Department of
Enterprise, Trade
and Investment
www.detini.gov.uk

Resource Accounts

Annual Report and Accounts for the year to 31 March 2006

Department of Enterprise, Trade and Investment
Resource Accounts
For the year ended 31 March 2006

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 2006

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An executive summary of this document is also available in an accessible format if required i.e. Braille, large print, audio cassette or in a minority ethnic language

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Annual Report

1

INTRODUCTION

The Department presents its annual report and accounts for the financial year to 31 March 2006. 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 Government Financial Reporting 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 2.4.8.e of the Government Financial Reporting Manual. These consolidated resource accounts present the results for 2005-06 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 and 32 to 35 of the Notes to the Resource Accounts.

DEPARTMENTAL REPORTING CYCLE

The Estimates for the year to 31 March 2006 are contained in The Budget (No. 2) (Northern Ireland) Order 2005 (published July 2005) and the Supplementary Estimates are contained in The Budget (Northern Ireland) Order 2006 (published March 2006). 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 2006, report against the Estimates and will be laid in Parliament in November 2006 and published in December 2006.

MANAGEMENT COMMENTARY

AIM AND OBJECTIVE OF THE DEPARTMENT

1 The overall aim of the Department is:
To promote the development of a globally competitive economy in Northern Ireland.

2 The objective of the Department is:
To encourage the development of a high value added, innovative, enterprising and competitive economy leading to greater wealth creation and job opportunities for all.

PRINCIPAL ACTIVITIES

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

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

THE ECONOMIC CONTEXT

5 As a small open economy, NI cannot insulate itself from global economic developments. Not only is NI facing increased competition from new competitors such as China, India and the EU Accession countries, but the business cost base is also rising (e.g. energy, environmental, transport & compliance cost[1]). However, globalisation and a buoyant global economy present a number of opportunities for NI in terms of trade, investment and tourism.

[1] Business Cost Competitiveness Report, ERINI (December 2005)

6 The global economy grew at a moderate pace during 2005 with growth largely driven by the rapidly developing economies of China and India. Current global economic forecasts estimate a slight acceleration in growth to 3.8% in 2006, falling back to 3.5% during 2007. UK economic growth has been rather more subdued with an estimated rate of 1.8% in 2005. However, growth is forecast to pick up slightly in 2006 (2 - 2.5%) and 2007 (2.75 - 3.25%).

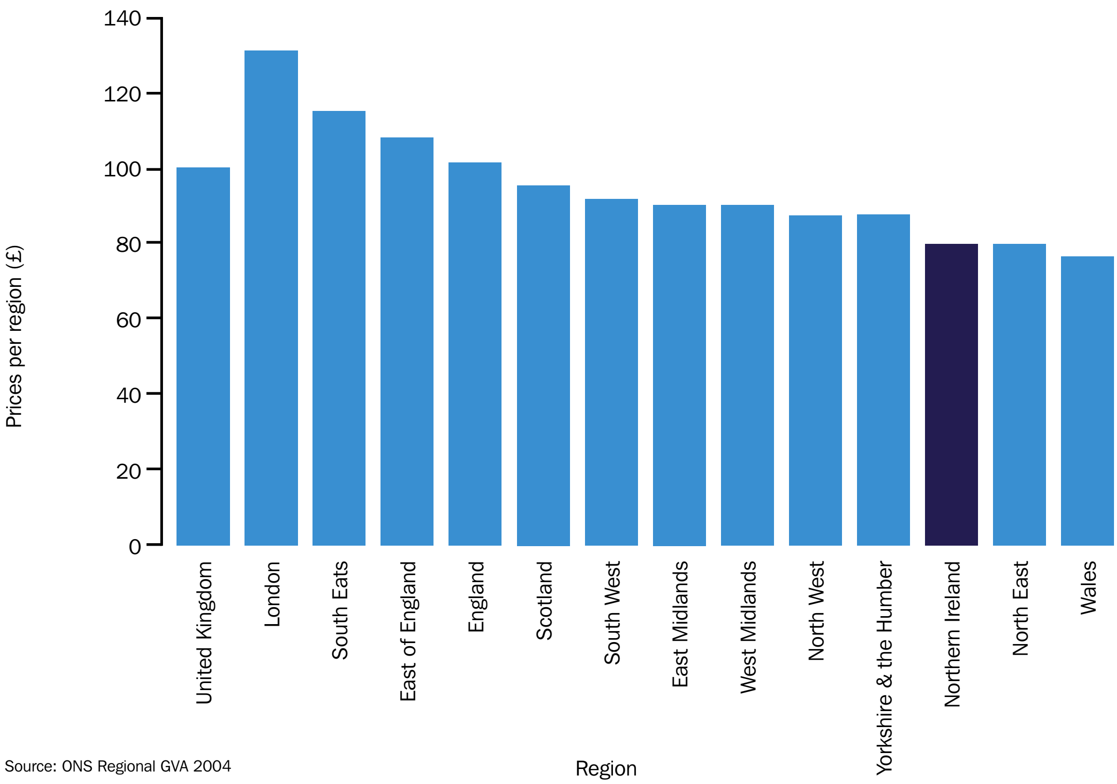
7 At the local level, the NI economy has benefited from a period of stability and continues to perform well against a range of economic indicators. Employment is at record levels, unemployment remains at historic lows and the latest figures show annual economic growth is above the UK average.

ECONOMIC GROWTH

8 In 2004, NI's economic growth (in terms of Gross Value Added) was 5.0%, which was above the corresponding UK figure of 4.6%. Over the latest five-year period for which data is available (1999-2004), nominal Gross Value Added (GVA) grew by 27.6%, faster than four other UK regions. During this period, nominal GVA per head in NI grew by 25.2%, which is

GVA per Capita 2004 (UK = 100)

Figure 1



Source: ONS Regional GVA 2004

below the UK average but above two other UK regions - London and the West Midlands. GVA per head has remained around 80% of the UK average over the past decade.

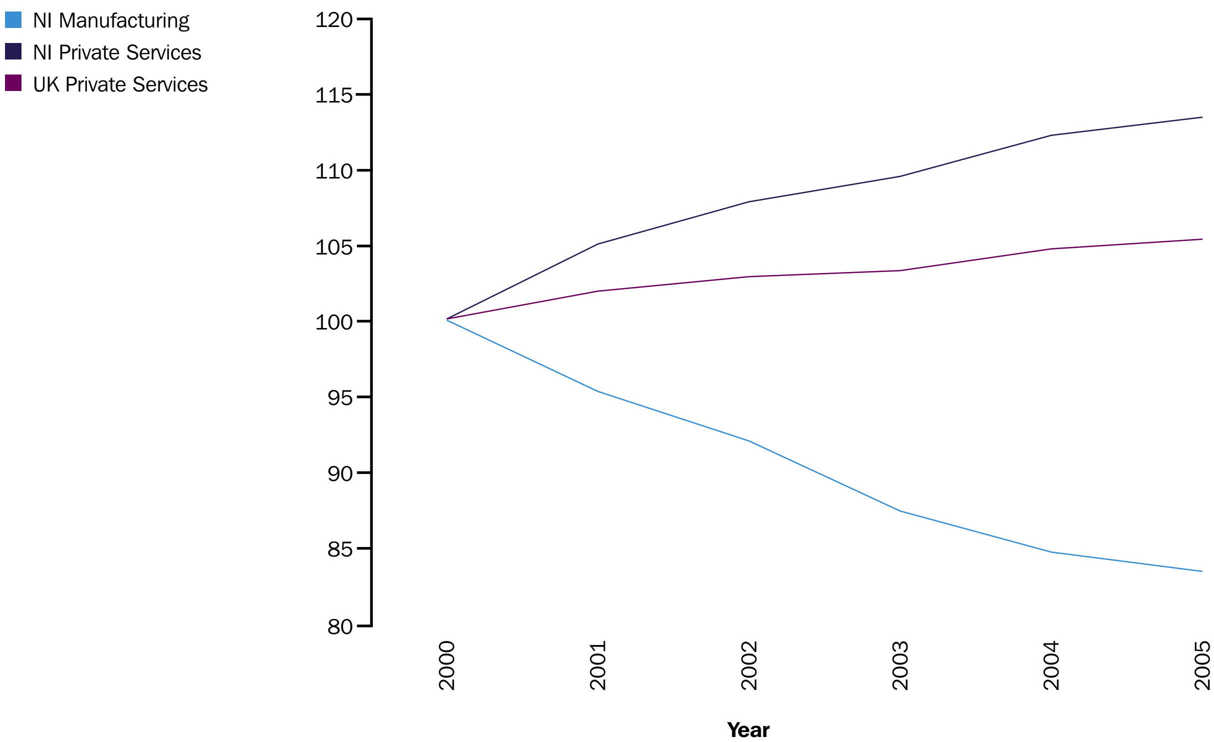
LABOUR MARKET

9 The NI labour market has performed well in recent years and this is illustrated by the number of employee jobs in NI, which stood at 691,600 during December 2005 - the highest figure on record. The number of employee jobs increased by 6.8% (+44,300) between December 2000 and 2005, around twice the UK growth rate. The unemployment rate has more than halved over the past decade and now stands at 4.4%. This figure is the joint second lowest of all the UK regions and is 0.8 percentage points below the UK average (5.2%) and 3.9 percentage points below the EU25 rate (8.3%). However, despite these successes there remain considerable challenges for the NI labour market; one key challenge is reducing economic inactivity. NI's working age economic inactivity rate, at 27.4%, remains significantly above the UK rate of 21.2% and is the highest of all the UK regions. Also, the proportion of unemployed who have been out of work for more than one year in NI (35.8%) remains significantly above the UK average (21.0%).

CHANGING ECONOMIC STRUCTURE

10 The economy has been transformed in recent decades and is continuing its transition from a traditional manufacturing base to a service

Private Services Employment for NI and UK
Index 2000 = 100
Figure 2



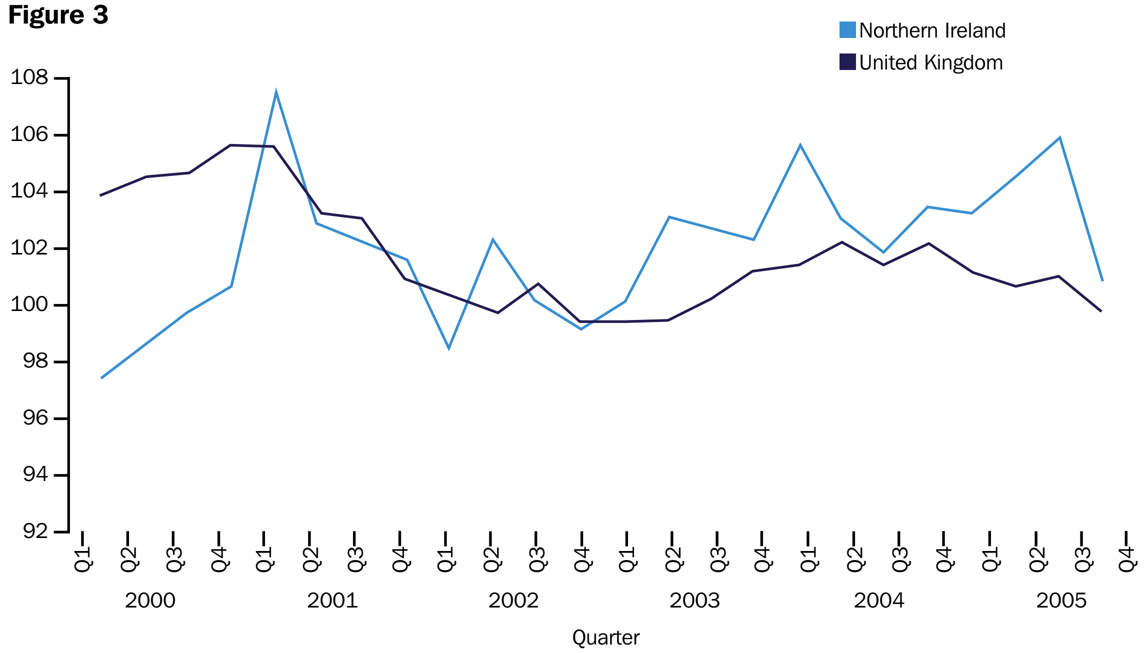
Source: DETI Quarterly Employment Survey and National Statistics. Figures for December of each year
Note: Some private services classifications (G-K/O) may include public services due to Standard Industrial Classification coding.

led, outward looking, knowledge-based economy. Increases in service sector employment have offset manufacturing job losses, with NI's private services sector experiencing strong growth of 13.4% over the past five years. This compares favourably with the UK private services growth of 5.3% over the same period, as highlighted in Figure 2. However, NI remains under-represented in export intensive service sectors, such as business services, when compared to the UK.

11 Manufacturing productivity has generally followed an upward trend in recent years. However, productivity dropped back slightly in the fourth quarter of 2005 and was 3.3% lower than the same period one year previously. However, when examined over the past five years, productivity is 23.1% higher. This is due to manufacturing output remaining fairly steady over the last five years, as employment in the sector has fallen. This is demonstrated in Figure 3, which shows that the performance of NI manufacturing output in the last five years compares favourably to the UK.

12 Despite an increase in low cost competition in recent years, NI manufacturing continues to witness rising sales and exports within this competitive global environment. Great Britain, Republic of Ireland and North America are all key destinations for sales from NI manufacturing

Manufacturing output 2002=100
Figure 3



Source: DETI and ONS Index of Production businesses. In real terms, total sales by NI manufacturing companies have risen by 5.4% (£684m) over the 5-year period from 1999 2000 to 2004-05. During the same time, exports have risen by 13.1% (£521m).

FDI & TOURISM

13 A key indicator of and contributor to a region's economic well being is its attractiveness to foreign investors. In 2005-06, Invest NI attracted 14 new inward investment projects to NI, promoting 1,756 new jobs. The attractiveness of NI as a tourist destination has improved over the last decade, with the number of 'out of state' visits increasing by 26.3%. Although the NI Tourist Board reports that visitor numbers for 2005 decreased by 1% to 1.967m, both the total number of nights spent in NI and visitor revenue increased by 13% during the year.

