



Department of

**Enterprise, Trade  
and Investment**

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# Resource Accounts

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Annual Report and Accounts  
for the year to 31 March 2005

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*Department of Enterprise, Trade and Investment  
Resource Accounts  
For the year ended 31 March 2005*

*Laid before the Houses of Parliament by the Department of Finance and  
Personnel in accordance with Paragraph 36 of the Schedule to the  
Northern Ireland Act 2000 (Prescribed Documents) Order 2004*

*15 November 2005*

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Department of Enterprise,  
Trade and Investment

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for the year to 31 March 2005

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The Department presents its  
annual report and accounts  
for the financial year to  
31 March 2005

# Annual Report

# 1

## **INTRODUCTION**

The Department presents its annual report and accounts for the financial year to 31 March 2005. The accounts demonstrate the resources that have been consumed in delivering the Department's objectives.

This Annual Report has been prepared in accordance with the guidance set out in the Northern Ireland Resource Accounting Manual and guidance issued by the Department of Finance and Personnel.

## **SCOPE**

### **DEPARTMENTAL ACCOUNTING BOUNDARY**

The Department's accounting boundary excludes Executive Non-Departmental Public Bodies (NDPBs) in line with section 1.5.3.d of the Resource Accounting Manual. These consolidated resource accounts present the results for 2004-05 of the entities within the departmental accounting boundary.

The core Department is the only entity within the boundary.

### **PUBLIC SECTOR BODIES OUTSIDE THE DEPARTMENTAL ACCOUNTING BOUNDARY**

The Department has four Executive NDPBs falling outside the accounting boundary. These are:

- (i) Invest Northern Ireland (Invest NI);
- (ii) Northern Ireland Tourist Board (NITB);
- (iii) Health and Safety Executive for Northern Ireland (HSENI); and
- (iv) General Consumer Council for Northern Ireland (GCCNI).

The Department acts as sponsor Department to two organisations set up under the Belfast Agreement which are also regarded as falling outside the accounting boundary. These are:

- (i) InterTradeIreland (Trade and Business Development Body); and
- (ii) Tourism Ireland Limited (jointly owned by the Northern Ireland Tourist Board and the Irish Tourist Board).

In addition, Harland & Wolff Plc, a limited company which is wholly owned by the Department, and the Energy Trust Fund are also regarded as outside the accounting boundary.

Further details are contained in notes 1.2, 28, 30 and 31 of the Notes to the Resource Accounts.

### **DEPARTMENTAL REPORTING CYCLE**

The Estimates for the year to 31 March 2005 are contained in The Budget (No. 2) (Northern Ireland) Order 2004 (published July 2004) and the Supplementary Estimates are contained in The Budget (Northern Ireland) Order 2005 (published March 2005). Both of these Orders and Department of Finance and Personnel publications containing detailed supporting information are available from The Stationery Office Limited.

These annual resource accounts, for the year to 31 March 2005, report against the Estimates and will be laid in Parliament in November 2005 and published in December 2005.

### **OPERATING AND FINANCIAL REVIEW**

#### **AIM AND OBJECTIVES OF THE DEPARTMENT**

The overall aim of the Department is:

- A balanced, competitive, innovative, knowledge based and fast growing economy where there are plentiful opportunities for all.

The objectives of the Department are:

- To develop and maintain the policy and regulatory environment to achieve economic growth with equal opportunities for all.

- To encourage the growth of the economy by promoting knowledge-based business competitiveness and an enterprise culture in Northern Ireland; and

### **PRINCIPAL ACTIVITIES**

DETI is responsible for a range of functions in Northern Ireland, including economic development policy (including industrial development, energy, telecommunications and tourism), mineral development, health and safety at work, Companies Registry, Insolvency Service, consumer affairs, social economy, professional economic advice and research and labour market and economic statistics services. Financial and personnel management services are provided centrally within the Department.

DETI sponsors four agencies, established as NDPBs which play a key role in shaping and implementing economic development policy: Invest Northern Ireland; the Northern Ireland Tourist Board; the Health and Safety Executive for Northern Ireland; and the General Consumer Council for Northern Ireland. Geological Survey of Northern Ireland is also an integral part of the Department. In addition, DETI also acts as sponsor Department to two organisations set up under the Belfast Agreement – InterTradeIreland and Tourism Ireland Limited.

### **THE ECONOMIC CONTEXT**

#### **Northern Ireland Economic Performance**

The global economy grew at a strong pace in 2004, as solid growth in both emerging economies and some advanced economies combined to generate

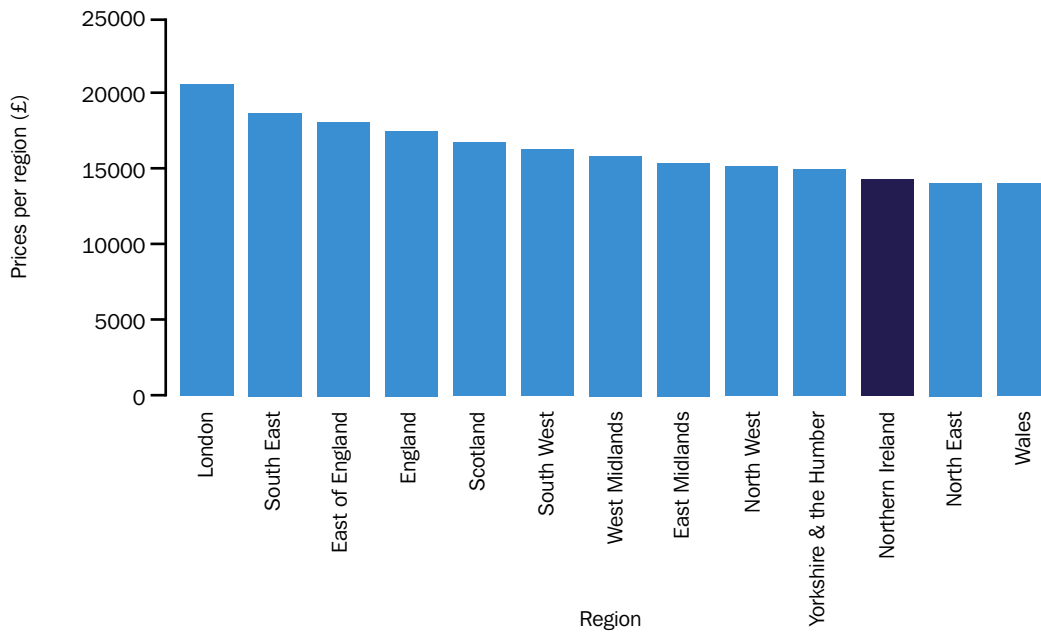
growth of around 4%. Global economic growth is expected to slow but remain strong during 2005 and 2006. The United Kingdom (UK) economy has continued its robust performance within this strengthened global economy.

NI has benefited from a recent period of stability and in recent years there have been substantial improvements across a range of indicators – employment levels are at record highs, unemployment rates are at historic lows and gross value added (GVA) has increased steadily.

Over the latest five-year period for which data is available (1998 – 2003), nominal GVA per head in NI grew by just over 26%. Growth in NI GVA per capita was ranked third amongst the UK regions over the period. While GVA per capita remains below the UK average (81.2%), NI is beginning to close the gap with other UK regions and has already surpassed the North East and Wales.

GVA per capita at current basic prices per region (£) **2003**

**Figure 1**



Source: Office for National Statistics

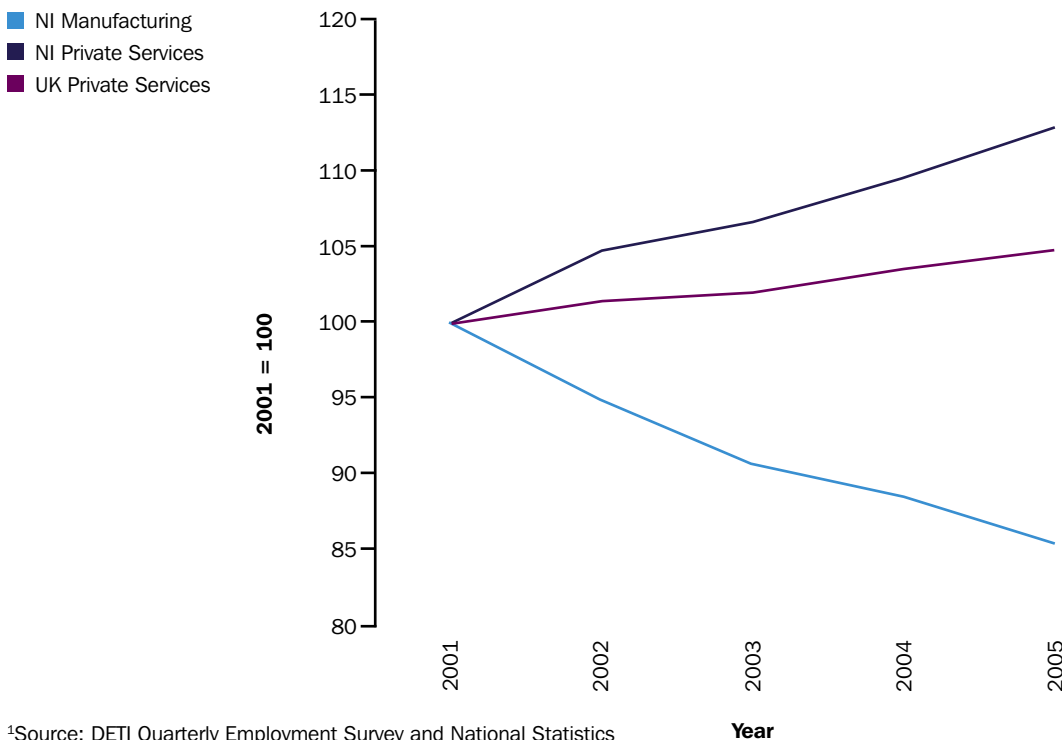
The NI labour market has performed exceptionally well in recent years. The number of employee jobs in NI at March 2005 was the highest on record, while total employee jobs growth in NI between March 2000 and March 2005 at 8.3% (52,720) was over twice the UK average. Unemployment in NI has more than halved during the last ten years and the latest unemployment rate of 4.9% is only 0.1 percentage points above the UK average and is below the rate experienced in four other UK regions. However it is important to consider the detail behind these headline figures. At 28.2%, the NI inactivity rate is the highest of all the UK regions while the proportion of unemployed who have been out of work for more than a year in NI (43.5%) remains significantly above the UK average (21.8%).

The economic environment in NI has changed radically over recent years, and this period of transition will continue for some time to come. The region's manufacturing sector has experienced a difficult period due to increasing exposure to low cost competitors, however growth in service sector employment has more than compensated for the decline in the manufacturing industries.

NI's private services sector has experienced strong growth for several years, with the number of employees in private services rising by 16.2% over the five year period March 2000 - March 2005. This compares favourably with the UK as highlighted in Figure 2.

### Private Services Employment for NI and UK<sup>1</sup>

**Figure 2**



<sup>1</sup>Source: DETI Quarterly Employment Survey and National Statistics

Figures for March of each year

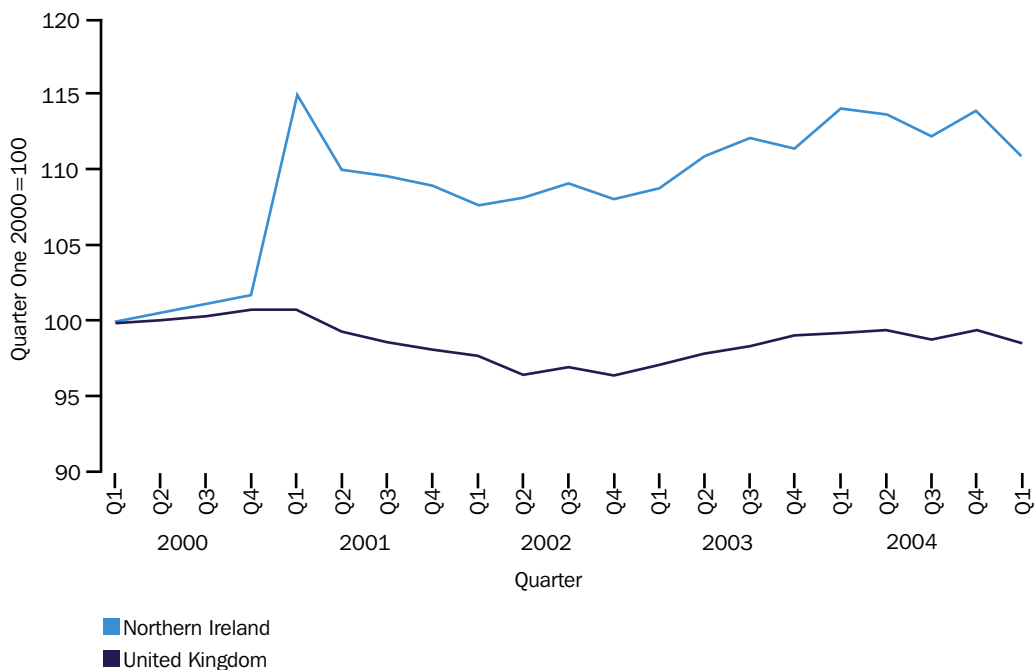
Note: Some private services classifications (G-K/O) may include public services due to Standard Industrial Classification coding. Figures for NI exclude divisions 94/95 within other services (O).

Manufacturing productivity has shown an upward trend in recent years. Manufacturing productivity in the first quarter of 2005 was 0.2% lower than the same period a year ago, however there has been an increase of 29.0% since the first quarter of 2000. This is due to manufacturing output remaining fairly steady over the last five years, as employment in the sector has fallen.

As demonstrated in Figure 3, the performance of NI manufacturing output in the last five years compares favourably to the UK.

### Manufacturing output NI and UK<sup>2</sup>

Figure 3



<sup>2</sup> Source: Index of Production (IOP) –Office for National Statistics and IOP- DETI statistic

In the face of these difficulties, NI manufacturing businesses continue to compete globally with total sales and exports continuing to rise. Great Britain, Republic of Ireland and North America are all key destinations for sales from NI manufacturing businesses. In real terms, total sales by NI manufacturing companies have risen by 24.7% (£2,616m) over the 5-year period 1998-99 to 2003-04. Exports have risen by 26.1% (£878m) over the same period.

A key indicator of a region's economic well being is its attractiveness to foreign investors. Provisional figures for 2004-05 show that Invest NI attracted 15 new inward investment projects, promoting approximately 2,300 jobs. The attractiveness of NI as a tourist destination has also been improving. The NI Tourist Board reports that visitor numbers for 2004 increased by 4% on 2003. Holiday visits showed an 11% increase compared to 2003, while the total amount of revenue from visitors reached £325m in 2004, an increase of 7% in real terms on 2003.

Innovation is one of the key drivers of a successful economy. Higher levels of innovation and research and development (R&D) increase efficiency, productivity, incomes and therefore economic growth. In NI expenditure on Business R&D in 2003 was £121.3 million, down on £161.0 million the previous year. Business expenditure as a percentage of GVA for 2003 was 0.53% for NI compared with 1.40% for the UK and was the second lowest value of the UK regions. However, despite this

reduction in the overall level of R&D carried out by NI businesses it is encouraging to note that medium sized firms spent £52.3m on R&D in 2003 a significant increase on the 2002 figure of £44.4m. The Regional Innovation Strategy, a two year action plan to increase expenditure on R&D, was published in March 2005.

Enterprise is also a key driver of productivity growth. Growth of new firms is often associated with the introduction of new technologies, innovative ways of working and increased competitive pressures on other firms. The Global Entrepreneurship Monitor (GEM) is a unique measure of entrepreneurship in a global context. The 2004 GEM survey found that 5.0% of the adult population in NI is engaged in entrepreneurial activity, compared to 6.3% in the UK. It is encouraging that the GEM survey has recorded an increase in the level of entrepreneurial activity since 2002; however NI's business birth rate (as measured by VAT registrations) remains the lowest of the UK regions.

### **Conclusion**

2004-05 saw the NI economy maintain the robust performance demonstrated in recent years. This encouraging performance is against a backdrop of a transition from a manufacturing to a service based economy. Continued globalisation means the region can no longer rely purely on cost competitiveness, but must base its competitiveness on quality and unique value added. The role of government is to create a business environment conducive to innovation and enterprise, where firms can draw

on a pool of skilled workers and where the movement of people, goods and information is unhindered.

## **THE DEPARTMENT**

### **The Economic Vision for Northern Ireland and DETI's Approach to Economic Development**

DETI continues to play a key role in growing the Northern Ireland (NI) economy. During 2004-05 the Department took the lead in driving forward development of the Economic Vision for Northern Ireland ([www.detini.gov.uk/vision](http://www.detini.gov.uk/vision)) which sets the direction for economic policy over the next decade and which was produced in partnership with other Government Departments, the business, education and voluntary sectors and trade unions. Following a public consultation period, the Vision was published by the Minister, Barry Gardiner, in February 2005. DETI has continued to drive forward its economic research agenda aimed at improving economic performance across NI. In addition, the Department has provided support and encouragement to business, including ensuring we have the appropriate legislative, energy and telecoms infrastructure in place, promoting investment in research and development (R&D) and encouraging innovation.

The Department also remains committed to reform and its goal of improving services to customers and increasing efficiency and value

for money; and to working in partnership with others both inside and outside government to promote NI as an excellent investment location and tourist destination.

### **Corporate Plan 2002-2005**

The Department's Corporate Plan setting out its priorities for the period 1 April 2002 to 31 March 2005 was published in June 2002. At that time the Corporate Plans of DETI and its agencies set targets designed to meet a number of continuing challenges with a specific view to:

- encouraging innovation;
- increasing the number of business start-ups;
- sharing the benefits of economic growth more evenly across Northern Ireland's population;
- realising our tourism potential;
- increasing levels of manufacturing and service sector productivity;
- encouraging individuals and companies to take full advantage of venture capital opportunities;
- developing the contribution of the private services sector;
- promoting a less risk averse culture;
- encouraging NI companies to maximise export opportunities;
- enhancing skill levels within the workplace;
- accelerating the commercialisation of academic research into existing and new spin out businesses; and
- maximising the contribution of community enterprise.

## **PERFORMANCE FOR THE YEAR OPERATING PLAN/ SERVICE DELIVERY AGREEMENT**

A combined Operating Plan/ Service Delivery Agreement covering the period 1 April 2004 to 31 March 2005 was published in April 2004. Targets in the Operating Plan/ Service Delivery Agreement underpin Corporate Plan targets and provide milestones along the route to achievement of the Corporate Plan. The Department's key achievements are set out below.

### **Economic Vision for Northern Ireland**

During 2004-05 the Department had lead responsibility, working with business, trade unions, academia, the voluntary sector and other Government Departments, in producing the Economic Vision for Northern Ireland. The aim of the Vision, which was published in February 2005, is to place the economy at the heart of Northern Ireland's future through greater wealth creation and better employment opportunities for all.

### **Corporate Plan 2005-2008**

During the year, work started on the development of the new Plan covering the period 2005-2008. The main theme of the Corporate Plan is how DETI will contribute over the next three years towards realisation of the Economic Vision. Following public consultation, the Corporate Plan 2005-2008 was published in June 2005.

## **Implementing the New Approach to Economic Development**

The Department's Corporate Plan 2002-2005 committed the Department to creating a policy-making capacity based firmly on a robust evidence base, supported by a quality research agenda and a rigorous policy evaluation programme. Further significant progress has been made in relation to this during 2004-05 with a number of pieces of research, such as the Future Role of Private Services, having been brought to a successful conclusion. This includes work to ensure that the recommendations flow directly into the decision-making process and shape the way forward in policy and operational terms. One recent example of this was the research into Business Expenditure on Research & Development (BERD), which has helped shape the approach taken to the Action Plan flowing from the Regional Innovation Strategy.

During 2004-05, the Department prepared and implemented two protocols covering research and evaluation. This has ensured that all stages of the research and evaluation process are correctly identified and managed, that appropriate research is undertaken and that recommendations and resulting policy developments are properly implemented and evaluated. A Steering Board was also established during the year, the role of which is to ensure that appropriate research and evaluation is identified, undertaken and quality assured and that the results flow directly into the appropriate policy arena and make a difference going forward.

The Research and Evaluation agenda has been developed to complement the Economic Vision for NI and also the DETI Corporate Plan for 2005-2008. It has therefore been structured around the 4 key themes of innovation/ R&D, enterprise, skills and infrastructure. The agenda can be accessed at [www.detini.gov.uk/cgi-bin/downutildoc?id=966](http://www.detini.gov.uk/cgi-bin/downutildoc?id=966) and covers the three years 2005-2008.

During 2004-05 in partnership with Invest NI, other government departments, the Higher Education (HE) and Further Education (FE) sectors and business organisations, DETI developed a two year action plan to focus delivery of the Regional Innovation Strategy (RIS) priorities. Delivery against this plan started in the autumn of 2004 and, following further refinement into business expenditure on R&D, was published in March 2005.

DETI is fully committed to working in partnership with others to secure a collaborative approach between Government and the major social partners in pursuit of economic growth. The Economic Development Forum (EDF), which was established in 1999, provides a formal structure through which a wide range of key organisations can advise Ministers on issues relating to the development and future competitiveness of the Northern Ireland economy. The Forum is an important and valued mechanism for achieving effective and meaningful engagement with all our social partner organisations. By working collectively through the Forum, we can achieve more for NI than the sum of the individual organisations working alone. The Forum

will also have a key role in tracking and challenging progress towards implementation of the Economic Vision.

### **Energy**

DETI is responsible for promoting the strategic development of the energy industry in NI in the balanced interests of the economy, consumers and the environment. A new Strategic Energy Framework was published in June 2004, with the achievement of economically and socially acceptable energy costs in NI as a primary goal.

The Department is continuing to work to secure approval of the proposed Government intervention, of some £30m per year, aimed at addressing the high cost of electricity. A formal State Aid notification of the proposal has been submitted to the European Commission and further dialogue with the Commission is planned.

As an interim measure, the Department announced in March 2005, a £8.8m funding package to assist energy efficiency measures which will facilitate an average 1.5% reduction in electricity prices for all customers in the 2005-06 tariff year. The package will also help Northern Ireland Electricity to constrain its electricity tariff increases (resulting mainly from increases in fuel costs) for 2005-06 to an average of 3.9% across all customers and to 3.2% for all standard domestic customers.

Since March 2005, the electricity market has been open to competition to all non-domestic customers, in accordance with European Directives. Preparations have commenced for full market opening, planned for July 2007, which will enable all customers to choose their electricity supplier.

DETI remains committed to exploring all possible means of reducing Northern Ireland's higher electricity costs and hence improving competitiveness.

During the year arrangements were put in place for a common gas tariff (postalisation) and this was implemented in October 2004. The construction of a main transmission gas pipeline to the North West was also completed that month. Planning and wayleave arrangements for the South – North pipeline are underway for its construction in 2006. Licences to supply gas to towns along the routes of the pipelines were issued to Bord Gais Eireann in March 2005.

In order to support and encourage increased consumption of renewable energy sourced electricity, in line with published targets, the NI Renewables Obligation Order came into effect on 1 April 2005. A high level programme of renewable energy promotion will continue during 2005 with approx £8m of capital grants being made available.

Building on the work of the Joint Steering Group, comprising senior officials from DETI, the Republic of Ireland's (RoI) Department of Communications,

Marine and Natural Resources (DCMNR) and the two Regulators (NI Authority for Energy Regulation and the Commission for Energy Regulation) an All-Island Energy Market Development Framework was published in November 2004. Its aim is to bring improved economic and social benefits for NI customers from greater compatibility with the energy markets in the RoI.

### **Telecommunications**

During 2004-05 DETI continued to work with both the public and private sectors to deliver a world-class telecommunications infrastructure for NI and to ensure that businesses capitalise fully on the opportunities emerging from broadband communications. Over the year, NI moved from 62% of businesses and households having access to broadband to over 98%, making us the leading region for broadband access in the G8 nations.

