



 InterTradeIreland

2020 2020 17 18 19

Annual Review of Activities
and Annual Accounts



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YEARS



With total cross-border trade at an all-time high at **€7billion** in 2017, and the impact of Brexit still to be felt, **the work of InterTradelreland has perhaps never been more important.**



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Ken Nelson
Chairman

Chairman's Introduction

With total cross border trade at an all time high at €7billion in 2017, and the impact of Brexit still to be felt, the work of InterTradelreland has never been more important. As the organisation prepares to celebrate 20 years of promoting cross border trade in 2019, we can proudly look back at our successes – having assisted over 39,000 businesses, supported the creation of 14,800 jobs and generated more than €1.2billion in business development value through our programmes and initiatives. More importantly however, we remain firmly focused on the future and are planning to introduce a range of new support programmes to help businesses on both sides of the border to address the new challenges and opportunities that may arise.

Last year I reflected on the possible implications of the post Brexit era and a year later it is still largely unclear as to what form it will take. Against this backdrop, we recognise the unique and important role that InterTradelreland has to play in helping companies on both sides of the border navigate their way through these uncertain times. Our primary focus is on helping our companies to understand the new challenges presented and to help them meet these head on – so they can continue to survive and thrive in a post Brexit world. The continued uptake of our Brexit Advisory service and the growing demand for the various support vouchers are testimony to the value placed in these initiatives.

Despite the uncertainty of the last year, in 2018 we have seen an encouraging performance with a number of our key business plan targets exceeded. We supported 136 more companies involved in North/South trade through our Trade and Innovation activities than we had targeted - delivering a Total Business Value of €105million/£95million, significantly above target by over 10%. This resulted in a total jobs impact of 2,043 against a target of 1,450. Encouragingly we have supported 135 first time exporters in 2018, against a target of 55 and worked with more first time innovators than anticipated. Together they represent the future of our economies. These achievements are down to the hard work of a relatively

small dedicated team and I pay tribute to them for this continued success. On behalf of the Board, I would like to acknowledge the contribution of the Designated Accounting Officer, his senior leadership team and all our employees and thank them for their continued dedication and commitment during what has been a busy and often uncertain year. I would also like to extend my thanks to my fellow Board members whose support has proven invaluable throughout the year.

We don't work in isolation of course and increasingly rely on strong partnerships with Enterprise Ireland, Invest NI, the Local Enterprise Offices, Enterprise NI members, Northern Ireland local councils and the many other business organisations to support our indigenous businesses. We thank them all and look forward to forging even stronger relationships in the coming years.

I would also like to express my gratitude to the Minister for Business, Enterprise and Innovation, Heather Humphreys TD in Ireland and to the senior civil servants, led by Noel Lavery in the Department for the Economy in Northern Ireland, for their continued support for the organisation during this period.

In 2019 it will be 20 years since InterTradelreland was founded formally in the British Irish Agreement Act, 1999. Much has changed in the intervening years. With increased co operation, (a demonstrable outcome of that Agreement) and all-island cross border trade growing at an average rate of 4% per annum over the intervening years, this has undoubtedly benefited businesses and the economies on both sides of the border. Whatever Brexit brings the Board and team at InterTradelreland will remain focused, flexible and responsive to the needs of business on both sides of the border to ensure that trend continues.

Designated Accounting Officer's Message



Aidan Gough
Designated
Accounting Officer
Strategy & Policy Director

As InterTradelreland looks forward to 2019 when we will celebrate 20 years of supporting and delivering cross-border trade and business development opportunities, 2018 represented one of our busiest years yet.

Total cross-border trade continued its long-term upward trajectory, growing by 10.5% in 2017 to reach €7bn. This trade and the development opportunities it offers is particularly important for small firms who dominate the cross-border export market.

Our quarterly All-Island Business Monitor survey, the largest all-island survey of business sentiment and performance, which tracks key economic indicators such as sales, employment and engagement in cross-border trade, now has 10 years of data. It shows that cross-border traders and exporters enjoy higher growth performance, and are up to three times more likely to be growing than non-exporters. Our research also shows that cross-border traders have higher levels of productivity, turnover and employment. Furthermore, cross-border trade plays a catalytic role in broader export development strategies, with 71% of exporters reporting that it encouraged them to export further afield.

Brexit has of course dominated the political and economic discourse. InterTradelreland's policy has been to encourage and support businesses to prepare for whatever new trading relationship emerges from the negotiations. Through our Brexit Advisory Service we offer support in the form of events, tariff checkers and subsidised access to expert advisors in the form of a 'Start to Plan' voucher scheme. Over 650 applications to this scheme were received in 2018 and we expect to see a continued uplift in demand.

Against this uncertain backdrop, 2018 has seen a very strong performance for InterTradelreland and the businesses we support. In 2018 we also engaged with over 3,000 companies through our various trade and innovation activities and services, bringing the total over the past 20 years to over 39,000 businesses. We also delivered a total jobs impact of over 2000 in 2018, significantly ahead of target.

Our trade development programmes, Acumen and Elevate continue to deliver excellent results this year and contributed greatly to these positive job impacts. Acumen, which is designed to stimulate cross-border

¹ This 2017 figure is calculated from CSO and BESIS data.

business for SMEs, supported 116 businesses; while Elevate, which helps micro-businesses explore the opportunities available in the cross-border market and take the first steps in exporting, supported a further 75 companies. During 2018 companies that had previously completed Acumen and Elevate projects reported a business value of £23m/€25.6m and a jobs impact of 638.

The performance of our Go-2-Tender workshop series and Meet the Buyer has been extremely positive, and data collected from those that took part in previous workshops have identified a value of £4.1million /€4.6million and a positive jobs impact of 360 this year.

During the year our science, technology and innovation programmes have continued to perform well. The 2018 FUSION programme, focused on business development and innovation through science, engineering and technology collaboration, processed more than 400 enquiries which resulted in 79 successful projects and created 59 graduate jobs.

We also continued to help companies and researchers from NI and ROI to collaborate in Horizon 2020, the European Commission's seven year, €80billion research and innovation programme. The latest statistics show that there have been 67 successful projects with €81.1m of funding secured.

The US-Ireland R&D Partnership has reported the continuation of significant progress. To date a total of 49 projects have been awarded funding which represents a combined investment value of c€73m/c£60m/c\$88m. This is an increase of nine successful projects awards since November 2017.

Collaboration is at the core of everything InterTradelreland delivers and we have been exploring new ways to drive more economic value from co-operative partnerships and networks. For example, under the umbrella of our all-island biopharma initiative this has resulted in the renewal of strategic relationships between Cancer Trials Ireland, the NI Cancer Trials Network and the United States National Cancer Institute. We have also facilitated discussions between relevant agency and industry representatives, with the aim of leveraging economies of scale and scope to identify synergistic collaborative innovation projects across the border.

Meanwhile, our Funding for Growth programme continues to support start-ups and established companies improve their ability to raise finance by improving their understanding of the current funding landscape, developing their investor/funding readiness and supporting business angel networks. Our 17th All-Ireland Venture Capital conference was a huge success as was our Halo Business Angel Network (HBAN) event – making it the largest gathering of business angels ever in Ireland. Our 2018 Seedcorn Investor Readiness programme finished with a memorable awards ceremony in St Anne's Cathedral. Together, the companies who had previously been shortlisted in the competition have raised £6.3million/€7million and generated 110 high quality jobs.

The Co-Innovate Programme is supported by the European Union's INTERREG VA Programme, managed by the Special EU Programmes Body (SEUPB), and delivered by a partnership led by InterTradelreland and including Scottish Enterprise, Highlands & Islands Enterprise, Enterprise Northern Ireland, the Local Enterprise Offices in the border counties of Ireland, and East Border Region Ltd. It continues to engage with SMEs in Ireland, Northern Ireland and Western Scotland to develop their innovation capabilities, deliver expert advice through mentoring, and support collaborative innovation projects between businesses and academia. In 2018 we delivered 55 workshops with 470 companies attending, provided over 700 business health checks and innovation audits, while 47 companies benefitted from 10 days of tailored expert mentoring to specifically develop their innovation capabilities. Funding support for the collaborative project element of the overall programme is set to begin in 2019.

So while 2018 has been a challenging year for the Body, our research and the performance of our supports shows that cross-border trade and business development is strategically valuable and an important development pathway, especially for small businesses. I would like to thank our senior leadership team and staff. It was only through their flexibility and support that this success has been achieved and I also wish to congratulate them on their achievement of Investors in People accreditation in 2018.

Board Members

During 2018 InterTradelreland had an Executive Board consisting of nine members appointed by the North South Ministerial Council.

No new board member appointments were made in 2018.

Minister Humphreys made two nominations to fill the Southern vacancies on the Board of InterTradelreland on 14.02.18. Their terms of office will be four years from their date of appointment which needs ratification by the NSMC.



Ken Nelson MBE

Chairman

Ken Nelson has extensive involvement in economic development, business start-up and growth as chief executive of Local Economic Development Company (LEDCOM) Ltd. Ken has over 27 years' experience working as a business advisor, mentor and trainer with entrepreneurs, start-up companies, small businesses and social enterprises. He has wide ranging experience in designing and delivering support initiatives for economic development, business incubation, managed workspace development, social entrepreneurship and small business growth.

Ken was one of the founding directors and former Chairman of Enterprise Northern Ireland, the association of NI's local enterprise centres. In 2010 he was the sole Northern Ireland recipient of the Queen's Award for Enterprise Promotion.

Brought up on a farm and married with six children, Ken began his career in the textile industry working in production management.

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

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

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

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



**Paul
O'Sullivan**
Vice-Chair

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

Paul has been a Director of the Bolton Trust (1992-2012), a registered charity devoted to fostering high tech graduate entrepreneurs and he was the first Chairman of the Small Enterprise Seed Fund. He has published in the areas of Marketing Communication and Sponsorship and Business Planning for SMEs. He has acted as Marketing Advisor to a number of public bodies and chaired a major Marketing Review for the GAA. He has served on the Board of a number of media companies and software start-ups. In December 2016, he was appointed as Vice Chair of InterTradelreland by the North South Ministerial Council.



**Micheál
Briody**

Micheál Briody, FCMA is the CEO of Silver Hill Farm which is the Irish-owned leading producer of premium Peking Duck worldwide. The company has operations north and south of the border, exports to 27 countries and employs over 230 people.

Micheál is with the company since 2011 and in that time has led the company to double their turnover and break into the Asian market. Prior to working in Silver Hill, Micheál worked in a number of lead roles in the lighting, furniture and consultancy industries. He is also national chairman of the GAA's Club Player Association which acts as the voice for all GAA club players in the 32 counties.



**Tim
Cairns**

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

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



**Terry
Crossan**

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

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



**Paul
Greenfield**

Paul Greenfield was elected to Armagh City, Banbridge and Craigavon (ABC) Borough Council in May 2014 and he is currently a member of the Economic Development and Regeneration Committee. Paul has over 20 years of experience working in the retail motor industry in some of Northern Ireland's leading dealerships. Paul has enjoyed numerous successes throughout his career including a Customer Quality award, ranking top in the UK.

