



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

MEETING NEW CHALLENGES

Special EU Programmes Body

Annual Report and Accounts 2005

SEUPB

Annual Report and Accounts for the period ended 31 December 2005.

Laid before each House of Parliament in accordance
with the North/South Co-operation (Implementation Bodies)
(Northern Ireland) Order 1999 Schedule 1, Annex 2, Part 7,
paragraphs 1.3 and 2.6.

8 November 2006

Ordered by the House of Commons to be printed

8 November 2006

HC 1644 LONDON: The Stationery Office £13.50



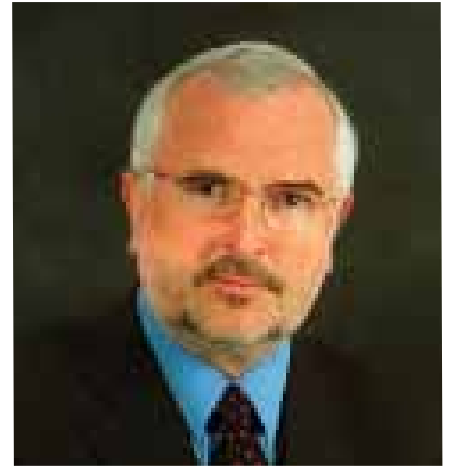
CONTENTS

FOREWORD by Chief Executive	01
BACKGROUND	03
PEACE II PROGRAMME	07
INTERREG IIIA PROGRAMME	13
OTHER COMMUNITY INITIATIVES	17
CROSS BORDER WORKING	19
THE FINANCE	21
THE DETAILS	55





FOREWORD



There is no doubt that 2005 was one of the most significant years for the Special EU Programmes Body since its creation in 1999.

There were many notable milestones and achievements throughout the year for the SEUPB and the two European Union funds for which the Body is the Managing Authority. Some of the highlights of the Peace II and Interreg IIIA programmes are in this report.

The most important event for the Peace II programme was the launch of the €144m Peace II extension which allows for project funding until the end of 2006.

It was a delight to welcome the European Commissioner for Regional Policy, Danuta Hübner, Northern Ireland Finance Minister, Jeff Rooker, and Ireland's Minister of State for Agriculture and Food, Brendan Smith TD, for the official launch of the extension at an event in Belfast in June.

The months that followed saw a number of the extended programme 'measures' opened for business and by the end of 2005 the number of projects funded by Peace II had reached 5,585 - a remarkable number.

The Interreg IIIA programme had an equally busy year with 91% of its funds committed and support provided for 256 projects by the end of 2005. All of these projects are focusing on enhancing cross border economic co-operation and working relationships.

Along with the many achievements of both programmes came a number of challenges. Not least N+2, a target set by the European Commission for both programmes to spend a target amount of money by the end of the year.

Peace II was set a target of £145.33m and Interreg IIIA a target of €30.3m. I am delighted to report that both N+2 targets were exceeded through the co-operation of everyone working on the programmes, at every level.

I would like to thank the thousands of Peace II and Interreg IIIA funded projects for their outstanding contribution in making Northern Ireland and the Border Region of Ireland a better place for us all in which to live. It is the project participants and beneficiaries and the project managements that have helped to make the programmes the successes they have become.

My gratitude must also go to the many partners whose invaluable support in implementing the programmes sometimes goes unnoticed. Managing programmes the size of Peace II and Interreg IIIA is not an easy task and successful implementation of the programmes' work can only be achieved by all of us working in partnership together.

My final thanks must go to the staff of the Special EU Programmes Body. Through their hard work, sheer determination to rise to any challenge and their dedication, the role of the Body and its remit as Managing Authority of Peace II and Interreg IIIA, has been recognised, not only in Northern Ireland and the Border Region of Ireland, but also throughout Europe.

Pat Colgan
Chief Executive
Special EU Programmes Body

BACKGROUND



The Special EU Programmes Body's principal functions are to manage certain EU Structural Funds, such as the EU Programme for Peace and Reconciliation (PEACE II), INTERREG IIIA programme and other Community Initiatives and to support a range of development and regeneration programmes in the North and South of Ireland.

The SEUPB is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in Ireland. The Body was established on 2nd December 1999 under the Good Friday Agreement 1998 and the British Irish Agreement establishing implementation bodies. The Body reports to the North/South Ministerial Council.

PEACE II Programme

The PEACE II programme aims to help Northern Ireland become a more stable and prosperous society and to promote reconciliation in Northern Ireland and the Border Region of Ireland.

By the time the programme closed at the end of 2004, it had provided around

£456 million (€707 million) for projects. The programme had five main themes; Economic Renewal; Social Integration, Inclusion and Reconciliation; Locally-based Regeneration and Development Strategies; Outward and Forward Looking Region and Cross Border Co-operation.

During the year the Peace II extension has been rolled out with four main themes: Economic Renewal; Social Integration, Inclusion and Reconciliation; Locally Based Regeneration and Development Strategies and Cross-Border Co-operation.

Northern Ireland Regional Partnership Board

The Special EU Programmes Body is also responsible for the secretariat for the Northern Ireland Regional Partnership Board, which was set up to ensure that partnership working continues beyond the life of the PEACE II programme. The Board is tasked with promoting partnership working at a local level, the sharing of best practice, and assisting different districts and organisations to work together.

INTERREG IIIA Programme

The INTERREG IIIA programme, an EU wide initiative, is designed to support cross border co-operation, social cohesion and economic development between the regions of the European Union. The Ireland/Northern Ireland INTERREG IIIA programme covers all of Northern Ireland and the six border counties of Ireland.

The €179 million programme aims to address the economic and social disadvantages which can result from the existence of a border, by promoting the creation of cross border networks involving, and also benefiting, local communities.

The programme has a number of Measures under which applications can be made; however, preference is given to projects which lead to job creation, improvement of the economic competitiveness of an area, creation of development plans and the promotion of equal opportunities for men and women.



- 1:** At the first birthday celebration for the Scribbles nursery were: Jim Allister, MEP (left); Pat Colgan, Chief Executive, SEUPB (right) and three-year old Joshua Hamilton.
- 2:** Daniel Phillips, at work from his County Louth home on the innovative sculptural garden furniture he creates, is benefiting from membership of the Creative Enterprise Office Club.
- 3:** PEACE II and INTERREG IIIA's eligible areas.
- 4:** An example of Craftwork Cross Border Craft Network's products, funded by the European Union's PEACE II programme through Co-operation Ireland.



The Special EU Programmes Body also has oversight of other Community Initiatives, including Leader +, Urban II and Equal and contributes to the development of such programmes through partnership activity with government departments, North and South.

Common Chapter

The Special EU Programmes Body is charged with monitoring and promoting the implementation of the Common Chapter. The National Development Plan for Ireland (2000-2006) and the Northern Ireland Structural Funds Plan (2000-2006) each contain a chapter of agreed text that appears in both plans.

This sets out a strategic framework for building upon North/South and wider co-operation across a broad range of sectors and activities. This develops from previous work set out in the 1994/1999 plans and recognises the benefits that may be secured throughout the island of Ireland through closer economic co-operation.

Our Values

As an organisation the Special EU Programmes Body is committed to undertake our business on the basis of the following values which all staff strive to uphold.

Inclusiveness

In all aspects of our work we will aim to act in a manner which offers equality of opportunity and accessibility. We will act fairly and openly towards any one person or any organisation. We wish to encourage participation from all and respect for diversity.

Transparency and Openness

We adopt a policy of transparency and openness and will keep personnel, customers and the general public aware of our policies and actions through the exchange and dissemination of information and consultation

Working Positively Together

We will continue to work in partnership with stakeholders and customers to respond to their needs and ensure that issues are identified and addressed.

Respect for People

The Special EU Programmes Body is committed to showing respect for all people with whom we come into contact during the course of our business.

Ready to Learn, Share and be Innovative

At all times we will be open to new ideas and concepts and willing to consider new ideas and challenging ways of working,

whilst retaining quality deliverables. The Special EU Programmes Body encourages sharing of ideas and suggestions to improve both personal and corporate performance, through open two-way communication.





HIGHLIGHTS OF 2005

“

The €144m Peace II Extension was officially launched in June 2005.

By the end of December 2005, the programme had funded 5,585 projects to around 2,700 organisations.

”

Peace II Programme

The most significant milestone for Peace II in 2005 was the announcement of the programme extension

European Commissioner, Danuta Hübner, Northern Ireland Finance Minister Jeff Rooker and Ireland's Minister of State for Agriculture and Food, Brendan Smith TD officially launched the extension at Belfast's Waterfront Hall on 3 June 2005. Following the launch event, Commissioner Hübner visited some community projects that received funding to see the work of the programme.

The €144m extension saw a particular emphasis on the area of reconciliation and continued to target all communities, sectors and areas affected by the conflict. Particular measures under the programme provided support for victims,

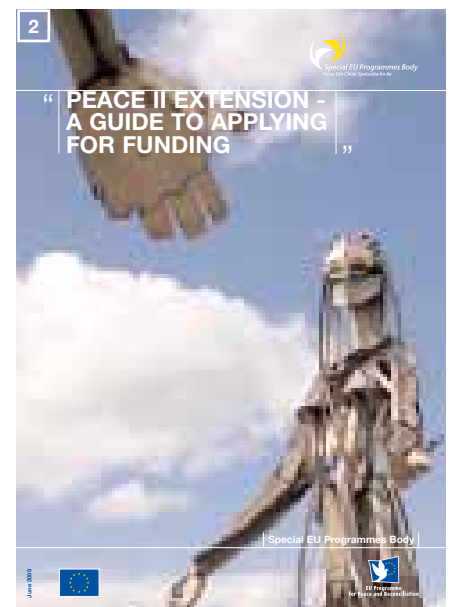
cross border work, training for women, and rural development. As part of the extension, the programme focused on the problems of specific communities which have previously lacked enough capacity to take advantage of programme funding. Early results suggested that this approach encouraged great interest for funding from "new" organisations.

To ensure widespread awareness of the extension and the programme, SEUPB organised a series of information events throughout June at various locations throughout the eligible area. The information events took place in North Belfast, South Belfast, East Belfast, West Belfast, Derry, Ballymena, Armagh, Omagh, Donegal, Monaghan, Dundalk, Ballynahinch, Bangor, Cookstown and Enniskillen. Implementing Bodies hosted

further roadshows in various locations to publicise their individual measures. The Body published 'A Guide to Peace II Funding' to coincide with the launch of the programme extension. This user-friendly guide, written in 'plain' English, gave information on how and where to apply for funds, as well as a summary of the programme's funding criteria and application process.

Following approval of the extension, the SEUPB commissioned Central Procurement Services to complete an open tendering process to recruit

- 1: At the launch of the Peace II extension; European Commissioner, Danuta Hübner (centre) was joined by Brendan Smith (left) Ireland's Minister of State for Agriculture and Food, and Northern Ireland, Finance Minister, Jeff Rooker.
- 2: A Guide to Peace II Funding published to coincide with the launch of the programme extension.





organisations to implement the extension's 'measures'. All successful tenders were appointed and contracts issued by June 2005.

On 7 March 2005 the programme hosted its second 'Celebrating Success' showcase event in Belfast City Hall. The event, which also marked the start of Community Relations week, recognised the approach to peace building and reconciliation by some exemplary projects from all communities on both sides of the border.

