

Published by the Special EU Programmes Body

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Special EU Programmes Body Annual Report 2009

Special EU Programmes Body

Annual Report and Accounts for the period ended 31 December 2009.

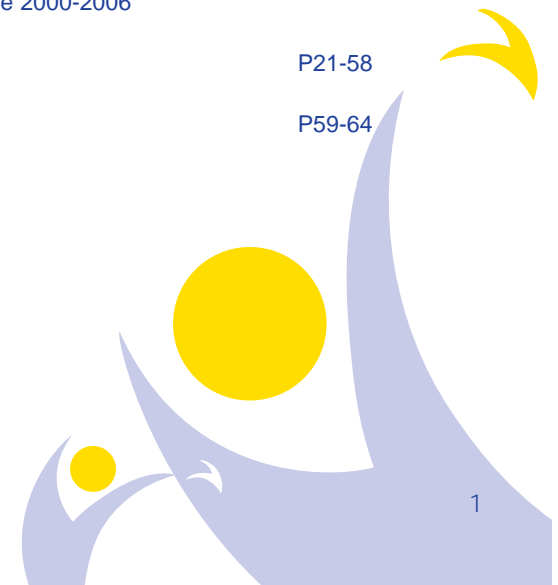
To the Minister for Finance
In accordance with article 49(1) of the British-Irish Agreement Act 1999

March 2011

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Chief Executive's Foreword

2009 marked a significant chapter in the life of the Special EU Programmes Body (SEUPB) with a large number of projects being awarded assistance under the European Union's Programme for Peace and Reconciliation 2007-2013 (PEACE III) and the Cross-border Programme for Territorial Co-operation 2007-2013 (INTERREG IVA).

Throughout the year both programmes have provided a significant level of support to new and innovative projects which are making a real and tangible impact within the eligible areas of Northern Ireland, the Border Region of Ireland and Western Scotland.



The PEACE III Programme is continuing to reinforce progress towards a peaceful and stable society, through the promotion of greater levels of reconciliation and community cohesion. With a total allocation of €333 million, it is funding a wide range of projects and operations that are helping to fulfil the key objectives of the programme and create a lasting legacy for the region.

The €256 million INTERREG IVA Programme has also supported a number of truly pioneering projects that are addressing economic and social disadvantages. Collectively these projects will serve to enhance enterprise, tourism, access to services, collaboration and infrastructure on a cross-border basis and provide long-term benefits for all three eligible areas.

The new strategic approach adopted by both programmes through the SEUPB's Joint Technical Secretariat has been very effective in ensuring that approved projects have the maximum impact on the achievement of the programme objectives. In streamlining the delivery of available funding it is ensuring that support is allocated as efficiently as possible.

The contribution made by members of both the Monitoring and Steering Committees has helped to maintain the highest standards of openness and transparency in the implementation of the programmes.

The Body is accountable to the North South Ministerial Council (NSMC), and must report regularly on the progress of the functions designated to the organisation by legislation. During 2009 the ninth NSMC Sectoral meeting, being the formal reporting mechanism for the SEUPB, was held on 8 September in Government Buildings Dublin. The meeting was attended by Minister for Finance and Personnel Sammy Wilson MP, MLA, Minister Gerry Kelly, MLA and chaired by Minister for Finance Brian Lenihan TD.

During the year representatives from the SEUPB were invited to appear before the Office of the First Minister and Deputy First Minister (OFMDFM) Committee as well as the Northern Ireland Assembly Public Accounts Committee (PAC) in order to give a detailed account of particular aspects of the work of the organisation.

The SEUPB continually strives to achieve high levels of economic efficiency and value for money in the delivery of its services and operations. This commitment took on increased importance in 2009 as a result of a sharp downturn in the economic climate.

In addition to the normal efficiency review carried out as part of the business planning process, the SEUPB, in partnership with the Department of Finance and Personnel and the Department of Finance, conducted an in-depth analysis of all programme and non-programme expenditure. This allowed the Body to maximise the amount of assistance provided to projects whilst minimising expenditure on overheads and administration.

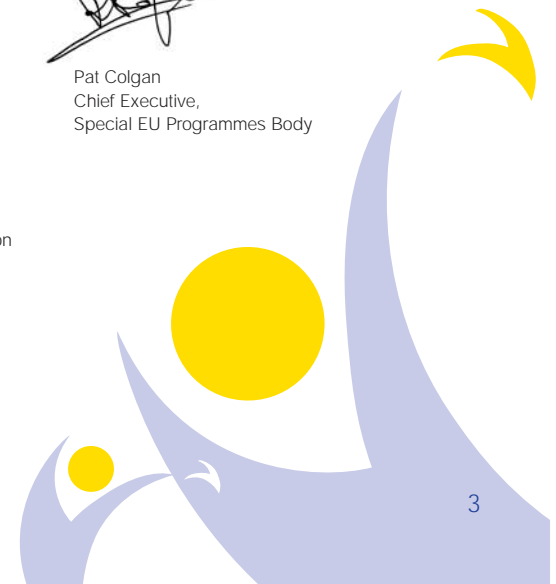
Alongside the delivery of the PEACE III and INTERREG IVA Programme the SEUPB pro-actively promotes greater North/South participation in the transnational INTERREG IVB and inter-regional INTERREG IVC Programmes. During 2009 it was able to increase the number of projects accessing these programmes and take full advantage of the networking opportunities that they offer.

As we move towards the half-way point of the current programming period the positive effect that the projects are having upon the everyday lives of people, communities and businesses is becoming more apparent. The programmes would not be a success however without the continued support of a wide-range of partners and organisations working together to achieve the same goal.

I would like to thank all of those involved in PEACE III and INTERREG IVA for their continued dedication. I would also like to applaud the efforts and hard work of all my colleagues within the SEUPB as we look forward to 2010.



Pat Colgan
Chief Executive,
Special EU Programmes Body





The Role of the Special EU Programmes Body

Our Role

The Special EU Programmes Body (SEUPB) is a North South Body, established under the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland (the Agreement) and came into effect on 2 December 1999. The Agreement stipulates that the SEUPB will implement the policies directed by the North South Ministerial Council (NSMC) as specified by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999, as amended.

As an agent of both governments the SEUPB has acted as the Managing Authority for both PEACE II and INTERREG IIIA Programmes 2000-2006 and also as the Paying Authority in relation to INTERREG IIIA. The programmes had a combined value of €1,176 million. PEACE II funded 7,103 projects, whilst INTERREG IIIA funded 435 projects.

Since the beginning of 2007, the SEUPB has acted as Managing Authority, Certifying Authority and provided the Joint Technical Secretariat (JTS) for the PEACE III and INTERREG IVA Programmes. The two programmes have a combined value of €589 million. In its capacity as Managing Authority, the SEUPB chairs both of the Monitoring Committees for these two programmes.

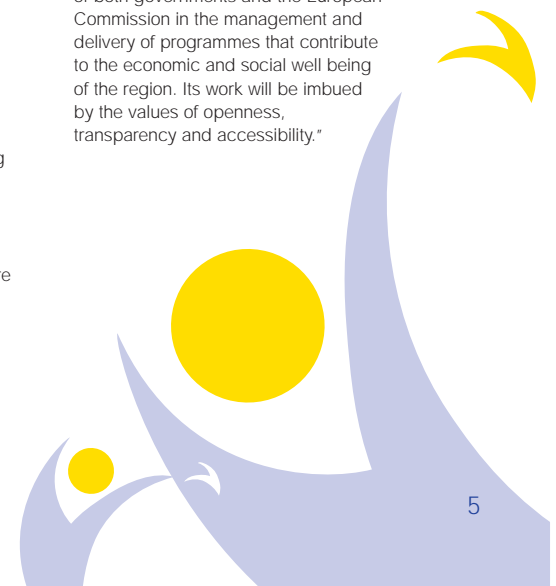
The SEUPB has a broad role to support North/South participation in INTERREG IVB Transnational Programmes which are relevant to Northern Ireland. Alongside this the SEUPB has an advisory and signposting role for North/South participation in the INTERREG IVC Inter-regional programme.

Our mission

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

Our Vision statement

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





Programme Overview

The two programmes each possess a distinct identity and have been specifically designed to address different aspects of the social and economic challenges facing the region.

The PEACE III Programme builds upon the legacy of the PEACE I and PEACE II Programmes which covered the period 1995-2006. It has a budget of €333m and continues to reinforce progress towards a peaceful and stable society as well as the promotion of reconciliation across Northern Ireland and the Border Region of Ireland.

The INTERREG IVA Programme builds upon the successes and lessons of previous INTERREG Programmes. It has a total budget of €256m and covers Northern Ireland, the Border Region of Ireland and Western Scotland. The Programme aims to support strategic cross-border co-operation for a more prosperous and sustainable region.

The main focus of activity for the SEUPB during 2009 was the approval of successful projects and the issuing of agreed Letters of Offer. A large number of project claims were also vouched and verified allowing for increased claims from the European Commission.