INNOVATION

14 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 2004, Business Expenditure on R&D (BERD) was £124.3m in NI, a slight increase from £121.3m the previous year. However, as a proportion of GVA, intramural[2] business expenditure on R&D was 0.5%, considerably below the UK rate of 1.3%. NI is ranked joint lowest of the UK regions with London and Yorkshire & the Humber. In order to reach the UK average, NI businesses would have needed to invest some £176m during 2004. Despite this, the results of the UK Innovation Survey 2005 showed that 56% of enterprises in NI had some form of innovative activity, encouragingly only 1% below the UK average and above both the West Midlands and East of England.

ENTERPRISE

15 Enterprise is also a key driver of productivity growth. The Global Entrepreneurship Monitor (GEM) is a unique measure of entrepreneurship in a global context. The 2005 GEM survey found that the Total Entrepreneurial Index decreased slightly over the year to 4.8% (from 5.0% in 2003); this compares with 6.0% in the UK. NI's business birth rate (as measured by VAT registrations) remains the lowest in the UK at 7.0% of the business stock in 2004.

SKILLS

16 For the economy to continue to grow it is essential that NI is equipped with the necessary skills. The key challenge in this arena is to decrease the proportion of the labour force with low levels of qualification. In autumn 2005, 22.7% of NI's working age population had no qualifications; this compares unfavourably with the UK, where the corresponding figure is just 13.4%.

[2] Intramural expenditure is expenditure carried out within the company

CONCLUSION

17 2005 saw the NI economy maintain the robust performance demonstrated in recent years. This performance is encouraging in the context of global and UK conditions. In the context of an increasingly competitive global economy, NI can no longer rely on competition purely on the basis of cost, but must move towards competing on quality and value added.

THE DEPARTMENT

THE ECONOMIC VISION FOR NORTHERN IRELAND AND DETI'S APPROACH TO ECONOMIC DEVELOPMENT

18 DETI continues to promote enterprise and innovation. During 2005-06, the Department contributed to the ongoing work to develop a Regional Economic Strategy which will set out the action required to deliver the Economic Vision for NI (www.detini.gov.uk/vision), published in February 2005.

19 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.

20 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 2005-2008

21 The Department's Corporate Plan for the period 1 April 2005 to 31 March 2008 was published in June 2005. The Corporate Plan, in conjunction with those of our NDPBs, sets out the strategic direction for the Department over those three years and, in particular, how the work of DETI will contribute towards the realisation of the goals of the Economic Vision:

- To increase investment in R&D and promote innovation / creativity;
- To promote and encourage enterprise;
- To ensure our people have the right skills for future employment opportunities; and
- To ensure we have modern infrastructure in place to support business and consumers.

DETI's Corporate Plan targets can be found at http://www.detini.gov.uk/cgi-bin/downutildoc?id=1120

PERFORMANCE FOR THE YEAR 2005-06

OPERATING PLAN/ SERVICE DELIVERY AGREEMENT

22 A combined Operating Plan/ Service Delivery Agreement covering the period 1 April 2005 to 31 March 2006 was published in April 2005. The targets therein underpin Corporate Plan targets for the years 2005-08 and provide milestones along the route to achievement of the Corporate Plan. The Department's key achievements for the year 2005-06 are set out below.

POLICY DEVELOPMENT

23 The DETI Corporate Plan underlines the Department's commitment to building its policy making capability on a sound evidence base and the results and recommendations of focussed, high quality research and evaluation programmes. Under the direction of the Research and Evaluation Steering Group (RESG), the Department has undertaken several pieces of research and made significant policy responses to two pieces of research into the future of the Private Tradeable Services and the Manufacturing sectors in NI. Both responses set out key actions, address the main recommendations contained in the research and reflect how the research will influence the decision-making process in order to shape the way forward in these important sectors in both policy and operational terms. In addition, a full programme of policy evaluation is underway - with seven programme and policy evaluations currently at various stages of completion.

REGIONAL INNOVATION STRATEGY

24 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 and covers the three years 2005-2008.

25 During 2005-06, in partnership with Invest NI, other government Departments, the Higher Education (HE) and Further Education (FE) sectors and business organisations, DETI continued to drive the delivery of the Regional Innovation Strategy Action Plan 2004-2006, with a focus on those areas of R&D and innovation that could be commercially exploited to greatest economic and social advantage.

ECONOMIC DEVELOPMENT FORUM

26 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 stakeholders can advise Ministers on issues relating to the development and future competitiveness of the NI economy. The Forum is an important and valued mechanism for achieving timely, effective and meaningful engagement with key 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 Economic Vision highlighted that the Forum would have a key role in tracking and challenging progress towards its implementation and during 2005-06 the Forum realigned its monitoring framework to the Vision and established four Sub-groups aligned with the Vision's key drivers of productivity: Innovation, Enterprise, Skills and Infrastructure.

ENERGY

27 The Department is continuing to work to secure EU approval of the proposed government intervention aimed at addressing the high cost of electricity. A formal State Aid notification was submitted to the European Commission in August 2005 and the Commission is seeking clarification on certain issues. The Department remains hopeful that the required EU support of the proposal will be secured.

28 In December 2005, DETI granted Kilroot Power Station consent to install new Flue Gas Desulphurisation equipment, subject to explicit conditions in relation to the development of renewable energy capabilities at the power station and a commitment to return to the negotiating table with NI Electricity (NIE) to find a way forward on the long running contract dispute. The conditions are significant, given the importance of delivering the development objectives laid out in the Government's Strategic Energy Framework.

29 The Department also made regulations transposing EU Directive 2003/54/EC into NI law. The regulations require the implementation - mainly through licence modifications - of the provisions of the Directive, including the opening of the electricity market to competition to all consumers by July 2007.

30 DETI has also participated in a major gas emergency planning exercise (SNIPE) and in a review by DTI of the Priority Oil Uses and Fixed Purchase Schemes in case of emergency.

31 The first commercial customers (Michelin and Dungannon Meats) were connected to the North West gas pipeline, marking a significant milestone in the roll-out of gas to towns along the pipeline. Construction work has started on the South North gas pipeline, supported by significant grant payment from DETI, and is due to be completed by the end of 2006. The work on these pipelines will result, ultimately, in gas availability to ten towns outside the greater Belfast and Larne areas over the following years.

32 Real progress was achieved this year in bringing supply competition to gas consumers: firm dates were announced by the Minister on 30 January 2006 for the introduction of supply competition for industrial and commercial consumers from 1 July 2006 and for all domestic customers from 1 January 2007.

33 Success during this year in the negotiations on exemptions on the Climate Change Levy will result in a £20m saving to NI's industrial, commercial and agricultural natural gas consumers over the period from 2006-2011.

34 On 27 February 2006, the Secretary of State launched a significant new funding package: the Environment and Renewable Energy Fund which will provide over £59m over 2 years. The aim of the fund is to enhance the long term sustainability of the NI energy system in a manner which increases security and diversity of supply, encourages innovation and the development of new skills, underpins employment and creates new job opportunities and contributes to the reduction of energy costs, which aids industrial competitiveness and alleviates fuel poverty.

35 During the past year, DETI has delivered a £2.4m grant package to enable the Carbon Trust in NI to move towards a low carbon economy by helping business and the public sector reduce carbon emissions now and capture the commercial opportunities of low carbon technologies. EU grant funding of £411,000 was also supplied to a number of renewable energy demonstration schemes.

36 Following the introduction of a NI Renewables Obligation (NIRO) on 1 April 2005, the Department contributed to the 2005 review of the Obligations operating in GB and to which the NIRO is linked. The impact of resultant changes was reflected in a new NI Renewables Obligation Order which came into effect on 1 April 2006. The revised legislation widens the scope for eligibility and includes a number of amendments aimed at simplifying the administrative and technical procedures required.

37 As part of the All-Island Energy Market Development Framework programme, DETI has been working with its counterparts in Department of Communications, Marine and Natural Resources in the Republic of Ireland on legislation to implement and operate a new all-island wholesale electricity market (in effect, a single electricity market) from 1st July 2007 which will bring improved economic and social benefits for NI electricity customers. The governing legislation was introduced to the UK Parliament and received its second reading on 13 March 2006.

38 New proposals to secure cost effective, environmentally friendly power sources for the future were published in July 2005. Energy Minister, Angela Smith MP and her Republic of Ireland counterpart Noel Dempsey TD, published a joint preliminary consultation paper setting out proposals for a '2020 Vision' for the integration of renewable energy within the All-island Energy Market. The Ministers agreed on the need to respond collectively to the common economic and environmental

challenges facing NI and the Republic, and called for an open debate on how to plan for sustainable energy supplies through to 2020 and beyond. Their action places NI and the Republic at the forefront of the European debate on the development of sustainable energy markets.

TELECOMMUNICATIONS

39 During 2005-06, 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. In December 2005, NI became the first region in Europe to have 100% access to broadband. Take up has also increased and by the end of March 2006 there were over 205,000 broadband accounts in NI, an increase of over 50,000 in the year.

40 The Wireless Walls Project, delivered by Derry City Council, University of Ulster at Magee and the North West Institute of Further and Higher Education, is NI's Broadband Flagship Project. DETI, with support from the EU Building Sustainable Prosperity Programme, are supporting this project to develop e-learning, e-government and e-tourism broadband applications.

41 Working with the Department of Communications, Marine and Natural Resources (DCMNR), DETI also managed a call for innovative cross border telecoms projects under the EU Interreg IIIa Measure. Six projects have been selected. Two projects are close to completion, two are well advanced and the remaining two projects are on schedule. DETI supported 41 pilot projects funded under the UK Broadband Fund and these were all completed by the end of March 2006.

42 During the year, DETI and DCMNR have been working with the telecoms regulators (Ofcom/ Comreg) Joint Working Group (JWG) and senior executives from all the mobile phone companies operating networks on the island of Ireland to address the issue of inadvertent mobile roaming charges. These charges are a significant detriment to businesses and consumers in the border area. Since highlighting the issue, the JWG has reported on a number of potential solutions. By the end of March 2006, the majority of mobile phone companies had responded by announcing a number of new and improved tariffs aimed at customers on the island. Further work is still required to fully resolve the issue.

OTHER ECONOMIC INFRASTRUCTURE

43 The ongoing development of the NI Science Park is an integral part of DETI's Regional Innovation Strategy. Phase IIA of the project was approved at a cost of £7.6m over the three year period 1 January 2004 -31 December 2006; under which building work for the new-build (Whitestar House -44,000 sq ft) is due to be completed in

September 2006 and the refurbishment of the legacy building (23,000 sq ft) is now complete. Letting negotiations for both buildings are at advanced stages, with agreement for lease of 100% of the new building already in place with a flagship tenant (Citigroup). 77% of the legacy (refurbished) building is under lease, with the remaining 23% under offer.

44 Geological Survey Northern Ireland successfully completed the Tellus rural soil sampling survey in 2005-06. 58% of the airborne geophysical survey was completed in the summer of 2005 and flying re-started in March 2006. Early results show significant new information about geological structures and the environmental condition of soils and streams across NI. These results indicate areas that may be prospective for gold and other metal mineralisation and provide baseline information to support mineral exploration, environmental management and compliance with EU Directives. A major financial contribution to the project was received from the 'Building Sustainable Prosperity' Programme of the Rural Development Programme.

BUSINESS DEVELOPMENT

45 The year under review marked the first year of Invest NI's second Corporate Plan for the period 2005 - 2008. During the year, the agency made considerable progress in implementing a range of initiatives and activities across its three themes of Being Entrepreneurial, Being Innovative and Being International.

46 In assisting to build entrepreneurship and value added capabilities in existing businesses, Invest NI's assistance leveraged a total investment figure of £530m. Activities aimed at improving how businesses operate and at developing management and workforce skills continued, with over 900 interventions.

47 Activities under the Accelerating Entrepreneurship Strategy played an important part in further promoting attitudinal change to entrepreneurship. The Go for It campaign and the Enterprise Week in November 2005 generated a great deal of renewed interest in self-employment. During the year, the target of 3,000 new businesses was exceeded, with nearly 3,500 new businesses supported. These are forecast to lead to 5,000 new jobs.

48 It is of vital importance that NI companies incorporate innovation into all aspects of their business and Invest NI continued to encourage and support R&D and other innovation-related activities. In 2005-06, Invest NI provided funding of £40m to R&D, leveraging further private investment of £19m. This was a creditable achievement against a very challenging target of £25m. There was also success in diversifying the R&D base, with 106 new companies engaging in R&D. The NI Tech Growth Fund provided venture capital support for research and early commercialisation to 10 NI companies and 7 Proof of Concept projects were supported, both programmes exceeding their annual targets.

49 The challenge of being international requires NI companies to look increasingly outwards, to compete in export markets and to strengthen their trade and overseas networks. Further progress was made in encouraging companies to explore export markets for the first time and the target of 150 first-time exporters was substantially achieved with a final outturn of 138. The target of 270 existing exporters to enter new markets was achieved. Global competition for foreign direct investment continued to intensify during 2005-06 and, although considerable marketing and promotional activity took place, a total of 14 inward projects were secured against the target of 15, with 71% of these located in NTSN areas. These projects are forecast to lead to nearly 1,800 new jobs.

50 Invest NI has continued to drive through efficiency achievements and savings, these include a 20% reduction in staff (148 FTE staff) and a 30% reduction in running costs from those inherited at its inception. Invest NI has also continued to dispose of surplus assets within its land bank.

51 During the year, Invest NI moved into its new headquarters building in Bedford Street, Belfast in an investment financed through a PPP, generating significant resource savings.

TOURISM

52 DETI has continued to work closely with the NI Tourist Board (NITB) and Tourism Ireland Limited to ensure that targeted performance outputs were delivered. Final figures for 2005 are not yet available as there was a change in methodology in 2005. However, the estimates show that, while there has been a 1% fall in visitor numbers to 1.967m, this is off-set by a 13% rise in visitor spend to £354m.

53 The Tourism Strategy Forum provides an opportunity for Government and the tourism industry to interact, meeting twice yearly to discuss tourism matters. During 2005-06, the Strategic Framework for Action (2004 2007) continued to provide impetus for Forum discussion and action. During the year, the Tourism Sectoral Group of the British Irish Council met regularly to discuss matters ranging from training for tourism to the visitor potential from new and emerging tourism markets such as China and India.