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



**Patrick
Joy**

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

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

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



**Ann
Rudden**

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

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

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

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



**James
Spratt**

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

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

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

Organisation Profile

Senior Leadership Team



Aidan Gough

Designated Accounting Officer, Strategy & Policy Director

Aidan Gough is currently the Designated Officer and Director of Strategy and Policy. In his role as Designated Officer Aidan acts as Accounting Officer for the Body with full responsibility. As Strategy and Policy Director, Aidan advises on collaborative strategy, policy and initiatives to help InterTradelreland in boosting North South economic co-operation to the mutual benefit of both economies on the island.

Aidan leads InterTradelreland's policy and research team to identify areas where joint Government intervention can help to create an environment where it is easier to do business and increase the competitiveness of individual businesses and the island in the global economy.

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



Margaret Hearty

Director of Programmes and Business Services & Assistant Designated Officer

Margaret heads up InterTradelreland's suite of Business Supports and is part of the organisations Senior Management Team. She is currently Assistant Designated Officer.

Margaret has worked with the organisation since its inception in a number of key roles.

Margaret has over 20 year's experience working with entrepreneurs, small & medium sized enterprises and start-up businesses. She has extensive experience designing innovative solutions and supports for business. Margaret is passionate about helping and supporting businesses to grow and develop through InterTradelreland's supports.

Margaret is a business and marketing graduate and has an MBA. She was appointed to her current position in December 2009.



Alayne Kinver

Assistant Director of Strategy & Policy

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

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



Alan Morrow

Assistant Director of Programmes & Business Services

Alan is responsible for assisting in the development and delivery of InterTradelreland's suite of programmes and business services. Alan is an engineering graduate and a Chartered Manager and has been with InterTradelreland since 2009 working primarily on the Innovation programmes.

Alan has extensive experience in the private sector. He has managed factories and production units in the textile and chemical industries. Alan has also delivered and managed graduate development and training programmes and has worked as a Business Support manager in IT and Consultancy.



Martin Agnew

Corporate Services Director

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

Martin is a Fellow of Chartered Accountants Ireland and is a graduate of the University of Ulster and Queens University, Belfast.

His previous employments included financial management roles within an advertising company and a large accountancy practice.

Directorates

Operations Directorate

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

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

Strategy and Policy Directorate

The Strategy and Policy Directorate is responsible for the definition of the organisation's strategic plans and its programme policies.

In addition, it develops InterTradelreland's role as a collaborative catalyst delivering new cross-border opportunities primarily but not exclusively based on cooperative cross-border or all-island partnerships in the area of science, technology and innovation. It is also responsible for InterTradelreland's international collaborative initiatives such as the US-Ireland R&D Partnership and Horizon 2020 support programmes. The team delivers expertise in the areas of Strategy and Policy Development, Economic Development Programmes, Science, Technology and Innovation, Business & Economic Research, Programme Appraisal and Evaluation and Business Planning and Performance Management.

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

Corporate Services Directorate

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



Forward,
Further,
Together.



Business Plan 2018

Strategy and Key Performance Indicators

Vision, Mission and Strategic Goals

InterTradelreland's Vision is to create a connected ecosystem in which Ireland and Northern Ireland co-operate to ensure businesses are making full use of cross-border opportunities to drive competitiveness, growth and jobs.

Our Mission is to support businesses, through our innovation and trade initiatives, to take advantage of North South co-operative opportunities to improve capability and connectivity with vital resource providers, driving competitiveness, jobs and growth.

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

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

The Strategic Framework shows two core goals:

1. Drive job creation
2. Deliver Impact of Expenditure of 12.5:1

Key Performance Indicators

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

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

Key Performance Indicator One

Companies engaged in North South Business

Key Performance Indicator Two

Total Jobs Impact

Key Performance Indicator Three

First Time Exporters

Key Performance Indicator Four

First Time Innovators

Targets against these Strategic and Key Performance Indicators above are set within the organisation's Annual Business Plans and reported each year. The 2018 Business Plan Performance Report in the next section provides quantitative and qualitative data on our operational programmes and our business and economic research reports, work within the North South policy and operational secretariats with which we are engaged and the online services that we have created and are delivering.

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

Key Performance Figures - 2018



First Time Innovators



Jobs Created/Protected



Companies supported through programmes



Performance Report

InterTradelreland Business Plan Targets 2018

Strategic Performance Indicator

[Total Business Value Achieved¹]

Target: £86m/€95.5m total value of reported trade and business development activity generated by firms engaged with our co-operative North South Trade and Innovation programmes.

Strategic Performance Indicator

[Impact of Expenditure²]

Target: 12.5:1 the ratio of Business Value generated by InterTradelreland programmes against the cost of delivering those programmes.

Key Performance Indicator One

[Companies engaged in North South Business]

Target: 2,918 companies engaged in developing their North South business capabilities through the utilisation of our business information and advice services and through participation on our Trade and Innovation programmes.

Key Performance Indicator Two

[Total Jobs Impact]

Target: 1,450 new jobs created plus existing jobs protected as a direct result of participation on an InterTradelreland programme.

Key Performance Indicator Three

[First Time Exporters]

Target: 55 companies to become first-time exporters through participation on an InterTradelreland programme.

Key Performance Indicator Four

[First Time Innovators]

Target: 62 companies to become first time innovators through participation on an InterTradelreland programme.

Table 1 : 2018 Performance against Business Plan targets

| Balanced Scorecard Reference | Measure | 2018 Target | 2018 Achieved |
|--|--|-----------------|----------------|
| Stakeholder Value Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland. | • Impact of Expenditure | 12.5:1 | 11.5:1 |
| | • First Time Innovators | 62 | 73 |
| | • First Time Exporters | 55 | 135 |
| | • Total Jobs Impact | 1,450 | 2,043 |
| Customer Value Increase the number of companies benefiting from North South business. | • Number of companies engaged in North South business through InterTradelreland Trade and Innovation Activities & Services | 2,918 | 3,054 |
| | • Total Business Value achieved through InterTradelreland Trade and Innovation Activities & Services | £86m/ €95.5m | £95m/ €105m |

¹Business Value is captured through ITI monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

²Impact of expenditure is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes. Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments made as a direct result of a company's participation on an InterTradelreland programme.

Programme Area Report

Trade and Innovation Activities - Summary

Trade

Acumen

Acumen is InterTradelreland's flagship trade programme which supports SMEs to develop cross-border business. Participant SMEs can access funding for either part time or full time sales salary support for new sales and marketing staff engaged in cross-border trade development.

During 2018 a total of 136 companies applied to the programme resulting in 116 approvals to commence sales projects. Of these 116 approvals, 19 SMEs were supported with part-time salary support, and 97 SMEs supported with full time salary support. A total of 100 appointees started with approved SMEs during 2018. This represents an increase in appointees from previous years. A new phase of the programme commenced in September 2018 that incorporated new delivery elements to support applicants to address business challenges using market research and market readiness support as well as providing approved participants with recruitment support if required.

During 2018 companies that had previously completed Acumen projects reported a business value of £22.1m/€24.6m and a jobs impact of 574.

Elevate

Elevate is a programme focused on helping micro enterprises to take the first steps in exporting and exploring opportunities in a new cross-border market.

An economic appraisal of the Elevate programme was carried out in 2017 to identify options for its future delivery and as a result a new three-year programme commenced in January 2018. During 2018 the programme received 106 applications from SMEs which resulted in 75 companies being approved for support.

In the same period companies that had previously completed Elevate projects reported a business value of £955k/€1.06m and a jobs impact of 64.

Trade Accelerator Voucher (TAV)

The TAV programme provides businesses with financial assistance of up to £1,000/€1,200 towards obtaining professional advice in relation to cross-border issues such as sales and marketing, taxation/finance, employment law, tendering, regulatory and currency issues.

The sales and marketing element provides support to businesses at a relatively early stage, helping them to explore if there is a viable market opportunity for their business in the cross-border market. The TAV programme is increasingly being used as a vehicle for export readiness assessments for businesses applying to Elevate where there is a concern around their potential to export effectively.

During 2018, 35 businesses were approved to receive a Trade Accelerator Voucher.

Tendering

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

During 2018 there were 14 'Introduction to Tendering' workshops with an overall attendance of 183 participants and 18 standard workshops with 331 SMEs attending. Six construction specific workshops were delivered in partnership with the Construction Industry Training Board, attended by 77 participants. During this period there was also an ICT category briefing and two 'Trends and Emerging' Issues workshops focusing on Consortia and Brexit with a total of 102 attendees.

Minister Patrick O'Donovan, T.D., Department of Public Expenditure and Reform (DPER) launched the first breakfast briefing on 31st January in Dublin; in partnership with the Small Firms Association. As part of the Ministers working group ITI delivered a further seven briefings, each hosted by a different member of the group, with Minister O'Donovan attending the final briefing in November to launch the new Tendering Advisory Service.

Following our successful 2017 'Local Government Supplier' engagement event in Cookstown, a 'Selling to NI Government Meet the Buyer' event took place on 13th June 2018.

The aim of the event was to raise awareness and promote opportunities for SMEs to compete for Northern Ireland government contracts. It provided a platform to inform and educate SMEs about who the buyers are, what they buy, and the event created opportunities for SMEs to meet key buyers and crucially fellow suppliers.

A total of 405 suppliers attended and there were over 30 exhibitors; comprising all Northern Ireland Centre's



InterTradelreland provided us with a grant to pay half the salary for a sales representative. Now we have a presence in Northern Ireland and have launched campaigns there. We are now truly an all-island company



**Revive Active
Galway**
Supported by Acumen

of Procurement Expertise, procurement and economic development personnel from the 11 Northern Ireland Councils, Border Local Authorities, and economic development agencies on the island. Presentations included: Brexit, Irish Market opportunities, eTendersNI platform and Best Practice Do's & Don'ts.

Data collected in this year from companies that had undertaken Go2Tender workshops in 2015 identified a business value of £4.1m/€4.6m and a jobs impact of 360. In addition, companies that had previously attended 'Meet the Buyer' events identified a direct benefit of £800k/€889k and a jobs impact of 66.

Brexit

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

Demand for the Start to Plan vouchers has continued with a total of 650 applications received in 2018 taking total applications since the scheme was launched to 819.

In April, InterTradelreland welcomed Michel Barnier, European Chief Negotiator for the United Kingdom Exiting the European Union, to its offices in Newry to facilitate a meeting between Mr Barnier and a group of Northern Ireland SMEs to discuss the potential impact of Brexit on their businesses. His presence attracted a lot of media interest and resulted in a lot of media coverage for the Body.