Throughout 2009 the Body also carried out a number of actions to ensure the effective and transparent delivery of the programmes. A series of Monitoring Committees were co-ordinated during the year including two for the PEACE III Programme, which took place at the Signal Business Centre in Bangor, County Down on 22 April and at the Stephenson Pond Conference Centre in Dundalk on 21 October.

Two Monitoring Committees were also co-ordinated for the INTERREG IVA Programme at the Sligo Institute of Technology on 30 April and in the Banbridge District Enterprise Centre, on 28 October. At each Monitoring Committee the three working groups established to consider specific areas of programme implementation, including

monitoring and evaluation, equality and environment, provided an update of their activities.

During 2009, 24 Steering Committee meetings were organised by the SEUPB's Joint Technical Secretariat and the Consortium of Pobal and the Northern Ireland Community Relations Council. These included 12 Steering Committees for the PEACE III Programme and 12 Steering Committees for the INTERREG IVA Programme.



PEACE III

A total of 181 new projects applied for funding under the PEACE III Programme in 2009, raising the total number of applications to 370. By the end of the year 113 projects had been approved to the value of approximately €182.1 million.

All 14 Local Peace and Reconciliation Action Plans, covering the programme's eligible area of Northern Ireland and the Border Region of Ireland, were also approved. These plans are well underway and are providing support to approximately 560 projects.

During January and February 2009 the SEUPB, in partnership with all councils in Northern Ireland and the Border Region of Ireland, hosted a roadshow specifically designed to introduce the PEACE III Programme to the general public and potential applicants. Taking place in towns throughout the eligible area, the roadshow was designed to raise awareness of the programme and help promote the Local Peace and Reconciliation Action Plans.

Starting in Newtownards on 14 January the roadshow visited 16 different towns and cities including: Craigavon, Enniskillen, Monaghan, Belfast, Bellurbet, Sligo, Drumshanbo, Letterkenny, Strabane, Coleraine, Larne, Cookstown, Newtownabbey and Lisburn before concluding in Dundalk on 18 February.

Detailed feedback was completed after each event, with all participants asked to complete a short questionnaire. Of those attending 74% agreed or strongly agreed that they now had a deeper understanding of the PEACE III Programme whilst the same percentage agreed or strongly agreed that they now knew how to access the programme.

Over €7.8m worth of EU assistance, under the PEACE III Programme, was awarded to Monaghan County Council to develop a multi-sports complex in Clones. Allocated under the 'Creating Shared Public Spaces' theme of the programme, the initiative will create a major flagship sports facility at Liseggerton, Clones.

Due for completion in 2012, the sports complex will provide a neutral space through which people of different backgrounds and communities can come together through a shared interest in sport. The project was initiated by local community groups on a cross-border basis. It is also expected to generate over €2 million a year to the local economy during its construction phase.



Young people from divided communities came together at Greenhill YMCA in Newcastle, as part of the Crosslinks project.



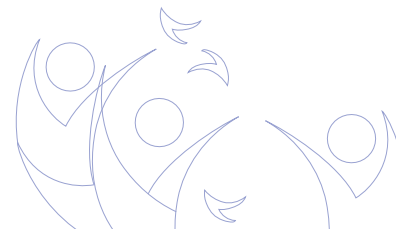
Visiting the Groundwork NI project in North Belfast (r-l) are Minister Sammy Wilson, Pat Colgan Chief Executive of the SEUPB, Agnes Junk and Jackie Trainor, local representatives from Tiger Bay and Newington Parkside.

The PEACE III Programme is supporting 'Culture Crosslinks', a cross-community project developed by Youth Initiatives NI to help break down prejudice and bridge the divide between young people of different cultural backgrounds. Managed for the SEUPB by the Consortium of Pobal and the Community Relations Council Northern Ireland, the project is funded under the 'acknowledging and dealing with the past' theme of the programme.

By bringing young people together in a safe and secure environment to explore issues of race, faith and cultural identity, the project enables participants to become agents for change in their own community. PEACE III support has also allowed the project to continue and extend its reach through a local schools programme.

Just under £1 million worth of assistance is being provided under the 'Building positive relations at the local level' theme of PEACE III for an initiative developed by Groundwork NI, called 'Reconciling Communities through Regeneration'. The project gives local community and statutory agencies the support needed to reduce sectarian attitudes in interface areas and cut down the number of peace walls, murals, flags and painted kerb stones.

The overall objective of the project is to address contested space within Northern Ireland and the Border Region of Ireland by removing the physical manifestations of segregation. This is carried out on a cross-community basis with local residents working together to regenerate their own community.





Glenn Jordan holds the plans on the area to be redeveloped for the east Belfast Skainos village.

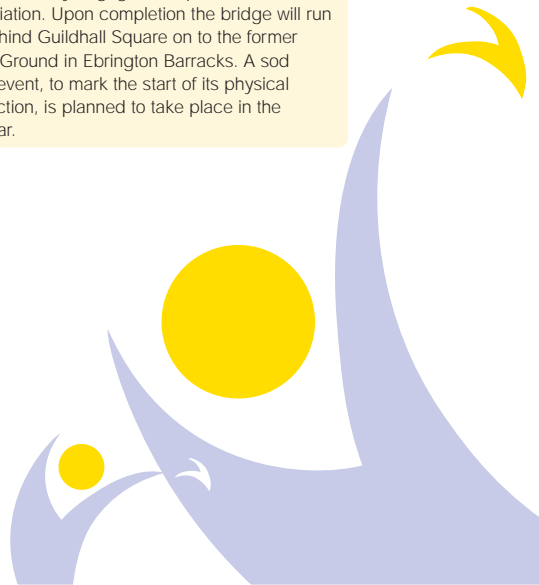
The Skainos Project, which will create an exciting new 'urban village' free from sectarian emblems, has received over £6 million worth of EU support under PEACE III. Upon completion it will regenerate a neglected inner-city area of East Belfast, along the Newtownards Road, which has suffered from low levels of investment. The project partners include Oaklee Housing Association as well as the Department of Social Development and the International Fund for Ireland.

Designed as a shared space the new 'village' will be built around a specially created street, complete with a civic square and both private and social housing. The project is supported under the 'Creating Shared Spaces' theme of the PEACE III Programme and will act as a secure haven where people from the traditional and new ethnic minority communities can interact, live and work alongside each other.



Artists impression of the new Peace Bridge.

The Peace Bridge across the river Foyle, which has received £13,343,476 under the PEACE III Programme, is progressing well. The project is supported by the 'Creating Shared Public Spaces' theme of the programme and will act as a physical symbol for change, encouraging greater levels of cross-community engagement, peace and reconciliation. Upon completion the bridge will run from behind Guildhall Square on to the former Parade Ground in Ebrington Barracks. A sod cutting event, to mark the start of its physical construction, is planned to take place in the New Year.



INTERREG IVA



Pat Colgan speaks at the Strategic Fit event.

During 2009, 26 INTERREG IVA projects were approved, with a value of approximately €101.7 million.

At the start of 2009, a number of key decision makers for the €256 INTERREG IVA Programme took part in a conference to discuss the best methods of ensuring that it has a strategic fit with the priorities of Northern Ireland, Ireland and Western Scotland. Recognising the entry of Scotland into the programme, the aim of the event was to provide a comprehensive and accessible update of current national policies and priorities to individuals and organisations involved in the funding process.

Representatives from all three participating governments offered their views on how best to maximise the impact of INTERREG IVA in terms of enterprise, tourism, enhanced collaboration and infrastructure.

In early March 2009, the SEUPB also organised an information event and workshop at the Belfast Grand Opera House. The purpose of the event was to appoint a lead partner, together with a number of project partners to develop, manage and deliver the Creative Industries theme of Priority 1.1 of the INTERREG IVA Programme.

Over 40 delegates from Northern Ireland, the Republic of Ireland and Western Scotland representing the education, creative arts and digital media sectors attended the event. The workshop element of the seminar provided an opportunity for potential bidders to meet and network with a view to forming partnerships.

The participants were also encouraged to adopt a four-strand approach to their bids, focusing on intelligence gathering, developing networks of scale, skills enhancement and project finance as well as enterprise development.





Pictured (l-r) are joint chairs of the Tradelinks Joint Management Committee, Gordon Gough, CEO Enterprise NI and Michael Tunney, CEO Donegal County Enterprise Board.

A new £1.6 million feasibility study examining the potential construction of an electricity network linking offshore renewable energy sites in the coastal waters of Ireland, Northern Ireland and Western Scotland has received funding under the INTERREG IVA Programme. The two year ISLES (Irish Scottish Links on Energy Study) project will help develop the business case for the creation of such a grid. Examining the technology, infrastructure, environmental impact and planning requirements needed to create the network, the study will also involve close co-operation with the energy industry and other key stakeholders involved in similar renewable energy initiatives.

The INTERREG IVA Programme has awarded over £2.98 million worth of support to a new cross-border business development programme called 'Tradelinks 2'. The project is being delivered by Enterprise NI alongside the network of Local Enterprise Agencies and the Border Region County Enterprise Boards.