The speakers at the event included Second Permanent Secretary, Dr Andrew McCormick, Department of Finance and

Personnel; Noel O Gorman, Department of Finance Ireland; Lord Mayor of Belfast, Councillor Tom Ekin and Duncan Morrow from the Community Relations Council. The programme's Implementing Bodies nominated examples of good practice under categories which reflected the programme's priorities and measures. The event highlighted sixteen projects selected by an independent panel.

Over 250 people attended the showcase at which Ashfield Boys from East Belfast and St Roses' from West Belfast, performed for the audience.

In June the Peace programme launched the 'Community Uptake Analysis Report'.

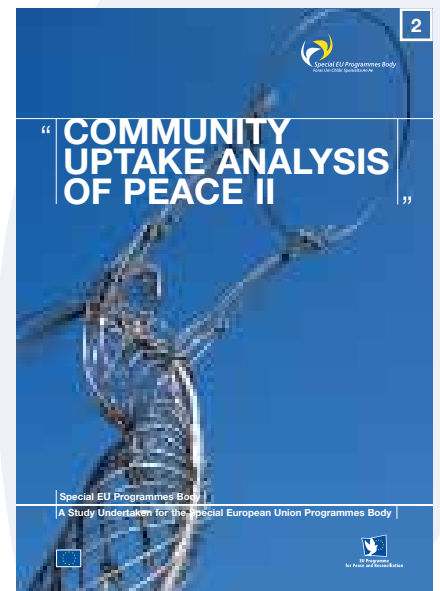
Helm Corporation in association with Trutz Hasse carried out this independent research. It was designed to assess the current spread of funding across the two main communities and to explore the complex relationship between religious background, areas of deprivation, quantity of funding applications and approved funding levels.

Importantly, one of the key findings of the report confirmed that "there is no residual direct effect from the religious composition of a specific area to the amount of funding received, thus clearly showing that there is no bias in the distribution of funds."

1: Welcoming visitors to the Celebrating Success Event at Belfast's City Hall



2: Community Uptake Analysis Report launched by the Peace programme in June.



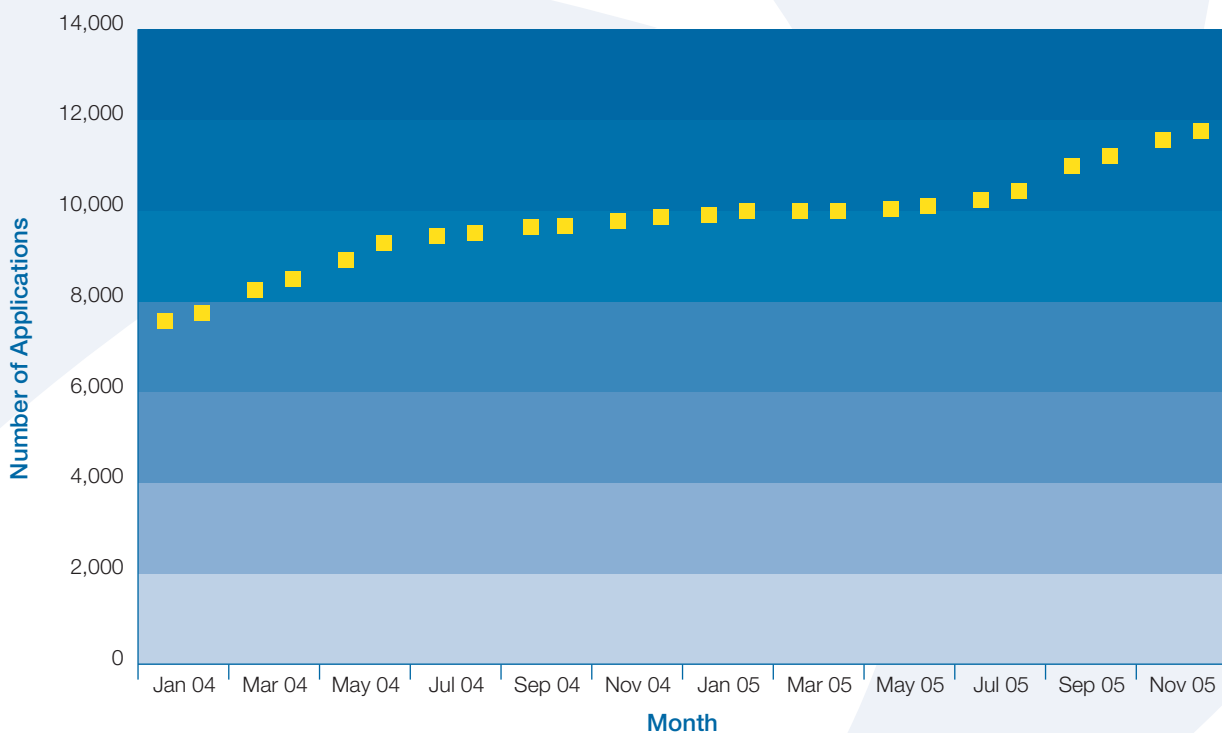
As part of the programme's transparency and openness, the Peace II Monitoring Committee met on two occasions in 2005.

In the early part of 2005, as Peace II moved towards full commitment, the number of applications to the programme slowed significantly. Following approval

and implementation of the extension to the programme, a considerable increase in the number of applications was evident.

Funding bodies received 11,915 applications by the end of December 2005 reflecting an increase of 2,046 from December 2004.

Growth in the Number of Peace II applications (January 2004 - November 2005)

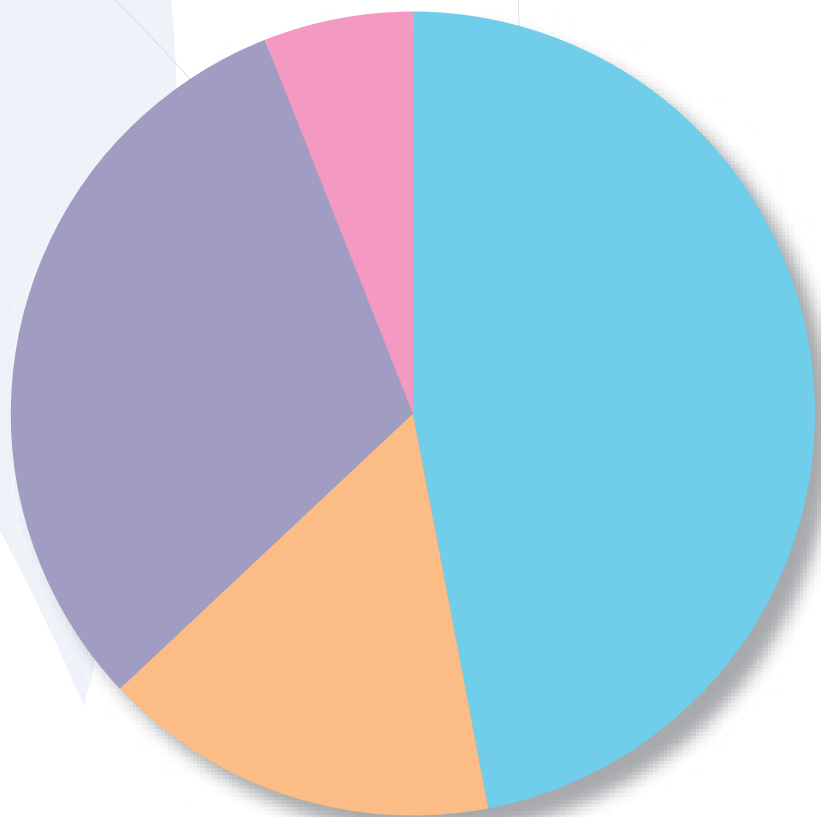


Almost half of all applications, 47% or 5,571, to the programme have been successful. The chart below details the status of all applications.

Following approval of the revised Programme Guidance Note (G6) on project selection, SEUPB commissioned Rubicon Consulting to carry out Peace II Selection Panel training for all Implementing Bodies. The training focused on the areas of reconciliation, equality, conflicts and freedom of information. Rubicon Consulting held 49 training sessions in all parts of Northern Ireland and the Border Counties. Over 550 Panel members attended the training.

Number of applications to the Peace II programme at the end of December 2005

Approved and Accepted **47%**
Being Processed **16%**
Rejected **31%**
Approved **6%**



Case Study

CHAP ARTS PROJECT SUSTAINING RURAL COMMUNITY HALLS

Over 700 people from rural County Armagh took part.

The European Union, through the Peace II programme, funded the Rural Community Halls Arts Partnership (known as CHAP) through the Rural Development Council. Regeneration of South Armagh

led the project which encouraged promotion of arts and culture. The project also illustrated the opportunities that arts and cultural activities can help to sustain rural community halls.

Groups from seven rural areas of County Armagh worked in partnership together in 74 arts workshops. CHAP organised seven cultural events which brought in members of the wider community.

One of the many highlights of the project was the creation of a mosaic mural that brought communities together.

As well as the training in various art forms, the people involved developed strong friendships between neighbouring communities from all traditions.

Kathy O'Hare of Mountnorris shows the mosaic mural she helped create at her local community hall as part of the CHAP project.





HIGHLIGHTS OF 2005

“

The Interreg IIIA Steering Committee met four times in 2005 and considered 191 funding applications.

The total amount of funding committed to projects in 2005 was €45,692,765. By the end of 2005, a total of 256 projects were funded by the programme with a total commitment of €166.37m.

”

Interreg IIIA Programme

In 2005 the programme continued to build on the progress of previous years. After an initial slow start activity increased rapidly throughout the year across all Priorities. The Interreg IIIA Steering Committee met four times during 2005 and considered 191 applications. Most of the projects presented to the Committee were under Priority One of the programme. Forty-six out of the 153 projects considered were approved.

By the end of 2005, 256 applications had been approved by the Steering Committee and 290 had been rejected and the total commitment to projects was €155.17m, with €11.2m committed to Priority 4; therefore an overall commitment of €166.37m.

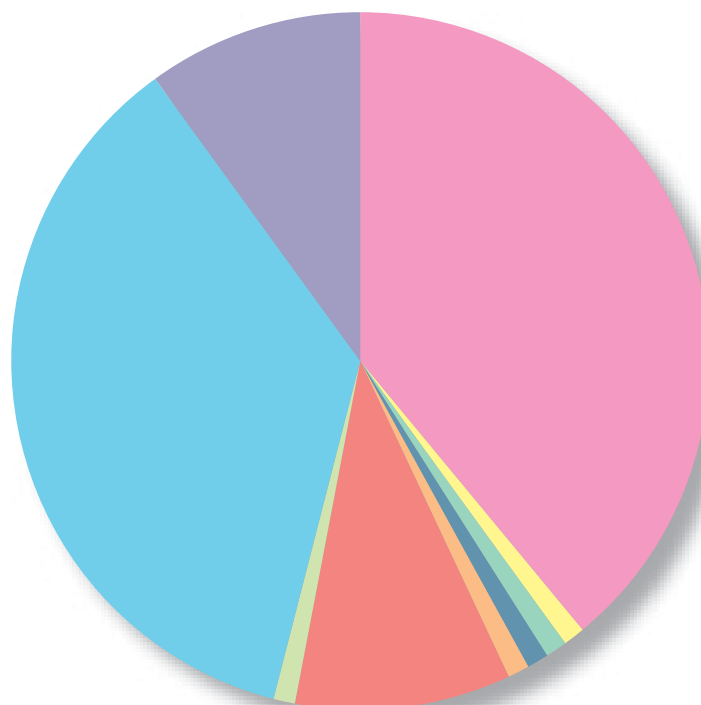
By the end of September 2005 the programme had received 640 applications. There were three Monitoring Committee meetings held in April, July and October, which allowed the SEUPB to update the Committee on how the implementation of the programme was progressing.