The NI Broadband Flagship Project Initiative was created to encourage local and international organisations to showcase applications, services and/ or content of broadband. DETI, with support from the European Union (EU) Building Sustainable Prosperity Programme, supported Derry City Council, University of Ulster at Magee and the North West Institute of Further and Higher Education under this initiative to develop e-learning, e-government and e-tourism broadband applications. Working with DCMNR, DETI also implemented a call for innovative cross border telecoms projects under the EU Interreg IIIa Measure. Fourteen applications were received

and evaluated and four projects selected. Two projects have begun to be implemented and two projects are subject to further detailed evaluation.

DETI supported 41 pilot projects funded under the UK Broadband Fund. An evaluation of the fund by the Department of Trade and Industry (DTI) in London recognised a number of the Northern Ireland projects as exemplars for the UK. DETI worked with Invest NI to promote the business benefits of broadband, resulting in requests from over 2000 small and medium-sized enterprises (SMEs) seeking support in taking up broadband. Some 23% of businesses have now taken up broadband services in NI. In February 2005 DETI commissioned a review of NI telecommunications policies for the period 2001-2004 and a draft report issued in March 2005. The report indicates that the Department's proactive intervention in the telecommunications market has been unique and is on target to position NI as the first region in Europe to achieve 100% broadband coverage.

#### **Other Economic Infrastructure**

The ongoing development of the NI Science Park is an integral part of DETI's Regional Innovation Strategy. During 2004-05 the Science Park Innovation Centre was fully let, realising some 300 jobs in 13 companies ranging from software through engineering design to bioscience.

In 2004-05 investment support, through the Air Route Development Fund, was offered to nine air routes out of NI. Five of these routes were to

Continental Europe – Paris, Nice, Geneva, Rome and Berlin; three to GB – Norwich, Manchester and Birmingham, and one to the US – New York. Initial feedback across the business sector has been very positive, with the securing of the New York route attracting a particularly favourable reaction. The majority of these routes are now operational, while the remainder will commence in early summer 2005. The funding allocation of £4m to this scheme has been fully committed, and a review will now take place to establish whether investment of any further funds would be desirable.

As part of its remit to encourage the exploration and development of NI's mineral and hydrocarbon resources, in the course of the year the Department commenced the Tellus project – a three-year major resource and environmental survey of NI which will involve the collection and mapping of geo-science and geo-chemical data.

#### **Financial Infrastructure in Support of Economic Development**

DETI has continued to support the sustainable development of NI's economy by stimulating innovation and self-sufficient enterprise by broadening the range of supporting financial products.

Employers Liability Insurance premiums continue to have an impact on NI business, particularly small firms. While premiums are showing signs of decreasing DETI has been working closely with other departments in implementing the Department

of Work and Pensions (DWP) led review and with the insurance industry and organisations representing local businesses in an effort to mitigate the impact of market trends.

### **Business Development**

During 2004-05, Invest NI continued to pursue its first Corporate Plan objectives of promoting innovation, helping existing businesses to grow, encouraging business start-ups and attracting high-quality, knowledge-based inward investment.

Through its various programmes and activities, Invest NI support contributed to a total planned investment of £492m, bringing the total investment in economic development during Invest NI's first three years to over £1.5bn. Of this some £64m represented investment in R&D and the numbers of companies engaging in R&D increased by 6%. The target for development projects in established companies (375) was exceeded with over 400 completed.

A total of 131 companies entered export markets for the first time and a very encouraging 386 existing exporters entered new markets. In all, over 1,300 companies participated in trade visits and other trade initiatives. Over 1,000 business improvement projects were completed in the areas of Strategic, People and Process Excellence and 101 companies participated in Company Development Programme activities.

The Go for It campaign, which took place over a short period towards the end of 2004, resulted in over 11,000 enquiries about business start-up and

attracted over 1,000 people to its Roadshows. The success of the campaign was exemplified in the achievement of some 3,800 new start-up businesses, well above the target for the year of 2,870.

Also during 2004-05, and against a highly competitive inward investment market, the agency secured 17 new inward investment projects, offering the prospect of approximately 1,905 additional quality jobs.

Approval was also secured during 2004-05, under a Public Private Partnership (PPP) contract, for Invest NI's new single site accommodation. It is anticipated that all Invest NI staff will be located in the new building, which is to be located in Bedford Street, Belfast, by the end of November 2005. Since its inception in 2002 Invest NI has effected a programme of efficiencies which has seen its staff numbers fall from the approved initial ceiling of 738 full-time equivalent staff (FTE) to 644 (FTE) at 31 March 2005. Additional efficiencies arising from the move to new accommodation will result in a further fall in numbers during 2005-06.

### **Tourism**

DETI has continued to work closely with the Northern Ireland Tourist Board (NITB) and Tourism Ireland Limited to ensure that targeted performance outputs were delivered. 2004 figures show a 4% increase in visitors to Northern Ireland to 2.093 million and an increase of 7% in real terms in visitor spend to £325 million.

NITB and the industry are working hard to sustain and build upon this growth. Year one of the three-year Strategic Framework for Action has seen progress in a number of areas. Significant progress in particular has been made in the delivery of the five Signature Projects. The international competition for the design of the new facilities at Giant's Causeway was launched in March 2005. The winning design was announced in October 2005 with the anticipated opening of the facilities in autumn 2007. Excellent progress has been made on implementing the Causeway Coast and Glens Tourism Masterplan with progress initiated on 90% of the 95 recommendations.

The Titanic/ Maritime project has commenced with a feasibility study to develop an agreed concept and economic and market appraisals for a world class visitor attraction. Progress has continued on the Walled City of Derry project with finance for Tranche 1 approved and a submission for Tranche 2 funding being worked up.

A three year Action Plan for the Christian Heritage/ St Patrick project was launched on 15 March 2005 the key priority of which is to develop a St Patrick/ Christian Heritage Trail linking all visitor attractions, services and amenities, together through a high quality trail and packaged through a 'Trail Passport'. Finally, a working party of 26 key stakeholders has been established to progress the Mourne National Park Area project.

The Tourism Strategy Forum continues to provide an opportunity for Government and the tourism industry to interact, meeting twice yearly to discuss tourism matters. During 2004-05 the Strategic Framework for Action (2004-2007) continued to provide impetus for Forum discussion and action.

During 2004-05 DETI continued to work to ensure prominence for Tourism on all departments' and agencies' agenda, with the DETI Minister addressing a meeting of the Tourism Inter-Departmental Co-ordination Group and all Northern Ireland Office Ministers formally endorsing the Strategic Framework for Action. Additionally work continued on the modernisation and updating of existing legislative arrangements for the certification and classification of tourist accommodation in Northern Ireland.

European Union Support for Economic Development EU financial support is provided across three areas - £71m for Peace II (2000-2004), £197.5m for Building Sustainable Prosperity (2000-2005), which includes an additional in-year allocation of £9.5m from the EU's Performance Reserve in recognition of financial targets being met and £10.2m for INTERREG IIIA (2000-2006). Around 80% of this financial support is disbursed through Invest NI and the NITB and is required to be spent in accordance with strict expenditure profiles as agreed at the Lisbon Summit of European Union Ministers.

To date we have secured excellent outcomes with £37m of Peace II funding being utilised on a number of Measures and £112m on the Programme for Building Sustainable Prosperity. In addition, under INTERREG IIIA expenditure of €11m was achieved against a target of €5.8m.

During 2004-05, the European Regional Development Fund (ERDF) continued to support a broad range of economic development activities, through business competitiveness and development support, research and development technology, information society support, local economic development, tourism, telecommunications, energy infrastructure, financial engineering and the economic revitalisation of disadvantaged areas.

During 2004-05 DETI has been actively engaged in assisting the Special European Union Programmes Body secure additional EU funding for a Peace II extension (2005-06) and in contributing to the UK debate on post 2006 EU funding through responses to the European Commission's 3rd Cohesion Report.

DETI also takes the lead in coordinating the NI approach on State Aid issues and in liaising with the Department of Trade and Industry, which has the UK policy lead. During 2004-05, DETI has continued to make NI's case to retain assisted area status.

### **Social Enterprise**

The development of a strong and sustainable

social economy in NI continues to be a high priority. During 2004-05 DETI, on behalf of the Social Economy Inter-Departmental Steering Group (IDSG), published "Developing a Successful Social Economy", NI Government's Cross-Departmental Strategic Plan 2004-2007 and a 2004-05 Action Plan. The Social Economy Network continued to develop and worked with the IDSG, through the Social Economy Forum, on key issues for the sector's development: for example, finance, business support and procurement were researched by joint sectoral/ departmental working groups and a prioritised programme of work is now delivering tangible benefits for the sector.

### **Regulatory Services**

The Review of Credit Unions and Industrial and Provident (I&P) Societies continued to make substantial progress during 2004-05, with an initial consultation paper on both sets of proposals issued in May 2004. The initial stage of consultation, which included a number of focus groups and seminars with key stakeholders in both sectors, was completed in August 2004. Drafting of a second set of consultation papers, to include a draft Industrial and Provident Societies Order and draft amendments to the existing Credit Unions Order, is continuing; the I&P consultation issued at the end of March 2005, the Credit Unions legislation is expected to be taken forward by means of Statutory regulations which are currently being drafted.

The Department has also issued for consultation a draft Companies Order containing provisions

for establishing a new type of company, the Community Interest Company, designed for those wishing to run their business for community benefit.

A modern telephone Contact Centre and electronic document record management system represents the completion of a significant programme of work geared to improving and increasing customer access to company information. This along with a new case management system, which manages the workflow and the electronic processing of company information, was introduced within Companies Registry in 2004-05.

During 2004-05 DETI, alongside GCCNI, continued to deliver the Government's Consumer Strategy for NI through a range of initiatives. These included the NI Consumer Helpline, Consumerline, a pilot money advice project and the GCCNI's "Consumer Skills for All" programme.

Work on the Insolvency Service's Modernisation project continued with approval of the business case by the Minister. The contract for the supply of case management, workflow, banking and management reporting systems was awarded in February 2005.

Reform of insolvency law in NI continues. An Order in Council incorporating a range of measures, including reducing the normal bankruptcy period from three to one year or less, has been drafted and laid before Parliament. It provides a stimulus to enterprise by permitting business people who

have become bankrupt but are not blameworthy to resume trading earlier. A second Order dealing with disqualification of directors on grounds of breach

of competition law has also passed its House of Commons stage.

Company Law Branch's role is to ensure, as far as practicable, that NI companies legislation keeps pace with developments in both GB and the EU. Considerable progress was made during 2004-05 in closing the gap between GB and NI company law. In total 18 Statutory Rules were made. Additionally, a draft Companies (Audit, Investigations and Community Enterprise) Order was drafted and issued for public consultation.

### **Health and Safety at Work**

During 2004-05 the Health & Safety Executive for Northern Ireland (HSENI) introduced multidisciplinary front line Compliance Teams designed to work across the span of high-risk work sectors i.e. construction, quarrying, farming and manufacturing on a geographical basis. This approach provides greater visibility, greater flexibility and greater productivity.

Other initiatives saw the formalisation of an agreement with the United States of America's Department of Labor's Occupational Safety and Health Administration (OSHA) and the Rol's Health and Safety Authority to transpose to Ireland, North and South, OSHA's very successful Voluntary Protection Program that recognises excellence in

the management of workplace health and safety; launching the Child Safety on Farms Campaign *Be Aware Kids* and flowing from that a successful primary school poster competition the winning entries forming the basis for a 2005 Calendar; and launching HSENI's business-friendly small business advisory service *Health and Safety Works NI*. As well as these initiatives HSENI continued to lead the implementation of the long-term workplace health strategy for *NI Working for Health* and *BUILDSAFE-NI* where the focus is on the reduction of deaths and injuries in the construction sector.

### **Cross-Departmental Working**

DETI plays a valuable role in cross-departmental working. The Department's approach is to engage positively and constructively with cross departmental issues and projects where a DETI perspective or resource input can add value or secure resources for the achievement of common objectives. DETI has, therefore, continued throughout 2004-05 to work effectively with other Departments to deliver the Executive's Programme for Government/ Government's Priorities and Plans.

During 2004-05 DETI continued to co-ordinate the work of the West Belfast and Greater Shankill Taskforces' (WBGSTF). The Joint Working Group of the WBGSTF, which is co-chaired by DETI, submitted its Regeneration Strategy for the area and associated bid to the Integrated Development Fund (IDF) to OFMDFM in May 2004. OFMDFM has now cleared all 17 projects submitted, with an IDF value of £21.7m, to proceed to Phase II (economic

appraisal) of the assessment process. To date two projects, to provide business units at Lanark Way and to enhance the role of the Employment Services Board, have completed the approvals process and are in a position to drawdown monies from the IDF.

Other areas of cross departmental action have included:

- employability/ skills policy development through input to a number of Department for Employment and Learning (DEL) led groups including the Employability Implementation Group and the Essential Skills Committee;
- work with the Department for Education (DE) and DEL to enhance the structures and content of business education provision;
- spatial/ infrastructure development through close liaison with the Department for Regional Development (DRD) in relation to the Regional Development Strategy and liaison with the Department of the Environment (DOE) on the development and implementation of the Belfast Metropolitan Area Plan (BMAP);
- representation on the DOE led Water Framework Directive Implementation Board; close working with the Department of Health, Social Services and Public Safety (DHSSPS) in relation to the Investing for Health Strategy and representation on the Ministerial Group on Public Health (MGPH);
- rural development in close co-operation with colleagues in the Department of Agriculture and Rural Development (DARD).

DETI has also sought to work effectively with other Departments to deliver on issues such as better regulation.

### **Efficiency Measures**

During 2004-05 the Department absorbed a £1m reduction in departmental running costs. As part of the 2004 budget process the Department also carried out an efficiency review throughout all its business areas which will deliver £8.2m efficiency savings in 2005-06.

### **e-Business**

A review of the Department's e-Business Strategy was completed and published during the year. The review concluded that the Strategy's original aims of contributing to the achievement of the Department's objectives, achieving maximum gain from the investment made, and assisting the Department in achieving its electronic service delivery targets for 2005 were still valid. By the end of March 2005 70% of key services were being delivered electronically – the Department is well on its way to meet its 100% target by 31 December 2005.

In 2004-05, DETI was one of three Departments involved in a lead implementation project for the rollout of an Electronic Document and Records Management System (EDRMS). The introduction of EDRMS provides a major opportunity for DETI, to use its information holdings more strategically, to meet its obligations under the Freedom of Information Act and to modernise its services. e-business and EDRMS together represent a transformation of the Department's business

processes: in the way we interact with our external customers, and, internally, between our Business Units. The Department plans to rollout EDRMS across the Department from the summer of 2005.

Corporate Regulation Branch (including Companies Registry) has continued with its project to make all its electronically held company documents accessible to the public on the internet and the Insolvency Service appointed a supplier to assist them with their modernisation and e-banking project.

During 2004-05 the Annual Business Inquiry (ABI) was made available as an online return. This is the second return from DETI's Statistics Research Branch that can be filled in online - the first being the Quarterly Employment Survey (QES). These online forms can be more convenient for businesses, are quicker to complete and greatly reduce processing time.

The Department's Information Technology infrastructure was upgraded during the year to Windows 2003 and made more resilient. The focus of the Department's ICT development work has been supporting our e-business programmes and the provision of a full backup contingency site in the Waterfront Plaza.

### **Corporate Governance**

Throughout 2004-05 the Department continued to give a high priority to embedding sound systems of corporate governance. Risk management is now

firmly embedded throughout the Department and issues arising from the risk management process are considered by the risk management committee and regularly reported to Senior Management and the Departmental Audit Committee. The Departmental Audit Committee continued to meet regularly during the year and progress on actions arising from its meetings was reported to meetings of the Departmental Board. This Committee contains a combination of executive and non-executive members, and officials from the Department's Internal Audit Service and the NI Audit Office attend its meetings.

DETI has established a 'Heads of Finance' forum for the purpose of sharing good practice in corporate governance between the Department, its NDPBs and cross border bodies. The forum is attended by representatives from NDPBs with responsibilities for corporate governance, and by representatives from DETI branches which sponsor cross border bodies.

## **People**

2004 was the third and final year of the Department's Human Resource strategy "Moving Forward" and during the year we successfully completed the delivery of all the remaining objectives including:

- A continued reduction in departmental absenteeism to contribute to overall Northern Ireland Civil Service target of 5.9% by March 2005. The Department's absenteeism rate has reduced from 5.9% in 2002 to 4.6% by the end of 2004-05 (22% improvement);
- An ISO 9001-2000 Quality Management Award for the department's training function;
- The introduction of new Personnel Management Unit and Account Manager structure to enhance customer focus and service delivery;
- A Diversity Action Plan produced by Departmental Diversity Board and approved by Senior Management Team;
- The On-line publication of a Work Life Balance booklet highlighting the variety of flexible working options open to staff and managers;
- On-going training and HR support for the roll-out of e-business across the department; and
- The provision of a wide range of health and fitness related events for staff through a Workplace Health Improvement Programme.

Towards the end of the year work commenced on a new 3-year HR strategy to set the HR direction and agenda for the Department during a period when the delivery of HR within DETI and the NICS as a whole is due to change radically with a new e-HR project.

DETI remained committed to the continuous development of its staff to meet the needs of its business areas, to providing all staff with the development and training necessary for effective performance in their job and for the development of their potential. In support of this, the Department's Training and Development function ran a range of programmes many of which were externally accredited. DETI also delivers training and development for a number of other Departments and NDPBs and during 2004 delivered a total of some 3,100 training days.

### **Progress against Programme for Government Targets**

Early in 2001, the NI Executive published a Programme for Government covering the period 1 April 2001 to 31 March 2004. This was followed, in subsequent years by publication of Programmes for Government for 2002-2005 and 2003-2006. Details of DETI's commitments under the Programmes for Government for 2002-2005 and 2003-2006, together with details of progress made in meeting the challenges set out in those documents are provided in Appendices 6 and 5 respectively. Commitments relating to the 2002-2005 Programme for Government which were achieved during 2003-04, have not been included as they were reported upon in the Operating and Financial Review contained in the resource accounts for the year ended 31 March 2004.

### **Progress against Public Service Agreement Targets**

The Department's 2003-2006 and 2004-2007 Public Service Agreements were published alongside the 2003-2006 and 2004-2007 Programmes for Government. The Public Service Agreements cover all the Department's main programmes and set out how the Department will carry out its responsibilities under the Programme for Government and within the resources allocated by Parliament. Appendices 4 and 1 contain details of DETI's performance against targets contained

in its 2003-2006 and 2004-2007 Public Service Agreements.

### **Progress against Corporate Plan and Operating Plan/ Service Delivery Agreement Targets**

DETI published a Corporate Plan for the period 2002-2005 in June 2002 and a combined Operating Plan/ Service Delivery Agreement in April 2004 covering the period 1 April 2004 to 31 March 2005. The Corporate Plan and Operating Plan/ Service Delivery Agreement set out how the Department will deliver the objectives and targets set out in the Programme for Government and DETI's Public Service Agreement and also contains information on how we will raise service standards and reform our services. Appendices 3 and 2 contain details of DETI's performance against targets in its Corporate Plan 2002-2005 and Operating Plan/Service Delivery Agreement 2004-05.

### **Financial Performance in the Period**

Details of financial performance for the year to 31 March 2005 are contained in the Schedules of the resource accounts and the supporting notes.

Schedule 1 shows a saving in total net resources of over £10m against Estimate. The Estimate is based on the figures contained in the Budget (No. 2) (Northern Ireland) Order 2004 (containing the Main Estimates) and the Budget (Northern Ireland) Order 2005 (containing the Supplementary Estimates).

The Department of Finance and Personnel, in the February 2005 monitoring exercise, had approved further movements in resources. These include reductions of £0.7m in respect of Request for Resources A and £2.8m in respect of Request for

Resources B. In addition End Year Flexibility of £3.8m was sought in respect of Request for Resources B.

The analysis of resource outturn by function is contained in note 10 to the resource accounts. In Request for Resources A the saving of £0.5m in respect of Business Regulatory Services results from the actual pay settlement being less than anticipated and a lower incidence of bad debts. Additional expenditure of £0.6m was caused by the notional charges for accommodation exceeding the anticipated level. In Request for Resources B the major variations related to savings of £0.9m resulting from a revision of the provision to cover the retained liabilities of Harland & Wolff Plc following receipt of an actuarial review. Economic Infrastructure/ telecommunications also showed savings of £3.7m, due to programmes continuing into 2005-06. End Year Flexibility was requested for £2.2m of this. Slower than anticipated uptake of services and programmes offered produced a saving of 0.8m for InterTradelreland. End Year Flexibility was also sought in respect of the saving of £1.5m at the Northern Ireland Tourist Board which arose due to rescheduling of two major projects.

The structure of the Department's Estimate has been changed significantly since 2003-04. Activities have been moved between the two Requests for Resources to better reflect their impact on the Department's objectives.

Where possible the comparative figures for 2003-04 have been adjusted to reflect the 2004-05 structure.

### **Structure**

A feature of the Department's balance sheet is that there is negative taxpayers' equity, i.e. liabilities exceed assets by £135m. This results from the nature of accounting in government. Parliament provides funding to departments on an annual basis to meet the Net Cash Requirement, but liabilities which will fall due in future years, are taken into account in the balance sheet. An example of this is the provision for Harland & Wolff Plc's potential future liability to claims from former employees who have suffered from the effects of asbestosis and related diseases. This provision is an estimate of liabilities which may arise over a significant number of years. In common with other government departments the future financing of DETI's liabilities will be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Attention is drawn to Note 18 to the resource accounts where provisions for liabilities and charges are explained. Provisions are set up to cover liabilities where the timing or amount is uncertain. While it is prudent to make such provisions the eventual outturn of these matters cannot be certain. The major provision is in respect of the retained liabilities of Harland & Wolff plc. The Harland & Wolff plc provision for other retained liabilities of £102m (£105m at 31 March 2004) is mainly necessary to meet the company's anticipated costs of employer's liability and public liability claims, both in relation to known

claims and to unreported claims expected to crystallise over a significant number of years.

### **Net Cash Requirement**

Schedule 1 of the resource accounts shows a saving of £42m in the Net Cash Requirement.

The major components of the variance of £10m arising in Net Total Resources have been explained above. Savings in respect of changes in working capital other than cash relate mainly to increases in creditors. The major increases were £8m in European Programmes due to a change in accounting treatment of grants where creditors were increased while provisions were reduced. Energy, £4m, and Telecommunications, £3m, both showed large increases due to requests for assistance being agreed too late to be paid in the financial year. The £10m variance in the use of provisions relates to the lower spend from the Harland & Wolff Plc and other provisions. This is a matter of timing and the cash will issue in future years.

### **IMPORTANT EVENTS SINCE THE FINANCIAL YEAR END**

There are no reportable post balance sheet events.

### **DEPARTMENTAL BOARD**

The members of the Departmental Board during the year to 31 March 2005 were:

<b>Bruce Robinson</b>	Permanent Secretary - Department of Enterprise, Trade and Investment
<b>Wilfie Hamilton</b>	Deputy Secretary - Department of Enterprise, Trade and Investment
<b>Noel Lavery</b>	Deputy Secretary - Department of Enterprise, Trade and Investment
<b>Alan Clarke</b>	Chief Executive - Northern Ireland Tourist Board
<b>Leslie Morrison</b>	Chief Executive - Invest Northern Ireland

### **MANAGEMENT**

#### **MINISTER**

The Ministers with responsibility for Enterprise, Trade and Investment during the year to 31 March 2005 were:

#### **Mr Ian Pearson MP**

Parliamentary Under-Secretary of State, to 4th April 2004

#### **Mr Barry Gardiner MP**

Parliamentary Under-Secretary of State, from 5th April 2004

Mr Pearson's & Mr Gardiner's salaries and allowances were paid by the Northern Ireland Office or the Cabinet Office.

The terms of appointment of Messrs. Robinson, Hamilton, and Lavery are in accordance with the Northern Ireland Civil Service Pay and Conditions of Service Code. Mr Clarke was appointed Chief Executive by the Board of the Northern Ireland Tourist Board on 30 May 2001 for a period of up to five years, which may be terminated as permitted under the terms of the contract. Mr Morrison was appointed Chief Executive Designate by the Department of Enterprise Trade and Investment (DETI) on 5 December 2001 on the basis of a permanent contract. On 1 April 2002, Invest Northern Ireland's establishment date, Mr Morrison's employment transferred to Invest Northern Ireland as Chief Executive. His appointment

could be terminated as permitted under the terms of the contract.