It will provide support to approximately 550 micro-businesses and address barriers to cross-border trade and development. Using a combination of business mentoring, research and networking, 'Tradelinks 2' will help small businesses become more sustainable and competitive. Building upon the successes of the initial Tradelinks project the programme will run until June 2012.



Dr Maura O'Neill, Head of Health Promotion, Western Health & Social Care Trust and Project Chair of the CAWT Obesity project.

Almost €1 million of support is being provided by the EU's INTERREG IVA Programme for a three year initiative to help reduce the rising levels of childhood obesity across Northern Ireland and the Border Region of Ireland. The initiative is one of twelve health and social care programmes spearheaded by Co-operation and Working Together (CAWT), a cross-border health and social care partnership. Each programme is designed to increase the standard of patient care and access to health services, on a cross-border basis. In total over €30 million has been awarded under INTERREG IVA in support of the programmes.

The 'Preventing and Managing Obesity' initiative comprises of two distinct elements: a 'Healthy Lifestyle' initiative which will take a community based approach to the prevention of obesity and the 'Making a Difference' initiative, which involves a family centred approach to managing obesity. The project emphasises the importance of early intervention and working within the family setting to highlight the benefits of a healthy diet and regular exercise to achieve meaningful and lasting lifestyle changes.

A new study, funded by the INTERREG IVA Programme, could help dramatically improve transport links for visitors to and residents of a number of islands off the coasts of Ireland and Scotland. The 'Small Ferries Project' will research the best methods of procuring and funding a fleet of small ferries, which will operate at least eight routes serving remote communities on Rathlin Island in Northern Ireland, Arainn Mhór and Toraigh in Ireland and the Scottish islands of Lismore, Gigha, Kilchoan, Raasay and Portavadie.

The study is being carried out by Caledonian Maritime Assets Ltd (CMAL) alongside the Department of Regional Development in Northern Ireland and the Department of Rural, Community and Gaeltacht Affairs in Ireland. The study will take a long-term view of ferry demand over the next 25 years by looking at common needs rather than specific routes.



Minister Arlene Foster (DETI) and Bjami Thorrvardarson CEO Hibernia Atlantic.

Project Kelvin, which has received €30 million worth of support from the EU's INTERREG IVA Programme, is progressing well. The crucial first stage of the project has been completed, ahead of schedule, with the transatlantic communications cable landing ashore at Portrush.

The next phase of the project will link 13 towns in a terrestrial fibre-optic ring including Armagh, Ballymena, Belfast, Coleraine, Londonderry, Omagh, Portadown, Strabane, Letterkenny, Castleblayney, Dundalk, Drogheda and Monaghan. Upon completion Project Kelvin will enhance direct international communication services to businesses, particularly small to medium sized enterprises across the region.



Pictured alongside Minister Wilson at the INTERREG IVB and IVC Conference are (l-r) Niclas Forsling (Head of Secretariat, Northern Periphery Programme), Akos Szabo (Communication and Project Advisor, INTERREG IVC Programme Secretariat) and Jean-Luc Fres (Director of Programme Secretariat, Atlantic Area).

One of the main events in 2009 was hosted jointly by the SEUPB and the Department of Finance and Personnel. A major conference and project fair entitled 'Making European Co-operation a Reality in Northern Ireland: INTERREG IVB and IVC Programmes 2007-13' was held in Belfast and highlighted the significant progress already made in the INTERREG IVB & IVC programmes and to encourage and support applicants to take advantage of the remaining opportunities.

This event was attended by 180 participants who were addressed by the Minister for Finance and Personnel, Sammy Wilson, MP, MLA and other speakers including the Regional Contact Points for both the UK and Ireland and four Programme Secretariats. In addition, all approved projects with NI partners participated in an exhibition, showcasing their work to date.

To date, there are 41 project partners from Northern Ireland involved in the transnational and interregional programmes and 23 of these have North / South participation.

Transnational and Interregional

The SEUPB is responsible for promoting North / South co-operation in all transnational and inter-regional programmes relevant to the region and for supporting all potential project applicants. The SEUPB also acts as First Level of Control for all Northern Ireland partners operating in these programmes.

Under INTERREG IVB three transnational programmes are relevant to Northern Ireland and the Border Region of Ireland; these are the Northern Periphery Programme (NPP), the North West Europe Programme and the Atlantic Area Programme. The INTERREG IVC interregional co-operation programme is

accessible to regional authorities across all 27 EU states, Norway and Switzerland, and is aimed at sharing best practice to improve the effectiveness of regional and local policies.

Throughout 2009, the SEUPB has been actively pursuing its obligations in relation to carrying out the function of Regional Contact Point for the Northern Periphery Programme and has been providing advice and guidance to potential project applicants for all of the transnational and interregional programmes through a series of meetings, surgeries, workshops and events.



Pictured (l-r) are Ann McNickle, Project Manager, Causeway Rural & Urban Network, Lynsey McKitterick, Research Associate, Ulster School of Business, University of Ulster, Coleraine, Nick Lyth, Operational Director of International Resources and Recycling institute, Terry Waugh, Deputy Director of Action Renewables, and Professor Neil Hewitt, Professor of Energy/Director of the Centre for Sustainable Technologies, University of Ulster, Jordanstown.

The SMALLEST project which receives just under €1.5m EU funding through NPP, is an INTERREG IVB Transnational Programme. In Northern Ireland, the project team is made up of staff at Action Renewables and researchers at the University of Ulster. The aim of the project is to establish an innovative service across all Northern Periphery Programme (NPP) partner regions to raise the scale and quality of training, mentoring and support for rural communities needed to develop micro renewable energy sources (MRES).





Sharing Knowledge and Experience

Opportunity Europe

The SEUPB exhibited at the two-day Opportunity Europe event at St. George's market in October. Attracting thousands of school children from across the region, the event provided an excellent opportunity to teach young people about the impact that EU funding is having in helping to create peace and reconciliation as well as greater levels of cross-border co-operation. SEUPB staff took turns to manage a specially designed stand and tested the children's knowledge of various European issues.

Balmoral Show 2009

The SEUPB participated in the 2009 Balmoral Show in Belfast in May. Working alongside the Department of Finance and Personnel, a special exhibition stand was created to showcase the benefits of the PEACE III and INTERREG IVA Programmes. SEUPB staff were on hand to answer any questions from the general public on both programmes.

Open Days

The Peace Network was set up to communicate the unique experience of managing, evaluating and implementing EU PEACE funding in Northern Ireland and the Border Region of Ireland.

As the secretariat for the Peace Network the SEUPB co-ordinated a seminar at the OPEN DAYS 2009 under the title 'Sharing the Experiences of Peace and Reconciliation in Northern Ireland'. During the seminar Andreas Ashiotis, member of the Council of Reconstruction and Resettlement in Cyprus, outlined the importance of working with children and young people to help them become ambassadors of peace and reconciliation within their own communities.

SEUPB Launches New Website

Following a detailed review of its functionality the SEUPB website www.seupb.eu underwent a major overhaul in 2009. A number of enhancements were made to make the site more interactive with increased accessibility and functionality. The redesigned website went live on 17 August and saw a considerable upturn in visitor numbers with users recorded from as far afield as Georgia, the USA and Nigeria.

North West Europe – Annual Conference

Pat Colgan, Chief Executive of the SEUPB took part in the annual INTERREG IVB North West Europe (NWE) Conference on the 8 and 9 October in Rotterdam. Representatives from all the member states, regions and cities took part in the two-day event which focussed on territorial development covering all four priorities of the Programme with special emphasis placed upon climate change.



1. Pat Colgan is joined at the Balmoral Show 2009 by (l-r) Northern Ireland Minister for Agriculture and Rural Development Michelle Gildernew and the European Commissioner for Agricultural and Rural Development Mariann Fischer Boel.



Closure of PEACE II and INTERREG IIIA

As the Managing Authority for the 2000-2006 PEACE II and INTERREG IIIA Programmes, the SEUPB is responsible for the successful closure of both EU Programmes.

PEACE II Programme 2000-2006

By the end of 2009, 7,061 representing 99.41% of the 7,103 PEACE II Programme funded projects had been successfully closed on the central database by the SEUPB's closure team. Significant progress was made throughout the year in terms of drafting the final reports and completing all of the required financial control activity. The submission of all documentation relating to the closure of the programme is on target for the 30 September 2010 deadline.

The following two project case studies received EU support under the PEACE II Programme.

1. A participant (dressed as Elvis Presley) in one of a series of Bytes Projects aimed at raising the confidence of young people on the margins of society and improving their ICT skills.
2. Children at play in the Killy-Cashel Movement's new Cross Roads Peace Park.



The Bytes Cross-Border project received over £71,000 of support under PEACE II. It was designed to increase the confidence of 16 to 25 year olds from urban and rural areas across Londonderry and Donegal by tackling the social and economic difficulties they faced. The participants took part in a wide-range of activities to enhance their literacy, numeracy and IT skills. These activities also included exchanges and trips to learn about different cultures and backgrounds as well as participation in a number of peace and reconciliation exercises.

The closure of many roads and bridges served to isolate communities across Northern Ireland and the Border Region of Ireland, thereby enhancing segregation and social division. Within the villages of Cashel in County Fermanagh and Killyclogher in County Leitrim, cross-community links were severed by the removal of the crossing bridge between the two counties.