Two editions of the programme's newsletter, Interviews, were published in February and August 2005.



Status of Interreg applications at the end of December 2005

- Letter of Offer Accepted **36%**
- Withdrawn **10%**
- Rejected **39%**
- Referred to other Measure **1%**
- Transferred to other IA **1%**
- Removed **1%**
- Project Completed **1%**
- Full applications **10%**
- Letter of Offer issued **1%**



Case Study

CROSS BORDER TRAINING SUPPORTED IN BLACKWATER REGION

Testament to its success, more than 320 local people took part in a wide range of training courses offered during the first year of the Blackwater Regional Partnership's Human Resources and Re-skilling project, funded by the European Union's Interreg IIIA programme through the Irish Central Border Area Partnership (ICBAN).

The three-year cross border project provides rural people in the Dungannon, Armagh and Monaghan areas with opportunities to experience life-long learning and develop skills, right in the hearts of their own communities. It also enhances qualifications and skills levels in the border region.

The project works in partnership with the local college and other training providers to run the courses in local community centres. After training, participants can arrange a meeting with guidance services to examine progression routes.

Photo: Annette McGarrity and her B&B business have benefited from the training she undertook in her local community centre through the Blackwater Regional Partnership's Human resources and Re-skilling project.



Case Study

HARMONY IN ACTION: IMPROVING COMMUNITY GREEN SPACES

Enhanced green spaces featuring interlinked pathways are part of the Newhaven Trust's Harmony in Action Teams (HATS II) projects in the Newry/Dundalk border area which are nearing completion, thanks to help from the European Union.

Participants from two communities are working together to design and

create two environmental improvement schemes. A strong working relationship was developed during the HATS I project between communities of Damolly/Shandon Park, Newry, and the Bay Estate, Dundalk.

Funded under Interreg IIIA, the tri-community partnership is led by Newhaven Trust. The project's aim is to dismantle barriers to inclusiveness by way of physical and course work that will bring mutual benefits to both communities.

Fiona Campbell, Projects Manager with Newhaven Trust said that HATS II has been "an exciting and rewarding project to be part of. It brings people from both a cross border and cross community perspective together to work in harmony to complete much needed facilities for their respective communities."

Photo: Shandon Park, Newry where community groups improved their local green space. Admiring the end results are (l-r): Audrey Moody, Shandon Park; Joe Coyle, managing director Newhaven Trust & Mary McArdle, Chairperson Shandon Park.



OTHER COMMUNITY INITIATIVES



Other Community Initiatives

Regional Partnership Board

In line with the provisions of the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland 2000 - 2006 (Peace II) and as determined by the Executive of the Northern Ireland Assembly, a Regional Partnership Board (RPB) has been established to:

- Promote the principles of partnership working at a local level;
 - Promote the sharing of best practice in the development and delivery of local area strategies;
 - Assist different districts to work together on projects and actions which cross the boundaries of two or more districts; and
 - Promote effective working between districts and intermediary funding bodies.
- The role will cover projects and actions funded by European Programmes, other public expenditure and by private finance.

A conference was held on 13 January 2005 in the Stormont Hotel, Belfast and focused on the findings of the mid-term evaluation of Local Strategy Partnerships (LSPs). Dr Nick Acheson, Centre for Voluntary Studies, University of Ulster, made a presentation on Policy Frameworks and Local Partnerships. Ms Linda Wilson, OFMDFM made a presentation on partnership arrangements.

A web site was developed for the RPB, accessible through the SEUPB website at www.seupb.org/rpb/. Links to Local Strategy Partnerships sites have also been made available.

The RPB held three full Board meetings, two sub group meetings and a conference in 2005.

The RPB held its 8th meeting on 21 March 2005 and Mr Ian Pearson MP chaired the meeting. The main areas of discussion were the recommendation to the Minister on the Allocation of

PEACE II extension funds to LSPs. The RPB endorsed the distribution of the Global Grant and examined the Technical Assistance (TA) issues raising the question of additional TA which may be required for additional activities over and above the delivery of the PEACE II extension. The RPB recommended that to secure a long term future, the LSPs should consider linkages with other service delivery mechanisms.

The 9th meeting of the RPB was held on 28 June 2005 and Lord Rooker, Minister of State, chaired the meeting. The main focus was on PEACE II extension and allocation of funds to LSPs.

A Best Practice Manual, which contains examples of best practice from all twenty six LSPs, was published by the RPB in September 2005 and widely circulated to key stakeholders.

A black surveying instrument, possibly a total station or level, is positioned on a gravel surface. A large, semi-transparent white arrow points from the left towards the right, passing behind the instrument. The background is a blurred gravel surface.

CROSS BORDER WORKING

Cross Border Working

The economy in Ireland, both North and South, is coming under increasing pressure from globalisation and international competitiveness.

Businesses on both parts of the island and within the Interreg IIIA region share many common challenges to remain competitive in a market that is growing more global by the day.

By pooling their resources across the region they can create a co-operative advantage which is a source of real competitive advantage for both the Border Region and Northern Ireland.

Europe is key to helping Ireland meet this challenge and this is why it is important that Europe is made aware of the Irish situation at the earliest stage in their policy making.

To ensure that cross border co-operation continues to grow and strengthen, the support and commitment of both National Governments is required. Their support is critical to the sustainability of cross border co-operation with the decline in EU funding to the region.

Over the last two decades there has been a rapid growth in cross border projects, networking and organisations across many activities at local, regional and national levels. The two previous Interreg programmes, and the current Interreg IIIA programme especially, have played a crucial role in fostering this cross border co-operation and will continue to do so.

Cross border co-operation is also an important part of Peace II. Forging links between communities on both sides of

the border and enabling people to work positively together is a key feature of the programme.

In October the Interreg IIIA-funded cross border health and social care partnership, Co-operation and Working Together (CAWT), received the Europe-wide 'Sail of Papenburg' Award that recognises excellence in cross border co-operation.

This was the first time that the Association of European Border Regions had presented the award to an Ireland/Northern Ireland project. From a number of sectors including economic, social and infrastructure and culture, fifty-two cross border projects entered for the 'Sail of Papenburg' award. The judges selected CAWT as the overall winner and as an innovative and effective model of how cross border co-operation can be planned and implemented.



THE FINANCE



Foreword to the accounts

Background Information

The Special EU Programmes Body is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in the Republic of Ireland. The Body was established on the 2nd December 1999 under the Good Friday Agreement 1998 and the British Irish Agreement establishing implementation bodies, which is underpinned by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British Irish Agreement Act 1999. Reporting to the North/South Ministerial Council, the Special EU Programmes Body's principal functions are to administer certain EU Structural Funds, PEACE, INTERREG and other Community Initiatives to support a range of development and regeneration programmes in the North and South of Ireland.

These accounts have been prepared in accordance with:

The financial arrangements of Part 7 of Annex 2 to the British-Irish Agreement establishing Implementation Bodies;

A direction by the Department of Finance and Personnel and the Department of Finance, as provided for in the Body's Financial Memorandum, and

The Annual Report and Accounts Guidance provided by the Department of Finance and Personnel and the Department of Finance.

Business Overview

An overview of The Special EU Programmes Body's activities is given in the Annual Report.

Results for the year

The results of The Special EU Programmes Body are set out in detail on page 28. The surplus for the year was €3,574 (Stg £2,445) - 2004: €13,912 (Stg £9,443)

Fixed Assets

Details of the movement of fixed assets are set out in note 9 to the accounts. During the year the main expenditure on fixed assets was in relation to improving the Information Technology and controls of the organisation.

Research and Development

There was no significant expenditure in this area.

Finance

Important Events Occurring After the Year End

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

Charitable Donations

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

Board Members

The functions of the body are exercised by the Chief Executive. There were no board members during the financial year.

Payment to Suppliers

The Special EU Programmes Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment Of Commercial Debts (Interest) Act 1998 and the Irish Prompt Payments Act, 1997. Unless otherwise stated in the contract, payment is due within 30 or 45 days as appropriate, of the receipt of the goods or services, or on presentation of a valid invoice, whichever is later.

The Body operates a 30-day prompt payment rule across all of its Offices regardless of the jurisdiction where

the bill originated. Regular reviews conducted to measure how promptly the Special EU Programmes Body paid its bills found that 95.66% (2004 - 97.46%) of bills were paid within this standard.

The Body also makes payments under the EIB Interest Rate Subsidy Scheme, for which a 15 days prompt payment rule is operated. This rule has been met for all payments made during 2005.

The Body has entered into Terms and Conditions for Payment of Grant with Accountable Departments in order to make payments to projects via the Centralised Payment Unit. This requires the Body to make payments to projects within 10 working days of receipt of a valid claim. This has been achieved for 95.68% (2004 - 98.03%) of payments made during the year, analysed as follows:

	No. of Invoices	Late	% on time
PEACE II	9,461	390	95.88%
INTERREG IIIA	1,077	70	93.50%
URBAN	116	0	100.00%
TOTAL	10,654	460	95.68%

Health & Safety Policy

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

Disabled Employees

The Body has developed a policy in relation to Disability.

The Body is committed to the implementation of this policy to achieve equality of opportunity for its staff, applicants and potential staff, and to meeting the requirements of the Disability Act 1995.

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

The Body aims:

- to promote a positive working environment within which people with disabilities are readily accepted;
- to examine the working environment and practices in order to ensure, where practicable, the removal of barriers to the full participation of staff with disabilities in the life of the Body; to provide a safe working environment;
- to ensure the development of skills and potential of staff with disabilities, for example, through training and staff development; and
- to provide access to the full range of recruitment and career development opportunities for people with disabilities.

Employee Involvement

Throughout the year employees were kept involved in the full workings and plans of the Body through formal and informal meetings, courses and briefings.

A handwritten signature in black ink, appearing to read 'Pat Colgan', with a blue horizontal line underneath it.

Pat Colgan
Chief Executive Officer
30 June 2006

Statement of Responsibilities

Special EU Programmes

Body's Responsibilities

The Department of Finance and Personnel and the Department of Finance have directed the Special EU Programmes Body to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction at the appendix to these accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year end and of its income and expenditure, total recognised gains and losses, and cash flows for the financial year.

In preparing the accounts the Body is required to:

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

Chief Executive's Responsibilities

The Chief Executive's responsibilities as the Accountable Person for the Special EU Programmes Body, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum of the Body.



Statement on Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Body's policies, aims and objectives, set by the Ministers, whilst safeguarding the public funds and the Body's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The system of internal control is designed to manage rather than eliminate the 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 the principal risks to the achievement of the Body's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 December 2005 and up to the date of approval of the annual report and accounts and accords with DFP guidance.

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control.

We have carried out appropriate procedures to ensure that we have identified the Body's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Body has set out its attitude to risk to the achievement of its objectives.

I have ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. A full risk and control assessment has been carried out for the year ended 31 December 2005. Risk management has been incorporated more fully into the corporate planning and decision making process of the Body.

I 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.

Following the identification of the Body's key objectives and risks, further work has been done to bring about more consistency in the way in which the Body treats risks.

During the year ended 31 December 2005, the Body has:

- Regularly reviewed and updated the record of risks facing the organisation;
- Operated a system of key performance and risk indicators;
- Operated an Audit Committee, including a review of its membership and role in line with best practice;
- Developed and maintained an organisation-wide risk register; and
- Arranged for reports from the Directors of the Body on internal control activities.