The Permanent Secretary's pay is determined by the Permanent Secretaries Remuneration Committee taking account of the recommendation of the annual Senior Salaries Review Body report. The pay for the other members of the Departmental Board is set by the recommendations of the annual Senior Salaries Review Body report.

Details of the remuneration of the members of the Departmental Board are contained in note 2 of the Notes to the Resource Accounts.

#### **THE DEPARTMENTAL AUDIT COMMITTEE**

The members of the Departmental Audit Committee during the year to 31 March 2005 were:

<b>Bruce Robinson</b>	Chairman, Permanent Secretary, DETI
<b>Stephen Kingon</b>	Invest NI (PricewaterhouseCoopers)
<b>John McGrillen</b>	NI Tourist Board (Down District Council)
<b>John Dobson</b>	GCCNI (Heron & Dobson Solicitors)
<b>Des Lowry</b>	HSENI (Royal College of Nursing)
<b>Noel Lavery</b>	Senior Civil Servant, DETI
<b>Rodney Brown</b>	Acting Head of Finance, DETI, to 13th June 2004
<b>Trevor Cooper</b>	Senior Civil Servant, DETI, from 14th June 2004
<b>Robin McMinnis</b>	Senior Civil Servant, DETI, from 1 April 2004

#### **THE AUDIT & ACCOUNTABILITY LIAISON GROUP (GENERAL)**

The members of the Audit & Accountability Liaison Group (General) during the year to 31 March 2005 were:

<b>Noel Lavery</b>	Chairman, Senior Civil Servant, DETI
<b>Rodney Brown</b>	Acting Head of Finance, DETI, to 13th June 2004
<b>Trevor Cooper</b>	Senior Civil Servant, DETI, from 14th June 2004
<b>Wilfie Hamilton</b>	Senior Civil Servant, DETI
<b>Steve Hare</b>	Senior Civil Servant, DETI
<b>Alan Magee</b>	Head of DETI Internal Audit
<b>Alberta Pauley</b>	Accountability Branch, DETI
<b>Eamon Blaney</b>	Accountability Branch, DETI, to 31st December 2004
<b>Terry Coyne</b>	Accountability Branch, DETI
<b>Michael Woods</b>	DETI Internal Audit

#### **THE AUDIT & ACCOUNTABILITY LIAISON GROUP (RISK MANAGEMENT)**

The members of the Audit & Accountability Liaison Group (Risk Management) during the year to 31 March 2005 were:

<b>Noel Lavery</b>	Chairman, Senior Civil Servant, DETI
<b>Steve Hare</b>	Senior Civil Servant, DETI
<b>Rodney Brown</b>	Acting Head of Finance, DETI, to 13th June 2004
<b>Trevor Cooper</b>	Senior Civil Servant, DETI, from 14th June 2004
<b>Alan Magee</b>	Head of DETI Internal Audit
<b>Alberta Pauley</b>	Accountability Branch, DETI
<b>Eamon Blaney</b>	Accountability Branch, DETI, to 31st December 2004
<b>Terry Coyne</b>	Accountability Branch, DETI
<b>Michael Woods</b>	DETI Internal Audit

## **PUBLIC INTEREST AND OTHER**

### **DISABLED PERSONS**

The Department follows the Northern Ireland Civil Service Code of Practice on the Employment of Disabled People and aims to ensure that disablement is not a bar to recruitment or advancement.

### **EQUAL OPPORTUNITIES**

The Department is firmly committed to pursuing the Northern Ireland Civil Service Equal Opportunities policy whereby all staff have equality of opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for the work.

### **CORPORATE SOCIAL RESPONSIBILITY – ENVIRONMENTAL ISSUES**

DETI is committed to reducing its energy consumption and has been carrying out Green Housekeeping policies since 1993. The Department is fully committed to the Public Sector Energy Committee (PSEC) target of a reduction of Northern Ireland carbon dioxide emissions of 20% by 2010. The Department has recycling policies for a range of products including waste paper, mobile telephone handsets, information technology equipment and printer cartridges. These products are recycled by approved agents and where possible through central contracts. The Department is shortly to commence the use of recycled paper as its principle media and testing to identify suitable products is underway.

## **EMPLOYEES**

The DETI Human Resource (HR) Strategy provides a single framework within which the Department develops HR policies, strategies and plans which directly and tangibly support the Department's business by ensuring the provision of appropriately motivated and skilled staff. DETI is committed to the continuous development of its staff to meet the needs of its business areas and to reflect the variety of skills and competencies required for them to operate effectively both now and in the future. The Department is committed to providing all staff with the development and training necessary for effective performance in their jobs and for the development of their potential in accordance with the business needs of the Department. The Department provides an in house training function, which provides a wide range of programmes many of which are externally accredited. The Department also provides an Assistance to Study Scheme which assists staff to achieve a recognised qualification in their own time. The Department also celebrates staff success in an annual recognition event. Staff commitment to and involvement in the Department is encouraged through regular communication of operating targets, an internal news report and an intranet site which can be accessed by all staff. The Department conducts a Staff Attitude Survey every two years and produces an Action Plan to address the issues identified. The Department has achieved Investors in People (IIP) recognition and has maintained this standard through annual reassessment including adopting the new "Profile" method, which provides specific feedback in

key areas and comparators with other similar organisations. Departmental staff, are committed to advancing our service through innovation and continuous improvement and a number of the Department's business areas have committed to a self assessment against European Foundation for Quality Management (EFQM).

#### **PAYMENT PERFORMANCE**

The Department, as with all Northern Ireland Departments, is complying with the Northern Ireland Confederation of British Industry prompt payment code. Under the code, the policy of the Department is to pay bills in accordance with contractual conditions or, where no such conditions exist, within thirty days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. In the year to 31 March 2005 the organisations within the departmental boundary paid 99.25% of undisputed invoices within the credit term.

#### **AUDIT**

The Department's accounts are audited by the Comptroller and Auditor General.

#### **BRUCE ROBINSON**

Accounting Officer  
26 October 2005

## **Annex 1**

Public Service Agreement  
2004-2007

## **Annex 2**

Operating Plan/Service  
Delivery Agreement  
2004-2005: Progress against targets

## **Annex 3**

Corporate Plan 2002-2005:  
Progress against targets

# Annexes

## **Annex 4**

Public Service Agreement  
2003-2006

## **Annex 5**

Programme for Government  
2003-2006

## **Annex 6**

Programme for Government  
2002-2005

## ANNEX 1

<b>PUBLIC SERVICE AGREEMENT 2004-2007</b>		
<b>TARGET</b>	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
By March 2007 reduce the number of fatal and major injury accidents reported by 5 per cent compared with 2002-03.	Not yet known.	Statutory accident reporting to HSENI and District Councils for 2004-05 indicates that there has been a 5.1% reduction when compared to 2002-03.
By March 2007, reduce child fatal accidents in agriculture to zero.	Action on track for achievement.	First phase of 'Be Aware Kids' child safety on farms campaign delivered during 2004-05 in the partnership with key industry stakeholders. There was 1 child fatality in agriculture in 2004-05.
By December 2004, increase the size of the competitive electricity market to 60 per cent covering all non-domestic consumers.	Action achieved.	60% market opening was achieved in March 2005. Slippage due to need for NIE to invest in new systems to accommodate further opening.
By March 2006, provide on-line access to all key supplier and customer/ citizen facing business regulation services from Companies Registry and Insolvency Service.	Action on track for achievement.	Insolvency Service contract awarded 7 March 2005. Detailed implementation plan being completed to ensure delivery of banking solution by 31 December 2005.
	Action on track for achievement	Companies Registry tender for requirements for on-line access/ payment for documentation released to market with award of contract in May 2005. Implementation scheduled for September 2005.
Over the period April 2004 to March 2007, annual growth in manufacturing sector productivity within Invest NI client companies to at least equal UK average productivity growth in the sector.	Not yet known.	Performance information to March 2005 not available at year-end.
By March 2007, increase exports as a percentage of total sales by Invest NI client companies (excluding the top 25 exporting clients in 2003) to 28 per cent.	Not yet known.	Performance information to March 2005 not available at year-end.
During the period 2004-2007, support the establishment of 8,500 new businesses.	Action on track for achievement.	In 2004-05 3,924 new businesses were established.
During the period 2004-2007, establish 3,000 new businesses in New TSN areas.	Action on track for achievement	1,179 established to date.

**PUBLIC SERVICE AGREEMENT 2004-2007**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
Between 2004-2006, increase the amount of visitor spend year-on-year by 6 per cent.	Action on track for achievement.	In 2004 visitor spend increased by 9% on the previous year, exceeding the target set.
During the period 2004-2007, maintain at below 20 per cent the average Invest NI contribution to business development projects in existing businesses in the manufacturing sector.	Not yet known.	23% to end September 2004. Performance information to March 2005 not available at year-end.
During the period 2004-2007, maintain at below 25 per cent the average ratio of Capital Grant to other forms of assistance within business development projects.	Not yet known	37% to end September 2004. Performance information to March 2005 not available at year-end.
Between 2004-2007, Northern Ireland business expenditure on R&D is to increase at a rate faster than that of the UK average, so as to reduce the current gap in business R&D expenditure as a percentage of GVA.	Not yet known.	Performance information to March 2005 not available at year-end.
By March 2007, increase the proportion of first time inward investment projects in NTSN areas to 75 per cent of total inward investment projects.	Action on track for achievement.	82% achieved in 2003-04. All 2004-05 locations still to be confirmed.
By March 2007, increase the proportion of repayable finance in relation to total assistance offered to business development projects to 25 per cent.	Action on track for achievement.	Provisional figures indicate that repayables represent 8% of total assistance offered to business development projects in 2004-05.

## ANNEX 2

OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS		
TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By 31 December 2004, based on evidence from DETI's Economic Research Agenda, refine existing (and produce proposals for new) policies on innovation and enterprise of long-term economic significance.	Action substantially achieved.	Policy Developments arising from the response to A.D.Little's research into business expenditure on R&D (BERD) are set out in Annex A to the RIS Action Plan 2004-2006. Research work in relation to Private Sector Services and the Manufacturing sector was not sufficiently advanced in 2004-05 to enable new policies to be developed during this period.
By 31 March 2005, publish results of priority research projects commissioned during 2004-05 and (having considered future needs and priorities) identify key projects to be commissioned during 2005-06.	Action substantially achieved.	DETI's 'Economic Research and Evaluation Agenda 2005-2008' was published on 24 March. This publication identifies the key areas of research that the Department will pursue over the next three years. At the time of publication the Department set out the priority research topics to be undertaken during 2005-06.
By 31 December 2004, support EDF to review Working Together for a Stronger Economy and publish a statement on, actions needed to achieve the 2010 targets and where the collective influence of the partnership will be brought to bear.	Action substantially achieved.	<p>Findings of research into 'The impact of EU enlargement' and 'Business Expenditure on Research and Development' has been published. Research into the 'future of NI private sector services' has been completed and a draft 'policy response' is currently being considered by the Department's Strategic Policy Division. 'The future of NI manufacturing' project will be completed early in 2005-06.</p> <p>A revised framework of indicators, grouped as drivers of change, intermediate objectives and goals, was agreed by EDF on 1 September 2004. The MTSPs Sub-group, supported by DETI economists, will now undertake scenario planning and regional comparisons with a view to setting informed targets for the revised framework. Progress towards this specific target was overtaken by the development of the Economic Vision for NI.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By 30 November 2004, produce for consultation a draft corporate plan for the period 2005-08.</p> <p>By 30 September 2004, publish a key priorities action plan covering the period 2004-06 for the Regional Innovation Strategy</p>	<p>Action achieved.</p> <p>Action achieved</p>	<p>EDF will play an important role in tracking and challenging progress towards implementation of the Vision. At an Awayday on 9 February 2005, EDF members were joined by the economic spokespersons of the main political parties and senior officials from key Government Departments to discuss the Vision and the role of EDF. At the March 2005 EDF meeting it was agreed that four new Sub-groups would be formed in line with the four Vision drivers of Innovation, Enterprise, Skills and Infrastructure. These Sub-groups will be chaired by social partner members of EDF and will have a key role in prioritising the issues to be addressed in relation to each of the Vision drivers.</p> <p>Draft Corporate Plan issued for consultation on 17 January 2005. Slippage due to ongoing work to finalise the Economic Vision and the need to ensure the appropriate linkages to the Corporate Plan.</p> <p>The RIS Action Plan 2004-2006 was published on 21 March 2005. The majority of the actions were agreed by the beginning of September when the Action Plan was discussed by EDF and, although implementation was set in train, publication was postponed to allow further consideration of the implications of research, commissioned by DETI and carried out by Arthur D Little Ltd, into business expenditure on R&amp;D (BERD) in NI. Opportunity was also taken to consult in greater detail with key stakeholders, including the University of Ulster, Queen's University of Belfast and the NI Business Alliance.</p>
<p>By 31 December 2004, revise and update DETI's New TSN objectives and targets in line with the outcome of the 2003 evaluation of New TSN Policy and the emerging anti-poverty policy initiative.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>OFMDFM issued the draft Anti-Poverty Strategy (APS) for consultation in April 2004 with comments due by 15 October 2004. Following receipt of over 100 responses, including some critical comments from the voluntary and community sector, OFMDFM have redrafted the Strategy which is due to issue for an additional 4-week consultation exercise shortly. DETI's input to the APS Regional Action Plan will be drawn up once the Strategy has been finalised following consultation.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By 31 March 2005, reduce the number of fatal and major injury accidents reported by 2% compared with 2002-03. (Baseline – 865 in 2002-03)</p> <p>By 31 March 2005, deliver the first phase of a child safety on farms awareness campaign in partnership with the Ulster Farmers' Union and other stakeholders.</p> <p>By 31 March 2005, ensure at least 85% coverage in meeting the DETI vision of 100% broadband access for all by December 2005.</p>	<p>Action achieved.</p> <p>Action achieved.</p> <p>Action achieved.</p>	<p>Statutory accident reporting to HSENI and District Councils for 2004-05 indicates that there has been a 5.1% reduction when compared to 2002-03.</p> <p>First phase of 'Be Aware Kids' child safety on farms awareness campaign has been delivered with key industry stakeholders.</p> <p>Broadband coverage currently stands at approximately 98%. By 31 March 2005 BT had enabled all of Northern Ireland's 191 exchanges (ADSL technology), reaching just over 98% of the population. The remaining homes and businesses will be given access to broadband through wireless technology by December 2005.</p>
<p>By 31 March 2005, working with Invest NI, ensure at least 15% of businesses take up broadband services, in line with the DETI target of 20% of business taking up broadband by December 2005.</p> <p>During 2004-05, stimulate £3 million private sector investment in broadband infrastructure in border regions through major projects under the Interreg IIIA programme.</p> <p>By 31 December 2004, working with Invest NI and DCAL, stimulate the development of broadband applications, content and services for industry by taking forward at least 1 major initiative which develops the Creative Sector in Northern Ireland.</p>	<p>Action achieved.</p> <p>Action achieved.</p> <p>Action likely to be achieved but with some delay.</p>	<p>To date approximately 23% of businesses have taken up broadband services thereby exceeding the DETI target of 20% by December 2005.</p> <p>€7.2 million euro (meuro) has been made available under Interreg IIIa for cross border telecommunications projects. In response to a call for projects 18 expressions of interest were received. Four projects have subsequently been approved by the SEUPB steering committee with potential to lever £7 million private sector investment.</p> <p>DETI is liaising with all stakeholders, including DTI, on the issues around the development of broadband content, for the Broadband Content Sector. The Department has developed a working paper that has been accepted. Consultants have been appointed to take forward the first steps of advising on the details of an initiative.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By 31 July 2004, working with NIAER and the key industry stakeholders, make the necessary regulations and licence modifications to ensure Northern Ireland's compliance with the new EC Directives concerning common rules for the internal market in electricity/ gas.	Action likely to be achieved but with some delay.	Target date likely to slip until June 2005 due to delays in progressing the Regulations necessary to implement the Directives. A consultation exercise on the proposed implementation of the Electricity Directive ended on 11 March 2005. It is planned to publish a consultation paper on the proposed implementation of the Gas Directive by May 2005.
By 31 March 2005, ensure that arrangements for a common gas tariff have been made, and appropriate licence amendments approved to enable extension of the gas industry in the North West of Northern Ireland.	Action achieved.	Licences to supply gas to towns along the route of the main transmission pipeline were issued in March 2005.
By 30 September 2004, subject to EU State Aid clearance, deliver in collaboration with NIE and NIAER, a net 10% reduction in electricity tariffs for business users.	Action not achieved.	Initial proposal to the European Commission did not receive a favourable response. Alternative options are being considered in conjunction with DTI; UKREP; NIAER and DSO.
By 31 March 2005, support and encourage increased consumption of renewable energy sourced electricity in line with published targets by implementing a statutory Renewables Obligation.	Action achieved.	NI Renewables Obligation (NIRO) Order 2005 came into effect on 1 April 2005.
By 30 September 2004, have in place the necessary regulatory and administrative arrangements to ensure the security of Northern Ireland's electricity supply.	Action not achieved.	Security of supply is now being considered in an all-island context and will be taken forward during 2005-06.
By 30 June 2004, in collaboration with key interests, establish a framework for action to improve significantly Northern Ireland's performance in energy efficiency.	Action likely to be achieved but with some delay.	Work priorities re-examined during the year. Targets for the development of energy efficiency have been included in the 2005-06 Operating Plan.
By 31 March 2005, complete Phase 1 of Resource and Environment Survey of Northern Ireland.	Action substantially achieved.	Phase I Geochemistry complete and publicity in place for phase II geochemistry and geophysics. Airborne survey delayed until Spring 2005.

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By 31 March 2005, commence the refurbishment and development of the Phase 2(a) projects at the Northern Ireland Science Park (Belfast site).</p>	<p>Action achieved.</p>	<p>Work on the refurbishment of the Legacy building is underway and work on the Whitestar building has commenced 3 months ahead of schedule.</p>
<p>During 2004-05, secure two new air routes to Continental European destinations in partnership with local airport operators.</p>	<p>Action achieved.</p>	<p>Investment support, through the Air Route Development Fund, was offered to nine air routes out of Northern Ireland. Five of these routes were to Continental Europe – Paris, Nice, Geneva, Rome and Berlin. In addition to the new European destinations there were three to GB – Norwich, Manchester and Birmingham and one to the US – New York.</p>
<p>By 30 April 2004, finalise implementation plans for essential legislation to deliver a modern framework of corporate regulatory and insolvency law.</p>	<p>Action achieved.</p>	<p>New Company Law programme plans finalised. Draft Companies (Audit etc) Order issued for consultation. Draft Insolvency (NI) and Company Directors Disqualification (NI) Orders passed House of Commons Committee Stage on 1 March 2005.</p>
<p>By 30 November 2004, have in place full electronic processing and provision of company information by Companies Registry.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>Phase 3 of project – Workflow and Case Management System went live on 15 November 2004. Tender of requirements for online access to/ payment for CRNI documentation released to market with implementation scheduled for September 2005.</p>
<p>By 31 March 2005, provide electronic banking services for insolvency practitioners.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>Contract awarded 7 March 2005. Detailed implementation plan being completed to ensure delivery of banking solution by 31 December 2005</p>
<p>By 30 June 2004, implement agreed Marketing Plan to increase knowledge and understanding of value of sector within Government, local government and wider public.</p>	<p>Action achieved.</p>	<p>Implementation of targeted Communication Plan underway with PR consultancy support.</p>
<p>By 30 September 2004, publish final consultation paper/ draft Bill containing details of policy/ legislation proposals to facilitate growth of social economy sector.</p>	<p>Action achieved</p>	<p>Cross-Departmental Strategic Plan published 13 September 2004.</p>
<p>By 31 March 2005, complete evaluation of pilot Northern Ireland Consumer Helpline (Consumerline) and finalise best practice delivery model for long term.</p>	<p>Action substantially achieved.</p>	<p>Independent evaluation (Catalyst Consulting) of Consumerline completed.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By 30 June 2004, finalise implementation plan for consumer support programmes which target the most disadvantaged areas, communities and individuals.	Action achieved.	Implementation plan in place. One staff member working full time on community engagement/ outreach programme.
By 31 March 2005, implement key elements of Consumer Credit legislation to protect NI consumers.	Action substantially achieved.	Six sets of Consumer Credit Regulations enacted.
During 2004-05, support 375 business development projects to deliver capability, efficiency and productivity.	Action achieved.	396 projects supported to end March 2005.
During 2004-05, lever £405m private sector investment in business development projects.	Action not achieved.	£281m committed. Some sectors reported slow starts and although there were healthy levels of activity across all sectors resulting in a high number of projects, overall levels of investment were lower.
By 31 March 2005, 100 Invest NI client companies to enter export markets for the first time.	Action achieved.	131 companies explored export markets for first time.
By 31 March 2005, 200 existing Invest NI exporters to enter new markets.	Action achieved.	386 companies entered new markets
During 2004-05, support 100 Company Development projects.	Action achieved.	101 projects supported
By 31 March 2005, support 11 new inward investment projects involving 1,000 new jobs.	Action achieved.	17 new FDI projects secured, 1,905 jobs created.
During 2004-05, ensure 75% of new projects are located in New TSN areas.	Action substantially achieved.	71% in NTSN areas.
By 31 March 2005, support the establishment of 2,750 locally focused new businesses.	Action achieved.	3,824 new businesses projects supported.
By 31 March 2005, support 105 externally focused new businesses.	Action substantially achieved.	97 projects supported. There was healthy work in progress but a number of projects were referred to various business development programmes as a first stage.

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By 31 March 2005, support 15 new global starts.	Action achieved.	15 projects supported.
By 31 March 2005, establish 1,150 new businesses in New TSN areas or Special Status areas.	Action achieved.	1,689 new businesses established in NTSN/ Special Status areas.
During 2004-05, support 30 new Community Business projects.	Action not achieved.	Due to all EU Programme resources being fully committed only 18 community start-ups achieved.
By 31 March 2005, lever £20 million private sector investment in R&D.	Action achieved	£24.5m private sector investment levered.
By 31 March 2005, increase company participation in R&D programmes by 40	Action not achieved.	28 new companies are participating in programmes with approximately 15 further new companies in pipeline for 2005-06.
During 2004-05, support 30 Knowledge Transfer Partnership projects	Action substantially achieved	24 projects agreed with a further 4 awaiting approval at 31 March 2005.
By 30 June 2004, commission a study into the demand for funding for high growth potential, technology orientated companies, and its availability from both public and private sources.	Action likely to be achieved but with some delay.	Study delayed. Target for completion now 30 September 2005.
By 31 December 2004, implement those actions identified in the Department for Work & Pensions Review which are appropriate to Northern Ireland.	Action achieved.	Changes to the Employers Liability Compulsory Insurance (ELCI) regulations made and came into effect on 28 February 2005. Guidance leaflet published. Liaison with DWP continuing.
By 30 June 2004, launch an international competition for the design of new visitor facilities at the Giant's Causeway.	Action achieved.	The competition was launched in March 2005. Negotiations with major stakeholders took more time than initially planned.
By 31 March 2005, set in place new arrangements for the certification and classification of tourist accommodation in the interests of improving the quality of the tourist experience.	Action likely to be achieved but with some delay.	Certification changes are subject to legislative timetable. Likely to have commencement date of Spring 2006.  Classification changes are being progressed by NITB, with a review to commence in Spring 2005.