InterTradelreland organised Brexit information events to encourage SMEs to plan for Brexit by providing practical help and information on how to assess the potential exposure and opportunities of Brexit. These sessions were comprised of expert speakers, including the Irish Exporters Association and A&L Goodbody, and provided SMEs with the opportunity to participate in panel discussions to learn from peer group experiences.

The events were held in Wexford, Mullingar, Cootehill, Sligo, Cork and Letterkenny. InterTradelreland also collaborated with both local and national agency support networks including Enterprise Ireland, LEOs, Chambers of Commerce and the Strategic Banking Corporation of Ireland to deliver five 'Getting Ireland Brexit Ready' events in Cork, Galway, Dublin, Monaghan and Donegal that were attended by over 1,500 SMEs.



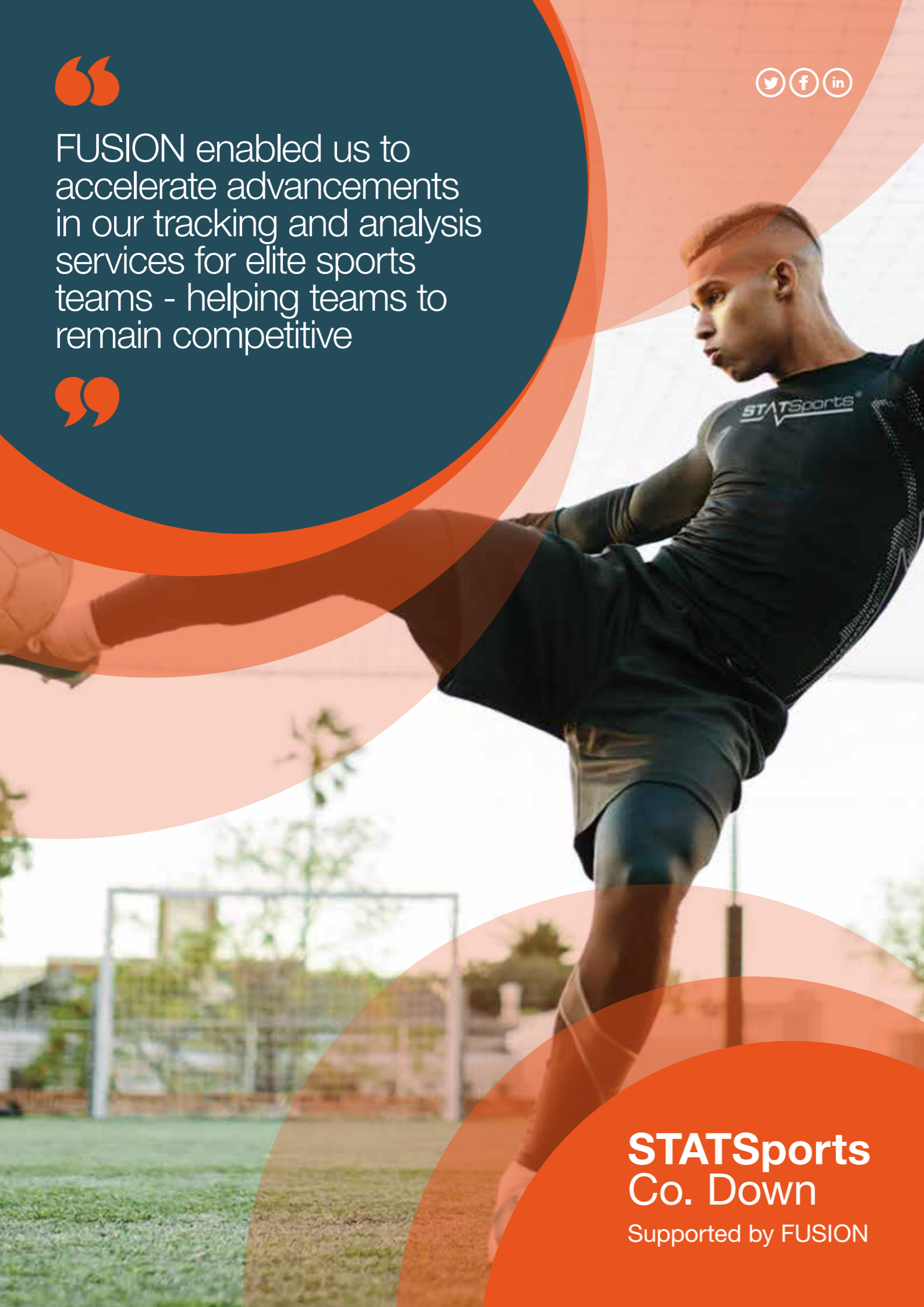
Preparing for Brexit became an opportunity to invigorate our business with innovation. Start to Plan vouchers gave us the funding to make it possible.



**Ferm
Engineering
Donegal**
Brexit Support



FUSION enabled us to accelerate advancements in our tracking and analysis services for elite sports teams - helping teams to remain competitive



STATSports
Co. Down
Supported by FUSION

Science, Technology & Innovation

FUSION

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

During 2018 the FUSION team processed more than 400 enquiries which resulted in the approval of 79 projects for support. A total of 59 graduate jobs have been created this year through projects commencing.

In 2018 companies that had previously completed Fusion projects reported a business value of £37.2m/€41.3m and a jobs impact of 409.

Challenge

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

A new three-year phase of Challenge commenced in late 2017 and by the end of 2018 over 50 companies have been engaged in workshop activity. A total of 21 companies have accessed coaching and intensive support to embed a proven, sustainable, repeatable innovation process in their company.

In 2018 companies that had previously completed Challenge projects reported a business value of £14.4m/€16m and a jobs impact of 140.

Funding for Growth

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

The 17th InterTradelreland Venture Capital Conference was held on Wednesday 7th March 2018 in Dublin with 261 delegates in attendance. Eleanor McEvoy, Founder of Budget Energy, was keynote speaker and four private sector sponsors supported the event.

This was also a successful year for HBAN (Halo Business Angel Network) with 44 deals concluded representing £5.3m/€5.9m of direct angel investment which leveraged an additional €27.4m investment and generated a jobs impact of 292. ICT (48%) and Medtech/Lifesciences (25%) made up three quarters of the deals by deal count.



February 2018 saw a record-breaking attendance of current and prospective business angels at the 2018 HBAN All-Island Conference, making it the largest gathering of business angels ever in Ireland. The International HBAN syndicates are performing extremely well with HBAN London investing €737k in six companies and New York €617k in six deals. Additionally, HBAN was crowned 'Globally Networked Organisation 2018' at the EBAN (European Business Angel Network) Awards Ceremony held in Sofia, Bulgaria, in June 2018.

In October 2018 Dublin Business Innovation Centre (DBIC) were selected by Enterprise Ireland, Invest NI



The competition has been an incredibly challenging and rewarding experience. The prize money will prove invaluable and will allow us to invest in securing additional personnel and provide further support for expansion.



Loci Orthopaedics Galway

Seedcorn 2018 Winner

and InterTradelreland to deliver the HBAN programme on an all-island basis for a three year period. DBIC has appointed Clarendon Fund Managers as the regional manager for Northern Ireland. During 2018 a total of 27 regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Cork, Limerick, Galway, Letterkenny, Athlone and Waterford. A total of 113 companies availed of the expertise of our Equity Advisor who provided independent advice on their fund raising activities, a business plan review, investment pitch practice and signposting to investors across the island.

The 2018 Seedcorn Investor Readiness Competition was launched in March. A total of 24 promotional workshops were held across the island with 235 companies attending. The competition attracted a total of 212 registrations, with 138 submitting an application. Following assessment of the initial applications 127 companies were invited to submit a full business plan which resulted in 82 companies submitting a business plan and from these 25 companies were invited to pitch at a regional final. The final awards ceremony was held in St Anne's Cathedral in Belfast with Loci Orthopaedics from Galway being announced as the overall winner. Loci are a spin out from the National University of Ireland and have developed an implant to aid sufferers of thumb base joint arthritis. The winner of the best category competition was Hidramed Solutions who have developed a wearable system to keep wound dressings in place. In 2018 companies who had previously been shortlisted in the competition raised £6.3m/€7m which in turn generated a jobs impact of 110.

In 2018, six Business Planning Workshops were held at venues across the island and four Venture Capital Workshops were held, one with Invest NI client advisors. The purpose of these events are to assist early stage companies in the business planning process and educate entrepreneurs and advisors on the venture capital fund raising process.

In relation to Funding for Growth supports for established companies, 12 Funding Advisory Service Workshops were held across the island with four in Northern Ireland and eight in Ireland. Over the course of the year 459 attendees benefited from the Funding Advisory Workshops. The workshops covered the main sources of funding including bank funding, trade credit, trade finance as well as alternative funding sources including private equity and peer-to-peer lending. The workshops provided practical advice on how

best to apply for and secure funding to help drive growth. In addition, 22 companies took up the opportunity of one-to-one funding advice from our delivery partner Grant Thornton.

Horizon 2020

InterTradelreland is helping companies and researchers from Ireland and Northern Ireland to collaborate in Horizon 2020 the European Commission's seven year, €80 billion, Research and Innovation programme designed to boost jobs and growth across Europe. The programme aims to do this by engaging industry so scientific ideas can be turned into viable products and services.

The results of the all-island survey on the potential for cross-border partnerships to continue applying to Horizon 2020 in light of the UK's decision to leave the EU were communicated and disseminated to various stakeholders early in 2018 including the All-island Steering Group, North South Ministerial Council, National Support Network in Ireland and the Northern Ireland Contact Point Network.

Part of the Brexit survey focussed on awareness and experience of applying to Horizon 2020.

A total of 61% of respondents perceive the application process for Horizon 2020 to be more difficult than applications for equivalent funding programmes. InterTradelreland has responded to this by devising a bespoke training programme to provide practical support to those intending to write and submit Horizon 2020 applications in the near future.

This training initiative was piloted on 15th & 16th May 2018 in Dublin. This initial session targeted four specific calls from Horizon 2020 Societal Challenge 2 and one of the partnerships has subsequently been successful in securing an award under this call.

On 20th June 2018 InterTradelreland hosted an event at Farmleigh House in Dublin promoted as 'Strategic Opportunities for North South Participation in Horizon 2020 and Beyond'. The event brought together key decision makers and senior researchers from academic institutions and industry across the island to encourage continued momentum and maintain levels of success for the remaining calls within the programme.

There were circa 90 attendees at the event which included a keynote address by Alan Cross, Deputy Head of Unit, DG Research and Innovation, European Commission and an address by Pat Breen T.D, Minister of State for Trade, Employment, Business, EU Digital Single Market and

Data Protection.

On 31 May 2018 InterTradelreland held an event in University College Cork to promote Bio Based Opportunities in Horizon 2020. The event was also an opportunity to hear from successful applicants to previous calls, network with potential partners and receive expert advice. There were 64 attendees at the event which was hosted in partnership with the Department of Agriculture, Food and the Marine, the Department of Agriculture, Environment and Rural Affairs, the Marine Institute and University College Cork. The Horizon 2020 support programme was also promoted at the SEAI event in Dublin on 27th September 2018, the Science and Stormont event in Belfast on 8th October 2018 and the Bio-economy Ireland day on 19th October 2018 in Tipperary.