The Body has a Service Level Agreement with the Department of Finance and Personnel's Internal Auditor, who operates to standards defined in the Government Internal Audit Manual. Regular reports are received which include the HIA's independent opinion

on the adequacy and effectiveness of the Body's system of internal control together with recommendations for improvement. Results have been favourable, and all recommendations are being implemented.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the Body who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

During 2005, the Body completed its review of the composition of the Audit Committee. Two new appointments were made in December 2005, including an independent Chairman.



Pat Colgan
Chief Executive Officer
30 June 2006

The Certificate of the Comptrollers and Auditors General to the Houses of the Oireachtas, the House of Commons and the Northern Ireland Assembly.

We have audited the accounts of the Special EU Programmes Body for the year ended 31 December 2005 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body.

The accounts, which have been prepared under the accounting policies set out therein, comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Body, Chief Executive and the Auditors

The responsibilities of the Body and the Chief Executive, including those pertaining to the preparation of the accounts in accordance with applicable law and the regularity of financial transactions are set out in the Statement of Responsibilities.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report our opinion as to whether the accounts give a true and fair view, and have been properly prepared, in accordance with the accounts direction issued under the governing legislation. We also report our opinion as to whether in all material respects the expenditure and income have been applied for the

purposes intended by Dáil Éireann and the Westminster Parliament and whether the financial transactions conform to the authorities which govern them; and whether proper accounting records have been kept by the Body. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the accounts are in agreement with the accounting records.

We review whether the Statement on Internal Control reflects the Body's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We are not required to consider whether the Statement on Internal Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

We also report if, in our opinion, the Foreword to the accounts is not consistent with the accounts.

Without qualifying our opinion we draw attention to the fact that the basis of accounting for pension costs that will be ultimately borne by the Irish Exchequer, and which is disclosed in accounting policy 1.3, does not comply with Financial Reporting Standard 17.

Basis of Audit Opinion

We conducted our audit of the accounts in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the

accounts. It also includes an assessment of the significant estimates and judgments made by the Body and the Chief Executive in the preparation of the accounts, and of whether the accounting policies are appropriate to the Body's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion

the accounts, which have been properly prepared in accordance with the accounts direction issued under the governing legislation, give a true and fair view, in accordance with that direction, of the state of the Body's affairs at 31 December 2005 and of its surplus for the year then ended in all material respects the expenditure and income have been applied for the purposes intended by the Westminster Parliament and Dáil Éireann and the financial transactions conform to the authorities which govern them.



We have obtained all the information and explanations that we consider necessary for the purpose of our audit. In our opinion proper accounting records have been kept by the Body. The accounts are in agreement with the accounting records.



J M Dowdall CB
Comptroller and Auditor General
for Northern Ireland
106 University Street, Belfast BT7 1EU
3 October 2006



John Purcell
Irish Comptroller and Auditor General
Dublin Castle, Dublin 2, Ireland
3 October 2006

SPECIAL EU PROGRAMMES BODY

Income and expenditure account for the year ended 31 December 2005

INCOME	Notes	2005 €	2004 €	2005 £	2004 £
Grant from Departments	2	20,624,326	30,027,920	14,102,297	20,377,114
Other Operating Income	4	27,299	38,678	18,666	26,249
Capital Grant Release	16	374,622	401,738	256,155	272,621
CENTRAL PAYMENTS UNIT					
Grant Received from Accountable Departments	3	129,768,160	124,921,904	88,731,579	84,772,704
EU COMMISSION					
Claims Receivable	3	24,431,407	32,849,281	16,705,464	22,291,705
TOTAL INCOME		175,225,814	188,239,521	119,814,161	127,740,393

EXPENDITURE					
Depreciation	9	(374,621)	(401,738)	(256,155)	(272,621)
Staff Costs	5	(1,776,283)	(1,456,362)	(1,214,569)	(988,295)
Other Operating Costs	7	(1,115,830)	(1,230,025)	(762,971)	(834,701)
Programme Costs	8	(18,714,545)	(28,784,876)	(12,796,445)	(19,533,579)
Interest repayable to Department of Finance and Personnel	3	(23,720)	(24,480)	(16,219)	(16,612)
CENTRAL PAYMENTS UNIT					
Payments Made to Projects	3	(153,154,151)	(156,381,418)	(104,722,219)	(106,121,305)
Exchange losses/(gains)	3	(63,090)	53,290	(43,138)	36,163
TOTAL EXPENDITURE		(175,222,240)	(188,225,609)	(119,811,716)	(127,730,950)
Surplus for the year transferred to General Reserve		3,574	13,912	2,445	9,443

All amounts above relate to continuing activities.

The body has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 32 to 47 form part of these accounts.

SPECIAL EU PROGRAMMES BODY

Balance Sheet as at 31 December 2005

Fixed Assets	Notes	2005 €	2004 €	2005 £	2004 £
Tangible Assets	9(a)	273,938	555,057	187,730	391,343
Intangible Assets	9(b)	45,530	51,710	31,202	36,458
		319,468	606,767	218,932	427,801
Current Assets					
Debtors	10	31,248,743	45,298,562	21,414,827	31,937,751
Cash at bank and in hand	11	43,807,807	38,996,014	30,021,592	27,494,139
Total Current Assets		75,056,550	84,294,576	51,436,419	59,431,890
Current Liabilities					
Creditors - amounts falling due within one year	12	(74,983,653)	(84,231,402)	(51,386,468)	(59,387,350)
Net Current Assets		72,897	63,174	49,951	44,540
Total Assets less Current Liabilities		392,365	669,941	268,883	472,341
Creditors-amount falling due after more than one year	13				
		392,365	669,941	268,883	472,341
Financed by:					
Capital and Reserves					
General Reserve	15	72,732	78,329	49,838	47,392
Capital Grant Reserve	16	319,633	591,612	219,045	424,949
		392,365	669,941	268,883	472,341

The accounts approved by the Chief Executive on 30 June 2006. The notes on pages 32 to 47 form part of these accounts

Pat Colgan
Chief Executive Officer



SPECIAL EU PROGRAMMES BODY

Cash Flow Statement for the year ended 31 December 2005

	Notes	2005 €	2004 €	2005 £	2004 £
Net cash inflow from operating activities	17.1	3,950,450	6,393,877	2,720,876	4,510,518
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(102,441)	(128,666)	(69,882)	(90,898)
Exchange gain/(loss) on acquisition of fixed assets		6,300	-	(9,401)	-
Net cash inflow before financing		3,854,309	6,265,211	2,641,593	4,419,620
Financing					
Capital funding received		87,241	88,186	59,653	59,842
Net cash inflow from financing		87,241	88,186	59,653	59,842
Increase in cash/bank balances	17.2	3,941,550	6,353,397	2,701,246	4,479,462

The notes on pages 32 to 47 form part of these accounts

SPECIAL EU PROGRAMMES BODY

Notes to the Accounts for the year ended 31 December 2005

ACCOUNTING POLICIES

1.1. Accounting Convention

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

Without limiting the information given, the accounts are prepared on an accrual basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Republic of Ireland Companies' Acts 1963 to 2005, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel and Department of Finance, insofar as those requirements are appropriate.

1.2. Fixed Assets

Fixed Assets are valued at their cost to the body. Intangible assets comprise purchased software.

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

Fixtures and Fittings	7 years
Computer Equipment	3 years
Office Equipment	5 years
Leased assets	The shorter of the term of the lease and the useful economic life of the asset.
Intangible assets	3 years

1.3. Pension Costs

During the year all staff employed by the Body were on contract to the Body or seconded from other Government Departments/ Public Sector organisations.

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

The Northern Ireland element of costs is accounted for as if the scheme were a defined contribution scheme, i.e. the Body recognises only the employer's contributions in respect of the Northern element of the costs as an expense of the

period. It also recognises a corresponding amount as income, representing the value of the resources that the UK Exchequer will make available to the administrator in respect of these costs. In respect of the element of pension costs ultimately borne by the Irish Exchequer, the Finance Departments (North and South) have directed that the only cost recognised in the Accounts up to 31 December 2005 will be the cost of pensions paid to the extent that this cost is ultimately borne by the Irish Exchequer.

Seconded from the Northern Ireland Civil Service continue to be members of the Principal Civil Service Pension Scheme (NI). Seconded from the Southern Civil Service continue to be members of the Irish Principal Civil Service Pension Scheme. The Body pays these pension costs as charged by these organisations.

1.4. Value Added Tax

The Special EU Programmes Body is not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of Fixed Assets.

1.5. Debtors

The Special EU Programmes Body does not pay for services in advance unless specifically required and therefore very few items are prepaid.

1.6. Stock

Stock is stated at the lower of cost and net realisable value.

1.7 Leases

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

Rentals are charged to the profit and loss account over the term of the lease.

1.8 Currencies

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

All exchange differences are taken to the Income and Expenditure account, with the exception of those arising in relation to the Central Payments Unit. These have been allocated to the Government Departments and included within Creditors (Note 12).

SPECIAL EU PROGRAMMES BODY

Notes to the Accounts for the year ended 31 December 2005 contd.

1.9 Central Payments Unit

The Body operates a Central Payments Unit that has been established to make payments to projects funded under Peace II, Interreg IIIA and Urban on behalf of Accountable Government Departments in Ireland and Northern Ireland. Service Level Agreements are in place between the Body and each Department.

Funds are drawn from the Departments and held in dedicated bank accounts. Payments are made to projects on the basis of suitably authorised vouchers received mostly from Implementing Bodies and Government Departments.

In respect of Peace II and Urban, funds drawn from Departments are held within creditors, and released to the I&E in line with expenditure (payments made to projects). The balance of unspent funds remaining within creditors as 'Amounts Repayable to Government Departments'

For Interreg IIIA, payments made to projects are again shown within expenditure on the I&E. Income to cover these payments is split between 75% EU Commission 'Claims Receivable', and 25% match funding from Departments. As with Peace II and Urban, any unspent funds received from Departments are shown within creditors.

In terms of Accountability for the funds, whilst the Body's Accounting Officer is responsible for the integrity of the systems and controls of the Unit, the Departments remain accountable for the funds, although they may require the Body's Accounting Officer to accompany their Accounting Officer to any hearing of the Public Accounts Committee.

The Agreements also state that the funds may not be used at the discretion of the Body, but only for the purposes of making payments to projects under the relevant Accountable Department, Programme, Measure and Implementing Body.

The Body carries out this function in its role as Managing Authority for the Peace II Programme and Interreg IIIA Community Initiative, and on behalf of the Department for Social Development that is Managing Authority for the Urban Community Initiative.

The amounts repayable to Government Departments at 31 December 2005 are shown within Creditors (note 12). Detailed balances are shown in the Appendices to these accounts.

The account in the balance sheet and the related Appendices are shown on a cash basis, as this is the relevant means of accounting for this unit. The transactions in relation to Measures for which the Body acts as Implementing Body/Agent are removed from these results to be included in the main accounts on an accruals basis. It should therefore be noted that balances payable to Departments by CPU (cash basis) will not agree directly to those payable by the Body (accruals basis).