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By December 2004, increase visitor numbers (including those from the Republic of Ireland) by 7%. (Baseline for 2003 – 1.950m)	Action substantially achieved.	Visitor numbers for 2004 increased by 4% on 2003. Total visits for 2004 2.093m. (2003 visitor numbers have been revised from 1.950m to 2.012m to reflect comparable changes to NITB and Failte Ireland surveys).
By 31 March 2005, develop 8 flagship projects with district councils representing 34% of their local economic development ERDF budget.	Action substantially achieved.	7 flagship projects completed. 1 further flagship project is in line for completion by June 2005.
By 31 March 2005, complete 19 economic infrastructure projects providing 250,000 sq ft of workspace.	Action substantially achieved.	15 projects completed at March 2005. 4 additional projects are due to be completed by June 2005.
When Devolution is restored, develop and maintain good working relationships with the ETI Committee Clerk's Office, including establishing monthly bi-lateral meetings to discuss, agree and progress the work programme and other issues.	N/A	Target suspended during Direct Rule. Communications with Clerk's Office will be re-opened when a return to Devolution is anticipated.
<b>Contribute to the achievement of the following Departments' PSA targets; OFMDFM's targets:</b>		
By 30 June 2004, award contract for the provision of a new headquarters for Invest NI (to be delivered by PPP).	Action achieved.	Contract in place, construction now underway.
In line with OFMDFM's Plan: During 2004-05, work with other relevant parties to implement the strategic plan for the West Belfast and Greater Shankill Area, aimed at promoting the regeneration of this area; and	Action substantially achieved.	In September 2004, OFMDFM approved all of the projects submitted as part of Joint Working Groups (JWG's) Regeneration Strategy and associated Integrated Development Fund (IDF) bid (total IDF value = £21.7m) to proceed to Phase 2 of the assessment process (economic appraisal) or full implementation, with the exception of the complex Education Initiative which was referred back to the JWG for further work. Two of the projects, Lanark Way Business Units and the enhanced role of the Employment Services Board, have subsequently completed the approvals process and will shortly draw down their IDF allocation.



**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p><b>DHSSPS's Investing for Health targets through actions to promote 'Workplace Health':</b></p> <p>By 31 March 2005, through the Workplace Health Strategy Implementation Group and in conjunction with key stakeholders, establish shared long-term targets for reductions in the incidents of work-related illnesses in Northern Ireland.</p> <p><b>DFP's target to progress the modernisation of civil service facilities, HR systems and policies to provide services to the public appropriate for the 21st Century:</b></p> <p>By 30 September 2004, assist DFP in the procurement of an e-HR supplier.</p> <p><b>DOE's target to improve air quality by meeting health-based objectives of the seven main air pollutants in the Air Quality Strategy:</b></p> <p>During 2004-05, continue to promote the development and maintenance of an efficient economic and co-ordinated gas industry, particularly outside the Greater Belfast area.</p>	<p>Action likely to be achieved but with some delay.</p> <p>Action substantially achieved.</p> <p>Action achieved.</p>	<p>Work to establish shared long-term targets for reductions in the incidents of work-related illnesses in Northern Ireland has been initiated by the Intelligence Programme Action Team set up as part of the Workplace Health Strategy implementation structures. Further consultation on this issue is underway but targets are not likely to be established before the end of September 2005.</p> <p>DETI continues to be very actively involved in this programme. Timetable for procurement has been adjusted until later in 2005 by DFP.</p> <p>Construction of the North West pipeline was completed in October 2004. Preparations for the South/ North pipeline are ongoing.</p>
<p>By 30 September 2004, devise an outline of a strategy covering all aspects of the Department's marketing and communications activities to support the economic development plan 2005-2008. The detailed strategy and action plans to support delivery to be developed by March 2005.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>It is proposed that this work will be complete by end quarter 1 in 2005-06. Action did not progress as originally planned due to change in approach and competing pressures.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By 31 December 2004, complete an information audit of the Department and assisted Business Units with the implementation of file plans.</p>	<p>Action achieved.</p>	<p>Information survey completed: audit to trace all Registry system files finalised and lost files documented. Electronic file plans for Lead Implementation Business Units now in place and assistance to other branches ongoing in line with EDRMS roll out.</p>
<p>By 31 October 2004, produce a lessons learnt report on the Electronic Document and Records Management System (EDRMS) Lead Implementation Project within the Department.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>Due to contractual difficulties at NICS level there has been slippage in timescales. The Lessons Learnt report is currently being produced in conjunction with the other two lead implementing Departments (OFMDFM &amp; DCAL (PRONI)). It is anticipated the report will be produced early in 2005-06.</p>
<p>By 31 December 2004, start the implementation of EDRMS throughout the Department.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>The slippage in timescales noted above will also affect the rollout throughout the Department. A draft Project Initiation Document was produced in March 2005 with rollout across the department to commence in Spring 2005.</p>
<p>By 30 November 2004, implement the Freedom of Information policies, procedures and systems, together with appropriate training and briefing throughout DETI.</p>	<p>Action substantially achieved.</p>	<p>Action achieved except for the NICS FOI Request Tracking system which will not be in place until early in 2005-06.</p>
<p>During 2004-05, ensure that relations with the media are maintained and improved.</p>	<p>Action achieved.</p>	<p>Good media relations were maintained and enhanced during the period.</p>
<p>By 31 December 2004, ensure that the implementation of the revised emergency planning strategy (including business continuity planning for DETI and affiliated NDPBs) is complete.</p>	<p>Action likely to be achieved but with some delay.</p>	<p>Work on implementing the targets in the DETI Emergency Management Development Programme is ongoing across the Department and NDPBs.</p>
<p>During 2004-05, ensure correspondence from MPs, MEPs, MLAs, Councillors, business and the public are responded to within 10 working days of receipt.</p>	<p>Action substantially achieved.</p>	<p>In the period 1 April – 31 December 2004 over 96% of correspondence recorded was responded to within targets set.</p>

**OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
During 2004-05, ensure DETI secures - through the budget and in-year monitoring – and utilises the resources required to deliver its priorities.	Action achieved.	In the published 2004 Budget, additional funding was secured for Invest NI, NITB, the Giants Causeway, and GCCNI. Additional resources were secured in monitoring rounds to meet emerging pressures.
During 2004-05, achieve at least 98% spend of resources allocated.	Action achieved.	Profiling from budget holders indicates that target will be achieved.
During 2004-05, deliver independent Business Consultancy services to support the implementation of all e-business projects and align the Department's staffing resources with its priorities and plans.	Action achieved.	Business Improvement Team now provide the full range of recommended efficiency services to the Department.
By 31 July 2004, develop an Action Plan to encourage and support DETI staff to use Broadband technology and ICT personally.	Action achieved.	Action Plan produced.
By 31 March 2005, implement agreed proposals for the provision of wireless interface internet connectivity in DETI.	Action substantially achieved.	A Wi-fi terminal has been installed in Netherleigh with the wireless connectivity element activated in January 2005. Other DETI buildings will be supplied with similar facilities upon completion of renovation work at each site.
By 31 May 2005, to have completed Efficiency Audits on 25% of DETI branches that have not been subject to a formal review within the past 12 months and which are not being reviewed as part of the DETI e-business programme.	Action achieved.	8 full efficiency reviews completed with projected savings of £302k.
By 31 March 2005, increase the percentage of DETI's key services delivered electronically from 55% to 70%.	Action achieved.	Work is proceeding on the Corporate Regulation, Insolvency, HSENI, Statistical Research, Web Presence and Consumer Affairs projects.
By 30 April 2004, agree corporate training and development priorities.	Action achieved.	Priorities agreed by DETI Senior Management Team (SMT) at 4 May meeting.
By 30 June 2004, produce Annual Training Review.	Action achieved.	Document issued to SMT first week in July.

<b>OPERATING PLAN/ SERVICE DELIVERY AGREEMENT 2004-2005: PROGRESS AGAINST TARGETS</b>		
<b>TARGET</b>	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
By 30 April 2004, ensure IIP assessment has taken place.	Action achieved.	Assessment took place week commencing 29 March 2004.
By 30 September 2004, ensure the Department has been assessed against the IIP Leadership and Management Model.	Action achieved	Assessment took place week commencing 1 November 2004. Delay was due to unavailability of external assessor.
By 30 September 2004, present results of DETI Staff Survey.	Action achieved.	Results presented to SMT October 2004 and placed on DETI intranet site week commencing 1 November 2004.
During 2004-05, maintain a DETI staff attendance figure which is at least 1% higher than the NICS average.	Action achieved.	Provisional NISRA information indicates that our attendance rate for the 2004-05 year is 1.8% higher than the NICS average.
By 31 May 2004, publish an information pack to explain worklife balance issues and policies.	Action achieved.	Document issued to staff in October 2004. Delay due to printing and design complications.
During 2004-05, place 85% of staff within 3 months of agreed release date from Invest NI.	Action substantially achieved.	A placement rate of 83% was achieved over the year. Planned NICS workforce reductions (Fit for Purpose) have had a direct impact on the placement rates across the NICS.
By 31 December 2004, produce a DETI Diversity Action Plan.	Action achieved.	Action Plan agreed by SMT in February 2005.
By 31 December 2004, increase Northern Ireland's share of visitors to the Island of Ireland by 1 percentage point. (Baseline for 2003 – 21.6%)	Action on track for achievement.	2004 figures not yet available but initial indications from the Tourism Barometer suggest continued growth.
During 2004-05, obtain North South Ministerial Council approval for the second ITI Corporate Plan covering the period 2005-07	Action achieved.	Approval secured.
During 2004-05, maintain 100% record of having received no formal complaints in relation to the asbestos related claims process or undue delay.	Action achieved.	No complaints received.

## ANNEX 3

CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS		
TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By December 2002, develop an economic research and policy development and evaluation programme which is forward looking and relevant to the Department's overall priorities, including productivity, financial assistance, small firms, business birth rates, in-company training, innovation, R&D, consumer affairs, social economy, tourism, health and safety at work, energy, telecommunications, equality and New TSN. Progress on the implementation and further development of this programme will be reported on in DETI's Annual Reports and further key targets set in subsequent Operating Plans.	Action achieved.	'Economic Research for Northern Ireland – an Agenda' published in March 2003.  Delay due to additional consultation undertaken with external economists and within DETI/ Invest NI.
By March 2005, fulfil the commitments outlined in the DETI revised Equality Scheme to be published and consulted upon later in 2002.	Action substantially achieved.	The Equality Commission approved DETI's revised Equality Scheme on 10 June 2003, which was subsequently issued to all consultees on the Department's equality list in mid-July 2003. All actions on target except for European Programmes who are experiencing difficulties producing their Equality Impact Assessment due to lack of data.
By March 2005, we will have established a clear energy strategy supported by a legislative framework which will create the right conditions for a fully open energy market in line with European Directive timeframes and which will stimulate competition through the introduction of new electricity generation capacity, extension of the gas industry, increased use of renewable energy and greater compatibility with the energy market in the Republic of Ireland. We will report on progress towards these aims in our Annual Reports.	Action achieved.	The Strategic Energy Framework was published on 30 June 2004.  The NI Renewables Obligation (NIRO) Order came into effect from 1 April 2005. The electricity market for all non-domestic consumers was opened in March 2005. An all-island Energy Market Development Framework was published in November 2004. The primary goals of which are: <ul style="list-style-type: none"> <li>• Single Electricity Market by July 2007;</li> <li>• Second north/ south electricity interconnector;</li> <li>• Long term all-island strategy for sustainability in energy supplies (consultation due June 2005).</li> </ul>

**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>During the period 2002-2005, working with DTI, OFTEL, the Devolved Administrations, the Regional Development Agencies, the Department of Public Enterprise in RoI, and liaising with InterTradeIreland and cross-border groups, examine the feasibility of closer North/ South, East/ West relationships in encouraging the development of telecommunications infrastructure.</p>	<p>Action achieved.</p>	<p>Since 1 April 2003 twenty eight (28) meetings have been held with DTI, the Devolved Administrations and Regional Development Agencies to develop clear policy thinking on a range of issues including:</p> <ul style="list-style-type: none"> <li>• The Communications Bill</li> <li>• OFCOMs Review of Telecommunications</li> <li>• Development of Broadband Content</li> <li>• State Aids</li> </ul> <p>Also since 1 April 2003 twenty meetings have been held with the Department of Communications Marine and Natural Resources to address:</p> <ul style="list-style-type: none"> <li>• International charges for cross-border mobile and data telecommunications</li> <li>• Spectrum availability and alignment</li> <li>• Roaming mobile calls in the border regions</li> <li>• All-island telephone numbering</li> <li>• Funding of infrastructure in the border regions.</li> <li>• Non-ionising Emissions.</li> </ul>
<p>During the period 2002-2005, facilitate and review arrangements for the establishment of Phase 1 of the Northern Ireland Science Park.</p>	<p>Action achieved.</p>	<p>Formal handover took place in July 2003. A review of Phase 1 has been completed and Phase IIa has been underway with effect from 31 March 2004.</p>
<p>During the period 2002-2005, encourage the sustainable development of Northern Ireland's mineral and petroleum resources through the implementation of a new promotional strategy.</p>	<p>Action achieved.</p>	<p>Minerals Information Pack, published in January 2004. Ten new exploration licences issued.</p>
<p>By March 2004, establish and promote new financial products with a view to increasing the number of venture capital funds promoted by the Department and also to increase the proportion of repayable finance in relation to total selective financial assistance.</p>	<p>Action achieved.</p>	<p>Fundraising completed. Targets have been set for the next 3 years for repayable funds as part of the rebalancing strategy.</p>

**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
By December 2002, establish a Social Economy Forum and over the period 2002-2005 develop and implement agreed priorities brought forward in conjunction with the Social Economy Network and other Departments to maximise the contribution of the Social Economy.	Action achieved	Work on priorities agreed by the Forum on finance, business support and procurement being implemented by Joint Working Groups. Completed first year Action Plan of 2004-2007 cross Departmental Strategy 'Developing a Successful Social Economy'.
During the period 2002-2005, encourage the contribution which Credit Unions and Industrial and Provident Societies might make to the development of the Social Economy.	Action likely to be achieved but with some delay	Draft Industrial & Provident Societies Order completed and issued for consultation on 31 March 2005. Credit Unions project on target for completion by April 2006.
During the period 2002-2005, through leadership and action in the implementation of a strategic framework and working closely with the NITB and TIL, enable NITB to meet its visitor spend and visitor number targets.	Action substantially achieved.	Implementation of priority actions identified are being taken forward under NITB's Strategic Framework for Action. DETI is working through liaison and monitoring meetings to assist NITB and TIL meet their respective targets. NITB has subsumed this body of work into its Strategic Framework for Action (since April 2004) and is therefore responsible for ensuring delivery from this time.
By December 2002, have in place arrangements that will establish a fully co-ordinated approach to tourism across NI Departments and similarly a shared approach with all major public and private tourism interests.	Action achieved	An inter-Departmental Co-ordination Group (IDCG) was formed in January 2003 and meets quarterly. The Tourism Forum was formed in March 2003 and meets twice a year. These structures will now ensure a coordinated and shared approach to tourism.
By March 2003, under the auspices of the Occupational Health Forum, develop and publish a Northern Ireland workplace health strategy and associated targets.	Action achieved	The strategy – Working for Health – was publicly launched by the DETI Permanent Secretary on 8 April 2003. A Workplace Health Strategy Implementation Group, consisting of representatives of the key stakeholders and chaired by the HSENI Chairperson, will oversee the implementation of the strategy.

**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By March 2005, establish regional targets for reductions in the number of work-related illnesses and injuries in Northern Ireland.</p>	<p>Action likely to be achieved but with some delay</p>	<p>In relation to injuries, regional targets have been established for the construction, quarrying and agriculture sectors. Work to establish regional targets for work-related illnesses has been initiated by the Intelligence Programme Action Team set up as part of the Workplace Health Strategy implementation structures. Further consultation on this issue is underway but targets are not likely to be established before the end of September 2005.</p>
<p>By 2005, have in place an enhanced regional consumer affairs structure and legislative framework which delivers a fairer deal for NI consumers, as measured by the level of consumer knowledge, understanding of rights and sources of information (including increased accessibility to advice from a consumer helpline).</p>	<p>Action substantially achieved.</p>	<p>Consumer Helpline operational from 3 November 2003.</p> <p>3-year Consumer Skills for All work programme delivered.</p> <p>Consumer protection measures in Enterprise Act 2002 (UK wide) came into effect on 20 June 2003.</p> <p>Pilot money/ debt advice project in place.</p>
<p>During the period 2002-2005, stimulate a 25% increase in private sector R&amp;D.</p>	<p>Action not achieved.</p>	<p>The latest R&amp;D Survey compares spend in the calendar years 2002 and 2003. Between 2002 and 2003, there was a 22% decrease in private sector R&amp;D spend. More encouragingly, there is evidence that spend is attributed to a wider range of companies.</p> <p>Investment by companies in R&amp;D is greatly dependent on prevailing economic conditions and the economic downturn in recent years has had a direct effect on companies' willingness to engage in the risks associated with R&amp;D. We continue to proactively promote the importance of R&amp;D to companies.</p>
<p>During the period 2002-2005, achieve export sales growth in manufacturing companies of 30% in real terms, and a 25% real terms increase in external sales by fast growing businesses.</p>	<p>Action not achieved.</p>	<p>Data comparing 2001-02 and 2002-03 showed a drop of 0.4%.</p> <p>Latest data compares the 2002-03 and 2003-04 financial years. This indicates that export growth in NI manufacturing companies was up by 14.5% in 2003-04. External sales increased by 8.5%. Invest NI trade activities continue at a high level.</p>

**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
During the period 2002-2005 achieve 4,500 new locally focused start-up businesses through the Invest NI/ District Council Business Start Programme and assist in the establishment of 420 high tech/high value added companies (120 of which will come from the research base).	Action substantially achieved.	In the period to 31 March 2005, 8,509 locally focussed start ups through the Start a Business Programme were achieved. This is well in excess of target. In addition, 330 high growth starts have been supported, which is currently behind target. The numbers emerging from the research base are also behind target (43), reflecting a downturn in the ICT sector in which many such businesses operate. (Please note figures are provisional.)
During the period 2002-2005 secure 60 externally owned knowledge based investments.	Action achieved.	A total of 66 investments achieved.
During the period 2002-2005, see a 9% growth per annum in visitor spend.	Action substantially achieved.	Between 2002-2004 visitor numbers grew by 25% and revenue grew by 15%. This equates to an average annual growth of 8% for visitor numbers and 5% for revenue). A small proportion of this growth can be attributed to comparable changes made to the methodology of NITB and Failte Ireland surveys in 2003.
During the period 2002-2005, see a 7% growth per annum in visitor numbers.	Action substantially achieved.	Between 2002-2004 visitor numbers grew by 25%. This equates to an average annual growth of 8%. A small proportion of this growth can be attributed to comparable changes made to the methodology of NITB and Failte Ireland surveys in 2003. Visitor numbers grew by 4% in 2004. Total visits reached 2.093m.
During the period 2002-2005, see a 1% increase per annum in share of all-Ireland visitors.	Action substantially achieved.	Performance figures for 2004 are not yet available but initial indications from the Tourism Barometer suggest continued growth.
During the period 2002-2005, representatives of 1,200 companies or employing organisations will participate in HSENI promotional events.	Action achieved	During the period from 1 April 2002 to 30 September 2004 representatives of 1,279 companies or employing organizations participated in HSENI promotional events (latest data available).
During the period 2002-2005, 4,000 days (representing 7,000 visits) will be devoted to inspections across all work sectors for which HSENI is responsible.	Action achieved	During the period from 1 April 2002 to 30 September 2004 5,296 days (9,701 visits) were devoted to inspections (latest data available).



**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
		<p>of this project commenced in August 2004 and is scheduled to be completed by December 2006.</p> <p>The project can be split into three components; one covering the intelligent classroom concepts led by the UU; one with DCC in the provision of the broadband e-government services in the proposal; and finally one covering the e-tourism aspects of the project.</p>
<p>During the period 2002-2004, working closely with the Department of Trade and Industry (DTI), the regulator, the other devolved administrations, and with the support of the DTI Broadband Fund, undertake 10 projects that examine the feasibility of stimulating rollout of broadband telecommunications to areas currently considered commercially non-viable.</p>	<p>Action achieved</p>	<p>The final call for the Broadband Fund closed on 31 March 2004 with approximately 110 applications for funding. A total of 42 projects have been successful and all of the £1.46m funding has been allocated.</p>
<p>During the period 2002-2005, seek to enhance and develop further a positive working relationship with the ETI Committee and the Assembly.</p>	<p>Activity postponed due to suspension</p>	<p>Prior to suspension, regular contact and sharing of information resulted in a positive relationship with both the ETI Committee and the Assembly.</p>
<p>By 2005, working with OFMDFM and DFP implement the findings of a feasibility study into the proposal to aggregate demand for broadband services across the wider public service in Northern Ireland.</p>	<p>Action achieved</p>	<p>On 7 October 2003 Ian Pearson announced that implementation work on Public Sector Broadband Aggregation would go ahead.</p> <p>Implementation is being taken forward by DFP. DETI is represented by Telecoms Policy Unit on the Project Board to ensure potential economic benefits are realised.</p>
<p>By 2005, ensure that 100% of DETI's key services are available electronically in line with Government targets.</p>	<p>Action on track for achievement.</p>	<p>Work is proceeding on the Corporate Regulation, Insolvency, HSENI, Statistical Research, Web Presence and Consumer Affairs projects.</p>

**CORPORATE PLAN 2002-2005: PROGRESS AGAINST TARGETS**

TARGET	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>During the period 2002-2005, we will continue to enhance our corporate governance and risk management structures as we seek to achieve our strategic objectives. In each year's Annual Report we will publish a report on the operation of corporate governance and risk management arrangements, including any shortcomings identified and remedial actions taken.</p>	<p>Action substantially achieved.</p>	<p>A reconstituted Departmental Audit Committee (DAC) with non-executive representation was established in 2002-03. During 2003-04 the Committee invited representatives from NIAO to attend in line with HM Treasury best practice. DETI also established a Departmental Audit and Accountability Liaison Group (DAALG) in 2002-03 to consider corporate governance issues and the output from the risk management process. Both DAC and DAALG Committees have met regularly since their inception, with DAC reporting substantive corporate governance issues to the Departmental Board.</p> <p>In relation to risk management, Corporate and Divisional Risk Registers are in place. Formal quarterly risk reporting has been in place since quarter ended 31 December 2002. The output from the risk management process within the headquarter divisions of the Department, HSENI and GCCNI is considered by both the Senior Management Team and DAALG. The DAC, and the Departmental Board also consider these reports together with those from Invest NI and NITB.</p> <p>DETI is committed to continuing to enhance its corporate governance structures and is committed to the principle of non executive representation on its Departmental Management Board. It is likely that an appointment will be made during the next financial year.</p>
<p>By March 2003, put in place the capability to carry out EFQM Benchmarking Assessments across the Department.</p> <p>During the period 2002-2005, we will optimise the impact of the new round of EU Structural Funds on economic development in NI and will ensure the timely and effective implementation of relevant measures within the Building Sustainable Prosperity, Peace II and INTERREG III Programmes. Working directly, and through its agencies, DETI will seek to develop effective partnerships with the European Commission and other key European funding stakeholders including the Special EU Programmes Body and District Councils.</p>	<p>Action achieved</p> <p>Action substantially achieved.</p>	<p>The Business Improvement Team's trained assessors are currently carrying out EFQM Benchmarking exercises within the Department.</p> <p>Implementation of the three EU Programmes is progressing well. The N+2 targets for 2004 for the Building Sustainable Prosperity (BSP), Peace II and INTERREG IIIA Programmes have been met. To date 88% of BSP, 96% of Peace II and 98% of INTERREG IIIA allocations have been committed.</p> <p>Service Level Agreements with SEUPB on Peace II and INTERREG IIIA have been put in place. Memoranda of Understanding on management of EU funding have been signed by all implementing Bodies i.e. Invest NI, NITB, Telecomms Policy Unit, Minerals Branch and Energy Division. Effective partnerships with EU Commission well established through monitoring committees and other ad-hoc meetings.</p>

## ANNEX 4

<b>PUBLIC SERVICE AGREEMENT 2003-2006</b>		
<b>TARGET</b> (PfG ref)	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
Achieve export sales growth in NI manufacturing companies of 10% per year in real terms over the three-year period to 31 March 2005 (as compared with 11% growth per year in the period 1997-98 to 2000-01). (1.1)	Action unlikely to be achieved.	The figures comparing 2001-02 and 2003-04 showed a fall of 0.4%. Latest data compares the 2002-03 and 2003-04 financial years. This indicates that export growth in all NI manufacturing companies was up by 9.4% in 2003-04. Invest NI trade activities showing improved participation by companies. Figures to March 2005 not available at year-end.
Achieve net increase in employment in larger NI companies (50 + employees) by 0.5% over the three-year period to 31 March 2005 (maintaining the 0.5% growth rate achieved over the three-year period 1997-98 to 2000-01). (1.2)	Action unlikely to be achieved.	Latest data is for the 2002-03 period. Employment within Invest NI manufacturing companies decreased by 5.3% but increased in the service sector. Significant decreases in traditional sectors (e.g. clothing and textiles which declined by 11%) will make it difficult to achieve this target. Smaller clients increased employment by 6.4% while larger clients decreased by 6.4%. Externally-owned businesses had a decrease of 8% compared with an increase in employment by NI owned businesses of 1.8%.  Performance information to March 2005 not available at year-end.

