

**INVEST NORTHERN IRELAND**

**ANNUAL REPORT AND ACCOUNTS**

**2023-24**

**INVEST NORTHERN IRELAND**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

Laid before the Northern Ireland Assembly under Paragraphs 17(5) and 18(2) of Schedule 1 to the Industrial Development Act (Northern Ireland) 2002 by the Department for the Economy.

on

05-07-24

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# INVEST NI ANNUAL REPORT AND ACCOUNTS 2023-24

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## **Performance Report**

### **Overview**

The purpose of the overview section of the Performance Report is to give you sufficient information to understand Invest Northern Ireland (Invest NI), its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

### **Chair Introduction**

I am delighted to have been appointed to the role of Chair of Invest NI from 1<sup>st</sup> March this year and to present our 2023-24 Annual Report and Accounts.

I am hugely grateful for the warm welcome I have received from the Economy Minister, officials from the Department for the Economy (DfE), my Board colleagues, Kieran Donoghue the Chief Executive and members of the Executive Leadership Team, along with the many staff, businesses and stakeholders I have had the opportunity to meet. All of these engagements have been informative, constructive and have left me with a strong sense of goodwill towards the organisation.

I want to pay tribute to Colm McKenna, my predecessor who, as Interim Chair, did a great job of putting in place a solid foundation for the governance of Invest NI, something that I will build on. Under his leadership, last October Invest NI, in partnership with the Department, published the Action Plan, which is our joint response to the Independent Review led by Sir Michael Lyons.

It is critical that we deliver the Action Plan at pace and, in doing so, achieve the profound change that the Review called for. I want to use the Action Plan to positively shape our future, rather than it make us a hostage to our past.

I truly believe this is a time of great opportunity for Invest NI and the NI Economy.

The restoration of the Northern Ireland Assembly has provided political stability, resulting in increased levels of interest, confidence and optimism in Northern Ireland.

This has produced positive signalling effects for investment and it is important that we build on that momentum.

I welcome the appointment of Conor Murphy MLA as Economy Minister and the clarity with which he has set out his Economic Vision.

The Department for the Economy has also recently confirmed Ian Snowden as the new Permanent Secretary. I look forward to working with Ian and his colleagues.

In the appointment of Kieran Donoghue as Chief Executive, Invest NI has a tremendous asset with a strong track record in economic development. I would like to express my thanks and appreciation to Mel Chittock, for his leadership during the challenging period when he was Interim Chief Executive.

With new leadership in each of these four key positions of Minister, Permanent Secretary, Chair and Chief Executive, we have a unique opportunity of being unencumbered by the past and with the skills, experience and knowledge to shape and drive the future of Invest NI.

That future is very clear. Our role is to deliver the Minister's four Economic Objectives of Good Jobs, increased Productivity, Regional Balance and a focus on Net Zero.

As we finalise our new Business Strategy 2024-2027 and associated 2024-25 annual plan, combined with a relentless focus on delivering our Action Plan, Invest NI will play, and will be seen to play, a

## **Performance Report**

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key role in growing a regionally balanced, globally competitive economy through higher productivity, enterprise, investment and innovation.

I believe that we are building on strong foundations.

None of this is achievable without people. The pride, passion and professionalism of our staff, who have shown agility and resilience over the past couple of challenging years, is what has delivered the results presented in this report. On behalf of the Board, I would like to formally thank them all for their support, commitment and contribution.

As we move into a new Business Strategy period, the Board and I will provide strategic oversight, governance, purpose and leadership, to accelerate the pace of change and set the tone of the organisation from the top, building positive relationships with businesses, stakeholders and staff.

We look forward to working closely with businesses, stakeholders and staff to deliver against the Minister's policy priorities and our aligned strategy.

A handwritten signature in black ink that reads "John Healy". The signature is written in a cursive style with a large, sweeping underline.

**John Healy**

Chair

Date: 1 July 2024

## **Performance Report**

### **Overview**

#### **CEO Review**

I am pleased to present the annual results for Invest NI. Having joined the organisation in late January 2024, I have seen the professionalism and dedication of our entire team, both throughout Northern Ireland and globally, who are committed to ensuring that, every day, all of Invest NI delivers for all of Northern Ireland.

As detailed in the following Impact and Performance Analysis, in 2023/24 Invest NI met, or exceeded 20 of our 22 targets.

#### **Economic environment**

The latest economic and fiscal outlook from the Office of Budget Responsibility indicated that the UK economy has emerged from the twin global shocks of the pandemic and Russian invasion of Ukraine into a period of declining inflation but stagnating output.

Declining inflation, if sustained, should see interest rates falling and a degree of growth, at least in the short term.

However, whilst lower inflation and interest rates will reduce projected debt servicing and welfare costs, they may also reduce revenues, meaning that the wider fiscal forecasts are likely to present a challenging environment for some time.

This will undoubtedly impact on Northern Ireland's already well documented budget constraints. Businesses also continue to face challenges and cost pressures resulting from a tight labour market with high levels of employment and rising wage levels.

Global supply chains continue to be disrupted as a result of the ongoing war in Ukraine and conflict in the Middle East. Whilst pressures on supply chains impact adversely on both goods and producer price inflation, opportunities may present themselves for our innovative local businesses as companies seek to shorten or make their supply chains more resilient.

Closer to home, when comparing current output with the pre-Coronavirus pandemic levels seen in Quarter 4 2019, despite decreasing by 3.3% over the year, NI Production sector output is 1.1% above the pre-Coronavirus pandemic level, while the UK is 8.7% below its Quarter 4 2019 level.

Services sector output increased by 1.9% over the year, compared to a 0.2% decrease for the UK as a whole. NI services output is now 7.0% above the pre-Coronavirus pandemic level while UK services output is 3.3% above its Quarter 4 2019 level.

#### **Independent Review**

In October, in conjunction with the Department for the Economy (DfE), we published our joint Action Plan in response to the Independent Review of Invest NI, led by Sir Michael Lyons.

This, along with Minister Conor Murphy's economic vision, will reshape and refocus Invest NI for the future.

Good progress has been made with a number of the recommendations already delivered and many more scheduled to be completed over the coming months. These will include:

- A new approach to portfolio management – re-segmentation and a customised Level of Service for each client segment;

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- A rationalisation of our programmes and product offerings to focus our efforts on those of most value to our clients and those that will generate a high return on our investment of time and effort and contribute to a productivity uplift across business in NI;
- Aligning and enhancing our focus on Leadership, Management and Skills development to drive productivity;
- The development and launch of bespoke capital investment productivity interventions to drive increased competitiveness, efficiency and growth across the Agri-Food, Manufacturing and Tradable Services sectors;
- A strategic property investment programme to drive our regional development agenda; and
- Increased digitisation, both internally and by our customers.

### **Future Strategy**

Following his appointment as Economy Minister, Conor Murphy MLA, has set out his economic vision, with its clear focus on delivery against four priority areas:

- creating good jobs,
- raising productivity,
- a stronger regional balance and
- encouraging the drive to net zero.

As the DfE's main delivery body, our role will be to implement the Minister's priorities and to refocus our message, realign our policies, and refine our operating model to drive efficient and effective implementation. We are currently finalising our three-year Business Strategy 2024 – 2027 and our 2024-25 one-year Business Plan, which are designed around six strategic priorities, strongly aligned to the Minister's Vision.

We will also introduce an enhanced approach to regional development and leverage the investments in City & Growth Deals to maximise their regional impact. Whilst Invest NI will play a key role in achieving stronger regional balance, it will require collaboration and partnerships with local councils, universities, colleges of further education, the enterprise agencies, infrastructure providers and many other stakeholders.

Businesses operating from Northern Ireland benefit from a unique market position through tariff free access to both GB and the European Union, whilst also being able to take advantage of the wider Free Trade Agreements which the UK Government has agreed. We will increase our efforts to promote this to both local businesses seeking to grow their exports and to potential inward investors. To ensure that we are best placed to deliver against our objectives, we will review our leadership and organisational structures and align our budgets with our priorities.

The outlook for public sector budgets remains challenging. As custodians of taxpayers' money, it is incumbent on us to ensure that every pound we spend makes the maximum contribution to our objectives. We will also continue to seek out alternative sources of funding that either we, or those businesses we work with, can benefit from. We will continue to impress the need for multi-year budgets to enable us to make the necessary long-term investments required to transform our economy.

### **Conclusion**

After several years of challenge and uncertainty, there are signs of positive movement in our economy, with many indicators having recovered to pre-pandemic levels.



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Invest NI is transforming to be a world leading economic development agency responsible for driving a strong self-sustaining economy, based on higher levels of new firm formation, the growth of our existing business base and the attraction of new inward investment, built on the foundations of enterprise, innovation, and much improved regional balance.

Together we can transform the Northern Ireland economy by implementing the Minister's economic vision, plus the vital City & Growth Deals and the commitments in our own Action Plan.

A handwritten signature in black ink, reading "Kieran Donoghue". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Kieran Donoghue**  
Chief Executive

Date: 1 July 2024

## Performance Report

### Overview

#### Our Impact

Investing in innovation and exports is the driver of increased productivity: improve a process and you become more efficient and reduce your costs; create a new product and you open up new markets and increase your sales. Reduce costs and increase sales and you drive up productivity.

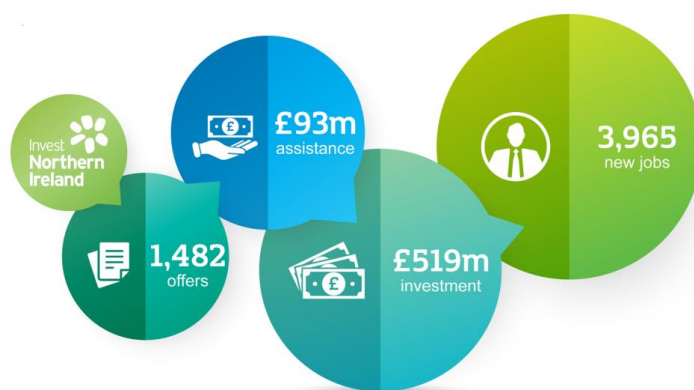
Take Armagh based food manufacturer, Davison Cannery, as an example. Our interaction with the company has spanned 15 years and we have helped it develop a sustainable and profitable business.

The company started out as a producer of fruit compotes and jams before investing in innovation to create a range of 'hot eat' dessert puddings. It has also gone on to develop new high-protein desserts. Creating these new products has opened up new opportunities to supply customers in the Republic of Ireland and GB.

As a result of winning this new business the company has now invested £6m in a new manufacturing facility outside Portadown. This new facility will improve efficiency, reduce the company's carbon footprint and make it more competitive. As a result, Davison Cannery expects to see its turnover double in the next three to four years.

A great example of innovation leading to exports leading to increased profitability and productivity.

### Overview of Performance



In 2023-24 we offered £93m of support to companies to help them with a wide range of projects. Our support included assistance to develop new products, invest in energy and resource efficient technologies, improve skills, create jobs and export to new markets. 93 per cent of our offers were made to locally owned businesses and 76 per cent of companies supported were outside Belfast.

Our suite of Access to Finance funds attracted £79m of investment for 145 Northern Ireland businesses, providing access to much needed loan and equity finance for early-stage and SME businesses. These funds were part-funded from the European Union Investment for Growth and Jobs Programme 2014-2020.

#### Driving up Innovation, Research and Development

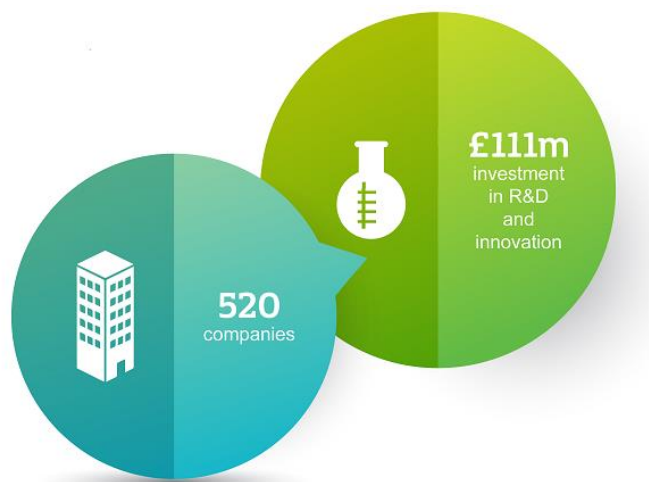
Despite the connection between innovation and productivity, Northern Ireland businesses are not investing in Research & Development (R&D) and innovation to the same level as other regions of the UK. The majority of the investment that is made, tends to be by the same cohort of larger businesses.

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Innovate NI was set-up to build awareness of the importance of innovation – what it is and how to get started. It also recognises companies that carry out innovation, which also helps raise more awareness. Through Innovate NI we recognised over 330 companies with bronze, silver, gold or platinum accreditation for their innovation efforts in 2023-24.

Investing in R&D and innovation is a necessity to achieve sustained growth and competitiveness. This is why we have a range of different types of support available to encourage smaller businesses to carry out innovation. During 2023-24 we helped 520 businesses to invest £111m in R&D and innovation.



Our £5,000 Innovation Vouchers are a great entry point for micro and small businesses. They help companies work with specialists to explore new product improvements or fine tune processes which will ultimately help them become more profitable and grow - like sports performance start-up, Movetru, which used an Innovation Voucher to work with Ulster University to design its first ever textile prototype. The company is now using this prototype to test new markets. In 2023-24 we issued 161 Vouchers with a total assistance value of £805k.

We also supported companies with detailed technical advice on CE Marking/UKCA Mark and trade marking. This ensures smaller businesses have credibility and confidence to trade in international markets with the right intellectual property protection.

Azil Racking and Shelving Limited wanted to start manufacturing its own mezzanine floor system to sell to UK and Republic of Ireland customers. Our Technical Advisors helped the company with CE marking, offering both advice and support to secure EN1090 certification. Both these accreditations mean the company can now sell its product into these new markets with confidence and it has trebled its sales as a result. To support this growth the company has also created nine new roles.

At the other end of the scale is our Grant for R&D which is for larger-scale projects which tend to run over several years.

In 2019 we provided engineering firm PAC Group with support towards an R&D project to develop new technology. In the same year, the company participated in our Going Dutch Programme to explore the Netherlands as a potential export market. It went on to win a £700,000 contract with a Netherlands based automation company. Innovate NI has since recognised PAC Group as a Platinum Level Innovator and in 2021 the company was awarded the Queen's Award for Enterprise for Innovation. This investment in innovation and exports has led the company to invest £1.3m in the

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business this year and create 18 new jobs, which we have once again been able to support. This is another great example of the connection between innovation and future growth.

We also help companies identify funding through Innovate UK or Horizon 2020, the EU programme for R&D and innovation. In fact, most Northern Ireland businesses that have gone on to access Innovate UK funding have done so with our help.

Some R&D and Innovation projects supported in 2023-24 will be part-funded by the UK Government through the Shared Prosperity Fund.

### Growing Northern Ireland Exports

Developing innovative products and services opens up new trading opportunities. Venturing into a new market can be daunting, especially for smaller companies where the risk can often be greater.

Our Go Further Grow Stronger campaign has successfully encouraged more businesses to explore exporting and in 2023-24 we helped 129 companies export for the first time and 403 clients to expand into new markets.



We offer our clients a wide range of support to help them explore selling outside Northern Ireland and to export into Europe and beyond. It includes comprehensive market information, help to attend export events and trade shows, and access to our in-market trade advisers. These advisers are based across GB, mainland Europe, ASIA, Africa, Middle East and North America. They can advise on how to pitch for business, provide local insights and identify potential customers or partners.

In 2023-24 we supported companies to attend sector trade shows including BIO International in Boston; the Paris Air Show; and organised dedicated trade missions including a Sports Tech mission to the US, led by Joe Kennedy III, President Biden's Special Economic Envoy to Northern Ireland for Economic Affairs, and a Net Zero Exchange visit and Green Innovation trade mission to Malaysia and Singapore.

Winning new trade deals isn't an overnight success. It requires perseverance, strong negotiation skills and potentially frequent travel to the new market to ensure smooth operations at the start. But the rewards can be great. As result of our trade support this year we've helped companies generate over £240m of new external sales.

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#### Supporting entrepreneurs to start and scale

To create the big businesses of tomorrow we need to support the small businesses of today.

Our Ambition to Grow programme, launched in late 2022, is specifically designed with the regionally based micro and small business in mind. In 2023-24 we had over 270 applications to the programme. Excluding the most recent call – Ambition to Go Green – for which applications are still being assessed, over 100 applications have been successful and almost £3.3m of support was offered to businesses right across our regional network.



This support will help these companies create new jobs, explore new markets and develop skills or new products. Projects supported through Ambition to Grow Supporting Women and Ambition to Go Green calls will be part-funded by the UK Government through the Shared Prosperity Fund.

Newtownabbey-based NovoGen Engineering Solutions is one of Ambition to Grow's most recent success stories. The company applied as part of the initial launch programme and used the support to recruit six new people to its team and invest in building its brand and connections in export markets. The company directly relates this to its recent success in securing a £400,000 contract with Louth County Council to act as project managers for the construction of a power plant in Kilshane, County Dublin.

We also launched a new £5m programme in 2023-24 called Founder Labs. It is targeted at tech start-ups and will provide support to 40 high growth Innovation Driven Enterprises. Technology-based companies are crucial to our economy. They grow our R&D base and have high-growth potential which can lead to above average salaries and enhanced living standards for all.

#### Attracting Business to Northern Ireland

Securing inward investment is a competitive business and can take years of negotiation. Companies consider a broad range of factors when considering, comparing and then deciding on where to locate. In 2023-24, 15 companies chose to locate in Northern Ireland for the first time. In some cases, we financially assisted this investment, in others we secured the investment through 'soft' support such as educating the company on what Northern Ireland offered, introducing them to colleges, our universities and other businesses in their cluster and helping them with some of the logistics of opening their office, including locating office space.

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During the year we announced investments from companies such as Vertiv, a global provider of critical digital infrastructure and continuity solutions. Its decision to invest in a manufacturing facility in Campsie, Derry~Londonderry will create approximately 200 skilled jobs and make a significant contribution to the local economy.

We also attracted New York fintech company, DailyPay to Northern Ireland in its first ever investment outside the United States. Our US team has worked hard to promote Northern Ireland and its skilled workforce and great business environment. Over two-thirds of the 300 jobs in DailyPay are hybrid working providing great opportunities for employment for people located anywhere in Northern Ireland.

### Going Green

We have a multi-pronged approach to supporting government and the NI Executive in the drive to Net Zero.

At a strategic level, our Green Economy Development Team is actively involved with the Department for the Economy to shape Northern Ireland's green investment and decarbonisation proposition.

On a more operational level, we help Northern Ireland companies secure new supply chain opportunities emerging from the global drive to net zero; and help position Northern Ireland to attract Green investment. We also provide assistance to businesses to invest in low carbon technologies themselves; and offer a matching service to turn one company's waste into another company's 'gold,' helping to support a circular economy.



Through our support we secured £73m of green investment in Northern Ireland. An example of such an investment was the new £47m factory by Biopax Limited. Opened in West Belfast, the factory is producing packaging and labelling with certified green solutions using the latest European, US and Chinese technology. Once again, this investment stems from a commitment to R&D to identify and develop new products and the company is focussed on growing its exports across the EU and further afield.

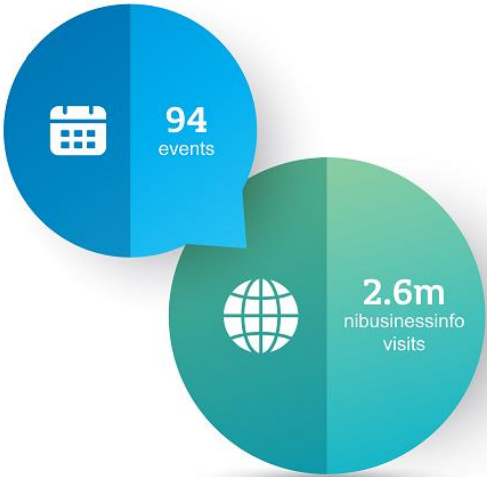
### Advice and guidance

While we might be better known for providing financial assistance, this is only one small part of how we work with and support local companies. Our sector teams, technical advisors, ICT specialists, business advisors, leadership, skills, trade and innovation teams provide a wealth of professional, expert advice to businesses.

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We also offer free access to information, guidance and training either through workshops or webinars, or via our business resource [www.nibusinessinfo.co.uk](http://www.nibusinessinfo.co.uk). This site, which received 2.6m visits in 2023-24 houses over 1,100 information guides and 5,500 factsheets.



## Performance Report

### Overview

#### The purpose and activities of the organisation

Invest NI is a 'Non-Departmental Public Body' (NDPB) established on 1 April 2002 under the Industrial Development Act (Northern Ireland) 2002, which operates under a Board which is the body corporate.

As the regional business development agency, Invest NI's role is to grow the local economy. We do this by helping new and existing businesses to compete internationally, and by attracting new investment to Northern Ireland.

We are an arm's-length body of the Department for the Economy (DfE) and provide strong government support for business by effectively delivering the Government's economic development strategies.

In addition to the Bedford Square headquarters, Invest NI also has other offices in Northern Ireland, Great Britain, Republic of Ireland, Continental Europe, Americas, Africa, the Middle East and in Asia-Pacific. The activities of the overseas offices support a wide range of Invest NI's economic development objectives by promoting Northern Ireland as a prime location for investment and developing trade opportunities for Northern Ireland's companies.

The consolidated financial statements include the results of Invest NI and its subsidiary undertakings: Northern Ireland Co-Operation Overseas Limited (NI-CO); Bedford Street Developments Limited (BSDL); MRDE Limited; Bedford Street Management Company Limited; and MRDE FM Limited. Invest NI owns the entire ordinary share capital of NI-CO and the BSDL Group, which is further disclosed in note 10 to the accounts.

In April 2023 NI-CO commenced a strategic review of its operations and markets. The context to this review was NI-CO's ineligibility to bid for contracts under the 2021-27 EU Multi-Finance Framework Programme due to the changes in the trading relationship between the EU and the UK (EU projects having made up a significant percentage of NI-CO's annual revenue). As a result of the review, the NI-CO Board met on 26th June 2023 and concluded that NI-CO could no longer be considered a going concern. The NI-CO Chair wrote to the Invest NI Accounting Officer on 28th June 2023 to inform him of the decision and to present NI-CO's proposed closure plan. As outlined in the closure plan the company ceased trading on the 31<sup>st</sup> March 2024 and the NI-CO Board have appointed experts to advise the company on the wind down and closure of the company.

#### Key issues and risks

In February 2024 the Invest NI Board agreed a revised Risk Appetite Statement that recognises the need to embrace risk to a greater extent than the majority of public sector organisations. The organisation continues to take a systematic and proactive approach to identifying and articulating the risks that could have a significant impact on its business, results and financial position.

In terms of the environment in which Invest NI operated during 2023-24, the organisation's ability to plan and deliver has been impacted by the absence of a multi-year budget and uncertainty over future funding arrangements following the withdrawal of EU funds. In addition, the Action Plan published in October 2023 in response to the Independent Review report is designed to deliver the fundamental change required to ensure that Invest NI is strategically aligned with the DfE Minister's Economic Mission.

The Corporate Risk Register is reviewed at each regular meeting of the Invest NI Board Audit & Risk Assurance Committee and is a standing item on the Oversight and Liaison meetings between Invest NI and DfE. The most significant business risks are those where the residual risk is rated in the "very high" category. One such risk is detailed in the table below, along with a further six risks (five rated



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as “high” and one as ‘medium’) that have the potential to impact on the group’s business going forward:

<b>Risk</b>	<b>Residual Risk Rating</b>
Effective planning and delivery is hindered by budget and funding uncertainty.	Very High
Closure plan for an Invest NI subsidiary is not carried out in an orderly fashion.	High
Failure to implement the agreed, published Independent Review Action Plan	High
Implications from Invest NI ownership of land in Belfast following a road abandonment order.	High
Unauthorised release, loss or disclosure of corporate or confidential information stored electronically.	High
Invest NI fails to deliver against the DfE Minister’s Economic Mission.	High
Digital Transformation and Digital Customer Engagement and Technology Roadmap does not keep pace with the needs/ambition of the organisation and does not realise the benefits anticipated.	Medium

Further details about these risks, including their potential impact and the strategies adopted by the group to mitigate them, can be found on page 17, while further information on the group’s risk management process through our risk and control framework is at page 48.

## Performance Report

### Performance Analysis

#### 2023/24 Targets and Achievements

Invest NI's 2023-24 Business Plan set the goal of accelerating the transformational change envisaged within a 10X Economy<sup>1</sup>. This goal was translated into the following KPIs and targets.

#### Key Performance Indicators (KPIs) 2023

Invest NI's annual Strategic performance is reported against a set of Key Performance Indicators (KPIs) that refer to a portfolio of approximately 1,400 client companies with whom we have our closest relationship.

The business performance of our clients in the 2023 cohort enabled Invest NI to report the following outcomes:

KPI	2019 Outcome	2020 Outcome	2021 Outcome	2022 Outcome	2023 Outcome	5 Year Cumulative Outcome*
Additional Jobs	8,865	7,485	9,582	11,342	8,307	45,581
Sales Growth (£bn)	1.3	-0.3	1.4	4.0	2.2	1.3
External Sales Growth (£bn)	1.0	-0.3	1.1	3.2	1.6	1.0
Export Sales Growth (£bn)	0.4	-0.9	0.2	1.4	0.8	0.4
Business Expenditure on R&D Growth (£m)**	104.9	8.3	106.9	-30.9	TBC	N/A

#### Notes:

- Due to rounding some Cumulative Outcomes may not total exactly.
- \*Growth figures based on an annual cohort of businesses which have data recorded for consecutive years. Some figures have been rounded and thus may not add to totals.
- \*\*Growth figures taken from the NI R&D Statistical Bulletin. 2023 figures will be available in late-2024. A 5 year cumulative position is not provided as the methodology for this measure changed significantly across the reporting period rendering aggregation inappropriate. In our new Business Strategy we will transition to tracking R&D Expenditure within those customers that we have the closest relationship, through our KPI survey.
- KPI data is regularly revised, for this reason the data above may differ to previously published information.

#### Business Plan 2023/24 Targets

In support of our annual KPI data, we also target and track performance against a series of aligned activity measures within our Business Plan. Overall performance within the Business Plan 2023-24 was very good, with 20 of the 22 activity targets met or exceeded, and 2 targets missed.

Performance against the most significant activity targets of the 2023-24 Business Plan that drive progress towards the KPIs is summarised below. Given the multi-year nature of Invest NI's support, the 2021/22 pause in issuing offers to businesses is expected to impact activity levels for up to three years. Performance in 2023-24, therefore, continued to be impacted by the pause, as well as from continued budget uncertainty as part of the budget consultation process across all NI Government Departments. As outlined in last year's report, Invest NI continues to make a series of operational improvements to prioritise our support and increase the economic value derived from it. This included refining our approval process and prioritising financial support to those projects that contributed the highest rates of return on public investment.

<sup>1</sup> The 10X Economic Vision was launched by Minister Diane Dodds MLA in 2021. The Vision set out an innovation-driven growth ambition for the NI economy for the decade leading up to 2030.

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### Performance Analysis

Activity	2023/24 Target	2023/24 Outcome
<b>Grow Value Added External Sales</b>		
(i) Support Companies to identify and sell into a 'New Market'	225 - 275	403
(ii) Support Companies to 'Sell outside NI for the First Time' <i>(This is a subset of (i))</i>	100 - 125	129
<b>Productive Investment &amp; Jobs</b>		
(i) Assist Locally-Owned and Externally-Owned Companies to grow their Employment	3,500 - 5,500	3,965
(ii) Support new Quality Jobs (Jobs above the NI Private Sector Median)	2,625	2,460
(iii) Support Externally-Owned Companies to invest in NI for the 'First Time'	15 - 20	15
<b>Innovation, Research &amp; Development</b>		
(i) R&D Investment secured through Invest NI Interventions <i>(Financial and non-financial interventions and alternatively financed projects)</i>	£70m - £90m	£93m
(ii) Innovation Investment secured through Invest NI Interventions	£15m - £20m	£17m
(iii) Encourage Companies to complete the 'Innovate NI' Diagnostic to drive increased innovation	350 - 400	442
<b>Skills</b>		
(i) Secure Total Investment in 'Training and Skills Development' through Invest NI's Skills Programmes	£30m - £35m	£21m
<b>Sustainability &amp; the Green Economy</b>		
(i) Support Companies to Decarbonise through greater use of Energy and Resource Efficiency Technologies	110 - 160	169
(ii) Secure Total Investment in Energy and Resource Efficiency Measures	£4m - £6m	£4.2m
(iii) Drive and grow 'Green Investment' utilising Invest NI interventions	£20m - £25m	£73m

### Performance Commentary

Excellent progress was made across the year in supporting companies to sell into new markets and also sell outside NI for the First Time. These companies are the growth companies of the future, targeting, competing and winning sales in globally competitive markets.

Significant progress was also made in encouraging companies to innovate for the first time. This bodes well for the future, as these are the pipeline of businesses that we can target to embed comprehensive innovation and digitalisation into their growth models. Our ultimate aim will be to support these companies up the innovation escalator to eventually undertake R&D and improve NI's performance in this area.

Finally, strong investments were secured through Businesses within the Green Economy. Total investment of £73m was achieved against a target of £25m. This included assisting companies to pivot towards emerging opportunities in this area. In particular, a significant investment by Biopax Limited in sustainable packaging was secured for West Belfast, an area of wider economic

## Performance Report

### Performance Analysis

disadvantage. This will open up excellent opportunities for the area, in high skilled, productive and sustainable jobs.

As noted above, two of the 2023-24 targets were not met, notably (i) new Quality Jobs (Jobs Above the NI Private Sector Median (PSM) presently £29,011); and, (ii) Total Investment in Training and Skills Development. With regards to (i), we ambitiously stretched the job quality target at the beginning of the year to 75% of the jobs total anticipating a return to increases in the NI PSM in line with historic trends. However, the NI PSM then increased by over 10%. Whilst this is to be welcomed, the higher benchmark resulted in us dropping just short of the target.

Focusing on (ii), performance was constrained across the year due to weak demand. In response, significant work has been undertaken to boost Work In Progress (WIP) levels. Whilst this work was not able to bear fruit in 2023-24, we do expect this to boost performance in 2024/25 and beyond.

### IAS Verification

In the draft report for its review of Invest NI's performance data, Internal Audit Service (IAS) stated that the outturn reported for 2023-24 has been accurately stated and represents a true and fair view of activity for the period.

### Conclusion

Overall performance across 2023-24 can be considered as broadly positive with 20 of our 22 Performance Targets achieved. Whilst it was disappointing to fall short against two targets, we are confident that lessons learned, and steps taken in these areas will provide a basis for improved performance moving forward.

### KPI Risk

The risk and control framework of Invest NI is explored in detail in the Corporate Governance Report. Risks specific to the KPIs are regularly reviewed and assessed by our Executive Leadership Team as part of our ongoing risk management arrangements. These include risks to the quality and timeliness of the KPI data, as well as the survey completion rate by customers.

### Risk Profile

The Invest NI Board held a risk workshop in September 2023 to discuss the organisation's approach and attitude to risk, and subsequently approved a revised Risk Appetite Statement at its meeting in February 2024. The revised statement recognises that in order to deliver on its objectives, Invest NI must embrace risk to a greater extent than the majority of public sector organisations. Our approach is therefore about systematically identifying and articulating the risks that could have a significant impact on our business, results and financial position.

It is acknowledged that risk can rarely be eliminated but it is necessary to pursue a proactive approach to the identification, evaluation and cost effective control of risks in order to ensure that they are reduced to an acceptable level. Invest NI encourages all staff to understand the nature of risk and accept responsibility for risks in their area of authority.

In terms of the environment in which Invest NI operated during 2023-24, the organisation's ability to plan and deliver continues to be impacted by the absence of a multi-year budget and uncertainty over future funding arrangements following the withdrawal of EU funds. Work continues on identifying and maximising other funding streams.

The following table details a number of key risks that have either impacted the organisation during 2023-24 (and may have the potential to continue to do so) or that have been identified during the

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year but whose impacts will not be felt until 2024-25 or beyond. The table also details how these risks have been mitigated and their potential impact on Invest NI's future plans and performance.

