



Annual Report 2011



Downhill Strand, Londonderry



Contents

2	Chairman's Statement
6	Chief Executive's Review
10	Tourism Ireland Board
13	Overview of Markets
20	Overview of Central Marketing
24	Overview of Corporate Services
27	Report and Financial Statements

Chairman's Statement



Brian Ambrose
Chairman

2011 saw a welcome return to growth in overseas visitor numbers to the island of Ireland, following a very challenging few years for the industry.

Overall, economic growth forecasts were mildly positive in the United States and in key emerging markets in 2011. Recovery in Great Britain remains fragile, as is evidenced by the return to negative growth in the first quarter of 2012. After a strong start to 2011 for the Eurozone, growth prospects weakened in the final quarter, with credit conditions tightening in Europe and major fiscal cutbacks in many countries. Uncertainty in the Eurozone towards the end of the year also contributed to a marked slowdown in world trade and impacted upon consumer confidence at home and overseas.

Against the backdrop of a slower-than-anticipated global economic recovery, the tourism industry proved to be resilient and encouragingly, provisional data suggests that market share grew in most of our key markets in 2011, a strong performance in difficult

economic circumstances. Despite the continuing economic turmoil, 2011 closed on a note of cautious optimism, with the focus for 2012 firmly on building on the return to growth in overseas tourism numbers.

Strategic Priorities

In planning for 2011, Tourism Ireland undertook a comprehensive review of its marketing strategy to ensure that our efforts would be concentrated on the markets and areas that would deliver the greatest return. The review informed the development of a marketing strategy and action plan for 2011 which included the development of a new global advertising campaign, 'Jump into Ireland'. The new campaign was unveiled to stakeholders in late 2011, for roll out across markets in 2012, reaching up to 200 million people across the world. The new suite of advertising – for TV, cinema, radio, press, outdoor and online – presents the destination in a way that clearly differentiates us from our competitors. The tagline for the new campaign – 'Jump into Ireland' – is designed to



convey a sense of fun and enjoyment. It was developed in consultation with a wide range of stakeholders at home and overseas and tested strongly among consumers.

The top four markets which deliver three-quarters of our visitors – Great Britain, the United States, Germany and France – were identified as the priority for Tourism Ireland in 2011. Restoring the Great Britain market to growth was a critically important objective for Tourism Ireland in 2011. Marketing spend in Britain was increased by +30% to deliver on this objective. The historic visit of Queen Elizabeth II to Ireland in May gave Tourism Ireland a superb platform for its marketing campaigns in Great Britain. I am confident that both historic visits by Queen Elizabeth II and US President Barack Obama, which received widespread and positive exposure in media across the world, have provided a welcome boost for tourism to the island.

Restoring and enhancing air services was also a major strategic focus for Tourism Ireland in 2011. This included investment in co-operative

promotional campaigns with air and sea carriers and case-making with airports and airlines to support the restoration of services.

Focus on the Diaspora was increased significantly in 2011. Over 70 million people worldwide claim links with the island of Ireland. Tourism Ireland worked to exploit this interest in 2011 in major markets – including Great Britain, the United States and Australia – to capitalise on the recent availability of online census records. Genealogy was selected as a key theme of the marketing push in the United States, building on the visit of President Obama in May. Tourism Ireland also continued to target the Ulster Scots or Scots Irish communities, particularly in the United States and Canada, with invitations to visit the home of their ancestors in Northern Ireland. With the announcement by the Minister of Transport, Tourism and Sport of 'The Gathering Ireland 2013', an invitation to the Irish Diaspora around the world to come and join in Ireland's renewal, Tourism Ireland will further develop its focus on the Diaspora in the second half of 2012.

Northern Ireland

An important element of Tourism Ireland's mandate is to support Northern Ireland to realise its tourism potential. Tourism Ireland promotes Northern Ireland as part of our global destination marketing programmes and also undertakes specific, additional marketing activity, in partnership with the Northern Ireland Tourist Board and Northern Ireland industry partners.