<b>PUBLIC SERVICE AGREEMENT 2003-2006</b>		
<b>TARGET</b> (PfG ref)	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
Between 2003 and 2006 raise productivity in manufacturing companies towards the UK average. (1.3)	Action on track for achievement.	<p>Latest indications (Quarter 4 2004) show that NI's Index of Manufacturing Productivity rose by 4.7% on the previous year reaching approximately 85% of the UK average.</p> <p>The average sales per employee produced by Invest NI clients increased during 2002-03 over the previous year by 4%.</p>
Attract 75% of all first time inward investment projects to New Targeting Social Need (New TSN) areas (as compared to 70% in the three years ending March 2001). (1.4)	Action on track for achievement.	15 new projects in 2004-05 to date, the locations for which have yet to be determined. 11 projects in 2003-04, 82 % of which were in TSN areas.
Between 2003-2006 assist 60 new externally-owned knowledge-based investment projects.(1.5)	Action achieved.	66 projects secured over the period to date.
<p>For fast growing businesses, achieve, between 2003 and 2006:</p> <p>a) 25% real terms increase in external sales (8% per year), (as compared with 6% in 1999-00);</p> <p>b) 22% real terms increase in turnover (7% per year), (as compared with 5% in 1999-00); and</p> <p>c) 19% increase in employment (6% per year), maintenance of the 1999-00 rate of 6%. (1.6)</p>	Not yet known	<p>Performance details for 2003-04 not available at year end. Figures for the 2002-03 year show the top 25% (about 440 companies) of Invest NI clients (defined in terms of sales growth) performed as follows:</p> <p>a) 39% external sales growth (&amp; 33% export sales growth);</p> <p>b) 34% increase in turnover; and</p> <p>c) 7.2% employment growth</p> <p>These figures when set against the 1.3% increase in the value of exports by all Invest NI clients reflect the wide variation in performance by client companies.</p>
Support the start-up of 100 businesses per year with greater focus on growth potential. (1.7)	Action on track for achievement	During the 2 years ended March 2005, 229 growth starts were supported.

**PUBLIC SERVICE AGREEMENT 2003-2006**

TARGET (PfG ref)	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>Between April 2001 and March 2004, stimulate a 25% increase in private sector investment in Research and Development. (The baseline against which this target will be measured is £78 million (real terms, 1995 prices) taken from the survey of R&amp;D investment for the calendar year 1999). (1.8)</p>	<p>Not yet known.</p>	<p>Performance figures for the 2004 year were not available at the year end. The latest R&amp;D Survey compares spend in the calendar years 2002 and 2003. Between 2002 and 2003, there was a 25% decrease in private sector R&amp;D spend. More encouragingly, there is evidence that this spend is attributed to a wider range of companies.</p> <p>Investment by companies in R&amp;D is greatly dependent on prevailing economic conditions and the economic downturn in recent years has had a direct effect on companies' willingness to engage in the risks associated with R&amp;D.</p>
<p>Increase the amount of visitor spend by 9% per annum from a baseline of £282m in 2001 to £398m in 2005. (1.9)</p>	<p>Action unlikely to be achieved</p>	<p>Between 2002-2004 spend increased by 15% which equates to a 5% increase per year on average. A small proportion of this growth can be attributed to comparable changes made to the methodology of NITB and Failte Ireland surveys in 2003. 2004 figures show a 9% growth in spend. Visitor numbers have increased by 4%. Both visitor numbers and spend per trip have risen.</p>
<p>By March 2006, achieve a reduction in the incidences of workplace injuries and illnesses. (2.1)</p>	<p>Not yet known.</p>	<p>Figures for 2003-04 showed a reduction of 11.6% in the incidents of workplace injuries reported to HSENI. Performance information to March 2005 not available at year-end.</p> <p>Over the past year HSENI has continued to develop and deliver a range of initiatives aimed at accident reductions in the high-risk sectors of agriculture, quarries and construction. Initiatives such as the 'hard targets' programme with the Quarries Products Association for the quarrying sector have been recently launched. Other industry initiatives such as Buildsafe-NI for construction and 'Be-Aware Kids' campaign for agriculture continue to be delivered.</p>

<b>PUBLIC SERVICE AGREEMENT 2003-2006</b>		
<b>TARGET</b> (PfG ref)	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
By March 2004, develop and implement a new energy policy and legislative framework taking account of European deadlines for opening up the market to non-domestic consumers. (2.2)	Action substantially achieved.	<p>The 'Strategic Energy Framework for Northern Ireland' was published on 30 June 2004.</p> <p>The NI Renewables Obligation (NIRO) Order came into effect from 1 April 2005. The electricity market for all non-domestic consumers was opened in March 2005.</p>
By March 2006, secure significant improvement in local levels of consumer information, advice, education and empowerment; and consumer protection. (2.3)	Action achieved	<p>Consumerline commenced 3 November 2003.</p> <p>GCCNI delivered on its 3-year Consumers Skills for All programme.</p> <p>Current Consumer Strategy reviewed jointly by GCCNI/Consumer Affairs Branch. Actions to deliver strategy aims mainstreamed in respective Operating Plans for 2005-06.</p>

## ANNEX 5

PROGRAMME FOR GOVERNMENT 2003-2006		
TARGET (PfG ref)	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
<p>By December 2003, through the West Belfast Task Forces initiative, have produced and implemented a set of practical recommendations to target the particularly serious economic and social problems faced by the Greater Shankill and West Belfast areas. (2.7)</p>	<p>Action likely to be achieved but with some delay</p>	<p>A Joint Working Group (JWG,) comprising senior government representatives from the existing Inter-Departmental Working Group (IDG), the former Task Forces, (TFLG), Belfast and Lisburn City Councils and Local Strategy Partnerships, was formed in July 2003.</p> <p>JWG has reviewed the original Task Force recommendations, drawn up a Regeneration Strategy for the area and compiled an associated bid to the Integrated Development Fund for support towards the implementation of the Strategy. The Regeneration Strategy was submitted to OFMDFM for consideration in May 2004.</p> <p>On 2 September 2004 OFMDFM wrote to the co-chairmen of JWG confirming the Minister's agreement that all of the projects submitted, with a total IDF value of £21.7m, should proceed to Phase 2 of the assessment process (economic appraisal) or full implementation with the exception of the complex Education Initiative which has been referred back to JWG for further work. Two of the projects, Lanark Way Business Units and the enhanced role of the Employment Services Board, have subsequently completed the approvals process and will shortly draw down their IDF allocation. The remaining projects are at various stages of development, and the Education Initiative was revised and resubmitted to OFMDFM in March 2005 for Phase 1 approval.</p> <p>A stock-taking exercise which will, inter alia, establish the current status of any remaining recommendations from the original (WBGSTF) West Belfast Greater Shankill Task Force report (February 2002) is due to commence shortly (subject to OFMDFM approving IDF funding for the exercise).</p>



**PROGRAMME FOR GOVERNMENT 2003-2006**

TARGET (PfG ref)	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
		<p>Derry City Council (DCC) and University of Ulster (UU) was announced on 16 December 2003. The first phase of this project commenced in August 2004. The project can be split into three components; one covering the intelligent classroom concepts led by UU; one with DCC in the provision of broadband e-government services; and finally one covering the e-tourism aspects of the project.</p>
<p>Having established a Social Economy Forum by December 2002, by March 2004, develop and implement agreed priorities to maximise the contribution of the Social Economy. (5:3)</p>	<p>Action achieved.</p>	<p>Work on priorities agreed by the Forum on finance, business support and procurement being implemented by Joint Working Groups. First year of Action Plan 2004-2007 cross Departmental Strategy 'Developing a Successful Social Economy' has been completed.</p>
<p>In 2003-04, working with the new Tourism Strategy Forum, implement a new 3-year priority programme aimed at improving the competitiveness of the tourism industry. (5:4)</p>	<p>Action achieved</p>	<p>The Tourism Strategy Forum has been established and has endorsed strategic priorities identified in 'Tourism in Northern Ireland a Strategic Framework for Action 2004-2007'. Implementation of the priorities will enhance the competitiveness of the NI Tourism Strategy for Quality which has been agreed by public and private sectors.</p>
<p>By December 2004, through support for Tourism Ireland Ltd, secure growth in visitors to Northern Ireland of 3% above the growth in visitors to the Island of Ireland as a whole. (5.4)</p>	<p>Action achieved</p>	<p>There were 1.664 million overseas visitors (including GB) to NI in 2004 – a 3% increase over 2003.</p>
<p>By the end of 2005, have in place an enhanced regional consumer affairs structure and legislative framework which delivers a fairer deal for NI consumers. (5:5)</p>	<p>Action substantially achieved.</p>	<p>Consumer protection measures in the Enterprise Act 2002 came into UK wide effect on 20 June 2003.</p> <p>Consumer Helpline commenced 3 November 2003. Pilot money/ debt advice project in place.</p> <p>Six sets of Consumer Credit Regulations enacted.</p>
<p>By the end of 2005, have in place new legislation that encourages enterprise and responsible risk taking, enables the use of e-business, and promotes fairness and sustainability (5:5)</p>	<p>Action on track for achievement.</p>	<p>Draft Insolvency (NI) and Company Directors Disqualification Orders laid in January 2005 went through the House of Commons stage on 1 March 2005. To be reintroduced in new Parliament.</p>

## ANNEX 6

PROGRAMME FOR GOVERNMENT 2002-2005		
TARGET (PfG ref)	POSITION AT 31 MARCH 2005	COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS
During the period 2002-05, working with the private sector, continue to implement the telecommunications strategy that will ensure that all of Northern Ireland has a world class infrastructure in terms of broadband capacity, access and cost (5.3)	Action achieved.	<p>As a result of a tender to provide broadband services across NI a contract was awarded to BT on 29.3.04. By 31 March 2005 BT had enabled all of Northern Ireland's 191 exchanges (ADSL technology) reaching just over 98% of the population. The remaining homes and businesses will be given access to broadband through wireless technology by December 2005.</p> <p>Public Sector Broadband Aggregation - Ministerial approval has been given to put in place a Project Team within the Department of Finance and Personnel to commence aggregation and manage the establishment of a Northern Ireland Public Sector Aggregation Board.</p> <p>NI Broadband Flagship Project announced for Derry City Council and the University of Ulster. The 1st phase of the project began in August 2004. UK Broadband Fund: the third call closed on 31 March 2004. All the applications have been evaluated and cleared. In total 42 projects have been funded.</p> <p>Telecoms Policy Unit is supporting Invest NI on its demand stimulation activities, including the SME Programme. To date 2,617 businesses have applied for funding under the SME Programme.</p>
By August 2002, seek to secure Northern Ireland Electricity/ Electricity Supply Board agreement to implement the conclusions of a joint feasibility study into further interconnection between their networks. (5.4) PfG1(5.2.2)	Action achieved	On 22 November 2004 Ministers endorsed Regulatory Authorities joint plan to develop second electricity interconnector, in conjunction with Transmission Systems Operators (NIE-Systems Operator Northern Ireland) (Electricity Supply Board National Grid). Plans are proceeding in line with timescales agreed in All-island Energy Market Development Framework.
Through the Business Start Programme, achieve 6,000 new sustainable business starts over the period to March 2005.(5.6)	Action achieved	A total of 8,509 start-up businesses assisted through the programme.

<b>PROGRAMME FOR GOVERNMENT 2002-2005</b>		
<b>TARGET</b> (PfG ref)	<b>POSITION AT 31 MARCH 2005</b>	<b>COMMENTS/ EXPLANATIONS AND SUBSEQUENT PROGRESS</b>
During the period 2002-2005, fund 120 high technology/ value added spin-out and spin-in companies in research-linked incubation units. (5.6) PfG1(5.3.1)	Action not achieved.	Since April 2002, Invest NI has provided funding for 43 companies. Companies of this nature have tended to emerge mainly from the Information and Communication Technology (ICT) sector. The lower than anticipated figure is a reflection of the downturn within the global ICT industry.
By 31 December 2004, establish 20 new and enhanced Centres of Research Excellence (5.6)	Action substantially achieved.	18 Centres assisted by end of December 2004 and as at 31 March 2005 a further six proposals are being considered. These will be progressed during 2005-06.
Work with universities, further education colleges, local councils and the private sector to secure investments by 20 knowledge based businesses each year. (5.7)	Action achieved.	A total of 66 investments achieved.
During 2002-03, implement a tourism development strategy that will capitalise on our regional strengths in the natural and built environment, creativity and heritage and enable us to develop competitive advantage in the international market place. (5.8) PfG1(5.3.3)	Action achieved.	'Tourism in Northern Ireland a Strategic Framework for Action 2004-2007' now being implemented through ten Action Programmes overseen by five Implementation Groups.
During 2002-03, agree and implement a marketing strategy that ensures that the Northern Ireland tourism industry benefits fully from the activities of Tourism Ireland Limited (5.8) PfG1(5.3.3)	Action achieved.	'Tourism in Northern Ireland a Strategic Framework for Action 2004-2007' now being implemented through ten Action Programmes overseen by five Implementation Groups.
From 2002-03, take forward the implementation of the agreed Consumer Strategy. (5.9)	Action achieved.	Consumer Helpline pilot commenced 3 November 2003.  Pilot money advice initiative in place.  At 31 March 2005, GCCNI completed delivery of 'Consumer Skills for All' work programme.

Statement of Accounting Officer's  
Responsibilities for Year to  
31 March 2005

Statement on the System of Internal  
Control for Year to 31 March 2005

The Certificate and Report of the  
Comptroller and Auditor General to  
the House of Commons

# Statements and Certificates

## 2

### **STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES YEAR TO 31 MARCH 2005**

Under the Government Resources and Accounts Act (Northern Ireland) 2001 the Department is required to prepare resource accounts for each financial year, in conformity with a Department of Finance and Personnel direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department, the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

The Department of Finance and Personnel has appointed the Permanent Head of the Department as Accounting Officer of the Department with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts the Accounting Officer is required to comply with the Northern Ireland Resource Accounting Manual prepared by the

Department of Finance and Personnel, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Northern Ireland Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by Department of Finance and Personnel and published in Government Accounting Northern Ireland.

**Bruce Robinson**  
**Accounting Officer**  
26 October 2005

## **STATEMENT ON THE SYSTEM OF INTERNAL CONTROL - STATEMENT FOR YEAR TO 31 MARCH 2005**

### **1. Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department of Enterprise, Trade and Investment's policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

The Department sponsors four non departmental public bodies (NDPBs): Invest Northern Ireland; Northern Ireland Tourist Board; Health and Safety Executive for Northern Ireland and General Consumer Council for Northern Ireland. I have designated the Chief Executives of those NDPBs as Accounting Officers for their organisations. Their responsibilities are set out in the NDPB Accounting Officer Memorandum, which they receive when taking up appointment.

The Department and the Department of Enterprise, Trade and Employment in the Republic of Ireland jointly sponsor InterTradelreland and the Department jointly sponsors Tourism Ireland Limited alongside the Department of Arts, Sport and Tourism in the Republic of Ireland. I have designated the Chief Executives of InterTradelreland and Tourism Ireland Limited as the Accountable Persons for these organisations.

### **2. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than 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 Departmental 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 the Department for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

### **3. Capacity to Handle Risk**

We are carrying out appropriate procedures to ensure that we identify the Department's objectives and risks and devise a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Department has set out its attitude to risk in relation to the achievement of the Department's objectives. More specifically the Department has:

- developed a Risk Management policy document which was issued on 30 October 2002;

- delivered risk management training for relevant staff;
- produced risk registers at strategic (corporate) and operational (divisional) levels;
- maintained a system of quarterly risk reporting via stewardship statements by heads of division for the year ended 31 March 2005; and
- maintained a formal system of risk reporting to the Departmental Board, the Department's Senior Management Team, the Departmental Audit Committee and the Department's Audit and Accountability Liaison Group for the year ended 31 March 2005.

#### **4. The Risk and Control Framework**

The Departmental Board has ensured that procedures are in place for verifying that risk management and internal control are regularly reviewed and reported on. As well as regular reports to the Departmental Board, risk management and internal control are regularly reviewed by the Departmental Audit Committee and the Departmental Audit and Accountability Liaison Group. Risk management is continually being incorporated into the corporate planning and decision-making processes of the Department.

The Departmental Board, Departmental Audit Committee and Departmental Audit and Accountability Liaison Group receive periodic reports concerning internal control. The appropriate steps

are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

The Department's key objectives and risks are regularly assessed to ensure consistency of treatment.

The Department has an Internal Audit Service, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Department's system of internal control together with recommendations for improvement.

#### **5. Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letters and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Departmental Board, the Departmental Audit Committee and the Departmental Audit and Accountability Liaison Group and plans to address weaknesses and ensure continuous improvement of the system is in place.

## **6. Significant Internal Control Problems**

The 2003-04 Statement of Internal Control made reference to new guidance being introduced by Invest Northern Ireland to minimise certain control weaknesses in relation to Third Party Organisations (TPOs). During 2004-05 Invest NI issued revised procedures over new contracts and a specific Audit and Control function was set up to manage the budgets for TPOs. A structural inspection programme for TPOs is now in place. With these ongoing inspections and improved procedures, Invest NI is confident that the risk of future irregularity surrounding funds provided to TPOs is substantially reduced.

The Department's Internal Audit Service has identified a number of compliance issues in DETI, Invest NI and NITB associated with European funding. Remedial action is being taken in DETI, Invest NI and NITB to address the weaknesses that have been identified.

**Bruce Robinson**

**Accounting Officer**

26 October 2005

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS**

I certify that I have audited the financial statements on pages 76 to 124 under the Government Resources and Accounts Act (Northern Ireland) 2001. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 87 to 91.

### **RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND AUDITOR**

As described on page 69 the Accounting Officer is responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made

thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Annual Report is not consistent with the financial statements, if the Department has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 70, 71 and 72 reflects the Department's compliance with the Department of Finance and Personnel's guidance on the Statement of Internal Control. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

## **BASIS OF AUDIT OPINION**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Department in the preparation of the financial statements and of whether the accounting policies are appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **FUNDAMENTAL UNCERTAINTY**

In forming my opinion, I have considered the adequacy of the disclosures made in the financial statements concerning the fundamental uncertainty over the adequacy or excessiveness of the provisions at 31 March 2005 of £116.14 million of which £99.1 million is for anticipated asbestosis claims.

Details of the circumstances relating to the fundamental uncertainty over the accuracy of these provisions are described in note 18. My opinion is not qualified in this respect.

## **OPINION**

### **In my opinion:**

- the financial statements give a true and fair view of the state of affairs of the Department of Enterprise, Trade and Investment at 31 March 2005 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

**J M Dowdall CB**

**Comptroller and Auditor General**

31 October 2005

**Northern Ireland Audit Office**

106 University Street

Belfast BT7 1EU

*The maintenance and integrity of the Department of Enterprise, Trade and Investment's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*



The background is a solid blue color with several overlapping, semi-transparent, wavy patterns in a lighter shade of blue. These patterns create a sense of movement and depth, resembling stylized waves or abstract shapes. The text is centered in the upper half of the page.

# Accounting Schedules for the Financial Year to 31 March 2005

# Accounting Schedules

# 3

## SCHEDULE 1

SUMMARY OF RESOURCE OUTTURN 2004-05								
	2004-05							2003-04
	Estimate			Outturn			Net total out turn compared with Estimate saving/(excess)	Prior-year outturn
	Gross expenditure	Accruing Resources	NET TOTAL	Gross expenditure	Accruing Resources	NET TOTAL		
	1	2	3	4	5	6	7	8
£000	£000	£000	£000	£000	£000	£000	£000	
<b>Request for Resources A:</b> Developing and maintaining the equality, policy and regulatory environment necessary to achieve economic growth with equal opportunities for all. Notes 6 and 10	35,530	(2,645)	32,885	34,734	(2,548)	32,186	699	27,976
<b>Request for Resources B:</b> Encouraging growth of the economy by promoting knowledge-based business competitiveness and an enterprise culture in Northern Ireland. Notes 6 and 10	229,284	(3)	229,281	219,648	-	219,648	9,633	214,414
<b>Total resources</b>	<b>264,814</b>	<b>(2,648)</b>	<b>229,166</b>	<b>254,382</b>	<b>(2,548)</b>	<b>251,834</b>	<b>10,332</b>	<b>242,390</b>
Non-operating cost			-			-	-	-
Accruing Resources			-			-	-	-
<b>Net cash requirement</b>			<b>276,326</b>			<b>234,600</b>	<b>41,726</b>	<b>232,363</b>

In addition to appropriations in aid, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

<b>SUMMARY OF INCOME PAYABLE TO THE CONSOLIDATED FUND</b>					
<b>Forecast 2004-05</b>				<b>Outturn 2004-05</b>	
		<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total	5	42,874	42,800	55,441	7,885

**EXPLANATION OF THE VARIATION BETWEEN ESTIMATE AND OUTTURN (NET TOTAL RESOURCES):**

**In Request for Resources A**

- (i) The saving of £0.5m in respect of Business Regulatory Services results from the administration costs and bad debts being less than anticipated.
- (ii) The additional expenditure of £0.6m in Notional Charges is caused by accommodation costs exceeding those anticipated.

**In Request for Resources B**

- (iii) The saving of £0.9m in respect of Aircraft and Shipbuilding results from the actuarial revision of the provision for liabilities in respect of Harland & Wolff Plc.
- (iv) The saving of £3.7m in Economic Infrastructure/ Telecoms mainly results from programmes

continuing into 2005-06.

- (v) The saving of £0.8m in respect of InterTradeIreland results from slower than anticipated uptake of services and programmes offered.
- (vi) The saving of £1.5m in respect of the Northern Ireland Tourist Board results from rescheduling of two major programmes.

**Explanation of the variation between Estimate net cash requirement and outturn (net cash requirement):**

- (i) The variance of £20.7m in respect of changes in working capital other than cash relates to increases in creditors due within one year. The major items are in relation to European Programmes, £8m due to the change in the accounting treatment of grants

resulting in an increase in creditors and a reduction in provisions, Energy, £4m, and Telecommunications, £3m, both in relation to unpaid grant claims received late in the financial year.

(ii) The £10m variance in the use of provisions relates to the lower spend from the Harland & Wolff Plc and other provisions.

<b>RECONCILIATION OF RESOURCES TO CASH REQUIREMENTS</b>				
		<b>Estimate</b>	<b>Outturn</b>	<b>Net total out turn compared with Estimate saving/(excess)</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net total resources		262,166	251,834	10,332
<b>Capital:</b>				
Acquisition of fixed assets	11,12	841	450	
Investments	11,13	-	334	
		841	784	57
Non-operating Accruing Resources				
• Proceeds of fixed asset disposals		-	-	-
Accruals adjustments:				
• Non-cash items	4	(7,305)	(7,866)	561
• Changes in working capital other than cash	14	-	(20,684)	20,684
• Use of provision	18	20,624	10,458	10,166
Repayment of supply in respect of additional funding from the Reinvestment and Reform Initiative (see note below)	2	-	74	74
<b>Net cash requirement (Schedule 4)</b>		<b>276,326</b>	<b>234,600</b>	<b>41,726</b>

An amount of £74,323 was repaid to the NI Consolidated Fund in respect of additional funding which had been made available through the Reinvestment and Reform Initiative.