Risk	Potential Impacts	Mitigating Actions
<p>Effective planning and delivery is hindered by budget and funding uncertainty.</p>	<p>Inability to enter into new commitments Invest NI failing to meet targets resulting in delay in economic recovery and growth. Adverse reputational impact. Inability to utilise or bid for additional budget should it become available.</p>	<ul style="list-style-type: none"> <li>• Engagement with DfE to submit bids and supporting information aligned to DfE Minister's Economic Mission and other government priorities.</li> <li>• Identify and explore options for securing funds from other sources and make best use of those funds.</li> <li>• Well established budget management framework and maintenance of accurate financial information and reporting.</li> <li>• Ensure organisation is aligned to deliver new initiatives at short notice, in line with strategic objectives, if budget landscape changes.</li> <li>• Ensure full and appropriate use of current year allocations and that existing commitments are prioritised.</li> <li>• Clear communications with customers and stakeholders on any temporary changes to Invest NI offering.</li> </ul>
<p>Closure plan for an Invest NI subsidiary is not carried out in an orderly fashion</p>	<p>Subsidiary's reserves unnecessarily used during wind down period. Value realised from subsidiary's balance sheet is impacted. Reputational damage.</p>	<ul style="list-style-type: none"> <li>• Effective oversight arrangements in place.</li> <li>• Appointment of financial advisor to assist with wind down.</li> <li>• Regular engagement with DfE and other stakeholders.</li> <li>• Terms of subsidiary Board extended beyond trading cessation date.</li> </ul>
<p>Invest NI fails to implement the agreed, published Independent Review Action Plan.</p>	<p>Invest NI not aligned to deliver DfE Minister's Economic Mission. Invest NI does not meet customer needs nor deliver economic growth. Loss of confidence in Invest NI and reputational damage. Potential loss of functions and/or funding.</p>	<ul style="list-style-type: none"> <li>• Action Plan agreed and published in October 2023.</li> <li>• Implementation Oversight Group established with representation from DfE senior management and Invest NI Board.</li> <li>• Clear commitment and prioritisation to deliver against Action Plan.</li> <li>• Regular engagement with stakeholders and Invest NI staff.</li> <li>• Prioritisation of resources with appropriate planning and communication.</li> </ul>
<p>Implications from Invest NI ownership of land in Belfast following a road abandonment order.</p>	<p>Reputational damage to Invest NI if anti-social behaviour develops on the land Costs to repair damage to property. Potential for threats to Invest NI staff or contractors. Invest NI could be joined into legal action.</p>	<ul style="list-style-type: none"> <li>• Engagement with statutory authorities including DoJ, DfC and PSNI.</li> <li>• Appointment by Northern Ireland Housing Executive of a social housing association to develop the site.</li> <li>• Staff / contractors will not attend site where their safety is considered to be at risk.</li> <li>• Where appropriate, Invest NI will arrange insurance cover.</li> </ul>
<p>Unauthorised release, loss or disclosure of corporate or confidential information stored electronically.</p>	<p>Loss of data and / or loss of availability of systems. Breach of regulation leading to litigation, fines and reputational damage. Loss of confidence from customers and stakeholder.</p>	<ul style="list-style-type: none"> <li>• Robust relevant policies and procedures in place and kept up to date.</li> <li>• Regular schedule of staff training on data protection and information security.</li> <li>• ISO 27001 accreditation maintained.</li> <li>• Deployment of layered cyber security defences and penetration testing.</li> </ul>

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Risk	Potential Impacts	Mitigating Actions
		<ul style="list-style-type: none"> <li>Engagement with regulator to understand requirements and best practise.</li> </ul>
Invest NI fails to deliver against the DfE Minister's Economic Mission.	<p>Failure to meet DfE and NI Executive priorities.</p> <p>Deployment of resources and activities in areas that do not demonstrate economic impact.</p> <p>Additional resources or structural changes required to deliver against Economic Mission.</p> <p>Reputational damage.</p>	<ul style="list-style-type: none"> <li>Development of a three year strategy with focus on and alignment with the Ministers Economic Vision and four objectives.</li> <li>Engagement with DfE on development of Invest NI strategy and with other stakeholders to understand likely PfG priorities.</li> <li>Delivery against action plan to address Independent Review findings.</li> <li>Development, monitoring and effective oversight of operational plans.</li> </ul>
Digital Transformation and Digital Customer Engagement and Technology Roadmap does not keep pace with the needs/ambition of the organisation and does not realise the benefits anticipated.	<p>Poor external and internal customer experience.</p> <p>Reduced customer satisfaction.</p> <p>Delay or failure to deliver efficiencies.</p>	<ul style="list-style-type: none"> <li>Digital Technology roadmap has been developed.</li> <li>Business Improvement Manager in post.</li> <li>Overall structures defined and resourcing gaps progressed.</li> <li>Targeting of continuous development towards efficiency.</li> </ul>

Invest NI also has an Emerging Risk Register that captures those risks that have the potential, if they were to come to fruition, to impact on Invest NI's business but which are relatively remote from the organisation's day-to-day business, either because they are further away from materialising or because they exist on a wider scale than Invest NI can influence through controls and mitigating actions.

The Invest NI Board carried out a horizon-scanning exercise in October 2022 in order to ensure that all relevant emerging risks were captured and appropriately assessed. Prompts and suggestions from these sessions were also reviewed as part of the discussion about the Corporate Risk Register to make sure that any causes or consequences were escalated as appropriate.

### Business Review

#### Invest NI Budget outturn

- The net DEL budget outturn for the year was £107.1m against an allocated budget of £107.7m, a 99.5 per cent achievement against target.
- Receipts generated in the year, excluding EU programme funding, totalled £14.7m against a target of £13.1m, the variance mainly due to additional investment exits that were not anticipated. The receipts generated related to the disposal of property, plant and equipment, sale of investments, property rental, dividends and loan interest, and the clawback of grant monies to the extent that they have been deemed to be recoverable.

### Financial performance and position

#### Consolidated Statement of Comprehensive Net Expenditure

Total consolidated net operating expenditure for the year, excluding interest payable and corporation tax, has increased from £90.9m to £102.2m.

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The increase of £11.3m in consolidated net operating expenditure relates to a £26.1m decrease in operating income and a £14.8m decrease in operating expenditure.

The £26.1m decrease in total income for the year, from £45.4m to £19.3m, is mainly due to the following movements:

There was a decrease of £23.9m in receipts from the European Commission as compared to last year. This is due to the ERDF Programme coming to a close at 31 December 2023 with the final income recorded against eligible expenditure.

NI-CO turnover has decreased by £1.5m from £10.2m to £8.7m relating to final revenues on contracts as NI-CO ceased to trade on 31 March 2024. Additional income was recognised from events of £1m that were organised and promoted by Invest NI but funded by other Government Bodies. Finally, there was a decrease in grant clawback income of £1.6m, as compared with last year. As clawback relates to grant amount recovered when there is default on the conditions in the grant offers, this can fluctuate year on year.

The £14.8m decrease in total operating expenditure for the year, from £136.2m to £121.4m, is mainly as a result of the following movements:

Salary costs for the group have increased by £4.9m from £38.6m to £43.5m. NI-CO salary costs increased by £0.8m to £1.9m as a result of the impact of redundancy payments required as a result of the planned closure. Within Invest NI, average number of permanently employed UK based staff numbers has increased during the year from 520 to 549, driving a cost increase of £0.5m. Invest NI has also accrued £2.3m in respect of the estimated in year cost of implementing the recently agreed NICS wide pay award with effect from 01 August 2023. An increase in overseas salary costs of £0.9m is largely due to the continuation of the NIO funded International expansion, which increased average FTE overseas from 59 to 71 during the year. Whilst Invest NI also accounted for a pay award for overseas staff this was offset by foreign exchange movements.

Purchases of goods and services has increased by £0.2m from £30.6m to £30.8m. Within this, NI-CO costs of servicing contracts has decreased by £1.5m relating to NI-CO ceasing to trade on 31 March 2024. An increase in programme support of £1.5m mostly relates to the hosting of additional events and the continued expansion of Invest NI overseas presence to attract further FDI into Northern Ireland. An increase in administrative costs of £0.5m largely relates to an increase of £1m across ICT, property expenses, recruitment costs and rates. Although this has been offset by foreign exchange gains compared to previous year of £0.5m.

Depreciation and impairment charges have decreased by £0.4m from £9.2m to £8.8m, with an increase of £0.4m in depreciation charges being offset by a £0.5m decrease in amortisation charges and a £0.3m decrease in asset impairment charges.

There was a credit of £6.7m to provisions in respect of grants earned but not yet claimed at year end. This relates mainly to movements in live letters of offers and activities undertaken by companies under those offers, but not yet claimed at year end.

Other operating expenditure, excluding salaries, decreased by £13.9m from £58.9m to £45.0m. Grant expenditure decreased by £16.8m largely due to decreased activity in the areas of Innovation expenditure £5.4m, revenue grants £4.2m and skills expenditure £0.5m. Within this, capital grant expenditure also reduced by £6.3m due to the prior year completion of a large project. Whilst some of the expenditure reduction related to material projects completing in the prior year, other reductions in expenditure have been impacted by the 2021/22 budgetary pause, macro-economic factors

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caused by the pandemic and the Russian invasion of Ukraine leading to inflationary pressures. The share of results of associates account for a decrease in expenditure of £0.5m, with a charge of £3.8m this year compared to £4.3m last year. This is measured as the net change in asset value of associates, accounting for any distributions received less the capital contributions paid by Invest NI in the year. These decreases were offset by a reduction of £4.7m in gains in respect of fair value movements on Financial Instruments, with an in year gain of £0.2m, compared to a £4.9m gain last year.

### Consolidated Statement of Financial Position

Non-Current Assets including investments at year end were £211.0m, a decrease of £0.6m on 2022-23. This is principally due to the net impact of the following factors:

Property, plant and equipment increased by £1.1m from £64.4m to £65.5m, as a net result of additions of £2m and net revaluation gains of £3.1m, offset by land and building disposals of £1.4m, depreciation charged of £1.4m and a transfer to assets held for sale of £1.3m.

Intangible assets decreased by £5.6m predominantly due to an impairment in goodwill of £5.1m due to the increased discount rate resulting from movements in external markets. Further additions were made of £1.1m which were offset by amortisation charges of £1.6m.

Leases capitalised onto the balance sheet as a right-of-use asset have decreased by £0.6m due to depreciation charged of £0.7m although offset by remeasurement of the underlying lease liability of £0.1m.

Investments in associates increased by £5.6m from £69.8m to £75.4m reflecting further investment of £11.4m in loan and equity funds offset by a decrease in valuation of £3.8m, and £2.0m of distributions back to Invest NI.

Investments in financial assets increased by £1.2m from £45.6m to £46.8m, as a result of further investment made of £4.6m, offset by repayments and disposals of £2.6m and fair value decreases of £0.8m.

Non-current trade and other receivables have decreased by £2.4m as receivables are now due within one year.

Total current assets have decreased by £27.1m from £73.0m to £45.9m. Included within this movement, trade and other receivables have decreased by £21.6m of which £20.6m is a decrease in EU receivables relating to amounts due from the European Commission as the ERDF programme drew to a close on 31 December 2023. Other receivables have increased by £1.8m, impacted by the transfer of non-current trade receivables noted above, and timing of other payments received, prepayments and accrued income at the year end. As noted in the PPE note above, we have also classified £1.3m of assets held for sale as at 31 March 2024 as compared to £5.7m in the prior year.

Total current liabilities have decreased by £20.6m from £61.2m to £40.6m. Within this, year-end grant accruals have decreased by £6.9m, alongside a decrease in trade and other payables of £7.0m. NI-CO payables account for £6.1m of this reduction due to the company ceasing trading on 31 March 2024 while Invest NI trade payables are down £3.4m due to timing of payments made around the year end. Other payables, deferred income, and tax and other social security have increased by £2.8m largely due to the inclusion of an accrual for the NICS Pay Agreement announced on 22 April 2024, although effective from 1 August 2023. The provisions balance of



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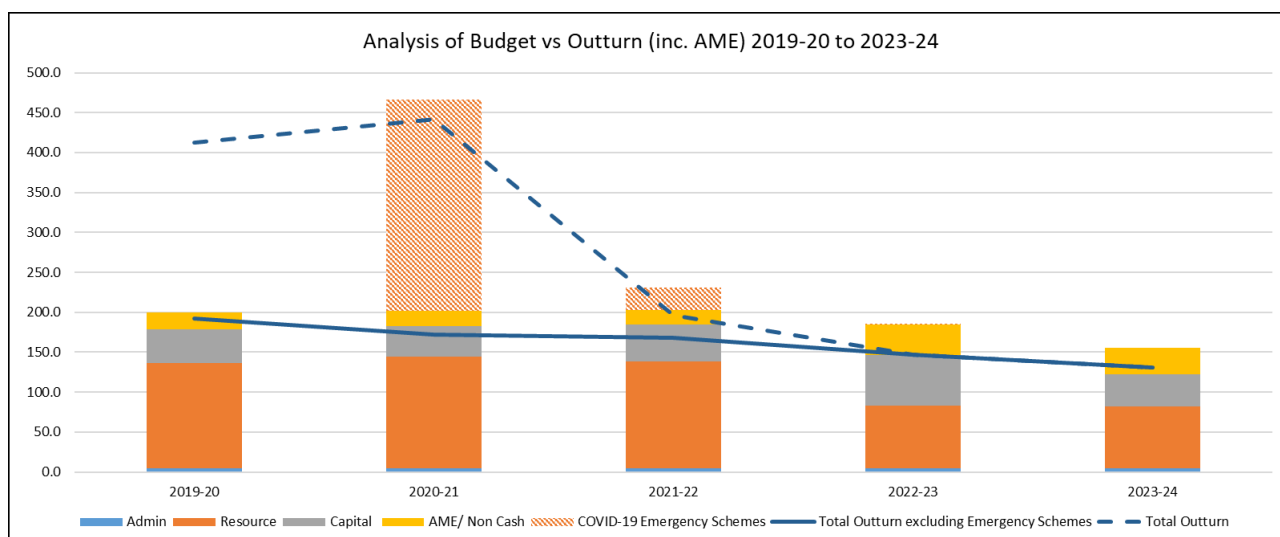
### Performance Analysis

£14.5m at year end is £6.9m less than last year and relates to activities undertaken by companies up to 31 March 2024, under live letters of offers and activities, but not yet claimed at year end.

Total non-current liabilities at the year-end were £18.9m, a decrease of £1.3m on the previous year, as a result of repayment of £0.4m of group borrowings, a decrease of £0.3m in the valuation on the interest rate SWAP liability and a decrease in lease liabilities of £0.6m, as repayments are made.

Total taxpayers' equity has decreased by £5.8m from £203.1m to £197.3m. This movement is largely explained by the fact that the current year allocation of Grant in Aid from the Department for the Economy (DfE) in cash terms, is used to fund both current year transactions as well as the movements in opening and closing working capital balances. This is reconciled within the Statement of Cash Flows. Within total equity, the revaluation reserve has increased by £0.9m as a result of valuation movements in property plant and equipment.

### Long Term Expenditure Trends



Note: Admin comprises mainly running costs, Resource comprises mainly revenue grant payments, other revenue support to companies and salaries. Capital comprises mainly capital grant payments and other capital support to companies. AME (Annually Managed Expenditure)/Non-Cash comprises provisions, asset revaluations and depreciation charges.

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	2023-24 Budget Outturn £'000	2022-23 Budget Outturn £'000	2021-22 Budget Outturn £'000	2020-21 Budget Outturn £'000	2019-20 Budget Outturn £'000
<b>Total Resource DEL *</b>	<b>86,210</b>	<b>86,120</b>	<b>165,600</b>	<b>420,380</b>	<b>357,017</b>
<i>Of Which:</i>					
Administration	4,956	4,315	4,263	3,632	4,621
Programme – COVID-19					
Business Support Schemes	-	54	28,207	269,571	220,000
Programme – Other	77,568	77,981	130,371	144,663	130,291
Non-Cash	3,686	3,770	2,759	2,514	2,105
<b>Total Capital DEL *</b>	<b>43,156</b>	<b>58,349</b>	<b>44,800</b>	<b>32,447</b>	<b>42,048</b>
<i>Of Which:</i>					
Capital Grant	25,481	39,511	11,088	19,542	26,446
Direct Capital	11,814	13,962	29,190	5,339	6,257
Financial Transactions	5,861	4,876	4,522	7,566	9,345
<b>Total AME **</b>	<b>1,435</b>	<b>2,556</b>	<b>(20,642)</b>	<b>(11,004)</b>	<b>13,372</b>
<b>Total Spending</b>	<b>130,394</b>	<b>147,025</b>	<b>189,758</b>	<b>441,823</b>	<b>412,437</b>
<b>Total Receipts</b>	<b>22,239</b>	<b>43,776</b>	<b>67,106</b>	<b>33,298</b>	<b>72,181</b>
<i>Of Which:</i>					
Resource Receipts	3,759	3,148	6,175	5,849	9,945
Capital Receipts	10,914	9,963	31,575	6,339	14,143
EU Receipts including Recyclables	7,566	30,665	29,356	21,110	48,093

\* DEL (Departmental Expenditure Limits)

\*\* AME (Annually Managed Expenditure)

The Total Comprehensive Net Expenditure for the year is reconciled to the Budget Outturn. There are a range of reconciling items between the Comprehensive Net Expenditure in the Annual Accounts and the Budget Outturn, for example investments in loans, shares and associates, and the proceeds from the sale of assets which are classed as expenditure items for budget purposes and Statement of Financial Position items in the accounts. In addition, for budget outturn purposes grant clawback is reported on a net basis.

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#### Aims, Objectives and Future Plans

##### Economic Context

The IMF Global Economic Outlook<sup>2</sup> notes the global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Growth in employment and incomes have held steady as favourable demand and supply developments have supported major economies, despite rising central bank interest rates aimed at restoring price stability. The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades.

As inflation converges towards target levels and central banks pivot towards policy easing, a tightening of fiscal policies aimed at curbing high government debt levels, with higher taxes and lower government spending, is expected to weigh on growth. With respect to the UK, the pace of expansion, as outlined above is expected to remain low by historical standards as a result of several factors including the long-term consequences of the COVID-19 pandemic, the continuing war in Ukraine, weak growth in productivity, and increasing geo-economic fragmentation.

Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. Local analysis of the Northern Ireland Economy in the UUEPC Economic Outlook<sup>3</sup> highlights that the GVA growth rate is projected to be 0.8 percent for 2024 and 1.4 percent in 2025. These predictions are against a backdrop of Interest Rates (end of year) of 4.5 percent in 2024 and 4.0 percent in 2025. Inflation is also forecast to fall to 3.4 percent (Q4 2024) and 2.2 percent (Q4 2025) in this period.

From a short to medium term perspective, the seasonally adjusted Business Activity Index (included in the Wider Ulster Bank Purchasing Managers' Index (PMI))<sup>4</sup> posted 56.4 in May, up sharply from 54.5 in April pointing to a marked monthly expansion of business activity. Moreover, the rate of growth was the fastest of all the UK regions. All four monitored sectors posted increases in activity, with the sharpest expansions in the manufacturing and services categories.

A steep rise in new orders was also recorded in May 2024, with the rate of expansion quickening to the fastest since February 2022. Companies responded to higher new orders by taking on extra staff at a solid pace, with the rate of job creation at a ten-month high. Business sentiment remained strongly positive amid expectations that current new order growth will be sustained. Input costs continued to increase, often as a result of rising wages. As a result, companies increased their own selling prices at a marked pace that was sharper than seen in April.

The Labour Market statistics provided by NISRA (April 2024 Labour Market Report) indicate that the number of employees receiving pay through HMRC PAYE in NI in May 2024 was 801,800, which was unchanged over the month and an increase of 1.6% over the year. The proportion of people

<sup>2</sup> <https://meetings.imf.org/en/IMF/Home/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

<sup>3</sup> <https://www.ulster.ac.uk/epc/pdf/2024/uuepc-outlook-winter-2024-stuck-in-second-gear/Outlook-Winter-24.pdf>

<sup>4</sup> <https://www.ulsterbank.co.uk/business/insights/economics/economic-outlook/purchasing-managers-index-reports/pmi-report-for-march-2024.html>

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aged 16 to 64 in work (the employment rate) was unchanged over the quarter and increased by 0.2pps over the year to 71.3%.

The latest NI seasonally adjusted unemployment rate (the proportion of economically active people aged 16 and over who were unemployed) for the period February-April 2024 was estimated from the Labour Force Survey at 2.2%. This was a decrease of 0.1pps over the quarter and a decrease of 0.1pps over the year.

The economic inactivity rate (the proportion of people aged 16 to 64 who were not working and not seeking or available to work) was unchanged over the quarter and decreased by 0.1pps over the year to 27.0%.

### Policy and Strategic Context

Our 2024/25 Business Plan, and three year 2024 to 2027 Business Strategy, will take account of the economic context outlined above and will be structured around the strategic objectives in the Minister's Economic Vision. We will embrace the key role we play in partnering with business to incentivise investment across NI to deliver the economic outcomes needed to realise the Minister's ambitions. We will continue to work with DfE to contribute to their delivery plans and a longer-term Programme for Government. Ensuring the needs of the economy and business is prioritised, and that our work with businesses makes a direct and positive contribution to the future success of Northern Ireland is our overall goal.



### Invest NI Strategic Framework and Links to Programme for Government (PfG)

Invest NI operates within a complex and constantly evolving strategic Government Framework that determines our focus, objectives and priorities. Following the restoration of the NI Executive, the Minister for the Economy set out a New Economic Vision for Northern Ireland in a statement to the Assembly in February 2024. The statement brought clarity and focus and centred on delivering the following four Objectives as outlined in the graphic above:

- Create Good Jobs
- Promote Regional Balance
- Raise Productivity
- Reduce Carbon Emissions

Since the Minister's statement, we have been working to pivot our focus to these new objectives, while accounting for the wider business and economic conditions at play. Work is also intensifying on a new Programme for Government (PfG). Whilst this is still to be published, we have used the Minister's objectives and PfG discussions to inform our future focus.

### Responding to Market need and outlook – Invest NI's New Business Strategy

We will publish our new 2024 to 2027 Business Strategy later this year. The new Strategy will set out our goals and priorities aligned with the present and future needs of our businesses. It will aim

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to drive increased business investment in a more regionally balanced, productive and sustainable manner across NI.

We will complete our change process by implementing the outstanding actions set out in the Independent Review Action Plan. These enhancements will improve delivery across all areas of our work.

### Economic and Operational Priorities for 2024/25 and Beyond

2023-24 represented a year of change and consolidation for Invest NI. Our economic development model, and economic development within Northern Ireland more broadly, continues to evolve to deliver the Minister's Vision. We will accelerate and fully realise this change through our new strategy. Working collaboratively with the Minister and the Department for the Economy (DfE), we will ensure that a clarity of direction and purpose is achieved across partners, stakeholders, and the business community to offer the best opportunity for future success.

### A New Vision

We have adopted a new Vision to drive our long-term strategic response:

*'Invest NI is recognised as a leading economic development agency, instrumental in driving a balanced, sustainable, productive, and prosperous Northern Ireland economy through unlocking the potential of businesses across the region'.*

### A New Mission

Our Vision has been allied with a new Mission statement. Our mission statement defines the purpose and goals of the organisation. These are

*'To work with businesses to accelerate their growth by increasing external sales and innovation, creating good quality jobs, boosting productivity and skills, growing inward investment and reducing carbon emissions'.*

### Our Values



The above Values represent those in place during 2023-24. Our new Vision and Mission will be underpinned by a new set of 'Values' that we will develop in consultation with our staff for our new Strategy.

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#### Our Strategic Priorities

Setting the Economy Minister's Vision as our ultimate goal, our Business Strategy has been designed around Six Strategic Priorities that will drive our response.

Our Priorities have been selected to meet the needs of our businesses, our stakeholders and partners and drive our future performance. They are evidence based and we will seek to deliver these in an equitable and balanced way across Northern Ireland.

#### Invest NI's Strategic Priorities



#### Partnering with Business and Stakeholders for Success

At the heart of our strategic priorities, is delivery to our businesses, entrepreneurs and new investors. It is through incentivising our clients' investment and growth, in a productive, innovative and balanced way, that we will realise the required economic benefits..

All of our programmes and products will be assessed against their impact on our Strategic Priorities and the Minister's outlined objectives. This way, through delivering business investment, we can be assured that our interventions will be making a positive contribution towards the achievement of the Minister's Vision.

Finally, we are acutely aware that we alone cannot achieve our Mission, Vision and the successful implementation of our strategy. This can only be done through intensive and meaningful partnerships with all our economic partners and stakeholders. We will lead with a relentless focus on convening and aligning public and private resources to work together towards the shared, common goal of the Minister's Vision.



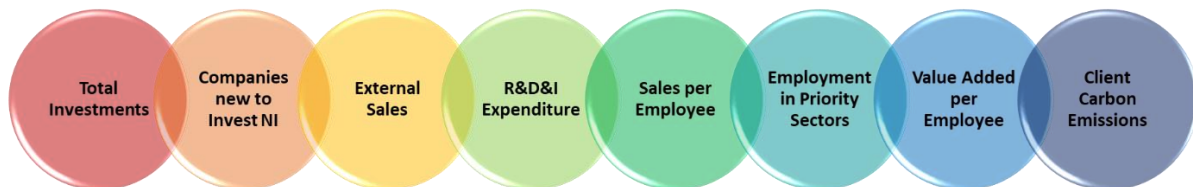
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#### Strategic Targets

At a strategic level, we will set long-term targets and track performance of a portfolio of companies who we work most closely with. Through this approach, we will assess, monitor and drive holistic economic performance outcomes for the benefit of the wider NI economy against our policy and strategic priorities. Our Strategic Targets will be drawn from the following areas:

#### Invest NI Strategic Objectives – Target Areas



#### Operational Targets

To supplement the strategic approach outlined above, we will report against a simplified performance management framework. This will aggregate performance against strategic priorities. Through partnering with, and supporting business investment in strategic areas, we aim to drive activity that will result in sustainable, balanced and productive economic outcomes.

#### Continued Fiscal and Budgetary Constraints

It is clear that we will continue to operate within a tight fiscal environment. Like all other public bodies, we will look to maximise the allocation that we receive for 2024/25. Support will, therefore, be prioritised to those projects and activities offering the greatest impacts and benefits against the Minister’s Objectives and our Strategic Priorities. A key focus will be to continue to seek out and secure alternative funding sources to allow us to continue to strategically plan, deliver and drive economic development to realise the Minister’s Vision.

#### Equality

Invest NI is committed to achieving a successful economy in Northern Ireland which will provide equal opportunities for all. It is fully mindful of its responsibilities across the spectrum of Equality, Anti-Poverty and Social Inclusion, and Human Rights.

Under the provision of Section 75 and Schedule 9 of the Northern Ireland Act 1998, Invest NI has drafted and implemented our Equality Scheme. This scheme reinforces Invest NI’s commitment to equality and outlines the organisation’s plan to making equality issues central to policy decision making processes.

In addition, Invest NI is committed to promoting good relations between persons of different religious belief, political opinion or racial group.

The Equality Unit works within the Performance Compliance and Co-ordination division to deliver our Equality commitments and ensure that the organisation carries out its obligations under Section 75 and the Good Relations duty. It co-ordinates the equality screening and public consultation of all new policies and procedures, publishes an Annual Progress Report to the Equality Commission and carries out Equality Monitoring to assess the impact of our policies across the Section 75 categories.

#### Consideration of Rural Needs

Section 1(1) of the Rural Needs Act (NI) 2016 (“the Act”) requires public authorities to have due regard to rural needs when developing, adopting, implementing or reviewing a policy, strategy or plan and when designing or delivering a public service. If the activity which a public authority is

## Performance Report

### Performance Analysis

engaged in falls within the scope of section 1(1) of the Act, then the guidance recommends that a Rural Needs Impact Assessment is carried out and a Rural Needs Impact Assessment Template completed.

Invest NI has been subject to this legislation since 1 June 2018 and has taken a number of measures in order to comply with its obligations in this regard, including staff training, public consultation and quarterly monitoring.

The following outlines the actions taken between April 2023 and March 2024:

Description of the activity undertaken which is subject to section 1(1) of the Rural Needs Act (NI) 2016	The Rural policy area(s) which the activity relates to	Description of how Invest NI has had due regard to rural needs when developing, adopting, implementing or reviewing the policy, strategy or plan or when designing or delivering the public service
Ambition to Grow (Female & Green)	Rural Businesses	<p>Invest Northern Ireland has launched a new grant scheme to support businesses to increase employment levels and generate new sales from customers outside Northern Ireland. The scheme will provide grant support to 40 eligible companies to help them create 3+ new full time permanent positions within the business as well as assisting them with the costs of targeting customers outside Northern Ireland, technical development activities, as well as upskilling existing and new employees.</p> <p>It is designed to attract a spread of applications from throughout all areas of Northern Ireland and we do not believe that there are barriers to delivery in rural areas and there is no evidence of any specific rural needs or disadvantage at this stage.</p>
Environmental, Social and Governance (ESG) Strategy	Rural Businesses	<p>In our role as an economic development agency, we have developed an ESG strategy. ESG is about sustainable development; environmental and social sustainability underpinned and supported by good governance. Our ESG Strategy outlines how we, and the companies and eco systems we support, can make that positive contribution by looking at how we operate, the services we offer, and the policies we follow, through a social and environmental lens.</p> <p>The Strategy provides us with a framework to assess business practices and performance on sustainability and social issues and provides a way to measure business risks and opportunities in those areas. To do this we must operate from a position of credibility and ensure we are holding the highest standards, so we can confidently expect the businesses we support to do the same. The intention of the strategy is to have a positive societal impact through the inclusion of a framework to assess our own and our clients' business practices and performance on sustainability and social issues and identifying risks and opportunities in those areas. We anticipate a neutral or positive impact on rural dwellers.</p>
Energy Efficiency Finance	Rural Businesses	<p>The objective of Energy Efficiency Finance is to incentivise businesses to invest in energy efficient equipment such as; energy efficient lighting, replacement drives or motors, process efficiency investments, upgrades to building and renewable energy technologies, thereby reducing their energy consumption and contributing to the objectives in the DfE Energy Strategy for Northern Ireland to "Deliver energy savings of 25% from buildings and industry by 2030".</p> <p>Energy Efficiency Finance will be available to businesses throughout Northern Ireland (client and non-client businesses of Invest NI) that are engaged in industry, business and commerce as defined in the 2002 Industrial Development Act (NI). The associated positive economic measures of the support are unlikely to impact people in rural areas in any negative way or be more difficult to access. Applications for support will be accessed online via the Invest NI website. This is not expected to negatively impact rural businesses as we deliver ongoing services in this manner, which are being accessed by rural businesses currently without issue.</p>



**Performance Report**

**Performance Analysis**

		If rural businesses experience any issues accessing online Invest NI resources, they can call our Business Support Team or the Programme Management Team who can provide suitable alternatives, such as hard copy application forms. In addition, Technical Advisors within the Energy and Resource Efficiency Team will travel to business premises to deliver any support required to apply for the grant prior to application stage.
International Sales Leadership Programme	Rural Businesses	<p>The International Sales Leadership Programme will inspire and empower ‘Sales Leaders’ to drive sales in international markets through the development of an international sales strategy, a structured approach to the execution and the development of leadership, sales &amp; negotiation capabilities to enable success in a multicultural, international context. The International Sales Leadership Programme is accredited by the Institute of Sales Professionals and by the end of the programme, participants will earn an internationally recognised certification.</p> <p>This programme is open to client companies across Northern Ireland and is delivered across a number of locations, with virtual delivery also being used. We will hold additional sessions regionally depending on demand and the business location of participants. We do not therefore anticipate any difficulties in accessing the training in rural areas nor any negative impact for rural dwellers.</p>
Agri-Food Investment Initiative	Rural Businesses	The Agri-Food Investment Initiative (AFII) provides a capital grant to support investment by food & drink SMEs and large agri-food processing businesses. It will focus on improving the economic performance and competitiveness of Northern Ireland’s food processing sector through providing financial assistance towards transformative capital investment. We do not anticipate any difficulties in accessing this support in rural areas nor any negative impact for rural dwellers. Indeed, as many SME’s in this sector are based in rural areas, we anticipate a positive impact.

**Corporate Responsibility**

Through Invest NI’s corporate responsibility agenda, we have made a clear commitment to value the talents of our employees, to create a positive workplace and to contribute to the community through responsible business practices

**Environmental, Social and Governance (ESG)**

This year, following a period of consultation, Invest NI launched its Environmental, Social and Governance (ESG) Strategy, which outlines our direction to 2030. The strategy will encourage and support sustainable and inclusive economic growth, whilst also addressing our own impacts on the environment and wider society. To support the implementation of the ESG Strategy, the Executive Director, International Business & Skills has taken on the role of ESG Champion and an ESG Steering Group has been established from key roles across the organisation to provide support.