2. GRANT FROM THE DEPARTMENTS

	DFP €	DOF €	OTHER NI DEPTS €	TOTAL 2005 €	TOTAL 2004 €	TOTAL 2005 £	TOTAL 2004 £
Grant receivable:							
Administration and Expenses	1,774,551	1,117,559	-	2,892,110	2,686,385	1,977,538	1,822,996
Programme for Peace & Reconciliation II	8,328,649	5,077,166	3,655,126	17,060,941	25,997,271	11,665,761	17,641,892
Interreg III Programme	215,981	111,461	-	327,442	481,020	223,895	326,423
EIB Interest Rate Subsidy Scheme	331,226	12,607	-	343,833	863,244	235,103	585,803
Capital funding	39,785	39,785	-	79,570	74,577	54,408	50,608
Total	10,690,192	6,358,578	3,655,126	20,703,896	30,102,497	14,156,705	20,427,722
Split as follows:							
Grants credited to Income & Expenditure account	10,650,407	6,318,793	3,655,126	20,624,326	30,027,920	14,102,297	20,377,114
Grants credited to Capital Grant Reserve	39,785	39,785	-	79,570	74,577	54,408	50,608
Total	10,690,192	6,358,578	3,655,126	20,703,896	30,102,497	14,156,705	20,427,722

In general terms, contributions are made towards Programme costs in the following manner;

	DFP	DOF
Peace II	80%	20%
Interreg III	60%	40%

although certain costs are funded on an equal basis by the two Departments.

3. OPERATIONAL ANALYSIS

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

	Peace II	Interreg IIIA	EIB Interest Rate Subsidy Scheme	Central Payments Unit	Admin	TOTAL
Income	€	€	€	€	€	€
Grant Receivable	17,060,942	327,442	343,833	(1)	2,892,110	20,624,326
Grants from accountable departments	-	-	-	129,768,160	-	129,768,160
Other Operating Income	-	-	-	-	27,299	27,299
Capital Grant Release	-	-	-	-	374,622	374,622
Claims Receivable	-	982,326	-	23,449,081	-	24,431,407
	17,060,942	1,309,768	343,833	153,217,240	3,294,031	175,225,814
Expenditure						
Depreciation	-	-	-	-	(374,623)	(374,623)
Staff Costs	-	-	-	-	(1,776,283)	(1,776,283)
Other Operating Costs	-	-	-	-	(1,115,830)	(1,115,830)
Programme Costs	(17,060,942)	(1,309,769)	(343,832)	-	-	(18,714,543)
Interest repayable to Department of Finance and Personnel	-	-	-	-	(23,720)	(23,720)
Payments Made to Projects	-	-	-	(153,154,151)	-	(153,154,151)
Exchange losses/(gains)	-	-	-	(63,090)	-	(63,090)
	(17,060,942)	(1,309,769)	(343,832)	(153,217,241)	(3,290,456)	(175,222,240)
Surplus/(Deficit)	-	(1)	1	(1)	3,575	3,574

	Peace II	Interreg IIIA	EIB Interest Rate Subsidy Scheme	Central Payments Unit	Admin	TOTAL
Income	£	£	£	£	£	£
Grant Receivable	11,665,761	223,895	235,103	0	1,977,538	14,102,297
Grants from accountable departments	-	-	-	88,731,579	-	88,731,579
Other Operating Income	-	-	-	-	18,666	18,666
Capital Grant Release	-	-	-	-	256,155	256,155
Claims Receivable	-	671,685	-	16,033,779	-	16,705,464
	11,665,761	895,580	235,103	104,765,358	2,252,359	119,814,161
Expenditure						
Depreciation	-	-	-	-	(256,155)	(256,155)
Staff Costs	-	-	-	-	(1,214,569)	(1,214,569)
Other Operating Costs	-	-	-	-	(762,971)	(762,971)
Programme Costs	(11,665,761)	(895,581)	(235,103)	-	-	(12,796,445)
Interest repayable to Department of Finance and Personnel	-	-	-	-	(16,219)	(16,219)
Payments Made to Projects	-	-	-	(104,722,219)	-	(104,722,219)
Exchange losses/(gains)	-	-	-	(43,138)	-	(43,138)
	(11,665,761)	(895,581)	(235,103)	(104,765,357)	(2,249,914)	(119,811,716)
Surplus/(Deficit)	-	(1)	-	1	2,445	2,445

4. OTHER OPERATING INCOME

	2005 €	2004 €	2005 £	2004 £
Interest Receivable	27,299	38,678	18,666	26,249

5. STAFF COSTS

(a) The average weekly number of employees (full time equivalent) was:	2005	2004
Senior Management	5	4
Programme Delivery (permanent)	19	18
Programme Delivery (agency)	1	2
Administration (permanent)	17	18
Administration (agency)	3	2
Total	45	44

Administration includes Finance, Human Resources, Central Payments Unit, Communications and general administration.

(b) The costs incurred in respect of these employees were:	2005 €	2004 €	2005 £	2004 £
Wages and Salaries	1,545,452	1,467,642	1,056,734	995,950
Social Security Costs:				
-Current year costs	128,281	135,096	87,715	91,677
-NIC refund	(59,135)	-	(40,435)	-
Other Pension Costs:				
-Secondees	18,019	20,986	12,321	14,241
-Current year ASLCs	110,400	-	75,488	-
-Prior years ASLCs	276,518	-	189,075	-
	2,019,535	1,623,724	1,380,898	1,101,868
Funded via Peace II Programme	(85,589)	(56,656)	(58,523)	(38,447)
Funded via INTERREG IIIA	(77,108)	(45,472)	(52,724)	(30,858)
Agency staff	(80,555)	(65,234)	(55,082)	(44,268)
Total	1,776,283	1,456,362	1,214,569	988,295

Other pension costs includes both pension contributions to NICSPS in relation to seconded staff, and the Northern share of ASLCs payable in relation to SEUPB staff under the N/SPS. An amount of £189,075 relates to prior years. The accounting policy for pensions is detailed in note 1.3.

A refund of National Insurance Contributions was received during the year. This arose as a result of the backdated introduction of the North/South pension scheme, and subsequent change in NIC rates applied.

(c) Number of employees at the end of the year whose emoluments (including pension contributions) fell within the following bands (this represents the annual emoluments):	2005	2004
€ 40,000 - 49,999	5	3
€ 50,000 - 59,999	1	2
€ 60,000 - 69,999	3	2
€ 70,000 - 79,999	-	2
€ 80,000 - 89,999	-	-
€ 90,000 - 99,999	-	1
€ 100,000 - 109,999	-	-
€ 110,000 - 119,999	-	-
€ 120,000 - 129,999	1	-

(d) The actual emoluments of the Chief Executive during the year were as follows:	2005 €	2004 €	2005 £	2004 £
Salary	124,590	26,753	85,190	18,155
Pension	11,769	-	8,047	-
	136,359	26,753	93,237	18,155

Pension contributions includes £1,526 (€2,231) in relation to prior years.

The actual emoluments of the previous Chief Executive, Mr John McKinney, during the year were as follows:

	2005 €	2004 €	2005 £	2004 £
Salary	-	-	-	-
Pension	41,352	38,530	28,275	26,147
Taxable benefits	-	-	-	-
	41,352	38,530	28,275	26,147

Upon leaving SEUPB, pending the introduction of the North South Pension Scheme, Mr McKinney was entitled to payments equivalent to what is payable under Principal Civil Service Pension Scheme (Northern Ireland). The amount payable to him upon resignation from the Body was a lump sum of £84,824.

In 2004 and 2005, Mr McKinney was entitled to receive payments under this pension arrangement, as stated above. All of these amounts will be repaid to SEUPB by the scheme, and subsequently repaid to the Departments.

Under the terms of the scheme these payments made to Mr J McKinney are to be treated as ex gratia payments, and these have been recorded in Note 22 Losses and Special Payments.

6. PERFORMANCE AGAINST KEY FINANCIAL TARGETS

SEUPB successfully operated within its budget allocation for the year.

SEUPB successfully managed the achievement of expenditure targets to 31 December 2005 under the Peace II Programme and INTERREG IIIA Community Initiative.

7. OTHER OPERATING COSTS

	2005 €	2004 €	2005 £	2004 £
Travel and Subsistence	74,960	75,788	51,255	51,430
Telecommunications	86,488	66,686	59,138	45,253
IT & Office Consumables	41,062	12,174	28,077	8,261
Stationery & Printing	42,772	35,304	29,246	23,957
Postage	30,531	23,414	20,876	15,889
Repairs & Maintenance	47,838	54,832	32,710	37,209
Office Premises Expenses	339,310	366,709	232,010	248,851
Consultancy	185,837	183,341	127,070	124,416
Temporary Agency Staff	80,555	65,234	55,082	44,268
Training & Conferences	23,961	27,828	16,384	18,884
Subscriptions	5,666	4,243	3,874	2,879
Publicity and Advertising	82,366	70,446	56,320	47,805
Incidentals	17,917	23,476	12,251	15,933
Hospitality	2,560	3,965	1,750	2,691
Finance Lease Interest	1,207	1,440	825	977
Exchange Gains and Losses	(35,709)	103,863	(24,417)	70,482
Audit fees - External	32,928	43,084	22,515	29,237
Internal	27,839	29,490	19,036	20,012
Common Chapter	-	11,779	-	7,993
Regional Partnership Board	27,742	26,929	18,969	18,274
TOTAL	1,115,830	1,230,025	762,971	834,701

8. PROGRAMME COSTS

	2005 €	2004 €	2005 £	2004 £
Peace II North	11,983,776	17,682,435	8,194,147	11,999,398
Peace II South	5,077,166	8,314,836	3,471,614	5,642,494
Interreg III North	863,925	1,105,471	590,726	750,178
Interreg III South	445,845	818,606	304,855	555,512
EIB Interest Subsidy Scheme	343,833	863,528	235,103	585,997
TOTAL	18,714,545	28,784,876	12,796,445	19,533,579

9. FIXED ASSETS

(a) Tangible Fixed Assets		Leasehold Improvements €	Office Equipment €	Computer Equipment €	Fixtures & Fittings €	Total €
Cost or Valuation						
At 31 December 2004		1,023,962	95,096	352,512	153,450	1,625,020
Additions		-	-	58,837	5,713	64,550
At 31 December 2005		1,023,962	95,096	411,349	59,163	1,689,570
Depreciation						
At 31 December 2004		663,210	69,174	262,146	75,433	1,069,963
Provision for year		242,243	15,328	65,546	22,552	345,669
At 31 December 2005		905,453	84,502	327,692	97,985	1,415,632
Net Book Value 31-Dec-05	€	118,509	10,594	83,657	61,178	273,938
	£	81,214	7,260	57,331	41,925	187,730
Net Book Value 31-Dec-04	€	360,752	25,922	90,366	78,017	555,057
	£	254,348	18,276	63,712	55,007	391,343

(i) The net book value of office equipment includes € Nil (2004 - €2,817) in respect of assets held under finance leases and hire purchase contracts.