**The notes on pages 86-124 form part of these financial statements.**

## SCHEDULE 2

OPERATING COST STATEMENT for the year ended 31 March 2005					
	Note	2004-05		2003-04	
		£000	£000	£000	£000
<b>Administration costs:</b>					
Staff costs	2		18,629		17,328
Other administration costs	3		8,000		6,750
<b>Gross administration costs</b>			<b>26,629</b>		24,078
Operating income	6		(24)		(50)
<b>Net administration costs</b>			<b>26,605</b>		24,028
<b>Programme costs</b>					
<b>Request for resources A:</b>					
<b>Energy &amp; Regulatory Services</b>					
Staff costs	2	358		503	
Expenditure	4	8,537		7,292	
Less: income	6	(3,184)		(3,771)	
		<b>5,711</b>		<b>4,024</b>	
<b>Energy Trust Fund</b>	4,31	282		482	
<b>Request for resources B:</b>					
<b>Economic Support Measures</b>					
Staff costs	2	–		–	
Expenditure	4	218,858		232,011	
Less EU Negative PE	6	(49,649)		(58,804)	
Less: Other income	6	(5,132)		(25,375)	
		<b>164,077</b>		<b>147,832</b>	
<b>Net programme costs</b>		<b>170,070</b>			152,338
<b>Net operating cost</b>	8	<b>196,675</b>			176,366
<b>Net resource outturn</b>	8	<b>251,834</b>			240,064

All income and expenditure are derived from continuing operations.

STATEMENT OF RECOGNISED GAINS AND LOSSES for the year ended 31 March 2005		
	2004-05 £000	2003-04 £000
Net gain on revaluation of intangible fixed assets	43	448
Backlog Depreciation	(1)	(7)
<b>Total recognised gains and losses for the financial year</b>	<b>42</b>	441
Prior period adjustment	–	(2,326)
<b>Total gains and losses recognised since last Annual Report</b>	<b>42</b>	(1,885)

The notes on pages 86-124 form part of these financial statements.

## SCHEDULE 3

<b>BALANCE SHEET as at 31 March 2005</b>					
	Note	31 March 2005		31 March 2004	
		£000	£000	£000	£000
<b>Fixed assets:</b>					
Tangible assets	12	2,903		2,872	
Investments	13	2,642		4,598	
			<b>5,545</b>		7,470
<b>Debtors falling due after more than one year</b>					
<b>Current assets:</b>					
Debtors (less than 1 Year)	15	96,428		57,175	
Cash at bank and in hand	16	2,017		2,648	
			<b>98,445</b>		59,823
<b>Creditors (amounts falling due within one year)</b>	17		(122,795)		(63,087)
<b>Net current liabilities</b>			<b>(24,350)</b>		(3,264)
<b>Total assets less current liabilities</b>			<b>(18,805)</b>		4,206
<b>Creditors (amounts falling due after more than one year)</b>			–		–
<b>Provisions for liabilities and charges</b>	18		<b>(116,141)</b>		(123,214)
			<b>(134,946)</b>		(119,008)
<b>Taxpayers' equity:</b>					
General fund	19		(136,049)		(120,089)
Revaluation reserve	20		1,103		1,081
			<b>(134,946)</b>		(119,008)

**BRUCE ROBINSON**

**Accounting Officer**

**26 October 2005**

**The notes on pages 86-124 form part of these financial statements.**

## SCHEDULE 4

<b>CASH FLOW STATEMENT for year ended 31 March 2005</b>			
		<b>2004-05</b>	<b>2003-04</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Net cash outflow from operating activities</b>	a	(222,864)	(79,390)
<b>Capital expenditure and financial investment</b>	b	(649)	(745)
<b>Receipts due to the Consolidated Fund which are outside the scope of the Department's activities</b>		-	-
<b>Payments of amounts due to the Consolidated Fund</b>		(7,962)	(146,857)
<b>Financing</b>	c,	232,059	228,763
<b>Increase/(decrease in cash) in the period</b>		584	1,771

### Notes:

- a** See the table below giving a reconciliation of operating cost to operating cash flows.
- b** See the table below giving an analysis of capital expenditure and financial investment.
- c** See the table below giving an analysis of financing and a reconciliation to the net cash requirement.

<b>RECONCILIATION OF OPERATING COST TO OPERATING CASH FLOWS</b>		
	<b>2004-05</b>	<b>2003-04</b>
	<b>£000</b>	<b>£000</b>
<b>Net operating cost</b>	<b>196,675</b>	176,366
Adjustments for non-cash transactions (see Note 4)	(8,187)	(23,443)
Adjustments for movements in working capital other than cash (see Note 14)	(23,918)	87,893
Use of provisions (see Note 18)	10,458	14,360
<b>Net cash outflow from operating activities</b>	<b>222,864</b>	79,390

<b>ANALYSIS OF CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
	<b>2004-05</b>	<b>2003-04</b>
	<b>£000</b>	£000
Tangible fixed-asset additions	315	411
Proceeds of disposal of fixed assets	-	-
Loans to other bodies	334	334
<b>Net cash outflow from investing activities</b>	<b>649</b>	<b>745</b>

<b>ANALYSIS OF FINANCING AND RECONCILIATION TO THE NET CASH REQUIREMENT</b>			
		<b>2004-05</b>	<b>2003-04</b>
	<b>Note</b>	<b>£000</b>	£000
From the Consolidated Fund (Supply) – current year <sup>1</sup>	(+)	232,059	228,763
From the Consolidated Fund (Supply) – prior year	(+)	-	-
From the Consolidated Fund (non-Supply)	(+)	-	-
<b>Net financing</b>		<b>232,059</b>	<b>228,763</b>
<b>(Increase)/decrease in cash</b>		<b>(584)</b>	<b>(1,771)</b>
<b>Net cash flows other than financing</b>		<b>231,475</b>	<b>226,992</b>
<b>Adjustment for payments and receipts not related to Supply:</b>			
Amounts due to the Consolidated Fund – received in a prior year and paid over	(-)	(344)	(1,938)
Amounts due to the Consolidation Fund – received and not paid over	(+)	267	344
Interorganisational adjustment	(+/-)	2,807	6,965
Interest on RRI loans repaid by the Consolidated Fund on behalf of the department		321	-
*Repayment of supply in respect of additional funding from the Reinvestment and Reform Initiative (see note below)		74	-
<b>Net cash requirement (Schedule 1)</b>		<b>234,600</b>	<b>232,363</b>

\*An amount of £74,323 was repaid to the NI Consolidated Fund in respect of additional funding which had been made available through the Reinvestment and Reform Initiative.

\*\*Amount of grant actually issued to support the net cash requirement = £232,059,000. In addition, a further amount of £321,220.89 of grant due to the Department has not actually been issued to the Department. Instead this amount has been used by the NI Consolidated Fund to pay for interest on loans made under the Reinvestment and Reform Initiative. These loans were used to increase the supply monies available to the Department for investment in this year and prior years.

**The notes on pages 86-124 form part of these financial statements.**

## SCHEDULE 5

RESOURCES BY DEPARTMENTAL AIM AND OBJECTIVES for year ended 31 March 2005							
		2004-05			2003-04 Restated		
Aim:	Note	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
<b>Request for Resources A:</b> Developing & maintaining the equality, policy & regulatory environment necessary to achieve economic growth with equal opportunities for all.	6,10	34,734	(3,208)	31,526	31,114	(4,290)	26,824
<b>Energy Trust Fund</b>		282	-	282	482	-	482
<b>Request for Resources B:</b> Encouraging growth of the economy by promoting knowledge based business competitiveness and an enterprise culture in NI.	6,10	219,648	(54,781)	164,367	232,770	(83,710)	149,060
<b>Net Operating Cost</b>		<b>254,664</b>	<b>(57,989)</b>	<b>196,675</b>	264,366	(88,000)	176,366

The notes on pages 86-124 form part of these financial statements.



# Notes to the Resource Accounts



# Notes to the Resource Accounts

# 4

## **NOTES TO THE RESOURCE ACCOUNTS FOR THE YEAR TO 31 MARCH 2005**

### **1 STATEMENT OF ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Northern Ireland Resource Accounting Manual issued by the Department of Finance and Personnel. The particular accounting policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### **1.1 ACCOUNTING CONVENTIONS**

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost.

The accounts of the Department are prepared on a going concern basis. By the nature of Government Accounting departments are funded on an annual basis through funds voted by the Assembly/Parliament to meet the Net Cash Requirement.

In line with generally accepted accounting practice, liabilities and commitments are accounted for even where the liability or commitment will mature after the year which has been funded by the Assembly/Parliament.

#### **1.2 BASIS OF CONSOLIDATION**

These accounts comprise the activities of the core department.

The accounts of Harland and Wolff Plc, which is sponsored by the Department, are not included by way of consolidation as they are outside the departmental boundary. Harland and Wolff Plc is included in the consolidated resource accounts by way of accounting for funds paid and payable as grant.

Four Executive Non-Departmental Public Bodies, General Consumer Council for Northern Ireland, Health and Safety Executive for Northern Ireland, Invest Northern Ireland, Northern Ireland Tourist Board, and two Cross-Border Bodies – InterTradeIreland and Tourism Ireland Limited – are not included in the consolidated resource

accounts by way of consolidation, but are included by way of accounting for funds paid as grant or expenses.

The Energy Trust Fund (see Note 31) is also regarded as outside the departmental boundary.

The public sector bodies, which have not been consolidated in these accounts, publish their own annual reports and accounts, detailing their financial activity during the year.

### **1.3 TANGIBLE FIXED ASSETS**

Legal title to the land and buildings shown in the accounts is held as follows:

- i) land and buildings occupied by the Trading Standards Service – title vests in the Department of Enterprise, Trade and Investment;
- ii) land at Omagh occupied by the Ulster American Folk Park – title vests in the Department of Enterprise, Trade and Investment

Land (freehold, fee farm grant and long leasehold) and buildings owned by the Department are restated at current cost on the basis of a professional valuation at intervals no longer than five years.

Other non-property tangible assets are stated at current cost using appropriate indices to account for the effects of inflation.

The minimum level of capitalisation of a tangible fixed asset is £1,000.

### **1.4 DEPRECIATION**

Freehold land is not depreciated.

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible assets in equal instalments over their estimated useful lives. Average useful lives are normally in the following ranges:

Freehold buildings	50 years
Plant and Machinery	10 years
Fixtures and Fittings	10 years
Office Equipment	5 years
Computer equipment	4-7 years
Motor vehicles	4-10 years

### **1.5 INVESTMENTS**

The Department holds shares in two companies. These are listed in Note 29. Where market value cannot be readily ascertained the investments are shown at the lower of historical cost and net realisable value. Loans made are valued at net realisable value.

### **1.6 STRATEGIC INVESTMENT PROGRAMME**

During the year the Department benefited from additional supply monies of £11,098,000 which were made available through the Strategic Investment Programme (part of the Reinvestment and Reform Initiative). These monies were used to secure completion of the gas transmission pipeline from Carrickfergus to Londonderry and progress on the construction of the South-North gas pipeline.

### **1.7 OPERATING INCOME (INCLUDING INCOME RECEIVABLE FROM THE EUROPEAN UNION)**

Operating income is income, which relates directly to the operating activities of the Department. It comprises, principally, fees and charges for services provided, on a full cost basis, to external customers and public repayment work and other recoveries, which have been deemed to relate to administration expenditure. All other income is treated as programme. Income includes both that which is accruing resources and income collected by the Department on behalf of HM Treasury on an agency basis and payable to the Consolidated Fund. This income is known as Consolidated Fund Extra Receipts (CFERs).

The Department is required to identify those CFERs that are negative public expenditure (amounts used to reduce the amount of expenditure the Department would otherwise have to spend) and those revenue CFERs that relate to the recovery of costs recorded in the Operating Cost Statement, or to returns on investment. These types of CFERs are credited to the Operating Cost Statement as income to the Department.

The remaining CFERs are not included in the Department's Operating Cost Statement and are accounted for through the balance sheet.

EU income is received in arrears, expenditure having been initially funded by the Department, and on receipt this income is paid over to the Consolidated Fund as CFERs. The income is recognised when the appropriate expenditure has been claimed. The amount due to the Consolidated Fund is recognised

to match the anticipated income and it is also charged to the general fund. It is likely that there will be exchange differences arising over the period of time between claims being made and funds being received from Europe. This is not reflected in the accounts, as, where exchange difference arise, these will not be known until the relevant programme is closed, and all amounts are shown in pounds sterling.

### **1.8 ADMINISTRATION AND PROGRAMME EXPENDITURE AND INCOME**

The operating statement is analysed between administration and programme costs. Administration costs reflect the costs of running the Department, as defined under the administration cost control regime, together with the associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administrative costs, including payments of grants and other disbursements by the Department.

### **1.9 NOTIONAL CHARGES**

Some of the costs directly related to the running of the Department are borne by other Departments or organisations and are outside the Department's Vote. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

### **1.10 CAPITAL CHARGE**

A non-cash capital charge, reflecting the cost of capital utilised by the Department, is included in operating costs. The charge is calculated at the

Government's standard rate of 3.5% in real terms on assets less liabilities, except for liabilities for amounts to be surrendered to the Consolidated Fund, where the credit will be at a nil rate.

#### **1.11 TAXATION (INCLUDING VALUE ADDED TAX)**

The Department is exempt from income and corporation tax by way of its Crown exemption. Value Added Tax (VAT) is accounted for in accordance with Statement of Standard Accounting Practice 5 in that amounts are shown net of VAT except where irrecoverable VAT is charged to the Operating Cost Statement and included under the heading relevant to the type of expenditure. Input VAT exceeds output VAT and the recoveries are periodically made from Customs and Excise via the Department of Finance and Personnel on a cash basis in accordance with Government practice.

#### **1.12 FOREIGN EXCHANGE**

Revenue and expenditure incurred in foreign currencies are translated into sterling at the rate of exchange ruling on the date of each transaction. Balances held in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The Department does not have the authority to undertake exchange risk management (hedging) and as a consequence, all gains or losses on exchange differences are charged direct to the Operating Cost Statement in the period in which they occur.

#### **1.13 PENSIONS**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)), which is a defined benefit scheme and is unfunded and non contributory. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI).

From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account). Further details of these pension arrangements are given in note 2 to the accounts.

#### **1.14 EARLY DEPARTURE COSTS**

The Department is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The Department provides in full for this cost when the early retirement programme has been announced and is binding on the Department.

### **1.15 PROVISIONS**

The Department makes provisions for liabilities and charges where, at balance sheet date, a legal or constructive liability exists (i.e. a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made. Where the time value of money is material, the Department discounts the provision to its present value using a discount rate of 3.5%, the Government's standard rate. Each year the financing charges in the Operating Cost Statement include the adjustments to amortise one year's discount.

### **1.16 THIRD PARTY ASSETS**

The Department's Insolvency Account holds money received in respect of company liquidations, bankruptcies and estates of deceased insolvents, pending authorised appropriation. These are not Departmental assets and are not included in the accounts, since neither the Department nor Government more generally has a direct beneficial interest in them.

### **1.17 SUSPENSION OF THE NORTHERN IRELAND ASSEMBLY**

a. The Secretary of State for Northern Ireland signed an order on 14 October 2002 effectively suspending devolved government in Northern Ireland from midnight that night. Under suspension:

- the Assembly and its committees ceased to meet or conduct business;
- the First Minister, Deputy First Minister, Departmental Ministers, Junior Ministers, Chairmen and Deputy Chairmen of Statutory Committees all ceased to hold office;
- direct rule was reinstated; the Northern Ireland Departments discharged their functions subject to the direction and control of the Secretary of State; the functions of First Minister and Deputy First Minister were discharged by the Secretary of State;
- legislation on devolved matters were made by Order in Council at Westminster.

b. The provisions allowing members of the Executive Committee to participate in the North/ South Ministerial Council and the British Irish Council were also suspended.

c. The Secretary of State could at any time make an Order, subject to Parliamentary approval, to restore devolved government.

d. Following suspension the Department was subject to the control and direction of Mr Ian Pearson MP who is part of the Northern Ireland Office Ministerial team.

## 2 STAFF NUMBERS AND COSTS

2.1 STAFF COSTS			
	Total £000	2004-05 Officials £000	2003-04 Total £000
Staff costs consist of:			
Wages and salaries	21,303	21,303	22,340
Social security costs	1,562	1,562	1,653
Other pension costs	2,759	2,759	2,855
	25,624	25,624	26,848
Staff costs treated as programme expenditure	(358)	(358)	(503)
Staff seconded to Invest Northern Ireland	<b>25,266</b> (6,637)	<b>25,266</b> (6,637)	26,345 (9,017)
<b>Administration staff costs</b>	<b>18,629</b>	<b>18,629</b>	17,328

Staff costs treated as programme expenditure represent costs reimbursed by the International Fund for Ireland or by bodies where staff is seconded.

The Department is covered by the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge.

The PCSPS (NI) is an unfunded multi-employer defined benefit scheme, but DETI is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2004-05, employers' contributions of £2,759,000 (2003-04 £2,855,000) were payable to the PCSPS (NI) at one of the four rates in the range of 12 to 18.5 per cent (2003-04: 12 to 18.5 per cent) of pensionable pay, based on salary bands. From 1 April 2005 these rates have increased as a result of the latest actuarial valuation of between 16.5% and 23.5%. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership account, a stakeholder pension with an employer contribution. No employees exercised this option during 2004-05. Three persons (2003-04: 6 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £5,351.60 (2003-04: £6,355.23).

## 2.2 AVERAGE NUMBER OF PERSONS EMPLOYED

The average number of whole-time equivalent persons employed (including senior management, Ministers and special advisers, staff on secondment or loan into the Department and agency/ temporary staff, but excluding staff on secondment to other organisations) during the year was as follows:

THE AVERAGE NUMBER OF WHOLE-TIME EQUIVALENT PERSONS EMPLOYED				
	2004-05 Number			2003-04 Number
Objective	Total	Permanently Employed Staff	Others	
Developing and maintaining the equality, policy and regulatory environment necessary to achieve economic growth with equal opportunities for all	658	624	34	307
Encouraging growth of the economy by promoting knowledge-based business competitiveness and an enterprise culture in Northern Ireland	175	175	-	609
Less staff seconded to Invest Northern Ireland	(155)	(155)	-	(248)
<b>TOTAL</b>	<b>678</b>	<b>644</b>	<b>34</b>	<b>668</b>

Staff numbers are not directly comparable between 2004 and 2005 owing to Departmental restructuring during the 2004-05 financial year to reflect administration costs mainly against RfRA, which is more in line with the Departmental Operating Plan.

Since the incorporation of Invest NI in April 2002, civil servants have had the option to join Invest NI as employees or to go back to the NI Civil Service (NICS).

The time limit for exercising this option expired on 31 March 2005. A significant number of civil servants had already returned to NICS prior to that date, but approximately 100 staff have now opted to stay in Invest NI. At the end of March 2005, approximately 60 seconded civil servants are still working at Invest NI, having opted to return to NICS when places become available. This has all resulted in a reduction in the cost of seconded staff from 2003-04 to 2004-05.

## 2.3 SALARY AND PENSION ENTITLEMENTS

Information relating to Ministers is included in the NIO Resource Accounts for 2004-05.

The salary and pension entitlements of the most senior officials of the Department were as follows:

SALARY AND PENSION ENTITLEMENTS OF THE MINISTERS AND SENIOR MANAGERS						
Name and Title	Salary	Real increase in pension and related lump sum at Age 60	Total accrued pension at age 60 at 31/03/05 and related lump sum	CETV at 31/03/04 (nearest £k)	CETV at 31/03/05 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
Officials 2004-05	£000	£000	£000			
Bruce Robinson Permanent Secretary	115-120	0-2.5 plus 5-7.5 lump sum	45-50 plus 145-150 lump sum	763	841	42
Wilfie Hamilton Deputy Secretary	85-90	0-2.5 Plus	40-45 plus 5-7.5 lump sum lump sum	645 120-125	704	34
Noel Lavery Deputy Secretary	70-75	0-2.5 plus 2.5-5 lump sum	5-10 plus 20-25 lump sum	80	99	13
Officials 2003-04						
Bruce Robinson Permanent Secretary	110-115	0-2.5 plus 5-7.5 lump sum	40-45 plus 130-135 lump sum	693	763	46
Wilfie Hamilton Deputy Secretary	Consent for disclosure withheld					
Noel Lavery Deputy Secretary	70-75	0-2.5 plus 2.5-5 lump sum	5-10 plus 15-20 lump sum	48	80	29
Jim Wolstencroft * Deputy Secretary	Consent for disclosure withheld					

\* part year

The Permanent Secretary's pay is determined in consultation with the NI Permanent Secretaries Remuneration Committee, taking account of the recommendations of the Senior Salaries Review Body.

The other Departmental Board members, Alan Clarke (*Northern Ireland Tourist Board*) and Leslie Morrison (*Invest Northern Ireland*), did not receive remuneration from within the departmental boundary.

None of the above received benefits in kind.

### **Salary**

“Salary” includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to United Kingdom taxation. It does not include the estimated monetary value of benefits in kind.

### **Benefits in kind**

The estimated monetary value of benefits in kind covers any benefits provided and treated by the Inland Revenue as a taxable emolument.

### **Civil Service Pensions**

Officials’ pension benefits are provided through the Principal Civil Service pension scheme. From 1 October 2002, civil servants may be in one of three statutory based “final salary” defined benefit schemes (*classic, premium and classic plus*). New entrants after 1 October 2002 may choose between membership of *premium* or joining a good quality “money purchase” stakeholder based arrangement with a significant employer contribution (*partnership pension account*).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits

in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash Equivalent Transfer Values**

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 figure 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, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. 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. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

#### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme of arrangement ) and uses common market valuation factors for the start and end of the period.

### 3 NON STAFF ADMINISTRATION COSTS

NON STAFF ADMINISTRATION COSTS				
	2004-05		2003-04	
	£000	£000	£000	£000
General administration expenditure		4,546		4,152
Non cash items as per Schedule 4:				
Notional audit fees	52		52	
Notional accommodation costs	2,673		1,855	
Notional valuation fees	-		71	
Other notional costs	729		620	
<b>Total non-cash costs</b>		3,454		2,598
		<b>8,000</b>		<b>6,750</b>

The notional audit fees represent the auditors' remuneration in respect of audit services to the entities within the departmental boundary.

### 4 NET PROGRAMME COSTS

NET PROGRAMME COSTS				
	2004-05		2003-04	
	£000	£000	£000	£000
Current grants and other current expenditure		222,654		218,395
Programme other admin costs		366		566
Non cash items as per Schedule 4				
Depreciation	365		323	
Loss/(Gain) on disposal	-		3	
Fixed assets written down	96		35	
Notional: Cost of capital charge	(1,448)		(900)	
Additions to provisions	3,386		19,716	
Investment write off provision	2,290		1,566	
Bad debts – programme	44		99	
CFER income written off	-	4,733	(3)	20,845
Non supply expenditure, Energy Trust Fund		282		482
		<b>228,035</b>		240,288
Less: Programme Income (Note 6)		(57,965)		(87,950)
<b>Net Programme Costs</b>		<b>170,070</b>		152,338

<b>NET PROGRAMME COSTS - SUMMARY</b>				
Summary	<b>2004-05</b>		<b>2003-04</b>	
	<b>£000</b>	<b>£000</b>	£000	£000
<i>Energy and Regulatory Services</i>				
Other current	4,465		3,433	
Grants	4,430	8,895	4,362	7,795
Energy Trust Fund, non supply expenditure		282		482
<i>Economic Support Measures</i>				
Other current	4,291		1,993	
Grants	214,567		230,015	
Non supply expenditure	-	218,858	3	232,011
		<b>228,035</b>		240,288

Additions to provisions are shown gross in the above Note. An amount of £10,458,000.00 was utilised in year. See Note 18 for further details.