**Environmental matters**

For the first time this year we have accounted for our mandatory Scope 1, 2 and 3 carbon emissions. We have quantified and reported our organisational greenhouse gas (GHG) emissions according to the (GHG) Reporting Protocol. Energy use data has been collated and converted into Carbon Dioxide equivalent (Co2e) using the 2019 HM Government Environmental Reporting Guidelines along with along with the 2022 / 2023 UK Government Conversion Factors for Company reporting in order to calculate emissions from corresponding activity data. We have used reliable and obtainable data typical of our operations throughout. As we have selected our Base Year to be on a Fixed Basis, our first year for reporting i.e. 2019/20, is used below for comparative purposes.

## Performance Report

### Performance Analysis

#### Carbon Emissions Footprint – Base Year – April 2019 – March 2020

Scope 1	Primary Fuel Combustion (on-site)	181.28 tCO <sub>2</sub> e*
Scope 2**	Electricity (location)	424.92 tCO <sub>2</sub> e
	Electricity (Market)	(330.75) tCO <sub>2</sub> e
	Scope 2 total	93.54 tCO <sub>2</sub> e
Scope 3	Energy and Fuel Related	73.84 tCO <sub>2</sub> e
<b>Total Carbon Footprint</b>		<b>348.66 tCO<sub>2</sub>e</b>

#### Carbon Emissions Footprint – Reporting Year – April 2022 – March 2023

Scope 1	Primary Fuel Combustion (on-site)	157.43 tCO <sub>2</sub> e
Scope 2**	Electricity (Location)	253.52 tCO <sub>2</sub> e
	Electricity (Market)	(253.52) tCO <sub>2</sub> e
	Scope 2 total	0.00 tCO <sub>2</sub> e
Scope 3	Energy and Fuel Related	49.28 tCO <sub>2</sub> e
<b>Total Carbon Footprint</b>		<b>206.71 tCO<sub>2</sub>e</b>

#### Carbon Emissions Footprint – Reporting Year – April 2023 – March 2024

Scope 1	Primary Fuel Combustion (on-site)	137.22 tCO <sub>2</sub> e
Scope 2**	Electricity (location)	292.03 tCO <sub>2</sub> e
	Electricity (market)	(292.03) tCO <sub>2</sub> e
	Scope 2 Total	0.00 tCO <sub>2</sub> e
Scope 3	Energy and Fuel Related	47.73 tCO <sub>2</sub> e
<b>Total Carbon Footprint</b>		<b>184.95 tCO<sub>2</sub>e</b>

\*Tonnes of Carbon Dioxide Equivalent (tCO<sub>2</sub>e)

\*\*'Location based' emissions are calculated from the average energy mix of a region's power grid. 'Market based' emissions account for an organisation's specific energy purchases, like renewable energy. The former reflects regional power characteristics in Northern Ireland, while the latter shows our direct choices for cleaner energy, aiming to reduce our carbon footprint based on those choices.

We are currently looking into tracking elements of our Scope 3 emissions. These are carbon emissions which are not produced by us, but for which we are responsible, as an indirect result of carrying out our operations. This information, along with our Scope 1 and 2 emissions, will form the basis of a carbon reduction plan which will support us in reaching our carbon reduction targets.

Education and awareness raising is a key element of our ESG activity. This year our Executive Leadership Team and Operating Directors have completed Carbon Literacy training accredited through the Carbon Literacy Project. This recognises the importance our senior leaders place on sustainability and will be further supported by the roll out of ESG and carbon awareness training modules to all Invest NI staff in Q1 and Q2 of 2024-25.

As the hybrid working model remains in place, we have increased our online meeting capabilities with the introduction of MS Teams Rooms within HQ and have commenced the roll out of Audio Visual / MS Teams facilities across our regional network. The new A/V equipment has greatly improved picture clarity and sound providing effective interaction between colleagues and stakeholders situated in different locations. For more informal meetings we have provided soft seating areas/ pods located on the ground floor within HQ. In sourcing of equipment and furniture, we have considered efficiency and sustainability, including environmental sourcing, carbon footprint and recycling. The lighting upgrade continues with the final 8% of lighting to be replaced during 2024 with more energy efficient LED fittings. Upgraded lighting within HQ has been sourced based on carbon neutral status of the provider. To help conserve water usage we have replaced all toilet cisterns within HQ with new eco flush cisterns. Each new cistern uses 1.5L less per flush.

# Performance Report

## Performance Analysis

Invest NI's Property Solutions Unit (PSU) proactively works to manage biodiversity at our existing business parks, through planned and reactive maintenance programmes, and ensure that biodiversity is included at the design and planning stage for all new development projects. PSU is currently in discussion with stakeholder partners regarding new initiatives to explore how unused land on some of our existing business parks in the Greater Belfast area might be utilised for additional tree and hedgerow planting. Work is also well underway on the preparation of a new Invest NI land and property strategy which will include biodiversity considerations as part of any future land acquisition and development schemes.

Invest NI provides significant energy and environmental technical advice as well as grant assistance to the Invest NI client base and wider NI businesses. A range of energy audits, sustainability reports, technical consultancy and resource matching are aimed at increasing the capability of businesses to adopt energy & material efficiency measures, waste/ water reduction, carbon foot printing, and adoption of international standards for energy and environmental management.

In addition to this, Invest NI is supporting the delivery of the energy strategy and is responsible for developing and launching a new energy efficiency support scheme for Northern Ireland businesses to support the target of 25% energy savings by 2030. The Energy Efficiency Capital Grant (EECG) will help Northern Ireland businesses reduce energy costs and build resilience through green efficiency. EECG provides grant support for the purchase and installation of energy efficient equipment that reduces energy and carbon emissions.

Invest NI will continue to review its internal/ external approaches to environmental matters, and the green economy is a key area of focus for Invest NI which is vital for delivering the Executive's Green Growth Strategy, and the NI Energy Strategy. With this in mind, Invest NI's work in the green economy focuses on two key areas; identifying new market opportunities in the green economy ensuring that companies, across key clusters, are supported in competing for these global opportunities, and supporting NI businesses to go greener, focusing on green efficiencies and the circular economy.

## Governance

In the year ahead we will continue to build on our progress. Work is underway to develop an ESG Risk Register to identify and mitigate climate related risks. This will include the preparation of an adaptation report providing an assessment of the current and predicted impact of climate change related to our functions. In addition, we will prepare Mitigation Reports, accounting for our carbon emissions and outlining our proposals and policies for reducing our emissions. This work will prepare the organisation for future public body reporting requirements in line with Section 42 of The Climate Change Act (Northern Ireland) 2022.

## Social and community

Invest NI has started the process to become an accredited Real Living Wage employer. This is a visible commitment by the organisation to the promotion of good jobs, in line with the Minister's Economic Vision, and we will actively encourage the businesses we support to pay the living wage also.

We have strengthened our partnership and commitment to the next generation of entrepreneurial talent in Northern Ireland by becoming a Young Enterprise NI "ESG Business Backer". Through this partnership our people volunteer as business mentors to share their expertise with Young Enterprise Students, to help them learn about best practice and how to be environmentally and socially responsible in business. We also hosted the final of the Young Enterprise Company of the Year

## Performance Report

### Performance Analysis

programme in HQ in March, where six finalists pitched their business idea to an audience of 100 delegates, before facing the judges in a Dragon's Den style interview in our Boardroom.

Through Invest NI's Corporate Responsibility agenda, we have made a clear commitment to value the talents of our employees, to create a positive workplace and to contribute to the community through responsible business practices. In the last 2 years we have worked alongside our charity partner Leukaemia and Lymphoma NI raising over £20,000. We also offer a Payroll Giving Scheme that allows staff to make tax-efficient donations to charities of their choice.

### Mental health

Good physical and mental wellbeing is a key area under our Corporate Responsibility agenda and we continue to work hard supporting our staff. As part of our Mental Health Strategy, "Changing Minds", we have designated Mental Health First Aiders (MHFAs) who are trained to listen and help in crisis situations and able to signpost colleagues where to access support. In terms of physical health, we offered staff physical health checks in partnership with Northern Ireland Chest Heart and Stroke.

### Independent Review

The Human Resources section of the Independent Review recommended that Invest NI should revise its organisational structure to align with strategic priorities, review the shape and skills of its workforce in line with proposed organisational changes and ensure that continuous professional development and training is provided to client facing staff, relevant to their sectors. The "People and Skills for Operational Delivery" Task and Finish Group was responsible for the development of two Strategic Actions that seek to address these three recommendations. Work continues on the delivery of these strategic actions, which are owned by the Invest NI Executive Director, People & Culture.

### Learning & Development

The increasing footfall to the Invest NI offices has provided the opportunity to increase the face to face learning and development opportunities. In 2023-24 the Client Facing Workshops have been re-introduced. These information sessions, aimed at client facing staff, have proven a popular way to share new programmes and information and provide a networking opportunity between teams and divisions. The Commercial and Financial Skills Programme procured in the previous year has been successfully delivered by Chartered Accountants Ireland. In the next year there will be the opportunity for staff who have attended some of the modules to complete the accredited 'finance for non-finance managers' course, following the success of the Commercial Skills Programme. Invest NI continues to develop on-line training modules with NICS HR Learning and Development, several of which are mandatory for all staff. Other areas of focus for staff learning and development have been in project management, IT and technology, communication, environmental and several optional information sessions such as LinkedIn and Menopause Awareness.



**Kieran Donoghue**  
Accounting Officer

Date: 1 July 2024

## Accountability Report

## Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of Invest NI's governance structures and how they support the achievement of its objectives.

## Directors' Report

The directors present their report and the audited consolidated financial statements of the group and parent entity for the year ended 31 March 2024.

## Results

The net expenditure for the year is £103,479,000 (2023: £90,876,000).

## Directors

The directors who served during the year and up to the date of signing the financial statements are the Board members as follows:

### Board members

Colm McKenna	(Interim Chair – resigned 29 February 2024)
John Healy	(Chair – appointed 1 March 2024)
Colin Coffey	
Kieran Kennedy	
Marie-Therese McGivern	
Michael McQuillan	
Dominic Darby	
Melanie Dawson	
Dawn McLaughlin	
Ciaran Mulgrew	
Patrick O’Gorman	
Julie-Ann O’Hare	
Scott Richie	

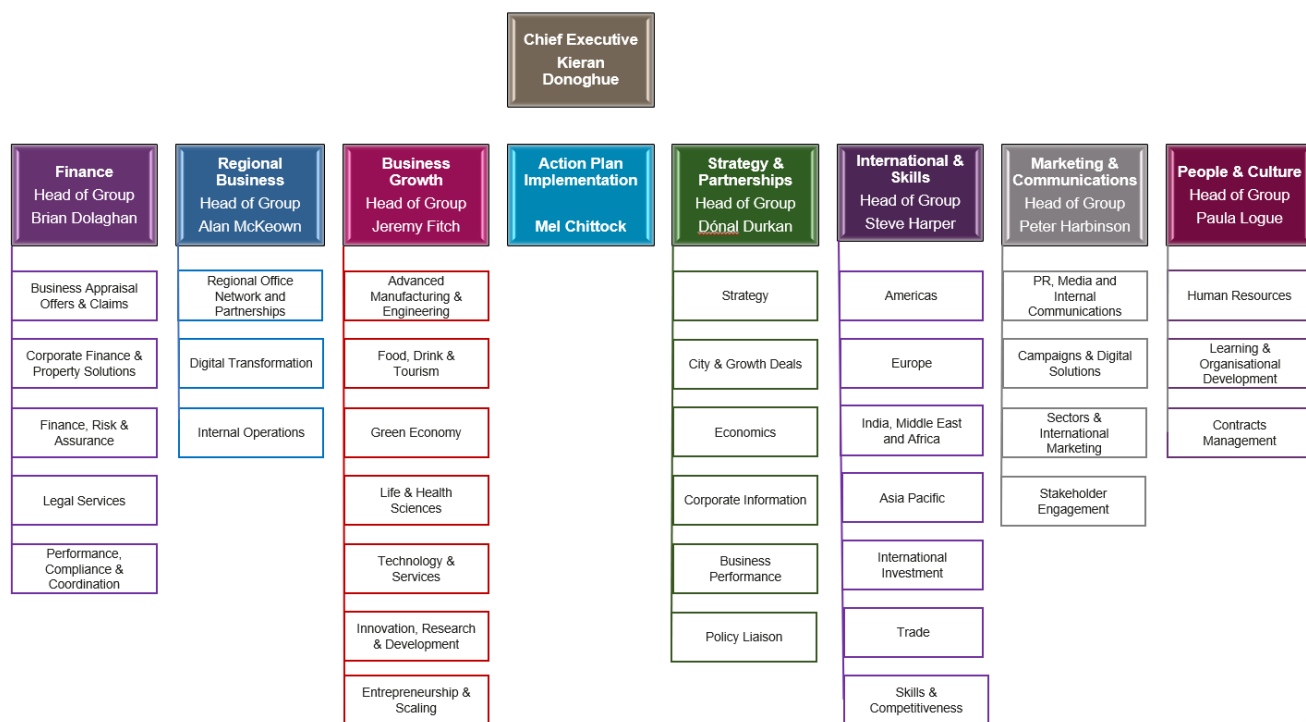
### Executive Leadership Team

Kieran Donoghue	Chief Executive
Mel Chittock	Executive Director
Jeremy Fitch	Executive Director, Business Growth
Brian Dolaghan	Executive Director, Finance
Carolyn McKenna	Executive Director, People & Culture (left role 17 September 2023)
Paula Logue	Executive Director, People & Culture (appointed 18 September 2023)
Alan McKeown	Executive Director, Transformation
Donal Durkan	Executive Director, Strategy & Partnerships
Steve Harper	Executive Director, International & Skills
Peter Harbinson	Executive Director, Marketing & Communications

## Accountability Report

## Corporate Governance Report

## Organisational Structure



### Prompt Payment Policy

Invest NI is committed to the prompt payment of invoices for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days of delivery of the invoice or of the goods and services, whichever is later. During 2023-24 Invest NI paid approximately 98 per cent of invoices (2022-23: 98 per cent) within this standard.

In 2008 the Finance Minister announced that Northern Ireland Departments had been set a target of ensuring that invoices are paid within ten working days, in order to help local businesses. During 2023-24 Invest NI paid approximately 93 per cent of invoices (2022-23: 94 per cent) within the ten working day target.

### Register of Interests

The Chair, Board members, and the Executive Leadership Team are required to register all interests, direct or indirect, which members of the public might reasonably think could influence their judgment. The Register of Interests is available for public inspection by contacting the Chair's Office, Invest NI, Bedford Square, Bedford Street, Belfast, BT2 7ES.

### Personal Data Related Incidents

No Personal Data Related Incidents (2022-23: two incidents) occurred during the year that were deemed necessary to report to the Information Commissioner's Office (ICO). The ICO advised no further action was necessary for the two cases reported in 2022-23. Further information on data security is provided in the Governance Statement.

### Accountability Report

### Corporate Governance Report

#### Estate Management Strategy

With the exception of assets held by Invest NI for its own use and Linum Chambers, which is held by BSDL as an investment property, our land and property portfolio is held exclusively for development by client companies, to facilitate Northern Ireland's long-term strategic economic development.

#### Invest NI Complaints and Feedback Process

Invest NI continues to promote a customer focussed culture placing the needs of our clients and their customer experience at the heart of everything we do. Occasionally our customers may feel that we fall short of our own standards and our Complaints and Feedback Process affords us the opportunity to address instances when something goes wrong and to identify areas in which we can make improvements. It also gives us the ability to recognise good experiences through the recording of positive feedback.

Our complaints process is designed to be accessible and user friendly for our customers. Complaints are acknowledged within one working day, and we strive to issue a response within a target of 10 working days. If we are unable to provide a response within this timescale the customer will be clearly advised of the revised response date.

If we are unable to resolve the complaint to our customers' satisfaction at this stage, a review can be requested through the office of the Chief Executive. Should the customer be dissatisfied with the outcome of this review they may refer their complaint to the Northern Ireland Public Services Ombudsman for prompt consideration.

During the reporting period we received three complaints (2022-23 three complaints). One of these related to a delay in Invest NI issuing an invoice, one related to an allegation of disability discrimination and one related to difficulties in completing grant claim forms.

In two of the cases, we acknowledged the customers concerns and assisted them further, and one case is currently ongoing.

Of the complaints received during this reporting period 100% were responded to within our target of 10 working days (2022-23 100%).

Two cases of negative feedback were also recorded (four in year prior). These related to concerns regarding the submission of various pieces of information relating to the grant claims process. The second expressed dissatisfaction with support from our office in Germany.

#### Internal Review

Following our initial response, a complainant has the option of requesting a further Internal Review of their complaint, (effectively an appeal process). No such requests were received in the reporting period. (2022-23 nil).

#### NIPSO Investigations

Following an Internal Review, the complainant has the final option of requesting the Northern Ireland Public Sector Ombudsman to investigate Invest 's handling of their complaint. No complaints were referred to the Ombudsman during this reporting period.

**Accountability Report**

**Corporate Governance Report**

**Analysis**

Details of all complaints are recorded centrally, and this information is analysed to identify trends or themes to drive improvement in our processes and services.

Invest NI's progress against the ten day response target is also reported through our Standards of Service. Further information on the handling and monitoring of complaints can be found in the Invest NI Customer Charter and more specifically in the Invest NI Complaints Procedures, both of which are available on the Invest NI website.



## **Accountability Report**

### **Corporate Governance Report**

#### **Statement of Accounting Officer's Responsibilities**

Under the Industrial Development Act (Northern Ireland) 2002, the Department for the Economy (DfE) (with approval from the Department of Finance (DoF)) has directed Invest NI to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Invest NI and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by DfE with the approval of DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of DfE has designated the Chief Executive as the Accounting Officer of Invest NI. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Invest NI's assets, are set out in *Managing Public Money Northern Ireland (MPMNI)* published by DoF.

As Accounting Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that Invest NI's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

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Corporate Governance Report

Governance Statement

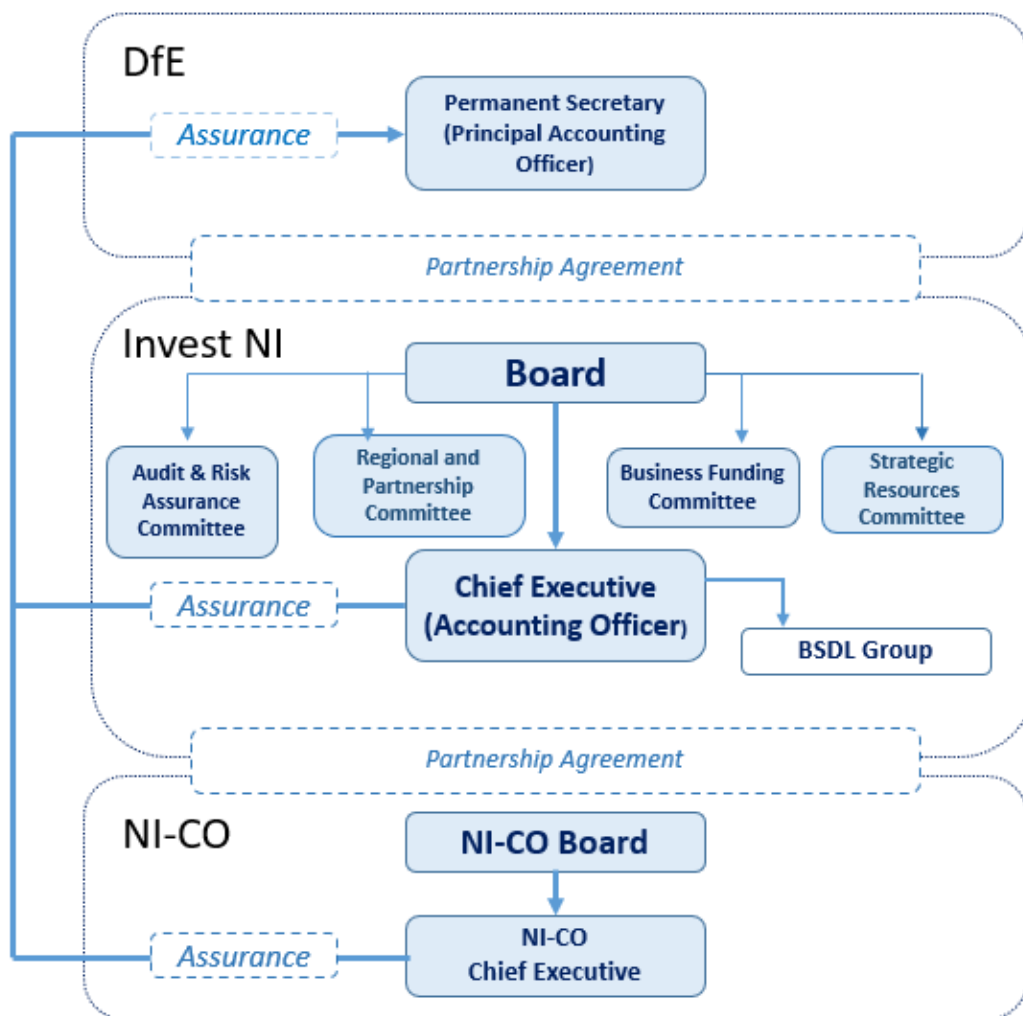
Introduction and scope of responsibility

This Governance Statement sets out the governance structures, risk management and internal control procedures that have operated within Invest NI during the financial year 2023-24 and up to the date of approval of the Annual Report and Accounts and accords with DoF guidance.

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

Work continues on the implementation of the Action Plan relating to the Independent Review of Invest NI. The Action Plan, which was published on 4<sup>th</sup> October 2023, outlines the solutions that will be implemented to effect change, including a number of improvements that will enhance the organisation’s risk management and control systems. More details about the Independent Review are provided at page 44.

Invest NI’s Governance Framework



## Accountability Report

### Corporate Governance Report

#### Responsibilities of the Board and Chair

Invest NI has a Board comprising a Chair and not fewer than 10 or more than 20 other members. Board members are appointed by DfE in line with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland.

Upon the conclusion of Rose Mary Stalker's term as Chair on 31st January 2023, Colm McKenna was appointed interim Chair from February 2023 for a period of nine months. Following a short extension to allow time for the substantive Chair competition to complete, John Healy was subsequently appointed to the position from 1<sup>st</sup> March 2024. With no further changes to its membership, going into 2024-25 the Board therefore consists of 12 members including the Chair.

The Board usually meets 10 times each year and the meetings are attended by the Chief Executive and members of the Executive Leadership Team (ELT).

The role of the Invest NI Board is to provide strong, confident and effective leadership, strategic direction, constructive challenge and guidance to the organisation. The Board has corporate responsibility to ensure that Invest NI fulfils the aims, objectives, policies and priorities set by the Department and approved by the Minister. The Board is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will agree the values and promote the culture of Invest NI and set the tone for the organisation's engagement with external stakeholders and customers.

The Chair is responsible for formulating the Board's strategy and promoting the efficient, economic and effective use of resources and ensuring the optimum allocation of the Budget to deliver the Board's strategic objectives. This includes providing input to, and approval of the Invest NI longer-term Business Strategy and Annual Business Plan.

The roles of the Chair and Board are set out in the DfE / Invest NI Partnership Agreement. Following the conclusion of the 2022 Board Effectiveness Review, the Board Operating Framework was replaced by the introduction of the following documents, which were finalised and agreed in December 2022:

- Invest NI Board Code of Conduct
- Invest NI Board Conflicts of Interest Guidance
- Invest NI Board Standing Orders
- Roles & Responsibilities Relating to the Invest NI Board
- Aide Memoire – Board Roles & Responsibilities
- Roles & Responsibilities of the Board Secretariat

#### Conflicts of interests

The 'Invest NI Board Conflicts of Interest Guidance' is consistent with the requirements of DAO (DoF) 07/21: 'Guidance on Conflicts of Interest'. Board members are asked to declare any conflict of interest related to meeting agendas or the review of casework. On the identification of any conflict of interest, the relevant Board member(s) would be excluded from the discussions/decision-making related to the conflicted area of business. Further details regarding Related Party Transactions are in Note 25.

#### Board performance and effectiveness

The 'Invest NI Board Code of Conduct' and 'Roles and Responsibilities Relating to the Invest NI Board' incorporate the Principles of Public Life. All Board members are given Induction Training, which covers the structure, vision, values and objectives of the organisation; introductions to the

## Accountability Report

### Corporate Governance Report

senior management team; and more detailed sessions on aspects of the role, including a specific element focused on delegations including casework consideration, assessment and approval. Ongoing training is also provided, as required.

During the autumn of 2023, a Board Effectiveness Review was undertaken, which involved both the Invest NI Board members and ELT. A comprehensive, revised and updated questionnaire was issued, which covered eight categories and 71 questions. The resulting Action Plan was approved by the Board and issued to the Board, ELT and DfE in April 2024.

During 2023-24 the Board met 10 times with an extended Board Workshop session held in Newry in September 2023. The Board met in Derry / Londonderry in June and in Enniskillen in November 2023.

### Board attendance 2023-24

Name of Board Member	Attendance per Board Member <sup>1</sup>				
	Board Meetings	Audit & Risk Assurance Committee	Business Funding Committee	Strategic Resources Committee	Regional Partnerships Committee
Colm McKenna	8 (9)	N/A	N/A	N/A	N/A
John Healy	1 (1)	N/A	N/A	N/A	N/A
Kieran Kennedy	10 (10)	N/A	N/A	7 (7)	3 (3)
Marie-Therese McGivern	10 (10)	N/A	N/A	7 (7)	2 (3)
Michael McQuillan	9 (10)	3 (3)	4 (4)	N/A	2 (3)
Colin Coffey	9 (10)	3 (4)	4 (4)	N/A	N/A
Ciaran Mulgrew	10 (10)	3 (4)	N/A	5 (7)	N/A
Dawn McLaughlin	9 (10)	4 (4)	N/A	N/A	3 (3)
Dominic Darby	9 (10)	N/A	2 (4)	6 (7)	N/A
Julie-Ann O'Hare	9 (10)	2 (4)	N/A	N/A	1 (3)
Melanie Dawson	9 (10)	N/A	4 (4)	N/A	1 (3)
Patrick O'Gorman	7 (10)	N/A	1 (4)	4 (7)	N/A
Scott Ritchie	9 (10)	N/A	4 (4)	6 (7)	N/A

Note:

1. Number in brackets represents the maximum number of meetings the member could have attended.

### Board Succession Management

The initial terms of five Board Members expired at the end of March 2023, with four (Colin Coffey, Michael McQuillan, Marie-Therese McGivern and Kieran Kennedy) having their terms extended for a further three years. Colm McKenna served as interim Chair from February 2023 to February 2024, with John Healy appointed to the position from 1st March 2024.

### Board Committees

In 2023-24 the discharge of some of the Board's responsibilities was delegated to the following Committees:

- Audit & Risk Assurance Committee
- Business Funding Committee
- Strategic Resources Committee
- Regional Partnerships Committee

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### **Corporate Governance Report**

#### **Audit & Risk Assurance Committee (ARAC)**

In May 2023 the Chair proposed changing the name of the Committee to the Audit and Risk Assurance Committee (from Audit & Risk Committee) to better reflect its role and align with naming conventions in the wider NICS. The ARAC is responsible for reviewing and providing independent assurance to the Board and Accounting Officer on:

- the adequacy of the internal control environment;
- risk management and corporate governance arrangements;
- compliance matters; and
- internal and external audit issues.

At the beginning of 2023-24, the Committee comprised the Chair (Dawn McLaughlin) plus Colin Coffey, Ciaran Mulgrew and Julie-Ann O'Hare, with Michael McQuillan added to the Committee following the May 2023 meeting. There were no other changes to Membership during the year.

ARAC meetings are also attended by the Chief Executive; Executive Director of Finance; the Director of Finance, Risk and Assurance Division; Senior Risk Manager; the Director of Performance, Compliance and Co-ordination Division; and representatives from DfE, Northern Ireland Audit Office (NIAO), and Internal Audit Service (IAS). The Committee usually holds five meetings per annum, comprising four 'regular meetings' and one meeting to review and endorse the Annual Report and Accounts. In 2023-24 this additional meeting was subsumed into September's standing meeting due to the timing of the Annual Report and Accounts being finalised.

In March 2024 the Committee commenced a self-assessment exercise in line with the commitment in its Terms of Reference to complete an annual review of its own performance.

The Committee continues to operate a 'Rolling Agenda' system that ensures that all major issues are reviewed at least on an annual basis. The latest revision to the rolling agenda was reviewed and approved by the ARAC at its December 2023 meeting. Standing items on the agenda of each regular meeting include a review of the Corporate Risk Register, detailed discussion on key corporate risks, an update on progress against the agreed Internal Audit plan, internal and external audit recommendations, a review of the work of the Governance Council and updates on current fraud and whistleblowing investigations. Other topics covered by the Committee in 2023-24 included oversight of the risk register development exercise; Procurement practices; the Business Continuity process; Management of External Delivery Organisations (EDOs); risk of Cyber Security attacks; Internal Test Drilling; Complaints & Feedback; Casework Approvals; NI-CO; and review of Outstanding Internal Audit Recommendations. The ARAC also provided oversight to an ongoing exercise to clear outstanding Post Project Evaluations and continues to update the Board on progress.

As per the rolling agenda, Members have also met with Internal Audit Services and NIAO outside the scheduled ARAC meetings throughout the year and provided input into the Internal Audit plan for 2024-25.

The ARAC has worked closely with the interim CEO, and subsequently the newly appointed CEO, in their role as Accounting Officer, to identify governance related priorities to enhance the overall governance framework. The ARAC also plays a role in overseeing the recommendations in the Independent Review relevant to the work and scope of the Committee. In the ARAC's Annual Report for 2023-24 the Chair confirmed that the Committee considered the assurance available was sufficient to support the Board and the Accounting Officer in their decision-taking, their accountability obligations and the overall management of risk. Following each Audit & Risk Assurance Committee meeting, the Chair provides a verbal update to the full Board, with full written minutes provided by the Committee secretariat.

## Accountability Report

### Corporate Governance Report

#### Other Committees

In April 2023 three new Board sub-committees were formed that subsumed the work of the now disbanded Remuneration Committee and Board Working Groups.

The *Business Funding Committee* supports the Board in fulfilling its oversight and strategic management responsibilities in respect of a number of key funding streams, including Access to Finance, Innovation and R&D funding, grant funding and external funding streams. The Committee meets four times per year (or more frequently as circumstances require) in order to provide an oversight and challenge function independent of the Invest NI executive management.

The *Strategic Resources Committee* provides support and advice to the Board by monitoring and reviewing the key decision making relating to Financial Management, People Resources, Communications, Digital, Information Technology and Data Management. It meets six times per year or more often if required.

The *Regional Partnerships Committee* has the role of strategic oversight and monitoring, at the sub regional level, of Invest NI's delivery activity, aiming to ensure that the delivery of the Invest NI strategic plan is benefitting all of Northern Ireland. The Committee, as the face and voice of the Invest NI Board will, through awareness of, and appropriate active engagement in, sub regional partnerships, support the development of partnerships and delivery of Invest NI's strategic priorities and promoting the work of Invest NI across NI. The Committee is scheduled to meet a minimum of four times per year.

#### Executive Committees

In addition to the Board Committees, a number of Executive Committees were also in operation throughout 2023-24:

#### Internal Audit Committee

The Internal Audit Committee is an Executive Committee responsible for reviewing internal compliance issues, implementing action plans and audit recommendations, developing internal control systems and providing advice to the Audit & Risk Committee. The Committee met three times during 2023-24. Issues discussed included: reviews of the audit strategy and annual plan; progress against the annual audit plan; reviews of External Delivery Organisations; assurance provided by other bodies; and updates on current fraud investigations. Meetings are chaired by the Executive Director, Finance and the Committee also includes a number of other Executive Directors, the Director of Finance, Risk and Assurance Division and the Director of Performance, Compliance and Co-ordination Division, with representatives from IAS also in attendance. The terms of reference were last updated in April 2023.

#### Executive Leadership Team

The Executive Leadership Team (ELT), which reports directly to the Chief Executive, has responsibility for the strategic direction and operating effectiveness of Invest NI and for promoting an effective financial control and budgetary management framework. The ELT is responsible for achieving Invest NI's goals and targets, as set out in the corporate and operating plans, and oversees the delivery of Invest NI's range of programmes and services.