(b) Intangible Fixed Assets		Software €
Cost or Valuation		
At 31 December 2004		254,617
Additions		22,772
Disposals		-
At 31 December 2005		277,389
Depreciation		
At 31 December 2004		202,907
Provision for year		28,952
Disposals		-
At 31 December 2005		231,859
Net Book Value 31-Dec-05	€	45,530
	£	31,202
Net Book Value 31-Dec-04	€	51,710
	£	36,458

10. Debtors (amounts due within one year)	Note	2005 €	2004 €	2005 £	2004 £
Prepayments and accrued income		225,899	264,493	154,800	186,481
Technical assistance paid in advance to Implementing Bodies.	(i)	2,957,948	3,799,549	2,027,089	2,678,872
Grants due from Departments					
- Revenue		384,260	84,669	263,334	59,696
- Peace II		2,532,401	2,134,383	1,735,460	1,504,847
- Interreg IIIA	(iii)	6,665,346	5,830,839	4,567,777	4,111,033
- EIB	(iv)	112,204	528,917	76,894	372,913
Amounts due from EU Commission	(ii)	18,115,093	32,498,316	12,414,315	22,912,938
Pension Scheme		255,592	157,396	175,158	110,971
		31,248,743	45,298,562	21,414,827	31,937,751

(i) In line with contracts entered into with Implementing Bodies involved in the delivery of the Peace II Programme and Interreg IIIA Community Initiative, initial payments were made to these organisations based on need. This is in line with EU Regulations and Government Accounting for Northern Ireland.

The amounts paid will be converted to actual eligible expenditure during the course of the Programme.

(ii) The Body acts as Paying Authority for the Interreg IIIA Community Initiative and is responsible for claiming funds from the EU Commission. To 31 December 2005, total claims for reimbursement of eligible expenditure have been made to the Commission of €58,071,466. Of this total, €18,115,093 was outstanding at 31 December 2005.

(iii) In its capacity as Paying Authority for Interreg IIIA the Body received an advance from the EU Commission of 7% of the Programme - €9,408,770 (£6,120,321).

In order to facilitate the requirements of Government Accounting in Northern Ireland, 60% of the initial amount received, together with interest earned, was transferred to the Consolidated Fund.

These funds will be drawn as required by the Body, and at 31 December 2005 amounted to €5,734,657 - (£3,929,960),

included within the balance of €6,665,346 - (£4,567,777). The remainder of this balance relates to funds due from DOF and DFP in respect of the Interreg IIIA Programme.

(iv) Under an arrangement agreed between the Governments and the European Commission, funds to meet future liabilities under the EIB Interest Rate Subsidy (Sub-programme 5 of PEACE I) were transferred to the Body and held in dedicated bank accounts prior to the closure of the programme on 31 December 2001. Amounts which were transferred to the Body shall either be paid to third parties on behalf of the Governments in relation to agreements entered into prior to 31 December 2001, or repaid to the EU Commission/Governments as unspent EU funds and matching exchequer funds as appropriate.

Where such liabilities have been identified and quantified with reasonable accuracy, provision has been made for the expenditure in the accounts, together with the related income. Otherwise, no income has been recognised in the accounts.

Further funds are required from the Departments at 31 December 2005 in order to meet liabilities relating to that period. As a result, the balance this year is shown within Debtors above.

11. Cash at bank and in hand	Note	2005 €	2004 €	2005 £	2004 £
Cash at bank:					
- Held for administration payments		566,515	348,969	388,234	246,042
- Held for programme payments	(i)	43,229,490	38,374,215	29,625,270	27,055,737
- Other		11,618	272,616	7,962	192,209
Petty cash		184	214	126	151
Total		43,807,807	38,996,014	30,021,592	27,494,139

(i) Cash held for programme payments reflects amounts drawn from Government Departments to enable the Body to meet its obligations to make payments to Implementing Bodies/Agents on a timely basis. These balances are used and re-drawn on a quarterly basis in line with forecasted requirements.

12. Creditors (amounts falling due within one year)	Note	2005 €	2004 €	2005 £	2004 £
Trade Creditors and Accruals	(i)	6,881,518	9,251,714	4,715,920	6,522,920
Staff costs creditors including social security		92,523	39,974	63,406	28,184
Obligations under finance leases	14	-	2,913	-	2,054
Amounts repayable to EU Commission/Government					
- Interreg IIIA Advance	(ii) a)	9,726,407	9,679,887	6,665,529	6,824,804
NI Accountable Departments - Interreg ERDF	(ii) b)	14,564,273	18,598,078	9,980,930	13,112,575
Interreg ERDF ROI payable to Irish Government Departments	(ii) c)	1,000,000	12,800,000	685,300	9,024,640
Amounts repayable to Government Departments					
- Department of Finance		463,855	1,534,966	317,881	1,082,228
- Department of Finance and Personnel (incl CPU balance)		2,242,224	2,956,241	1,536,601	2,084,298
- Departments using the Centralised Payment Unit	(iii)	40,012,853	29,367,629	27,420,901	20,705,647
Total		74,983,653	84,231,402	51,386,468	59,387,350

9. CREDITORS (amounts falling due within one year) contd.

- (i) Grant income was received during 2006 and 2005 to discharge the year end creditors and accruals.
- (ii) a) The Body is the Paying Authority for the Interreg IIIA Programme. In this capacity it received an advance from the EU Commission of 7% of the Programme - €9,408,770 (£6,120,321). Interest relevant to the funds held by the Body of €317,637 (£217,677) has been added to this amount due to the Commission. This results in a total of €9,726,407 (£6,665,529) repayable to the EU Commission.
- b) Funds are drawn from the Departments and used to facilitate payments to projects during the course of the year. Claims are then submitted for reimbursement of the ERDF element of eligible expenditure incurred. Upon receipt of these reimbursements from the EU Commission, the Body is required to repay the NI element over to the NI Accountable Departments (via Department of Finance and Personnel). At 31 December 2005 the amount due to the Department was €14,564,273 (£9,980,930).
- c) For Irish Accountable Departments, the amounts refunded from the Commission remain with the Body as Paying Authority. To facilitate cash flow during the year, additional financing was secured from Department of Finance of €1,000,000 (Note 21).
- (iii) The Body operates a Central Payments Unit to make payments to projects on behalf of Accountable Government Departments. This was in operation during the year for certain Departments in Northern Ireland and Ireland. The Departments passed funds to the Body in order for payments to be made in line with Terms and Conditions for Payment of Grant. Balances held at the end of the year are shown at Appendices 1.1 to 1.3. The total balance on hand at 31 December 2005 comprises:

	2005 €	2004 €	2005 £	2004 £
Peace II	35,579,328	27,544,794	24,382,596	19,420,457
Interreg IIIA	3,810,844	580,871	2,611,580	409,543
Urban	622,681	1,241,964	426,725	875,647
Total	40,012,853	29,367,629	27,420,901	20,705,647

13. Creditors (amounts falling due after one year)	2005 €	2004 €	2005 £	2004 £
	-	-	-	-

14. Finance Lease Obligations	2005 €	2004 €	2005 £	2004 £
Less than one year	-	2,913	-	2,054
Between two and five years	-	-	-	-
Total	-	2,913	-	2,054

15. Reconciliation of Movements in General Reserve	2005 €	2004 €	2005 £	2004 £
At 31 December 2004	78,329	53,843	47,392	37,949
Exchange gains/(losses)	(9,171)	10,574	1	-
Surplus for the year	3,574	13,912	2,445	9,443
At 31 December 2005	72,732	78,329	49,838	47,392

16. Reconciliation of Movements in Capital Grant Reserve	Note	2005 €	2004 €	2005 £	2004 £
At 31 December 2004		591,612	909,266	424,949	640,851
Capital funding receivable during the period	2	79,570	74,577	54,408	50,608
Funding received via technical assistance		7,671	22,357	5,245	15,171
Less amount released to income and expenditure account		(374,622)	(401,738)	(256,155)	(272,621)
Less reduction in previous provision		-	(12,850)	-	(9,060)
Add exchange gain on acquisition of fixed assets Translation to year end exchange rate		15,402	-	(9,402)	-
At 31 December 2005		319,633	591,612	219,045	424,949

17. NOTES TO CASHFLOW STATEMENT

17.1 Reconciliation of result for the period to net cash inflow from operating activities	2005 €	2004 €	2005 £	2004 £
Result for the period	3,574	13,912	2,445	9,443
Adjustment for non cash transactions				
Exchange differences on translation of opening cash balances at 31 December 2004	(870,243)	8,815	173,793	(1,944)
Exchange differences on translation of opening fixed asset balances at 31 December 2005	-	-	11,984	227
Depreciation	374,621	401,738	256,155	272,621
Capital Grant Release	(374,621)	(401,738)	(256,155)	(272,621)
Adjustments for movements in working capital				
Decrease/(Increase) in debtors	14,048,265	(36,273,260)	10,521,828	(25,576,716)
Increase in creditors	(9,231,146)	42,644,410	(7,989,174)	30,079,508
Net cash inflow from operating activities	3,950,450	6,393,877	2,720,876	4,510,518

17.2 Reconciliation of net cash inflow to movement in net debt	2005 €	2004 €	2005 £	2004 £
Cash in bank at 31 December 2004	38,996,014	32,651,432	27,494,139	23,012,733
Retranslation to current year exchange rates	870,243	(8,815)	(173,793)	1,944
	39,866,257	32,642,617	27,320,346	23,014,677
Net cash inflow	3,941,550	6,353,397	2,701,246	4,479,462
Cash in bank at 31 December 2005	43,807,807	38,996,014	30,021,592	27,494,139

18. Future capital expenditure. Capital commitments at 31 December 2005 for which no provision has been made:	2005 €	2004 €	2005 £	2004 £
Contracted	-	-	-	-
Authorised but not contracted	-	-	-	-
Total	-	-	-	-

19. CONTINGENT LIABILITIES/PROGRAMME COMMITMENTS

There were no contingent liabilities or Programme commitments at 31 December 2005

20. OPERATING LEASE COMMITMENTS

At 31 December 2005 the Body was committed to making the following payments during the next year in respect of operating leases:	Land and Buildings 2005 €	Other 2005 €	Land and Buildings 2004 €	Other 2004 €
Leases which expire:				
Within one year	-	2,789		5,524
Within two to five years	165,259	4,787	208,679	7,076
After five years	-	-	-	-
	165,259	7,576	208,679	12,600
	£	£	£	£
Within one year	-	1,911	-	3,895
Within two to five years	113,252	3,281	147,129	4,989
After five years			-	-
	113,252	5,192	147,129	8,884

21. RELATED PARTY TRANSACTIONS

The Special EU Programmes Body is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in the Republic of Ireland.

The above named departments are regarded as related parties. During the year the Special EU Programmes Body has had various transactions with these departments.

- (1) The Head of Internal Audit for the Department of Finance and Personnel provides Internal Audit Services to Special EU Programmes Body under an arm's length Service Level Agreement. Costs incurred are shown in Note 7 to the accounts.
- (2) For Interreg IIIA, in Northern Ireland the initial advance from the EU Commission was passed to the Department of Finance and Personnel as required by Government Accounting Regulations. EU funds are subsequently drawn along with Match funding from the Departments during the year.

In Ireland, the EU funds received remain with the Body as Paying Authority. The Body then draws Match funds from the Departments in order to make payments to projects funded under Interreg IIIA. This system relies on expenditure followed by subsequent drawdown from the Commission in order to 'top up' EU funds on hand.

The majority of the expenditure to meet EU Commission targets took place in the final months of the year. This led to a potential cash flow issue in that sufficient EU funds were not on hand in order to make payments to meet the targets.

The Department of Finance secured €1,000,000 of temporary cash funding for the Body to facilitate making these payments. At 31 December 2005, the amount is included in Creditors.

22. LOSSES AND SPECIAL PAYMENTS

There have been no losses during the year. There was an ex gratia payment of £28,275 made to the former Chief Executive Mr J McKinney in relation to the pension payment that he was entitled to. This was paid by the Body prior to the Pension Scheme becoming operational and these amounts will be fully reimbursed from the North/South pension scheme.