However a PEACE II supported project has helped to re-connect the two villages through the creation of the Cross Roads Peace Park which has been designed to nurture cross-border and cross-community relations. A children's environmental art project was also supported by the initiative, where professional artists worked alongside local people to create a new butterfly sculpture for the park.



INTERREG IIIA Programme 2000-2006



Jo McKelvie, who set up Evita Services in County Down, a new consultancy that runs pharmaceutical veterinary clinical trials for a growing and international client base, with initial support from the Border Innovation Gateway initiative.

By the end of 2009, 404 or 92.87% of the 435 funded projects under the EU's INTERREG IIIA Programme had been closed by the SEUPB's closure team. A significant amount of progress was made throughout the year in the drafting of reports and in relation to the completion of all relevant financial control activity. The collation of all documentation needed to meet the 30 September 2010 closure deadline is on target.

The following two project case studies received EU support under the INTERREG IIIA Programme.

The Border Innovation Gateway (BIG) project received support under the INTERREG IIIA Programme to help potential entrepreneurs develop business concepts and support them in the establishment of their own businesses. The project was an ambitious, pilot pre-incubation initiative designed to create high-growth businesses across the region. The project's partners included Greenshoots in Newry, alongside the Southern Regional College and the Dundalk Institute of Technology. In total 61 potential entrepreneurs participated in the project and 29 businesses had been created by its completion.



Students outside the hi-tech mobile broadcast training truck that travels to schools to provide multimedia training facilities.

The 'Cross Border Digital Creativity' project, a collaboration between the NEELB and Monaghan Education Centre, received support from the EU's INTERREG IIIA Programme. Designed to bring multi-media training to schools, the project provided training to a number of teachers in multi-track audio production. Eight schools based in Monaghan and Magherafelt (representing four from each border) also had the necessary equipment permanently installed as part of the initiative.



Annual Accounts

Year Ended 31 December 2009

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 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 Northern Ireland, the border regions of Ireland, and Western Scotland.

These accounts have been prepared in accordance with:

- The financial arrangements of Part 7 of Annex 2 to the British-Irish Agreement establishing Implementation Bodies;
- A direction by the Department of Finance and Personnel and the Department of 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 and future developments 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 31. The surplus for the year was €1k (Stg £1k) – 2008: €42k (Stg £33k)

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 the fit-out of new office premises. This expenditure has been included under the heading 'Assets in course of construction'.

Research and Development

There was no significant expenditure in this area.



Important Events Occurring After the Year End

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

Charitable Donations

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

Board Members

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

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

Payment to Suppliers

The Special EU Programmes Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment Of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2002, and the Irish Late Payments in Commercial Transactions Regulations 2002.

Unless otherwise stated in the contract, payment is due within 30 or 45 days, as appropriate, of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later.

The 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 94.5% (2008 - 94.1%) of bills were paid within this standard.

In December 2008, Public Bodies were instructed to support businesses through making every effort to make payments to suppliers within 10 days of receipt of a valid invoice. During 2009 SEUPB paid 63% of its invoices within 10 days.

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 for PEACE II, INTERREG IIIA and Urban. For PEACE III and INTERREG IVA, the target is 8 days.

This has been achieved for 87% (2008 - 99%) of payments made during the year, analysed as follows:

	No. of Invoices	Late	% on time
PEACE II	239	9	96.23%
INTERREG IIIA	92	4	95.65%
PEACE III	730	125	82.88%
INTERREG IVA	101	11	89.11%
Urban	19	0	100.00%
Total	1,181	149	87.38%

Health & Safety Policy

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

Disabled Employees

The SEUPB's Disability Action Plan 2009-2011 is a statement of the Special EU Programmes Body's commitment to fulfil its statutory obligations in compliance with Section 49A of the Disability Discrimination Act 1995.

The plan outlines measures that the Body will take to ensure that equality of opportunity is achieved not only for its own employees but also applicants and future employees.

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

Specifically, the body will aim to:

- Promote a positive working environment within which people with disabilities are readily accepted;
- Examine the working environment and practices to ensure that barriers impacting on the ability of staff with disabilities to participate fully in the life of the body, are removed where practicable;

- Provide a safe working environment;
- Ensure the development of skills and potential of staff with disabilities, through training and staff development; and
- Provide access to the full range of recruitment and career development opportunities with people with disabilities.

Employee Involvement

Employees have been kept informed of developments through formal and informal means and have undertaken a number of initiatives relating to recruitment policy; training provision; premises and facilities management.



Pat Colgan
Chief Executive Officer

28 January 2011




Statement of Accountable Person'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 year ended 31 December in the form and on the basis set out in the accounts direction at the appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view 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 calendar year.

In preparing the accounts the Body is required to:

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

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

Scope of responsibility

As Accountable Person, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SEUPB's policies, aims and objectives, whilst safeguarding the public funds and the Body's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland and Public Financial Procedures.

The Financial Memorandum between the SEUPB and its sponsor departments sets out in detail the responsibilities of the Accountable Person, (the Chief Executive), within a financial and business framework. The Body must operate within the standards and guidance on accounting and financial procedures, as set out in the Managing Public Money (NI) manual.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Body's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Special EU Programmes Body for the year ended 31 December 2009 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Capacity to handle risk

I have carried out appropriate procedures to ensure that 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 2009. Risk management has been incorporated fully into the corporate planning and decision making process of the Body.

The Management team must report to me regularly on key risks identified that may affect their area of work. 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.

The risk and control framework

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 2009, 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, in line with best practice;
- Maintained an organisation-wide risk register; and
- Arranged for reports from the Directors and Managers of the Body on internal control activities.



Information Assurance

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

- The Director of Corporate Services has been appointed as the Body's Accountable Records Officer (ARO). The ARO has in turn taken assurance from managers, who have added information considerations to their risk registers, which are reported on a monthly basis.
- An Information Officer has been appointed to assist with the ongoing implementation of the Body's Information Policies and is undertaking an information audit with all staff to assess common areas of good practice, risks, and improvements required.
- The Body's information risks have been assessed against best practice, and the results presented to the Audit Committee.
- Several of the risks identified were not key to the organisation, and others will be negated through the implementation of an Electronic Data Management System (this has continued to progress throughout 2009).

Review of effectiveness

As Accountable Person, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the Body who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their report to those charged with governance and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Audit and Risk Management Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Under article 59 of Council Regulation (EC) No 1083/2006, an Audit Authority has been designated by the Member States to take responsibility for verification of the effective functioning of the management control system. The Audit Authority has additional specific responsibility for:

- Audits of operations on the basis of an appropriate sample to verify expenditure declared;
- Presentation of an audit plan to the Commission;
- Submission of Annual Control Reports and Audit Opinions;

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 Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Body's system of internal control together with recommendations for improvement. For 2009 an overall 'satisfactory' annual assurance level has been awarded.

In early 2010, within the context of the preparation of the 2009 Statement of Assurance for the European Regional Development Fund (ERDF), the European Court of Auditors (ECA) selected a sample of the European Commission's ERDF expenditure across all EU Programmes for review. Within this sample were the payments of two claims made to SEUPB under the 'INTERREG IV, 2007-13, Northern Ireland, the Border Region of Ireland, and Western Scotland' Programme.

THE ECA visited SEUPB in January 2010 and conducted an audit of the expenditure which was included in those claims. The ECA have presented to the European Commission and the SEUPB the final report of their findings which include no serious issues.

During the course of the audit of the 2009 accounts, difficulties were encountered in the agreement of certain debtor balances relating to the PEACE II Programme. Whilst the value of the balance was found to be correct, the breakdown into component parts due from various Departments was not accurate. Following a detailed review, SEUPB reallocated elements within this balance, and resolved the issue to the satisfaction of the Auditors. SEUPB have also taken steps to introduce procedures to mitigate against the possibility of similar problems arising in the future.

During 2009, the Body's audit committee met four times and considered a range of issues including the systems of internal control in operation within the Body. Throughout 2009 an independent chairman and one further independent member were active members of the audit committee.



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

Independent Chair
Bryan Johnston

Independent Member
John Cowley

DFP representative
Bill Pauley

DOF representative
Pat Casey (until 18/10/2009),
Dermot Nolan (from 19/10/2009)

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

- the strategic processes for risk, control and governance;
- the accounts, accounting policies and annual report;
- planned activity of internal and external audit; and
- assurances relating to governance and management of the EU Programmes.

To aid in the discharge of these responsibilities, the Committee prepares an annual report, and also meets to review its own effectiveness. Appraisals of all members are made annually. The independent members also receive the monthly Senior Management Team minutes.

Pat Colgan
Accountable Person

28 January 2011



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

We have audited the accounts of the Special EU Programmes Body (‘the Body’) for the year ended 31 December 2009 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. These comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out within them.

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

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. The Chief Executive, as Accountable Officer, is responsible for ensuring propriety and regularity in relation to the use of public funds. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us and our staff to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment: of whether the accounting policies are appropriate to the Body’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Body; and the overall presentation of the accounts.