The ELT met regularly during 2023-24 to review the performance of the organisation against agreed targets, monitors budget requirements and outturn, and ensures implementation of agreed actions to achieve Invest NI's strategic, operational, and financial objectives.

## Accountability Report

### Corporate Governance Report

#### Governance Council

The Governance Council was established in July 2021 to review the implementation of compliance policies and procedures and to oversee the development of a programme of continuous improvement to ensure that the governance framework is both appropriate and effective. The Council is made up of senior managers and other key staff from both governance-related functions and commercial teams. An update on the work of the Governance Council is reviewed by the Audit & Risk Committee at each regular meeting.

#### Other guidance and policies

##### Code of Ethics and Conduct

Central to the proper conduct of public business is the need for Invest NI staff to follow the seven principles of public life as set out by the Committee on Standards of Public Life. Invest NI operates a robust Code of Ethics applicable to all staff members. The code, as summarised in the staff handbook, sets out the obligations of staff to discharge public functions reasonably and in accordance with the law and to conduct themselves with integrity, impartiality and honesty while ensuring the proper, effective and efficient use of public money.

The Invest NI Conflicts of Interest policy requires all staff, regardless of grade or position, to disclose any area of actual, potential or perceived conflict with the interests of Invest NI. The policy is designed to ensure that staff do not misuse their official position or use information acquired in the course of their official duties to further their private interests or those of others. Where a potential conflict of interest, actual or perceived, is identified, the staff member involved will normally be removed from any contact, evaluation or assessment process relating to the particular case or organisation.

Invest NI maintains a register of all outside appointments or interests held by its staff. All employees are required to complete an annual return ('Register of Interests: Declaration by Member of Staff') or submit a nil return where appropriate. Employees have an absolute duty to declare any changes to their circumstances, including new interests, which could bring about a conflict of interest or the perception of a conflict. Agreements must be documented between individuals and their line manager before appointments are taken up, with the register then updated accordingly. This process is designed to provide the assurance that any outside employment held by Invest NI staff, including its senior management team, does not present a conflict of interest.

The Invest NI gifts and hospitality procedures are based on the fundamental principle that, in general, all gifts should be refused, and no member of staff should receive anything that might reasonably be seen to compromise personal judgement or integrity. All offers of gifts and hospitality, whether accepted or refused, must be recorded on a central register for review and monitoring. Invest NI's Guidance on Gifts and Hospitality was updated in November 2022, with the revised procedures reviewed by the Audit & Risk Committee.

Staff members are also required, as outlined in the staff handbook, to be aware of and observe the terms of the Bribery Act 2010.

## Accountability Report

### Corporate Governance Report

#### Bribery, Fraud Prevention and Raising Concerns (Whistle-Blowing) Policies

Invest NI requires all staff to act honestly and with integrity and to safeguard the public resources for which they are responsible. Invest NI procedures stipulate that any suspected or alleged fraud must be investigated and reported to DfE’s Fraud and Raising Concerns Branch, which in turn notifies the Northern Ireland Audit Office and the Department of Finance. Cases are referred to the police where appropriate. Invest NI continues to raise staff awareness of their responsibility to safeguard public resources against the risk of fraud, as well as their responsibilities regarding bribery and encourages staff to raise their concerns in line with public disclosure legislation.

A summary of the activity related to these policies in 2023-24 is outlined in the table below.

Governance Process	Guidance Documents	Incidents Reported in Year
<b>Bribery</b>	Anti-Bribery Compliance Policy and Guidance Manual	None
<b>Public Interest Disclosure</b>	Raising Concerns Policy and Raising Concerns Procedures for Staff and Managers	One case reported to DfE during the course of the year. Four cases originally reported in 2022-23 have been closed and all necessary actions taken.
<b>Fraud Prevention</b>	Anti-Fraud Policy and Fraud Response Plan	Five cases of suspected fraud were notified to DfE in line with the Invest NI Fraud Response Plan, one of which has subsequently been referred to the PSNI. Two cases from prior years remain open, with both having been referred to the PSNI.

The Independent Review report, published in January 2023, remarked on two Raising Concerns cases, one of which was referred directly to DfE and one of which was handled under Invest NI’s Raising Concerns policy and procedures. The case referred to DfE has been fully investigated by its Fraud and Raising Concerns Branch and the case was closed in August 2023. The case handled by Invest NI concluded in April 2024 following a full investigation.

The Independent Review panel had noted a significant delay in the notification of this second case, with Invest NI amending its Raising Concerns policy and procedures in February 2023 to address this point. As part of the development of a rolling communications programme to increase staff understanding, the Risk and Assurance Team carried out an awareness raising exercise culminating in an all-staff briefing in October 2023. In addition, and in order to maintain focus on the Raising Concerns policy and procedures, attendees at key monthly management and Board meetings are reminded of the policy and the need to consider any issues they are aware of that should be raised under these mechanisms.

Fraud awareness has also been maintained throughout the year. The organisation’s Commercial Training Programme featured a module on Fraud and Ethical Decision Making in August 2023, with the March 2024 staff briefing including a presentation on fraud awareness.

Progress on outstanding cases is reported to the Audit & Risk Assurance Committee at each regular meeting.



## Accountability Report

### Corporate Governance Report

#### Fraud and error in Invest NI support schemes

Invest NI's approach to the prevention and detection of fraud is documented in its Anti-Fraud Policy, while the Fraud Response Plan provides a guide to how cases of suspected or alleged fraud are handled. Each grant-giving programme features controls that are designed to minimise the risk of fraud and error. These controls are regularly reviewed by Internal Audit Service as part of its rolling cycle of reviews.

Where fraud is detected, Invest NI adopts a zero-tolerance approach and will seek to refer the matter to the PSNI where appropriate and recover any funds that have been paid out. As noted on page 44, five cases of alleged or suspected fraud were notified to DfE during 2023-24. In two cases, further review of the circumstances served to confirm that there had been no attempt to defraud Invest NI. In the remaining three cases, which are still under investigation, the relevant grant claims paid to the companies in question totalled approximately £18k. This compares to overall activity during the year, which saw 1,482 Letters of Offer made to 1,042 companies, with potential support totalling £93m.

Invest NI does not assume that the cases identified above represent the sum total of attempted or actual fraud perpetrated by the companies it supports through its major schemes. While it is difficult to estimate the actual level of fraud and error, we remain content that the controls in place to prevent and detect fraud, as assessed by Internal Audit Service, are operating effectively and are robust.

#### Invest NI's compliance with the Corporate Governance Code

The Corporate Governance in Central Government Departments: Code of Good Practice NI (the Code) seeks to promote good corporate governance in central government departments. The focus of the Code is on ministerial departments but as a NDPB, Invest NI is compliant with the practices set out in the Code wherever this is relevant, practical and suits our business needs.

#### Relationship with subsidiary company NI-CO

The Relationship Framework Document between Invest NI and its subsidiary NI-CO sets out the responsibilities and reporting requirements between the company, Invest NI and DfE. As designated Accounting Officer for Invest NI and its subsidiary companies, the Chief Executive of Invest NI is ultimately responsible to the Departmental Permanent Secretary in his role as DfE Accounting Officer.

In 2023-24 NI-CO carried out a strategic review of its operations necessitated by the company's ineligibility to bid for contracts under the 2021-27 EU Multi-Finance Framework Programme due to the changes in the trading relationship between the EU and the UK. The NI-CO Board concluded in June 2023 that the company could no longer continue as a going concern and subsequently developed and presented a closure plan. This decision necessitated an adjustment to overall governance arrangements between Invest NI and NI-CO, with a schedule of regular, formal meetings between the two bodies established and a closure register created to monitor progress. The NI-CO Board increased the frequency of its meetings from quarterly to monthly, with a full set of the Board papers submitted in advance of each Board meeting. The Director of Invest NI's Performance, Compliance and Co-ordination Division attended each meeting of both NI-CO's Board and Audit & Risk Committee in an observer capacity.

In December 2023, Ken Nelson was reappointed as Interim Chair for a period up to 31st December 2024. This appointment was made on merit and within the spirit of the Office of the Commissioner for Public Appointments for Northern Ireland Code of Practice. NI-CO ceased trading on 31<sup>st</sup> March 2024, by which time its redundancy process was complete and all eighteen core staff left the company.

### Accountability Report

### Corporate Governance Report

#### Relationship with BSDL Group

During 2013-14 the acquisition of the BSDL Group was completed, allowing Invest NI to take ownership of the Bedford Street building. The BSDL Board meets regularly and financial reporting for the group is consolidated within the Invest NI annual accounts. The BSDL Group Directors, comprising the Invest NI Executive Directors of People & Culture and Finance, present the audited BSDL annual financial statements to the Accounting Officer prior to consolidation into the Invest NI annual accounts. The Group Directors receive no remuneration from BSDL. The Invest NI policies and procedures, including all governance arrangements, have been adopted by the BSDL group and during 2018 the companies were classified by HM Treasury as Non-Departmental Public Bodies.

As such any significant governance issues arising would be reported in the six-monthly assurance statement and brought before the Invest NI Audit & Risk Assurance Committee and Board as required. No such issues were identified in 2023-24.

#### Relationships with Delivery Partners

Written contractual or partnership agreements are in place with Delivery Partners (known as External Delivery Organisations; EDOs) or Service Providers who deliver specific services or activities on behalf of Invest NI.

These agreements also set out the performance and reporting requirements, which in turn are monitored by designated managers within Invest NI. Detailed guidance on the commissioning and management of EDOs is available to all staff via the Invest NI intranet. As part of the overall internal audit service provided by DfE, a rolling inspection programme of EDOs and their management by Invest NI is tendered and carried out by external consultants. The current contract for this work commenced in April 2022.

The 2023-24 Internal Audit Plan included a full schedule of EDO inspections (carried out by the service provider) and sponsor controls reviews (carried out by Internal Audit Service) to look at the Invest NI management of EDO relationships.

#### The Independent Review of Invest Northern Ireland

In January 2022 Gordon Lyons, then Minister for the Economy, commissioned a review of Invest NI in order to provide an independent assessment of the organisation's efficiency and effectiveness. The Independent Review Panel, which was chaired by Sir Michael Lyons and comprised Dame Rotha Johnston DBE and Maureen O'Reilly, was tasked with assessing Invest NI's capacity to align with and operationally deliver DfE's 10X Economic Vision.

The Panel's report, which was published in January 2023, found that profound change is required within Invest NI to ensure that it is strategically aligned with the 10X policy objectives and equipped to deliver interventions that will help to transform the Northern Ireland economy. The Panel made a suite of recommendations across 17 broad areas, including leadership, structure, performance metrics, partnering, the client company model and DfE oversight. Opportunities for improvement were also identified in the approach to specific sectors, workplace skills and Invest NI's risk and control environment. The report is available on DfE's website.

Invest NI accepted all recommendations made in the Independent Review and a Steering Group (comprising Invest NI Board members and senior management from both Invest NI and DfE) was established to coordinate the Review response. Through a collaborative approach involving over 300 staff from both organisations working within thematic Task and Finish (T&F) Groups, a total of 35 Strategic Actions were developed and agreed across 12 key areas. Each Strategic Action is owned by an Invest NI Board Member or a member of senior management for either Invest NI or DfE.

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### Corporate Governance Report

The "Risk & Control" section of the Independent Review contained four recommendations relating to the requirement for a central compliance function, the potential to commission an Enterprise Risk Management Framework review, a review of the implementation of the Raising Concerns policy and procedures, and the approach to lower value projects. The Governance, Compliance, Risk & Control T&F Group was responsible for the development of two Strategic Actions that address these four recommendations. The Invest NI Executive Director Finance owns both of these actions.

Following the publishing of the Action Plan on 4<sup>th</sup> October 2023 the Steering Group was reconstituted as the Implementation Oversight Group (IOG), which meets quarterly to monitor progress. In March 2024 the IOG launched a series of dedicated assurance workshops focussed on critical areas of the Action Plan in order to assess progress on delivery of the Strategic Action and its alignment with the DfE Minister's Economic Mission, to ensure that each Strategic Action will deliver the required impact and outcomes and to identify any barriers to the effective delivery of the action.

Implementation of the Action Plan is a priority for Invest NI, the Department and for the DfE Minister, and I welcome the opportunities it has identified to strengthen Invest NI's risk management and control systems.

### Ministerial Directions

Throughout the pandemic Invest NI supported DfE on nine emergency COVID-19 Business Support Schemes, each of which was subject to a Ministerial Direction from the Economy Minister. While the Ministerial Directions were issued in previous years and no expenditure was incurred in 2023-24, the 2023-24 accounts contain details of a small amount of expenditure relating to three of the emergency schemes (the Small Business Grant Scheme and the COVID-19 Restrictions Business Support Scheme Parts A and B) in 2022-23 for comparison purposes. The role of Invest NI in each scheme was agreed with DfE and the Department of Finance via either a Memorandum of Understanding (MOU) or Delivery Document.

There were no Ministerial Directions received in 2023-24.

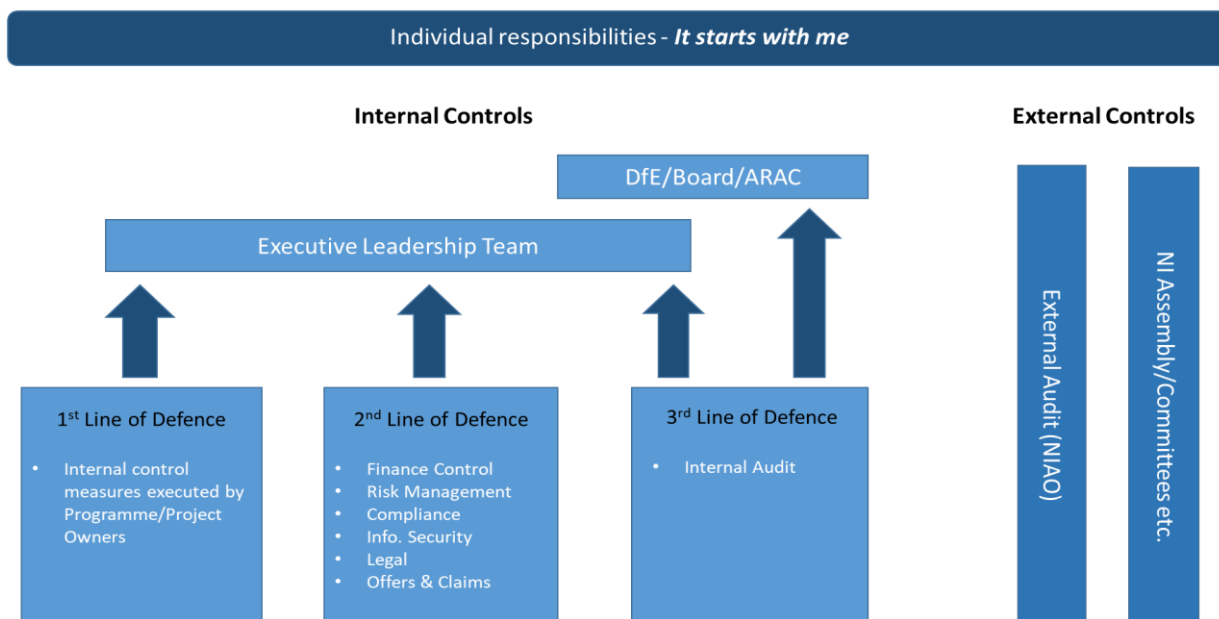
## Accountability Report

### Corporate Governance Report

#### The risk and control framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. Invest NI’s risk and control framework is based on the three lines of defence:

#### The Three Lines of Defence



#### Risk Management policy

The Board, Chief Executive, and the ELT have overall responsibility for determining the risk management policy within Invest NI. This includes designing, implementing and maintaining risk management systems to identify and manage those risks that could adversely impact the achievement of the organisation’s objectives. The organisation’s risk management arrangements are documented in the Risk Management Strategy and Policy.

Risk management is increasingly integrated into the corporate planning and decision-making processes of the organisation. During the year bi-annual assurance statements were submitted to DfE, providing an account of the internal control matters arising in each of the reporting periods. The Corporate Risk Register is a standing item on the Oversight and Liaison meetings between Invest NI and DfE. The Audit & Risk Assurance Committee is provided with a copy of the Corporate Risk Register and a summary of any additions, deletions and movement in the ‘Very High’ category. Through these processes, the Board and the ELT demonstrate that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on.

The Risk Register is subject to a quarterly review by the Risk and Assurance Team, which undertakes an independent challenge function and works closely with Divisions to refine, articulate and manage risks at Corporate and Group level. Any fully managed risks are removed from the Register and kept under review, while new risks, both at Corporate and Group level, are brought forward as considered necessary.

## Accountability Report

### Corporate Governance Report

Further details of the principal risks facing Invest NI are found on page 13.

The Invest NI Board held a risk workshop in September 2023 to discuss the organisation's approach and attitude to risk. A revised Risk Appetite Statement was subsequently approved by the Board at its meeting in February 2024. The Board has committed to an annual risk workshop at which it will review the Risk Appetite Statement and consider the Emerging Risk Register, which monitors long term threats and opportunities that are relatively remote but that have the potential to impact on the organisation's business.

Invest NI's Risk Management Strategy and Policy (to be renamed Risk Management Framework) will be updated to reflect both the revised Risk Appetite Statement and the recent work done on the risk register format and the move to a dedicated risk management software package.

The Audit & Risk Committee met four times, and the Internal Audit Committee three times, to review and advise on the risk management, control and governance arrangements. These include audit issues arising during the period, key projects, ongoing operational matters and investigations.

### Business Continuity

Invest NI's Business Continuity Plan was most recently updated in November 2023. An exercise was carried out in January 2024 to discuss the actions required in the event of a scenario based on the accidental disposal of confidential waste. Further scenario testing is planned for 2024-25 and the Incident Management Team will also carry out a review of the actions taken during the COVID-19 pandemic.

### Data Security

Following the annual Information Security Audit in November 2023, Invest NI continues to be certified to the international security standard ISO 27001. The certification provides assurance that Invest NI maintains an Information Security Management Systems (ISMS) that protects the confidentiality, integrity and availability of corporate information. Security matters are overseen by an Information Governance Group (IGG) which met four times during the year. Mandatory compliance training, internal audit assessments and risk assessments are performed on a regular basis to drive information security continuous improvement. The IGG provides updates to the Audit & Risk Assurance Committee on the progress of risks and mitigations (including cyber security). A review of Invest NI's ISMS was also carried out by Internal Audit Service during 2023-24, with no significant issues identified.

During the year there was one case involving loss of an encrypted portable data storage device, one involving a breach of a policy that did not lead to any unauthorised disclosure and 20 incidents relating to unauthorised disclosure of information, the majority of which had a mitigated risk rating of "low". Four incidents had a mitigated rating of 'medium' due to the nature of the data involved, however none were deemed necessary to report to the ICO. All of the incidents were contained, and mitigations put in place against future risk. Communications on information security matters were issued on a regular basis throughout the year. All staff were required to complete annual mandatory information security training during 2023-24.

Invest NI's staff continued to work remotely as part of a hybrid working model and compliance with Information Security and Data Protection in the remote working environment is monitored as a risk to be tracked within the information security risk register. Invest NI continues to implement security controls to support this approach, such as secure connection via VPN, encrypted equipment and awareness training.

## **Accountability Report**

### **Corporate Governance Report**

Invest NI's Data Protection Officer (DPO) continues to work with all parts of the business on the ongoing compliance with the requirements of the UK General Data Protection Regulation (UK GDPR), and to promote the principles of 'Data Protection by Design and by Default'. All staff were required to complete annual mandatory data protection awareness training issued during 2023-24.

#### **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, by the Executive Directors within Invest NI, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their 'Report to those Charged with Governance' and other reports. I have also considered the Independent Review panel's observations regarding risk and control. The Audit & Risk Committee, on behalf of the Board, reviews the range of available assurance in formulating its opinion on the overall effectiveness of the controls place. I note the Committee's Annual Report concludes that controls are operating effectively, and I welcome the Committee's ongoing input to identifying potential areas for improvement. I have noted the Audit & Risk Committee's opinion in my review of the effectiveness of the system of internal control and a plan is in place to address weaknesses, including those identified in the Independent Review report.

#### **Group Assurance Statements on Internal Control**

During 2023-24 each of the Executive Directors conducted a quarterly review and provided Assurance Statements on Internal Control for their areas of responsibility. These reviews and the completion of the Assurance Statements were supported by the use of Internal Control checklists. Key findings were discussed with me, and this work helped inform my bi-annual Assurance Statements to the DfE Permanent Secretary.

#### **Internal Audit**

Invest NI's internal audit function is provided by the NICS Internal Audit Services (IAS). Internal Audit is an independent and objective function that evaluates and makes recommendations to improve the effectiveness of risk management, control and governance processes. The Head of Internal Audit's (HIA) annual report and opinion is a key element in the framework of assurance that I, as Accounting Officer, may use to inform this Governance Statement.

The Internal Audit Plan for 2023-24 was reviewed by the Internal Audit Committee and Invest NI management prior to approval by the Audit & Risk Assurance Committee at its meeting in February 2023. Progress against the Plan is reviewed at each meeting of the Internal Audit Committee and at each regular Audit & Risk Assurance Committee meeting. IAS submits regular reports, including the HIA's independent opinion on the adequacy and effectiveness of Invest NI's system of internal control and the management of key business risks, together with recommendations for improvement. At the request of management, three reviews from the 2023-24 plan have been deferred until the following year. The Audit & Risk Assurance Committee has accepted the need for the deferrals and has approved the changes to the Plan.

In addition to the formal reporting IAS responded to a number of requests for advice from Invest NI management and its Audit & Risk Assurance Committee.

IAS also manages the rolling programme of EDO inspections through the engagement of an external service provider. The 2023-24 Internal Audit Plan included a full schedule of EDO inspections (carried out by the service provider) and sponsor controls reviews (carried out by Internal Audit Service) to look at the Invest NI management of EDO relationships.

### Accountability Report

### Corporate Governance Report

No IAS Audit Reports received a limited opinion in 2023-24 and the HIA has provided an overall satisfactory audit opinion (the highest rating available) with regard to the adequacy and effectiveness of Invest NI's risk management, control and governance processes for the 2023-24 year.

The HIA's Annual Report and Opinion notes the issues raised in the Independent Review of Invest NI and the recommendations contained in the review's report, some of which relate to Risk and Control. The HIA has concluded that, while the review highlights a number of issues and challenges for Invest NI, the addressing of which will further strengthen the Risk, Control and Governance Environment, the overall opinion of "satisfactory" is justified. The 2024-25 Internal Audit Plan includes an assurance assignment review of the oversight and monitoring arrangements established in respect of the delivery of the Independent Review Action Plan.

### Accountability Grids

Since the early 1980s a number of reports have been presented by bodies such as the NIAO and Public Accounts Committee, Westminster or Stormont, making recommendations relevant to corporate governance arrangements within Invest NI or its predecessor bodies. All recommendations that directly related to DfE and/or Invest NI are now recorded in an 'Accountability Grid' to ensure that all necessary actions are being progressed. This is supplemented by recommendations made in reports related to other organisations that also had an impact on, or potential relevance to, Invest NI.

A summary of the Accountability Grids was provided to the Audit & Risk Assurance Committee at its meeting in February. A total of 36 recommendations have been added since the last report to the Committee (November 2022), meaning there are a total of 409 recommendations on the Accountability Grids, of which three require ongoing action.

### NIAO Reports

The NIAO's "Innovation and Risk Management – A Good Practice Guide for the public sector", published in June 2023, is directly relevant to Invest NI's operations and will be incorporated into the upcoming review of its Risk Management Strategy and Policy (to be renamed Risk Management Framework).

### Public Accounts Committee Issues

There were no Public Accounts Committee issues raised in 2023-24.

### Significant internal control problems

Invest NI, in conjunction with DfE, has an Action Plan to address the findings in the Independent Review of Invest NI. While a number of recommendations are designed to strengthen Invest NI's risk management and control framework, I do not consider that these areas for improvement represent a significant internal control problem. In making this assessment, I have considered the opinion expressed by the Head of Internal Audit, who has concluded that although the review highlights a number of issues and challenges for Invest NI, the addressing of which will further strengthen the Risk, Control and Governance Environment, the overall opinion of "satisfactory" is justified.

Three regularity issues relating to DoF approvals were identified and reported on in the 2022/23 report, with retrospective approval subsequently being granted for each. NIAO raised a priority 1 point in the 2022/23 Report To Those Charged With Governance, recommending that Invest NI should carefully consider potential root causes, including staff turnover, and how it documents and monitors the conditions attached to approvals.

### Accountability Report

#### Corporate Governance Report

In response to this, Invest NI's Performance, Compliance and Co-ordination Division (PCC) commissioned out a project owner review of compliance with DoF conditions of approval, with a further review carried out by the PCC Director. The results, which were provided to the Governance Council and the Audit & Risk Assurance Committee, identified that 45 out of 50 'live' cases were fully compliant. One of the remaining cases had an outstanding condition relating to the completion of an evaluation, to which DoF has agreed to an extension. Details of the remaining four cases are provided below.

Approvals for buildings (BSDL) insurance and travel insurance were given internally but not sought from DoF, with retrospective approval for expenditure of £155,848 and £12,057 subsequently being sought from and granted by DoF.

The remaining three cases relate to instances where actual expenditure was less than the amount approved and the saving in each case was in excess of the 10% tolerance outlined in the DoF standard condition of approval. Retrospective approval has therefore been required for the following expenditure:

- Due to changes in the portfolio, expenditure on insurance for Invest NI's Land and Property portfolio for the four-year period 2020 to 2024 was £97,410 less than the £241,887 estimated in the business case and approved by DoF. Retrospective approval for the reduced expenditure of £144,477 was provided by DoF;
- Expenditure relating to the Sustainable Development Programme (SDP) from 2015 to 2019 amounted to £6.33m, equivalent to 85% of the approved amount of £7.45m. Again, as the saving was in excess of the 10% tolerance, retrospective approval has been provided by DoF; and
- In relation to the Northern Ireland Advanced Engineering Competence Centre (NIAECC), retrospective approval has also been provided by DoF for the reduced level of expenditure, which, at £2.4m, was approximately 53% of the amount originally approved by DoF.

As part of this exercise, Invest NI has established a database of all live projects, programmes and business cases that have been approved by DoF. PCC is reviewing, as part of its work on the Independent Review Action Plan, how a centralised oversight and test drilling process can provide further assurance that approval conditions are being adhered to, including how to highlight lessons learned to project and programme owners, including the requirement to seek re-approval when costs are forecast to be less than originally anticipated.

#### Impact of NI-CO on the preparation of the group accounts

As outlined on page 12, the NI-CO Board concluded in June 2023 that NI-CO could no longer be considered a going concern and the company subsequently ceased trading on 31 March 2024. As a result of this decision, the NI-CO accounts for 2023-24 have been prepared on the cessation basis. NI-CO has continued to work with the EU to confirm the extent of any potential future clawback, and has included a provision of £1.9m (2022-23 £2.1m) in its accounts in respect of this. While this work is progressing and is expected to reach a conclusion early in 2024-25, the NI-CO auditor has again qualified its audit opinion as it was unable to obtain sufficient and appropriate evidence to support this balance.

The NIAO has determined that, as a result of this uncertainty, the limitation on the scope of its work noted in the 2022-23 accounts remains, with the Comptroller and Auditor General therefore again qualifying the audit opinion on the group accounts for 2023-24.



**Accountability Report**

**Corporate Governance Report**

**Conclusion**

I have considered the evidence provided with regards to the production of the Annual Governance Statement, including the findings of the Independent Review and the advice and assurance provided by the Audit & Risk Assurance Committee. I conclude that Invest NI has satisfactory governance and risk management systems with effective plans to ensure continuous improvement.

## **Accountability Report**

## **Remuneration and Staff Report**

### **Remuneration Report**

The Remuneration and Staff Report sets out Invest NI's Remuneration Policy for our Board members and ELT, reports on how that policy has been implemented and sets out the amounts awarded to Board members and ELT and, where relevant, the link between performance and remuneration. It also contributes to Invest NI's accountability to the Northern Ireland Assembly and best practice with corporate governance norms and codes.

### **Chair and Board members**

The Chair and Board members are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The Chair and Board members are appointed for a fixed period of up to five years. Thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of the Chair and Board is set by DfE. Increases are calculated in line with the recommendations of the Senior Salaries Review Body. There are no arrangements in place for the payment of a bonus.

Neither the Chair nor any Board members receive pension contributions from Invest NI or DfE. Invest NI reimburses the Chair and Board members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

## Accountability Report

### Remuneration and Staff Report

The remuneration of the Chair and Board members is as follows (the information in the table below has been subject to audit):

	Salary (£'000)		Salary (£'000) FYE		Benefits in kind (to nearest £100)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Rose Mary Stalker (Chair) (resigned 31 January 2023)	-	38	-	46	-	900
Deborah Lange (resigned 31 May 2022)	-	2	-	13	-	-
Mark Nodder (resigned 31 May 2022)	-	2	-	13	-	-
Mark Sweeney (resigned 31 May 2022)	-	2	-	13	-	-
Padraig Canavan (resigned 31 May 2022)	-	2	-	13	-	-
Judith Totten (resigned 31 May 2022)	-	2	-	13	-	-
Colin Coffey	14	14	14	13	1,000	1,000
Kieran Kennedy	14	14	14	13	-	-
Kevin Kingston (resigned 31 March 2023)	-	13	-	13	-	-
Marie-Therese McGivern	14	13	14	13	-	-
Michael McQuillan	14	13	14	13	-	-
Dominic Darby (appointed 30 June 2022)	14	10	14	13	-	-
Melanie Dawson (appointed 30 June 2022)	14	10	14	13	1,100	800
Dawn McLaughlin (appointed 30 June 2022)	14	10	14	13	-	-
Ciaran Mulgrew (appointed 30 June 2022)	14	10	14	13	-	-
Patrick O’Gorman (appointed 30 June 2022)	14	10	14	13	-	-
Julie-Ann O’Hare (appointed 30 June 2022)	14	10	14	13	-	-
Scott Ritchie (appointed 30 June 2022)	14	10	14	13	-	-
Colm McKenna (Interim Chair) (appointed 27 February 2023 & resigned 29 February 2024)	42	4	46	46	200	-
John Healy (appointed 1 March 2024)	4	-	46	-	-	-

#### Benefits In Kind

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

Reimbursement of Board members’ travel expenses in respect of journeys made to Invest NI Headquarters has been determined by HMRC to be taxable emoluments. As a result, travel expenses reimbursed in respect of these journeys are included above as a benefit in kind together with the related tax on the benefit that is carried by Invest NI.

## **Accountability Report**

## **Remuneration and Staff Report**

### **Executive Leadership Team**

The ELT comprises of the Chief Executive and Executive Directors.

### **Remuneration Policy**

The Board is responsible for agreeing the performance indicators against which the Chief Executive is measured, and to present recommendations to DfE on any annual pay increase for the Chief Executive. The annual pay increases for other members of ELT are paid on the same arrangements that apply to the Senior Civil Service (SCS). The pay remit for the NICS, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27th April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31st May 2023 in FD (DoF) 05/23. This was subsequently updated on 12th March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023/24 has been finalised and Invest NI will pay this in July 2024, following approval of the pay remit by the Accounting Officer.

The remuneration of staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

### **Service Contracts**

As with all staff appointments, ELT appointments are made in accordance with Invest NI's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

All ELT members hold permanent appointments with the organisation that are open-ended. Early termination, other than for misconduct, would result in these individuals receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org)

## Accountability Report

### Remuneration and Staff Report

#### Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the ELT (the information in the table below has been subject to audit):

Single total figure of remuneration								
	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Chief Executive:</b>								
Mel Chittock **	145-150 (105-110 FYE)	160-165	-	-	(29)	242	<b>115-120</b>	400-405
Kieran Donoghue***	30-35 (170-175 FYE)	-	-	-	11	-	<b>40-45</b>	-
<b>Executive Directors:</b>								
Jeremy Fitch	105-110	105-110	-	-	(19)	(27)	<b>85-90</b>	80-85
Peter Harbinson	80-85	80-85	-	-	38	(23)	<b>120-125</b>	55-60
Steve Harper	105-110	105-110	-	-	42	44	<b>145-150</b>	150-155
Brian Dolaghan	95-100	95-100	-	-	46	(8)	<b>140-145</b>	90-95
Donal Durkan****	100-105	95-100	-	-	(16)	(24)	<b>85-90</b>	70-75
Alan McKeown*****	85-90 (75-80 FYE)	95-100	-	-	35	39	<b>120-125</b>	135-140
Carolyn McKenna*****	35-40 (75-80 FYE)	40-45 (70-75 FYE)	-	-	31	(8)	<b>65-70</b>	30-35
Paula Logue*****	40-45 (80-85 FYE)	-	-	-	17	-	<b>60-65</b>	
Denise Black*****	-	40-45 (80-85 FYE)	-	-	-	18	-	60-65

The salary figures included in the table above reflect what was paid to the individuals during 2023-24, which may include an element of back pay relating to the previous year.