54 NITB has progressed its five Winning Themes (Short Breaks; Culture and Heritage, Activity, Business Tourism and Excellent Events) with a range of campaigns, events, action plans produced or underway, major conferences attracted and best practice masterclasses underway

SIGNATURE PROJECTS

55 Year two of the Strategic Framework for Action has seen further progress in a number of areas. On the key issue of developing the tourism infrastructure, positive progress has been achieved on each of the five signature projects. In relation to the Giant's Causeway Visitor Centre project, legal agreements have been secured with the key stakeholders and internationally acclaimed architects have been selected to design the new Centre. An agreed interpretative strategy has been completed for the Causeway World Heritage Site and this has provided the framework for the interpretative designers to develop plans for the interior of the new facilities. Significant progress has also been made on the implementation of the Causeway Tourism Masterplan. Implementation of its key recommendation, the development of a tourist trail, is ongoing, with funding secured for the erection of over 400 signs along the trail and a marketing strategy initiated.

56 The Vision study for the Titanic/ Maritime project has been completed. Work has commenced on the Pump House and Thompson Dock element of the project and an application has been submitted for Big Lottery funding. DETI has also established the Titanic Alliance to drive the project forward. The aim of the Alliance is to promote the development of a world class tourism project based on the Titanic theme. It is made up of representatives from DETI, NITB, Belfast City Council, Titanic Quarter Limited, Belfast Harbour Commissioners, East Belfast Partnership and Belfast Area Partnerships.

57 In the Walled City of Derry project, the Secretary of State announced a £9.1m funding package which will facilitate the implementation of a Built Heritage Programme, a cultural and entertainment programme (wider story of Derry) and the implementation of a lighting strategy. In addition, the Tower Museum Building renovations are complete, the Armada Exhibition is open and the concept and design toolkit for the visitor orientation plan is complete.

58 In the Christian Heritage/ St. Patrick's project, 95% of the planned Year 1 action has been progressed. The Feasibility Study for St. Patrick's Trail was completed, with three options identified. An all Ireland Marketing/ Promotional Collateral was produced by NITB and Failte Ireland and work was done to maximise event/ market opportunities around St. Patrick's Day 2006.

59 In the Mourne project, the Tourism Economic Impact (current and potential) Study was completed and the Mournes Heritage Trust ran the first Sustainable Tourism Conference.

EUROPEAN UNION SUPPORT FOR ECONOMIC DEVELOPMENT

60 EU financial support is provided across three areas - £77.5m for Peace II (2000-2004), £197.5m for Building Sustainable Prosperity

(2000-2006), and £10.2m for INTERREG IIIA (2000-2006). The total Peace II support includes an additional £5.5m funding agreed in 2005 for the development of flexible workspace in disadvantaged areas. Around 80% of the EU 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.

61 As at March 2006, we have secured excellent outcomes, with £52m of Peace II funding being utilised on a number of Measures and £152m on the Programme for Building Sustainable Prosperity. In addition, funding of £5m has been spent on a number of cross border measures under the INTERREG IIIA Programme.

62 During 2005-06, 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.

63 During the year, DETI played a full role in the planning process for successor 2007 2013 EU Programmes. This included work on the development of the NI Chapter of the UK National Strategic Reference Framework Document.

64 DETI takes the lead in co-ordinating the NI approach to State Aid issues and in liaising with the Department of Trade and Industry, which has the UK policy lead. During 2005 06, DETI's sustained lobbying in both the UK and Brussels secured continued Assisted Area Status for NI.

SOCIAL ECONOMY

65 During 2005-06, DETI continued to engage with Departments in implementing "Developing a Successful Social Economy", NI Government's three year Strategic Plan 2004-07, in particular, through a Communications Strategy to increase awareness and understanding across Departments of the sector's ability and future potential to support local social and economic development.

66 During 2005-06, we succeeded in securing a further £600,000 to support the next phase in the development of the Social Economy Network in NI. The funding is being provided to enable it to become a more cohesive voice for the sector, offering professional and relevant services to its membership.

REGULATORY SERVICES

67 The role of Company Law Branch is to ensure, as far as practicable, that NI company

legislation keeps pace with developments in both GB and the EU. There was further progress in closing the gap between GB and NI company law by the making of eight new Statutory Rules. Two items of primary legislation, the Companies (Audit, Investigations and Community Enterprise) (NI) Order 2005 and the Industrial and Provident Societies (NI) Order 2006 were also made. The Review of Credit Unions concluded with three new statutory rules coming into operation on 1 April 2006. Work is continuing on drafting the necessary subordinate legislation to the Industrial and Provident Society Order.

68 Following agreement with stakeholders on proposals to move company law onto a UK wide footing, there has been extensive liaison with DTI on inclusion of NI interests in the Company Law Reform Bill (CLRB). Implementation is expected during 2007. An extensive programme of work to facilitate CLRB, including like for like comparisons of NI/ GB and EU legislation, was undertaken.

69 Companies Registry's Modernisation and Change Management Programme saw the successful launch of online access to company information on the 17 November 2005. Since then, there have been 11,524 information requests, with 5,006 credit card transactions and 6,518 account holder transactions. At 31 March 2006, approximately 95% of credit card transactions were completed on line.

70 Reform of insolvency law in NI continued during the year with a new Order in Council incorporating a range of measures, including reducing the normal bankruptcy period from three years to one year or less; brought into operation on 27 March 2006. This 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 for breach of competition law, was brought into operation on 19 December 2005.

71 The Insolvency Service's Modernisation project continued throughout the year, with completion of the requirements analysis phase and management of a comprehensive and detailed implementation plan, putting in place a phased approach to systems delivery to deliver final go-live status in August 2006.

72 During 2005-06, DETI's pilot debt advice project was successfully evaluated and a tender for the delivery of a front line advice service in 2006-07 and 2007-08 was awarded. The "Consumerline" telephone service performed well against its consumer satisfaction targets and provided valuable intelligence that allowed DETI's Trading Standards Service to target its enforcement activity at the most significant trading malpractice. Consumer Affairs Branch also worked closely with the Consumer Council on a number of issues, including the resources required for its new water reform role.

HEALTH AND SAFETY AT WORK

73 During 2005-06, HSENI built on the success of its Compliance Team approach, which involves three multi-skilled teams working on a geographical basis across the span of high-risk work sectors, namely construction, quarrying, farming and manufacturing. This approach provides greater visibility, greater flexibility and greater productivity in terms of inspections carried out and enforcement notices served.

74 Special attention was paid to vulnerable groups, such as migrant workers and children who live on farms. A significant development was the publication of an innovative "Universal Safety Booklet" which solely used pictures to highlight workplace hazards for migrant workers and those with literacy difficulties. The Child Safety on Farms Campaign - **Be Aware Kids**- continued to very effectively highlight the dangers to children on farms, through the production of a unique board game and, for the second year running, a calendar based on the winning entries from a successful primary school poster competition.

75 HSENI also continued with its popular Health and Safety Awareness Days for farmers, highlighting risks and preventative measures through practical demonstrations by skilled and experienced instructors, attracting over 800 farmers to six half-day events during November 2005.

76 HSENI's small business advisory service - **Health and Safety Works NI** - successfully completed its first full year in operation and, in doing so, has reached over 11,000 start-up and existing small businesses.

77 HSENI continued to recognise excellence through the sponsorship, as part of the Belfast Telegraph Business Awards, of the first Excellence in the Management of Health and Safety Award which was won by Hughes Christensen in April 2005. Recognition of excellence in health and safety management was also pursued through HSENI's tripartite pilot project with the Health and Safety Authority in the ROI and the United States Department of Labor's Occupational Safety and Health Administration to transpose the very successful Voluntary Protection Programme from the US to Ireland.

78 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.

79 HSENI also launched its new Asbestos Advisory Service, which aims to ensure that the individual and the broader community are better informed about dealing appropriately with the asbestos they encounter in society. To assist in this aim, the new service produced

two information leaflets, one dealing the basic facts about asbestos and the other about living safely with the asbestos present in domestic premises.

80 In addition, HSENI opened its new Training and Resource Centre at its headquarters in Belfast. The state-of the art facility not only provides HSENI with an excellent facility to train its own staff but it also provides not-for-profit organisations involved in promoting good practice in health and safety, such as the Institute of Occupational Health, with a venue to run seminars and workshops.

CROSS-DEPARTMENTAL WORKING

81 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 2005-06 to work effectively with other Departments to deliver the Executive's Programme for Government/ Government's Priorities and Plans.

82 During 2005-06, DETI continued to co-ordinate the Government response to the West Belfast and Greater Shankill Task Forces' initiative. Also, in conjunction with other key Departments, DETI arranged a Study of the Task Forces' 2002 Report. This has helped establish the extent to which the Integrated Development Fund and other Government programmes and policy initiatives have impacted on the core issues identified in the original Report, and the key priorities which are still to be addressed in the regeneration of these areas.

83 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 Sector Skills Project Board and the Skills Strategy Programme Board;
- 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) and the Department of the Environment (DOE) in relation to the Regional Development Strategy.
- 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).

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

EFFICIENCY AND MODERNISATION

85 Information to date confirms that the Department will deliver the £8.2m efficiency savings committed to for the year 2005-06. The Department's Efficiency Programme encompasses reductions in staffing numbers agreed with the Department of Finance and Personnel and during 2005-06, the Department initiated the first phase of staff reductions. While reductions were made across the Department, they were delivered in the main from non-front line corporate support services areas.

DETI is an active participant in a number of NICS wide modernisation projects.

86 DETI continued to play a full role throughout the year in the development of the Accounting Services Programme by way of the maintenance of the provision of dedicated expert resource to the central team responsible for implementation and, additionally, through DETI's local management of the project. This programme will modernise accounting processes across all the NI Departments. A key change will be the establishment of a SSC to deliver centralised services, particularly payments and transaction processing.

87 DETI played a key role in 2005-06, working with the Central NICS Project Team to develop the scope and content of the e-HR Programme, which will provide a range of outsourced Human Resources (HR) services for the entire NICS. The programme will transform the way in which HR services are provided to all NICS employees and will replace out-dated personnel and payroll systems, create a Shared Service Centre (SSC) for routine administration and advice, streamline HR processes and introduce self-service facilities for staff and line managers. As a result, line managers will have access to more information to help in their management of staff and DETI HR personnel will focus on strategic HR issues. In March 2006, the NICS signed a major contract with Fujitsu Services Limited to provide the service.

88 In November 2005, a comprehensive review of the delivery of generic training and development to staff within the NICS was completed. The review recommended that a single SSC should be established for the delivery of all generic training. The establishment of the centre forms part of the Modernisation and Reform initiative and will result in a number of efficiencies, from the reduction of six delivery units currently to one single centre and through the rationalisation of products, services and staffing levels. The SSC was established on 1 April 2006 and will eventually have responsibility for the full range of generic

training within the NICS. DETI has already made a significant contribution to the new SSC in terms of both staffing and financial resources.

E-BUSINESS

89 During the year, Companies Registry NI (CRNI) consolidated and enhanced its modernisation programme (as described in paragraph 4 of Regulatory Services section). This website is the first in DETI to use the Government Gateway payments engine.

90 Insolvency Services likewise progressed their e-business project in the course of 2005-2006. This project will incorporate a case management system with integrated workflow, a public website for completion and submission of selected insolvency forms and a web portal to facilitate the work of Insolvency Practitioners. The Government Gateway payments and authentication engines will be deployed as part of the overall solution. The design of this system was agreed in November/ December 2005 and implementation is scheduled for October 2006.

91 The effective management of information held by the Department is vitally important if an accurate record of the Department's activities is to be retained for years to come. The introduction of an Electronic Document and Records Management System (EDRMS) will help to make the process of managing and accessing the information we hold more streamlined and efficient, while ensuring document integrity is maintained within a secure environment.

92 These strategic e-business projects have enhanced and continue to enhance not just the key Departmental services themselves, but also the expertise in leading-edge technology within DETI.

CORPORATE GOVERNANCE

93 During 2005-06, the Department further enhanced governance arrangements through the design and implementation of an enhanced risk management reporting and control system, the explicit linkage of the risk management process to the corporate and operating planning process, the undertaking of test drilling of economic appraisals and post project evaluations, the further development of our casework approval processes for both NDPB and Departmental Headquarters cases, participation on the NICS Fraud Forum, the development of an updated Anti-Fraud Policy and Fraud Response Plan and the initiation of an update of the assessment of fraud risks faced by the Department.

94 On 13 February 2006, officials from the Department and Invest NI provided evidence to the Public Accounts Committee on an NIAO report entitled "Governance Issues in the Department of Enterprise, Trade and Investment's former Local Enterprise

Development Unit: In Relation to the Establishment and Oversight of the Emerging Business Trust Loan and Venture Funds."

95 The NIAO report covered issues largely relating to the period between 1996 and the abolition of LEDU in 2002. A range of actions had already been taken in previous years to address deficiencies in corporate governance identified in the report. A number of additional measures have been or are being implemented. Further details are provided in the Statement of Internal Control which forms part of the accounts.

PEOPLE

96 2005-06 was the first year of the Department's new 3-year HR Strategy, which aims "to support the Department to deliver its business objectives and to allow us to deal with new challenges and change". The main themes of the strategy are leadership; resourcing; building capability; performance, attendance and recognition; working with partners; and e-HR programme. Some notable achievements during the year were:

- Substantial achievement of 2005-06 Ministerial target of 10.7 days absence per staff year.
- Delivery of DETI's first Diversity Action Plan, raising the profile of various diversity issues across the Department, particularly with regard to good relations, disability and Work Life Balance.
- IiP re-recognition achieved in September 2005.
- Roll-out of a leadership development programme to all DPs and SOs.
- Provision of a wide range of staff 'well being' events through the Workplace Health Improvement Programme.

97 During the year, DETI remained committed to the continuous development of its staff in order to meet the needs of its business areas and to attracting talented people who will be committed, involved in their work, will achieve high levels of performance and deliver excellent value for money. In support of this, the Department's training function delivered a wide range of programmes, including many which were externally accredited. DETI continued to provide training and development for a number of other Departments and NDPB's and, during the year, delivered a total of almost 2,800 training days.

PROGRESS AGAINST PROGRAMME FOR GOVERNMENT TARGETS

98 Details of DETI's commitments under the Programmes for Government for 2003-2006, together with details of progress made in meeting the associated challenges, are provided in Annex 1. Commitments relating to the 2003- 2006 Programme for Government which were achieved during 2004-05 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 2005.