23. FINANCIAL INSTRUMENTS, LIQUIDITY, INTEREST RATE AND FOREIGN CURRENCY RISK

23.1 Financial Instruments

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

The Body's financial instruments mainly consist of cash, trade debtors and trade creditors.

23.2 Liquidity, Interest Rate and Foreign Currency Risk

The Body's net revenue resource requirements are financed by resources voted annually by the Assembly or Parliament and the Oireachtas, as is its capital expenditure. It is not therefore exposed to significant liquidity risks. The Body does not access funds from commercial sources and so is not exposed to significant interest rate risk. The Body's transactions are effected in the currencies of each part of Ireland, with recorded gains and losses being taken to the Income and Expenditure Account. The Body's exposure to foreign currency risk is not significant as it receives agreed levels of funding from its sponsoring Departments, the Department of Finance and Personnel, and the Department of Finance, in sterling and euro respectively, and does not engage in trading activities. However, as the majority of transactions are conducted in sterling, and most funding is received equally from the two Departments, the Body is exposed to foreign currency risk to a limited degree.

In relation to funds drawn from Accountable Departments for the Central Payments Unit, foreign currency risk remains with the sponsor Departments.

CENTRAL PAYMENTS UNIT YEAR ENDED 31 DECEMBER 2005. PEACE II Appendix 1.1

Accountable Department	Implementing Body	Measure	Funds Held 31/12/05 €	Funds Held 31/12/04 €	Funds Held 31/12/05 £	Funds Held 31/12/04 £
DARD	RDC	1.7B	9,373	97,319	6,423	68,615
DARD	RDC	2.10	17,001	184,207	11,651	129,875
DARD	RDC	1.10A	16,146	108,962	11,065	76,824
DARD	RDC	1.10B	25,410	76,050	17,414	53,619
DARD	RDC	2.9A	78,220	161,995	53,604	114,215
DARD	RDC	2.9B	68,672	191,802	47,061	135,230
DARD	SEUPB RDC	6.2A	48,727	125,387	33,393	88,404
DFP	LSP	3.1	1,413,714	696,146	968,821	490,818
DFP	LSP	3.2	155,747	947,472	106,733	668,015
DFP	CO-OP	5.1	333,584	1,203,211	228,606	848,324
DFP	SEUPB	5.2	40,413	738,504	27,695	520,683
DFP	CPA	5.3	704,326	124,600	482,676	87,849
DFP	ADM	5.4	889,222	469,645	609,386	331,123
DFP	SEUPB	6TA1	42,025	18,438	28,800	13,000
DFP	SEUPB	6TA2	2,971,629	3,129,548	2,036,464	2,206,488
DFP	SEUPB	6TA2B	50,286	2,827	34,461	1,993
DHSSPS	NIPPA	2.5	688,004	1,116,656	471,491	787,298
DHSSPS	NIPPA	2.8	231,796	301,717	158,850	212,725
DHSSPS	SEUPB NIPPA	6.2A	15,476	98,388	10,606	69,369
DSD	CFNI	2.3	668,087	154,663	457,842	109,045
DSD	CFNI	2.4A	422,339	126,683	289,430	89,318
DSD	CFNI	2.6	385,357	156,432	264,086	110,293
DSD	CFNI	2.7	797,567	199,596	546,575	140,725
DSD	CFNI	2.8	128,122	50,813	87,802	35,826
DSD	SEUPB CFNI	6.2A	348,599	-	238,896	-
DEL	EGSA	1.3	714,079	1,916,331	489,360	1,351,109
DEL	PROTEUS	1.3	47,352	857,328	32,450	604,459
DEL	PLAYBOARD	1.5	126,110	58,904	86,423	41,530
DEL	SEUPB TWN	6.2A	125,185	317,542	85,790	223,883
DE	SELB	2.2	2,928,977	1,292,447	2,007,235	911,240
DE	SELB	F1.1	81,733	234,910	56,012	165,623
DE	SEUPB SELB	6.2A	267,668	216,509	183,434	152,649
DEL	TWN	1.5	263,209	34,598	180,378	24,393
OFM/DFM	CRC	2.1	705,712	120,364	483,626	84,863
OFM/DFM	CFNI	2.4B	1,029,919	44,748	705,806	31,549
OFM/DFM	CFNI	2.8	63,539	33,504	43,544	23,622
OFM/DFM	SEUPB CFNI	6.2A	461,399	1,172,111	316,198	826,397
OFM/DFM	SEUPB CRC	6.2A	167,246	53,076	114,614	37,421
DSD	DSD	2.11	2,145,902	1,427,490	1,470,592	1,006,452
DSD	DSD	6.2	55,562	32,191	38,077	22,696
DCAL	DCAL	1.2A	175,585	516,779	120,329	364,355
OFM/DFM	OFM/DFM	2.1	145,968	302,115	100,033	213,006
OFM/DFM	OFM/DFM	4.1	401,962	170,133	275,466	119,953
DENI	DENI	5.5	131,969	546,919	90,439	385,605
DARD	DARD	1.2B	4,462,104	2,412,602	3,057,890	1,701,005
DARD	DARD	1.6	1,195,868	3,218,053	819,531	2,268,888

Accountable Department	Implementing Body	Measure	Funds Held 31/12/05 €	Funds Held 31/12/04 €	Funds Held 31/12/05 £	Funds Held 31/12/04 £
DARD	DARD	1.7A	1,420,308	426,541	973,340	300,733
DARD	DARD	1.9	1,106,626	727,484	758,373	512,913
DARD	DARD	4.2B	307,130	692,620	210,477	488,332
DARD	DARD	5.6A	22,892	11,934	15,688	8,414
DARD	DARD	5.6B	646,648	795,760	443,149	561,051
DARD	DARD	5.7	119,848	116,491	82,132	82,132
DARD	DARD	6.2A	27,298	24,416	18,708	17,215
DEL	DEL	1.3	787,538	572,590	539,702	403,704
DEL	DEL	1.4	292,042	252,951	200,137	178,343
DEL	DEL	1.5	-	-	-	-
DFP	INTEREST		1,261,688	328,641	864,638	231,708
DOF	CO-OP	5.1	381,522	2,200	261,458	1,551
DOF	SEUPB	5.2	249,269	(2,957)	170,825	(2,085)
DOF	SEUPB	4.1	95	25,253	65	17,805
DOF	SEUPB	6.2A	(720,117)	(721,478)	(493,498)	(508,678)
DOF	INTEREST		57,262	41,737	39,242	29,427
DCRGA	DCRGA	1.1E	256,327	-	175,661	-
DCRGA	DCRGA	1.3	40,944	-	28,059	-
DCRGA	DCRGA	1.4	56,880	-	38,980	-
DCRGA	DCRGA	1.5	6,936	-	4,753	-
DCRGA	DCRGA	2.1	186,343	-	127,702	-
DCRGA	DCRGA	2.2	147,908	-	101,362	-
DCRGA	DCRGA	2.4C	(4,205)	-	(2,881)	-
DCRGA	DCRGA	2.6	66,861	-	45,820	-
DCRGA	DCRGA	2.7	26,297	-	18,021	-
DCRGA	DCRGA	2.8	89,642	-	61,432	-
DCRGA	ADM/CPA	5.3	336,947	372,923	230,911	262,929
DCRGA	ADM/CPA	5.4	692,935	241,428	474,870	170,219
DCRGA	DCRGA	5.6 A&B	493,421	96,852	338,142	68,286
DES		5.5	595,487	223,811	408,089	157,798
DCMNR		5.7	360,099	360,100	246,777	253,889
DEHLG		3.3	3,008,369	936,230	2,061,642	660,089
DEHLG		3.4	477,654	54,123	327,337	38,159
DEHLG		4.2A	486,092	65,942	333,120	46,495
			39,531,879	31,105,309	27,091,288	21,930,798
Less balances shown separately in the Accounts (to sponsor Department)						
DFP		5.2	(40,413)	(738,504)	(27,695)	(520,683)
DFP		6TA1	(42,025)	(18,438)	(28,800)	(13,000)
DFP		6TA2	(2,971,629)	(3,129,548)	(2,036,464)	(2,206,488)
DFP		6TA2B	(50,286)	(2,827)	(34,461)	(1,993)
DFP		INTEREST	(1,261,688)	(328,641)	(864,638)	(231,708)
DOF		5.2	(249,269)	2,957	(170,825)	2,085
DOF		4.1	(95)	(25,253)	(65)	(17,805)
DOF		6.2A	720,117	721,478	493,498	508,678
DOF		INTEREST	(57,262)	(41,737)	(39,242)	(29,427)
Balance at 31 December 2005 per Note 12 (iii).			35,579,328	27,544,794	24,382,596	19,420,457

CENTRAL PAYMENTS UNIT YEAR ENDED 31 DECEMBER 2005. INTERREG IIIA Appendix 1.2

Accountable Department	Implementing Agent	Measure	Funds Held 31/12/05 €	Funds Held 31/12/04 €	Funds Held 31/12/05 £	Funds Held 31/12/04 £
DFP	ICBAN/EBR/NWRCBG	1.1	44,745	469,841	30,664	331,262
DFP	ICBAN/EBR/NWRCBG	1.2	44,586	685,589	30,555	483,374
DFP	ICBAN/EBR/NWRCBG	1.3	338,537	(7,365)	232,000	(5,193)
DFP	SEUPB	4.1	(497,115)	1,405,238	(340,674)	990,763
DFP	SEUPB	4.2	134,286	485,110	92,027	342,027
DARD	DARD/DCRGA	1.4	289,532	-	198,417	-
DARD	DARD/DCMNR	2.1E	297,072	(455,822)	203,584	(321,377)
DHSSPS	DHSSPS/DHC	3.2	105,792	367,968	72,499	259,436
DETI	DETI/DCMNR	2.1F	218,514	(116,261)	149,748	(81,970)
DETI	DETI/DCMNR	2.1C	234,383	49,185	160,623	34,678
DETI	DETI/DCMNR	2.3	934,665	135,477	640,528	95,518
DSD	COOP	3.1	574	24,005	393	16,924
DRD	DRD/DOT	2.1 TRANSPORT	0	-	-	-
DRD	DRD/DOT	2.1 ROADS	978,425	(490,597)	670,517	(345,895)
DOE	DOE/DEHLG	2.2	107,283	(367,795)	73,521	(259,314)
DFP	SEUPB	FEES	(127)	(33)	(87)	(23)
DFP	SEUPB	INTEREST	163,038	63,510	111,731	44,778
DEHLG	DOE/DEHLG	2.2 WASTE	157,228	(24,553)	107,749	(17,311)
DEHLG	DOE/DEHLG	2.2 WATER	77,994	-	53,449	-
DCMNR	DETI/DCMNR	2.1B	0	-	-	-0
DCMNR	DETI/DCMNR	2.1C	421,647	-	288,955	-
DCMNR	DARD/DCMNR	2.1E	41,248	(42,903)	28,267	(30,249)
DCMNR	DETI/DCMNR	2.3	62,281	17,828	42,681	12,570
DCRGA	COOP	3.1	75,514	(34)	51,750	(24)
DCRGA	DARD/DCRGA	1.4	254,294	75,189	174,268	53,012
DHC	DHSSPS/DHC	3.2	73,444	(22,814)	50,331	(16,085)
DOT	DRD/DOT	2.1D	152,570	(1)	104,557	-
DOF	DRD/DOT	2.1D	(1,842)	-	(1,262)	-
DOF	ICBAN/EBR/NWRCBG	1.1	333,427	225,983	228,498	159,329
DOF	ICBAN/EBR/NWRCBG	1.2	16,802	77,137	11,514	54,385
DOF	ICBAN/EBR/NWRCBG	1.3	18,079	42,315	12,390	29,834
DOF	SEUPB	4.1	274,080	171,740	187,828	121,085
DOF	SEUPB	4.2	77,733	77,733	53,270	54,806
DOF	SEUPB	FEES	(1,038)	(968)	(711)	(683)
DOF	SEUPB	INTEREST	45,803	-	31,388.83	-
ROI ERDF FINANCED BY DOF			(1,465,951)	(61,501)	(1,004,620)	(43,361)
			4,007,504	2,783,202	2,746,352	1,962,296