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

Opinion on Regularity

In our opinion, in all material respects, the expenditure and income have been applied for the purposes intended by the Northern Ireland Assembly and Dáil Éireann and the financial transactions conform to the authorities which govern them.





Opinion on the accounts

In our opinion:

- The accounts give a true and fair view, of the state of the Body's affairs as at 31 December 2009, and of its surplus and cash flows for the year then ended; and
- The accounts have been properly prepared in accordance with the accounts direction issued under the governing legislation.

KJ Donnelly
 Comptroller and Auditor General for Northern Ireland
 106 University Street
 Belfast
 BT7 1EU

31 January 2011



Opinion on other matters

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

John Buckley
 Irish Comptroller and Auditor General
 Dublin Castle
 Dublin 2
 Ireland

31 January 2011

Matters on which we report by exception

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

- Adequate accounting records have not been kept; or
- The accounts are not in agreement with the accounting records; or
- We have not received all of the information and explanations we require for our audit; or
- The Statement on Internal Control does not reflect compliance with applicable guidance on corporate governance.

Income and Expenditure Account for the year ended 31 December 2009

INCOME	Notes	2009	2008	2009	2008
		€'000	(restated) €'000	£'000	(restated) £'000
Grant from Departments	2	2,739	14,151	2,440	11,241
Other Operating Income	4	4	23	4	18
Capital Grant Release	16	125	106	111	84
Net Deferred Funding for Pensions	13(c)	329	393	293	312
CENTRAL PAYMENTS UNIT					
Grant Received from Accountable Departments	3	18,539	62,009	16,517	49,256
EU COMMISSION					
Claims Receivable from the EU	3	35,827	21,367	31,921	16,973
TOTAL INCOME		57,563	98,049	51,286	77,884
EXPENDITURE					
Depreciation	9	(125)	(106)	(111)	(84)
Staff Costs	5	(1,977)	(2,182)	(1,761)	(1,734)
Other Operating Costs	7	(940)	(966)	(838)	(768)
Programme Costs	8	(286)	(12,606)	(255)	(10,014)
Interest repayable to Department of Finance and Personnel	3	(3)	(14)	(3)	(11)
CENTRAL PAYMENTS UNIT					
Payments Made to Projects	3	(52,892)	(83,164)	(47,124)	(66,059)
Exchange gains/(losses)	3	(1,339)	1,031	(1,193)	819
TOTAL EXPENDITURE		(57,562)	(98,007)	(51,285)	(77,851)
Surplus for the year transferred to General Reserve	1		42	1	33

All amounts above relate to continuing activities.

The notes on pages 35 to 58 form part of these accounts.

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2009

	Notes	2009	2008	2009	2008
		€'000	€'000	£'000	£'000
Surplus for the year		1	42	1	33
Experience (losses)/gains on pension scheme liabilities		(29)	(1)	(26)	(1)
Changes in assumptions underlying the present value of pension scheme liabilities		(917)	534	(817)	424
Gain/(loss) from change in exchange rates		51	(113)	45	(90)
Actuarial (losses)/gains	13(b)	(895)	420	(798)	333
Adjustment to deferred pension funding	13(b)	895	(420)	798	(333)
Total recognised gain/(loss) for the year		1	42	1	33

The notes on pages 35 to 58 form part of these accounts.



Balance Sheet as at 31 December 2009

	Notes	2009	2008	2009	2008
		€'000	(restated) €'000	£'000	(restated) £'000
Fixed Assets					
Tangible Assets	9(a)	626	188	555	179
Intangible Assets	9(b)	75	40	67	38
		701	228	622	217
Current Assets					
Debtors	10	37,648	21,756	33,436	20,723
Cash at bank and in hand	11	23,366	43,375	20,751	41,314
Total Current Assets		61,014	65,131	54,187	62,037
Current Liabilities					
Creditors - amounts falling due within one year	12	(60,904)	(65,029)	(54,089)	(61,940)
Net Current Assets		110	102	98	97
Total Assets less Current Liabilities before pensions		811	330	720	314
Deferred pension funding	13(b)	3,578	2,126	3,178	2,025
Pension liabilities	13(b)	(3,578)	(2,126)	(3,178)	(2,025)
		811	330	720	314
Financed by:					
Capital and Reserves					
General Reserve	15	110	102	98	97
Capital Grant Reserve	16	701	228	622	217
		811	330	720	314

The accounts approved by the Chief Executive on 28 January 2011

Pat Colgan
Chief Executive Officer

The notes on pages 35 to 58 form part of these accounts.

Cash Flow Statement for the year ended 31 December 2009

	Notes	2009 €'000	2008 (restated) €'000	2009 £'000	2008 (restated) £'000
Net cash inflow from operating activities	17.1	(19,705)	(637)	(18,039)	(607)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(609)	(138)	(542)	(109)
Net cash inflow before financing		(20,314)	(775)	(18,581)	(716)
Financing					
Capital funding received		609	138	542	109
Net cash inflow from financing		609	138	542	109
Increase in cash/bank balances	17.2	(19,705)	(637)	(18,039)	(607)

The notes on pages 35 to 58 form part of these accounts.



Notes to the Accounts for the year ended 31 December 2009

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 accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Republic of Ireland Companies Acts 1963 to 2006, 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 by the 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

In 2009, the 'assets in course of construction' relates to ongoing work on the fit-out of premises at 2, Clarence Street West. This asset was not complete at 31 December 2009, and therefore no depreciation has been applied. Upon completion, the value of this asset will be transferred to the 'Leasehold improvements' category, and will be depreciated in line with the duration of the lease.

1.3. Pension Costs

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

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

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

Pension costs reflect pension benefits earned by employees in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

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

Notes to the Accounts for the year ended 31 December 2009 (continued)

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

This is the first year in which pension costs have been treated in this way (FRS 17), and therefore 2008 comparatives have been restated by way of prior period adjustment. Until 1 April 2009, for accounting purposes the Scheme was treated as a defined contribution scheme.

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 Leases

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

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

1.6 Currencies

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

1.7 Central Payments Unit

The Body operates a Central Payments Unit that has been established to make payments to projects funded under PEACE II & III, INTERREG IIIA & IVA, and Urban on behalf of Accountable Government Departments in Northern Ireland and 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 electronic vouchers.

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

Notes to the Accounts for the year ended 31 December 2009 (continued)

For INTERREG IIIA, IVA, and PEACE III, payments made to projects are again shown within expenditure on the Income & Expenditure Account. Income to cover these payments is split between the EU Commission 'Claims Receivable', and match funding from 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 & III Programmes and INTERREG IIIA & IVA Community Initiatives, and on behalf of the Department for Social Development which is Managing Authority for the Urban Community Initiative.

The amounts repayable to Government Departments at 31 December 2009 are shown within Creditors (note 12). Detailed balances are shown in the Appendices to these accounts.

For PEACE II and INTERREG IIIA, the amounts due to Government Departments shown on the balance sheet and the related Appendices are 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 for these particular measures, balances payable to Departments by CPU (cash basis) will not agree directly to those payable by the Body (accruals basis).

For PEACE II and INTERREG IIIA, SEUPB acted as implementing body for certain measures, which were accounted for separately on an accruals basis (see note 8). For PEACE III and INTERREG IV, SEUPB assume responsibility for all measures (with the exception of PEACE III priority 1.2). Therefore note 8 will become redundant, and all expenditure will be covered within the 'EU Commission' and 'Central Payments Unit' headings in the Income and Expenditure Account.



Notes to the Accounts for the year ended 31 December 2009
(continued)

2. Grant from the Departments

	DFP	DOF	OTHER	TOTAL	TOTAL	TOTAL	TOTAL
	€'000	€'000	NI DEPTS €'000	2009 €'000	2008 €'000 (restated)	2009 £'000	2008 £'000 (restated)
Grant receivable:							
Administration and Expenses	1,417	1,171	-	2,588	2,788	2,305	2,215
Programme for Peace & Reconciliation II	(206)	(27)	338	105	10,949	94	8,697
INTERREG III Programme	55	(9)	-	46	414	41	329
Capital funding	269	269	-	538	49	479	39
Total	1,535	1,404	338	3,277	14,200	2,919	11,280

Split as follows:

Grants credited to Income & Expenditure account	1,266	1,135	338	2,739	14,151	2,440	11,241
Grants credited to Capital Grant Reserve	269	269	-	538	49	479	39
Total	1,535	1,404	338	3,277	14,200	2,919	11,280

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

PEACE II	DFP 80%	DOF 20%
INTERREG III	60%	40%

although certain costs are funded on a different basis by the two Departments. Funding from DFP/DOF covering expenditure under certain measures within PEACE II and INTERREG IIIA for which SEUPB is the Implementing Body is shown as 'Grant from Departments'.