PROGRESS AGAINST PUBLIC SERVICE AGREEMENT TARGETS

99 The Department's 2003-2006, 2004-2007 and 2005-2008 Public Service Agreements were published alongside the 2003-2006, 2004-2007 and 2005-2008 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. Annexes 2, 3 and 4 contain details of DETI's performance against targets contained in its 2003-2006, 2004-2007 and 2005-08 Public Service Agreements. PSA targets will be reviewed to ensure that they are consistent with the policy levers available to the Department and its NDPBs.

PROGRESS AGAINST CORPORATE PLAN AND OPERATING PLAN/ SERVICE DELIVERY AGREEMENT TARGETS

100 DETI published a Corporate Plan for the period 2005-2008 in June 2005 and a combined Operating Plan/ Service Delivery Agreement in April 2005, covering the period 1 April 2005 to 31 March 2006. 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. Details of DETI's performance against targets in its Corporate Plan 2005-2008 and Operating Plan/ Service Delivery Agreement 2005-06 can be found at www.detini.gov.uk.

FINANCIAL PERFORMANCE IN THE PERIOD

101 Details of financial performance for the year to 31 March 2006 are contained in the Resource Accounts and the supporting notes.

102 The Statement of Parliamentary Supply shows a saving in total net resources of over £22m against Estimate. The Estimate is based on the figures contained in the Budget (No. 2) (Northern Ireland) Order 2005 (containing the Main Estimates) and the Budget (Northern Ireland) Order 2006 (containing the Supplementary Estimates).

103 The Department of Finance and Personnel, in the February 2006 monitoring exercise, had approved further movements in resources. These included reductions of £6.5m in respect of Request for Resources A. In addition End Year Flexibility of £7.0m was sought in respect of Request for Resources A.

104 The analysis of resource outturn by function is contained in note 2 to the resource accounts. The saving of £3.3m in respect of EU Peace and Reconciliation, results from the grant claims being lower than anticipated. £2.8m of this was surrendered in February

monitoring. The main element in the saving of £0.6m in Business Regulatory Services was a delay in the Insolvency e-business project. £0.2m was surrendered as part of February monitoring. The saving of £0.6m in Invest NI Executive Programme Funds was due to delays in Integrated Development Fund projects and this was subject to a claim for End Year Flexibility. The savings in respect of NI Tourist Board grant resulted from slippage in major projects, £1.4m was surrendered in February monitoring with the remainder covered by End Year Flexibility claims. The saving of £2.4m in EU Programmes cost of capital results from the £47m adjustment to the EU debtor balances shown as an exceptional item in the Operating Costs Statement and referred to in notes 12(a) and 16(a). The Release from Government Grant Reserve, £0.6m results from an adjustment to the accounting treatment of some of the EU grants received by the Department.

105 The structure of the Department's Estimate has been changed significantly since 2004-05. From 2005-06 the Department's activities have been consolidated in one Request for Resources to better reflect the Department's objectives. Where possible the comparative figures for 2004-05 have been adjusted to reflect the 2005-06 structure.

STRUCTURE

106 A feature of the Department's balance sheet is that there is negative taxpayers' equity, i.e. liabilities exceed assets by £126m. 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.

107 Attention is drawn to Note 19 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

£104m (£102m at 31 March 2005) 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

108 Statement of Parliamentary Supply shows a saving of £19m in the Net Cash Requirement. Further detail is contained in note 4.

109 The major components of the variance of £22m arising in Net Total Resources have been explained above. Savings in respect of changes in working capital other than cash relate mainly to reductions in creditors. Capital expenditure was £1m lower than anticipated. The £12m 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 it is anticipated that the cash will issue in future years.

IMPORTANT EVENTS SINCE THE FINANCIAL YEAR END

There are no reportable post balance sheet events.

DEPARTMENTAL REMUNERATION REPORT
REMUNERATION POLICY

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/ local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. The remuneration of all senior civil servants is entirely performance based. Permanent Secretaries pay awards are determined by the Northern Ireland Civil Service (NICS) Permanent Secretary Remuneration Committee.

Further information about the work of the Review Body can be found at www.ome.uk.com.

SERVICE CONTRACTS

Civil Service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook.

The Departmental Board consists of the Permanent Secretary, the two Deputy Secretaries, and the Chief Executives of Invest Northern Ireland and the Northern Ireland Tourist Board.

Mr Clarke was appointed Chief Executive by the Board of the Northern Ireland Tourist Board on 24 September 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.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

SALARY AND PENSION ENTITLEMENTS

The following sections provide details of the remuneration and pension interests of the Ministers and most senior officials of the department.

MINISTERS SALARIES

During 2005-06 the Department of Enterprise, Trade and Investment was under the direction and control of Mr Barry Gardner MP, to 11 May 2005, and Mrs Angela E Smith MP, from 12 May 2005. Their salaries and allowances were paid by the Northern Ireland Office or the Cabinet Office rather than the Northern Ireland Assembly. These costs have not been included as notional costs in the Operating Costs Statement in the same way as Devolved Minister's salaries. Details of Mr Gardner's and Mrs Smith's salaries and allowances will be provided in the 2005-06 Northern Ireland Office Resource Accounts.

MINISTERIAL PENSIONS

Pension benefits for Westminster Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is statutory based (made under Statutory Instrument SI 1993 No 3253, as amended).

Those Ministers who are Members of Parliament are also entitled to an MP's pension under the PCPF. The arrangements for Ministers provide benefits on an 'average salary' basis with either a 1/50th or 1/40th accrual rate, taking account of all service as a Minister. (The accrual rate has been 1/40th since 15 July 2002 but Ministers, in common with all other members of the PCPF, can opt to increase their accrual rate from 5 July 2001, or retain the former 1/50th accrual rate and the lower rate of employee contribution.)

Benefits for Ministers are payable at the same time as MPs' benefits become payable under the PCPF or, for those who are not MPs, on retirement from ministerial office on or after age 65. Pensions are increased annually in line with changes in the Retail Prices Index. Members pay contributions of 6% of their ministerial salary if they have opted for the 1/50th accrual rate. Those members who have opted for the 1/40th accrual rate are required to pay an increased contribution. The rate was increased from 9% to 10% from 1 April 2004. There is also an employer contribution paid by the Exchequer representing the balance of cost. This is currently 24% of the ministerial salary.

SENIOR CIVIL SERVANTS

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 below (Senior Civil Servants table) received benefits in kind.

Senior Civil Servants		
Officials	**2005-06 Salary £'000**	**2004-05 Salary £'000**
Stephen Quinn Permanent Secretary from 3 January 2006	25-30 (105-110 full year equivalent)	-
Bruce Robinson Permanent Secretary to 2 January 2006	90-95 (120-125 full year equivalent)	115-120
Wilfie Hamilton Deputy Secretary	90-95	85-90
Noel Lavery Deputy Secretary	75-80	70-75

SALARY

'Salary' includes gross salary; performance pay or bonuses, any allowance, such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by the Department and thus recorded in these accounts.

BENEFITS IN KIND

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

CIVIL SERVANT PENSIONS

Civil Service Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder 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

CIVIL SERVICE PENSIONS

	Accrued pension at age 60 as at 31-3-06 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31-3-06	CETV at 31-3-05	Real increase in CETV	Employer contribution to partnership pension account
Officials	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**Nearest £100**
Stephen Quinn Permanent Secretary from 3 January 2006	40-42.5 plus lump sum of 125-127.5	0-2.5 plus lump sum of 5-7.5	733	659	34	-
Bruce Robinson Permanent Secretary to 2 January 2006	50-52.5 plus lump sum of 155-157.5	0-2.5 plus lump sum of 5-7.5	898	841	39	-
Wilfie Hamilton Deputy Secretary	42.5-45 plus lump sum of130-132.5	0-2.5 plus lump sum of 5-7.5	789	704	49	-
Noel Lavery Deputy Secretary	7.5-10 plus lump sum of 15-17.5	0-2.5 plus lump sum of 0-2.5	122	99	15	-

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 in the same way as in 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 from a selection of approved products. 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 Civil Service pension arrangements can be found at the website www.civilservicepensions-ni.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 figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, 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 Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with 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. CETVs 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 or arrangement) and uses common market valuation factors for the start and end of the period.

MANAGMENT

DEPARTMENTAL BOARD

The members of the Departmental Board during the year to 31 March 2006 were:

Stephen Quinn	Permanent Secretary - DETI from 03 January 2006
Bruce Robinson	Permanent Secretary - DETI to 02 January 2006
Wilfie Hamilton	Deputy Secretary - Department of Enterprise, Trade and Investment
Noel Lavery	Deputy Secretary - Department of Enterprise, Trade and Investment
Alan Clarke	Chief Executive - Northern Ireland Tourist Board
Leslie Morrison	Chief Executive - Invest Northern Ireland

THE DEPARTMENTAL AUDIT COMMITTEE

The members of the Departmental Audit Committee during the year to 31 March 2006 were:

Stephen Quinn	Chairman, Permanent Secretary, DETI, from 03 January 2006
Bruce Robinson	Chairman, Permanent Secretary, DETI, to 02 January 2006
Stephen Kingon	Invest NI (PricewaterhouseCoopers), to 09 March 2006
Rosemary Peters-Gallagher	Invest NI (Moore Stephens) from 10 March 2006
John McGrillen	NI Tourist Board (Down District Council)
John Dobson	GCCNI (Heron & Dobson) to 21 February 2006
Siobhan Grant	GCCNI (Barrister) from 22 February 2006
Des Lowry	HSENI (Royal College of Nursing)
Noel Lavery	Senior Civil Servant, DETI
Trevor Cooper	Senior Civil Servant, DETI
Robin McMinnis	Senior Civil Servant, DETI

THE DEPARTMENTAL AUDIT & ACCOUNTABILITY LIAISON GROUP (GENERAL)

(NOTE: this committee was renamed the Corporate Governance Committee from 22 November 2005) The members of the Departmental Audit & Accountability Liaison Group (General)/ Corporate Governance Committee during the year to 31 March 2006 were:

Noel Lavery	Chairman, Senior Civil Servant, DETI
Wilfie Hamilton	Senior Civil Servant, DETI
Steve Hare	Senior Civil Servant, DETI to 20 January 2006
Trevor Cooper	Senior Civil Servant, DETI
Alan Magee	Head of DETI Internal Audit
Rodney Brown	Finance Accounts Branch, DETI, from 30 March 2006
Alberta Pauley	Accountability & Casework Branch, DETI to 03 June 2005
Eamonn Blaney	Accountability & Casework Branch, DETI, from 04 June 2005 to 29 July 2005
Terry Coyne	Accountability & Casework Branch, DETI
Michael Woods	DETI Internal Audit

THE DEPARTMENTAL AUDIT & ACCOUNTABILITY LIAISON GROUP (RISK MANAGEMENT)

(NOTE: this committee was renamed the Risk Management Committee from 17 September 2005) The members of the Audit & Accountability Liaison Group (Risk Management)/Risk Management Committee during the year to 31 March 2006 were:

Noel Lavery	Chairman, Senior Civil Servant, DETI
Steve Hare	Senior Civil Servant, DETI to 20 January 2006
Trevor Cooper	Senior Civil Servant, DETI
Alan Magee	Head of DETI Internal Audit
Alberta Pauley	Accountability & Casework Branch, DETI to 03 June 2005
Eamonn Blaney	Accountability & Casework Branch, from 04 June 2005 to 29 July 2005
Terry Coyne	Accountability & Casework Branch, DETI
Michael Woods	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 uses recycled paper as its principle media.

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. 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. 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 2006 the organisations within the departmental boundary paid 99% of undisputed invoices within the credit term.

AUDIT

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

So far as the Accounting Officer is aware, there is no relevant audit information of which the Department's auditors are unaware. The Accounting officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

STEPHEN QUINN
Accounting Officer
20 October 2006

Annex 1
Programme for Government
2003-2006

Annex 2
Public Service Agreement
2003-2006

Annex 3
Public Service Agreement
2004-2007

Annex 4
Public Service Agreement
2005-2008

ANNEX 1: PROGRAMME FOR GOVERNMENT 2003-2006

GROWING AS A COMMUNITY			
Target (PfG ref)	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
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)	R McMinnis	Action likely to be achieved but with some delay.	Progress in taking forward recommendations made in the Task Forces' Report (February 2002) was reinvigorated by Ian Pearson's announcement of the new £50m Integrated Development Fund in March 2003. A total IDF bid has been approved in principle valued at £21.7m, subject to economic appraisal. To date, ten of the 17 projects have completed the approvals process with the remaining projects at various stages of further development and economic approval. DETI, in conjunction with OFMDFM and DSD, have embarked on a Study to establish the extent to which the IDF and other Government programme and policy initiatives have impacted on the core issues identified in the Task Forces' Report. The Study is also considering the continued relevance and appropriateness of existing structures to take forward regeneration of the Task Force areas. The outcome of the Study should be known by the end-April 2006 and a report will be put to Ministers on the way forward shortly thereafter.

SECURING A COMPETITIVE ECONOMY			
Target (PfG ref)	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
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)	M Bohill	Action achieved.	Consumer protection measures in Enterprise Act 2002 came into UK wide effect on 20 June 2003. Consumer Helpline commenced November 2003. Positive evaluation April 04. Pilot money/ debt advice project in place. First stage of the evaluation has been completed. Tender document for future front line delivery prepared and with GPA for clearance. Six sets of Consumer Credit Regulations enacted. On 21 March 2006 Consumer Credit Bill (UK wide), passed third reading in the House of Lords. It has been passed back to the House of Commons with amendments.
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)	M Bohill	Action achieved.	Insolvency and Company Directors Disqualification Amendment Orders made by the Privy Council on 7 June 2005. Company Directors Disqualification Order was brought into operation on 19 December 2005 and the Insolvency (Northern Ireland) Order 2005 on 27 March 2006.