#### \*Pension Benefits

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. This figure has been calculated and provided to us by Civil Service Pensions.

\*\* Mel Chittock reverted to the role of Executive Director on 29 January 2024. Prior to that date, he was the Interim Chief Executive. FYE figure noted is for role of Executive Director.

\*\*\* Kieran Donoghue was appointed to the role of Chief Executive on 29 January 2024.

\*\*\*\* Donal Durkan was appointed to the role of Executive Director, Strategy & Partnerships on a fixed term basis from 1 October 2020.

\*\*\*\*\* Alan McKeown was appointed to the role of Executive Director, Regional Business on 1 October 2023. Prior to that date, he was the Chief Transformation Officer. FYE figure noted is for the role of Executive Director, Regional Business.

\*\*\*\*\* Carolyn McKenna was appointed to the role of Executive Director, People and Culture on a fixed term basis from 1 December 2022 and left the role on 17 September 2023.

\*\*\*\*\* Paula Logue was appointed to the role of Executive Director, People and Culture on 18 September 2023.

\*\*\*\*\* Denise Black left the role of Executive Director, People and Culture on 30 November 2022.

## Accountability Report

### Remuneration and Staff Report

#### Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments.

#### Bonuses

No member of ELT received any bonuses during 2023-24 or the previous year.

#### Pay Multiples

*The following section is subject to audit*

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Invest NI in the financial year 2023-24 was £170,000-175,000 (2022-23, £160,000-165,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2023-24	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration (£)	27,128	40,300	43,191
Pay ratio	6.4:1	4.3:1	4.0:1

2022-23	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration (£)	26,575	39,784	42,639
Pay ratio	6.2:1	4.1:1	3.9:1

*\*Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.*

There was no performance pay or bonuses paid to any of the individuals in the table above, therefore the salary shown equates to the total pay and benefits for each individual.

In 2023-24, no employees (2022-23, one employee) received total remuneration in excess of the highest-paid director. This employee was temporarily posted overseas on a fixed term contract and the total remuneration reported in 2022-23 includes in-country related costs of the assignment which are grossed up for tax purposes. These costs were temporary during the period of relocation, which finished during 2022-23.

Remuneration ranged from £21,000 to £170,000-175,000 (2022-23, £21,000 to £170,000-175,000).

#### Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- salary and allowances, and
- performance pay and bonuses of the highest paid director and of their employees as a whole.

## Accountability Report

### Remuneration and Staff Report

The percentage changes in respect of Invest NI are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances	4.6%	3.0%
Highest paid director's salary and allowances	6.2%	(8.5%)
Average employee performance pay and bonuses	N/A*	N/A*
Highest paid director's performance pay and bonuses	N/A*	N/A*

\* No performance pay or bonuses were payable in these years.

### Pension Entitlements

Pension details of ELT as at 31 March 2024 are as follows (the information in the table below has been subject to audit):

	Accrued pension at pension age as at 31 March 2024 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mel Chittock	65-70 plus 170-175 lump sum	0-2.5 plus nil lump sum	1,569	1,510	(51)	-
Kieran Donoghue****	0-5 plus nil lump sum	0-2.5 plus nil lump sum	10	-	8	-
Jeremy Fitch	45-50 plus 120-125 lump sum	0-2.5 plus nil lump sum	1,081	1,019	(35)	-
Peter Harbinson	40-45 plus nil lump sum	0-2.5 plus nil lump sum	866	780	30	-
Steve Harper	20-25 plus nil lump sum	2.5-5 plus nil lump sum	275	216	26	-
Brian Dolaghan	45-50 plus nil lump sum	2.5-5 plus nil lump sum	947	833	35	-
Donal Durkan	45-50 plus 120-125 lump sum	0 plus 0 lump sum	1,098	1,034	(31)	-
Denise Black*	-	-	-	58	-	-
Paula Logue***	0-5 plus nil lump sum	0-2.5 plus nil lump sum	15	-	12	-
Carolyn McKenna**	25-30 plus nil lump sum	0-2.5 plus nil lump sum	590	531	28	-

## Accountability Report

### Remuneration and Staff Report

Alan McKeown	10-15 plus nil lump sum	0-2.5 plus nil lump sum	145	104	23	-
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\* This individual left Invest NI in November 2022 therefore no figures for 2023-24 are provided.

\*\*This individual left Invest NI in September 2023.

\*\*\* This individual joined Invest NI in September 2023 therefore no comparatives are available for 2022-23.

\*\*\*\* This individual joined Invest NI in January 2024 therefore no comparatives are available for 2022-23.

Note: Any members affected by the [Public Service Pensions Remedy](#) may have been reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

### Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The **alpha** pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the **Classic**, **Premium**, **Classic Plus** and **Nuvos** pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to **alpha** from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

#### McCloud Judgement

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, **alpha**, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) '**Classic**', '**Premium**' or '**Nuvos**' rules or alternatively calculated under the reformed **alpha** rules. As part of this 'retrospective' remedy most active



## Accountability Report

### Remuneration and Staff Report

members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

- Rolled back opening balance
- Rolled back closing balance
- CETV calculated by CSP on the rolled back basis
- No restatement of prior year figures where disclosed

**Alpha** is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

#### Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (**Classic**, **Premium** and **Classic Plus**). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of **Premium** or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) **Nuvos** arrangement or they could have opted for a Partnership Pension Account. **Nuvos** was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in **Classic** accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **Premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **Classic**, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). **Classic Plus** is essentially a variation of **Premium**, but with benefits in respect of service before 1 October 2002 calculated broadly as per **Classic**.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a

## Accountability Report

### Remuneration and Staff Report

further 0.5% of pensionable salary to cover the cost of centrally- provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic**, **Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the website [www.finance-ni.gov.uk/civilservicepensions-ni](http://www.finance-ni.gov.uk/civilservicepensions-ni).

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 are as follows:

#### Scheme Year 1 April 2024 to 31 March 2025

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 1 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

#### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service

## Accountability Report

### Remuneration and Staff Report

pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs.

The HM Treasury Guidance of 27 April 2023 can be found at:

<https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>

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

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

#### **Compensation for Loss of Office**

*The following section is subject to audit*

No member of ELT received compensation for loss of office. In 2023-24 no members of ELT retired early (2022-23: no members).

#### **Payments to past Directors**

*The following section is subject to audit*

No payments have been made to former directors in either the current or previous year.

## Accountability Report

### Remuneration and Staff Report

#### Staff Report

##### Staff Costs

The following section is subject to audit

	Group			2023-24 Total £'000	2022-23 Total £'000
	Permanently employed staff £'000	Overseas staff £'000	Others* £'000		
Wages and salaries	26,074	5,957	1,687	33,718	29,289
Social security costs	2,727	-	22	2,749	2,647
Other pension costs	7,307	-	31	7,338	7,003
<b>Sub total</b>	<b>36,108</b>	<b>5,957</b>	<b>1,740</b>	<b>43,805</b>	<b>38,939</b>
Less recoveries in respect of outward secondments and others	(317)	-	-	(317)	(305)
<b>Total net costs</b>	<b>35,791</b>	<b>5,957</b>	<b>1,740</b>	<b>43,488</b>	<b>38,634</b>

	Invest NI			2023-24 Total £'000	2022-23 Total £'000
	Permanently employed staff £'000	Overseas staff £'000	Others* £'000		
Wages and salaries	24,205	5,957	1,687	31,849	28,545
Social security costs	2,678	-	22	2,700	2,564
Other pension costs	7,087	-	31	7,118	6,771
<b>Sub total</b>	<b>33,970</b>	<b>5,957</b>	<b>1,740</b>	<b>41,667</b>	<b>37,880</b>
Less recoveries in respect of outward secondments and others	(440)	-	-	(440)	(425)
<b>Total net costs</b>	<b>33,530</b>	<b>5,957</b>	<b>1,740</b>	<b>41,227</b>	<b>37,455</b>

\*Others include Board members, temporary staff/external secondees and employees who are engaged on a fixed term contract. Included within wages and salaries above are costs of £1,379,112 (2022-23: £1,267,753) in respect of external secondees and temporary staff.

## Accountability Report

### Remuneration and Staff Report

#### Pension Costs

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but Invest NI is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed- scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2023-24, employers' contributions of £7,118,000 were payable to the NICS pension arrangements (2022-23 £6,771,000) at one of three rates in the range from 28.7 per cent to 34.2 per cent of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9,830 (2022-23: £21,402) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8 to 14.75 per cent (2022-23: 8 to 14.75 per cent) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earning.

Employer contributions of £278, 0.5 per cent (2022-23: £442, 0.5 per cent) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil (2022-23: £nil). Contributions prepaid at that date were £nil (2022-23: £nil).

No employees (2022-23: One person) retired early on ill-health grounds. The total additional accrued pension liabilities amounted to £nil (2022-23: £nil).

NI-CO contributed £224,000 (2022-23: £231,000) to a defined contribution scheme during the year.

## Accountability Report

### Remuneration and Staff Report

#### Average number of persons employed

*The following section is subject to audit*

The average number of Full Time Equivalent (FTE) persons employed during the year was as follows:

Group	Permanently employed staff	Others	2023-24 Total	2022-23 Total
Directly employed	529	4	533	525
Temporary staff/external secondees	-	19	19	22
Board members	-	12	12	12
Overseas staff	-	71	71	59
NI-CO staff	17	-	17	23
<b>Total</b>	<b>546</b>	<b>106</b>	<b>652</b>	<b>641</b>

Invest NI	Permanently employed staff	Others	2023-24 Total	2022-23 Total
Directly employed	529	4	533	525
Temporary staff/external secondees	-	19	19	22
Board members	-	12	12	12
Overseas staff	-	71	71	59
<b>Total</b>	<b>529</b>	<b>106</b>	<b>635</b>	<b>618</b>

Note: The following 'Information on people' table is based on total numbers employed, whereas the average number employed referred to above is based on total FTE.

Information on people	2023-24			2022-23		
	Male	Female	Total	Male	Female	Total
Board members	8	4	12	9	4	13
Senior civil servants (SCS)*	12	7	19	13	6	19
Number of employees (excluding SCS)	261	317	578	247	303	550
<b>Total</b>	<b>281</b>	<b>328</b>	<b>609</b>	<b>269</b>	<b>313</b>	<b>582</b>

\*Senior civil servants are defined as a member of staff at Grade 5 or above. The 19 employees referred to above comprise one individual at Grade 1, five individuals at Grade 3 and 13 individuals at Grade 5.

## Accountability Report

### Remuneration and Staff Report

#### Staff turnover

Group	2023-24	2022-23
Staff turnover percentage	9.3	10.5

Invest NI	2023-24	2022-23
Staff turnover percentage	6.0	10.4

#### Employee engagement

The Employee Recognition Scheme continues to offer formal recognition for those staff deemed to have gone above and beyond their daily role and shown to be exemplars of Invest NI’s vision and values.

Invest NI maintained Diversity Mark NI “Bronze” status. As part of this, and to bring together people who share particular interests, there are several Employee Connection Groups which meet regularly. These Groups are Professional Women’s Network, STEM, Green Scene Environmental Group, Disability Empowerment and Awareness Network, and LGBTQ+.

Client Facing Workshops were re-introduced this year with monthly events. The workshops cover a variety of topics relevant to client facing staff and are held as in person events at HQ and streamed live to Regional and overseas Offices. The feedback for these popular events has been positive with many events oversubscribed. They provide an opportunity for knowledge sharing and networking among the different teams and divisions within Invest NI.

#### Off-payroll engagements

There were no off-payroll engagements requiring disclosure. During the year, a number of individuals were engaged by Invest NI via secondment arrangements. In all cases these individuals are on the payroll of their employer and the appropriate income tax and NI obligations are being met by their employing organisation.

Off-payroll and on-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024:

	<b>Total</b>
No. of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Total no. of individuals on-payroll that have been deemed Board members, and/or, senior officials with significant financial responsibility, during the financial year.	19

## Accountability Report

### Remuneration and Staff Report

#### Reporting of Civil Service and other compensation schemes – exit packages

*The following section is subject to audit*

Invest NI did not implement any Voluntary Exit Scheme in the current or previous year.

#### Consultancy costs and temporary staff

Consultancy costs of £Nil (2022-23: £Nil) were incurred and there was expenditure of £236,000 (2022-23: £332,000) on temporary staff during the year.

#### Employee-related policies

Invest NI's policy on Equality of Opportunity aims to ensure that no actual or potential job applicant or staff member is discriminated against, either directly or indirectly, on the grounds of gender, marital status, disability, race, community background or political persuasion, age, dependants, sexual orientation, or trade union membership. The policy is designed to ensure that each person shall have equal opportunity for employment, training, and advancement within Invest NI on the basis of ability, qualifications, and performance.

Invest NI has issued a Joint Declaration of Protection, which is a joint management and union agreement recognising the moral and statutory responsibilities placed on Employers and Trade Unions. Its purpose is to make certain that all Invest NI employees understand their responsibility for ensuring that their conduct is consistent with Invest NI's determination to provide a neutral and harmonious working environment for staff.

This is supported by an annual programme of mandatory training and refresher training in Disability, Equality and Dignity Awareness for all staff.

Recruitment and selection training, including awareness of unconscious bias, is provided to all members of recruitment panels. Invest NI gives full and fair consideration to employment applications made by disabled persons, having regard to their particular aptitude and abilities.

It takes appropriate action to facilitate the employment, training, career development and promotion of disabled staff members, including those who have become disabled during the period of their employment with the organisation. It promotes a diverse and inclusive workforce by supporting alterations to the working environment to assist disabled persons, and by offering flexible and personalised working hours and hybrid working arrangements for all staff.

As part of its commitment to promoting an ethos of valuing everyone as an individual, Invest NI maintained Diversity Mark NI "Bronze" status, and is currently working on its Diversity and Inclusion strategy which is due to be completed by April 2025.

Invest NI continues to fulfil its statutory obligations under fair employment legislation, including the annual return to the Equality Commission for Northern Ireland.

Staff attendance is actively managed, and the organisation's absence rate for the 2023-24 absence year was 3.09%. This figure is a slight increase from 2.94% in 2022-23 and down from 3.58% in 2021-22. The main reason for the increase is a rise in sickness absence due to mental ill-health, pre-planned surgery, musculoskeletal problems, COVID-19, and Cold/Cough & Flu. (NI Civil Service's absence rate for 2023-24 will not be published until at least September 2024<sup>1</sup>; 2022-23 was 5.7%, up slightly on their outturn of 5.6% for 2021/22.)

The Organisational Development function (previously Learning and Development) supports the development of all staff by providing a range of learning and development interventions. Invest NI offers support with a variety of courses and programmes including further education and can provide



## **Accountability Report**

### **Remuneration and Staff Report**

study leave. It is committed to the continuous development of its staff and to policies that enable them to best contribute to the performance and long-term effectiveness of the organisation. It ensures that all learning interventions are aligned to the business strategy and organisational values. Invest NI offers a range of career development opportunities, and support with further education. It is committed to the continuous development of its staff and to policies that enable them to best contribute to the performance and long-term effectiveness of the organisation. It ensures that all learning interventions are aligned to the business strategy and organisational values.

Employees are actively involved in all relevant matters, and communication and consultation are conducted both directly and through the recognised Trade Union (NIPSA).

Invest NI recognises its statutory responsibility to provide healthy and safe working conditions, and its range of people policies and practices support the human rights and wellbeing of employees. Invest NI believes this is essential to achieving our organisational aims in line with our core vision and values.

<sup>1</sup> <https://www.nisra.gov.uk/statistics/ni-civil-service-human-resource-statistics/sickness-absence-statistics>

## Accountability Report

### Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents with the annual report and accounts.

#### Losses and special payments

*The following sections are subject to audit*

#### Losses

Invest NI is required by MPMNI to disclose losses and related information, including any waiver of Invest NI's entitlement to income and write off. Details are as follows:

Waiver/Write off	Group and Invest NI					
	2024 Losses £'000	2024 No. of cases >£300k*	2024 No. of cases <£300k	2023 Losses £'000	2023 No. of cases >£250k*	2023 No. of cases <£250k
Grants recoverable	925	1	20	849	-	32
Others including investments and accrued income	1,743	2	8	620	1	7

All the waiver or write off cases were either approved by Invest NI in accordance with internal delegated limits, or by DfE or DoF where appropriate.

\* Invest NI supports companies via grants, loan and share investments. If an event occurs that results in the investment being irrecoverable or the grant requiring clawback, a loss can occur. These events include, for example, abandonment of project supported or company failure. The 3 cases noted over £300,000, related to 2 loan & equity investments and a recoverable grant following the failure of the respective companies. From 2023-24 the reporting limit was uplifted from £250k to £300k.

At the year-end there are 21 cases of potential losses totalling £2,625,000 (2022-23: 8 cases totalling £1,364,000) that are under management review. Of these cases £10,000 were reported in previous years; £2,615,000 were new cases in 2023-24.

All cases that have been written off during the year have been reported to DfE. The potential loss cases, that will require further approval, have been notified to DfE and the review process is ongoing. All of these cases have been fully provided for so will have no future impact on the accounts.

#### Special payments

There were no special payments greater than £300,000 in the current or previous year. Special payments are defined in Managing Public Money (Northern Ireland).

#### Fees and charges

*This section is subject to audit*

There are no fees and charges that require disclosure.

**Accountability Report**

**Assembly Accountability and Audit Report**

**Remote Contingent Liabilities**

*This section is subject to audit*

There are no remote contingent liabilities that require disclosure.

A handwritten signature in black ink, reading "Kieran Donoghue". The signature is written in a cursive style with a long horizontal stroke at the end.

**Kieran Donoghue**  
Accounting Officer

Date: 1 July 2024

## INVEST NORTHERN IRELAND

### THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

#### Qualified opinion on financial statements

I certify that I have audited the financial statements of Invest Northern Ireland and its group for the year ended 31 March 2024 under the Industrial Development Act (Northern Ireland) 2002. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, except for the possible effects of the matters described in the *Basis of opinions* section of my report, the financial statements:

- give a true and fair view of the state of the group's and of Invest Northern Ireland's affairs as at 31 March 2024 and of the group's and Invest Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial Development Act (Northern Ireland) 2002 and Department for the Economy directions issued thereunder.

#### Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied for the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### Basis of opinions

##### ***Limitation on the scope of the audit arising from insufficient evidence to support an accounting estimate.***

A provision of £1.9 million (2022-23 £2.1 million) has been made in the group financial statements for potential clawback from the EU for ineligible expenditure for Northern Ireland Co-Operation Overseas Limited (NI-CO), a subsidiary of Invest Northern Ireland. I was unable to obtain sufficient appropriate audit evidence on a key assumption used to calculate this estimate, to enable me to conclude whether the estimate is reasonable. There were no additional audit procedures that I could undertake to provide me with the required level of assurance. The scope of my audit is therefore limited in this respect.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of Invest Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

## **INVEST NI ANNUAL REPORT AND ACCOUNTS 2023-24**

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Invest Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Invest Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Invest Northern Ireland is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

### **Other Information**

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Industrial Development Act (Northern Ireland) 2002; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In light of the knowledge and understanding of Invest Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Except in respect of the matter set out in my *Basis of opinions* section, I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information or explanations I require for my audit.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as is deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing Invest Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Invest Northern Ireland will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to examine, certify and report on the financial statements in accordance with the Industrial Development Act (Northern Ireland) 2002.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

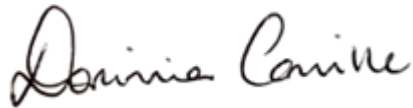
- obtaining an understanding of the legal and regulatory framework applicable to the Invest Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Industrial Development Act (Northern Ireland) 2002, the Financial Assistance Act (Northern Ireland) 2009, health and safety legislation and relevant tax laws;
- making enquires of management and those charged with governance on Invest Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Invest Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure on grant schemes and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, reviewing legislation, performing substantive testing on grant awards, carrying out data analytics on grant applicants, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

## INVEST NI ANNUAL REPORT AND ACCOUNTS 2023-24

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to the financial statements at pages 144 to 146.



*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*

*2 July 2024*



**Consolidated Statement of Comprehensive Net Expenditure**

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Revenue from contracts with customers	5	10,662	11,402
Other operating income	5	8,612	33,949
<b>Total Operating income</b>	<b>5</b>	<b>19,274</b>	<b>45,351</b>
Staff Costs	3	(43,488)	(38,634)
Purchase of goods and services	3	(30,818)	(30,620)
Depreciation and impairment charges	3	(8,823)	(9,218)
Decrease in Provisions	3	6,690	1,155
Other Operating Expenditure	3	(45,009)	(58,875)
COVID-19 Business Support Schemes	3	-	(50)
<b>Total operating expenditure</b>		<b>(121,448)</b>	<b>(136,242)</b>
<b>Net operating expenditure</b>		<b>(102,174)</b>	<b>(90,891)</b>
Finance income		592	2,132
Finance expense		(893)	(921)
<b>Net expenditure for the year before taxation</b>		<b>(102,475)</b>	<b>(89,680)</b>
Tax	6(i)	(1,004)	(1,196)
<b>Net expenditure for the year after taxation</b>		<b>(103,479)</b>	<b>(90,876)</b>
<b>Other Comprehensive Net Expenditure</b>			
<b>Items that will not be reclassified to net operating expenditure:</b>			
Net gain on revaluation of property, plant and equipment	6(iii)	3,084	1,828
Net gain on revaluation of deferred tax		32	
Net gain on revaluation of intangible assets	9	93	278
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2024</b>		<b>(100,270)</b>	<b>(88,770)</b>

All activities derive from continuing operations.

Notes **1 to 26** on pages 84 to 143 form part of these accounts.

**Statement of Comprehensive Net Expenditure – Invest NI**  
For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Revenue from contracts with customers	5	1,557	716
Other operating income	5	8,103	33,395
<b>Total Operating income</b>	<b>5</b>	<b>9,660</b>	<b>34,111</b>
Staff Costs	3	(41,227)	(37,455)
Purchase of goods and services	3	(21,925)	(20,217)
Depreciation and impairment charges	3	(8,101)	(8,495)
Decrease/(Increase) in Provisions	3	6,690	1,155
Other Operating Expenditure	3	(45,009)	(58,875)
COVID-19 Business Support Schemes	3	-	(50)
<b>Total operating expenditure</b>		<b>(109,572)</b>	<b>(123,937)</b>
<b>Net operating expenditure</b>		<b>(99,912)</b>	<b>(89,826)</b>
Finance income		-	-
Finance expense		-	-
<b>Net expenditure for the year before taxation</b>		<b>(99,912)</b>	<b>(89,826)</b>
Tax	6(i)	-	-
<b>Net expenditure for the year after taxation</b>		<b>(99,912)</b>	<b>(89,826)</b>
<b>Other Comprehensive Net Expenditure</b>			
<b>Items that will not be reclassified to net operating expenditure:</b>			
Net gain on revaluation of property, plant and equipment	7	2,918	1,354
Net gain on revaluation of assets	9	93	278
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2024</b>		<b>(96,901)</b>	<b>(88,194)</b>

All activities derive from continuing operations.

Notes 1 to 26 on pages 84 to 143 form part of these accounts.

**Consolidated Statement of Financial Position**

As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Non-current assets</b>			
Property, plant and equipment	7	65,479	64,406
Investment properties	8	7,600	7,600
Intangible assets	9	12,107	17,660
Right-of-use assets	21	2,627	3,224
Investments in associates	11	75,449	69,823
Financial assets	12	46,785	45,564
Trade and other receivables	13	919	3,291
<b>Total non-current assets</b>		<b>210,966</b>	<b>211,568</b>
<b>Current assets</b>			
Trade and other receivables	13	15,962	37,554
Cash and cash equivalents	14	28,623	29,769
Assets classified as held for sale	15	1,300	5,676
<b>Total current assets</b>		<b>45,885</b>	<b>72,999</b>
<b>Total assets</b>		<b>256,851</b>	<b>284,567</b>
<b>Current liabilities</b>			
Trade and other payables	16	(24,424)	(38,380)
Lease liability	21	(716)	(685)
Borrowings	17	(420)	(353)
Current Tax		(600)	(490)
Provisions	18	(14,467)	(21,348)
<b>Total current liabilities</b>		<b>(40,627)</b>	<b>(61,256)</b>
<b>Total assets less current liabilities</b>		<b>216,224</b>	<b>223,311</b>
<b>Non-current liabilities</b>			
Borrowings	17	(13,671)	(14,098)
Derivative financial instruments	20	(902)	(1,190)
Deferred tax liability	6(iii)	(2,276)	(2,260)
Leases liability	21	(2,073)	(2,646)
<b>Total non-current liabilities</b>		<b>(18,922)</b>	<b>(20,194)</b>
<b>Total assets less total liabilities</b>		<b>197,302</b>	<b>203,117</b>
<b>Taxpayers' equity and other reserves</b>			
Revaluation reserve		25,756	24,817
General reserve		171,546	178,300
<b>Total equity</b>		<b>197,302</b>	<b>203,117</b>

Notes 1 to 26 on pages 84 to 143 form part of these accounts.

The financial statements on pages 77 to 143 were approved by the Board on XXXXX June 2024 and signed on its behalf.



**Kieran Donoghue**  
Accounting Officer

Date: 1 July 2024

**Statement of Financial Position – Invest NI**  
As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Non-current assets</b>			
Property, plant and equipment	7	39,225	36,565
Intangible assets	9	2,177	2,603
Right-of-use assets	21	35,505	39,181
Investments in subsidiaries	10	17,593	17,593
Investments in associates	11	75,449	69,823
Financial assets	12	46,785	45,564
Trade and other receivables	13	919	3,291
<b>Total non-current assets</b>		<b>217,653</b>	<b>214,620</b>
<b>Current assets</b>			
Trade and other receivables	13	15,589	33,761
Cash and cash equivalents	14	899	559
Assets classified as held for sale	15	-	5,676
<b>Total current assets</b>		<b>16,488</b>	<b>39,996</b>
<b>Total assets</b>		<b>234,141</b>	<b>254,616</b>
<b>Current liabilities</b>			
Trade and other payables	16	(24,082)	(31,933)
Provisions	18	(12,583)	(19,273)
Lease liabilities	21	(5,622)	(5,301)
<b>Total current liabilities</b>		<b>(42,287)</b>	<b>(56,507)</b>
<b>Total assets less current liabilities</b>		<b>191,854</b>	<b>198,109</b>
<b>Non-current liabilities</b>			
Lease liabilities	21	(30,345)	(34,154)
<b>Total assets less total liabilities</b>		<b>161,509</b>	<b>163,955</b>
<b>Taxpayers' equity and other reserves</b>			
Revaluation reserve		18,638	17,897
General reserve		142,871	146,058
<b>Total equity</b>		<b>161,509</b>	<b>163,955</b>

Notes **1 to 26** on pages 84 to 143 form part of these accounts.

The financial statements on pages **77 to 143** were approved by the Board on XXXX June 2024 and signed on its behalf by



**Kieran Donoghue**  
Accounting Officer

Date: 1 July 2024

**Consolidated Statement of Cash Flows**

Year ended 31 March 2024

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
<b>Cash flows from operating activities</b>					
Net expenditure before taxation			(102,475)		(89,680)
Adjustments for non-cash transactions	19	20,432		21,664	
Finance costs		893		921	
Finance income		(592)		(2,132)	
Decrease in trade and other receivables		22,495		(12,601)	
(Decrease)/increase in trade and other payables		(13,795)		(15,329)	
Use of provisions		(16,986)		(15,067)	
			<u>12,447</u>		<u>(22,544)</u>
<b>Net cash (outflow) from operating activities</b>			<b>(90,028)</b>		<b>(112,224)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(2,068)		(2,411)	
Purchase of intangible assets		(1,077)		(1,093)	
Proceeds of disposal of property, plant and equipment		10,003		2,832	
Repayments from other bodies		4,698		4,312	
Investment in associates		(11,455)		(12,381)	
Investment in financial assets		(3,185)		(2,387)	
Loan interest and dividends received		576		299	
Interest paid		(883)		(902)	
Corporation tax (paid)/received		(846)		566	
			<u>(4,237)</u>		<u>(11,165)</u>
<b>Net cash (outflow) from investing activities</b>			<b>(4,237)</b>		<b>(11,165)</b>
<b>Cash flows from financing activities</b>					
Grants from sponsoring department		94,282		125,273	
Consolidated fund payments to DfE		(161)		(534)	
Repayment of borrowings		(371)		(368)	
Payments made to lease liabilities		(631)		(652)	
			<u>93,119</u>		<u>123,719</u>
<b>Net financing</b>			<b>93,119</b>		<b>123,719</b>
<b>Net (decrease)/increase in cash and cash equivalents in the year</b>			<b>(1,146)</b>		<b>330</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>29,769</b>		<b>29,439</b>
<b>Cash and cash equivalents at the end of the year</b>	14		<b>28,623</b>		<b>29,769</b>

Notes 1 to 26 on pages 84 to 143 form part of these accounts.

**Consolidated Statement of Changes in Taxpayers' Equity**  
**Year ended 31 March 2024**

	General reserve	Revaluation reserve	Taxpayers' Equity
	£'000	£'000	Restated £'000
<b>Balance at 31 March 2022</b>	<b>143,367</b>	<b>23,367</b>	<b>166,734</b>
<b>Changes in Taxpayers' Equity for 2022-23</b>			
Other reserves movements including transfers	656	(656)	-
Comprehensive Net Expenditure for the Year	(90,876)	2,106	(88,770)
Grants from sponsoring department:			
Cash	125,273	-	125,273
Notional	(493)	-	(493)
Reversal of notional costs	373	-	373
<b>Balance at 31 March 2023</b>	<b>178,300</b>	<b>24,817</b>	<b>203,117</b>
<b>Changes in Taxpayers' Equity for 2023-24</b>			
Other reserves movements including transfers	2,270	(2,270)	-
Comprehensive Net Expenditure for the Year	(103,479)	3,209	(100,270)
Grants from sponsoring department:			
Cash	94,282	-	94,282
Notional	(198)	-	(198)
Reversal of notional costs	371	-	371
<b>Balance at 31 March 2024</b>	<b>171,546</b>	<b>25,756</b>	<b>197,302</b>

Notes **1 to 26** on pages 84 to 143 form part of these accounts.

**Statement of Changes in Taxpayers' Equity – Invest NI**  
Year ended 31 March 2024

	General reserve	Revaluation reserve	Taxpayers' Equity
	£'000	£'000	Restated £'000
<b>Balance at 31 March 2022</b>	<b>110,075</b>	<b>16,921</b>	<b>126,996</b>
<b>Changes in Taxpayers' Equity for 2022-23</b>			
Other reserves movements including transfers	656	(656)	-
Comprehensive Net Expenditure for the Year	(89,826)	1,632	(88,194)
Grants from sponsoring department:			
Cash	125,273	-	125,273
Notional	(493)	-	(493)
Reversal of notional costs	373	-	373
<b>Balance at 31 March 2023</b>	<b>146,058</b>	<b>17,897</b>	<b>163,955</b>
<b>Changes in Taxpayers' Equity for 2023-24</b>			
Other reserves movements including transfers	2,270	(2,270)	-
Comprehensive Net Expenditure for the Year	(99,912)	3,011	(96,901)
Grants from sponsoring department:			
Cash	94,282	-	94,282
Notional	(198)	-	(198)
Reversal of notional costs	371	-	371
<b>Balance at 31 March 2024</b>	<b>142,871</b>	<b>18,638</b>	<b>161,509</b>

Notes 1 to 26 on pages 84 to 143 form part of these accounts.

## Notes to the Accounts

### Year ended 31 March 2024

#### 1. ACCOUNTING POLICIES

##### Statement of accounting policies

The financial statements of Invest NI have been prepared in compliance with paragraph 17 (2) of Schedule 1 to the Industrial Development Act (Northern Ireland) 2002 in a form directed by DfE, and in accordance with the 2023-24 *Government Financial Reporting Manual (FReM)* issued by DoF. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the *FReM* permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the organisation, for the purpose of giving a true and fair view, has been selected.

The particular accounting policies adopted by Invest NI are described below. They have been applied consistently to all years presented, in dealing with items considered material in relation to the financial statements.

