the database are re-charged to the SEUPB on an agreed basis.
 - (5) The SEUPB has a Service Level Agreement with the Central Procurement Directorate (CPD) which is the Centre of Procurement Expertise (CoPE) located within DFP. The SEUPB engages with CPD on an ad hoc basis to manage procurement competitions, and to provide procurement advice in relation to construction projects.

21. Losses and Special Payments

There were no losses or Special Payments in 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 SEUPB is financed, the SEUPB is not exposed to the degree of financial risk faced by business entities. The SEUPB has very limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the SEUPB in undertaking its activities.

22.2 Liquidity, Interest Rate and Foreign Currency Risk

The SEUPB's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly and the Houses of the Oireachtas, as is its capital expenditure. It is not therefore exposed to significant liquidity risks. The SEUPB does not access funds from commercial sources and so is not exposed to significant interest rate risk. The SEUPB's exposure to foreign currency risk is not significant as it receives agreed levels of funding from its sponsoring Departments, the Department of Finance and Personnel, and the Department of Public Expenditure & Reform, in sterling and euro respectively, and does not engage in trading activities. However, as the majority of transactions are conducted in sterling, and most funding is received equally from the two Departments, the SEUPB is exposed to foreign currency risk to a limited degree. In relation to funds drawn from Accountable Departments for the Central Payments Unit, foreign currency risk remains with the sponsor Departments.



23. Funding withdrawn from Projects

Following a forensic audit carried out on behalf of the SEUPB by an external expert, expenditure amounting to £581,064 (incurred from 2009 to 2011 by two projects managed by one organisation), has been deemed ineligible. The organisation has ceased trading, and an evidence pack has been prepared and submitted to the Police Service of Northern Ireland (PSNI) for consideration. The SEUPB awaits the outcome of the Police investigation which is active and ongoing.

All relevant Accountable Departments in Northern Ireland and Ireland have now confirmed to SEUPB that this expenditure has been written-off at Departmental level, in recognition of the fact that these projects will no longer be included within the PEACE III Programme (confirmations received from OFMDFM on 18th May 2016, DPER on 4th April 2016, and DECLG on 6th May 2016).

24. Third Party Assets

There were no third party assets held by the SEUPB at 31 December 2015.

25. Events after the reporting period date

There were no material non-adjusting events after the reporting period date. It is noted for information, that from 9th May 2016, the SEUPB's Sponsor Department in Northern Ireland changed its name from The Department of Finance and Personnel (DFP), to The Department of Finance (DoF).



Appendix

Accounts direction given by the Northern Ireland Department of Finance & Personnel and the Irish Department of Finance. In accordance with the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999.

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

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


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



Signed by authority of the Department of Finance
and Personnel

L O'Reilly

29 June 2001



Department of Finance

A Dunning

29 June 2001



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Foras Um Chláir Speisialta An AE
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Belfast Office:

7th Floor, The Clarence West Building,
2 Clarence Street West, Belfast,
Northern Ireland, BT2 7GP
tel: +44 (0)28 9026 6660
fax: +44 (0)28 9026 6692
email: info@seupb.eu

Omagh Office:

EU House, 11 Kevlin Road, Omagh,
Northern Ireland, BT78 1LB
tel: +44 (0)28 8225 5750
fax: +44 (0)28 8224 8427
email: omagh@seupb.eu

Monaghan Office:

M:TEK II Building, Armagh Road,
Monaghan, Ireland
tel: +353 (0)47 77003
fax: +353 (0)47 71258
email: monaghan@seupb.eu
website: www.seupb.eu