ANNEX 2: PUBLIC SERVICE AGREEMENT 2003-2006

PUBLIC SERVICE AGREEMENT 2003-06: PROGRESS AGAINST TARGETS			
Target (PfG ref)	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
1 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) (Also see Annex 3 Target 5 and Annex 4 Target 9)	Invest NI	Action not achieved	Figures for export sales growth over the three years 2002 - 2005 were: 2002 - 2003: -6.9% 2003 - 2004: 17.1% 2004 - 2005: 1.5% Average growth over the three year period was 3.5%. 2005 - 2006 figures not yet available.(Source NI Sales and Exports Survey Constant Prices)
2 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)	Invest NI	Action not achieved	Data for period 2002-05 shows a 13.5% decline in net employment in larger Invest NI clients. 2005-2006 figures not yet available.
3 Between 2003 and 2006 raise productivity in manufacturing companies towards the UK average. (1.3) (Also see Annex 4 Target 1& Annex 3 Target 4)	Invest NI	Action on track for achievement	The average sales per employee produced by Invest NI manufacturing clients increased during 2002-03 over the previous year by 4.3%. 2003-04 rose by 5.6% & 2004-05 rose by 5.1%. Figures for 2005-06 not yet available.
4 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) (Also see Annex 3 Target 5 and Annex 3 Target 12)	Invest NI	Action achieved	2003-04: 82% 2004-05: 71% 2005-06: 71%

PUBLIC SERVICE AGREEMENT 2003-06: PROGRESS AGAINST TARGETS			
Target (PfG ref)	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
5 For fast growing businesses, achieve, between 2003 and 2006: a) 25% real terms increase in external sales (8% per year), (as compared with 6% in 1999-00); b) 22% real terms increase in turnover (7% per year), (as compared with 5% in 1999-00); and c) 19% increase in employment (6% per year), (a maintenance of the 1999-00 rate of 6%). (1.6)	Invest NI	Action on track for achievement	Figures for the 2004-05 year show the top 25% (approx 303 companies) of Invest NI clients (defined in terms of % sales growth) performed as follows: a) 2004-05 external sales growth = 31.2% 2004-05 exports growth = 31.3% b) 2004-05 sales growth = 32.7% c) 2004-05 employment growth = 4.4% Figures for 2005-06 not yet available.
6 Support the start-up of 100 businesses per year with greater focus on growth potential. (1.7)	Invest NI	Action substantially achieved	For the 3 years ended March 2006, a total of 249 growth-potential businesses were supported.
7 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&D investment for the calendar year 1999). (1.8)	Invest NI	Action not achieved	The R&D Survey relating to this period compares spend in the calendar years 2002 and 2003. Between 2002 and 2003, there was a 25% decrease in private sector R&D spend. However, more encouragingly, there is evidence that this spend is attributed to a wider range of companies. Investment by companies in R&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&D.

PUBLIC SERVICE AGREEMENT 2003-06: PROGRESS AGAINST TARGETS			
Target (PfG ref)	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
8 Increase the amount of visitor spend by 9% per annum from a baseline of £282m in 2001 to £398m in 2005. (1.9) (Also see Annex 4 Target 11 & Annex 5 Target 8).	NITB	Action not achieved	Visitor spend for January-December 2005 reached £354m, a 13% increase on the previous year* Visitor spend declined by 3% in 2002 and increased by less than 9% in 2003. *A change in methodology occurred in 2005. 2004 figures have been revised for comparison purposes.
9 By March 2006, achieve a reduction in the incidences of workplace injuries and illnesses. (2.1)	HSENI	Action likely to be achieved	Figures for the 2004-05 period indicate a 11.8% reduction in the incidences of workplace injuries reported to HSENI and District Councils when compared to the previous year. Figures for 2005-06 are not yet available. HSENI is continuing with the delivery of a range of initiatives and programmes aimed at accident reduction in the high-risk sectors of agriculture, quarries and construction.

ANNEX 3: PUBLIC SERVICE AGREEMENT 2004-2007

PUBLIC SERVICE AGREEMENT 2004-07: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
1 By March 2007 reduce the number of fatal and major injury accidents reported by 5 per cent compared with 2002-03. (Also see Annex 4 Target 13)	HSENI	Action on track for achievement	Statutory accident reporting to HSENI and District Councils for the 2004-05 period indicates a 5.1% reduction in the number of fatal and major injury accidents when compared with 2002-03. Figures for 2005-06 are not yet available.
2 By March 2007, reduce child fatal accidents in agriculture to zero.	HSENI	Action on track for achievement	There have been no child fatalities in agriculture since May 2004. HSENI continued, in partnership with key industry stakeholders, the 'Be Aware Kids' child safety on farms campaign. To date this included a stakeholders' conference in April 2005, the launch of an innovative board game in May 2005 and the running of a rural primary schools poster competition which led to the production and distribution of a promotional calendar. An interactive display was held at the Balmoral Show in May 2006.
3 By March 2006, provide on-line access to all key supplier and customer/ citizen facing business regulation services from Companies Registry and Insolvency Service.	M Bohill	Action likely to be achieved but with some delay.	Insolvency Service contract awarded 7 March 2005. Supplier recently declared substantial underscoping and of complexity of integrated solution and has identified slippage in delivery of solution to mid-August 2006. Revised implementation plan now agreed with supplier and system functionality being delivered in a series of test phases to ensure no further delay. Takes account of stakeholder survey (May 2005) to identify stakeholder concerns and readiness for use of services.
		Action achieved.	Companies Registry online access to company information and document requests operational since November 2005.
		Action likely to be achieved but with some delay.	Online filing to be included in scheduled October 2007 integration with GB Companies House.

PUBLIC SERVICE AGREEMENT 2004-07: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
4 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. (Also see Annex 4 Target 1 & Annex 2 Target 3)	Invest NI	Not yet known.	Currently regional GVA by manufacturing sector is only available up until 2003.
5 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. (Also see Annex 2 Target 1 & Annex 4 Target 9)	Invest NI	Action on track for achievement	2004-05 (Excluding top 25 exporting clients) Exports as % of total sales = 28.4%
6 During the period 2004-2007, support the establishment of 8,500 new businesses.	Invest NI	Action on track for achievement	In 2004-05, 3,921 new businesses were established. In 2005-06 there were 3,475 new starts.
7 During the period 2004-2007, establish 3000 new businesses in New TSN areas.	Invest NI	Action on track for achievement	1,176 (30%) established in 2004-05, 970 (28%) in 2005-06.
8 Between 2004-2006, increase the amount of visitor spend year-on-year by 6 per cent. (Also see Annex 2 Target 8 & Annex 4 Target 11)	NITB	Action on track for achievement	Visitor spend for January- December 2005 reached £354m, a 13% increase on the previous year * *A change in methodology occurred in 2005. 2004 figures have been revised for comparison purposes.

PUBLIC SERVICE AGREEMENT 2004-07: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
9 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.	Invest NI	Action on track for achievement.	For the year 2004-05 the contribution rate was 22%. Provisional figures for 2005-06 indicate that the contribution rate was 20% (figures are provisional and may be subject to amendment).
10 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.	Invest NI	Not yet known.	For the year 2004-05 the ratio was 35%. Figures for 2005-06 are not yet available.
11 Between 2004-07, 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. (Also see Annex 4 Target 7)	Invest NI	Not yet known.	Regional accounts data on R & D expressed as a % of GVA is only available up until 2004. 2004 figures show UK R&D/ GVA = 1.31% & NI R&D/ GVA = 0.50%.
12 By March 2007, increase the proportion of first timeinward investment projects in NTSN areas to 75 per cent of total inward investment projects.	Invest NI	Action on track for achievement.	82% achieved in 2003-2004. 71% in 2004-05. In 2005-06 there were 14 new projects, 71% of which were in NTSN areas.
13 By March 2007, increase the proportion of repayable finance in relation to total assistance offered to business development projects to 25 per cent.	Invest NI	Action on track for achievement.	Figures indicate that repayables represent 8% of total assistance offered to business development projects in 2004-05. Figures for 2005-06 are not yet available.

ANNEX 4: PUBLIC SERVICE AGREEMENT 2005-2008

PUBLIC SERVICE AGREEMENT 2005-08: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
1 During the period 2005-08, reduce the productivity gap measured by GVA per hour worked) with the UK. (Also see Annex 2 Target 3 & Annex 4 Target 4)	W Hamilton	Not yet known.	At this time, there is no available information on GVA per hour worked covering the period 2005-08. Manufacturing productivity in Q3 2005 was 5.2% higher than the same period a year ago (measured using the index of manufacturing productivity).
2 During the period 2005-08, increase the percentage of the Northern Ireland working age population who are economically active and increase the NI employment rate (taking account of the economic cycle).	W Hamilton	Not yet known.	Opening initial dialogue with DEL with regard to primary responsibility for reporting against this target.
3 During the period April 2005 to March 2008, prepare and deliver a rolling Economic Research Agenda which fully supports the policy development and evaluation process and underpins the Departmental Corporate Plan.	F Hepper G Hutchinson	Action on track for achievement.	2005-06 research priorities have been progressed with 2 projects having been completed and the remainder to be completed in 2006-07. Following discussions with all stakeholders, priority research projects for 2006-07 have been agreed by the Research and Evaluation Steering Group (RESG).
		Action achieved.	A rolling 2005-08 programme of high level evaluations was approved by the Departmental Board and all year 2005-06 evaluations are in progress. The programme has been rolled forward one year with identification of evaluations to be carried out/ completed in 08-09.
4 By July 2007, open the electricity market to all consumers.	J Pyper	Action on track for achievement.	Following a public consultation exercise conducted by NIAER, a steering group, chaired by NIAER and also comprising representatives of DETI, NIE and other stakeholders, has been established to oversee the development and implementation of proposals for full market opening.

PUBLIC SERVICE AGREEMENT 2005-08: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
5 By December 2006, complete the South/ North gas pipeline project.	J Pyper	Action on track for achievement.	Planning Permission granted in December 2005, and Wayleave Approvals are on track, except for one which a judicial review is being sought. Contractors have been appointed, pipeline deliveries completed, and construction work commenced Feb 2006.
6 During the period April 2005 to March 2008, promote the use of broadband services and by December 2005, make available 100 per cent equitable broadband services to every household and business in Northern Ireland.	F Hepper	Action achieved.	In January 2006 (latest figures available) there were 204,000 broadband accounts in Northern Ireland - up from 60,000 in March 2004. 36% of businesses and 33% of households now have broadband. 100% broadband availability achieved at 9 December 2005.
7 During the period 2005-2008, NI business expenditure on R&D by Invest NI client companies to increase at a rate faster than that of comparable UK regions, so as to reduce the current gap in business intramural R&D expenditure as a percentage of GVA. (Also see Annex 3 Target 11)	Invest NI	Not yet known.	The R&D Survey for this period will not be published until end of 2006.
8 During the period 2005-2008, support the establishment of 10,000 new businesses, of which 40% will be in New TSN areas. (Also see Annex 2 Target 4 & Annex 3 Target 12)	Invest NI	Action on track for achievement.	In 2005-06 there were 3,475 new businesses offered assistance to date. 28% were in NTSN areas.

PUBLIC SERVICE AGREEMENT 2005-08: PROGRESS AGAINST TARGETS			
Target	**Lead Responsibility**	**Position at 31 March 2006**	**Comments/Explanations**
9 By March 2008, increase the level of exports as a percentage of total sales by Invest NI client companies (excluding the top 25 exporting clients in 2003) to 30%. (Also see Annex 2 Target 1 & Annex 3 Target 5)	Invest NI	Not yet known.	The results from 2005-06 will not be available until end of 2007.
10 By March 2008, maintain at a rate of at least 75% of total inward investment projects the proportion of first time inward investment projects in New TSN areas. (Also see target 8 above)	Invest NI	Action on track for achievement.	71% in 2005-2006.
11 Between 2005-2008, increase the amount of visitor spend year-on-year by 6%. (Also see Annex 2 Target 8 & Annex 3 Target 8)	NITB	Action on track for achievement.	Visitor spend for January- December 2005 reached £354m, a 13% increase on the previous year.* *A change in methodology occurred in 2005. 2004 figures have been revised for comparison purposes.
12 During the period 2005-2008, progress development of the Tourism Signature Projects identified in the Strategic Framework for Action 2004-2007.	NITB	Action on track for achievement.	The five signature projects identified in the Strategic Framework for Action 2004-07 are proceeding satisfactorily.
13 By March 2007 reduce the number of fatal and major accidents reported by 5% compared with 2002-03. (Also see Annex 3 Target 1)	HSENI	Action on track for achievement.	Statutory accident reporting to HSENI and District Councils for the 2004-05 period indicates a 5.1% reduction in fatal and major accidents when compared to 2002-03. Figures for 2005-06 are not yet available.

Statements and Certificates

2

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES YEAR TO 31 MARCH 2006

Under the Government Resources and Accounts Act (Northern Ireland) 2001 the Department of Finance and Personnel has directed the Department to prepare for each financial year resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The 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.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department of Finance and Personnel, including 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 Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Department of Finance and Personnel has appointed the Permanent Head of the Department as Accounting Officer of the Department. 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 the Department of Finance and Personnel and published in Government Accounting Northern Ireland.

STEPHEN QUINN
Accounting Officer
20 October 2006

STATEMENT ON INTERNAL CONTROL - STATEMENT FOR YEAR TO 31 MARCH 2006

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 the 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 InterTradeIreland 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 InterTradeIreland 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 2006 and up to the date of approval of the 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 2006; 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 2006.

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. Internal Audit Service constructs its annual audit programme in light of the Department's and NDPBs' Risk Registers. Internal Audit Service 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

Public Accounts Committee Issues

On 13 February 2006, officials from the Department and from Invest NI provided evidence to the Committee of Public Accounts on an NIAO report entitled "Governance Issues in the Department of Enterprise, Trade and Investment's Former Local Enterprise Development Unit: In Relation to the Establishment and Oversight of the Emerging Business Trust Loan and Venture Funds." The Local Enterprise Development Unit was abolished in March 2002 and its functions were subsumed by Invest NI.

The PAC hearing arose as a result of a forensic accountancy investigation commissioned by Invest NI into the Emerging Business Trust Loan and Venture Funds (EBT). The findings of the investigation subsequently formed the basis of the Northern Ireland Audit Office report which covered issues largely relating to the period between 1996 and the abolition of LEDU in 2002. EBT was a Third Party Organisation (TPO): that is, an organisation which is not part of government but is involved in the delivery of public policy.

The PAC hearing considered significant conflict of interest issues relating to the establishment and management of EBT, the standards of corporate governance in LEDU, and the Department's stewardship of its NDPBs. Paragraph 17 of the NIAO report details the extensive range of actions taken by the Department and Invest NI. These actions had been taken:

- To facilitate the investigation process;
- To strengthen corporate governance arrangements in the Department and its NDPBs; and
- To address specific shortcomings in corporate governance revealed by the forensic accountancy investigation.