The financial statements are presented in Sterling (£) with all values rounded to the nearest £1,000 except where otherwise stated.

##### Accounting conventions

These financial statements are prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, investment property, intangible assets and derivative financial instruments which are held at their fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

In the current year, the group has applied the following new standards:

- Amendment to IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9
- Amendment to IAS 1 and IFRS Practice Statement 2, Disclosure of accounting policies (February 2021)
- Amendment to IAS 8, Definition of accounting estimates (February 2021)
- Amendment to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction (May 2021)
- Amendment to IAS 12, Providing a temporary exception to the requirement regarding deferred tax assets and liabilities related to pillar two income taxes (May 2023)



**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Adoption of new and revised standards**

During the year, the IASB and IFRIC have issued accounting standards and interpretations with an effective date after the date of these financial statements (i.e. applicable to accounting periods beginning on or after the effective date).

- Implementation of IFRS S1, General requirements for Disclosure of sustainability-related financial information.
- Implementation of IFRS S2, Climate-related disclosures
- Amendment to IFRS 7, Supplier finance arrangements (May 2023)
- Amendment to IFRS 16, Clarification on how a seller-lessee subsequently measures sale and leaseback transactions (September 2022)
- Amendment to IFRS 17, Address concerns and implementation challenges (not yet endorsed in the UK)
- Amendment to IAS 1, Classification of liabilities as current or non-current (January 2020)
- Amendment to IAS 1, Classification of Liabilities as Current or Non-current — Deferral of Effective Date (July 2020)
- Amendment to IAS 1, Classification of debt with covenants (October 2022)
- Amendment to IAS 7, Supplier finance arrangements (May 2023)

Management do not anticipate that the adoption of the above amendments will have a material impact on the group's financial statements in the period of initial application.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Invest NI and the entities controlled by Invest NI (its subsidiaries) made up to 31 March each year. Control is achieved where Invest NI has the power to govern the financial and operating policies of an investee entity.

Where material, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

**Property, plant and equipment**

Expenditure on property, plant and equipment of £1,000 or more is capitalised. On initial recognition, assets are measured at cost including any costs directly attributable to bringing them into working condition. All property, plant and equipment is reviewed annually for impairment and is carried at fair value. Land and buildings are stated at their fair value based on annual professional valuation as at the end of the financial year.

Other non-property assets are deemed to be short-life or low value assets and are therefore valued on the basis of depreciated replacement cost, using appropriate indices to account for the effects of inflation, as an approximation of fair value. Additions and subsequent expenditure are capitalised only when it is probable that the future economic benefits associated with the asset will flow to Invest NI and the cost of the asset can be measured reliably.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Depreciation**

Freehold land is not depreciated. For other assets, depreciation is provided on a straight line basis in order to write-off the valuation, less estimated residual value, of each asset over its expected useful life, or lease period if shorter. The base useful lives of assets, which are reviewed regularly, are as follows:

Freehold buildings	50 years
Fixtures and fittings	10 years
Computer equipment	3-5 years

Leasehold alterations are depreciated over the remaining period of the associated lease or 10 years, whichever is shorter.

**Revaluation of land and buildings**

Land and buildings are revalued every year with the surplus or deficit on book value being transferred to the Revaluation reserve. The only exception is where a deficit in excess of any previously recognised surplus over depreciated cost relating to the same property, is charged to Net Expenditure.

On disposal of an asset that has been previously revalued, the gain or loss recorded in Net Expenditure is based on the net carrying amount rather than the historical cost. Any previously revalued amounts are realised and transferred to the General reserve account as a reserve movement.

**Investment properties**

Properties that are held for long term rental yield, for capital appreciation or both, and that are not occupied by group companies, are classified as investment properties. Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Changes in fair values are recorded in Net Expenditure.

**Assets held for sale**

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**Intangible assets**

**Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Invest NI's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of any non-controlling interest in the acquiree.

**Acquired intangible assets**

Acquired intangible assets, such as software and software licences for internal recording and reporting systems, are measured initially at cost, using appropriate indices to account for the effect of inflation, as an approximation of fair value. These assets are amortised on a straight line basis over their estimated useful lives of 3 to 5 years. The minimum level of capitalisation is £1,000.

## Notes to the Accounts

Year ended 31 March 2024

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Internally-generated intangible assets

Development expenditure incurred on an individual project is carried forward only if all the criteria set out in IAS 38 'Intangible Assets' are met, namely:

- an asset is created that can be identified (such as software or licences);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Following initial recognition of development expenditure, the cost, adjusted for inflation using appropriate indices, is amortised over the project's estimated useful life of 3 to 6 years. The minimum level of capitalisation is £1,000.

#### Impairment of tangible and intangible assets

At each reporting date, Invest NI reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell, and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Any impairment recognised on goodwill is not subsequently reversed.

#### Financial instruments

Financial assets and liabilities are recognised in Invest NI's Statement of Financial Position when Invest NI becomes a party to the contractual provision of the instrument.

#### Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

##### (i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Assets can only be written off when non-recovery is considered certain and after the appropriate approvals have been granted.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in Net Expenditure.

For debt instruments, the subsequent measurement depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in Net Expenditure and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are included within the financial instruments gains or losses heading in the Statement of Comprehensive Net Expenditure.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses that are recognised in Net Expenditure. Interest income from these financial assets is included in Other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in Other gains/ (losses) and impairment expenses are included within the financial instruments gains or losses heading in the Statement of Comprehensive Net Expenditure.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in Net Expenditure and presented net within Other gains/ (losses) in the period in which it arises.

**Derivative financial instruments**

The group enters into derivative financial instruments to manage its exposure to interest rate risk using interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each financial year end. The resulting gain or loss is recognised in Net Expenditure immediately unless the derivative is designated and effective as a hedging instrument.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The group's derivative financial instrument is valued under level 2 in the fair value hierarchy. The fair value of the group's derivative financial instruments is obtained from counterparty valuation, and is based on observable market data.

**Impairment of financial assets**

The group recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost, trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The group always recognises lifetime Expected Credit Loss (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 180 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
  - (b) a breach of contract, such as a default or past due event (see (ii) above);
  - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
  - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The group writes off a financial asset only when non-recovery is considered certain and after the appropriate approvals have been granted.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. For financial assets, the exposure at default is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The group recognises an impairment gain or loss in Net Expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**Financial liabilities**

The group classifies all its financial liabilities as other financial liabilities. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Effective interest rate method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest rate basis.

**Interest income**

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

**Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

**Cash and cash equivalents**

Cash and cash equivalents comprises cash and demand deposits with commercial banks. As at each reporting date, the carrying value of Cash and cash equivalents approximates their fair value due to their short-term nature.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**Borrowings**

Borrowings are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least twelve months after the year-end.

Borrowing costs directly attributable to qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

recognised in the Statement of Comprehensive Net Expenditure in the period in which they are incurred.

**Investments in subsidiaries**

Investments in subsidiaries are valued at cost less impairment and are eliminated on consolidation.

**Investments in associates**

An associate is an entity over which Invest NI is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are valued using the equity method, carried at Invest NI's share of the net assets of the associate, in accordance with the distribution of income and capital laid out in the limited partnership agreements. Any significant restriction due to contractual arrangements will be accounted for using this method and will be reflected in the carrying value.

**Taxation (including Value Added Tax)**

As Invest NI does not have Crown exemption it is liable to Corporation Tax on certain sources of income earned in any year.

Revenues, expenses and assets are shown net of Value Added Tax (VAT) except where irrecoverable VAT is charged to Net Expenditure and included under the heading relevant to the type of expenditure.

The net amount of VAT recoverable from, or payable to, HMRC is included as part of receivables or payables in the Statement of Financial Position.

**Provisions**

Invest NI makes provisions for liabilities and charges where, at the year-end, a legal or constructive obligation exists (that is a present obligation from past events exists), where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation. Where the time value of money is material and it is possible to predict the timing of future cash flows with reasonable accuracy, Invest NI discounts the provision to its present value using a standard Government discount rate.

**Financing from DfE**

Financing represents net funding received from DfE and is credited to the General reserve.

**Foreign currency translation**

The functional and presentational currency of the organisation is Sterling (£). Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the year-end are recognised in Net Expenditure.

**Income**

Revenue from contracts with customers consists primarily of recoupment of costs, client contributions to assistance and additional services to tenants. This revenue is from contracts that typically satisfy their performance obligations as services are rendered/upon completion of the service. Contracts do not have a significant financing component, and payment is typically due within 30 days of the rendering of the service. The contracts are non-complex and there is a single



**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

performance obligation to be met for every service provided. The transaction price is the fixed price for the service provided and does not include variable amounts.

This revenue from contracts with customers is from similar supplies made to the same class of customer under the same contracts and as such cannot be disaggregated further.

NI-CO revenue from long term contracts for the delivery of the company's services is recognised according to the percentage of completion method by reference to the value of work completed as a proportion of the total agreed contract value. The amount by which revenue exceeds payments on account is shown under Trade and other receivables as amounts recoverable on contracts. The amount by which payments received for services exceeds revenue recognised is shown under Trade and other payables as payments received on account;

Other operating income includes:

- Funding receivable from other organisations, including funding from the European Union (EU) for core programme expenditure. Such revenue is matched against programme expenditure wherever possible;
- other income receivable, clawback and other recoveries; and
- loan interest, share dividend and property rent receivable.

**Grant expenditure**

This expenditure comprises grants payable to companies sponsored by Invest NI under the terms and conditions of financial assistance agreements. Grants payable are accounted for in the period in which the recipient carries out the activity that creates an entitlement to the grant. Recognition of entitlement varies according to the details of individual schemes and the terms of the offers made.

**Programme expenditure**

Programme expenditure comprises the costs of operating various economic development schemes and support packages, and associated activities attributable to discharging Invest NI's responsibilities. These components are defined under the programme budgetary framework, as agreed with DfE and accounted for on an accruals basis.

**Administration expenditure**

Administration expenditure reflects the costs of running Invest NI, as defined under the administrative budgetary framework as agreed with DfE and accounted for on an accruals basis.

**Pensions**

Present and past employees are covered by the provisions of the NICS Pension arrangements which are unfunded multi-employer defined benefit schemes. Invest NI is unable to identify its share of the underlying assets and liabilities. Invest NI recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS Pension arrangements of amounts calculated on an accruals basis. All pension contributions are charged to Net Expenditure when incurred.

**Employee benefits**

IAS19 requires that the cost of employee benefits that have been earned but not paid at the reporting date is recognised as a liability. An accrual for the estimated cost of total employee annual leave at the reporting date has been included in the financial statements.

**Notes to the Accounts**  
Year ended 31 March 2024

**1. ACCOUNTING POLICIES (CONTINUED)**

**Early Departure Costs**

Invest NI is required to meet the additional cost of benefits beyond the normal NICS Pension arrangements benefits in respect of employees who retire early. Invest NI recognises in full for this cost when the early retirement programme has been committed.

**Leases**

There are a number of 999 year lease arrangements in place with Invest NI being the lessor in receipt of a peppercorn rent. These arrangements are in place in order to control the future use of the properties in line with property best practice. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**PFI contracts**

Upon entering into a PFI contract, Invest NI assesses whether it controls or regulates what services the operator of the contract must provide with the infrastructure, to whom it must provide them and at what price. It also assesses if it controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the service arrangement. If both the above conditions are met, the infrastructure will be recognised on the Statement of Financial Position as an asset. If not recognised as an asset the unitary charge and associated costs under the PFI contract are treated as an operating lease if it meets the recognition criteria under IFRS 16.

**Right-of-use assets**

Invest NI recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying assets is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The cost model in IAS 16 is used as a proxy for current value in existing use or fair value for all buildings and PFI right-of-use assets as the lease terms they are based on have a shorter useful life than the respective underlying assets and will not lead to a material difference.

**Lease liabilities**

At the commencement date of the lease, Invest NI recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, Invest NI uses the HM Treasury discount rates promulgated in PES papers, as the incremental borrowing rate, at the lease commencement date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In additions, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting for a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

Invest NI applies the short-term lease recognition exemption to its short-term leases of buildings (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as an expense in the Statement of Comprehensive Net Expenditure.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Notional charges**

Some of the costs directly related to the running of Invest NI are borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

**Judgements and key sources of uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates.

The judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are in the areas of valuation of non-current assets, impairment of financial assets and provisions for liabilities.

The share of net assets of each associate is determined using the latest available financial information at the time of approval of these financial statements. Each of the associates are investment entities with large portfolios of loan and equity investments.

The grant provision is a critical accounting estimate. Grants are paid by Invest NI to client companies under the terms and conditions of financial assistance agreements. These agreements last for a number of years and assistance is only payable when eligible activities have been satisfactorily undertaken. The grant accruals calculated for financial assistance agreements are based on a review of claims received at the year-end.

The grant provision is an estimation of the amount of grant earned by client companies that has not yet been claimed at the year-end. The diverse range of grants offered by Invest NI requires a variety of methodologies to be used in order to calculate the provision amounts. For offers with a balance remaining of over £1m, a provision is assessed for each individual offer on information obtained from the client company. For R&D grants the provision is based on the individual claim history of each offer. For the other grants under £1m, a forecast of grant drawdown is used as the basis of the provision calculation.

Whilst it is recognised that this involves an element of estimation of the liability owed to third parties, an annual review is carried out to assess the amount of the provision that is subsequently claimed by client companies and therefore utilised. Any element of the previous year provision that is not subsequently claimed will be released or re-provided for in the following financial year. Grants will continue to be provided where companies can demonstrate meeting the defined terms of their financial assistance agreement.

Included in group other provisions is an amount in respect of a subsidiary and potential clawback of EU funds in relation to ongoing projects, which is a critical accounting estimate. The valuation has been calculated using the prior experience in relation to amounts that have previously been deemed ineligible.

**Notes to the Accounts**

**Year ended 31 March 2024**

**1. ACCOUNTING POLICIES (CONTINUED)**

The fair value valuation of the group's derivative financial instrument is also a critical accounting estimate. The fair value has been obtained from counterparty valuation, and is based on observable market data (level 2). The valuation provided is reviewed by management.

The valuation of property, plant and equipment is a critical accounting estimate. A valuation has been performed at the reporting date by LPS who are third party qualified valuers. The valuation provided is reviewed by management. This has resulted in the property, plant and equipment being held at fair value in the financial statements.

The valuation of investment property is a critical accounting estimate. A valuation has been performed at the reporting date by LPS. Key assumptions considered are rentals received per sq. ft., market rates and market yields in forming the valuations. The valuation provided is reviewed by management. This has resulted in the investment property being held at fair value in the consolidated financial statements.

The group tests annually whether goodwill has suffered any impairment, in accordance with the group's accounting policies. The recoverable amounts of cash-generating units have been determined based on value in use. These calculations require the use of estimates as detailed in note 9.

**Going concern**

All liabilities will be met by future grant-in-aid, received from and approved annually by DfE. DfE core grant funding for 2024-25 has been approved at an opening value of £115.7m, of which £74.8m relates to Resource funding and £40.9m to Capital funding, for the continuation of Invest NI services. Planned activities for 2024-25 have been formulated in light of the requested funding applied to vDfE. Therefore, the future financing of any Invest NI liabilities is expected to be met by DfE. In this context, the accounts have been prepared on a going concern basis.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**2. STATEMENT OF OPERATING EXPENDITURE BY OPERATING SEGMENT**

In line with IFRS 8 Operating Segments, Invest NI identified a number of operating segments (as outlined below) which were operational during the accounting period:

- Business Growth
- Finance
- People & Culture
- Transformation
- International & Skills
- Marketing & Communications
- Strategy & Partnerships
- Board and CEO

The results of NI-CO are included separately overleaf as they do not form part of any of the Invest NI operating segments. The results of the BSDL Group are included within the People & Culture segment.

**Services provided by each segment**

- The Business Growth Group seeks to grow the economy of Northern Ireland through the account management of Invest NI clients and for sectoral development within the business sector teams. The business sector teams include: Advanced Manufacturing & Engineering, Life & Health Sciences, Green Economy Development, Technology & Services, Food & Drink and Tourism Accommodation. Entrepreneurship and Scaling are also included within the work of this group.
- The Business Growth Group also has responsibility for the promotion of and investment in Innovation and Research & Development (IRD) within businesses in Northern Ireland. The IRD Division provides a wide range of advisory and financial support and works with the Sector, Regional and International teams to ensure they get the innovation support they need to start, grow and export.
- The Finance Group provides a range of corporate functions to the wider organisation including financial management, corporate risk management, legal advice, business appraisal, offers and claims management, oversees performance, compliance and co-ordination and general governance advice. The Finance Group also provides support to business through our Property Solutions and Corporate Finance teams helping businesses to start, grow and export.
- The People & Culture Group promotes strong people development and culture, provides a range of core HR services, manages our workplace services and oversees management of the BSDL Group.
- The Transformation Group oversees internal operations, the group also aids businesses with digital transformations and supports new and existing businesses, through the Regional Office Network. The primary objectives of the Regional Office Network are to encourage enterprise and entrepreneurship, to improve the capability and capacity of local businesses to compete in export and global markets and to encourage local economic development and sub-regional economic growth. More widely, as statutory partners in the Community Planning process, the Regional Office Network works closely with Councils and Stakeholders in the development and delivery of local actions to improve economic well-being through the pooling of resources at a sub-regional level.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**2. STATEMENT OF OPERATING EXPENDITURE BY OPERATING SEGMENT  
(CONTINUED)**

- The International & Skills Group develops relationships to secure new business for Northern Ireland, either through increased exports, first time Foreign Direct Investment, supporting the internationalisation of the Northern Ireland economy. In support of increased productivity, the Group also works collectively with industry, government, and the academia to capture future skills needs and identify how the supply side can best meet these. This includes the provision of bespoke financial and non-financial support across priority areas such as leadership; operational excellence; digital transformation; supply chain development, upskilling; collaboration and labour availability. The group also delivers Northern Irish Connections its global diaspora initiative that connects a world-wide community of Northern Irish abroad and friends around the world who share a pride in Northern Ireland and a desire to advance its economic prosperity through their talent and influence.
- The Marketing & Communications Group is responsible for developing and implementing an integrated marketing, communications and engagement strategy for the organisation in both foreign and domestic markets.
- The Strategy & Partnerships Group leads on the development of Invest NI's business strategy in response to the NI Executive's economic agenda, the Economy Minister's policy objectives and the wider economic environment. Through its Corporate Information and Business Performance teams, it reports on Invest NI's performance against its strategic and operational objectives and targets. It also leads on the design and development of advice, guidance and support for businesses in relation to developing, appraising and evaluating projects and programmes and emerging economic priorities. The Strategy & Partnerships Group plays a lead role in supporting City & Growth deal partners to develop and secure approval for strong, industry led, commercially focused projects that will boost economic recovery and future growth.
- The Board and CEO are responsible for Invest NI's performance and strategic direction.

Included within the consolidated results of the Invest NI Group is income of £8.7m and expenditure of £9.8m in relation to NI-CO, a 100% owned subsidiary. In June 2023, following a strategic review, the NI-CO Board concluded that it could no longer be considered a going concern and the company ceased trading on 31 March 2024. The transactions over the coming financial year are therefore expected to reduce in line with the winding down and planned closure of NI-CO.

**Notes to the Accounts**  
Year ended 31 March 2024

**2. STATEMENT OF OPERATING EXPENDITURE BY OPERATING SEGMENT (CONTINUED)**

<b>2024</b>	<b>Gross expenditure</b>	<b>Income</b>	<b>Total net expenditure per CSoCNE</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Board & CEO	559	-	559
Business Growth	49,571	1,099	48,472
Finance	3,843	8,004	(4,161)
International & Skills	25,360	362	24,998
Marketing & Communications	6,710	1,039	5,671
People & Culture	9,119	15	9,104
Strategy & Partnerships	3,098	-	3,098
Transformation	13,353	62	13,291
NI-CO	9,835	8,693	1,142
<b>Total</b>	<b>121,448</b>	<b>19,274</b>	<b>102,174</b>

**Reconciliation to CSoCNE**

Net finance income	301
Tax on ordinary activities	1,004
<b>Net expenditure for the financial year</b>	<b>103,479</b>

<b>2023</b>	<b>Gross expenditure</b>	<b>Income</b>	<b>Total net expenditure per CSoCNE</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Business Growth	58,287	397	57,890
Finance	16,822	33,716	(16,894)
Transformation	14,292	9	14,283
People and Culture	3,293	-	3,293
International and Skills	25,119	527	24,592
Marketing and Communications	5,327	-	5,327
Strategy and Partnerships	2,356	-	2,356
Board and CEO	513	-	513
NI-CO	10,183	10,209	(26)
COVID-19 Business Support Schemes operated and administered by Invest NI	20	-	20
COVID-19 Business Support Schemes operated and administered by DfE/LPS	30	493	(463)
<b>Total</b>	<b>136,242</b>	<b>45,351</b>	<b>90,891</b>

**Reconciliation to CSoCNE**

Net finance income	(1,211)
Tax on ordinary activities	1,196
<b>Net expenditure for the financial year</b>	<b>90,876</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**3. EXPENDITURE**

	Group		Invest NI	
	2024 £'000	2023 Restated £'000	2024 £'000	2023 Restated £'000
<b>Staff costs</b>				
Wages and salaries	33,718	29,289	31,849	28,545
Social security costs	2,749	2,647	2,700	2,564
Other pension costs	7,338	7,003	7,118	6,771
Recoveries in respect of outward secondments and others	(317)	(305)	(440)	(425)
	<b>43,488</b>	<b>38,634</b>	<b>41,227</b>	<b>37,455</b>
<b>Purchase of goods and services</b>				
Programme support*	17,628	16,054	17,628	16,054
Rentals under operating leases	274	398	635	785
PFI (and other service concession arrangements) service charges	-	-	294	377
Other administration expenses	2,726	2,182	2,997	2,628
Cost of servicing contracts	9,694	11,559	-	-
Auditor's remuneration – notional	148	136	148	136
Other notional costs	223	237	223	237
Fees payable to auditors for:				
Audit services	53	32	-	-
Non-audit services	72	22	-	-
	<b>30,818</b>	<b>30,620</b>	<b>21,925</b>	<b>20,217</b>
<b>Depreciation and impairment charges</b>				
Depreciation (note 7 & 21)	2,094	1,733	6,499	5,887
Amortisation (note 9)	1,596	2,056	1,596	2,056
Asset impairment (note 7 & 9)	5,133	5,429	6	552
	<b>8,823</b>	<b>9,218</b>	<b>8,101</b>	<b>8,495</b>
<b>Increase/(decrease) in provisions</b>	<b>(6,690)</b>	<b>(1,155)</b>	<b>(6,690)</b>	<b>(1,155)</b>
<b>Other operating expenditure</b>				
Grants*	42,023	58,842	42,023	58,842
Programme support activities	1,037	331	1,037	331
Property acquisition and development	91	811	91	811
Loss/(Profit) on disposal of Property, Plant and Equipment	(341)	(76)	(341)	(76)
(Profit)/Loss on disposal of Financial assets	(1,437)	(516)	(1,437)	(516)
Financial instruments gains or losses (note 4)	(199)	(4,883)	(199)	(4,883)
Share of results of associates (note 11)	3,835	4,366	3,835	4,366
	<b>45,009</b>	<b>58,875</b>	<b>45,009</b>	<b>58,875</b>



**Notes to the Accounts**  
**Year ended 31 March 2024**

**3. EXPENDITURE (CONTINUED)**

\*Grant expenditure of £1.6m has been reclassified in 2022-23 from purchase of goods and services to other operating expenditure to improve comparability.

	<b>Group</b>		<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>COVID-19 Business Support Schemes</b>				
Small Business Grant Scheme *	-	30	-	30
NI Micro-Business Hardship Fund **				
COVID-19 Restrictions Business Support Scheme Part A **	-	9	-	9
COVID-19 Restrictions Business Support Scheme Part B **	-	15	-	15
Limited Company Directors Support Scheme **	-	(4)	-	(4)
Newly Self Employed Support Scheme **	-	-	-	-
	<u>-</u>	<u>50</u>	<u>-</u>	<u>50</u>

\* Scheme operated and administered by LPS/DfE

\*\* Scheme operated and administered by Invest NI

Further analysis of staff costs is located in the Staff Report within the Accountability Report.

**Notes to the Accounts**  
Year ended 31 March 2024

**3. EXPENDITURE (CONTINUED)**

Total operating expenditure	Group		Invest NI	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Staff costs	43,488	38,634	41,227	37,455
COVID-19 Business Support Schemes	-	50	-	50
Other COVID-19 Response grants	181	667	181	667
Revenue grants	12,547	16,717	12,547	16,717
Innovation, research and development	17,685	23,109	17,685	23,109
Capital grants	7,145	13,413	7,145	13,413
Skills grants and competitiveness programmes	4,675	5,206	4,675	5,206
International Business support	5,406	4,863	5,406	4,863
Promotion and marketing	7,007	5,811	7,007	5,811
Programme support activities	2,976	2,464	2,976	2,464
Property acquisition and development	3,157	3,787	3,157	3,787
Rentals under operating leases	274	399	635	785
PFI (and other service concession arrangements) service charges	-	-	294	379
Other administration expenses	2,726	2,182	2,997	2,628
Cost of servicing contracts	9,694	11,559	-	-
Fees payable to auditors for:				
Audit services	53	32	-	-
Non-audit services	72	22	-	-
Depreciation and impairment charges	8,823	9,218	8,101	8,494
Auditor's remuneration – notional	148	136	148	136
Other notional costs	223	237	223	237
Loss/(Profit) on disposal of Property, Plant and Equipment	(341)	(76)	(341)	(76)
(Profit)/Loss on disposal of Financial assets	(1,437)	(516)	(1,437)	(516)
Financial instruments gains or losses (note 4)	(199)	(4,883)	(199)	(4,883)
Share of results of associates (note 11)	3,835	4,366	3,835	4,366
Increase/(decrease) in provisions	(6,690)	(1,155)	(6,690)	(1,155)
<b>Total operating expenditure</b>	<b>121,448</b>	<b>136,242</b>	<b>109,572</b>	<b>123,937</b>

**4. FINANCIAL INSTRUMENTS GAINS OR LOSSES**

	Group and Invest NI	
	2024	2023
	£'000	£'000
Fair value adjustment on shares and convertible loan notes (note 12)	838	(6,433)
ECL allowance on fixed rate loans (note 12)	17	(930)
ECL allowance on trade receivables (note 20)	(1,033)	2,454
Fair value adjustment on re-measurement of financial assets held at amortised cost (note 12)	22	26
Fair value movement on other receivables	(43)	-
	<b>(199)</b>	<b>(4,883)</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**5. INCOME**

	Group		Invest NI	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Revenue from contracts with customers</b>				
Recoupment of programme expenditure and related costs from client companies and third parties	1,557	716	1,557	716
Other	412	477	-	-
NI-CO turnover	8,693	10,209	-	-
	<b>10,662</b>	<b>11,402</b>	<b>1,557</b>	<b>716</b>
<b>Other operating income</b>				
Other	63	8	63	8
Property rent	856	915	347	361
Interest income on financial assets at amortised cost	282	158	282	-
Interest income on convertible loan notes	66	69	66	227
Share dividend income	83	-	83	-
Grant clawback	(737)	857	(737)	857
Core programme receipts from EU	7,999	31,942	7,999	31,942
	<b>8,612</b>	<b>33,949</b>	<b>8,103</b>	<b>33,395</b>
<b>Total income</b>	<b>19,274</b>	<b>45,351</b>	<b>9,660</b>	<b>34,111</b>

**Consolidated Fund Income**

These amounts were collected by Invest NI acting as agent for the Consolidated Fund (and are otherwise excluded from these financial statements).

	Group		Invest NI	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Consolidated Fund Income	1,119	500	1,119	500
Amounts payable to the Consolidated Fund	(1,119)	(500)	(1,119)	(500)
Balance at the end of the year	-	-	-	-

The core programme receipts from EU relate to funding under the European Union Investment for Growth and Jobs Programme (IGJ) 2014-2020. Income accrued but not yet received from the EU is included in Trade and Other Receivables (note 13).

Under the current terms of the Withdrawal Agreement, the UK continued to participate in EU annual budgets funded under the current Multiannual Financial Framework (2014-2020 MFF). This means that the UK continued to make its contribution to and get receipts from current EU programmes under the existing EC rules. This guaranteed that Invest NI received funds under the IGJ Programme for remainder of the eligibility period which was until 31 December 2023. All expenditure was incurred by 31 December 2023 and final amounts due from EU are included within the debtor balance and will be submitted to the EU for drawdown within the agreed timeframes.

**Notes to the Accounts**  
Year ended 31 March 2024

**6. TAXATION**

**(i) Tax charge in the year**

	<b>Group</b>		<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Analysis of charge in year</b>				
Current tax:				
UK corporation tax on taxable income for the current year	-	-	-	-
Adjustments to tax charge in respect of previous periods	936	63	-	-
Current tax on loss/profit for the year	20	587	-	-
	<u>956</u>	<u>650</u>	<u>-</u>	<u>-</u>
<b>Total current tax</b>				
Deferred tax:				
Origination and reversal of temporary differences	48	503	-	-
Impact of rate changes	-	43	-	-
	<u>48</u>	<u>546</u>	<u>-</u>	<u>-</u>
<b>Total deferred tax</b>				
	<u>1,004</u>	<u>1,196</u>	<u>-</u>	<u>-</u>
<b>Total tax charge</b>				

**(ii) Factors affecting tax charge**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure before taxation	(102,475)	(89,680)
Net expenditure before taxation multiplied by the standard rate of Corporation Tax in the UK of 25% (2023: 19%)	(25,619)	(17,039)
Tax effects of:		
Add: expenditure not deductible for tax purposes	28,925	24,445
Less: income not subject to tax	(2,412)	(6,481)
Tax relief applied	-	-
Tax losses brought forward	-	(5)
Origination and reversal of temporary differences	49	503
Capital allowances	113	61
Impact of rate changes	-	43
Adjustments in respect of previous periods	20	63
Exempt amounts	(72)	(394)
	<u>1,004</u>	<u>1,196</u>
<b>Total tax charge</b>		

Invest NI does not have Crown exemption in relation to Corporation Tax and therefore is subject to Corporation Tax in relation to:

- property transactions;
- chargeable gains;
- interest receivable; and
- profits derived from certain activities such as the provision of scientific services.

**Notes to the Accounts**  
Year ended 31 March 2024

**6. TAXATION (CONTINUED)**

**(iii) Deferred tax**

**Invest NI**

Invest NI has not recognised deferred tax assets of £878,500 (2023: £325,000) in relation to brought forward tax losses at 1 April 2024 of £3,514,000 (1 April 2023: £1,300,000), as deferred tax assets are recognised for tax loss carry-forwards only to the extent that the realisation of the related tax benefit through future taxable profits is probable.