The latest statistics show that there have been 67 successful projects with €81.1m of funding secured. In 2018 there were 12 vouchers issued under the InterTradelreland Horizon 2020 Cross-border and EU Travel schemes. These schemes enable new cross-border meetings to take place between prospective partners, and support North South partnerships working on new proposals to extend their consortium building activities in Europe.

US Ireland R&D Partnership

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

The US-Ireland R&D Partnership steering group met on 16th May 2018 and the co-chairs mid-term update meeting took place on 14th December 2018, both meetings reported the continuation of significant progress. To date a total of 49 projects have been awarded funding which represents a combined investment value of c€73m/c£60m/c\$88m. This is an increase of nine successful projects since November 2017. Health Research Board (HRB) and Science Foundation Ireland (SFI) reported that they had opened up the scheme to fund projects across the entirety of the National Institutes of Health (NIH) remit.

Following the simplification of the administration of the partnership there has been an upturn in submissions and it is hoped that the increase in submissions also indicates an increased interest in the scheme.

All Island Innovation Programme

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

Due to the continued success of the programme and in order to allow for greater forward planning and engagement of internationally renowned innovation experts, in April 2018, it was decided to extend the programme for a further three years. Following the start of the new contract in April 2018, by December 2018, the partnership had delivered a total of 10 events, comprising five masterclasses, four specialised seminars and one lecture.

In October 2018 three events in the series were held. Dublin City University's Ryan Academy held a seminar and masterclass entitled 'Rethinking Data Strategies to Drive Business Success' presented by Professor Theo Lynn. University College Cork held a seminar addressing Brexit, SME internationalisation and Open Innovation; speakers included Dr Breda Kenny of Cork's Institute of Technology, and Queen's University, Belfast hosted a seminar on Open Innovation, led by Colm Higgins of Northern Ireland's Technology Centre.

In December 2018 Queen's University, Belfast, hosted Dr Alex Genov, Head of Customer Experience for the Las Vegas based US company, Zappos.com, who delivered a seminar and masterclass entitled 'Improving Customer Experience'. By the end of 2018 the 10 events had a total audience of 392 attendees.



Synergy

In alignment with the opportunities identified in InterTradelreland's Mapping the Potential for All-island Sectoral Ecosystems report (2015), InterTradelreland's All-island Bio-Pharma Cluster Development programme has facilitated renewed collaboration between the Northern Ireland Cancer Trials Network and cancer Trials Ireland with the launch of two cross-border cancer research trials in 2018.

The economic rationale for InterTradelreland's facilitation of this network to network activity was based on DKM's 2017 Health and Economic Impacts of Cancer Trials report. This research highlighted how cancer research activity in Ireland is estimated to add a total of €16.5m to Irish GDP per annum, and to generate tax revenues for the exchequer of €5.8m per annum. The health benefits of each trial range from six to sixteen added quality-adjusted years of life per trial. And in Northern Ireland, HSC (Health & Social Care) R&D NI suggests that for every £1 spent on research and development, £4.14 is returned to the Northern Irish economy. The availability of all-island trials has wider impacts to the supporting ecosystem in terms of jobs and GVA, with the related economic benefits from cancer research activity ranging from €0.28 to €0.72 million per trial.

InterTradelreland's facilitation of the collaboration between the NI and Irish cancer research networks has also resulted in joint attendance at the National Cancer Research Institute's annual conference in Glasgow, in October 2018, to launch the All-island Cancer Trials Network to an international audience. This promotional activity has led to renewed interest in the All Island Cancer Consortium, a tripartite partnership between Northern Ireland, Ireland and the National Cancer Institute in the United States.

Innova

Innova, which completed its final phase in 2016, was a unique cross-border collaborative Research and Development programme offering companies an opportunity to accelerate new product, process or service developments through partnering with a company in the other jurisdiction. An independent economic appraisal of a new Innova programme, conducted in 2018, identified that an updated business development value of £3.7m/€4.1m and a jobs impact of 28 had been achieved by companies on the original programme.

Business & Economic Research - Summary

Business Monitor

InterTradelreland's quarterly Business Monitor Survey remains the largest and most comprehensive business survey covering business owners' views in both Northern Ireland and Ireland with interviews conducted with 750 SME owner/managers across the island. The Business Monitor has built up over 10 years of data, tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting and more recently issues around Brexit.

The Quarter three, 2018 Business Monitor showed that trade has remained resilient over the past quarter reflected in the number of companies continuing to grow (41%). This quarter's Business Monitor again highlights the higher growth performance of exporters and cross-border traders, almost half of all firms that trade across the border are growing, with 30% experiencing rapid growth in sales, compared to just 18% that do not export.

In the context of this positive sales backdrop businesses across the board are facing a number of challenges. Top among these is the rising costs of overheads with 54% of SMEs saying it is their biggest challenge. This jumps to 64% for manufacturing and 67% for the leisure and catering sector. Rising energy costs are also a significant factor for firms with 51% reporting it as an issue.

Skill shortages are an issue that is being felt more specifically by certain types of businesses and certain sectors. While over one in five (26%) of businesses are experiencing difficulty recruiting, this rises to 36% for large businesses and 29% and 31% in the construction and professional services sector respectively. 41% of larger firms (50+ employees) say there are skills shortages within their sector.

Brexit continues to be a significant issue, particularly for exporters as 42% report it has already had a negative impact on sales and 38% cite that it has impacted negatively on investment decision making within their firm. There have been additional negative impacts on supply chains and logistics for more than a quarter of exporters to date.

Research Publications

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

In September 2018 InterTradelreland published 'Export Participation and Performance of Firms on the Island of Ireland'. This was the third report from a programme of research focussing on the potential impacts of Brexit on cross-border trade, with the previous reports published in the first half of 2018. This report emphasised the valuable role of the cross-border market especially for small firms and examined participation in exporting, export performance and determinants of export destinations for firms across the island of Ireland.

Using detailed aggregate and firm-level data from both Northern Ireland and Ireland, the report provides as comprehensive a picture as possible about cross-border trade and the international activities of firms in both economies. Firm level data is sourced from the Northern Ireland Statistics and Research Agency's Broad Economy Sales and Exports Statistics Survey and from the Central Statistics Agency for Ireland.

Key findings:

- Exporting firms have systematically better outcomes across a range of key economic indicators.
- Exporting activity in neighbouring markets is associated with higher performance relative to firms with domestic sales.
- Firms in Ireland tend to be more export-orientated than firms in Northern Ireland where local sales play a larger role.

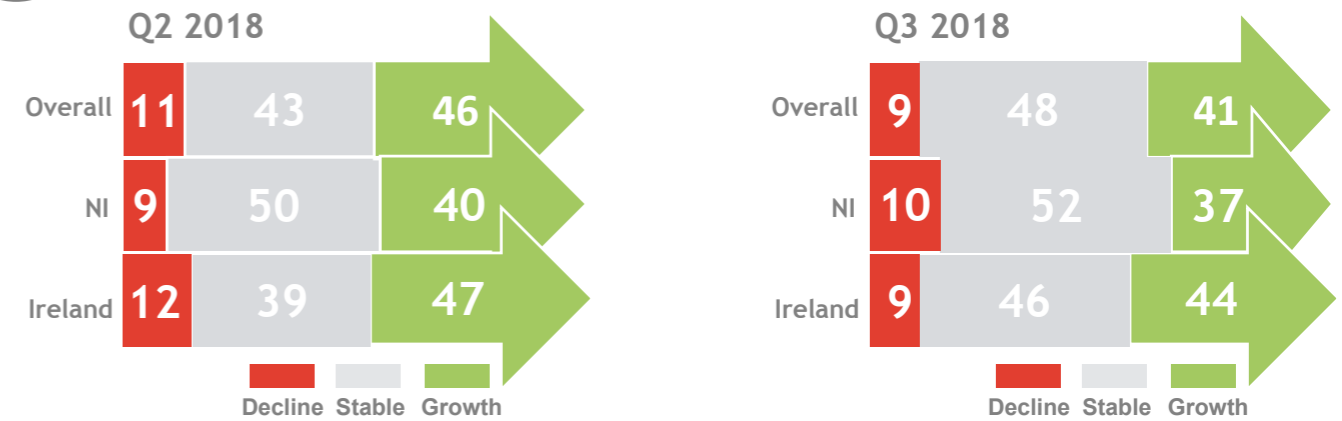
The fourth report in this series published early in 2019, considers the capacity of businesses on the island to absorb any additional costs associated with market access disruption.

Q3 2018 BUSINESS MONITOR



BUSINESS POSITION

// Businesses were asked about their business position



INDUSTRY STRENGTHS

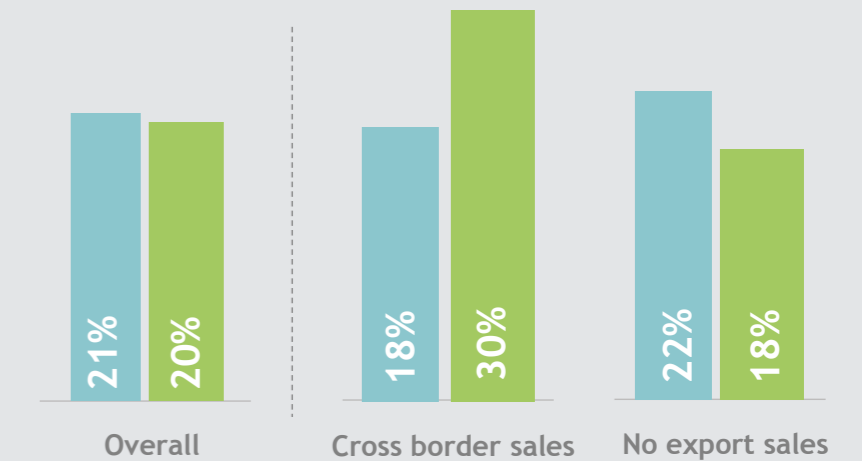


GROWTH

// Businesses were asked whether their business is growing

Businesses who trade across the border were more likely to report moderate or rapid growth.