Less balances shown separately in the Accounts (to sponsor Department)

CENTRAL PAYMENTS UNIT YEAR ENDED 31 DECEMBER 2005. INTERREG Appendix 1.2 (continued)

Accountable Department	Implementing Agent	Measure	Funds Held 31/12/05 €	Funds Held 31/12/04 €	Funds Held 31/12/05 £	Funds Held 31/12/04 £
Less balances shown separately in the Accounts (to sponsor Department)						
DFP		4.1	497,115	(1,405,238)	340,674	(990,763)
DFP		4.2	(134,287)	(485,110)	(92,027)	(342,027)
DFP		FEES	130	33	87	23
DFP		INTEREST	(163,039)	(63,510)	(111,731)	(44,778)
DOF		4.1	(274,080)	(171,740)	(187,828)	(121,085)
DOF		4.2	(77,732)	(77,733)	(53,270)	(54,806)
DOF		FEES	1,037	968	711	683
DOF		INTEREST	(45,803)		(31,389)	
Balance at 31 December 2005 per Note 12 (iii).			3,810,844	580,871	2,611,580	409,543

CENTRAL PAYMENTS UNIT YEAR ENDED 31 DECEMBER 2005. URBAN Appendix 1.3

Accountable Department	Implementing Agent	Measure	Funds Held 31/12/05 €	Funds Held 31/12/04 €	Funds Held 31/12/05 £	Funds Held 31/12/04 £
DSD	NBPB	1.1	125,812	185,931	86,219	131,091
DSD	NBPB	1.2	121,672	378,748	83,382	267,037
DSD	NBPB	1.3	120,488	123,954	82,570	87,394
DSD	NBPB	2.1	(78,899)	187,986	(54,069)	132,540
DSD	NBPB	2.2	125,974	187,986	86,330	132,540
DSD	NBPB	2.3	127,000	61,205	87,034	43,151
DSD	NBPB	3.1	44,267	58,077	30,336	40,947
DSD	NBPB	3.2	36,367	58,077	24,922	40,947
Balance at 31 December 2005 per Note 12 (iii).			622,681	1,241,964	426,725	875,647

FINANCE Contd.

Abbreviations used within the Appendices to the Accounts

Appendix 2

RDC	Rural Development Council
LSP	Local Strategy Partnership
CO-OP	Co-operation Ireland
SEUPB	Special EU Programmes Body
CPA	Combat Poverty Agency
ADM	Area Development Management
CFNI	Community Foundation for Northern Ireland (Formerly NIVT)
EGSA	Educational Guidance Service for Adults
PROTEUS	Proteus
PLAYBOARD	Playboard
SELB	Southern Education and Library Board
TWN	Training for Women Network
CRC	Community Relations Council
NIPPA	Nippa The Early Years Organisation
NBPB	North Belfast Partnership Board
ICBAN	Irish Central Border Area Network
EBR	East Border Region
NWRCBG	North West Region Cross Border Grouping
DARD	Dept of Agriculture and Rural Development
DFP	Dept of Finance and Personnel
DHSSPS	Dept of Health, Social Services & Public Safety
DSD	Dept of Social Development
DENI	Department of Education
DEL	Dept of Employment and Learning
OFM/DFM	Office of First and Deputy First Minister
DCAL	Dept of Culture Arts and Leisure
DETI	Dept of Enterprise, Trade and Investment
DRD	Dept of Regional Development
DOF	Dept of Finance
DGRGA	Dept of Community, Rural and Gaeltacht Affairs
DCMNR	Dept of Communications, Marine and Natural Resources
DHC	Dept of Health and Children
DOT	Dept of Transport
DEHLG	Dept of Environment, Health and Local Government

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT OF FINANCE & PERSONNEL AND THE IRISH DEPARTMENT OF FINANCE, IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH IRISH AGREEMENT ACT 1999.

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

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

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



Signed by authority of the
Department of Finance and Personnel

L O'Reilly

29 June 2001



Department of Finance

A Dunning

29 June 2001



A photograph of a middle-aged man with a mustache, smiling broadly. He is wearing a dark, heavy jacket and holding a professional Canon camera with a large lens. The background is slightly blurred, showing a red vintage car. The word "DETAILS" is overlaid in large white letters across the center of the image.

DETAILS



Details

The Special EU Programmes Body (SEUPB) is an Implementation Body set up under the “Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing Implementation Bodies”, signed on 8 March 1999 (the British-Irish Agreement of 8 March 1999). The Agreement was given domestic effect, North and South, by means of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 respectively.

The Body undertakes certain management and operational responsibilities for the post 1999 EU Structural Funds, North and South.

The SEUPB is the designated Managing Authority for the PEACE II and Ireland/Northern Ireland INTERREG IIIA programmes. A principal aim of the Body is to promote cross border co-operation through INTERREG IIIA and the cross border element of the

PEACE II Programme. It is also responsible for monitoring and promoting the implementation of North/South co-operative actions through the Common Chapter in the National Development Plan 2000 - 2006 for Ireland and the Structural Funds Plan 2000 - 2006 for Northern Ireland.

The Body is under the policy direction of, and reports to, the North/South Ministerial Council (NSMC). It is accountable to the NI Assembly and to the Houses of the Oireachtas. The NSMC did not meet in 2003 (refer to Annex C for details).

The Headquarters of the Body are in Belfast with two regional offices located in Monaghan and Omagh. The Belfast office has responsibility for policy and corporate issues, while the Monaghan office is responsible for the INTERREG Programme and other Community Initiative Programmes. The Omagh office oversees the delivery aspects of the PEACE Programme while Monaghan monitors and promotes the implementation of the Common Chapter.

The secretariat to the new Regional Partnership Board and the administration of Priority 3 of PEACE II (Locally based regeneration and development strategies) also operates from the Omagh office.

The Body has accepted nominations to be represented on each of the Operational Programme Monitoring Committees, North and South. In total the Body is represented on 14 Monitoring Committees and chairs a further two Committees.

Details

Functions and Responsibilities of the Body

Functions

The functions of the Body, as outlined in the relevant legislation, cover the following areas:

Special Support Programme for Peace and Reconciliation (PEACE I);

Ireland/Northern Ireland INTERREG II Programme 1994-1999;

EU Programme for PEACE and Reconciliation for Northern Ireland and the Border Region of Ireland 2000-2004 (PEACE II);

Ireland/Northern Ireland INTERREG IIIA Programme 2000-2006 (INTERREG IIIA);

Post 1999 Community Initiatives (LEADER+, URBAN and EQUAL);

The "Common Chapter" on co-operation between Ireland and Northern Ireland.

Responsibilities

Under the relevant legislation, the Body takes on responsibility for a number of functions in relation to the PEACE and INTERREG Programmes as set out in Annex 1 and 2 of the Agreement:

Central secretariat, monitoring, research, evaluation, technical assistance and development roles currently exercised jointly in respect of INTERREG and PEACE I by the Finance Departments and the post-1999 Community Initiatives, which includes PEACE II;

Administration of certain sectoral sub-programmes under the INTERREG and PEACE Programmes namely the Interest Rate Subsidy Scheme and Cross Border Co-operation between public bodies;

The Body will advise the North/South Ministerial Council on the progress of the negotiations on PEACE II and contribute as appropriate to the negotiations with the Commission;

Prepare, in consultation with the Finance Departments and other relevant Departments, detailed proposals for the PEACE II Programme and the post-1999 Community Initiatives;

Grant making and other managerial functions in respect of INTERREG IIIA and of North/South elements of programmes under other Community Initiatives, within the framework of the relevant overall policies of North and South respectively, and subject to the expenditure allocations and specific programme parameters agreed within the two administrations and with the EU Commission; and

To monitor and promote implementation of the Common Chapter.

Strategic Objectives

The strategic objectives of the Body are defined within the specific functional areas which form the basis of its work.

The programmes of work to be undertaken are detailed within the Body's Corporate Plan and Annual Business Plans.

To bring PEACE I to a timely and satisfactory conclusion.

To bring the INTERREG II programme to a timely and satisfactory conclusion.

To ensure the efficient and effective delivery of PEACE II and fully utilise all programme funding.

To ensure the efficient and effective development and delivery of the INTERREG IIIA programme in Northern Ireland and the Border Counties of Ireland and fully utilise all programme funding.

To achieve the maximum level of Cross Border co-operative actions in the Community Initiatives.

To achieve the maximum level of North/South co-operative actions in Ireland and Northern Ireland in the context of the National Development Plan 2000–2006 for Ireland and the Structural Funds Plan 2000–2006 for Northern Ireland.

To support and enhance the business performance of the Body through the provision of quality management and effective administration of its activities.

Attendance at North/South Ministerial Meetings

There were no North/South Ministerial Meetings.

Chief Executive

Pat Colgan

Head Office

EU House
6 Cromac Place
Belfast BT7 2JB

tel +44 (0) 28 9026 6660

fax +44 (0) 28 9026 6661

email info@seupb.org

Regional Offices

EU House
11 Kevlin Road
Omagh BT78 1LB

tel +44 (0) 28 8225 5750

fax +44 (0) 28 8224 8427

email omagh@seupb.org

European Union House
Castle Meadow Court
Dublin Road, Monaghan

tel +353 (0) 477 7003

fax +353 (0) 477 1258

email interreg@seupb.ie

Special EU Programmes Body

Belfast Office: EU House, 6 Cromac Place, Belfast, Northern Ireland, BT7 2JB

tel +44 (0) 28 9026 6660

fax +44 (0) 28 9026 6661

email info@seupb.org

website www.seupb.org

Omagh Office: EU House, 11 Kevlin Road, Omagh, Northern Ireland, BT78 1LB

tel +44 (0) 28 8225 5750

fax +44 (0) 28 8224 8427

email omagh@seupb.org

website www.seupb.org

Monaghan Office: EU House, Castle Meadow Court, Dublin Road, Monaghan, Ireland

tel +353 (0) 477 7003

fax +353 (0) 477 1258

email interreg@seupb.ie

website www.seupb.org

Front cover photograph: Marine and Water Leisure Programme – a cross border initiative in beach management funded by the PEACE programme between Donegal County Council and Limavady Borough Council.



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



EU Programme
for Peace and Reconciliation



Published by TSO (The Stationery Office) and available from:

Online

www.tso.co.uk/bookshop

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders / General enquiries 0870 600 5522

Fax orders 0870 600 5533

Order through the Parliamentary Hotline Lo-call 0845 7 023474

E-mail book.orders@tso.co.uk

Textphone 0870 240 3701

TSO Shops

123 Kingsway, London WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders 020 7219 3866

Email bookshop@parliament.uk

Internet bookshop.parliament.uk

TSO@Blackwell and other Accredited Agents