**Group**

The movement on the group deferred tax account is as follows:

	Revaluation of financial assets £'000	Capitalised interest £'000	Accelerated tax depreciation £'000	Revaluation of building £'000	Total £'000
At 1 April 2023 – asset/(liability)	297	(137)	(1,617)	(803)	(2,260)
Credited/(charged) to Net Expenditure	(71)	-	23	-	(48)
Credited/(charged) to Other Net Expenditure	-	-	32	-	32
<b>At 31 March 2024</b>	<b>226</b>	<b>(137)</b>	<b>(1,562)</b>	<b>(803)</b>	<b>(2,276)</b>

The tax charge relating to components of other comprehensive income is as follows:

	Group	
	2024 £'000	2023 £'000
<b>Fair value gains on Property, plant and equipment</b>		
Before tax (note 7)	3,084	1,828
Tax credit/(charge)	32	-
<b>After tax</b>	<b>3,116</b>	<b>1,828</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**7. PROPERTY, PLANT AND EQUIPMENT**

	<b>Group</b>				
	<b>Land £'000</b>	<b>Buildings £'000</b>	<b>Computer equipment £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Total £'000</b>
<b>Cost/Valuation:</b>					
At 1 April 2023	36,820	27,704	4,557	3,030	72,111
Additions	899	-	102	1,067	2,068
Disposals	(1,375)	(852)	(390)	(2)	(2,619)
Revaluation gain/(loss)	2,911	(400)	24	58	2,593
Transfer to assets held for sale	-	(1,300)			(1,300)
Impairment (note 3)	(6)	-	-	-	(6)
<b>At 31 March 2024</b>	<b>39,249</b>	<b>25,152</b>	<b>4,293</b>	<b>4,153</b>	<b>72,847</b>
<b>Depreciation:</b>					
At 1 April 2023	-	3,429	3,281	995	7,705
Charge for year (note 3)	-	561	541	296	1,398
Revaluation (loss)	-	(466)	(9)	(16)	(491)
Disposals		(852)	(390)	(2)	(1,244)
<b>At 31 March 2024</b>	<b>-</b>	<b>2,672</b>	<b>3,423</b>	<b>1,273</b>	<b>7,368</b>
<b>Net Book Value:</b>					
1 April 2023	36,820	24,275	1,276	2,035	64,406
<b>31 March 2024</b>	<b>39,249</b>	<b>22,480</b>	<b>870</b>	<b>2,880</b>	<b>65,479</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Invest NI				
	Land £'000	Buildings £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
<b>Cost/Valuation:</b>					
At 1 April 2023	31,219	5,622	4,352	1,890	43,083
Additions	899	-	102	933	1,934
Disposals	(1,375)	(852)	(312)	(2)	(2,541)
Revaluation gain/(loss)	2,911	(100)	24	58	2,893
Impairment (note 3)	(6)	-	-	-	(6)
<b>At 31 March 2024</b>	<b>33,648</b>	<b>4,670</b>	<b>4,166</b>	<b>2,879</b>	<b>45,363</b>
<b>Depreciation:</b>					
At 1 April 2023	-	2,847	3,092	579	6,518
Charge for year (note 3)	-	95	535	181	811
Disposals	-	(852)	(312)	(2)	(1,166)
Revaluation (loss)	-	-	(9)	(16)	(25)
<b>At 31 March 2024</b>	<b>-</b>	<b>2,090</b>	<b>3,306</b>	<b>742</b>	<b>6,138</b>
<b>Net Book Value:</b>					
1 April 2023	31,219	2,775	1,260	1,311	36,565
<b>31 March 2024</b>	<b>33,648</b>	<b>2,580</b>	<b>860</b>	<b>2,137</b>	<b>39,225</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Group				
	Land £'000	Buildings £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
<b>Cost/Valuation:</b>					
At 1 April 2022	42,452	28,711	3,327	2,338	76,828
Additions	862	-	1,026	523	2,411
Disposals	(2,368)		(121)	(15)	(2,504)
Revaluation gain/loss	1,002	93	325	184	1,604
Transfer from/(to) Assets held for sale (note 15)	(4,576)	(1,100)	-	-	(5,676)
Impairment (note 3)	(552)	-	-	-	(552)
<b>At 31 March 2023</b>	<b>36,820</b>	<b>27,704</b>	<b>4,557</b>	<b>3,030</b>	<b>72,111</b>
<b>Depreciation:</b>					
At 1 April 2022	-	3,311	2,906	765	6,982
Charge for year (note 3)	-	606	278	199	1,083
Revaluation (loss)/gain	-	(488)	218	46	(224)
Disposals		0	(121)	(15)	(136)
<b>At 31 March 2023</b>	<b>-</b>	<b>3,429</b>	<b>3,281</b>	<b>995</b>	<b>7,705</b>
<b>Net Book Value:</b>					
1 April 2022	42,452	25,400	421	1,573	69,846
<b>31 March 2023</b>	<b>36,820</b>	<b>24,275</b>	<b>1,276</b>	<b>2,035</b>	<b>64,406</b>



**Notes to the Accounts**  
Year ended 31 March 2024

**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Invest NI				
	Land £'000	Buildings £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
<b>Cost/Valuation:</b>					
At 1 April 2022	36,851	6,615	3,124	1,369	47,959
Additions	862	-	1,024	352	2,238
Disposals	(2,368)	-	(121)	(15)	(2,504)
Transfer to assets held for sale	(4,576)	(1,100)	-	-	(5,676)
Revaluation gain	1,002	107	325	184	1,618
Impairment (note 3)	(552)	-	-	-	(552)
<b>At 31 March 2023</b>	<b>31,219</b>	<b>5,622</b>	<b>4,352</b>	<b>1,890</b>	<b>43,083</b>
<b>Depreciation:</b>					
At 1 April 2022	-	2,715	2,727	451	5,893
Charge for year (note 3)	-	132	268	97	497
Disposals	-	-	(121)	(15)	(136)
Revaluation gain	-	-	218	46	264
<b>At 31 March 2023</b>	<b>-</b>	<b>2,847</b>	<b>3,092</b>	<b>579</b>	<b>6,518</b>
<b>Net Book Value:</b>					
1 April 2022	36,851	3,900	397	918	42,066
<b>31 March 2023</b>	<b>31,219</b>	<b>2,775</b>	<b>1,260</b>	<b>1,311</b>	<b>36,565</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

IAS 16 requires measurement at fair value. Land and property was re-valued by LPS on 31 March 2024, and in previous financial years, on the basis of open market value for existing use. Management considers this basis to be the best available estimation of fair value.

Details of the group's land and buildings and information about the fair value hierarchy (as described in note 1) as at 31 March 2024 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 March 2024
	£'000	£'000	£'000	£'000
Land	-	39,249	-	39,249
Buildings	-	22,480	-	22,480

There were no transfers between Level 1 and Level 2 during the year.

With the exception of assets held by Invest NI for its own use, the majority of the land and property portfolio is used to facilitate Northern Ireland's long-term strategic economic development. Invest NI owns all its assets and has no finance leases.

**8. INVESTMENT PROPERTIES**

	<b>Group £'000</b>
<b>At 1 April 2022</b>	7,600
Gain arising on fair value adjustment	-
<b>At 1 April 2023</b>	7,600
Gain arising on fair value adjustment	-
	<hr/>
<b>At 31 March 2024</b>	<b>7,600</b> <hr/>

The investment property was revalued at 31 March 2024 on an open market value basis by LPS. This property is not depreciated. The depreciation which would have otherwise been charged would have been based upon the property's estimated useful economic life of 50 years.

Details of the group's investment property and information about the fair value hierarchy as at 31 March 2024 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 March 2024
	£'000	£'000	£'000	£'000
Investment property	-	7,600	-	7,600

There were no transfers between Level 1 and Level 2 during the year.

**Notes to the Accounts**  
Year ended 31 March 2024

**9. INTANGIBLE ASSETS**

	<b>Goodwill</b>	<b>Software licences</b>	<b>Group Software development</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost/Valuation:</b>				
At 1 April 2023	20,031	3,150	4,955	28,136
Additions	-	218	859	1,077
Disposals	-	(1,118)	(674)	(1,792)
Revaluation gain/(loss)	-	(55)	74	19
<b>At 31 March 2024</b>	<b>20,031</b>	<b>2,195</b>	<b>5,214</b>	<b>27,440</b>
<b>Amortisation/Impairment:</b>				
At 1 April 2023	4,974	2,106	3,396	10,476
Charge for year (note 3)	5,127	588	1,008	6,723
Disposals	-	(1,118)	(674)	(1,792)
Revaluation gain/(loss)	-	(86)	12	(74)
<b>At 31 March 2024</b>	<b>10,101</b>	<b>1,490</b>	<b>3,742</b>	<b>15,333</b>
<b>Net book value:</b>				
1 April 2023	15,057	1,044	1,559	17,660
<b>31 March 2024</b>	<b>9,930</b>	<b>705</b>	<b>1,472</b>	<b>12,107</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**9. INTANGIBLE ASSETS (CONTINUED)**

	<b>Software licences £'000</b>	<b>Invest NI Software development £'000</b>	<b>Total £'000</b>
<b>Cost/valuation:</b>			
At 1 April 2023	3,150	4,955	8,105
Additions	218	859	1,077
Disposals	(1,118)	(674)	(1,792)
Revaluations	(55)	74	19
<b>At 31 March 2024</b>	<b>2,195</b>	<b>5,214</b>	<b>7,409</b>
<b>Amortisation:</b>			
At 1 April 2023	2,106	3,396	5,502
Charge for year (note 3)	588	1,008	1,596
Disposals	(1,118)	(674)	(1,792)
Revaluations	(86)	12	(74)
<b>At 31 March 2024</b>	<b>1,490</b>	<b>3,742</b>	<b>5,232</b>
<b>Net book value:</b>			
1 April 2023	1,044	1,559	2,603
<b>31 March 2024</b>	<b>705</b>	<b>1,472</b>	<b>2,177</b>

Details of the group's intangible assets and information about the fair value hierarchy as at 31 March 2024 are as follows:

	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Fair value as at 31 March 2024 £'000</b>
Goodwill	-	-	9,930	<b>9,930</b>
Software licences	-	705	-	<b>705</b>
Software development	-	1,472	-	<b>1,472</b>

There were no transfers between Level 1 and Level 2 during the year.

**Notes to the Accounts**  
Year ended 31 March 2024

**9. INTANGIBLE ASSETS (CONTINUED)**

	<b>Goodwill</b>	<b>Software licences</b>	<b>Group Software development</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost/Valuation:</b>				
At 1 April 2022	20,031	3,091	4,709	27,831
Additions	-	767	326	1,093
Disposals	-	(1,009)	(472)	(1,481)
Revaluations	-	301	392	693
<b>At 31 March 2023</b>	<b>20,031</b>	<b>3,150</b>	<b>4,955</b>	<b>28,136</b>
<b>Amortisation/Impairment:</b>				
At 1 April 2022	97	1,876	2,636	4,609
Charge for year (note 3)	4,877	1,055	1,001	6,933
Disposals	-	(1,009)	(472)	(1,481)
Revaluations	-	184	231	415
<b>At 31 March 2023</b>	<b>4,974</b>	<b>2,106</b>	<b>3,396</b>	<b>10,476</b>
<b>Net book value:</b>				
1 April 2022	19,934	1,215	2,073	23,222
<b>31 March 2023</b>	<b>15,057</b>	<b>1,044</b>	<b>1,559</b>	<b>17,660</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**9. INTANGIBLE ASSETS (CONTINUED)**

	<b>Software licences £'000</b>	<b>Invest NI Software development £'000</b>	<b>Total £'000</b>
<b>Cost/valuation:</b>			
At 1 April 2022	3,091	4,709	7,800
Additions	767	326	1,093
Disposals	(1,009)	(472)	(1,481)
Revaluations	301	392	693
<b>At 31 March 2023</b>	<b>3,150</b>	<b>4,955</b>	<b>8,105</b>
<b>Amortisation:</b>			
At 1 April 2022	1,876	2,636	4,512
Charge for year (note 3)	1,055	1,001	2,056
Disposals	(1,009)	(472)	(1,481)
Revaluations	184	231	415
<b>At 31 March 2023</b>	<b>2,106</b>	<b>3,396</b>	<b>5,502</b>
<b>Net book value:</b>			
1 April 2022	1,215	2,073	3,288
<b>31 March 2023</b>	<b>1,044</b>	<b>1,559</b>	<b>2,603</b>

**Impairment tests for goodwill**

Goodwill has been allocated between the cash generating units (CGU) as follows:

	<b>2024 £'000</b>	<b>2023 £'000</b>
Bedford Street Developments Limited	1,830	2,639
MRDE Limited	8,100	12,418
<b>Total</b>	<b>9,930</b>	<b>15,057</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**9. INTANGIBLE ASSETS (CONTINUED)**

The recoverable amount of the CGUs has been determined using value in use. This calculation uses a pre-tax cash flow based on financial projections covering the remaining useful economic life of the properties. Management developed the projections based on past performance and based on current market factors. The key assumptions used for value in use are as follows:

	<b>Cash generating unit</b>	<b>2024</b>	<b>2023</b>
Gross margin	MRDE	63%	63%
Future rentals (per sq. ft.)	BSDL & MRDE	£25	£24
Discount rate	BSDL & MRDE	8.25%	7.25%

Future rentals are based on information supplied at 31 March 2024.

The Bank of England base rate increased to 5.25% by 31 March 2024 (2023: 4.25%), pushing up commercial borrowing rates and the discount rate applied to measuring value in use of the CGU. This has resulted in an impairment of goodwill for the group of £5,127,000.

**10. INVESTMENTS IN SUBSIDIARIES**

	<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 April and 31 March</b>	<b>17,593</b>	<b>17,593</b>

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

**Interests in group undertakings**

<b>Name</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>Proportion of ordinary shares held by the parent %</b>	<b>Proportion of ordinary shares held by the group %</b>
Northern Ireland Co-Operation Overseas (NI-CO) Limited	UK	Management of international development projects on behalf of Government Departments and other Public Bodies	100	-
Bedford Street Developments Limited	UK	Property leasing	100	-
Bedford Street Management Company Limited	UK	Dormant	-	100
MRDE Limited	UK	Property leasing	-	100
MRDE FM Limited	UK	Dormant	-	100

**Notes to the Accounts**  
**Year ended 31 March 2024**

**10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held do not differ from the proportion of the ordinary shares held. Copies of subsidiary financial statements can be obtained from Companies House: [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk).

In June 2023, following a strategic review, the NI-CO Board concluded that it could no longer be considered a going concern. NI-CO subsequently ceased trading on the 31st March 2024 and the NI-CO Board have appointed experts to advise the company.

**11. INVESTMENTS IN ASSOCIATES**

**(i) Share of results in associates:**

	<b>Group and Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Share of net assets of associates:		
At 1 April	69,823	65,300
At 31 March	75,449	69,823
Increase	5,626	4,523
Distributions from associates (note 25)	1,994	3,492
Less additional capital paid in during year (note 25)	(11,455)	(12,381)
<b>Share of results recorded in Net Expenditure (note 3)</b>	<b>(3,835)</b>	<b>(4,366)</b>

**(ii) Summarised financial information on a combined basis:**

	<b>Group and Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Non-Current Assets	101,901	101,858
Current Assets	13,977	14,622
Current Liabilities	(396)	(484)
Non-Current Liabilities		
<b>Net Assets</b>	<b>115,482</b>	<b>115,996</b>
Revenue	5,647	5,392
(Loss)/Profit	(1,398)	(534)
Other comprehensive income	-	-
Total comprehensive (expenditure)/income	(1,398)	(534)
Distributions from associates	1,994	3,492

All the information in the table above is based on figures prepared in accordance with FRS102.



**Notes to the Accounts**  
Year ended 31 March 2024

**11. INVESTMENTS IN ASSOCIATES (CONTINUED)**

**(iii) Net investment in associates:**

	<b>Group and Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
NITECH Growth Fund Limited Partnership (NITECH)	13	138
NI Growth Loan Fund	424	1,640
NI Small Business Loan Fund	21	87
Kernel Capital Growth Fund (NI)	5,121	6,765
Techstart NI SME Equity Limited Partnership (Techstart)	11,844	12,477
QUB Equity Limited Partnership	295	489
Ulster Equity Limited Partnership	813	911
NI Growth Loan Fund II	21,479	21,011
NI Small Business Loan Fund II	3,405	2,674
Growth Finance Fund	9,346	6,287
Techstart Ventures II LP	22,688	17,344
	<hr/>	<hr/>
<b>Net investment in associates</b>	<b>75,449</b>	<b>69,823</b>
	<hr/> <hr/>	<hr/> <hr/>

Invest NI, when applying the equity method, has determined using the distribution of income as the best estimate of the share of net assets. The share of net assets of each associate is determined using the latest available financial information at the time of approval of these financial statements. Each of the associates are investment entities with large portfolios of loan and equity investments.

**NITECH**

Invest NI is the limited partner of the NITECH Growth Fund, which terminated on 21 January 2013. The remaining portfolio of three active investments continues to be monitored by Clarendon Fund Managers, who originally managed NITECH and currently manages a co-investment fund on Invest NI's behalf. There is no fee payable for this ongoing monitoring. It was decided the fund will be terminated when deemed appropriate, but will continue to be included in the financial statements until the process is complete.

**NI Growth Loan Fund**

Invest NI is a limited partner of the NI Growth Loan Fund, a partnership established in May 2012 and operating in the UK. The Fund is managed by WhiteRock Capital Partners LLP. The Growth Loan Fund provides loans, primarily unsecured in nature, typically between £50,000 and £500,000 to businesses that can demonstrate sales and profitability growth or growth potential. The Fund targets businesses with export potential which are mainly in the manufacturing, engineering or tradable services sectors. The fund has now reached the end of the investment period and will continue to collect payment on outstanding loans. The partnership has a term of ten years. The fund life was extended by 2 years initially to facilitate maximisation of collections from borrowers. A further extension of 2 years has now also been granted, with the option of 2 additional years if required.

**NI Small Business Loan Fund**

Invest NI is the limited partner of the NI Small Business Loan Fund LP, a partnership established in January 2013 and operating in the UK. This is a limited partnership registered in Northern Ireland and is managed by Ulster Community Investment plc. The Fund typically provided unsecured loans, between £1,000 and £50,000, to individuals, private companies and social enterprises in the SME and micro enterprise size range, in the start-up and growth phases of development. The fund has reached the end of the investment period and will continue to collect payment on outstanding loans.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**11. INVESTMENTS IN ASSOCIATES (CONTINUED)**

The partnership originally had a term of ten years ending in February 2023, however the term has been extended to February 2025, to provide additional time to collect outstanding loans.

**Crescent Capital III LP (ERDF \*)**

Invest NI is a limited partner of the Crescent Capital III LP Development Fund, a partnership established in July 2013 and operating in the UK. The Fund is managed by Crescent Capital NI. The Fund is targeted with making equity investments in high growth potential companies with total investment of up to £3m over a series of investment rounds available to each investee company. The fund has reached the end of the investment period and there will be no investments made in any new companies. The fund can make follow on investments in existing portfolio companies. To allow for divestment, the fund has been extended until July 2024.

**Kernel Capital Growth Fund (NI) (ERDF \*)**

Invest NI is a limited partner in the Kernel Capital Growth Fund, a partnership established in October 2013 and operating in the UK. The Fund is managed by Kernel Capital. The Fund is targeted with making equity investments in high growth potential companies with total investment of up to £4.5m over a series of investment rounds available to each investee company. The fund has reached the end of the investment period and there will be no investments made in any new companies. The fund can make follow on investments in existing portfolio companies. To allow for divestment, the fund has been extended until September 2024.

**Techstart NI SME Equity Limited Partnership (ERDF \*)**

Invest NI is the limited partner of Techstart which was established in July 2014 and operates in the UK. This is a limited partnership registered in Northern Ireland and is managed by Techstart Ventures LLP and operating in the UK. The purpose of the partnership is to invest in seed and early stage SMEs engaged in or investing in the technology sector. The partnership has a term of ten years.

**Queen's University of Belfast Equity Limited Partnership (ERDF \*)**

Invest NI is a limited partner of the Queen's University Belfast Equity Limited Partnership which was established in July 2014 and operates in the UK. This is a limited partnership registered in Northern Ireland and is managed by Techstart Ventures LLP. It was formed for the purpose of making equity and equity-related investments in connection with providing seed capital for the development of post-research post-proof-of-concept spin-out/spin-in companies from Queen's University Belfast including from the technology sectors related to the Queen's University Belfast research base. The partnership has a term of ten years.

**Ulster Equity Limited Partnership (ERDF \*)**

Invest NI is a limited partner of the Ulster Equity Limited Partnership which was established in July 2014 and operates in the UK. This is a limited partnership registered in Northern Ireland and is managed by Techstart Ventures LLP. It was formed for the purpose of making equity and equity-related investments in connection with providing seed capital for the development of post-research post-proof-of-concept spin-out/spin-in companies from Ulster University including from the technology sectors related to the Ulster University research base. The partnership has a term of ten years.

**NI Growth Loan Fund II (ERDF\*)**

Invest NI is a Limited Partner of the NI Growth Loan Fund II, a partnership established in October 2018 and operating in the UK. This is a £30m revolving loan fund with £22m capital contribution provided solely by Invest NI. The Fund is managed by WhiteRock Capital Partners LLP. Loans are

**Notes to the Accounts**  
**Year ended 31 March 2024**

**11. INVESTMENTS IN ASSOCIATES (CONTINUED)**

typically between £100,000 and £500,000 and provided to export focused NI SMEs demonstrating strong growth or growth potential. The fund reached the end of its investment period in March 2023 and will continue to collect payment on outstanding loans.

**NI Small Business Loan Fund II**

Invest NI is the limited partner of the NISBLF II LP, a partnership established in August 2018 and operating in the UK. The partnership has a term of ten years. The Fund is managed by Ulster Community Finance on behalf of Invest Northern Ireland and delivered in partnership with Enterprise Northern Ireland. Ulster Community Finance is a subsidiary of the social finance organisation Ulster Community Investment Trust. The Fund typically provides unsecured loans between £10,000 and £100,000 to individuals, private companies and social enterprises in the SME and micro enterprise size range, in the start-up and growth phases of development.

**Growth Finance Fund**

The Growth Finance Fund, established 30 November 2018 with a ten-year term, is a three-way partnership between Invest NI, British Business Bank and NILGOSC. The partners have consented to extending the fund by £7.5m and 1 further year of investment. This is therefore now a £37.5m Fund lasting 11 years managed by WhiteRock Capital Partners LLP and operating in the UK. Loans are typically between £500,000 and £2,000,000 and provided to export focused NI SMEs demonstrating strong growth or growth potential. The fund reached the end of its investment period in February 2023 and will continue to collect payment on outstanding loans.

**Techstart Ventures II Limited Partnership (ERDF \*)**

Invest NI is a limited partner of the Techstart Ventures II Limited Partnership which was established in September 2019 and operates in the UK. The fund is managed by Techstart Ventures LLP. The purpose of the partnership is to invest in start-up and early stage technology companies in NI. The fund has an initial investment range of £50,000 - £750,000, with potential of up to £2m total investment in follow on rounds. The partnership has a term of ten years.

\* These funds are funded from the European Union Investment for Growth and Jobs Programme 2014-2020.

**12. FINANCIAL ASSETS**

The group holds the following financial assets:

	<b>Group and Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets at amortised cost</b>		
Fixed rate loans	3,044	3,008
<b>Financial assets at fair value through profit or loss (FVPL)</b>		
Investments in ordinary shares	41,596	39,307
Investments in preference shares	432	365
Convertible loan notes	1,713	2,884
	<b>46,785</b>	<b>45,564</b>
	<b>46,785</b>	<b>45,564</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**12. FINANCIAL ASSETS (CONTINUED)**

**Financial assets at fair value through profit or loss (FVPL)**

	Group and Invest NI			Total £'000
	Investments in ordinary shares £'000	Investments in preference shares £'000	Investments in convertible loan notes £'000	
Fair value at 1 April 2023	39,307	365	2,884	42,556
Additions	2,986	-	221	3,207
Conversions	1,005	-	(1,005)	-
Repayments and disposals	(1,251)	(16)	-	(1,267)
Dividend income	-	83	-	83
Fair value adjustment (note 4)	(451)	-	(387)	(838)
<b>Fair value at 31 March 2024</b>	<b>41,596</b>	<b>432</b>	<b>1,713</b>	<b>43,741</b>

**Financial assets at amortised cost**

	Group and Invest NI		Total £'000
	Fixed rate loans £'000	Variable rate loans £'000	
<b>Gross amount</b>			
At 1 April 2023	4,149	111	4,260
Additions	1,389	-	1,389
Transfer from other debtors	424	-	424
Repayments	(1,324)	-	(1,324)
Interest received	(272)	-	(272)
Interest income on financial assets at amortised cost	282	-	282
Accrued interest	-	-	-
Fair value adjustment on re-measurement (note 4)	(22)	-	(22)
Amount written off	(23)	-	(23)
<b>At 31 March 2024</b>	<b>4,603</b>	<b>111</b>	<b>4,714</b>
<b>Loss allowance</b>			
At 1 April 2023	1,141	111	1,252
ECL allowance (note 4)	17	-	17
Transfer from other debtors	424	-	424
Amount written off	(23)	-	(23)
<b>At 31 March 2024 (note 20)</b>	<b>1,559</b>	<b>111</b>	<b>1,670</b>
<b>Net balance</b>			
1 April 2023	3,008	-	3,008
<b>31 March 2024</b>	<b>3,044</b>	<b>-</b>	<b>3,044</b>

The group's exposure to various risks associated with financial instruments is discussed in note 20.

**Notes to the Accounts**  
Year ended 31 March 2024

**12. FINANCIAL ASSETS (CONTINUED)**

**Financial assets at amortised cost**

	Group and Invest NI	
	2024 £'000	2023 £'000
<b>Gross carrying amount</b>		
Fixed rate loans	4,603	4,149
Variable rate loans	111	111
	<b>4,714</b>	<b>4,260</b>
Loss allowance (note 20)	(1,670)	(1,252)
	<b>3,044</b>	<b>3,008</b>

**Amounts recognised in Net Expenditure**

The amounts recognised in Net Expenditure in relation to financial assets held at FVPL are detailed in note 4.

The following table explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note 1.

Details about the fair value hierarchy as at 31 March 2024 are as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Fair value as at 31 March 2024 £'000
Fixed rate loans	-	-	3,044	3,044
Variable rate loans	-	-	-	-
Investments in ordinary shares	101	41,029	466	41,596
Investments in preference shares	-	-	432	432
Convertible loan notes	-	1,713	-	1,713
	<b>101</b>	<b>42,742</b>	<b>3,942</b>	<b>46,785</b>

Details about the fair value hierarchy as at 31 March 2023 are as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Fair value as at 31 March 2023 £'000
Fixed rate loans	-	-	3,008	3,008
Variable rate loans	-	-	-	-
Investments in ordinary shares	1,104	37,605	597	39,306
Investments in preference shares	-	-	365	365
Convertible loan notes	-	2,884	-	2,884
	<b>1,104</b>	<b>40,489</b>	<b>3,970</b>	<b>45,564</b>

**Notes to the Accounts**  
**Year ended 31 March 2024**

**12. FINANCIAL ASSETS (CONTINUED)**

There were no transfers between levels during the years.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices
- The use of recent market prices for instruments that are not traded in an active market
- Discounted cash flow analysis
- Adjusted net asset value

As detailed in note 1, the valuation of financial assets involves estimation of future cash flows that are inherently uncertain.

**Collateral**

Invest NI takes collateral in support of its lending activities when deemed appropriate. In some instances, depending on the individual client circumstances, Invest NI may lend unsecured. The main types of collateral for loans to clients are fixed and floating charges over property and other assets.

**Co-Fund NI**

Included within investments in ordinary shares and investments in convertible loan notes, Invest NI participates in Co-Fund NI (ERDF\*) and Co-Fund NI II (ERDF\*).

Co-Fund NI (ERDF\*) was a £28m fund that co-invested in SMEs based in Northern Ireland. Clarendon Fund Managers Limited managed the fund under a six year Management Services Agreement (June 2011-May 2017) and invested in deals which were led by business angels and private investors. The deals ranged from £150,000 to £1m and Invest NI provided £16.8m of funding on the same terms as the private investors. The overall fund ratio of private to public funding was at a minimum 55:45, with no more than a 50:50 split in any one round.

Co-Fund NI II (ERDF\*) commenced as a £50m fund, also managed by Clarendon Fund Managers Limited under a six year Management Services Agreement (June 2017-May 2023). The fund invests in the same way as Co-Fund NI. In December 2020 the fund size was increased to £70m, with British Business Investments (BBI) now also participating alongside Invest NI and the private investors. The fund's investment life was extended by one year to May 2024, with an additional £2.5m provided for investments. The overall fund ratio of private to public funding will be at a minimum 60:40, with no more than a 50:50 split in any one round. The deals typically range from £150,000 to £1.75m and to date to 31 March 2024 Invest NI has provided £21.8m.

\* Co-Fund NI and Co-Fund NI II are funded from the European Union Investment for Growth and Jobs Programme 2014-2020.

**COVID-19 Equity Investment Fund**

The COVID-19 Equity Investment Fund (CEIF) was launched in September 2020 with the aim of helping high growth potential SMEs access financing to progress their business plans and prepare for recovery and growth. Together with other investors, the CEIF provided matched equity investment or convertible loan notes of up to a maximum of £700,000 for technology and innovative businesses. The scheme was typically focussed on the sectors of advanced manufacturing, materials and engineering, digital and creative technologies, life and health sciences, cyber security, precision medicine, big data, internet of things and analytics.

**Notes to the Accounts**  
Year ended 31 March 2024

**12. FINANCIAL ASSETS (CONTINUED)**

Through CEIF Invest NI provided funding of £2.4m on the same terms as private investors. There have been two conversions of loan notes to equity in the reporting period. At the reporting date £0.65m of investments by way of convertible loan notes remain included under the investments in convertible loan notes, as well as £1.4m of equity investments.

**13. TRADE RECEIVABLES AND OTHER RECEIVABLES**

	Group		Invest NI	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Amounts falling due within one year:</b>				
Trade receivables	13,128	18,962	12,622	15,202
Loss allowance (note 20)	(9,310)	(12,359)	(9,310)	(12,359)
	<b>3,818</b>	<b>6,603</b>	<b>3,312</b>	<b>2,843</b>
Other receivables	7,659	6,328	7,659	6,259
EU receivables	2,343	22,958	2,343	22,958
Amounts due from subsidiaries	-	-	123	121
Other taxes and social security	-	-	21	-
Prepayments	1,981	1,277	1,970	1,232
<i>Accrued income</i>				
Loan interest	146	290	146	290
Other	15	98	15	58
	<b>15,962</b>	<b>37,554</b>	<b>15,589</b>	<b>33,761</b>
<b>Amounts falling due after more than one year:</b>				
Other receivables	919	904	919	904
EU receivables	-	2,387	-	2,387
	<b>919</b>	<b>3,291</b>	<b>919</b>	<b>3,291</b>

As at each reporting date the carrying value of trade, other and EU receivables approximate their fair value due to their short-term nature.

Information about the impairment of trade receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 20.

**Notes to the Accounts**  
Year ended 31 March 2024

**14. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	27,769	29,439	559	102
Net change in cash and cash equivalent balances	854	330	340	457
<b>Balance at 31 March</b>	<b>28,623</b>	<b>29,769</b>	<b>899</b>	<b>559</b>
The following balances at 31 March were held at:				
Commercial banks and cash in hand	28,623	29,769	899	559
<b>Balance at 31 March</b>	<b>28,623</b>	<b>29,769</b>	<b>899</b>	<b>559</b>

**Reconciliation of liabilities arising from financing activities**

	<b>Group</b>			<b>31 March 2024</b>
	<b>31 March 2023</b>	<b>Cash flows</b>	<b>Non-cash movements</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans (note 17)	14,451	(371)	11	14,091
Financial instrument (note 20)	1,190	-	(288)	902
	<b>15,641</b>	<b>(371)</b>	<b>(277)</b>	<b>14,993</b>

**15. ASSETS HELD FOR SALE**

	<b>Group</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	4,576	1,100	5,676
Disposals	(4,576)	(1,100)	(5,676)
Transfers from property, plant and equipment	-	1,300	1,300
<b>At 31 March 2024</b>	<b>-</b>	<b>1,300</b>	<b>1,300</b>
	<b>Invest NI</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	4,576	1,100	5,676
Disposals	(4,576)	(1,100)	(5,676)
Transfers from property, plant and equipment	-	-	-
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>

One building, Landmark House (NI-CO building), is included in assets held for sale. One building and four pieces of land were included as assets held for sale at 31 March 2023.



**Notes to the Accounts**  
Year ended 31 March 2024

**16. TRADE PAYABLES AND OTHER PAYABLES**

	Group		Invest NI	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Amounts due within one year:</b>				
Trade payables and accruals	6,327	16,211	6,157	9,541
Accrued grant payables	10,355	17,268	10,355	17,269
Other taxation and social security	57	-	-	-
Amount owed to subsidiaries	-	-	192	287
Other payables	5,121	2,682	4,857	2,682
Deferred income	201	813	158	748
Amounts due to DfE: other income surrendered	2,363	1,406	2,363	1,406
	<b>24,424</b>	<b>38,380</b>	<b>24,082</b>	<b>31,933</b>

At each reporting date the carrying values of the above instruments approximate their fair value due to their short-term nature.

**17. BORROWINGS**

	Group		Invest NI	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Current</b>				
Bank Loans	420	353	-	-
	<b>420</b>	<b>353</b>	-	-
<b>Non-current</b>				
Bank loans	13,671	14,098	-	-
	<b>13,671</b>	<b>14,098</b>	-	-

The fair value of borrowings is not materially different from their carrying value as the impact of discounting is not significant. For the purposes of IFRS 7, the financial liabilities noted above are classified as other financial liabilities. The carrying amount of the group's borrowings is denominated in Sterling. The effective interest rate at the reporting date of bank term loans is 1 month Bank of England less 0.00685% plus 1.05% margin.