■ Slight growth ■ Moderate/rapid growth

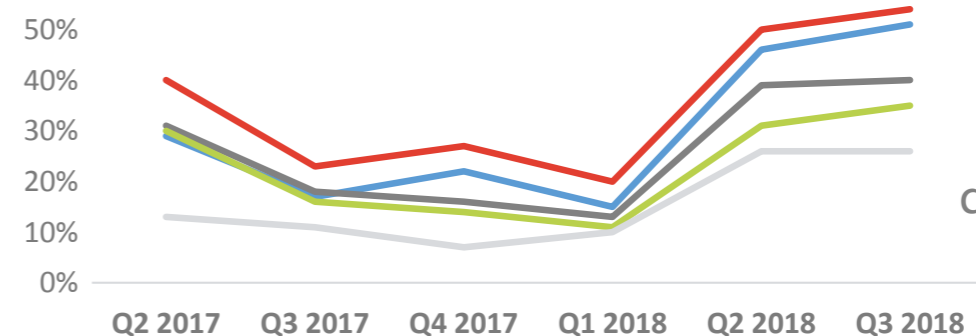


INDUSTRY CHALLENGES



BUSINESS ISSUES

// Businesses were asked about the issues they are facing



• Rising overhead costs • Rising energy costs • New competitors • Cash flow • Recruiting for skills

There has been a **continued increase** this quarter in a number of challenges.

Corporate Plan 2017-2019

Year Two Summary Performance Report

This Annual Report focuses on the performance of the second year of InterTradelreland's Corporate Plan for 2017-2019.

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

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

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

- Strategic Performance Indicator - [Impact of Expenditure⁴ 12.5:1] Business Value generated through InterTradelreland's North South Programmes.
- Key Performance Indicator One - Companies engaged in North South Business
- Key Performance Indicator Two - Jobs Impact
- Key Performance Indicator Three - First Time Exporters
- Key Performance Indicator Four - First Time Innovators

Key Achievements for Years One and Two of the 2017-2019 Corporate Plan:

- Total Business Value Achieved⁵ [& Impact of Expenditure]. 2017 & 2018: £177M/€196M⁶ [11:5]
- We have provided North South business information and advice to 5,665 companies.
- 1,543 companies have participated on our North South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have identified that 3,344 jobs have been created or protected as a result of their participation
- 237 firms are first time exporters
- 155 firms are first time innovators
- Eight Business Monitor reports have been published
- We continue to support micro businesses and SMEs in the development of innovation and export capability. We have delivered a range of trade and innovation programmes that use cross-border collaborative opportunities to enhance a firm's growth prospects: Innovation programmes such as FUSION, Challenge and Funding for Growth, and Sales and Marketing programmes such as Acumen, Elevate and Go-2-Tender.
- Our Brexit Service, established in 2017, is continuing to provide a focal point for SMEs, working to navigate the changes in cross-border trading relationships brought about by Brexit negotiations and includes a range of tailored supports to help businesses. The uptake of the service by SMEs increased dramatically in 2018.
- All our activities continue to be based on sound economic research.

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

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

⁶ €1=£0.90 (2018 Business Planning Guidance from DPER (Ireland) & DoF (Northern Ireland)).



Over the past six months our working relationship with Intertrade has been epic. We have now developed a great marketing strategy and a product development process to develop our trails throughout Ireland.



**Brilliant Trails
Co. Armagh**

Supported by Go-2-Tender

Audited Accounts

Year ended 31 December 2018

Foreword to the Accounts

Background Information

InterTradelreland - The Trade and Business Development Body (the Body) - is a North/South Implementation Body sponsored by the Department for the Economy in Northern Ireland and the Department of Business, Enterprise and Innovation in Ireland. InterTradelreland was established on 2nd December 1999 under the Belfast Agreement 1998 and the British-Irish Agreement 1998 establishing implementation bodies, which is underpinned by the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. InterTradelreland's principal functions are to exchange information and co-ordinate work on trade, business development and related matters, in areas where the two administrations specifically agree that it would be in their mutual interest. Specific areas include amongst others - co-operation on business development opportunities North and South, devising new approaches to business development and competitiveness, promotion of North-South trade supply chains and other areas when tasked jointly to do so.

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

Business Review

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

Results for the Financial Year 1 January 2018 - 31 December 2018

The results of InterTradelreland are set out in detail on pages 54-81. The deficit for the period was £190,481 (€215,298) (2017: surplus £949,508 (€1,083,103)).

Fixed Assets

Details of movement of fixed assets are set out in Note 8 and Note 9 to the accounts. During 2018 expenditure on Fixed Assets related to Computer Equipment and Fixtures and Fittings.

Research and Development

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

Future Developments

Brexit - The UK's potential withdrawal from the EU may have a significant impact on the economic environment on the island. To help prepare for this, InterTradelreland is providing a range of supports to SMEs through the Brexit Advisory Service. The Body will continue to work closely with both of its Sponsor Departments and has developed operational plans to deal with various Brexit scenarios, to ensure that it can continue to effectively and efficiently meet the demand from SMEs.

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

Future Commitments

As at 31 December 2018, the Body has future programme expenditure commitments potentially amounting to £12,012,822 (€13,429,134). These commitments relate to Letters of Offer and delivery agent contracts of varying durations, which were issued in 2018 or previous years, and which relate to future years. The commitments arise principally in respect of the Acumen and Fusion programmes, and indicate the level of demand for the InterTradelreland suite of programmes.

Charitable Donations

There were no charitable donations made by InterTradelreland during 2018.

Business Plan

In the absence of Ministers within Northern Ireland, and consequently the North South Ministerial Council, the full legislative process for InterTradelreland's 2017 and 2018 Business Plans could not be completed, including the approval of the Draft Business Plans and the recommendations as to the amount of grant.

In Northern Ireland, contingency arrangements were put in place by the Department of Finance in 2017 and 2018 to ensure the continuation of service delivery by all the North South Bodies, while avoiding illegal spend by Departments. These contingency arrangements provided approval to the payment of grants by Sponsor Departments to Bodies, and in the absence of a Finance Minister these grants were approved by Department of Finance officials, as permitted under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999. In the absence of an Assembly, the Northern Ireland Budget Act 2018 passed through Westminster on 19th July 2018, providing the legislative cover necessary for the Departmental use of both resources and cash. The Department for Business, Enterprise and Innovation continued to fund the Body's activities in the absence of an approved Business Plan.

Important Events Occurring After the Year End

Approval of Business Plans

At the date of approval of these accounts, InterTradelreland's Draft 2017, 2018 and 2019 Business Plans had not been approved due to the absence of Ministers in Northern Ireland.

The Department of Business, Enterprise and Innovation in Ireland has continued to fund the Body's activities in the absence of an approved Business Plan. In Northern Ireland, the contingency arrangements implemented in 2017 and 2018, which enabled the Department for the Economy to fund the Body in the absence of an approved

Business Plan, will continue for 2019. Consequently, all 2018 funding and 2019 funding requested to date has been paid by both Sponsor Departments.

Board Members

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

- Mr Ken Nelson (Chairman)
- Mr Paul O'Sullivan (Vice-Chair)
- Mr Patrick Joy
- Mr Paul Greenfield
- Mr James Spratt
- Mr Terry Crossan
- Ms Ann Rudden
- Mr Micheal Briody
- Mr Timothy Cairns

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

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

Equal Opportunities

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

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

Our building is fully compliant with the requirements of the Disability Discrimination Act 1995 and won the William Keown Access Award in 2002. Currently 4.5% of our employees have declared that they have a disability under the definitions of the Act.

Statutory Equality Scheme

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

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

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

Employee Involvement

InterTradelreland formally recognises NIPSA for negotiation and consultation.

Payment to Suppliers

InterTradelreland is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2002, and the Late Payments in Commercial Transactions Regulations 2012. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later as required by legislation. The total number of approved invoices paid during the year was 3,338 (2017: 2,734). 99% (2017: 99%) of these were paid within the relevant period.

Health and Safety Policy

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



Aidan Gough
Designated Officer

Date: 27th June 2019

Statement of Accountable Person's Responsibilities

InterTradelreland Responsibilities

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

In preparing the accounts InterTradelreland is required to:

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

Chief Executive's Responsibilities

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

Statement of Internal Control / Governance Statement

Governance Framework

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

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

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

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

Risk and Control Framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of InterTradelreland's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in InterTradelreland for the year ended 31st December 2018 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

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

This process will continue to be regularly reviewed in 2019.

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

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

Key Issues

Approval of Business Plans

In the absence of Ministers within Northern Ireland, and consequently the North South Ministerial Council, the full legislative process for InterTradelreland's 2017 and 2018 Business Plans could not be completed, including approval of the Draft Business Plan and recommendations as to the amount of grant.

In Northern Ireland, contingency arrangements were put in place by the Department of Finance in 2017 and 2018 to ensure the continuation of service delivery by all the North South Bodies, while avoiding illegal spend by Departments. These contingency arrangements provided approval to the payment of grants by Sponsor Departments to Bodies, and in the absence of a Finance Minister these grants were approved by Department of Finance officials, as permitted under the 1999 Order. In the absence of an Assembly, the Northern Ireland Budget Act 2018 passed through Westminster on 19 July 2018, providing the legislative cover necessary for the Departmental use of both resources and cash.

Brexit

The UK's potential withdrawal from the EU may have a significant impact on the economic environment on the island. To help prepare for this, InterTradelreland is providing a range of supports to SMEs through the Brexit Advisory Service. The Body will continue to work closely with both of its Sponsor Departments and has developed operational plans to deal with various Brexit scenarios, to ensure that it can continue to effectively and efficiently meet the demand from SMEs.

Financial Memorandum

The Body operates within the context of a Financial Memorandum, which sets out the financial procedures and accountability arrangements, which govern financial relationships between the Body and the NSMC, the Sponsor Departments and Finance Departments. The Financial Memorandum was last updated by the Sponsor and Finance Departments in January 2006.

It is currently under review, and it is hoped that this process will be completed within the current financial year.

NI Public Services Ombudsman

During 2018 NIPSO investigated a complaint in relation to the Body's Seedcorn 2017 Programme. The investigation is ongoing and the report is expected to be published in Autumn 2019.

Board Quorum

In early 2018 the quorum required for Board decisions was reduced to address the fact that the Body is unable to appoint new Board members in the absence of NSMC. DBEI have proposed two new Board appointees to replace the DBEI nominated members who had previously completed their terms. These appointees attend as observers but have no voting rights since they have not been formally appointed. Three further Board members are due to complete their terms by December 2019, and if they are unable to be replaced, the Body may encounter difficulties meeting the new reduced quorum.

The Board and senior management of the Body have raised the matter with its Sponsor Departments, both of which acknowledge the difficulties caused by the inability to appoint Board members, and are actively seeking a resolution.

Review of Effectiveness

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

I have been advised on the implications of the result of the review of the effectiveness of governance and internal control by the Board and the Audit and Risk Assurance

Committee. A process to address any weaknesses and ensure continuous improvement of the system is in place. Processes in place for maintaining and reviewing the effectiveness of the system of governance and internal control during the year ended 31st December 2018 included:

- The presentation of the Body's risk register to the Board;
- Review of the risk register at each meeting of the Audit and Risk Assurance Committee;
- Four meetings of the Audit and Risk Assurance Committee to consider and advise on matters arising around the system of governance and internal control and the risk register;
- An Annual Report of the Audit and Risk Assurance Committee to inform the Accounting Officer and Chairman of its work during 2018 was provided and considered by the Board;
- A review of the Assurance Statements provided by the Body's Directors and Managers in support of this Statement of Internal Control;
- The application of a risk-based three year internal audit programme. The internal auditors, RSM, conducted audits in the areas of Human Resources, and Corporate Governance and Risk Management. The level of assurance awarded for each audit was 'satisfactory'.
- An annual statement of assurance from the Internal Auditors. They expressed the opinion that 'Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives'.
- The application of delegated sanctions agreed by both the respective Sponsoring Departments (DfE and DBEI) and Finance Departments (DPER and DoF);
- The application of the provisions of the Financial Memorandum in conjunction with the above Departments; and

- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of other relevant agencies so as to continually strive for best practice in terms of programme delivery and propriety.