Notes to the Accounts for the year ended 31 December 2009
(continued)

3. Operational Analysis

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

	Notes	PEACE II €'000	INTERREG IIIA €'000	Central Payments Unit €'000	Administration €'000	TOTAL €'000
Income						
Grant Receivable	(i)	104	47	-	2,588	2,739
Grants from Accountable Departments	(ii)	-	-	18,539	-	18,539
Other Operating Income		-	-	-	4	4
Capital Grant Release		-	-	-	125	125
Claims receivable from the EU		-	135	35,692	-	35,827
N/S Pension Scheme Funding		-	-	-	329	329
		104	182	54,231	3,046	57,563
Expenditure						
Depreciation		-	-	-	(125)	(125)
Staff Costs		-	-	-	(1,977)	(1,977)
Other Operating Costs		-	-	-	(940)	(940)
Programme Costs		(104)	(182)	-	-	(286)
Interest repayable to Department of Finance and Personnel		-	-	-	(3)	(3)
Payments Made to Projects		-	-	(52,892)	-	(52,892)
Exchange losses/(gains)		-	-	(1,339)	-	(1,339)
		(104)	(182)	(54,231)	(3,045)	(57,562)
Surplus/(Deficit)		-	-	-	1	1



Notes to the Accounts for the year ended 31 December 2009
(continued)

3. Operational Analysis (continued)

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

		PEACE II	INTERREG IIIA	Central Payments Unit	Administration	TOTAL
	Notes	£'000	£'000	£'000	£'000	£'000
Income						
Grant Receivable	(i)	94	40	-	2,306	2,440
Grants from						
Accountable Departments	(ii)	-	-	16,517	-	16,517
Other Operating Income		-	-	-	4	4
Capital Grant Release		-	-	-	111	111
Claims receivable						
from the EU		-	121	31,800	-	31,921
N/S Pension Scheme Funding		-	-	-	293	293
		94	161	48,317	2,714	51,286
Expenditure						
Depreciation		-	-	-	(111)	(111)
Staff Costs		-	-	-	(1,761)	(1,761)
Other Operating Costs		-	-	-	(838)	(838)
Programme Costs	(94)	(94)	(161)	-	-	(255)
Interest repayable to						
Department of Finance		-	-	-	(3)	(3)
and Personnel		-	-	-	(3)	(3)
Payments Made to Projects		-	-	(47,124)	-	(47,124)
Exchange losses/(gains)		-	-	(1,193)	-	(1,193)
		(94)	(161)	(48,317)	(2,713)	(51,285)
Surplus/(Deficit)		0	0	0	1	1

Notes to the Accounts for the year ended 31 December 2009
(continued)

3. Operational Analysis (continued)

- (i) 'Grant Receivable' includes funding for running costs receivable from SEUPB's Sponsor Departments (DFP & DOF), and also funding for a small number of measures under PEACE II and INTERREG IIIA for which DFP & DOF are the Accountable Departments, and SEUPB is the Implementing Body.
- (ii) 'Grants from Accountable Departments' includes all funding from Accountable Departments, to cover all expenditure under PEACE III and INTERREG IV, and also any expenditure under the PEACE II and INTERREG IIIA measures for which SEUPB are not the implementing Body.

Payments made to projects (and income recognised to fund such expenditure) of £47,124k can be analysed by Programme as follows:

	£'000
PEACE II	2,346
INTERREG IIIA	3,081
Urban	11
PEACE III	23,818
INTERREG IVA	17,868
	<u>47,124</u>

4. Other Operating Income

	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Interest Receivable	4	23	4	18



Notes to the Accounts for the year ended 31 December 2009
(continued)

5. Staff Costs

(a) The average weekly number of employees (full time equivalent) was:	2009	2008
Senior Management	4	4
Programme Delivery (permanent)	29	27
Programme Delivery (agency)	1	2
Administration (permanent)	31	26
Administration (agency)	3	1
Total	68	60

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

(b) The costs incurred in respect of these employees were:	2009 €'000	2008 €'000 (restated)	2009 £'000	2008 £'000 (restated)
Wages and Salaries (permanent staff)	2,051	1,981	1,824	1,573
Temporary Agency Staff Costs	37	160	33	127
Social Security Costs:				
- Current year costs	158	158	141	126
Other Pension Costs:				
- Current year ASLCs	59	236	53	188
- Current service and interest costs	13(b&c) 374	393	333	312
FX (gain)/loss	(1)	1	-	-
	2,678	2,929	2,384	2,326
Funded via PEACE II	(108)	(238)	(96)	(189)
Funded via INTERREG IIIA	(117)	(231)	(104)	(183)
Funded via PEACE III	(235)	(139)	(209)	(110)
Funded via INTERREG IVA	(235)	(139)	(209)	(110)
Funded via NPP	(6)	-	(5)	-
Total	1,977	2,182	1,761	1,734

Other pension costs represent the Northern share of ASLCs payable in relation to SEUPB staff under the N/SPS for the period Jan - Mar 09, and payments to pensioners for the period Apr 09 - Dec 09.

The accounting policy for pensions is detailed in Note 1.3.

Notes to the Accounts for the year ended 31 December 2009
(continued)

(c) The emoluments and pension entitlements of the CEO and key management were as follows:	Emoluments £'000	Real increase in pension earned £'000	Accrued pension £'000	Age (years)	Benefits in kind £'000
Mr P Colgan (Chief Executive)	100-105	0-5 (including 2.5-5 lump sum)	30-35 (including 20-25 lump sum)	59	nil
Ms G McIntyre (Corporate Services Director)			Consent withheld		
Mr A McNamee (Managing Authority Director until 1 September 2009)	25-30	nil	10-15 (including 10-15 lump sum)	39	nil
Mr H Keery (JTS Director)			Consent withheld		
Mr S Henry (Managing Authority Director - from 1 September)	15-20	0-5 (including 0-2.5 lump sum)	35-40 (including 25-30 lump sum)	45	nil

Emoluments for A McNamee and S Henry relate only to the periods for which they fulfilled the role of Director of Managing Authority, (pension details reflect the full year).

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 2009 under the PEACE III Programme and INTERREG IVA Community Initiative.



Notes to the Accounts for the year ended 31 December 2009
(continued)

7. Other Operating Costs

	2009	2008	2009	2008
	€'000	(restated) €'000	£'000	(restated) £'000
Travel and Subsistence	70	75	63	60
Telecommunications	66	77	59	61
IT & Office Consumables	16	25	14	20
Stationery & Printing	17	8	15	6
Postage	9	16	8	13
Repairs & Maintenance	45	48	40	38
Office Premises Expenses	347	452	309	360
Consultancy	235	125	210	98
Training & Conferences	29	37	26	29
Subscriptions	6	5	5	4
Publicity and Advertising	20	56	18	44
Incidentals	16	17	14	14
Hospitality	3	7	3	5
Loss on disposals	-	-	-	-
Exchange Gains and Losses	1	(3)	-	-
Audit fees - External	37	29	33	23
- Internal	22	25	20	20
Common Chapter	1	(1)	1	(1)
Regional Partnership Board	-	-	-	-
EIB	-	(32)	-	(26)
Total	940	966	838	768

Notes to the Accounts for the year ended 31 December 2009
(continued)

8. Programme Costs

	2009	2008	2009	2008
	€'000	(restated) €'000	£'000	(restated) £'000
PEACE II North	132	6,140	118	4,877
PEACE II South	(27)	4,810	(24)	3,821
INTERREG III North	219	1,189	195	945
INTERREG III South	(38)	467	(34)	371
Total	286	12,606	255	10,014

For PEACE II and INTERREG IIIA, SEUPB acts as the 'Implementing Body' for a small number of measures. For these measures, expenditure is reported separately and on an accruals basis. To highlight the difference in treatment between these measures, and all other measures within those Programmes, the costs are separately recorded in the above note. For PEACE III and INTERREG IV, the SEUPB fulfils the enhanced role of Joint Technical Secretariat, and therefore all expenditure is reported on an accruals basis and a separate disclosure is not required.



Notes to the Accounts for the year ended 31 December 2009
(continued)

9. Fixed Assets

(a) Tangible Fixed Assets	Leasehold Improvements	Assets in course of construction	Office Equipment	Computer Equipment	Fixtures & Fittings	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost or Valuation						
At 1 January 2009	1,046	-	102	518	167	1,833
Additions	-	488	4	34	1	527
Disposals	-	-	(13)	(45)	(27)	(85)
At 31 December 2009	1,046	488	93	507	141	2,275
Depreciation						
At 1 January 2009	1,013	-	93	389	150	1,645
Provision for year	11	-	3	68	7	89
Depreciation on disposals	-	-	(13)	(45)	(27)	(85)
At 31 December 2009	1,024	-	83	412	130	1,649
Net Book Value (€)						
31-Dec-09	22	488	10	95	11	626
31-Dec-08	33	-	9	129	17	188
Net Book Value (£)						
31-Dec-09	20	433	9	84	9	555
Currency Translation Adjustment	(2)	(10)	(1)	(8)	(1)	(22)
31-Dec-08	32	-	9	122	16	179

Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange. No assets are held under finance leases or hire purchase contracts.