**Notes to the Accounts**

Year ended 31 March 2024

**17. BORROWINGS (CONTINUED)**

**Maturity of financial liabilities**

The maturity profile of the carrying amount of borrowings is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Bank loans</b>		
Amounts due in less than one year	420	353
In more than one year but not more than two years	638	420
In more than two years but not more than five years	3,598	2,780
After more than five years	9,435	10,898
	<u>14,091</u>	<u>14,451</u>

The amounts included in the table below are the contractual undiscounted cash flows of current and non-current borrowings:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Bank loans</b>		
Less than one year	1,276	1,235
In more than one year but not more than two years	1,462	1,275
In more than two years but not more than five years	5,728	5,107
After more than five years	10,245	12,341
	<u>18,711</u>	<u>19,958</u>

BSDL has given a floating charge over its assets to secure the borrowings of MRDE.

**Notes to the Accounts**

Year ended 31 March 2024

**18. PROVISIONS FOR LIABILITIES AND CHARGES**

(i) Amounts falling due within one year:

	<b>Grants £000</b>	<b>Group Other £000</b>	<b>Total £'000</b>
<b>At 1 April 2022</b>	20,429	1,886	22,315
Provided in the year	14,268	189	14,457
Under provision from prior year/ (Provisions not required written back)	(357)	-	(357)
	<hr/>	<hr/>	<hr/>
	13,911	189	14,100
Provisions utilised in the year	(15,067)	-	(15,067)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>	<b>19,273</b>	<b>2,075</b>	<b>21,348</b>
	<hr/>	<hr/>	<hr/>
Provided in the year	10,883	160	11,043
Under provision from prior year/ (Provisions not required written back)	(938)	-	(938)
	<hr/>	<hr/>	<hr/>
	9,945	160	10,105
Provisions utilised in the year	(16,795)	(191)	(16,986)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2024</b>	<b>12,423</b>	<b>2,044</b>	<b>14,467</b>
	<hr/>	<hr/>	<hr/>

**Notes to the Accounts**  
Year ended 31 March 2024

**18. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)**

	Invest NI Grants £'000	Invest NI Other £'000	Invest NI Total £'000
<b>At 1 April 2022</b>	<b>20,429</b>	-	<b>20,429</b>
Provided in the year	14,268	-	14,268
Under provision from prior year/ (Provisions not required written back)	(357)	-	(357)
	13,911	-	13,911
Provisions utilised in the year	(15,067)	-	(15,067)
<b>At 31 March 2023</b>	<b>19,273</b>	-	<b>19,273</b>
Provided in the year	10,883	160	11,043
Under provision from prior year/ (Provisions not required written back)	(938)	-	(938)
	9,945	160	10,105
Provisions utilised in the year	(16,795)	-	(16,795)
<b>At 31 March 2024</b>	<b>12,423</b>	<b>160</b>	<b>12,583</b>

**(ii) Analysis of expected timing of discounted flows**

	Group	
	2024	2023
	£'000	£'000
<b>Provisions</b>		
Not later than one year	14,467	21,348
<b>Balance at 31 March</b>	<b>14,467</b>	<b>21,348</b>
	Invest NI	
	2024	2023
	£'000	£'000
<b>Provisions</b>		
Not later than one year	12,583	19,273
<b>Balance at 31 March</b>	<b>12,583</b>	<b>19,273</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**18. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)**

**Grants**

The majority of grant provisions are due to be paid within one year, hence the effect of discounting is considered to be immaterial. As detailed in note 1, a grant provision is made where companies can demonstrate meeting the defined terms of their financial assistance agreement.

**Other group provisions**

Included in other provisions is an amount in respect of a subsidiary and the potential for clawback of EU funds in relation to ongoing projects, any settlement would arise as projects are closed with the EU. The valuation has been calculated using the prior experience in relation to amounts that have previously been deemed ineligible, this estimate contains significant uncertainty while NI-CO continue to work with the EU to confirm the extent of any potential future clawback. In June 2023, the NI-CO Board concluded that it could no longer be considered a going concern and the company ceased trading on 31<sup>st</sup> March 2024. This has resulted in the potential for an element of increased uncertainty over the valuation of these balances.

**Other Invest NI provisions**

On 17th June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. The case was referred to the Supreme Court and the judgment (PSNI v Agnew) was delivered on 4 October 2023, upholding the decision surrounding holiday pay shortfalls and can date back as far as 1998. As this judgement has potential implications for the Northern Ireland Civil Service (NICS) and Invest NI's staff are, in the main, employed under NICS terms and conditions, a provision in respect of potential liabilities for holiday pay has been estimated and included in the accounts. This estimate contains some significant elements of uncertainty as NICS continues to take further legal advice and wider NICS Trade Union negotiations are ongoing.

**19. STATEMENT OF CASH FLOWS**

**Adjustments for non-cash transactions**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Notional expenditure on COVID-19 Business Support Schemes *	(198)	(493)
Notional costs (note 3)	371	373
Movement in Provisions for the year (note 18)	10,105	13,911
Depreciation (note 3)	2,094	1,733
Amortisation (note 3)	1,596	2,056
Loss/(Profit) on disposal of Property, plant and equipment	(341)	(76)
(Profit)/Loss on Financial asset disposal	(1,437)	(516)
Impairment (note 3)	5,133	5,429
Interest charge on lease liabilities	32	37
Financial instruments gains or losses (note 4)	(199)	(4,883)
Share dividend income (note 5)	(83)	-
Interest income on financial assets at amortised cost (note 5)	(282)	(158)
Share of results of associates (note 11)	3,835	4,366
Foreign exchange loss/(gain)	(194)	(115)
<b>Total non-cash transactions</b>	<b>20,432</b>	<b>21,664</b>

\* This represents the amounts paid under the COVID-19 Business Support Schemes operated and administered by DfE/LPS. An equivalent amount of notional grant-in-aid was received from DfE to cover the expenditure in year.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**20. FINANCIAL INSTRUMENTS**

**Financial Risk Management**

Financial instruments are primarily held as part of the overall financial assistance to client companies. Invest NI is not exposed to the degree of financial risk faced by business entities because of the largely non-trading nature of its activities and the way NDPBs are financed. Moreover, Invest NI has very limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to mitigate the risks facing Invest NI in undertaking its activities. Invest NI is primarily exposed to credit risk, currency risk and market risk (including price risk and interest rate risk).

Invest NI's net resource requirements are financed by resources voted by the Assembly through DfE. The organisation is therefore not exposed to significant liquidity risks.

*Credit risk*

Invest NI's principal financial assets are cash and cash equivalents, receivables, investments in ordinary shares and preference shares, investments in convertible loan notes and fixed and variable rate loans. Invest NI's credit risk is primarily attributable to its receivables and investments in shares, loan notes, and fixed and variable rate loans. The amounts presented in the Statement of Financial Position are net of allowance for expected credit loss. Invest NI has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The group's maximum exposure to credit risk is the value of the financial assets referred to in note 12 and receivables in note 13. The group has the following assets that are subject to the expected credit loss model:

- Trade and other receivables
- Fixed and variable rate loans

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings.

**Trade and other receivables – loss allowance**

The group always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The group considers that default has occurred when a financial asset is more than 180 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

**Reconciliation of loss allowance on trade receivables**

	<b>Group and Invest NI</b> <b>£'000</b>
<b>Loss allowance on trade receivables at 31 March 2023</b>	<b>12,359</b>
Release of loss allowance on write off	(916)
ECL allowance on trade receivables (note 4)	(1,033)
Transfer to other receivables	(1,100)
	9,310
<b>Loss allowance on trade receivables at 31 March 2024</b>	<b>9,310</b>

Notes to the Accounts  
Year ended 31 March 2024

20. FINANCIAL INSTRUMENTS (CONTINUED)

	Group				Total
	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	
<b>At 31 March 2024</b>					
Expected loss rate	23.2%	23.5%	82.8%	82.5%	70.9%
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross carrying amount	1,236	1,339	231	10,322	13,128
<b>Loss allowance</b>	<b>287</b>	<b>315</b>	<b>191</b>	<b>8,517</b>	<b>9,310</b>

	Invest NI				Total
	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	
<b>At 31 March 2024</b>					
Expected loss rate	39.7%	23.3%	83.4%	82.5%	73.8%
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross carrying amount	724	1,349	229	10,320	12,622
<b>Loss allowance</b>	<b>287</b>	<b>315</b>	<b>191</b>	<b>8,517</b>	<b>9,310</b>

	Group and Invest NI				Total
	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	
<b>At 31 March 2023</b>					
Expected loss rate	6.3%	54.9%	22.6%	80.5%	70.1%
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross carrying amount	2,037	429	351	14,812	17,629
<b>Loss allowance</b>	<b>128</b>	<b>235</b>	<b>79</b>	<b>11,917</b>	<b>12,359</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**20. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fixed and variable rate loans – loss allowance**

	Group and Invest NI			Total loss allowance £'000
	12-month ECL £'000	Lifetime ECL £'000	Impaired £'000	
Fixed rate loans (note 12)	279	-	1,280	1,559
Variable rate loans (note 12)	-	-	111	111
<b>Loss allowance at 31 March 2024</b>	<b>279</b>	<b>-</b>	<b>1,391</b>	<b>1,670</b>

	Group and Invest NI			Total loss allowance £'000
	12-month ECL £'000	Lifetime ECL £'000	Impaired £'000	
Fixed rate loans (note 12)	264	-	877	1,141
Variable rate loans (note 12)	-	-	111	111
<b>Loss allowance at 31 March 2023</b>	<b>264</b>	<b>-</b>	<b>988</b>	<b>1,252</b>

The group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For assets classified as impaired above, there is objective evidence of impairment, including the following indicators:

- Significant financial difficulties of the debtor
- Probability that the debtor will enter bankruptcy or financial reorganisation, and
- Default or late payments

**Significant estimates and judgements**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

*Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Invest NI receives reimbursement of certain grant payments from the EU. Transactions with the EU are denominated in Euro and therefore exposed to currency risk. The revenue due from the EU is



**Notes to the Accounts**  
**Year ended 31 March 2024**

**20. FINANCIAL INSTRUMENTS (CONTINUED)**

recognised as a receivable when it is initially paid to grant recipients. However, only when Invest NI submits claims to the EU is the relevant portion of the receivable subject to exchange rate risk.

*Market risk*

Invest NI is exposed to equity price risks arising from equity investments. The shares included in the financial statements represent investments in listed and unlisted equity securities that present Invest NI with opportunity for return through dividend income and capital growth.

*Interest rate risk*

The majority of Invest NI's financial assets and all of its financial liabilities carry nil or fixed rates of interest. Movement in interest rates does not represent a significant risk to the organisation's operation.

The group's interest rate risk arises from borrowings, which are comprised of bank term loans. The group manages this risk by a mixture of variable interest rates on term loans and by the use of interest rate swap contracts. The interest rate is monitored on a regular basis with reference to movements in global interest rates and the potential impact upon the group's cost of borrowing.

**Derivative financial instruments**

The group has entered into an interest-rate swap whereby the group pays a fixed rate and receives a variable rate.

The fair value of this interest rate swap is recognised as a financial liability under non-current liabilities on the Consolidated Statement of Financial Position with fair value movements being reported in the Statement of Comprehensive Net Expenditure under finance costs.

The group's derivative financial instrument is valued under level 2 in the fair value hierarchy.

The fair value of the group's derivative financial instrument, a liability (designated for hedging) of £902,000 (2023: £1,190,000) is obtained from counterparty valuation, and is based on observable market data.

The movement on the group's derivative financial instrument is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April	1,190	3,261
Fair value adjustment	(288)	(2,071)
	<hr/>	<hr/>
<b>Liability at 31 March</b>	<b>902</b>	<b>1,190</b>
	<hr/> <hr/>	<hr/> <hr/>

It is not possible to determine the portion of the group's derivative financial instrument that will fall due within 12 months as it will depend on the movement of interest rates.

**Notes to the Accounts**  
Year ended 31 March 2024

**21. LEASES**

**Invest NI as lessor**

Net property rental income earned during the year was £347,000 (2023: £361,000). The group earned rental income of £855,000 (2023: £915,000). All operating lease contracts contain a number of clauses regarding rent renewals. All rent renewals are subject to valuation by Land and Property Services acting on behalf of Invest NI. At 31 March, Invest NI had contracted with tenants for the following future minimum lease payments:

<b>Obligations under operating leases for the following periods comprise:</b>	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
<b>Buildings:</b>	<b>£'000</b>	<b>£'000</b>
Year 1	771	885
Year 2	746	785
Year 3	425	760
Year 4	78	431
Year 5	58	51
Onwards	3,562	24
	<b>5,640</b>	<b>2,936</b>

<b>Obligations under operating leases for the following periods comprise:</b>	<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>
<b>Buildings:</b>	<b>£'000</b>	<b>£'000</b>
Year 1	135	156
Year 2	111	133
Year 3	108	108
Year 4	78	105
Year 5	58	51
Onwards	3,562	24
	<b>4,052</b>	<b>577</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**21. LEASES (CONTINUED)**

**Invest NI as lessee**

**Right-of-use assets**

	Group		Invest NI		
	Buildings	Total	Buildings	PFI Lease	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost:</b>					
At 1 April 2023	3,874	3,874	3,874	40,697	44,571
Remeasurement of lease liability	99	99	99	1,913	2,012
<b>At 31 March 2024</b>	<b>3,973</b>	<b>3,973</b>	<b>3,973</b>	<b>42,610</b>	<b>46,583</b>
<b>Accumulated Depreciation</b>					
At 1 April 2023	650	650	650	4,740	5,390
Charge for year (note 3)	696	696	696	4,992	5,688
<b>At 31 March 2024</b>	<b>1,346</b>	<b>1,346</b>	<b>1,346</b>	<b>9,732</b>	<b>11,078</b>
<b>Carrying Amount:</b>					
1 April 2023	3,224	3,224	3,224	35,957	39,181
<b>31 March 2024</b>	<b>2,627</b>	<b>2,627</b>	<b>2,627</b>	<b>32,878</b>	<b>35,505</b>

The Group currently leases several regional and international office properties. The average remaining lease term is 4 years. Invest NI HQ is leased under a PFI arrangement from a group company with a remaining term of 6.5 years. Further information on the PFI is presented in note 23.

One lease was subject to a rent review in 2023-24. This resulted in a remeasurement of the lease liability and subsequent adjustment to right-of-use assets of £99,000 (2023: £878,000). For Invest NI, the PFI contract was subject to an inflationary increase which resulted in the remeasurement of lease liability of £1.92m.

Amounts recognised in profit and loss:

	Group		Invest NI	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Depreciation expense on right-of-use assets	696	650	5,688	5,390
Interest expense on lease liabilities	32	37	393	424
Expense relating to short-term leases	88	119	88	119
	<b>816</b>	<b>806</b>	<b>6,169</b>	<b>5,933</b>

The total Group cash outflow for leases amount to £631,000 (2023: £772,000)

**Notes to the Accounts**  
Year ended 31 March 2024

**21. LEASES (CONTINUED)**

**Lease liabilities**

Maturity analysis:

	Group		Invest NI	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Year 1	742	717	5,963	5,676
Year 2	691	724	5,912	5,683
Year 3	512	671	5,733	5,630
Year 4	480	462	5,701	5,420
Year 5	339	429	5,560	5,388
Onwards	98	428	8,383	13,253
	<b>2,862</b>	<b>3,431</b>	<b>37,252</b>	<b>41,050</b>
Less Interest element	<b>(73)</b>	<b>(100)</b>	<b>(1,285)</b>	<b>(1,595)</b>
Present Value of obligations	<b>2,789</b>	<b>3,331</b>	<b>35,967</b>	<b>39,455</b>
Analysed as:				
Current	716	685	5,622	5,301
Non-current	2,073	2,646	30,345	34,154
	<b>2,789</b>	<b>3,331</b>	<b>35,967</b>	<b>39,455</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities.

**22. OTHER FINANCIAL COMMITMENTS**

	Group and Invest NI	
	2024 £'000	2023 £'000
Commitments in relation to unclaimed grants under financial assistance offers and agreements at the year-end comprised:	<b>112,830</b>	<b>111,739</b>

It is not possible to determine the date of future claims by client companies in relation to the above obligations.

**Notes to the Accounts**  
**Year ended 31 March 2024**

**23. COMMITMENTS UNDER PFI CONTRACT**

The contract for the Bedford Square headquarters Private Finance Initiative (PFI) project was signed in November 2004. Invest NI is committed to the terms and conditions in the final contract. The contract is on a 25 year basis from October 2005. The service charge payable by Invest NI includes unitary charges for facility (property and car parking) and reprographic charges. The Bedford Square headquarters is not an asset of Invest NI and it is an off Statement of Financial Position property. In 2013-14 Invest NI acquired the BSDL Group that manages the PFI contract, as such the asset now forms part of the Consolidated Statement of Financial Position. Under IFRS 16, the PFI contract is now recognised as a right-of-use asset and corresponding lease liability (see note 21 for more detail).

The asset has been revalued by LPS on 31 March 2024 at £25,500,000 (2023: £25,500,000). Total future minimum payments due under this PFI contract are given in the table below for each of the following periods:

	<b>Invest NI</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	5,395	5,317
Later than one year and not later than five years	22,173	21,957
Later than five years	8,989	14,601
	<u><b>36,557</b></u>	<u><b>41,874</b></u>

The above is subject to annual service performance review adjustments and includes an assumption that charges will increase by an average inflation factor of 0.67% per annum over the remaining term, an impact of approximately £1.5m. The prior year figures have been restated to include adjustment for inflation. Invest NI may avail of other services at an additional cost and reduced service requirements in accordance with the provisions set out in the contract.

**24. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37**

Invest NI receives EU grants and administers programmes that are funded by EU financial assistance. Therefore Invest NI is bound by the appropriate EC regulations and requirements. Invest NI has a potential liability to repay EU grants if the relevant EC regulations and requirements are not met or complied with. Any potential future liability would be dependent upon any irregularity not yet identified. Therefore at the end of the financial year, the maximum amount of potential liability is not quantifiable but the inherent risks remain as Invest NI has continued to carry out the administrative role.

The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. A number of past and present NICS pension scheme members have taken a class action in relation to injury to feelings. This class action affects all employers across the NI public sector and is an extremely complex case which may have significant implications for both Invest NI and wider public sector. However, the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

**Notes to the Accounts**  
Year ended 31 March 2024

**25. RELATED PARTY TRANSACTIONS**

**Transactions with the Parent and other Government Departments**

Invest NI is a NDPB of DfE. DfE is regarded as a related party. During the year, Invest NI has had various material transactions with DfE. At the reporting date Invest NI had the following outstanding balances with DfE:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Payables: amounts due within one year (note 16):		
Balances with other central government bodies	2,363	1,406

In addition, Invest NI had various transactions with other government departments and their agencies, and other central government bodies. Most of these transactions have been with DoF and HMRC. There were no material outstanding balances with these bodies, local authorities, HSS Trusts, public corporations or trading funds.

**Transactions with associates**

The relationships with associates are detailed in note 11. The following payments were made to associates during the year:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Crescent Capital III LP	300	150
Kernel Capital	1,297	751
Techstart NI SME Equity	125	396
QUB Equity Limited Partnership	50	50
Ulster Equity Limited Partnership	50	50
Growth Finance Fund	2,293	1,000
NI Growth Loan Fund II	7	3,000
Techstart Ventures II LP	6,333	6,984
Small Business Loan Fund	1,000	-
	<b>11,455</b>	<b>12,381</b>

The following distributions were received from associates during the year:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Techstart Ventures II LP	-	15
Small Business Loan Fund	-	117
Techstart NI SME Equity	548	38
NI Growth Loan Fund	1,446	3,322
	<b>1,994</b>	<b>3,492</b>

**Notes to the Accounts**  
Year ended 31 March 2024

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

**Transactions involving ELT**

A beneficial interest exists when the Chief Executive or Executive Director is either directly, or through a family connection, a material shareholder or receives a payment from the entity for their services. A family connection will give rise to a beneficial relationship where the family member occupies a senior position in the relevant organisation.

**Financial assistance transactions:** (Refer to the key at end of note)

ELT member	Company	Nature of relationship	New financial assistance offered 2024 £'000	Amount paid 2024 £'000	New financial assistance offered 2023 £'000	Amount paid 2023 £'000
Alan McKeown	Belfast City Council	(a)	-	168	-	480

**Payments made by Invest NI for services (inclusive of VAT where applicable):**

ELT member	Company	Nature of relationship	Amount paid 2024 £'000	Amount paid 2023 £'000
Alan McKeown	Belfast City Council	(a)	24	22

**Amounts invoiced by Invest NI (inclusive of VAT where applicable):**

ELT member	Company	Nature of relationship	Amount invoiced 2024 £'000	Amount invoiced 2023 £'000
Alan McKeown	Belfast City Council	(a)	1	7

**Balance owed from the entity at 31 March:**

ELT member	Company	Nature of relationship	Balance 2024 £'000	Balance 2023 £'000
Alan McKeown	Belfast City Council	(a)	*	*

\*Commercially sensitive

**Notes to the Accounts**  
**Year ended 31 March 2024**

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

**Transactions involving Board members**

Due to the nature of Invest NI's operations and the composition of its Board members (being from local private and public sector organisations), it is inevitable that transactions will take place with companies and organisations in which Board members may have a beneficial or non-beneficial interest. A beneficial interest is when the Board member is either directly, or through a family connection, a material shareholder or receives a payment from the entity for their services. A family connection will give rise to a beneficial relationship where the family member occupies a senior position in the relevant organisation.

Further details regarding the Register of Interests are on page 34.

Transactions with these related entities are conducted on an arm's length basis. Financial assistance packages are subject to normal project and programme rules and internal appraisal procedures. The purchase of goods and services are subject to normal tendering processes, and the organisation's procurement policy, which complies with DoF guidelines. All proposals and transactions are approved in line with the delegation policies approved by DfE.

During the year, the transactions in the tables below (inclusive of VAT where applicable and aggregate value in excess of £1,000) were made with entities in which Board members have had a beneficial interest during the year. On this basis, where disclosure was made in 2022-23 for bodies from which Board members resigned or retired during 2022-23, these are not replicated in the 2023-24 financial statements. Similarly, where a Board member retired from Invest NI in 2022-23 no disclosure has been made in respect of this individual for 2023-24. The 2022-23 information has been retained for comparative purposes. Where a Board member has been appointed to Invest NI in 2023-24, no comparative information for 2022-23 has been provided in respect of this individual.

Where a Board member has resigned/retired from either Invest NI or another organisation during the year, transactions with the relevant organisation during the year are disclosed but balances owing to/from the body at the year-end are not on the grounds that no beneficial relationship existed at that date.



**Notes to the Accounts**  
Year ended 31 March 2024

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

**Financial assistance transactions:**

<b>Board member</b>	<b>Company</b>	<b>Nature of relationship</b>	<b>New financial assistance offered 2024 £'000</b>	<b>Amount paid 2024 £'000</b>	<b>New financial assistance offered 2023 £'000</b>	<b>Amount paid 2023 £'000</b>
Mark Nodder	Cadshare Technology Limited (c)	Chair	(b)	(b)	9	8
	Traynors Limited	Director	(b)	(b)	-	2
Judith Totten	Queen's University Belfast	(a)	(b)	(b)	7	4,344
Colin Coffey	Agri-Food and Biosciences Institute	Chair	-	37	-	25
	Natural World Products Limited	Chair	-	-	6	-
Julie-Ann O'Hare	Radox Laboratories	Senior Management	-	-	-	802
Scott Richie	Cocktail Keg Company	Investor	-	10	4	8
	Franks Pets Limited	Owner	-	-	-	20
Dominic Darby	Around Noon Foods Ltd	Director	-	213	(c)	(c)

**Notes to the Accounts**  
Year ended 31 March 2024

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

**Payments made by Invest NI for services (inclusive of VAT where applicable):**

<b>Board member</b>	<b>Company</b>	<b>Nature of relationship</b>	<b>Amount paid 2024 £'000</b>	<b>Amount paid 2023 £'000</b>
Judith Totten	Queen's University Belfast	(a)	(b)	84
Colin Coffey	Agri-Food and Biosciences Institute Institute of Directors	Chair Member and Chartered Director Assessor	- 4	4 2
Marie-Therese McGivern	Northern Ireland Water Limited Strategic Investment Board Limited	Non-Executive Director Non-Executive Director	14 -	15 38
Mark Nodder	Cadshare Technology Limited (c)	Chair	(b)	2
Kieran Kennedy	North West Regional College	Member of Governing Body	153	119
Michael McQuillan	South Eastern Regional College	Member of Governing Body	5	20

**Amounts invoiced by Invest NI (inclusive of VAT where applicable):**

<b>Board member</b>	<b>Company</b>	<b>Nature of relationship</b>	<b>Amount invoiced 2024 £'000</b>	<b>Amount invoiced 2023 £'000</b>
Mark Nodder	Cadshare Technology Limited (c)	Chair	(b)	4

**Notes to the Accounts**  
Year ended 31 March 2024

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

**Balance owed to the company at 31 March:**

<b>Board member</b>	<b>Company</b>	<b>Nature of relationship</b>	<b>Balance 2024 £'000</b>	<b>Balance 2023 £'000</b>
Colin Coffey	Agri-Food and Biosciences Institute	Chair	20	6
Kieran Kennedy	North West Regional College	Member of Governing Body	45	57
Michael McQuillan	South Eastern Regional College	Member of Governing Body	5	8
Scott Richie	Cocktail Keg Company	Investor	-	4
Dominic Darby	Around Noon Foods Ltd	Director	98	(c)

There were no loan or receivable balances outstanding at 31 March 2024 (2023: £Nil) from any company in which a Board member had a beneficial interest.

**Key**

(a) Connected via family relations.

(b) The board member resigned from Invest NI during 2022-23, therefore balances owing to/from the body at the year-end are not disclosed on the grounds that no beneficial relationship existed at that date.

(c) The board member's role changed during 2023-24 and as such there is now a beneficial relationship this year. Balances owing to/from the body at the year-end are not disclosed on the grounds that no beneficial relationship existed at that date.

**26. EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events since the year-end which affect the financial statements.

**Date of authorisation for issue**

The Accounting Officer authorised the issue of these financial statements on 2 July 2024.

## REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN ASSEMBLY

### Introduction

1. Invest Northern Ireland (Invest NI) is a Non-Departmental Public Body, established in 2002 to grow the local economy by helping new and existing businesses compete internationally and by attracting new investment. It is a separate legal entity with its own independent board and Accounting Officer. It is sponsored by the Department for the Economy (the Department), but it is not part of the Department and produces its own financial statements.
2. Invest NI has three subsidiaries, all of which are limited companies, producing their own financial statements in line with the requirements of the Companies Act 2006. These results are then consolidated with Invest NI's transactions and balances to form group financial statements which are reported within the Invest NI Annual Report and Accounts. My opinions on the group financial statements can therefore be affected by issues arising in these subsidiaries.

### Purpose of the Report

3. I am required to examine, certify and report upon the financial statements prepared by Invest NI under the Industrial Development Act (Northern Ireland) 2002. This report explains the reasons for my qualified audit opinion on the Invest NI financial statements for the year ended 31 March 2024.
4. I have qualified my true and fair audit opinion on the 2023-24 financial statements as a result of a limitation in the scope of my work due to insufficient appropriate audit evidence being available to me to support a key assumption used to estimate a liability at 31 March 2024 of £1.9 million (2022-23 £2.1 million). The liability is within a subsidiary of Invest NI, whose financial information has been consolidated within the Invest NI group financial statements (see paragraphs 6-10 for further details).
5. I had previously qualified my true and fair opinion on the 2022-23 financial statements on this same issue. My opinion on the 2022-23 financial statements was also qualified due to my disagreement with the accounting treatment of certain COVID-19 business support schemes. Whilst the 2023-24 financial statements include some expenditure and balances relating to these schemes, I do not consider the amounts involved to be material and therefore have not qualified my audit opinion on the 2023-24 financial statements on this issue.

### Limitation on the scope of the audit arising from insufficient audit evidence to support an accounting estimate

6. Northern Ireland Co-Operation Overseas Limited (NI-CO) is one of Invest NI's subsidiaries and operated on a not-for-profit basis until 31 March 2024, when it ceased trading. Its principal activity had been to manage and implement international development projects on behalf of central government departments and other public bodies. A substantial amount of NI-CO's revenue in recent years had been generated through European Union (EU) projects. Since the UK's withdrawal from the EU, NI-CO has not been awarded any further EU contracts, and received official notification from the EU that it is ineligible to apply for contracts from its 2021-27 EU Multi-Finance Framework Programme. NI-CO was unable to identify other revenue streams to sustain the organisation and, following consideration of a business review report produced by a consultant, in June 2023 NI-CO's Board concluded that the entity was no longer a going

## INVEST NI ANNUAL REPORT AND ACCOUNTS 2023-24

concern and should cease trading. In line with this decision, NI-CO ceased operations on 31 March 2024.

7. As a limited company, the audit of NI-CO's statutory financial statements is performed by a registered auditor in line with requirements of the Companies Act 2006. Under auditing standards, I am required to engage with the auditors of all of Invest NI's subsidiaries, to obtain the assurances I need to inform my audit opinion on the group's consolidated financial statements. The level of this engagement varies depending on the relative size of the subsidiary within the group and the audit risk profile.
8. My audit of the 2022-23 financial statements identified a material accounting estimate for a liability within the financial statements where I was unable to obtain sufficient appropriate audit evidence. This estimate related to a provision for clawback that may be payable to the EU should any issues be identified during an EU audit of claims made by NI-CO within seven years of the related project being completed. This is referred to as the 'Ineligible Expenditure Fund' (IEF). In most cases, the provision was based on an assumption of 2.5 per cent of project expenditure being ineligible, but I was unable to obtain sufficient appropriate evidence to confirm that this assumption was reasonable. I therefore qualified my audit opinion since the scope of my work was limited by this and there were no alternative audit procedures which I could carry out to obtain the assurance that I required.
9. Invest NI and NI-CO and its auditors have updated me on developments with the estimation of the IEF liability. This included progress made on discussions with the EU, in light of the impact that NI-CO's cessation of trading might have on the final settlement figure. Invest NI told me that whilst NI-CO and its advisors have made best efforts to engage with the EU, there has been limited progress to date. As a result of this and no new evidence being provided to support the assumption used to calculate the estimated liability, I was unable to obtain sufficient appropriate audit evidence to support the IEF balance of £1.9 million in the 2023-24 financial statements (2022-23 £2.1 million). NI-CO's auditors have also qualified their audit opinion on NI-CO's 2023-24 financial statements on a similar basis. As there were no alternative audit procedures which I could carry out to obtain the assurance that I required, my opinion on the 2023-24 group financial statements is therefore qualified.
10. NI-CO's financial statements for the year-ended 31 March 2024 were prepared on a basis other than going concern and have been consolidated within Invest NI's group financial statements. I am content that the Invest NI group as a whole, remains a going concern, meaning that the accounting framework indicated within the Government Financial Reporting Manual (FRM) and International Financial Reporting Standards (IFRS) are still an appropriate basis for the group financial statements.

### **Update on actions Invest NI undertook to ensure DoF approval requests are up to date and complete**

11. My report on Invest NI's 2022-23 financial statements referred to a number of instances where DoF approval had not been sought on a timely basis for certain expenditure, particularly when circumstances had changed and re-approval was required. This had resulted in a number of approvals being requested on a retrospective basis rather than being obtained at the appropriate time. I recommended that Invest NI carefully consider potential root causes, how it documents and monitors the conditions of approval, and for a full review to be undertaken to produce a central database that can then be monitored. I also recommended that staff training be considered.

12. Invest NI has now completed a compliance review and established a database of approval conditions which will be managed and updated by its Performance, Compliance and Coordination Division. Staff awareness of the importance of approval conditions has also been increased through staff training.
13. As a result of this work, five further instances were identified where approval had not been sought from DoF when it should have been, or where conditions of approval had not been complied with on a timely basis.
14. My 2023-24 regularity audit opinion has not been qualified on these issues, since the expenditure either:
- has been regularised through retrospective approval by DoF; or
  - the expenditure was incurred in earlier financial years.
15. Although it is disappointing that further instances have been identified, it is evident that the review carried out by Invest NI has been thorough and robust. Having now established a central database, Invest NI should be in a better position going forward to manage and monitor conditions of approval to prevent further recurrences.



**Dorinnia Carville**  
**Comptroller and Auditor General**

Northern Ireland Audit Office  
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2 July 2024

If you require this document in an alternative format (including Braille, audio disk, large print or in minority languages to meet the needs of those whose first language is not English) then please contact:

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