The majority of the actions referred to in Paragraph 17 of the NIAO report were taken in previous financial years. In addition to these actions, the following measures, adding to those previously undertaken, have been, or are currently being, implemented:

- My personal approval is now required before a new TPO can be established;
- A risk based inspection regime of all TPOs in the Department and its NDPBs, over and above that already undertaken by Invest NI has been initiated;
- Corporate governance training is now mandatory for Board members of NDPBs;
- The Department's Internal Audit Service has undertaken a risk-based review of the Department's control arrangements for its sponsored bodies; and
- All the Department's NDPBs have Departmental representation on their Audit Committees.

These actions have been included in a comprehensive action plan produced by the Department to address recommendations made in the Public Accounts Committee's report which was published on 18 May 2006. I am taking a personal interest in monitoring progress against the Action Plan.

Reference was made, in the NIAO report and in the Public Accounts Committee hearing, to investigations into three bodies which had been established between 1990 and 1998. The Department is to provide a progress report to the Committee on these investigations, which are still continuing.

OTHER ISSUES

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 has been, and is being, taken in DETI, Invest NI and NITB to address the weaknesses that were identified.

The Department has also initiated a review on foot of allegations made about its relationship with a Third Party Organisation to which it provides funding.

The Department is currently preparing revised Management Statements and Financial Memorandums for its four non departmental public bodies. These are being benchmarked against the best practice model developed by HM Treasury and contained in Government Accounting Northern Ireland. It is anticipated that the Department of Finance and Personnel will approve the Management Statements and Financial Memorandums during the 2006-07 financial year.

Stephen Quinn
Accounting Officer
20 October 2006

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS AND THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Department of Enterprise, Trade and Investment for the year ended 31 March 2006 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the Statement of Operating Costs by Departmental Aim and Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them.

RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND AUDITOR

The Accounting Officer is responsible for preparing the Annual Report and 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. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities (Page 53).

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the Financial Statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001. I also report 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 to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Department has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 54 to 57 reflects the Department's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Introduction, Scope, Management Commentary, the unaudited part of the Remuneration Report, Management, Public Interest and Other, and Annexes. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most 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 and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

OPINION

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel, of the state of the Department's affairs as at 31 March 2006 and the net cash requirement, net resource outturn, resources applied to objectives, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001; 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.

EMPHASIS OF MATTER - MATERIAL UNCERTAINTY ON PROVISIONS

Without qualifying my opinion, I draw attention to Note 19 of the financial statements which indicates the existence of significant uncertainty over the adequacy or excessiveness of the provisions at 31 March 2006 of £118.0 million of which £104.1 million is for anticipated asbestosis claims. The ultimate outcome of the matter cannot presently be accurately determined.

I have no observations to make on these financial statements.

JM Dowdall CB
27 October 2006

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

Notes

1 The maintenance and integrity of the Department of Enterprise, Trade and Investment (DETI) web site is the responsibility of the Departmental Board; 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 web site.

2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting Schedules for the Financial Year to 31 March 2006

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STATEMENT OF PARLIAMENTARY SUPPLY

	SUMMARY OF RESOURCE OUTTURN 2005-06								
		2005-06 £'000 Estimate			2005-06 £'000 Outturn				2004-05 £'000 Outturn
Note	**Request for Resources**	**Gross Expenditure**	**Accruing Resources**	**Net Total**	**Gross Expenditure**	**Accruing Resources**	**Net Total**	**Net Total Outturn compared with Estimate: saving/ (excess)**	**Net Total**
2	A: To encourage the development of a high value added, innovative enterprising and competitive economy leading to greater wealth creation and job opportunities for all.	266,036	(2,952)	263,084	243,607	(2,952)	240,655	22,429	251,834
3	**Total resources**	**266,036**	**(2,952)**	**263,084**	**243,607**	**(2,952)**	**240,655**	**22,429**	**251,834**
	Non-operating cost Accruing Resources			-			-	-	

The notes on pages 67 to 98 form part of these accounts.

NET CASH REQUIREMENT 2005-06					
		2005-06			2004-05
	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000	Outturn £000
Net cash requirement	4	268,468	249,766	18,702	234,600

SUMMARY 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)

SUMMARY OF INCOME PAYABLE TO THE CONSOLIDATED FUND					
		Forecast 2005-06 £000		Outturn 2005-06 £000	
	Note	Income	Receipts	Income	Receipts
Total	5	33,155	*34,916*	38,481	*62,902*

Explanations if variances between estimate and outturn are shown in note 2 and in the management commentary.

The notes on pages 67 to 98 form part of these accounts.

OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2006					
		2005-06			**2004-05**
	Note	**Staff Costs £000**	**Other Costs £000**	**Income £000**	**Income £000**
Administration costs					
Staff costs	9	19,571	-	-	18,629
Other administration costs	10	-	8,081	-	8,000
Operating income	12	-	-	(18)	(24)
Programme costs					
Staff costs	9	272	-	-	358
Programme costs	11	-	216,251	-	227,395
Income	12	-	-	(41,409)	(57,965)
Exceptional item	12a	-	-	47,215	-
Energy Trust Fund		-	42	-	282
Totals		**19,843**	**224,374**	**5,788**	**196,675**
Net Operating Costs	3, 13	**-**	**-**	**250,005**	**196,675**

The notes on pages 67 to 98 form part of these accounts.

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2006		
	2005-06 £000	**2004-05 £000**
Net gain/ (loss) on revaluation of tangible fixed assets	628	42
Net gain/(loss) on revaluation of intangible fixed assets	-	-
Net gain/ (loss) on revaluation of investments	-	-
Receipt of donated assets	-	-
Recognised gains and losses for the financial year	628	42

The notes on pages 67 to 98 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2006

	Note	31 March 2006 £000		31 March 2005 £000	
Fixed Assets					
Tangible assets	14	3,332	-	2,903	-
Investments	15	-	3,332	2,642	5,545
Debtors falling due after more than one year		-	-	-	-
Current Assets					
Debtors	16	26,145	-	96,428	-
Cash at bank and in hand	17	1,609	27,754	2,017	98,445
Creditors (amounts falling due within one year)	18	-	(38,758)	-	(122,795)
Net Current Liabilities					
Total assets less current liabilities		-	(7,672)	-	(18,805)
Creditors (amounts falling due after one year)		-	-	-	-
Provisions for liabilities and charges	19		(118,000)		(116,141)
			(125,672)		**(134,946)**
Taxpayers' Equity:					
General Fund	20		(128,572)		(136,049)
Revaluation Reserve	21		1,710		1,103
Government Grant Reserve	21		1,190		-
			(125,672)		**(134,946)**

The notes on pages 67 to 98 form part of these accounts.

STEPHEN QUINN
Accounting Officer
20 October 2006

CASH FLOW STATEMENT

	Note	2005-06 £000	2004-05 £000
Net cash outflow from operating activities	22a	(185,163)	(222,864)
Capital expenditure and financial investment	22b, 22c	(841)	(649)
Payments of amounts due to the Consolidated Fund		(62,545)	(7,962)
Financing	22d	249,256	232,059
Increase/(decrease in cash) in the period	22e	707	584

The notes on pages 67 to 98 form part of these accounts.

STATEMENT OF OPERATING COSTS BY DEPARTMENTAL AIM AND OBJECTIVES

	2005-06 £000			2004-05 £000		
	Gross	**Income**	**Net**	**Gross**	**Income**	**Net**
RfRA: To encourage the development of a high value added, innovative enterprising and competitive economy leading to greater wealth creation and job opportunities for all	244,175	(41,427)	202,748	254,382	(57,989)	196,393
Exceptional Item	-	47,215	47,215	-	-	-
Energy Trust Fund	42	-	42	282	-	282
Net Operating Costs	**244,217**	**5,788**	**250,005**	**254,664**	**(57,989)**	**196,675**

See also Note 23.
The notes on pages 67 to 98 form part of these accounts.

Notes to the Departmental Resource Accounts

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NOTES TO THE DEPARTMENTAL RESOURCE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the 2005-06 Government Financial Reporting Manual (FReM) issued by the Her Majesty's Treasury. The accounting policies contained in the FReM follow United Kingdom generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

In addition to the primary statements prepared under UK GAAP, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The Statement of Operating Cost by Departmental Aim and Objectives and supporting notes analyses the Department's income and expenditure by the objectives agreed with Ministers.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. 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. The 2004-05 financial statements were prepared in accordance with the 2004-05 Resource Accounting Manual (RAM). The adoption of FReM has resulted in a change of format of the financial statements. This change in format has been applied to both the current and the prior year figures. There has been no financial effect resulting from the change of format.

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 35) 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 professional valuations 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 33. 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 £9,779,000 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 pipelines and to help reduce electricity costs.

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 Cost Statement is analysed between administration and programme income and expenditure. 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 real rate set by HM Treasury (currently 3.5 percent) on the average carrying amount of all 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).

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 2.2%, 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 CONTINGENT LIABILITIES

In addition to contingent liabilities disclosed in accordance with Financial Reporting Standard 12, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Government Accounting Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS 12 are stated at discounted amounts and the amount reported to parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.17 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.

1.18 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 the Northern Ireland Office Ministerial team.

2. ANALYSIS OF NET RESOURCE OUTTURN BY SECTION

STATEMENT OF OPERATING COSTS BY DEPARTMENTAL AIM AND OBJECTIVES									
	2005-06 £000								**2004-05 £000**
	Outturn						**Estimate**		
	Admin	Other current	Grants	Gross resource Expenditure	Accruing Resources	Net Total	Net Total	Net Total outturn compared with Estimate	2004-05 Prior year outturn
RfR A: To encourage the development of a high value added innovative, enterprising and competitive economy leading to greater wealth creation and job opportunities for all.									
Departmental Expenditure in DEL									
1. Economic Development, Policy and Research	13,321	2,544	149	16,014	(425)	15,589	16,084	(495)	15,363
2. Energy and Minerals	953	5,178	-	6,131	(12)	6,119	6,190	(71)	4,313
3. Economic Infrastructure/ Telecoms	175	54	16,557	16,786	-	16,786	18,371	1,585	27,281
4. Invest Northern Ireland	84	-	-	84	-	84	84	-	73
5. Development of Tourism	255	212	-	467	-	467	494	(27)	438
6. Tourism Ireland Ltd	126	-	12,345	12,471	-	12,471	12,481	(10)	11,169
7. InterTradeireland	84	-	2,737	2,821	-	2,821	2,824	(3)	2,621
8. ERDF Support for Economic Development	-	182	4,496	4,678	-	4,678	4,679	(1)	5,167
9. EU Community Initiatives	-	-	2,774	2,774	-	2,774	2,774	-	2,525
10. EU Programme for Peace and Reconciliation	-	-	5,708	5,708	-	5,708	9,033	(3,325)	19,560
11. Business Regulatory Services	5,640	631	-	6,271	(2,515)	3,756	4,366	(610)	4,025
12. Health & Safety	3416	-	-	3416	-	3416	3,504	(88)	3,101
13. Aircraft & Shipbuilding	-	(417)	-	(417)	-	(417)	(285)	(132)	2,515
14. Exec. Programmes (EPF)	50	2	-	52	-	52	209	(157)	153

STATEMENT OF OPERATING COSTS BY DEPARTMENTAL AIM AND OBJECTIVES									
	2005-06 £000								**2004-05 £000**
	Outturn						**Estimate**		
	Admin	Other current	Grants	Gross resource Expenditure	Accruing Resources	Net Total	Net Total	Net Total outturn compared with Estimate	2004-05 Prior year outturn
15. Integrated Development Fund (IDF)	-	30	-	30	-	30	30	-	-
16. Repayment of Loan Interest	-	806	-	806	-	806	690	116	483
Non Budget									
17. Residual Expenses of Electricity Privitisation	-	-	-	-	-	-	13	(13)	-
18. Invest NI - Grant	-	-	138,998	138,998	-	138,998	146,978	(7,980)	137,009
19. Invest NI - EPF	-	-	550	550	-	550	1,154	(604)	153
20. NI Tourist Board - Grant	-	-	9,410	9,410	-	9,410	13,193	(3,783)	9,029
21. NI Tourist Board ERDF	-	-	1,622	1,622	-	1,622	1,939	(317)	1,500
22. Consumer Council - Grant	-	-	1,293	1,293	-	1,293	1,293	-	1,385
23. Consumer Council - EPF	-	-	-	-	-	-	-	-	-
24. Health and Safety	-	-	504	504	-	504	504	-	517
25. Notional Charges	3,548	-	-	3,548	-	3,548	3,905	(357)	3,454
26. EU Programmes Cost of Capital	-	985	-	985	-	985	3,400	(2,415)	-
27. Change in the rate of discount	-	9,177	-	9,177	-	9,177	9,177	-	-
28. Release from Government Grant Reserve in respect of EU funded assets	-	(572)	-	(572)	-	(572)	-	(572)	-
Total	**27,652**	**18,812**	**197,143**	**243,607**	**(2,952)**	**240,655**	**263,084**	**(22,429)**	**251,834**

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

(i) EU Programme for Peace and Reconciliation
The saving of £3.3m results from the grant claims being lower than anticipated.

(ii) Business Regulatory Services
The major elements of the saving of £0.6m was a delay in the Insolvency e-business project.

(iii) Invest NI EPF
The savings of £0.6m resulted from delays in IDF projects.

(iv) NI Tourist Board Grant
Savings of £3.8m arose due to slippage in major programmes.

(v) EU Programmes - cost of capital
Savings of £2.4m resulted from lower EU debtor balances

(vi) Release from Government Grant Reserve
The saving of £0.6m results from the adjustment to the accounting treatment of EU grants received by the Department.

Further details are provided in the Management Commentary.