<b>NOTE a</b>	
Note a – the total of non-cash transactions included in the Reconciliation of Resources to Net Cash Requirement in Schedule 1 comprises:	<b>2004-05 £000</b>
Other administration costs - non-cash items (Note 3 above)	3,454
Programme costs - non cash items (as above)	4,733
Less interest paid to the NI Consolidated Fund for RRI loan	(321)
<b>Total non cash transactions</b>	<b>7,866</b>

<b>NOTE b</b>	
Note b – the total of non cash transactions included in the Reconciliation of Operating Costs to Operating Cashflows in Schedule 4 comprises:	<b>2004-05 £000</b>
Other administration costs – non cash items (Note 3 above)	3,454
Programme non cash costs (as above)	4,733
<b>Total non cash transactions</b>	<b>8,187</b>

## 5 ANALYSIS OF INCOME PAYABLE TO THE CONSOLIDATED FUND

In addition to accruing resources, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

ANALYSIS OF INCOME PAYABLE TO THE CONSOLIDATED FUND					
	Note	Forecast 2004-05		Outturn 2004-05	
		Income	Receipts	Income	Receipts
		£000	£000	£000	£000
Operating income and receipts – excess A in A	6	-	-	347	71
Non-operating income and receipts – excess A in A		-	-	-	-
Subtotal		-	-	347	71
Other operating income and receipts not classified as A in A	6	42,874	42,800	55,094	7,814
Other non-operating income and receipts not classified as A in A		-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
<b>Total</b>		<b>42,874</b>	<b>42,800</b>	55,441	7,885

## 6 INCOME AND ACCRUING RESOURCES OPERATING INCOME

Operating income which is not accruing resources (i.e. transferred to the Consolidated Fund) is analysed for resource budget purposes between

that which is included in public expenditure and that which is not (see Note 8). In 2004-05, all operating income not classified as accruing resources was within public expenditure.

ANALYSIS OF INCOME PAYABLE TO THE CONSOLIDATED FUND					
	2004-05				2003-04
	RESOURCE OUTTURN	RECONCILIATION TO	OPERATING COST STATEMENT		
Operating income analysed by classification and activity, is as follows:	Accruing Resources £000	Payable to Consolidated Fund £000	Netted off Gross Expenditure In-sub-head £000	Income included in operating cost statement £000	Total £000
<b>Administration income:</b> allowable within the administration cost limit	-	-	-	-	-
Other	-	24	-	24	50
<b>Total administration income</b>	-	<b>24</b>	-	<b>24</b>	<b>50</b>
<b>Programme income:</b> <i>Energy &amp; Regulatory Services</i>					
Fees and charges to external bodies	1,990	347	-	2,337	2,770
Rents	-	1	-	1	1
Energy Trust Fund interest receivable	-	19	-	19	27
Other income	558	269	-	827	973
<b>TOTAL</b>	<b>2,548</b>	<b>636</b>	-	<b>3,184</b>	<b>3,771</b>
<i>Economic Support Measures</i> <b>EU income – negative public expenditure</b>	-	<b>49,649</b>	-	<b>49,649</b>	<b>58,804</b>
Invest NI income	-	5,132	-	5,132	25,320
Profit on Sale of fixed assets	-	-	-	-	-
Other income	-	-	-	-	55
<b>TOTAL</b>	-	<b>5,132</b>	-	<b>5,132</b>	<b>25,375</b>
<b>Total Programme income</b>	<b>2,548</b>	<b>55,417</b>	-	<b>57,965</b>	<b>87,950</b>
<b>Total Income (excluding EU Income)</b>	<b>2,548</b>	<b>5,768</b>	-	<b>8,316</b>	<b>29,146</b>
<b>Total Income</b>	<b>2,548</b>	<b>55,441</b>	-	<b>57,989</b>	<b>88,000</b>

Of the total programme income of £57.97m:

- £3.18m relates to Energy and Regulatory (Request for Resources A)
- £54.79m relates to Economic Support Measures (Request for Resources B)

The figure for Invest NI income differs to the figure in the Invest NI accounts. This is primarily due to adjustments in relation to items contained in the balance brought forward.

An analysis of income from services, costing over £100,000, provided to external and public sector customers is as follows:

<b>AIMS/OBJECTIVES</b>						
	<b>2004-05</b>			2003-04		
	<b>Income</b>	<b>Full cost</b>	<b>Surplus/ (Deficit)</b>	Income	Full cost	Surplus/ (Deficit)
	<b>£000</b>	<b>£000</b>	<b>£000</b>	£000	£000	£000
Insolvency Service	661	1,726	(1,065)	796	1,614	(818)
Registration of Companies, Credit Unions and Industrial and Provident Societies	863	807	56	842	780	62
Delivery of International Fund for Ireland programmes (Business Enterprise and Technology and Tourism)	469	469	-	499	499	-
<b>Total</b>	<b>1,993</b>	<b>3,002</b>	<b>(1,009)</b>	<b>2,137</b>	<b>2,893</b>	<b>(756)</b>

## 7 ADMINISTRATION COST LIMITS

<b>ADMINISTRATION COST LIMITS</b>				
	<b>2004-05</b>		2003-04	
	<b>Outturn £000</b>	<b>Limits £000</b>	Outturn £000	Limits £000
Request for Resources A: Developing and maintaining the equality, policy and regulatory environment necessary to achieve economic growth with equal opportunities for all. (Gross Limit)	22,510	26,313	20,815	24,409
Request for Resources B: Encouraging growth of the economy by promoting knowledge-based business competitiveness and an enterprise culture in Northern Ireland (Gross Limit)	665	895	665	845
<b>Total within administration cost control</b>	<b>23,175</b>	<b>27,208</b>	<b>21,480</b>	<b>25,254</b>
Administration expenditure excluded from administration cost limit	3,454	-	2,598	-
<b>Total administration outturn</b>	<b>26,629</b>	<b>27,208</b>	<b>24,078</b>	<b>25,254</b>

## 8 RECONCILIATION OF NET OPERATING COST AND NET RESOURCE OUTTURN

RECONCILIATION OF NET OPERATING COST AND NET RESOURCE OUTTURN		
	2004-05 £000	2003-04 Restated £000
<b>Net Operating Cost (Note a)</b>	<b>196,675</b>	<b>176,366</b>
<i>Remove non supply expenditure (-) and income (+) scored as Consolidated Fund Extra Receipts (CFER's):</i>		
Operating income not classified as accruing resources	55,441	64,183
CFER movement in bad debt provision	-	(3)
Energy Trust Fund expenditure (Note 31)	(282)	(482)
<b>Net Resource Outturn as Schedule 2</b>	<b>251,834</b>	<b>240,064</b>
<i>Adjust for effects of prior period adjustments in the current and prior years</i>	-	2,326
<b>Net Resource Outturn</b>	<b>251,834</b>	<b>242,390</b>

### Note a

Net Operating Cost is the total of expenditure and income appearing in the Operating Cost Statement (Schedule 2). Net Resource Outturn is the total of those elements of expenditure and income that

are subject to Parliamentary approval and included in the Department's Supply Estimate. The outturn against the Estimate is shown in the Summary of Resource Outturn (Schedule 1).

## 9 ANALYSIS OF NET RESOURCE OUTTURN BY SPENDING BODY

This analyses funding by the Department to the relevant spending body

ANALYSIS OF NET RESOURCE OUTTURN BY SPENDING BODY			
	2004-05		2003-04
	Budget £000	Outturn £000	Outturn £000
Core department	95,061	88,451	81,187
Intertradelreland	3,449	2,621	2,183
Tourism Ireland Ltd	10,761	11,169	10,036
General Consumer Council for NI	1,400	1,385	1,600
Health and Safety Executive NI	517	517	407
Invest NI	138,989	137,162	135,108
NI Tourist Board	11,989	10,529	9,543
<b>TOTAL</b>	<b>262,166</b>	<b>251,834</b>	<b>240,064</b>
Prior period adjustment	-	-	2,326
<b>TOTAL</b>	<b>262,166</b>	<b>251,834</b>	<b>242,390</b>

## 10 ANALYSIS OF NET RESOURCE OUTFLOW BY ESTIMATE SUBHEAD AND RECONCILIATION TO OPERATING COST STATEMENT

ANALYSIS OF NET RESOURCE OUTFLOW BY ESTIMATE SUBHEAD AND RECONCILIATION TO OPERATING COST STATEMENT								
	Admin	Other Current	Grants	Gross Resource Exp	Accruing Resources	Net Total	Estimate	2004-05 Net Total Outturn Compared with Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Request for Resources A Departmental expenditure in DEL:</b>								
1. Economic Development, Policy and Research	13,054	2,865	-	15,919	(556)	15,363	15,908	(545)
2. Health and Safety	3,101	-	-	3,101	-	3,101	3,238	(137)
3. Energy and Minerals	925	862	2,528	4,315	(2)	4,313	4,409	(96)
4. Business Regulatory Services	5,430	585	-	6,015	(1,990)	4,025	4,550	(525)
5. Executive Programme Funds	-	153	-	153	-	153	167	(14)
<b>Non-Budget:</b>								
6. Health and Safety	-	-	517	517	-	517	517	-
7. General Consumer Council for NI - grant	-	-	1,385	1,385	-	1,385	1,400	(15)
8. General Consumer Council for NI - EPF	-	-	-	-	-	-	-	-
9. Notional charges	3,329	-	-	3,329	-	3,329	2,696	633
<b>Total RfR A (Resource Outturn)</b>	<b>25,839</b>	<b>4,465</b>	<b>4,430</b>	<b>34,734</b>	<b>(2,548)</b>	<b>32,186</b>	<b>32,885</b>	<b>(699)</b>

Functions represent the disaggregation of Requests for Resources for control purposes and Assembly approval. They may not correspond to Departmental objectives, which in turn reflect a disaggregation of Departmental aims for management of activities.

The structure of the Departmental estimates has changed significantly since 2003-04. The comparative figures for 2003-04, which follow, have been adjusted to reflect the 2004-05 estimates structure.

ANALYSIS OF NET RESOURCE OUTTURN BY ESTIMATE SUBHEAD AND RECONCILIATION TO OPERATING COST STATEMENT								
	Admin	Other Current	Grants	Gross Resource Exp	Accruing Resources	Net Total	Estimate	Net Total Outturn Compared with Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Request for Resources B</b>								
<b>Departmental expenditure in DEL:</b>								
1. Invest Northern Ireland	73	-	-	73	-	73	79	(6)
2. Aircraft and Shipbuilding	-	2,515	-	2,515	-	2,515	3,370	(855)
3. Economic Infrastructure/Telecoms	201	974	26,106	27,281	-	27,281	31,013	(3,732)
4. Development of Tourism	213	225	-	438	-	438	528	(90)
5. ERDF - support for Economic Development	-	94	5,073	5,167	-	5,167	5,463	(296)
6. EU Community Initiatives	-	-	2,525	2,525	-	2,525	2,614	(89)
7. EU Programme for Peace and Reconciliation	-	-	19,560	19,560	-	19,560	20,485	(925)
8. InterTradeIreland	73	-	2,548	2,621	-	2,621	3,449	(828)
9. Tourism Ireland Ltd.	105	-	11,064	11,169	-	11,169	10,761	408
10. Repayment of loan interest	-	483	-	483	-	483	427	56
<b>Non-Budget:</b>								
11. Residual expenses of Electricity Privatisation	-	-	-	-	-	-	13	(13)
12. Invest Northern Ireland – grant	-	-	137,009	137,009	-	137,009	138,836	(1,827)
13. Invest Northern Ireland -EPF	-	-	153	153	-	153	153	-
14. Northern Ireland Tourist Board - Grant	-	-	9,029	9,029	-	9,029	10,050	(1,021)
15. Northern Ireland Tourist Board - ERDF	-	-	1,500	1,500	-	1,500	1,939	(439)
16. Notional charges	125	-	-	125	-	125	101	24
<b>Total RfR b (Resource Outturn)</b>	<b>790</b>	<b>4,291</b>	<b>214,567</b>	<b>219,648</b>	<b>-</b>	<b>219,648</b>	<b>229,281</b>	<b>(9,633)</b>
<b>Total Resource Outturn</b>	<b>26,629</b>	<b>8,756</b>	<b>218,997</b>	<b>254,382</b>	<b>(2,548)</b>	<b>251,834</b>	<b>262,166</b>	<b>(10,332)</b>
<b>Reconciliation to Operating Cost Statement</b>								
Non supply expenditure	-	282	-	282	-	282		
Income payable to the Consolidated Fund	-	-	-	-	(54,441)	(55,441)		
<b>Gross Operating Expenditure</b>				<b>254,664</b>				
<b>Operating Income</b>					<b>(57,989)</b>			
<b>Net Operating Cost</b>						<b>196,675</b>		

2003-04 COMPARATIVES								
	Admin	Other Current	Grants	Gross Resource Exp	Accruing Resources	Net Total	Estimate	2003-04 Net Total Outturn Compared with Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Request for Resources A</b>								
<b>Departmental expenditure in DEL:</b>								
1. Economic Development, Policy and Research	12,015	1,978	-	13,993	(828)	13,165	13,165	-
2. Health and Safety	2,902	11	-	2,913	-	2,913	2,969	(56)
3. Energy and Minerals	889	235	1,946	3,070	(54)	3,016	3,030	(14)
4. Business Regulatory Services	5,009	1,038	-	6,047	(2,256)	3,791	4,143	(352)
5. Executive Programme Funds	-	171	-	171	-	171	526	(355)
<b>Non-Budget:</b>								
6. Health and Safety	-	-	407	407	-	407	507	(100)
7. General Consumer Council for NI - grant	-	-	1,063	1,063	-	1,063	1,076	(13)
8. General Consumer Council for NI - EPF	-	-	537	537	-	537	531	6
9. Notional charges	2,504	-	-	2,504	-	2,504	2,478	26
Change in the discount rate	-	-	409	409	-	409	650	(241)
<b>Total RfR A (Resource Outturn)</b>	<b>23,319</b>	<b>3,433</b>	<b>4,362</b>	<b>31,114</b>	<b>(3,138)</b>	<b>27,976</b>	<b>29,075</b>	<b>(1,099)</b>

2003-04 COMPARATIVES								
	Admin	Other Current	Grants	Gross Resource Exp	Accruing Resources	Net Total	Estimate	Net Total Outturn Compared with Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Request for Resources B</b>								
<b>Departmental expenditure in DEL:</b>								
1. Invest Northern Ireland	79	-	-	79	-	79	673	(594)
2. Aircraft and Shipbuilding	-	30	9,337	9,367	-	9,367	13,546	(4,179)
3. Economic Infrastructure/ Telecoms	228	1,532	11,050	12,810	-	12,810	12,757	53
4. Development of Tourism	185	166	-	351	-	351	368	(17)
5. ERDF - support for Economic Development	-	145	4,959	5,104	-	5,104	5,823	(719)
6. EU Community Initiatives	-	-	-	-	-	-	100	(100)
7. EU Programme for Peace and Reconciliation	-	-	21,594	21,594	-	21,594	20,240	(1,354)
8. InterTradeIreland	80	-	2,103	2,183	-	2,183	2,251	(68)
9. Tourism Ireland Ltd.	93	-	9,943	10,036	-	10,036	10,036	-
10. Repayment of loan interest	-	-	-	-	-	-	108	(108)
<b>Non-Budget:</b>								
11. Residential Expenses of electricity Privatisation	-	-	235	235	(234)	1	13	(12)
12. Invest Northern Ireland-grant	-	-	155,433	155,433	(20,445)	134,988	135,051	(63)
13. Invest Northern Ireland – EPF	-	120	-	120	-	120	120	-
14. Northern Ireland Tourist Board – grant	-	-	8,043	8,043	-	8,043	8,268	(225)
15. Northern Ireland Tourist Board - ERDF	-	-	1,500	1,500	-	1,500	1,500	-
16. Notional charges	94	-	-	94	-	94	93	1
Change in the rate of discount	-	-	5,818	5,818	-	5,818	5,845	(27)
<b>Total RfR b (Resource Outturn)</b>	<b>759</b>	<b>1,993</b>	<b>230,015</b>	<b>232,767</b>	<b>(20,679)</b>	<b>212,088</b>	<b>216,792</b>	<b>(4,704)</b>
<b>Total Resource Outturn</b>	<b>24,078</b>	<b>5,426</b>	<b>234,377</b>	<b>263,881</b>	<b>(23,817)</b>	<b>240,064</b>	<b>245,867</b>	<b>(5,803)</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>2,326</b>	<b>2,326</b>	<b>-</b>	<b>2,326</b>	<b>-</b>	<b>2,326</b>
<b>Restated Net operating cost</b>	<b>24,078</b>	<b>5,426</b>	<b>236,703</b>	<b>266,207</b>	<b>(23,817)</b>	<b>242,390</b>	<b>245,867</b>	<b>(3,477)</b>
<b>Reconciliation to Operating Cost Statement</b>								
Non Supply expenditure	-	485	-	485	-	485		
Income payable to the Consolidated Fund	-	-	-	-	(64,183)	(64,183)		
Prior year adjustment			(2,236)	(2,236)		(2,236)		
<b>Gross Operating Expenditure</b>				<b>264,366</b>				
<b>Operating Income</b>					<b>(88,000)</b>			
<b>Net Operating Cost</b>						<b>176,366</b>		

**11 ANALYSIS OF CAPITAL EXPENDITURE, FINANCIAL INVESTMENT AND ASSOCIATED ACCRUING RESOURCES**

<b>ANALYSIS OF CAPITAL EXPENDITURE, FINANCIAL INVESTMENT AND ASSOCIATED ACCRUING RESOURCES</b>					
	<b>2004-05</b>				<b>2003-04</b>
	<b>Capital expenditure £000</b>	<b>Investment £000</b>	<b>Accruing Resources £000</b>	<b>Net Total £000</b>	Net Total £000
<b>See Schedule 4</b>					
Request for Resources A	450	-	-	450	512
Request for Resources B	-	334	-	334	334
<b>TOTAL</b>	<b>450</b>	<b>334</b>	<b>-</b>	<b>784</b>	<b>846</b>

## 12 TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS							
	2004-05						2003-04
	Administrative Property	Motor Vehicles	Information Technology Storage & NBV	Plant & Machinery	Furniture & Fitting & Office Equipment	Total	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
At 1 April 2004	1,889	198	1,833	195	107	4,222	3,416
Additions	-	-	348	102	-	450	512
Disposals	-	-	(180)	-	(10)	(190)	(100)
Revaluations	41	3	-	-	(1)	43	448
Diminution to OCS	-	-	(142)	-	-	(142)	(54)
<b>At 31 March 2005</b>	<b>1,930</b>	<b>201</b>	<b>1,859</b>	<b>297</b>	<b>96</b>	<b>4,383</b>	<b>4,222</b>
<b>Depreciation</b>							
At 1 April 2004	149	85	937	102	77	1,350	1,135
Charged in year	30	30	282	13	10	365	323
Disposals	-	-	(180)	-	(10)	(190)	(97)
Revaluations	-	1	-	-	-	1	7
Diminutions to OCS	-	-	(46)	-	-	(46)	(18)
<b>At 31 March 2005</b>	<b>179</b>	<b>116</b>	<b>993</b>	<b>115</b>	<b>77</b>	<b>1,480</b>	<b>1,350</b>
<b>Net book value at 31 March 2005</b>	<b>1,751</b>	<b>85</b>	<b>866</b>	<b>182</b>	<b>19</b>	<b>2,903</b>	<b>2,872</b>
<b>Net book value at 1 April 2004</b>	<b>1,740</b>	<b>113</b>	<b>896</b>	<b>93</b>	<b>30</b>	<b>2,872</b>	

### Notes:

	<b>Note 12</b>	<b>Schedule 4</b>
	<b>£000</b>	<b>£000</b>
<b>Tangible fixed asset additions</b>	450	315

The difference relates to opening and closing accruals (£117,514.11 at 1 April 2004 and £253,437.95 at 31 March 2005). The figure in Schedule 4 is the cash additions figure.

Included in the above are fully depreciated assets with an original cost of £70,682 'which are still in use.' In addition, there are fully depreciated assets with an original cost of £15,773 which are permanently out of use and pending disposal, demolition or reapplication elsewhere in the Department.

Land and Buildings have been professionally revalued by the Valuation and Lands Agency, on the basis of existing use on the following dates:

Trading Standards Service	31 March 2004
Ulster American Folk Park	31 March 2005

Other tangible assets were revalued at 1 April 2004 using the latest available indices published in "Price Index Numbers for Current Cost Accounting" prepared by the Office for National Statistics.

## 13 INVESTMENTS

INVESTMENTS				
	2004-05			2003-04
	Share Capital £000	Loans £000	Total £000	Net Total £000
<b>Balance at 1 April 2004</b>	<b>4,601</b>	<b>8,085</b>	<b>12,686</b>	<b>12,352</b>
Additions	-	334	334	334
Disposals	-	-	-	-
Write offs	-	-	-	-
<b>Balance at 31 March 2005 (gross)</b>	<b>4,601</b>	<b>8,419</b>	<b>13,020</b>	<b>12,686</b>
Opening provision at 1 April 2004	4,600	3,488	8,088	6,522
Movement in provision	-	2,290	2,290	1,566
<b>Closing provision at 31 March 2005</b>	<b>4,600</b>	<b>5,778</b>	<b>10,378</b>	<b>8,088</b>
<b>Net Balance at 31 March 2005</b>	<b>1</b>	<b>2,641</b>	<b>2,642</b>	<b>4,598</b>
Net Balance at 31 March 2004	1	4,597	4,598	

## 14 MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH

MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH		
	2004-05	2003-04
<b>The movements in working capital used in the Reconciliation of resources to cash requirement comprise:</b>	<b>£000</b>	<b>£000</b>
Increase/ (decrease) in debtors (Increase)/ decrease in creditors	39,253 (60,923)	(86,513) 84,693
Adjustment for non cash bad debt provisions	(21,670) 44	(1,820) 102
Adjustment: Movement of working capital not related to net operating costs	(21,626)	(1,718)
Amounts due to Consolidated Fund	45,334	(86,276)
Amounts receivable due to Consolidated Fund when received	(47,555)	81,080
Non Supply expenditure movement	282	482
Adjustment relating to CFER write off	-	(3)
Interdepartmental funding balance	2,807	6,965
RRI loan Interest (paid in cash 2004-05)	74	-
<b>Net increase/(decrease) in working capital other than cash (Schedule 1)</b>	<b>20,684</b>	<b>530</b>
<b>The movements in working capital other than cash used in the Cash Flow Statement comprise:</b>		
Increase/(decrease) in debtors (Increase)/decrease in creditors	39,253 (60,923)	(86,513) 84,693
Adjustment for non cash bad debts provision	(21,670) 44	(1,820) 102
Adjustment: Movement in working capital not related to voted resource consumption:	(21,626)	(1,718)
Amounts due to the Consolidated Fund	45,334	(86,276)
Movement in working capital relating to acquisition of tangible fixed assets	136	101
RRI Loan interest (paid in cash 2004-05)	74	-
<b>Net increase/(decrease) in working capital other than cash (Schedule 4)</b>	<b>23,918</b>	<b>(87,893)</b>

## 15 DEBTORS

DEBTORS		
	2004-05 £000	2003-04 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	277	261
Deposits and advances	3	10
Other debtors	472	399
Amount due from DEL	-	2,807
Amount due from Invest NI	-	3,862
Prepayments and accrued income	351	1,718
Energy Trust Fund prepayment	387	669
	<b>1,490</b>	<b>9,726</b>
CFER EU Accrued Income	90,505	43,470
CFER Other Accrued Income	4,433	3,979
	94,938	47,449
<b>TOTAL DEBTORS</b>	<b>96,428</b>	<b>57,175</b>

Included within trade debtors is £252,430 (2003/04, £186,579) that will be due to the Consolidated Fund once the debts are collected.

## 16 CASH AT BANK AND IN HAND

CASH AT BANK AND IN HAND				
	2004-05 £000	£000	2003-04 £000	£000
Cash and Bank Balances 1 April 2004	2,648		32	
Bank overdraft at 1 April 2003	(2,560)	<b>88</b>	(1,715)	(1,683)
Net cash outflow	(631)		2,616	
Movement in bank overdraft	1,215	<b>584</b>	(845)	1,771
<b>Cash and Bank Balances at 31 March 2005</b>	<b>2,017</b>		<b>2,648</b>	
<b>Bank overdraft at 31 March 2005</b>	<b>(1,345)</b>	<b>672</b>	<b>(2,560)</b>	<b>88</b>
The balance at 31 March 2005 comprises:				
Cash due to/(from) the Consolidated Fund	405		2,551	
Interdepartmental balance due to/(from) DEL	-		(2,807)	
Cash received and due to be paid over to the Consolidated Fund	196		129	
Excess accruing resources received	71	<b>672</b>	215	88

The Department of Trade, Enterprise and Investment (DETI) was established on 2 December 1999 in response to devolution. A number of functions of the former Department of Economic Development transferred to DETI and the Department for Employment and Learning (DEL).