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



Aidan Gough
Designated Officer

Date: 27th June 2019

Report on the Remuneration of Senior Management

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

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

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

Service contracts

InterTradelreland's Recruitment Policy aims:

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

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

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

with a notice period of up to three months. Termination payments are in accordance with contractual terms.

Salary and pension entitlements

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

Remuneration (including salary) and pension entitlements of Senior Management staff

| | 2018 | | | | 2017 | | | |
|--------------------------------------|-------------|-------------|---------------------------|------------|-------------|-------------|---------------------------|------------|
| | Salary £ | Salary € | Pension Benefits* £ | Total £ | Salary £ | Salary € | Pension Benefits* £ | Total £ |
| Total senior management remuneration | £182,085 | €205,811 | £66,400 | £248,485 | £277,328 | €316,348 | £113,000 | £390,328 |

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

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

Fair Pay Disclosure

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

| | 2018 £ | 2018 € | 2017 £ | 2017 € |
|------------------------------|-----------|-----------|-----------|-----------|
| The highest paid Director | 65,000 | 73,470 | 65,000 | 74,146 |
| Median remuneration of staff | 37,999 | 42,950 | 37,325 | 42,577 |
| Ratio | 1.7 | | 1.7 | |
| Range of staff remuneration | | | | |
| Lowest paid | 22,739 | 25,702 | 22,514 | 25,682 |
| Highest paid | 69,029 | 78,023 | 69,342 | 79,098 |

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

Salary

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

Bonuses

It is not the policy of the Body to make any bonus payments to members of the senior management team or staff. No bonus payments were made in 2018 or 2017.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated as a taxable emolument. There were no benefits in kind provided to senior management or staff in 2018 or 2017.

Pension Benefits

| | Accrued pension at pension age as at 31/12/18 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/12/18 | CETV at 31/12/17 | Real increase in CETV |
|-------------------|--|--|------------------|------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Director 1 | Pension £25,400 Lump Sum £76,200 | Pension £800 Lump Sum £2,400 | 573,000 | 526,000 | 47,000 |
| Director 2 | Pension £16,100 Lump Sum £32,300 | Pension £1,500 Lump Sum £0 | 264,000 | 227,000 | 37,000 |
| Director 3 | Pension £ 3,900 Lump Sum £ 1,800 | Pension £900 Lump Sum £0 | 41,000 | 32,000 | 9,000 |

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

Pension Arrangements General Description of the Scheme

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

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

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

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

The valuation used for FRS 17 disclosures at 31 December 2018 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2018.

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

Board Members' Remuneration

| | Fees 2018 £ | Fees 2018 € | Fees 2017 £ | Fees 2017 € |
|---------------------------------|----------------|----------------|----------------|----------------|
| Total Board member remuneration | 56,626 | 64,004 | 74,942 | 85,486 |

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

Board Members expenses in 2018 were £2,383 (€2,694) (2017 - £3,675 (€4,192)).

The Chairman and Board Members did not receive any benefits in kind during 2018 or 2017.

Members of the Board do not receive pension benefits.

Salary bands for all employees

Number of employees, including Co-Innovate programme employees, whose emoluments for the twelve months ending 31 December 2018 fell within the following bands:

| Salary bands (£) | 2018 (Number of employees) | 2017 (Number of employees) |
|------------------|-------------------------------|-------------------------------|
| Less than 40,000 | 31 | 28 |
| 40,000 – 49,999 | 10 | 8 |
| 50,000 – 59,999 | - | 1 |
| 60,000 – 69,999 | 3 | 3 |
| 70,000 – 79,999 | - | - |
| 80,000 – 89,999 | - | 1 |

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

Opinion on the accounts

We certify that we have audited the accounts of InterTradelreland (the Body) for the year ended 31 December 2018 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British/Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows; and,
- the statement of changes in equity; and
- the related notes including significant accounting policies.

These accounts have been prepared under the accounting policies set out within them. In our opinion, the accounts:

- give a true and fair view of the state of the Body's affairs as at 31 December 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

Opinion on regularity

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

Basis of opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the accounts

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we report by exception

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

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

Responsibilities of the Body and the Accounting Officer for the accounts

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis of the accounts direction included in the appendix to the accounts and for being satisfied that they give a true and fair view. The Chief Executive, as Accounting Officer, is responsible for the propriety and regularity in relation to the use of public funds.

Responsibilities of the Auditors

Our responsibility is to audit the accounts in accordance with the provisions of the North/South Cooperation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and to report thereon to the Northern Ireland Assembly and the Houses of the Oireachtas. Our objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts. As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. In doing so:

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



Kieran Donnelly
Comptroller and Auditor General for Northern Ireland
Northern Ireland Audit Office

106 University Street
Belfast BT7 1EU

Date: 2 July 2019

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

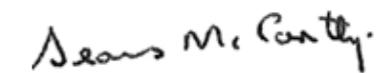
- We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report Board membership

We draw attention to the statement on internal control/governance statement which discloses that the Body is currently awaiting the appointment of three new Board members by the North South Ministerial Council. Due to the absence of a Northern Ireland Executive, it has not been possible to make these appointments. Two members have been nominated by the Minister for Business, Enterprise and Innovation, however they cannot yet be formally appointed.



Seamus McCarthy
Irish Comptroller and Auditor General

3A Mayor Street Upper
Dublin 1, Ireland D01 PF72

Date: 5 July 2019

Income Statement

for the year ended 31 December 2018

| | Notes | 2018 | 2017 | 2018 | 2017 |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| | | £ | £ | € | € |
| Income | | | | | |
| Grant | 2 | 11,270,382 | 10,153,166 | 12,738,913 | 11,581,717 |
| Receivable | | | | | |
| Total Income | | 12,207,480 | 11,163,457 | 13,798,114 | 12,734,156 |
| Total Expenditure | | 12,397,509 | 10,213,598 | 14,012,901 | 11,650,653 |
| (Deficit) Surplus for Year Transferred to General Fund | | (190,481) | 949,508 | (215,298) | 1,083,103 |

Statement of Comprehensive Income

for the year ended 31 December 2018

| | Notes | 2018 | 2017 | 2018 | 2017 |
|--|-------|------------------|----------------|------------------|------------------|
| | | £ | £ | € | € |
| (Deficit) Surplus for the Year | | (190,481) | 949,508 | (215,298) | 1,083,103 |
| Total recognised (Loss)/Gain for the year | | (190,481) | 949,508 | (215,298) | 1,083,103 |

All amounts above relate to continuing activities.

The notes on pages 71 to 81 form part of these accounts, together with Appendix A on page 82.

Statement of Financial Position

as at 31 December 2018

| | Notes | 2018 | 2017 | 2018 | 2017 |
|--|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | € | € |
| Fixed Assets | | | | | |
| Intangible Assets | 8 | 13,942 | 18,746 | 15,585 | 21,129 |
| Property, Plant & Equipment | 9 | 36,318 | 26,768 | 40,600 | 30,170 |
| | | 50,260 | 45,514 | 56,185 | 51,299 |
| Current Assets | | | | | |
| Receivables due within one year | 10 | 262,455 | 419,821 | 293,398 | 473,180 |
| Cash and cash equivalents | 14.2 | 3,855,455 | 3,032,032 | 4,310,013 | 3,417,403 |
| | | 4,117,910 | 3,451,853 | 4,603,411 | 3,890,583 |
| Current Liabilities | | | | | |
| Payables - amounts due in less than one year | 11 | 2,261,434 | 1,532,366 | 2,528,056 | 1,727,129 |
| Provisions - amounts due in less than one year | 12 | 240,418 | 112,948 | 268,763 | 127,304 |
| | | 2,501,852 | 1,645,314 | 2,796,819 | 1,854,433 |
| Net Current Assets | | 1,616,058 | 1,806,539 | 1,806,592 | 2,036,150 |
| Total Assets Less Current Liabilities Before Pensions | | 1,666,318 | 1,852,053 | 1,862,777 | 2,087,449 |
| Pension Liabilities | 15.2 | (12,766,671) | (12,512,928) | (14,271,862) | (14,103,321) |
| Deferred Pension Funding | 15.5 | 12,766,671 | 12,512,928 | 14,271,862 | 14,103,321 |
| Total Assets Less Total Liabilities | | 1,666,318 | 1,852,053 | 1,862,777 | 2,087,449 |
| Financed by: | | | | | |
| Capital and Reserves | | | | | |
| General Reserve | 13.1 | 1,616,058 | 1,806,539 | 1,806,592 | 2,036,151 |
| Capital Grant Reserve | 13.2 | 50,260 | 45,514 | 56,185 | 51,298 |
| | | 1,666,318 | 1,852,053 | 1,862,777 | 2,087,449 |



Aidan Gough
Designated Officer

Date: 27th June 2019

The notes on pages 71 to 81 form part of these accounts, together with Appendix A on page 82.

Statement of Cash Flows

for the year ended 31 December 2018

| | Notes | 2018 | 2017 | 2018 | 2017 |
|---|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | € | € |
| Net cash generated from Operating Activities | 14.1 | 820,958 | 792,096 | 889,824 | 801,276 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Cash and cash equivalents at the end of the year | | 3,855,455 | 3,032,032 | 4,310,013 | 3,417,403 |

The notes on pages 71 to 81 form part of these accounts, together with Appendix A on page 82.

Statement of Changes in Equity

as at 31 December 2018

| | Notes | 2018 | 2017 | 2018 | 2017 |
|--|-------------|------------------|------------------|------------------|------------------|
| | | £ | £ | € | € |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Balance at 31 December | 13.1 | 1,616,058 | 1,806,539 | 1,806,592 | 2,036,151 |
| Capital Grant Reserve | | | | | |
| Balance at 1 January | | 45,514 | 36,900 | 51,298 | 43,099 |
| Capital Grants Received | | 26,155 | 26,482 | 29,563 | 30,208 |
| Amortisation in line with asset depreciation | | (21,409) | (17,868) | (24,198) | (20,382) |
| Exchange Gain/(Loss) | | - | - | (478) | (1,627) |
| Balance at 31 December | 13.2 | 50,260 | 45,514 | 56,185 | 51,298 |
| | | | | | |
| Total Equity at Year End | | 1,666,318 | 1,852,053 | 1,862,777 | 2,087,449 |

The notes on pages 71 to 81 form part of these accounts, together with Appendix A on page 82.