Notes to the Accounts for the year ended 31 December 2009
(continued)

9. Fixed Assets Contd.

(b) Intangible Fixed Assets	Software €'000
Cost or Valuation	
At 1 January 2009	347
Additions	71
Disposals	-
At 31 December 2009	418
Depreciation	
At 1 January 2009	307
Provision for year	36
Disposals	-
At 31 December 2009	343
Net Book Value (€)	
31-Dec-09	75
31-Dec-08	40
Net Book Value (£)	
31-Dec-09	67
Currency Translation Adjustment	(4)
31-Dec-08	38



Notes to the Accounts for the year ended 31 December 2009
(continued)

10. Debtors (amounts due within one year)

	Notes	2009 €'000	2008 (restated) €'000	2009 £'000	2008 (restated) £'000
Prepayments and accrued income	(i)	15,299	253	13,588	241
Amounts due from Departments		1,602	9,900	1,423	9,429
Amounts due from EU Commission	(ii)	20,730	11,546	18,410	10,998
Other debtors		17	57	15	55
Total		37,648	21,756	33,436	20,723

- (i) On demonstration of need, advance payments are made to projects. To be converted to actuals at a later date. This is in line with EU Regulations and Managing Public Money NI.
- (ii) The Body acts as Paying Authority/Certifying Authority for the INTERREG IIIA, IVA, and PEACE III Programmes and is responsible for claiming funds from the EU Commission. As at 31 December 2009, €20,729,849 (£18,410,168) was receivable, relating to both submitted and unsubmitted claims.

11. Cash at bank and in hand

	Notes	2009 €'000	2008 €'000	2009 £'000	2008 £'000
Cash at bank:					
Held for administration payments		715	205	635	195
Held for programme payments	(i)	22,651	43,170	20,116	41,119
Total		23,366	43,375	20,751	41,314

- (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.

Notes to the Accounts for the year ended 31 December 2009
(continued)

12. Creditors (amounts falling due within one year)

	Notes	2009 €'000	2008 (restated) €'000	2009 £'000	2008 (restated) £'000
Trade and Project Creditors		641	1	569	1
Accruals and Deferred Income	(i)	18,573	4,513	16,495	4,299
Staff costs creditors including social security		-	54	-	51
ERDF due to Accountable Departments	(ii)	20,278	9,299	18,008	8,857
ERDF Advances held	(iii)	10,689	30,719	9,493	29,260
Other amounts due to Departments	(iv)	10,723	20,443	9,524	19,472
Total		60,904	65,029	54,089	61,940

- (i) For the PEACE III and INTERREG IV Programmes, funding received in excess of recognised expenditure is treated as deferred income and recorded within 'Accruals and Deferred Income'. For the prior Programming period (PEACE II and INTERREG III), any funding remaining unused at year end is recognised as Departmental funds, and recorded within 'Other amounts due to Departments'.
- (ii) Funds are drawn from the Departments and used to facilitate payments to projects during the course of the year. Claims are then submitted for reimbursement of the ERDF element of eligible expenditure incurred. Upon receipt of these reimbursements from the EU Commission, the Body is required to reimburse Accountable Departments (via DFP and DOF). At 31 December 2009 the amount due to Departments was €20,277,594, (£18,008,520).
- (iii) The Body is the Certifying Authority for the INTERREG IVA and PEACE III Programmes. In this capacity it received advances from the EU Commission of 7.5% of each Programme. As at 31 December 2009, the NI element has been passed over to DFP, and the ROI element remains with SEUPB. The ROI element will be passed to DOF during 2010.
- (iv) Other amounts due to Departments comprises balances held by SEUPB (both within the Central Payments Unit, and the Administration accounts), which will be used to make future payments. Interest earned on short term holding of Departmental funds is also included.



Notes to the Accounts for the year ended 31 December 2009
(continued)

13. Pensions

a) Analysis of total pension costs charged to Expenditure:	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Current service cost	220	281	196	223
Interest on Pension Scheme Liabilities	154	152	137	121
	374	433	333	344

b) Movement in Net Pension Liability during the financial year	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Net Pension Liability at 1 January	2,126	2,632	2,025	1,930
Current Service Cost	220	281	196	223
Member contributions	33	35	29	28
Interest on scheme liabilities	154	152	137	121
Actuarial loss/(gain)	895	(419)	798	(333)
Net transfers in/out	37	111	33	88
Benefits paid	(45)	(40)	(40)	(32)
Exchange differences	158	(626)	-	-
Net Pension Liability at 31 December	3,578	2,126	3,178	2,025

Notes to the Accounts for the year ended 31 December 2009
(continued)

c) Deferred Funding for Pensions

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

The Net Deferred Funding for Pensions recognised in the Income and Expenditure Account was as follows:

	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Funding Recoverable in respect of current year pension costs	374	433	333	344
Benefits paid during the year	(45)	(40)	(40)	(32)
	329	393	293	312

The deferred funding asset for pensions as at 31 December 2009 amounted to €3.178m (2008: £2.025m); €3.578m (2008: €2.126m).



Notes to the Accounts for the year ended 31 December 2009
(continued)

13. Pensions Contd.

d) History of defined benefit obligations	2009	2008	2007
	£'000	£'000	£'000
Defined benefit obligations	(3,178)	(2,025)	(1,930)
Experience adjustment on liabilities including exchange rate effect gain/(loss)	19	(91)	-
Percentage of Scheme Liabilities	0.60%	-4.49%	0%

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to £465k.

e) General description of the Scheme

The pension scheme is a defined benefit final salary pension arrangements with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday. Pensions in payment (and deferment) generally increase in line with general public sector salary inflation.

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 31 December 2009 by a qualified independent actuary (PWC) taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2009.

Notes to the Accounts for the year ended 31 December 2009
(continued)

The principal assumptions were as follows:

	31-Dec-09	31-Dec-08	31-Dec-07
Discount rate:			
NI	5.7%	6.4%	5.8%
ROI	5.1%	6.4%	5.7%
Rate of increase in RPI			
NI	3.7%	2.9%	3.3%
ROI	2.5%	2.5%	2.5%
Rate of increase in salaries	4.0%	4.0%	4.0%
Ave rate of increase in pensions:			
NI	3.7%	2.9%	3.3%
ROI (salary increases)	4.0%	4.0%	4.0%
ROI (CPI)	2.5%	2.5%	2.5%
Ave expected future life at age 65 for:			
Male currently aged 65	21.2	21.2	21.2
Female currently aged 65	23.8	23.8	23.8
Male currently aged 45	23.1	23.1	23.1
Female currently aged 45	25.7	25.7	25.7

14. Finance Lease Obligations

	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Less than one year	-	-	-	-
Between two and five years	-	-	-	-
Total	-	-	-	-



Notes to the Accounts for the year ended 31 December 2009
(continued)

15. Reconciliation of Movements in General Reserve

	2009	2008	2009	2008
	€'000	(restated) €'000	£'000	(restated) £'000
At 31 December 2008	102	87	97	64
Exchange gains/(losses)	7	(27)	-	-
Surplus for the year	1	42	1	33
At 31 December 2009	110	102	98	97

16. Reconciliation of Movements in Capital Grant Reserve

	Note	2009	2008	2009	2008
		€'000	€'000	£'000	£'000
At 31 December 2008		228	196	217	144
Capital funding receivable during the period	2	538	49	479	39
Funding received via technical assistance		71	89	63	70
Profit/loss on disposal of fixed assets		-	-	-	-
Less amount released to income and expenditure account		(125)	(106)	(111)	(84)
Add exchange gain on acquisition of fixed assets		(11)	-	(26)	48
At 31 December 2009		701	228	622	217

Notes to the Accounts for the year ended 31 December 2009
(continued)

17. Notes to Cashflow Statement

17.1 Reconciliation of result for the period to net cash inflow from operating activities	2009	2008	2009	2008
	€'000	(restated) €'000	£'000	(restated) £'000
Surplus/(deficit) for the period	1	42	1	33
Adjustment for non cash transactions				
Exchange differences on translation of opening cash balances at 1 January 2009	304	4,256	2,524	(6,523)
Depreciation	125	106	111	84
Capital Grant Release	(125)	(106)	(111)	(84)
Loss on disposal of fixed assets	-	-	-	-
Difference on Foreign Exchange Translation	7	(27)	-	-
Adjustments for movements in working capital				
Decrease/(increase) in debtors	(15,892)	57	(12,713)	(4,726)
(Decrease)/increase in creditors	(4,125)	(4,965)	(7,851)	10,609
Net cash inflow from operating activities	(19,705)	(637)	(18,039)	(607)

17.2 Reconciliation of net cash inflow to movement in net debt	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Cash in bank at 1 January	43,375	48,268	41,314	35,398
Retranslation to current year exchange rates	(304)	(4,256)	(2,524)	6,523
	43,071	44,012	38,790	41,921
Net cash inflow	(19,705)	(637)	(18,039)	(607)
Cash in bank at 31 December	23,366	43,375	20,751	41,314



Notes to the Accounts for the year ended 31 December 2009
(continued)

18. Future capital expenditure

Capital commitments at 31 December 2009 for which no provision has been made:	2009	2008	2009	2008
	€'000	€'000	£'000	£'000
Contracted	66	-	59	-
Authorised but not contracted	-	-	-	-
Total	66	-	59	-

19. Contingent liabilities

There were no contingent liabilities at 31 December 2009.