3 RECONCILIATION OF OUTTURN TO NET OPERATING COST AND AGAINST ADMINISTRATION BUDGET

3(A) RECONCILIATION OF NET RESOURCE OUTTURN TO NET OPERATING COST

RECONCILIATION OF NET RESOURCE OUTTURN TO NET OPERATING COST

		2005-06 £000			2004-05 £000
	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
Net Resource Outturn	2	240,655	263,084	(22,429)	251,834
Prior Period Adjustments					
Non-supply income (CFERs)	5	(38,475)	(33,155)	(5,320)	(55,441)
Exceptional Items	12a	47,215	-	47,215	-
Non-supply expenditure (CFERs)		568	-	568	-
Non-supply expenditure		42	-	42	282
Net operating cost		**250,005**	**229,929**	**20,076**	**196,675**

3(B) OUTTURN AGAINST FINAL ADMINISTRATION BUDGET

OUTTURN AGAINST FINAL ADMINISTRATION BUDGET	2005-06 £000		2004-05 £000
	Budget	Outturn	Outturn
Gross Administration Budget	24,678	24,054	26,629
Income allowable against the Administration Budget	-	-	-
Net outturn against final Administration Budget	24,678	24,054	26,629

4 RECONCILIATION OF RESOURCES TO CASH REQUIREMENT

RECONCILIATION OF RESOURCES TO CASH REQUIREMENT	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
Resource Outturn	2	263,084	240,655	22,429
Capital				
Acquisition of fixed assets		1,626	632	994
Investments		-	-	-
Non operating Accruing Resources				
Proceeds of fixed asset disposals		-	-	-
Accruals adjustments				
Non-cash items		(18,242)	(14,666)	(3,576)
Changes in working capital other than cash		500	13,420	(12,920)
Changes in creditors falling due after more than one year		-	-	-
Use of provision		21,500	9,725	11,775
Excess cash receipts surrenderable to the Consolidated Fund	5	-	-	-
Net cash requirement		**268,468**	**249,766**	**18,702**

EXPLANATION OF THE VARIATION BETWEEN ESTIMATE AND OUTTURN (NET CASH REQUIREMENT)

(i) Acquisition of fixed assets
The variance of £1.0m reflects lower capital expenditure than anticipated.

(ii) Non cash items
The variance of £3.5m results mainly from the cost of capital charge being lower than anticipated.

(iii) Changes in working capital other than cash
The variance of £12.9m results from creditors and accruals being lower than anticipated.

(iv) Use of provisions
The variance of £11.7m results from spend from the Harland & Wolff and other provisions being slower than anticipated.

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					
		Forecast 2005-06 £000		**Outturn 2005-06 £000**	
	Note	**Income**	**Receipts**	**Income**	**Receipts**
Operating income and receipts - excess Accruing Resources	-	-	-	384	384
Other operating income and receipts not classified as Accruing Resources	-	33,155	*34,916*	38,091	62,518
		-	-	38,475	62,902
Non-operating income and receipts - excess Accruing Resources	7	-	-	6	-
Other non-operating income and receipts not classified as Accruing Resources	8	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund	4	-	-	-	-
Total income payable to the Consolidated Fund		**33,155**	**34,916**	**38,481**	**62,902**

6. RECONCILIATION OF INCOME RECORDED WITHIN THE OPERATING COST STATEMENT TO OPERATING INCOME PAYABLE TO THE CONSOLIDATED FUND

RECONCILIATION OF INCOME RECORDED WITHIN THE OPERATING COST STATEMENT TO OPERATING INCOME PAYABLE TO THE CONSOLIDATED FUND			
	Note	**2005-06 £000**	**2004-05 £000**
Operating income		41,427	57,989
Adjustments for transactions between RfRs		-	-
Gross income	12	**41,427**	**57,989**
Income authorised as Accruing Resources		2,952	2,548
Operating income payable to the Consolidated Fund	5	**38,475**	**55,441**

7. NON-OPERATING INCOME - EXCESS ACCRUING RESOURCES

NON-OPERATING INCOME - EXCESS ACCRUING RESOURCES		
	2005-06 £000	**2004-05 £000**
Principal repayments of voted loans	-	-
Proceeds on disposal of fixed assets	6	-
Other (analysed as appropriate)	-	-
Non-operating income - excess Accruing Resources	6	-

8 NON-OPERATING INCOME NOT CLASSIFIED AS ACCRUING RESOURCES

NON-OPERATING INCOME NOT CLASSIFIED AS ACCRUING RESOURCES				
	2005-06 £000	**Income £000**	**2004-05 £000**	**Receipts £000**
Receivable in the year	-	-	-	-
Recognised in the year	-	-	-	-
Carried forward	-	-	-	-

9 STAFF NUMBERS AND RELATED COSTS

Staff costs comprise:

STAFF NUMBERS AND RELATED COSTS	2005-06 £'000		2004-05 £'000
	Total	**Permanently employed staff**	**Total**
Wages and salaries	16,905	16,905	21,303
Social security costs	1,202	1,202	1,562
Other pension costs	2,936	2,936	2,.759
Sub Total	**21,043**	**21,043**	**25,624**
Less recoveries in respect of outward secondments	(1,200)	(1,200)	(6,637)
Total net costs	**19,843**	**19,843**	**18,987**
Analysed as: Administration	19,571	19,571	18,629
Programme	272	272	358
	19,843	**19,843**	**18,987**

Staff costs treated as programme expenditure represent costs reimbursed by the International Fund for Ireland or by bodies where staff are 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 defined benefit scheme which produces its own resource accounts, but DETI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2005-06, employers' contributions of £2,935,000 were payable to the PCSPS (NI) (2004-05 £2,759,000) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands (the rates in 2004-05 were between 12% and 18%). These rates have increased from 1 April 2005 as a result of the latest actuarial valuation. 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 can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employees exercised this option during 2005-06.

Two persons (2004-05: 3 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £1,807 (2004-05: £ 5,352).

AVERAGE NUMBER OF PERSONS EMPLOYED

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the department, but exclude staff on secondment to other organisations

AVERAGE NUMBER OF PERSONS EMPLOYED			
	2005-06		2004-05
Objective	**Total**	**Permanent staff (Number)**	**Total (Number)**
To encourage the development of a high value added, innovative, enterprising and competitive economy leading to greater wealth creation and job opportunities for all.	710	710	833
Less staff seconded to Invest Northern Ireland.	(42)	(42)	(155)
Total	**668**	**668**	**678**

10 OTHER ADMINISTRATION COSTS

OTHER ADMINISTRATION COSTS				
	2005-06 £000		2004-05 £000	
General administration expenditure		4,533		4,546
Non-cash items				
Auditors' remuneration and expenses	52		52	
Notional accommodation costs	2,868		2,673	
Other notional costs	628	3,548	729	3,454
Total		**8,081**		**8,000**

11 PROGRAMME COSTS

PROGRAMME COSTS	Note	2005-06 £000		2004-05 £000	
Current grants and other current expenditure			203,632		222,654
Programme other admin costs			5		8
Non-cash items					
Depreciation		387		365	
Tangible fixed assets written down		105		96	
Loss on disposal of fixed assets		(1)		-	
Cost of Capital Charges		(2,532)		(1,448)	
Additions to provisions	19	(401)		700	
Investment write off provision	15	2,976		2,290	
Release from Government Grant Reserve	21b	(572)		-	
Unwinding of discount on provisions	19	11,985		2,686	
Bad debts - programme		99		44	
CFER income written off		568	12,614	-	4,733
Total			**216,251**		**227,395**

12 INCOME

INCOME	2005-06 £000	2004-05 £000
Administrative Income	18	24
Fees and charges to external bodies	2,516	2,337
Rents	-	1
Energy Trust Fund interest receivable	13	19
Other	1,385	827
EU Income	28,041	49,649
Invest NI income	9,454	5,132
Total Income	**41,427**	**57,989**

12 (A) EXCEPTIONAL ITEMS

EU grant income is recognised by the Department in the Operating Cost Statement, but as it is regarded as Consolidated Fund Extra Receipts, with receipts remitted to the Consolidated Fund, it is not reflected in the Statement of Parliamentary Supply. Following final closure of the 1994-99 EU grant schemes the Department has reviewed the level of debtors in respect of EU grants receivable from 1994 to date, to reflect the knowledge gained from the closure exercise. This review has resulted in a reduction in debtors of £47m, which is reflected in the debtor balance at 31 March 2006.

Excess debtors in respect of the 1994-99 schemes are being written off due mainly to the restatement of intervention rates used by the European Commission when calculating the final monies due and to amounts being processed through departments other than the claiming department. A provision has been created to reflect doubtful issues, exchange losses, etc. in the 2000-06 balances as the final figures cannot be determined until the closure of the schemes has been completed with the EU, which may start in 2008.

13 ANALYSIS OF NET OPERATING COST BY SPENDING BODY

ANALYSIS OF NET OPERATING COST BY SPENDING BODY			
	2005-06 £000		2004-05 £000
Spending Body	**Estimate**	**Outturn**	**Outturn**
Core department	49,563	82,336	33,292
InterTradeIreland	2,824	2,821	2,621
Tourism Ireland	12,481	12,471	11,169
General Consumer Council for NI	1,293	1,293	1,385
Health and Safety Executive NI	504	504	517
Invest Northern Ireland	148,132	139,548	137,162
NI Tourist Board	15,132	11,032	10,529
Net Operating Cost	**229,929**	**250,005**	**196,675**

14. TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS

	Land and Buildings excluding Dwellings £000	Plant and Machinery £000	Information Technology Storage and Zero NBV £000	Furniture and Fittings and Office Equipment £000	Motor Vehicles £000	Total £000
Cost or valuation					-	
At 1 April 2005	1,930	297	1,859	96	201	4,383
Additions	25	34	191	14	34	298
Disposals	-	-	(371)	(6)	(20)	(397)
Diminutions to OCS	-	-	(170)	-	-	(170)
Revaluations	625	2	-	3	2	632
At 31 March 2006	**2,580**	**333**	**1,509**	**107**	**217**	**4,746**
Depreciation						
At 1 April 2005	179	115	993	77	116	1,480
Charged in year	31	20	300	8	28	387
Disposals	-	-	(367)	(5)	(20)	(392)
Diminutions to OCS	-	-	(65)	-	-	(65)
Revaluations	-	1	-	2	1	4
At 31 March 2006	**210**	**136**	**861**	**82**	**125**	**1,414**
Net book value at 1 April 2005	1,751	182	866	19	85	2,903
Net book value at 31 March 2006	**2,370**	**197**	**648**	**25**	**92**	**3,332**

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 2006
Ulster American Folk Park 31 March 2005

Other tangible assets were revalued at 1 April 2005 using the latest available indices published in "Price Index Numbers for Current Cost Accounting" prepared by the Office for National Statistics.

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

During the year the Department benefited from additional supply monies of £9.8m which were made available through the Strategic Investment Programme (part of the Reinvestment and Reform Initiative). These monies were used to fund £9.8m grants to bodies to support infrastructure additions etc.

15 INVESTMENTS

INVESTMENTS	Share Capital £000	Loans £000	Total £000
Balance at 1 April 2005	4,601	8,419	13,020
Additions	-	334	334
Disposals	-	-	-
Write offs	-	-	-
Balance at 31 March (gross)	**4,601**	**8,753**	**13,354**
Opening provision at 1 April 2005	4,600	5,778	10,378
Movement in provision	1	2,975	2,976
Closing provision at 31 March 2006	4,601	8,753	13,354
Net Balance at 31 March 2006	**-**	**-**	**-**

16 DEBTORS

16(A) ANALYSIS BY TYPE

DEBTORS - ANALYSIS BY TYPE	31 March 2006 £000		31 March 2005 £000	
Amounts falling due within one year:				
Trade debtors	406		277	
Deposits and advances	2		3	
Other debtors	315		472	
Prepayments and accrued income	2,248		351	
Energy Trust Fund Prepayment	345	3,316	387	1,490
CFER EU accrued income	14,135		90,505	
CFER Other accrued income	8,694	22,829	4,433	94,938
Total Debtors		**26,145**		**96,428**

Included within trade debtors is £158,587 (2004-05: £252,430) that will be due to the Consolidated Fund once the debts are collected. EU grant income is recognised by the Department in the Operating Cost Statement but as it is CFER income, it is not reflected in the Statement of Parliamentary Supply with EU receipts remitted to the Consolidated Fund. The Department has reviewed the level of debtors in respect of EU grant income receivable for the period 1994 to 2005. This has resulted in a reduction in debtors of £47m, which is reflected in the debtor balance at 31 March 2006.

16(B) INTRA-GOVERNMENT BALANCES

INTRA-GOVERNMENT BALANCES				
	Amounts falling due within one year £000		**Amounts falling due after more than one year £000**	
	2006	2005	**2006**	2005
Balances with other central government bodies	8,522	4,339	-	-
Balances with bodies external to government	17,623	92,089	-	-
Total debtors at 31 March	**26,145**	**96,428**	**-**	**-**

17 BANK AND CASH

BANK AND CASH				
	31 March 2006 £000		**31 March 2005 £000**	
Cash and Bank Balances at 1 April 2005	2,017		2,648	
Bank overdraft at 1 April 2005	(1,345)	672	(2,560)	88
Net cash outflow	(408)		(631)	
Movement in bank overdraft	1,115	707	1,215	584
Cash and Bank balances at 31 March 2006	**1,609**		**2,017**	
Bank overdraft at 31 March 2006	**(230)**	**1,379**	**(1,345)**	**672**
The following balances at 31 March 2006 were held at:				
Office of HM Paymaster General		-		-
Commercial banks and cash in hand		1,379		672
Balance at 31 March		**1,379**		**672**

18 CREDITORS

18(A) ANALYSIS BY TYPE

ANALYSIS BY TYPE	31 March 2006 £000		31 March 2005 £000	
Amounts falling due within one year				
Trade creditors	2,617		3,058	
Other creditors	23		252	
Accruals and deferred income	11,522	14,162	22,278	25,588
Amounts issued from the Consolidated Fund for supply but not spent at year end		755		405
Consolidated Fund extra receipts due to be paid to the Consolidated Fund				
Received	624		267	
Receivable - EU income payable to Consolidated Fund	14,259		90,505	
Receivable - Other	8,728	23,611	4,685	95,457
Total creditors before bank overdraft		**38,528**		**121,450**
Bank overdraft		230		1,345
Total Creditors		**38,758**		**122,795**

EU grant income is recognised by the Department in the Operating Cost Statement but as it is CFER income, it is not reflected in the Statement of Parliamentary Supply with EU receipts remitted to the Consolidated Fund. The Department has reviewed the level of debtors in respect of EU grant income receivable for the period 1994 to 2005. This has resulted in a reduction in debtors of £47m, which is reflected in the debtor balance and the corresponding creditor balance at 31 March 2006.