Notes to the Accounts

for the year ended 31 December 2018

1. Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland.

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

1.2 Property, Plant & Equipment

a) All Fixed Assets are included at cost or valuation to the body. Intangible assets comprise purchased software.

b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:

| | |
|------------------------|----------------------------|
| Software Licences | 20% Straight Line |
| Office Equipment | 15% Straight Line |
| Fixtures & Fittings | 15% Straight Line |
| Computer Equipment | 33.33% Straight Line |
| Leasehold Improvements | Remainder of life of lease |

c) A capitalisation threshold of £500 has been applied in the accounts during 2018.

d) The value of the operational assets in use at InterTradelreland is not considered sufficient to require annual revaluation.

1.3 Pension Costs

“The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK

and Irish Exchequers. The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Business, Enterprise and Innovation to the Body. The Northern Ireland share of the benefits is paid by the Department for the Economy.

The liability at 31 December 2018 has been included in the financial statements and a disclosure note has been included (Note 15) detailing the actuarial review calculations, which were carried out by Deloitte Total Reward and Benefits Ltd. This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of InterTradelreland for the purposes of the accounts for the year ended 31 December 2018 and comparative figures for 2017.

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

1.4 Value Added Tax

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

1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income Statement. Translated amounts have been disclosed in the Income Statement, the Statement of Cash Flows, the Statement of Financial Position and the related notes in Euro(€).The closing rate used for the Statement of Financial Position was £1=€1.1179(2017:£1=€1.1271) and the average rate used for the Income Statement was £1= €1.1303 (2017:£1=€1.1407). Both these rates are the European Central Bank exchange rates.

1.6 Grant Expenditure

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

Where the amount of the liability, and the actual date of payment, is known with certainty, the liability is accounted for as an accrual, and disclosed in payables (Note 11). Where both the amount and the timing of payment are uncertain, but the activity has taken place, the liability is provided for as a provision and disclosed within provisions (Note 12). Grants awarded less amounts paid or provided for are disclosed in commitments (Note 16.2).

1.7 Capital Grant Reserve

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

1.8 Commitments

Commitments represent contractual obligations in future years in respect of contracts existing at the year end (Note 16). Any liabilities which relate to project activity in the current year are provided for as accruals or provisions, as deemed appropriate.

1.9 Leases

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

1.10 Grant income

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

Expenditure on the Co-Innovate Programme, which is funded by the EU Interreg VA Programme, is retrospectively reimbursed by the Special EU Programmes Body, as Managing Agent for the Interreg Programme. The amount of grant income recognised in the Income Statement reflects the amount receivable in relation to expenditure incurred during the year, with the balance outstanding at the year-end being recognised as a receivable in Note 10.

2. Grant Receivable

| | Notes | 2018 | 2017 | 2018 | 2017 |
|---|----------|-------------------|-------------------|-------------------|-------------------|
| | | £ | £ | € | € |
| Revenue Grants from Sponsor Departments | 2.1, 2.2 | 10,733,442 | 9,780,516 | 12,132,009 | 11,156,635 |
| Co-Innovate Programme | | 536,940 | 372,650 | 606,904 | 425,082 |
| | | 11,270,382 | 10,153,166 | 12,738,913 | 11,581,717 |

Expenditure incurred by the Body on the Co-Innovate Programme is reimbursed retrospectively by the Special EU

Programmes Body, the Managing Agent for the EU Interreg VA Programme, which funds the delivery of Co-Innovate.

2.1 Grants from Sponsor Departments 2018

| | DfE (Northern Ireland) | DfE (Northern Ireland) | DBEI (Ireland) | DBEI (Ireland) | Total | Total |
|---------------|------------------------|------------------------|------------------|------------------|-------------------|-------------------|
| | £ | € | £ | € | £ | € |
| Revenue Grant | 3,545,923 | 4,029,036 | 7,187,519 | 8,102,973 | 10,733,442 | 12,132,009 |
| Capital Grant | 6,667 | 7,536 | 19,488 | 22,027 | 26,155 | 29,563 |
| | 3,552,590 | 4,036,572 | 7,207,007 | 8,125,000 | 10,759,597 | 12,161,572 |

2.2 Grants from Sponsor Departments 2017

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

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

This funding ratio was not met in 2018, as DBEI provided additional funding as part of its 2018 euro allocation to the Body, for activities related to assisting businesses to prepare for Brexit. DfE also provided additional funding of £125,000 from its capital budget to assist the Body with the implementation of a digitisation strategy, including the development of a new website, to help businesses plan for Brexit.

3. Other Operating Income

Other operating income comprises:

| | Notes | 2018 | 2017 | 2018 | 2017 |
|-----------------------------------|-------|----------------|----------------|------------------|------------------|
| | | £ | £ | € | € |
| Bank Interest Receivable | | 2,465 | 4,334 | 2,786 | 4,944 |
| Conference Income | | 24,723 | 18,963 | 27,944 | 21,631 |
| Net Deferred Funding for Pensions | 15.4 | 888,501 | 969,126 | 1,004,273 | 1,105,482 |
| Total | | 915,689 | 992,423 | 1,035,003 | 1,132,057 |

4. Staff Costs and Board Remuneration

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

| | | 2018 | 2017 |
|--------------------|--------------|-----------|-----------|
| Permanent Staff | - CEO Office | 1 | 2 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Staff | | 47 | 42 |

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

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

| | 2018 | 2017 | 2018 | 2017 |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| Salaries & Wages Permanent Staff | 1,341,622 | 1,374,911 | 1,516,434 | 1,568,361 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Staff Costs | 2,911,327 | 2,830,454 | 3,290,671 | 3,228,700 |
| Board Remuneration | 56,626 | 74,942 | 64,004 | 85,486 |
| Total Board Costs | 56,626 | 74,942 | 64,004 | 85,486 |
| Total Board and Staff Costs | 2,967,953 | 2,905,396 | 3,354,675 | 3,314,186 |

The accounting policy for pensions is detailed in Note 1.3.

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

5. Performance Against Key Financial Targets

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

6. Other Operating Costs

| | 2018 | 2017 | 2018 | 2017 |
|------------------------|----------------|----------------|----------------|----------------|
| | £ | £ | € | € |
| Travel and Subsistence | 7,093 | 11,967 | 8,017 | 13,651 |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| Total | 835,200 | 639,629 | 944,026 | 729,626 |

6b. Corporation Tax Payable

| | 2018 | 2017 | 2018 | 2017 |
|-----------------|------|------|------|------|
| | £ | £ | € | € |
| Corporation Tax | 452 | 351 | 511 | 400 |

A Corporation Tax liability arose in InterTradelreland in 2018, due to tax payable on the interest on bank account balances.

7. Programme Costs

| 7.1 InterTradelreland Costs | 2018 | 2017 | 2018 | 2017 |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | 8,300,278 | 6,480,061 | 9,381,804 | 7,391,805 |
| | | | | |
| | | | | |
| 7.2 Financial Assistance To Other Organisations | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | € | € |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | 272,669 | 170,644 | 308,198 | 194,654 |
| Total Programme Expenditure | 8,572,947 | 6,650,705 | 9,690,002 | 7,586,459 |

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £1,227,067 (2017:£722,993) in relation to the Acumen Phase IV programme solely represents the amount payable to other organisations from InterTradelreland resources. Under this phase of the programme InterTradelreland had entered into a Memorandum of Understanding with Invest NI and Enterprise Ireland to act as a conduit for funding of the programme. These organisations are not involved in the delivery of Phase V of the Programme, which commenced in 2018.

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

8. Intangible Assets

| | Software Licences | Total | Total |
|---|-------------------|---------------|---------------|
| | £ | £ | € |
| Cost or Valuation | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Net Book Value at 31 December 2018 | 13,942 | 13,942 | 15,699 |
| Currency Translation Adjustment | | | (114) |
| Net Book Value at 31 December 2018 | 13,942 | 13,942 | 15,585 |
| Net Book Value at 31 December 2017 | 18,746 | 18,746 | 21,129 |

9. Property, Plant & Equipment

| | Leasehold Improvements | Fixtures & Fittings | Office Equipment | Computer Equipment | Total | Total |
|---|------------------------|---------------------|------------------|--------------------|---------------|---------------|
| | £ | £ | £ | £ | £ | € |
| Cost or Valuation | | | | | | |
| At 1 January 2018 | 145,225 | 77,822 | 58,646 | 325,632 | 607,325 | 684,516 |
| Additions | - | 3,393 | - | 22,762 | 26,155 | 29,563 |
| Disposals | - | (734) | (19,929) | (91,977) | (112,640) | (128,489) |
| At 31 December 2018 | 145,225 | 80,481 | 38,717 | 256,417 | 520,840 | 585,590 |
| | | | | | | |
| Depreciation | | | | | | |
| At 1 January 2018 | 145,225 | 76,377 | 58,598 | 300,357 | 580,557 | 654,346 |
| Provision for Year | - | 551 | 48 | 16,006 | 16,605 | 18,768 |
| Disposals | - | (734) | (19,929) | (91,977) | (112,640) | (128,489) |
| At 31 December 2018 | 145,225 | 76,194 | 38,717 | 224,386 | 484,522 | 544,625 |
| Net Book Value at 31 December 2018 | - | 4,287 | - | 32,031 | 36,318 | 40,965 |
| Currency Translation Adjustment | | | | | | (365) |
| Net Book Value at 31 December 2018 | | 4,287 | | 32,031 | 36,318 | 40,600 |
| Net Book Value at 31 December 2017 | - | 1,445 | 48 | 25,275 | 26,768 | 30,170 |

10. Receivables (amounts due within one year)

| | 2018 | 2017 | 2018 | 2017 |
|-------------------|----------------|----------------|----------------|----------------|
| | £ | £ | € | € |
| Other receivables | 86,993 | 61,270 | 97,250 | 69,057 |
| | | | | |
| | | | | |
| Total | 262,455 | 419,821 | 293,398 | 473,180 |

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

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

| | 2018 | 2017 | 2018 | 2017 |
|----------------|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| Trade Payables | 440,783 | 276,844 | 492,751 | 312,031 |
| | | | | |
| | | | | |
| Total | 2,261,434 | 1,532,366 | 2,528,056 | 1,727,129 |

Included in accruals is an amount of £1,394,281 (2017: £1,226,144) relating to programme accruals, where grant supported activity has occurred, but the related expenditure has not yet been claimed by grantees.