To facilitate the successful establishment of the new Departments some element of the former structures, including the banking arrangements, were retained.

In 2003-04 all receipts (including NI Assembly/Parliament funding) and expenditure for both DETI and DEL were processed through a shared bank account.

In June 2004, a separate bank account was set up and all expenditure and receipts for DEL are now processed through this. This has led to the removal of any inter departmental balance.

## 17 CREDITORS

<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	<b>2004-05</b>	<b>2003-04</b>
	£000	Restated £000
Trade creditors	3,058	3,481
Other creditors	252	19
Accruals and deferred income	22,278	6,499
	<b>25,588</b>	<b>9,999</b>
<b>Consolidated Fund Extra Receipts</b>		
Amounts due to the Consolidated Fund for excess accruing resources and non operating accruing resources	1,212	1,263
EU Income payable to the Consolidated Fund	90,505	43,507
Other CFER income payable	3,740	3,207
	<b>95,457</b>	<b>47,977</b>
Amount due to the Consolidated Fund for Supply but not spent at year end	405	2,551
<b>Total Creditors before Bank Overdraft</b>	<b>121,450</b>	<b>60,527</b>
Bank Overdraft	1,345	2,560
<b>TOTAL CREDITORS</b>	<b>122,795</b>	<b>63,087</b>

## 18 PROVISIONS FOR LIABILITIES AND CHARGES

PROVISIONS FOR LIABILITIES AND CHARGES								
	2004-05							2003-04
	Early Retirement £000	Other £000	Mines £000	LEDU Pensions £000	H&W £000	EU Grants £000	Total £000	Total £000
<b>Balance at 1 April 2004</b>	<b>196</b>	<b>6,932</b>	<b>3,727</b>	<b>3,498</b>	<b>104,832</b>	<b>4,029</b>	<b>123,214</b>	<b>117,858</b>
Additions	78	54	-	-	600	-	732	9,201
Reduced Requirements Utilised	- (78)	(33) (189)	- (207)	- (355)	- (5,600)	- (4,029)	(33) (10,458)	(10) (14,360)
Unwinding due to change in discount rate	-	-	-	-	-	-	-	6,227
Unwinding of discount	-	-	639	189	1,858	-	2,686	4,298
<b>Balance at 31 March 2005</b>	<b>196</b>	<b>6,764</b>	<b>4,159</b>	<b>3,332</b>	<b>101,690</b>	<b>-</b>	<b>116,141</b>	<b>123,214</b>
<b>Summary</b>								
<b>Opening provision at 1 April 2004</b>	<b>196</b>	<b>6,932</b>	<b>3,727</b>	<b>3,498</b>	<b>104,832</b>	<b>4,029</b>	<b>123,214</b>	<b>117,858</b>
Movement in provisions	-	(168)	432	(166)	(3,142)	(4,029)	(7,073)	5,356
<b>Closing provision 31 March 2005</b>	<b>196</b>	<b>6,764</b>	<b>4,159</b>	<b>3,332</b>	<b>101,690</b>	<b>-</b>	<b>116,141</b>	<b>123,214</b>

**Early retirement**

The Department provides in full for the additional cost of benefits beyond the normal Principal Civil Service Pension Scheme (Northern Ireland) in respect of employees who retire early. The provision is reduced as the pensions are actually paid.

**Other**

This provision includes an estimate of the amount the Department may be required to pay in respect of a range of claims against it, including possible taxation liabilities estimated at £6.7m.

**LEDU pensions**

This provision relates to the potential shortfall in the former LEDU employees pension scheme, as a result of the transfer of LEDU employees to Invest NI on 1 April 2002.

**Mines**

Provision is made for the anticipated costs of ensuring that inactive mines in Northern Ireland are secure.

**Harland and Wolff PLC**

The provision in respect of Harland and Wolff plc activities is based on assumptions as to future liabilities and revenues. The outcome of these matters cannot be certain. The provision reflects the approximate amount that the Department may be required to contribute to enable Harland and Wolff

plc to fulfil its obligations as they fall due.

The Department has provided £2.5m at 31 March 2005 in respect of aircraft rental deficits.

An additional element of the provision reflects the Department's potential liability to meet claims against Harland and Wolff Plc in respect of employer's and public liability arising from the collapse of the group's insurer, Chester Street Insurance Holdings Ltd, which went into liquidation on 10 January 2001. This provision is based on actuarial advice and includes known claims, largely in relation to asbestosis related illnesses of former employees of Harland and Wolff plc, together with estimated amounts in relation to unreported claims which may be expected to crystallise over a significant number of years. The amount, £99.1m (£102.3m 2004), represents the total estimated liability discounted back to today's prices. The accuracy of the provision is subject to a considerable number of uncertainties including future mortality rates, emergence of new diseases, improvements in medical treatments, and the outcome of future legal cases. The overall undiscounted liability in relation to the employer's and public liability claims referred to above, based on actuarial advice, amounts to £145.6m (£188.5m 2004). A revised actuarial report was issued in 2004-05, this included revised projected cash flows as at 31 March 2005.

## 19 RECONCILIATION OF NET OPERATING COSTS TO CHANGES IN THE GENERAL FUND

RECONCILIATION OF NET OPERATING COSTS TO CHANGES IN THE GENERAL FUND				
	2004-05		2003-04	
	£000	£000	£000	£000
Net Operating Cost for the year (Schedule 2)		(196,675)		(176,366)
Income not appropriated in aid payable to the Consolidated Fund		(55,441)		(64,183)
		(252,116)		(240,549)
Net Parliamentary funding		234,610		234,915
Amounts due (to)/from the Consolidated Fund		(405)		(2,551)
Realised element of Revaluation Reserve		20		16
Non-cash charges				
Notional costs		2,005		1,698
Repayment of supply in respect of additional funding from the Reinvestment and Reform Initiative (see note below)		(74)		-
<b>Net increase in General Fund</b>		<b>(15,960)</b>		<b>(6,471)</b>
<b>General Fund at 1 April 2004</b>		<b>(120,089)</b>		<b>(113,618)</b>
<b>General Fund at 31 March 2005 (Schedule 3)</b>		<b>(136,049)</b>		(120,089)

An amount of £74,323 was repaid to the NI Consolidated Fund in respect of additional funding which had been made available through the Reinvestment and Reform Initiative.

Under the Reinvestment and Reform Initiative, loans were made available to the Northern Ireland Block. These loans were paid to Departments as increased supply via the NI Consolidated Fund.

In order to make interest repayments on these loans the NI Consolidated Fund must annually retain an amount of supply that would otherwise be issued to Departments. For 2004-05 a further £321,220.89 was due to the Department but was not actually issued in order to pay for the interest on loans applicable to this Department. This interest charge has been included in the net cash requirement of the Department.

## 20 RESERVES

RESERVES		
	2004-05 Revaluation Reserve	2003-04 Revaluation Reserve
	£000	£000
Opening Balance at 1 April 2004	1,081	656
Arising on revaluation during the year	43	448
Transfer to the General Fund in respect of realised element of Revaluation Reserve	(20)	(16)
Backlog revaluations	(1)	(7)
<b>Balance at 31 March 2005</b>	<b>1,103</b>	<b>1,081</b>

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

## 21 CAPITAL COMMITMENTS

Capital commitments at 31 March 2005, for which no provision has been made in the accounts, were as follows:

CAPITAL COMMITMENTS		
	2004-05	2003-04
	£000	£000
Contracted	1,921	2,255
Authorised but not contracted	-	-

## 22 OPERATING COMMITMENTS

The estimated programme cost of fulfilling the terms of the letters of offer existing at 31 March 2005 and the costs of supporting the training or funding of the individuals who were enrolled on various programmes at this date is:

OPERATING COMMITMENTS		
	2004-05	2003-04
	£000	£000
EU grants	32,245	49,066
Business Regulation Division	1,250	-
Energy Division	24,993	-
Tourism, Agency Liaison and Equality	4,000	-
Strategic Policy Division	2,153	-
Personnel, Information Management and Services Division	229	-
	<b>64,870</b>	<b>49,066</b>

## 23 CONTINGENT LIABILITIES

The Department has a potential liability to meet claims in respect of employer's and public liability arising from the collapse of the Harland and Wolff insurer. The Harland and Wolff provision (note 18) estimates the liability discounted back to today's prices.

The Department has provided indemnities and undertakings as part of the privatisation of the Northern Ireland electricity industry.

The Department has provided a guarantee to the members of the LEDU Retirement & Death Benefits Plan that no member of the Plan will suffer loss as a result of the transfer of members to the Principal Civil Service Pensions Scheme (Northern Ireland) as part of the transfer of the activities of the Local Enterprise Development Unit to Invest Northern Ireland. Note 18 includes a provision for meeting the deficit on the Plan. As the deficit will be met by the Department it is unlikely that there will be any call on this guarantee.

**Contingent liabilities not required to be disclosed under FRS12 but included for parliamentary reporting and accounting:**

Such contingent liabilities, whether quantifiable or unquantifiable, arise through specific guarantees, indemnities or by the giving of letters of comfort. None of these are contingent liabilities within the meaning of FRS12 since the likelihood of transfer of economic benefits in settlement is too remote. The Department has no such contingent liabilities.

**24 RELATED PARTY TRANSACTIONS**

The Department of Enterprise, Trade and Investment sponsors Harland and Wolff Plc and the Non-Departmental Public Bodies listed in Note 28.

These bodies are regarded as related parties with which the Department of Enterprise, Trade and Investment has had various material transactions during the year.

In addition, the Department of Enterprise, Trade and Investment has had a number of transactions with other Government Departments and other Central Government bodies. Most of these have been with the Department of Finance and Personnel and also the Department for Employment and Learning.

None of the Departmental Board Members, key managerial staff or other related parties have undertaken any material transactions with the Department of Enterprise, Trade and Investment during the year.

While none of the members of the Departmental Audit Committee had any personal transactions with the Department the Department had transactions with the following organisations connected to members of the Departmental Audit Committee:

RELATED PARTY TRANSACTIONS	
PricewaterhouseCoopers (Stephen Kingon) £156,000	services supplied to DETI in respect of contracts placed for a range of services
Down District Council (John McGrillen) £180,000	local economic development assistance provided under the European Union Building Sustainable Prosperity programme

## 25 NOTES TO SCHEDULE 5

The Department's capital is almost entirely for programme purposes. Programme grants and other current expenditure, excluding non supply expenditure, have been allocated as follows:

NOTES TO SCHEDULE 5		
	2004-05	2003-04
	£000	£000
<b>Request for Resources A:</b> Developing and maintaining the equality, policy and regulatory environment necessary to achieve economic growth with equal opportunities for all.	8,895	7,795
<b>Request for Resources B:</b> Encouraging growth of the economy by promoting knowledge-based business competitiveness and an enterprise culture in Northern Ireland.	218,858	232,011
	<b>227,753</b>	<b>239,806</b>

Administration costs have been attributed to objectives in accordance with the Department's normal management accounting practices, wherever possible, or have been allocated in the same proportions as programme expenditure.

## **26 FINANCIAL INSTRUMENTS**

Financial Reporting Standard 13 (FRS 13)

– ‘Derivatives and Other Financial Instruments: Disclosures’ – requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way Government departments are financed, the Department is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Department 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 Department in undertaking its activities.

The Department’s financial instruments consist of cash, loans, investments, provisions, trade debtors and trade creditors. The Department also

has a financial liability consisting of a book bank overdraft which is not subject to interest. A real bank overdraft, which would be very rare, would be subject to interest at commercial rates. Details of these can be found in the relevant notes.

### **Liquidity, Interest Rate and Foreign Currency risk**

The Department’s net revenue resource requirements are financed by resources voted annually by the Assembly or Parliament, as largely is its capital expenditure. It is not therefore, exposed to significant liquidity risks. The Department does not access funds from commercial sources and so is not exposed to significant interest rate risk. The Department’s exposure to foreign currency risk is not significant. Foreign currency income and expenditure is negligible.

## 27 THIRD PARTY ASSETS

Under Article 358 (1) of the Insolvency (Northern Ireland) Order 1989 trustees in bankruptcy and liquidators of companies must pay the money received in respect of Company Liquidations, Bankruptcies and Estates of Deceased Insolvents, including Arrangements under the control of the Court up to 30 September 1991, into the Insolvency Account pending authorised appropriation.

THIRD PARTY ASSETS				
	31 March 2004	Gross inflows	Gross outflows	31 March 2005
	£000	£000	£000	£000
Insolvency Account	5,911	6,268	4,312	7,867

These are not Departmental assets and are not included in the accounts. The assets held at the balance sheet date comprised monetary assets, such as bank balances and monies on deposit.

Further information is contained in the published Insolvency Account.

## 28 NON CONSOLIDATED BODIES

### NON CONSOLIDATED BODIES

The following non-departmental public bodies are not included by way of consolidation

General Consumer Council for Northern Ireland  
 Health and Safety Executive Northern Ireland  
 Invest Northern Ireland  
 Northern Ireland Tourist Board

Further information about the above organisations may be obtained from their separate published annual reports and accounts.

## 29 INVESTMENTS HELD

The Department holds the following investments which are shown by the number of shares held and the actual cost of the investments.

### INVESTMENTS HELD

	2004-05		2003-04	
	No.	Cost	No.	Cost
		£000		£000
<b>Viridian Venture Capital Funds</b>	-	1	-	1
<b>Harland &amp; Wolff plc</b>	10,996,082	-	10,996,082	-
		1		

One special rights non-voting redeemable preference share of £1 held in Viridian Group plc and one special rights non-voting redeemable preference share of £1 held in Phoenix Natural Gas Ltd were redeemed on

5 May 2005, following the European Court of Justice judgements on special shares dated 13 May 2003 and direction from the Department of Trade and Industry and HM Treasury.

### 30 HARLAND AND WOLFF PLC

Harland and Wolff Plc is a group of companies, wholly owned by the Department, overseeing the completion of certain activities remaining following the privatisation of the former companies Harland and Wolff Plc and Short Brothers Plc. Details of the group's trading are contained in its accounts.

Key figures extracted from these accounts are:

<b>CONSOLIDATED PROFIT AND LOSS DRAFT ACCOUNT Year to 31 March 2005</b>		
	<b>2004-05</b>	<b>2003-04</b>
	<b>£000</b>	<b>£000</b>
Leasing Income	1,087	1,773
Leasing Expenditure	(1,087)	(1,783)
Gross Profit	-	35
Other operating expenses (net)	(228)	(255)
Operating Loss	(228)	(220)
Interest Receivable (net)	228	220
Profit/Loss before taxation	-	-
Taxation	-	-
<b>Profit/Loss for year</b>	<b>-</b>	<b>-</b>

**BALANCE SHEET DRAFT AS AT 31 MARCH 2005**

	2004-05		2003-04	
	£000	£000	£000	£000
Tangible Fixed Assets		-		115
Government Grants receivable		97,767		89,668
Current Assets	3,564		7,962	
Creditors	(476)		(1,160)	
Net Current Assets		3,088		6,532
Total assets less current liabilities		<b>100,855</b>		96,315
Provisions for liabilities and charges		(99,201)		(94,270)
Deferred income		(1,654)		(2,045)
<b>Net assets</b>		-		-
Capital and Reserves		10,996		10,996
Called-Up Shares		(10,996)		(10,996)
Profit and Loss account		-		-

**31 ENERGY TRUST FUND**

The Energy Trust Fund was established in March 1998, for the purpose of reducing the costs of electricity production in Northern Ireland for the benefit of consumers. £45m was provided and accounted for through the Department's 1998-99 Appropriation Account. The Fund is administered by Northern Ireland Electricity plc but payments from it are subject to DETI approval. The Fund is not considered to be within the departmental resource accounting boundary. Accordingly, the balance of the Fund, which was £387,239 at 31 March

2005 (£669,308 at 31 March 2004), is treated as an asset in the balance sheet (Note 15 on page 110). The Department of Finance and Personnel has directed that the movement in the fund during the year is treated as non-Supply expenditure (see Notes 4 and 14 on pages 97 and 109). Details of the Fund's activities are shown in its own accounts, arrangements are being made to have these separately laid. It is envisaged that the balance of the Fund will be utilised/exhausted by 31 March 2007.

## 32 ACCOUNTABILITY NOTES

### Losses Statement

Losses shown are recorded on an accrual basis, as required by Government Accounting Northern Ireland.

ACCOUNTABILITY NOTES	
Losses	£000
Total (714 cases)	294

### Loans made

Under European Community Regulations an amount of £334,000 was paid to the Viridian Growth Fund Limited Partnership.

## 33 INTRA-GOVERNMENT BALANCES

INTRA-GOVERNMENT BALANCES				
	Debtors: Amounts Falling Due within one year	Debtors: Amounts Falling Due after more than one year	Creditors: Amounts Falling Due within one year	Creditors: Amounts Falling Due within one year
	£000	£000	£000	£000
Balances with other central government bodies	4,339	-	96,070	-
Balances with bodies external to government	90,505	-	-	-
<b>31 March 2005</b>	<b>94,844</b>	<b>-</b>	<b>96,070</b>	<b>-</b>
Balances with other central government bodies	10,122	-	51,477	-
Balances with bodies external to government	43,470	-	-	-
<b>31 March 2004</b>	<b>53,592</b>	<b>-</b>	<b>51,477</b>	<b>-</b>

<b>ABBREVIATIONS</b>	
<b>ABI</b>	Annual Business Inquiry
<b>ADSL</b>	Asymmetric digital subscriber line
<b>AinA</b>	Appropriations in Aid
<b>APS</b>	Anti-Poverty Strategy
<b>BERD</b>	Business Expenditure on Research and Development
<b>BMAP</b>	Belfast Metropolitan Area Plan
<b>BSP</b>	Building Sustainable Prosperity
<b>BT</b>	British Telecommunications Plc
<b>CETV</b>	Cash equivalent transfer value
<b>CFER</b>	Consolidated Fund Extra Receipt
<b>CRNI</b>	Companies Registry Northern Ireland
<b>CS</b>	Civil Service
<b>CSP</b>	Civil Service Pension
<b>DAALG</b>	DETI's Departmental Audit and Accountancy Liaison Group
<b>DAC</b>	DETI's Departmental Audit Committee
<b>DARD</b>	Department of Agriculture and Rural Development
<b>DCAL</b>	Department of Culture, Arts and Leisure
<b>DCC</b>	Derry City Council
<b>DCMNR</b>	Department of Communications, Marine and National Resources (ROI)
<b>DE</b>	Department for Education
<b>DEL</b>	Departmental expenditure limit
<b>DEL</b>	Department for Employment and Learning
<b>DETI</b>	Department of Enterprise, Trade and Investment
<b>DFP</b>	Department of Finance and Personnel
<b>DHSSPS</b>	Department of Health, Social Services and Public Safety

<b>ABBREVIATIONS</b>	
<b>DOE</b>	Department of the Environment
<b>DRD</b>	Department for Regional Development
<b>DSO</b>	Departmental Solicitors' Office
<b>DTI</b>	Department of Trade and Industry (GB)
<b>DWP</b>	Department for Work and Pensions (GB)
<b>e</b>	Electronic
<b>EC</b>	European Community
<b>EDF</b>	Economic Development Forum
<b>EDRMS</b>	Electronic document and records management system
<b>EFQM</b>	European Foundation for Quality Management
<b>ELCI</b>	Employer's liability compulsory insurance
<b>EPF</b>	Executive Programme Funds
<b>ERDF</b>	European Regional Development Fund
<b>ETI</b>	Enterprise, Trade and Investment
<b>EU</b>	European Union
<b>FDI</b>	Foreign direct investment
<b>FE</b>	Further Education
<b>FOI</b>	Freedom of Information
<b>FTE</b>	Full-time equivalent
<b>GB</b>	Great Britain
<b>GCCNI</b>	General Consumer Council for Northern Ireland
<b>GEM</b>	Global Enterprise Monitor
<b>GVA</b>	Gross Value Added
<b>HCA</b>	Historic Cost Accounting
<b>HE</b>	Higher Education

<b>ABBREVIATIONS</b>	
<b>HR</b>	Human Resource
<b>HSENI</b>	Health and Safety Executive for Northern Ireland
<b>I&amp;P</b>	Industrial and Provident
<b>ICT</b>	Information and communication technologies
<b>IDCG</b>	Inter-Departmental Coordination Group
<b>IDF</b>	Integrated Development Fund
<b>IDG</b>	Inter-Departmental Working Group
<b>IDSG</b>	Inter-Departmental Steering Group
<b>IIP</b>	Investors in People
<b>IOP</b>	Index of Production
<b>ISO</b>	International Organisation for Standardisation
<b>ITI</b>	InterTradeIreland
<b>JWG</b>	Joint working group
<b>LEDU</b>	Local Enterprise Development Unit
<b>MEP</b>	Member of the European Parliament
<b>MGPH</b>	Ministerial Group on Public Health
<b>MHCA</b>	Modified Historic Cost Accounting
<b>MLA</b>	Member of the Legislative Assembly
<b>MP</b>	Member of Parliament (UK)
<b>MTSP</b>	Medium-Term Strategic Priorities
<b>NDPB</b>	Non-Departmental Public Body
<b>NI</b>	Northern Ireland
<b>NIAER</b>	Northern Ireland Authority for Energy Regulation
<b>NIAO</b>	Northern Ireland Audit Office
<b>NICCE</b>	Northern Ireland Consumer Committee for Electricity

<b>ABBREVIATIONS</b>	
<b>NICS</b>	Northern Ireland Civil Service
<b>NIE</b>	Northern Ireland Electricity Plc
<b>NIO</b>	Northern Ireland Office
<b>NIRO</b>	Northern Ireland Renewals Obligation
<b>NISRA</b>	Northern Ireland Statistics and Research Agency
<b>NITB</b>	Northern Ireland Tourist Board
<b>NTSN</b>	New targeting social need
<b>OCS</b>	Operating Cost Statement
<b>OFCOM</b>	Office Communications
<b>OFMDFM</b>	Office of the First Minister and Deputy First Minister
<b>OFREG</b>	Office for the Regulation of Electricity and Gas (Northern Ireland)
<b>OFTEL</b>	Office of Telecommunications
<b>ONS</b>	Office for National Statistics
<b>OSHA</b>	Occupational Safety and Health Administration (USA)
<b>PCSPS (NI)</b>	Principal Civil Service Pension Scheme (Northern Ireland)
<b>PE</b>	Public Expenditure
<b>PfG</b>	Programme for Government
<b>Plc</b>	Public Limited Company
<b>PPP</b>	Public Private Partnership
<b>PR</b>	Public Relations
<b>PRONI</b>	Public Records Office Northern Ireland
<b>PSA</b>	Public Service Agreement
<b>PSEC</b>	Public Sector Energy Committee
<b>QES</b>	Quarterly Employment Survey
<b>R&amp;D</b>	Research and development

<b>ABBREVIATIONS</b>	
<b>RfR</b>	Request for Resource
<b>RIS</b>	Regional Innovation Strategy
<b>ROI</b>	Republic of Ireland
<b>RRI</b>	Reinvestment and Reform Initiative
<b>SEL</b>	Strategic Employment Location
<b>SEUPB</b>	Special European Union Programmes Body
<b>SIB</b>	Strategic Investment Board
<b>SME</b>	Small and medium-sized enterprises
<b>SMT</b>	DETI's senior management team
<b>TFLG</b>	Task Force Liaison Group
<b>TIL</b>	Tourism Ireland Limited
<b>TPO</b>	Third Party Organisation
<b>TSN</b>	Targeting social need
<b>UK</b>	United Kingdom of Great Britain and Northern Ireland
<b>UKREP</b>	United Kingdom permanent representation to the European Union.
<b>USA</b>	United States of America
<b>UU</b>	University of Ulster
<b>VAT</b>	Value Added Tax
<b>WBGSTF</b>	West Belfast and Greater Shankill Task Forces
<b>WHSIG</b>	Workplace Health Strategy Implementation Group
<b>Wi-fi</b>	Wireless fidelity





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