18(B) INTRA-GOVERNMENT BALANCES

INTRA-GOVERNMENT BALANCES	Amounts falling due within one year £000		Amounts falling due after more than one year £000	
	2006	2005	**2006**	2005
Balances with other central government bodies	26,024	96,070	-	-
Balances with bodies external to government	12,504	25,380	-	-
Total creditors at 31 March	**38,528**	**121,450**	**-**	**-**

19. PROVISIONS FOR LIABILITIES AND CHARGES

PROVISIONS FOR LIABILITIES AND CHARGES						
	2005-06					
	Early Departure Costs £000	Other £000	Mines £000	LEDU Pensions £000	H&W £000	Total £000
Balance at 1 April 2005	196	6,764	4,159	3,332	101,690	116,141
Provided in the year	128	22	500	1,500	-	2,150
Provisions not required written back	-	-	-	-	(2,551)	(2,551)
Provisions utilised in the year	(128)	-	(230)	(3,367)	(6,000)	(9,725)
Unwinding of discount	-	-	1,049	-	10,936	11,985
Balance at 31 March 2006	196	6,786	5,478	1,465	104,075	118,000

19.1 EARLY DEPARTURE

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.

19.2 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.

19.3 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.

19.4 MINES

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

19.5 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 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, £104.1m (£99.1m 2004-05), 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

20 GENERAL FUND

The General Fund represents the total assets less liabilities of the Department, to the extent that the total is not represented by other reserves and financing items.

GENERAL FUND	31 March 2006 £000		31 March 2005 £000	
Balance at 1 April 2005	(136,049)		(120,089)	
Transfer to Government Grant Reserve	(1,762)		-	
Adjusted Opening Balance		(137,811)		(120,089)
Net Parliamentary Funding				
Drawn Down	249,256		232,059	
Deemed	405	249,661	2,551	234,610
Supply (creditor)/debtor - current year		(755)		(405)
Net Transfer from Operating Activities				
Net Operating Cost		(250,005)		(196,675)
CFERs repayable to the Consolidated Fund		(37,914)		(55,441)
Exceptional Items		47,215		
Non cash charges:				
Cost of capital		(2,532)		(1,448)
Auditors remuneration		52		52
Other notional costs		3,496		3,401
Transfer from the revaluation reserve		21		20
Adjustment re repayment of SIP loan		-		(74)
Balance at 31 March 2006		**(128,572)**		**(136,049)**

21 RESERVES

21(A) REVALUATION RESERVE

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

REVALUATION RESERVE		
	31 March 2006 £000	**31 March 2005 £000**
Balance at 1 April 2005	1,102	1,081
Arising on revaluation during the year (net)	628	42
Transferred to general fund in respect of realised element of revaluation reserve	(20)	(20)
Balance at 31 March 2006	**1,710**	**1,103**

21(B) GOVERNMENT GRANT RESERVE

The government grant reserve represents the value of assets funded by grants.

GOVERNMENT GRANT RESERVE		
	31 March 2006 £000	**31 March 2005 £000**
Balance at 1 April 2005	-	-
Transfer From General Fund	1,762	-
Release to the Operating Cost Statement	(572)	-
Balance at 31 March 2006	**1,190**	**-**

22 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

22(A) RECONCILIATION OF OPERATING COST TO OPERATING CASH FLOWS

RECONCILIATION OF OPERATING COST TO OPERATING CASH FLOWS	Note	31 March 2006 £000	31 March 2005 £000
Net operating cost	13	(250,005)	(196,675)
Adjustments for non-cash transactions	10, 11	16,161	8,187
(Increase)/ Decrease in Debtors	16	70,283	(39,253)
Increase/ (Decrease) in Creditors	18	(82,922)	60,923
Movements relating to capital accruals		215	(136)
Adjustment for non cash bad debt provision		(666)	(44)
Movement in RRI loan		-	(74)
Movements in CFER creditors	18	71,846	(47,480)
Movements in Supply creditors	18	(350)	2,146
Use of provisions		(9,725)	(10,458)
Adjustment for offset of CFER related debtors and creditors		-	-
Net cash outflow from operating activities		**(185,163)**	**(222,864)**

22(B) ANALYSIS OF CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	Note	31 March 2006 £000	31 March 2005 £000
Tangible fixed asset additions	22(c)	(507)	(315)
Proceeds of disposal of fixed assets		-	-
Loans to other bodies	15	(334)	(334)
Net cash outflow from investing activities		**(841)**	**(649)**

22(C) ANALYSIS OF CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT BY REQUEST FOR RESOURCES

ANALYSIS OF CAPITAL EXPENDITURE, FINANCIAL INVESTMENT BY REQUEST FOR RESOURCES				
	Capital expenditure £000	**Loans etc £000**	**ARs/Excess ARs £000**	**Net Total £000**
Request for Resources A	507	334	-	841
Net movement in debtors/creditors	(209)	-	(6)	(215)
Profit/loss on disposal	-	-	1	1
Total 2005-06 (to 31.03.06)	**298**	**334**	**(5)**	**627**
Total 2004-05	**450**	**334**	**-**	**784**

22(D) ANALYSIS OF FINANCING

ANALYSIS OF FINANCING			
	Note	**2005-06 £000**	**2004-05 £000**
From the Consolidated Fund (Supply) - current year	20	249,256	232,059
From the Consolidated Fund (Supply) - prior year		-	-
From the Consolidated Fund (non-Supply)	22	-	-
Net financing		**249,256**	**232,059**

22(E) RECONCILIATION OF NET CASH REQUIREMENT TO INCREASE/(DECREASE) IN CASH

RECONCILIATION OF NET CASH REQUIREMENT TO INCREASE/(DECREASE) IN CASH	Note	2005-06 £000	2004-05 £000
Net cash requirement		(249,766)	(234,600)
From the Consolidated Fund (Supply) - current year	22(d)	(249,256)	(232,059)
From the Consolidated Fund Supply - prior year	22(d)	-	-
Amounts due to the Consolidated Fund - received in a prior year and paid over		(267)	(344)
Amounts due to the Consolidated Fund received and not paid over	18(a)	624	267
Adjustment relating to interest on RRI loan		860	-
Adjustment relating to 2004-05 supply creditor		-	74
(Increase)/ decrease in cash		**707**	**584**

Under the Reinvestment & Reform Iniative, 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. This interest charge of £860k has been included in the net cash requirement of the Department.

23 NOTES TO THE CONSOLIDATED STATEMENT OF OPERATING COSTS BY DEPARTMENTAL AIM AND OBJECTIVES

Programme grants and other current expenditures have been allocated as follows:

NOTES TO THE CONSOLIDATED STATEMENT OF OPERATING COSTS BY DEPARTMENTAL AIM AND OBJECTIVES	2005-06 £000	2004-05 £000
RfRA To encourage the development of a high value added innovative, enterprising and competitive economy leading to greater wealth creation and job opportunities for all.	216,523	227,753
Total	**216,523**	**227,753**

The Department's capital is almost entirely for programme purposes. Capital employed has been allocated or apportioned to objectives in proportion to gross administration costs.

24 CAPITAL COMMITMENTS

CAPITAL COMMITMENTS	2006 £000	2005 £000
Contracted capital commitments at 31 March 2006 for which no provision has been made	1,587	1,921

25 OPERATING COMMITMENTS

The estimated programme costs of fulfilling the terms of the letters of offer existing at 31 March 2006 and the costs of supporting the training or funding of the individuals who were enrolled on various programmes at this date is:

OPERATING COMMITMENTS	2006 £000	2005 £000
Business Regulation Division	800	1,250
Energy Division	17,995	24,993
EU grants	19,510	32,245
Personnel, Information Management and Services Division		229
Strategic Policy Division		2,153
Tourism, Agency Liaison and Equality	1,900	4,000
	40,205	**64,870**

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 CONTINGENT LIABILITIES DISCLOSED UNDER FRS 12

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 19) 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 19 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.

28 CONTINGENT LIABILITIES NOT REQUIRED TO BE DISCLOSED UNDER FRS 12 BUT INCLUDED FOR PARLIAMENTARY REPORTING AND ACCOUNTABILITY PURPOSES

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.

29 LOSSES AND SPECIAL PAYMENTS

29(A) LOSSES STATEMENT

LOSSES SHOWN ARE RECORDED ON AN ACCRUAL BASIS, AS REQUIRED BY GOVERNMENT ACCOUNTING NORTHERN IRELAND	
Losses	**£000**
Total (647 cases)	**244**

29(B) LOANS MADE

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

30 RELATED-PARTY TRANSACTIONS

The Department of Enterprise, Trade and Investment sponsors Harland and Wolff Plc and the Non-Departmental Public Bodies listed in Note 1.2.

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 Ministers, 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.

PriceWaterhouseCoopers
(Stephen Kingon)
£169,000 services supplied to DETI in respect of contracts placed for a range of services.

Down District Council
(John McGrillen)
£241,000 local economic development assistance provided under the European Union Building Sustainable Prosperity programme.

31 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.

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.

32 ENTITIES WITHIN THE DEPARTMENTAL BOUNDARY

The core Department is the only entity within the boundary during 2005-06.

33 INVESTMENTS HELD

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

THIRD PARTY ASSETS

	31 March 2005 £000	Gross inflows £000	Gross outflows £000	31 March 2006 £000
Insolvency Account	7,867	5,451	5,291	8,027

INVESTMENTS

	2005-06		2004-05	
	No.	Cost £000	No.	Cost £000
Viridian Venture Capital Funds	-	1	-	1
Harland & Wolff plc	10,996,082	-	10,996,082	-
		1		**1**

34 HARLAND & 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:

CONSOLIDATED PROFIT AND LOSS DRAFT ACCOUNT YEAR TO 31 MARCH 2006				
		2005-06 £000		**2004-05 £000**
Leasing Income		465		1,087
Leasing Expenditure		0		(1,087)
Gross Profit		(-465)		-
Other operating expenses (net)		(617)		(228)
Operating Loss		**(152)**		**(228)**
Interest Receivable (net)		**152**		**228**
Profit/Loss before taxation		-		-
Taxation		-		-
Profit/Loss for year		**-**		**-**

BALANCE SHEET DRAFT AS AT 31 MARCH 2006				
	2006 £000		**2005 £000**	
Tangible Fixed Assets		-		-
Government Grants receivable		102,376		97,883
Current Assets	2,540		3,508	
Creditors	(604)		(608)	
Net Current Assets		**1,936**		**2,972**
Total assets less current liabilities		**104,312**		**100,855**
Provisions for liabilities and charges		(102,975)		(99,201)
Deferred Income		(1,337)		(1,654)
Net Assets		**-**		**-**
Capital and Reserves		10,996		10,996
Called-Up Shares		(10,996)		(10,996)
Profit and Loss account		**-**		**-**

35. 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 £345,097 at 31 March 2006 (£387,329 at 31 March 2005), is treated as an asset in the balance sheet (Note 16(a)). The Department of Finance and Personnel has directed that the movement in the fund during the year is treated as non-Supply expenditure. Details of the Fund's activities are shown in its own accounts. It is envisaged that the balance of the Fund will be utilised/exhausted by 31 March 2007.

Abbreviations

ABBREVIATIONS	
AR	Accruing Resources
BCP	Business Continuity Plan
BERD	Business Expenditure on Research and Development
CETV	Cash equivalent transfer value
CFER	Consolidated Fund Extra Receipt
CLRB	Company Law Reform Bill
COMREG	The Commission for Communications Regulation (ROI)
CRNI	Companies Registry Northern Ireland
CS	Civil Service
DARD	Department of Agriculture and Rural Development
DCMNR	Department of Communications, Marine and National Resources (ROI)
DE	Department for Education
DEL	Departmental expenditure limit
DEL	Department for Employment and Learning
DETI	Department of Enterprise, Trade and Investment
DHSSPS	Department of Health, Social Services and Public Safety
DOE	Department of the Environment
DP	Deputy Principal
DRD	Department for Regional Development
DSD	Department for Social Development
DTI	Department of Trade and Industry (GB)
DWP	Department for Work and Pensions (GB)
e	Electronic
EBT	Emerging Business Trust
EBTVF	Emerging Business Trust Venture Fund
EC	European Community
EDF	Economic Development Forum
EDRMS	Electronic document and records management system
EFQM	European Foundation for Quality Management
EPF	Executive Programme Funds
ERDF	European Regional Development Fund
ERINI	Economic Research Institute of Northern Ireland

ABBREVIATIONS	
EU	European Union
FDI	Foreign direct investment
FE	Further Education
FOI	Freedom of Information
FReM	Government Financial Reporting Manual
FRS	Financial Reporting Standard
FTE	Full-time equivalent
GB	Great Britain
GCCNI	General Consumer Council for Northern Ireland
GEM	Global Entrepreneurship Monitor
GPA	Government Purchasing Agency (NI)
GSNI	Geological Survey of Northern Ireland
GVA	Gross Value Added
HE	Higher Education
HR	Human Resource
HSENI	Health and Safety Executive for Northern Ireland
ICT	Information and communication technologies
IDF	Integrated Development Fund
IIP/ IiP	Investors in People
JWG	Joint working group
LEDU	Local Enterprise Development Unit
MGPH	Ministerial Group on Public Health
NDPB	Non-Departmental Public Body
NI	Northern Ireland
NIAER	Northern Ireland Authority for Energy Regulation
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
NIE	Northern Ireland Electricity Plc
NIRO	Northern Ireland Renewals Obligation
NITB	Northern Ireland Tourist Board
NTSN	New targeting social need
OCS	Operating Cost Statement
OFCOM	Office of Communications (UK)

ABBREVIATIONS	
ONS	Office for National Statistics
OFMDFM	Office of the First Minister and Deputy First Minister
PAC	Committee of Public Accounts
PCPF	Parliamentary Contributory Pension Fund
PCSPS (NI)	Principal Civil Service Pension Scheme (Northern Ireland)
Plc	Public Limited Company
PPP	Public Private Partnership
PSA	Public Service Agreement
PSEC	Public Sector Energy Committee
R&D	Research and development
RESG	Research and Evaluation Steering Group
RfR	Request for Resource
ROI	Republic of Ireland
RRI	Reinvestment and Reform Initiative
SDA	Service Delivery Agreement
SI	Statutory Instrument
SNIPE	Scottish Northern Ireland Pipeline Emergency
SO	Staff Officer
SSC	Shared Service Centre
TPO	Third Party Organisation
TSN	Targeting social need
UK	United Kingdom of Great Britain and Northern Ireland
UKGAAP	United Kingdom generally accepted accounting practice
VAT	Value Added Tax

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