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

| | 2018 | 2017 | 2018 | 2017 |
|------------------------|----------------|----------------|----------------|----------------|
| | £ | £ | € | € |
| | | | | |
| | | | | |
| | | | | |
| Closing Balance | 240,418 | 112,948 | 268,763 | 127,304 |

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

13. Reserves

13.1 General Reserve

| | 2018 | 2017 | 2018 | 2017 |
|--|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| General Reserve Opening Balance | 1,806,539 | 857,031 | 2,036,151 | 1,001,012 |
| | | | | |
| General Reserve Closing Balance | 1,616,058 | 1,806,539 | 1,806,592 | 2,036,151 |

13.2 Capital Grant Reserve

| | 2018 | 2017 | 2018 | 2017 |
|---|---------------|---------------|---------------|---------------|
| | £ | £ | € | € |
| Opening Balance | 45,514 | 36,900 | 51,298 | 43,099 |
| | | | | |
| Capital Grants Reserve Closing Balance | 50,260 | 45,514 | 56,185 | 51,298 |

14. Notes to Statement of Cash Flows

14.1 Reconciliation of (Deficit)/Surplus for the Year to net cash inflow from operating activities

| | 2018 | 2017 | 2018 | 2017 |
|---|----------------|----------------|----------------|----------------|
| | £ | £ | € | € |
| (Deficit)/Surplus for the year before tax | (190,029) | 949,859 | (214,787) | 1,083,503 |
| Adjustment for | | | | |
| Depreciation | 21,409 | 17,868 | 24,198 | 20,382 |
| Transfer from Capital Grant Reserve | (21,409) | (17,868) | (24,198) | (20,382) |
| Bank Interest Receivable | (2,465) | (4,334) | (2,786) | (4,944) |
| Tax Paid | (298) | (622) | (337) | (710) |
| Decrease/(Increase) in receivables | 157,366 | (196,743) | 179,782 | (212,625) |
| Increase/(Decrease) in Payables/Provisions | 856,384 | 43,936 | 942,213 | (15,984) |
| Difference on Foreign Exchange Translation | | | (14,261) | (47,964) |
| Net cash generated from operating activities | 820,958 | 792,096 | 889,824 | 801,276 |

14.2 Reconciliation of net cash outflow to movement in net debt

| | 2018 | 2017 | 2018 | 2017 |
|--|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| Cash at Bank and in hand at 1 January | 3,032,032 | 2,235,602 | 3,417,403 | 2,611,183 |
| Net Cash inflow | 823,423 | 796,430 | 892,610 | 806,220 |
| Cash at Bank and in hand at 31 December | 3,855,455 | 3,032,032 | 4,310,013 | 3,417,403 |

15. Pensions

15.1 Accounting Treatment

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

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

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

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

The valuation used for FRS 102 disclosures at 31 December 2018 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Ltd). The results this year have been prepared by carrying out a full valuation of the scheme's liabilities incorporating market conditions and scheme data at 31 December 2018. The principal assumptions used to calculate scheme liabilities are:

| | 31 Dec-18 | 31 Dec-17 |
|---|-----------|-----------|
| Discount rate | | |
| Northern Ireland: | 2.75% | 2.50% |
| Ireland: | 2.15% | 2.10% |
| Rate of increase in Consumer Price Index | | |
| Northern Ireland: | 2.15% | 2.10% |
| Ireland: | 1.40% | 1.65% |
| Average rate of increase in pensions | | |
| Northern Ireland: | 2.15% | 2.10% |
| Ireland: | 1.40% | 1.65% |
| In line with salary increases | | |
| Northern Ireland: | 2.15% | 2.10% |
| Ireland: | 2.15% | 3.00% |
| Average expected future life at age 65 for | | |
| Male currently aged 65 | 21.90 | 22.10 |
| Female currently aged 65 | 23.80 | 23.90 |
| Male currently aged 45 | 23.30 | 23.50 |
| Female currently aged 45 | 25.40 | 25.40 |

15.2 Movement in Net Pension Liability during the financial year

| | 2018 | 2017 | 2018 | 2017 |
|---|-------------------|-------------------|-------------------|-------------------|
| | £ | £ | € | € |
| Opening value of scheme's liabilities | 12,512,928 | 11,931,670 | 14,103,321 | 13,936,191 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Net Pension Liability at 31 December | 12,766,671 | 12,512,928 | 14,271,862 | 14,103,321 |

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

| | 2018 | 2017 | 2018 | 2017 |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| Experience loss/(gain) | 56,850 | (116,661) | 64,258 | (133,075) |
| (Gain) on change of financial assumptions | (715,751) | (271,207) | (809,013) | (309,366) |
| Actuarial (gain)/loss | (658,901) | (387,868) | (744,755) | (442,441) |

15.4 Income Statement analysis

| | 2018 | 2017 | 2018 | 2017 |
|--|----------------|----------------|------------------|------------------|
| | £ | £ | € | € |
| Analysis of the net deferred funding for pensions is as follows | | | | |
| Service cost | 789,971 | 780,261 | 892,904 | 890,044 |
| Other finance cost | 300,425 | 309,986 | 339,570 | 353,601 |
| Benefits paid during the year | (201,895) | (121,121) | (228,201) | (138,163) |
| | 888,501 | 969,126 | 1,004,273 | 1,105,482 |

| | 2018 | 2017 | 2018 | 2017 |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | € | € |
| Analysis of the current pension service costs is as follows: | | | | |
| Service cost | 789,971 | 780,261 | 892,904 | 890,044 |
| Other finance cost | 300,425 | 309,986 | 339,570 | 353,601 |
| | 1,090,396 | 1,090,247 | 1,232,474 | 1,243,645 |

Contributions received from members of the North/South Pension Scheme in 2018 amounted to £96,114 (€108,638) (2017: £108,559 (€123,833)). As the North/South Pension Scheme is an unfunded scheme, the member contributions are remitted to the Body's Sponsor Departments.

15.5 Deferred pension funding

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

The deferred funding asset for pensions as at 31 December 2018 amounted to £12,766,671 (€14,271,862) (2017: £12,512,928 (€14,103,321))

| | 2018 | 2017 | 2018 | 2017 |
|------------------------------|------------|------------|------------|------------|
| | £ | £ | € | € |
| Opening balance at 1 January | 12,512,928 | 11,931,670 | 14,103,321 | 13,936,191 |
| | | | | |
| | | | | |
| | 12,766,671 | 12,512,928 | 14,271,862 | 14,103,321 |

15.6 History of Defined Benefit Liabilities

| | 2018 | 2017 | 2018 | 2017 |
|----------------------------------|------------|------------|------------|------------|
| | £ | £ | £ | € |
| Deficit as at 31st December | 12,766,671 | 12,512,928 | 14,271,862 | 14,103,321 |
| Experience loss/(gain) | 56,850 | (116,661) | 64,258 | (133,075) |
| Percentage of Scheme Liabilities | 0.4% | 0.9% | 0.4% | 0.9% |

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to £1,844,278 (€2,084,587).

16. Capital Commitments

16.1 Capital commitments at 31 December 2018 for which no provision has been made

| | 2018 | 2018 |
|-------------------------------|------|------|
| | £ | € |
| Contracted | | |
| Authorised but not contracted | | |
| Total | | |

16.2 Other commitments

| | £ | € |
|-------------------|------------|------------|
| Other Commitments | 12,012,822 | 13,429,134 |

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

| | Commitments at 31 Dec 2018 for Expenditure in | Commitments at 31 Dec 2018 for Expenditure in | Commitments at 31 Dec 2018 for Expenditure in or after | |
|---|---|---|--|------------|
| | 2019 | 2020 | 2021 | Total |
| | £ | £ | £ | £ |
| Profile of Other Commitments by Year - Sterling | 6,580,101 | 3,524,428 | 1,908,293 | 12,012,822 |
| | € | € | € | € |
| Profile of Other Commitments by Year - Euro | 7,355,895 | 3,939,958 | 2,133,281 | 13,429,134 |

17. Contingent Liabilities

There were no contingent liabilities as at 31 December 2018.

18. Related Party Transactions

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

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

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

The Body works with many private sector organisations including organisations in which Board Members may have a beneficial interest. Silver Hill Foods Limited, of which Mr Micheal Briody is Chief Executive Officer, and Aine's Chocolates Limited, of which Ms Ann Rudden is a shareholder and director, are both participants on the Co-Innovate Programme. In 2018, both companies participated in Co-Innovate Programme funded activities, but neither received direct grant funding.

b) Non Beneficial Interests

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

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

Mr Paul Greenfield, a Board member, is also a Board member of East Border Region Limited, a Delivery Partner for the Co-Innovate Programme, of which InterTradelreland is Lead Partner. In 2018, East Border Region was paid the amount of €75,736 (£67,005) by the Special EU Programmes Body, the Managing Agent for the EU INTERREG VA Programme, in respect of its role in ensuring compliance of the Co-Innovate Programme with EU regulations.

(iii) **North South Pension Scheme**

InterTradelreland pays for certain pension administration costs on behalf of the other North/South Bodies, and then recharges these bodies for the costs attributable to them, which are advised by the Scheme Administrators. In 2018, a total of £147,198 (2017:£152,432) was recharged to the other North/South Bodies in respect of these pension administration costs.

19. Obligations Under Leases

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

| | Land & Buildings | | | | Other | | | |
|--------------|------------------|------------|------------|------------|----------|----------|----------|----------|
| | 2018 | 2018 | 2017 | 2017 | 2018 | 2018 | 2017 | 2017 |
| | £'000 | €'000 | £'000 | €'000 | £'000 | €'000 | £'000 | €'000 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 744 | 831 | 840 | 947 | 4 | 4 | 5 | 6 |

The commitments are stated exclusive of VAT. In accordance with FRS102, the amounts represent the total commitment payable under operating leases.

20. Losses and Special Payments

There have been no losses or special payments.

21. Financial Instruments, Liquidity, Interest Rate and Foreign Currency Risk

21.1 Financial Instruments

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

21.2 Liquidity, Interest rate and Foreign Currency Risk

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

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

22. Third Party Assets

On 28 December 2018 InterTradelreland received reimbursement of a grant claim of €551,781 from the Special EU Programmes Body in relation to the Co-Innovate Programme. An amount of €335,915 (£300,487) was in respect of expenditure incurred by Programme Partners, and was remitted to these Partners in early January 2019.

23. Post Balance Sheet Events

At the date of approval of these accounts, InterTradelreland's Draft 2017, 2018 and 2019 Business Plans had not been approved due to the absence of Ministers in Northern Ireland.

The Department of Business, Enterprise and Innovation in Ireland has continued to fund the Body's activities in the absence of an approved Business Plan. In Northern Ireland, the contingency arrangements implemented in 2017 and 2018, which enabled the Department for the Economy to fund the Body in the absence of an approved Business Plan, will continue for 2019. Consequently, all 2018 funding and 2019 funding requested to date has been paid by both Sponsor Departments.

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

24. Approval of Accounts

The accounts were approved by the Board on 25 June 2019.

Appendix A

InterTradeIreland

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

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

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

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

Signed by authority of the:

Department for the Economy

Department of Jobs,
Enterprise and Innovation

Trevor Connolly

Dermot Mulligan



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Dated 25 May 2017

Dated 25 May 2017

About InterTradelreland

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

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

InterTradelreland

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

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