20. Operating lease commitments

At 31 December 2009 the Body was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings	Other	Land and Buildings	Other
	2009	2009	2008	2008
	€'000	€'000	€'000	€'000
Leases which expire:				
Within one year	46	-	22	2
Within two to five years	-	6	43	5
After five years	163	-	-	-
	209	6	65	7
	£'000	£'000	£'000	£'000
Within one year	41	-	21	2
Within two to five years	-	5	41	5
After five years	145	-	-	-
	186	5	62	7

Notes to the Accounts for the year ended 31 December 2009
(continued)

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 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) SEUPB have a Service Level Agreement with the Northern Ireland Statistics and Research Agency (NISRA), an executive agency within DFP. NISRA provide a monitoring and evaluation service in relation to the programmes.
- (3) DFP manage a central database which is used by SEUPB and EU Division. A portion of the costs incurred in relation to the database are re-charged to SEUPB on an agreed basis.

22. Losses and Special Payment

Payments amounting to £39,815 were made during the year to retired members of staff in lieu of pension payments. These were paid by the Body as the Pension Scheme is not yet fully operational. The element relating to Jan - Mar 2009 was reimbursed from the Scheme. The element relating to Apr - Dec 2009 is funded by the Body within its running costs budget. Going forward, all pension payments will be forecast and included within the running cost budgets.

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.



Notes to the Accounts for the year ended 31 December 2009
(continued)

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 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 jurisdiction, 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.

24. European Court of Auditors Report on PEACE II ERDF (Ireland)

During 2007, the European Court of Auditors (ECA) carried out an audit of ERDF under the PEACE II Programme. Draft findings were reported in 2008, and SEUPB met with ECA to discuss these findings. The results have now been finalised and any ineligible expenditure deducted within the final claim to the Commission at closure. It is SEUPB's role as Managing Authority and Accounting Officer for the PEACE II Programme to bring the issues formally to the relevant Accountable Department's attention and to recommend remedial action. The Accountable Department is responsible for recognising the amount of EU income which it accepts as not recoverable. Therefore it is not appropriate to make any provision within the SEUPB accounts.

Appendix 1

PEACE II 31/12/09

A/C Dept.	Imp. Body	Measure	31/12/09 £'000	31/12/09 €'000	31/12/08 £'000	31/12/08 €'000
DARD	R.D.C.	1.7B	-	-	9	9
DARD	R.D.C.	2.10	4	5	53	56
DARD	R.D.C.	1.10A	40	45	219	230
DARD	R.D.C.	1.10B	113	127	112	118
DARD	R.D.C.	1.11	-	-	(195)	(205)
DARD	R.C.N.	2.9A	67	75	67	71
DARD	R.D.C.	2.9B	119	134	206	216
DARD	SEUPB	6.2A	4	5	-	-
DFP	LSP	3.1	(7)	(8)	(405)	(425)
DFP	LSP	3.2	7	8	(40)	(42)
DFP	CO-OP IRELAND	5.1	-	-	532	558
DFP	COMBAT POVERTY	5.3	(181)	(204)	(462)	(485)
DFP	ADM	5.4	(220)	(248)	139	146
DHSSPS	NIPPA	2.5	142	160	181	191
DHSSPS	NIPPA	2.8	20	23	(2)	(2)
DHSSPS	NIPPA	6.2A	(87)	(98)	(87)	(91)
DEP. EDUC.	SELB	2.2	7	8	-	-
DEP. EDUC.	SEUPB	6.2A	-	-	52	54
DEP. EDUC.	SELB	2.8	-	-	44	46
DSD	CFNI	2.3	-	-	78	82
DSD	CFNI	2.4	-	-	(302)	(317)
DSD	CFNI	2.4A	-	-	83	87
DSD	CFNI	2.6	-	-	20	21
DSD	CFNI	2.7	-	-	(625)	(656)
DSD	SEUPB	6.2A	6	7	(0)	(0)
DSD	CFNI	2.8	(5)	(6)	81	85
DEL	EGSA	1.3	-	-	75	79
DEL	PROTEUS	1.3	-	-	(375)	(394)
DEL	PLAYBOARD	1.5	-	-	11	11
DEL	T.W.N.	1.5	-	-	(631)	(663)
DEL	T.W.N.	6.2A	-	-	(113)	(118)
OFM/DFM	CRC	2.1	-	-	(470)	(493)
OFM/DFM	SEUPB - CFNI	6.2A	-	-	104	109
OFM/DFM	CFNI	2.8	-	-	33	34
OFM/DFM	CFNI	2.4B	-	-	618	649
DSD	DSD	2.11	-	-	751	788
DSD	DSD	6.2	28	32	178	187
OFM/DFM	OFM/DFM	2.1	-	-	5	5



PEACE II 31/12/09 Contd.

A/C Dept.	Imp. Body	Measure	31/12/09 £'000	31/12/09 €'000	31/12/08 £'000	31/12/08 €'000
DE	DENI	5.5	-	-	15	16
DARD	DARD	1.2B	32	36	15	16
DARD	DARD	1.6	258	291	258	270
DARD	DARD	1.7A	420	473	420	441
DARD	DARD	1.9	276	311	276	290
DARD	DARD	4.2B	28	32	45	48
DARD	DARD	5.6A	-	-	(8)	(8)
DARD	DARD	5.6B	61	69	70	74
DARD	DARD	5.7	82	92	82	86
DARD	DARD	6.2A	59	66	59	62
DEL	DEL	1.3	-	-	121	127
DEL	DEL	1.4	-	-	66	69
DOF	CO-OP IRELAND	5.1	1,323	1,490	1,419	1,490
DCRGA	ADM/CPA	5.3	(717)	(807)	(483)	(507)
DCRGA	ADM/CPA	5.4	(555)	(625)	(668)	(701)
DES	DES	5.5	509	573	547	574
DCRGA	ADMCPA	1.1	-	-	(132)	(139)
DCRGA	ADMCPA	1.1E	-	-	(3)	(4)
DCRGA	ADMCPA	1.3	1	1	(182)	(192)
DCRGA	ADMCPA	1.4	-	-	97	102
DCRGA	ADMCPA	1.5	-	-	360	378
DCRGA	ADMCPA	2.1	-	-	384	403
DCRGA	ADMCPA	2.2	-	-	(51)	(53)
DCRGA	ADMCPA	2.4	247	278	216	227
DCRGA	ADMCPA	2.4C	-	-	62	65
DCRGA	ADMCPA	2.7	1	1	(335)	(352)
DCMNR	DCMNR	5.7	320	360	343	360
DEHLG	DEHLG	3.3	21	24	(123)	(129)
DEHLG	DEHLG	3.4	(102)	(115)	-	-
			2,321	2,613	2,813	2,954

INTERREG IIIA 2009

A/C Dept.	Measure	31/12/09 £'000	31/12/09 €'000	31/12/08 £'000	31/12/08 €'000
DFP	1.1	40	45	(786)	(826)
DFP	1.2	-	-	284	298
DFP	1.3	-	-	168	176
DARD	1.4	21	24	178	187
DARD	2.1E	274	309	509	535
DETI	2.1A	6	7	1,793	1,882
DETI	2.1C	3	3	3	3
DETI	2.3	(31)	(35)	(232)	(243)
DOE	2.2	-	(173)	(181)	
DSD	3.1	10	11	(13)	(14)
DHSSPS	3.2	1	1	75	79
DRD TRANSPORT	2.1	2	2	2	2
DRD ROADS	2.1	(2)	(2)	(46)	(48)
DEHLG 2.2 WASTE	2.2	(79)	(89)	111	117
DCMNR 2.1E PORTS	2.1E	(11)	(12)	(43)	(45)
DCMNR	2.3	(89)	(100)	23	24
DCRGA	1.4	-	-	14	15
DCRGA	3.1	-	-	(26)	(28)
DHC	3.2	2	2	0	0
DOT	2.1D	211	238	227	238
DOF	2.1D	163	184	176	184
DOF	1.1	(275)	(310)	(15)	(16)
DOF	1.2	139	157	150	157
DOF	1.3	147	165	159	167
DOF EU FUNDS	various	1,668	1,878	(479)	(502)
Total		2,201	2,478	2,060	2,163



Central Payments Unit Year Ended 31 December 2009

URBAN

A/C Dept.	Imp. Agent	Measure	Funds Held 01/01/09 £'000	Funds Held 31/12/09 £'000
DSD	NBPB	1.1	(16)	3
DSD	NBPB	1.2	(44)	(6)
DSD	NBPB	1.3	-	(14)
DSD	NBPB	2.1	1	-
DSD	NBPB	2.2	280	175
DSD	NBPB	2.3	(15)	7
DSD	NBPB	3.1	1	1
DSD	NBPB	3.2	-	25
Interest	NBPB		-	4
			206	195

Appendix 2

Abbreviations used within the Appendices to the Accounts

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
DCRGA	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



Appendix 3

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 with Finance Department 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