We were delighted, during 2011, to achieve a significant increase in the number of Northern Ireland industry partners who participated in our overseas promotional programmes across a range of markets. This was essential in helping us to bring the Northern Ireland holiday experience to life and as we sought to prepare the way for Northern Ireland's special year of ni2012.

Specific Northern Ireland-focused initiatives included the roll out of the 'Home of Champions' golf advertising campaign, designed to capitalise on Darren Clarke's great British Open victory at Royal St

George's and previous wins by Rory McIlroy and Graeme McDowell in the US Open championship. Belfast and Londonderry were promoted as city breaks in Great Britain, where motoring holidays were also highlighted. And, the MTV Europe Music Awards, the biggest music event ever staged in Northern Ireland, were leveraged by Tourism Ireland in key markets including Great Britain, Canada, Italy, Germany and France.

Tourism Ireland continued to work closely with traditional and online tour operators and with key travel and lifestyle media in established and new markets including China, India and the GCC countries to increase exposure for Northern Ireland.

Many tour operators and print and broadcast media were also invited to visit Northern Ireland throughout the year, to experience the destination for themselves. While this is an important element of our overall marketing strategy for Northern Ireland, it also helps to address and counter the concerns over safety and security which have re-emerged in relation to Northern Ireland among overseas consumers in recent years.

2011 closed with the launch of our new marketing plans and the unveiling of our 'Jump into Northern Ireland' television ad, as part of Tourism Ireland's new global advertising campaign.

Regions

Encouraging overseas tourists to visit the regions of Ireland continued to be a key focus for Tourism Ireland in 2011. In co-operation with Fáilte Ireland, Dublin Tourism and Shannon Development, Tourism Ireland implemented specific regional campaigns showcasing Ireland West, Ireland South, the Lakelands, Dublin and Dublin's Doorstep, in addition

to presenting all regions prominently in our global destination marketing programmes.

Regional campaigns were promoted in Great Britain, the United States, Germany, France and other key markets. The Solheim Cup at Killeen Castle in September provided a valuable platform to showcase our great golfing experience to a global audience and our 'Home of Champions' advertising campaign capitalised on the continued success of our golfers on the international tour. Events, city breaks and touring holidays were also promoted vigorously.

Governance

The Board met nine times over the course of 2011 and the meetings, held at various locations around the island including Coleraine, Dublin, Belfast and Westport, afforded opportunities for members to engage with local industry representatives.

Matters considered by the Board during the year included the strategy to return the Great Britain market to growth; air access, consumer engagement and eMarketing strategies; advertising and communications briefs and the new suite of tourism advertising was approved; global marketing campaigns around St Patrick's Day were considered, as were promotions to maximise the benefits of the visits by Queen Elizabeth II and US President Obama; the review of the French market was approved; performance monitoring was ongoing against objectives set in the Business Plan 2011 and the Corporate Plan 2011-2013. The Business Plan for 2012 was reviewed and approved. Reports were received from the Risk Management and Remuneration Committees and were deemed to be satisfactory.

Acknowledgements

My Board is grateful to both our sponsor departments (the Department of Transport, Tourism and Sport in the South and the Department of Enterprise, Trade and Investment in Northern Ireland) for the provision of additional funding to support co-operative marketing initiatives with key carrier partners in the period 2011/2012. I would also like to thank our many carrier and other commercial partners who invested matching private sector funding in these initiatives – and demonstrated their confidence in our industry – with the aim of boosting tourism to the island.

I would like to acknowledge the support and collaboration of a number of individuals and organisations throughout the year: Leo Varadkar TD, Minister for Transport, Tourism and Sport; Michael Ring TD, Minister of State for Tourism and Sport; and Arlene Foster MLA, Minister for Enterprise, Trade and Investment, whose support and prioritisation of overseas tourism in both jurisdictions has been critical to achieving the return to growth in visitor numbers experienced in 2011. I would also like to thank the staff of both sponsor departments – the Department of Transport, Tourism and Sport and the Department of Enterprise, Trade and Investment; the North/South Ministerial Council; our colleagues in the Northern Ireland Tourist Board and Fáilte Ireland; and our partners at regional level in both jurisdictions.

I would like particularly to thank our outgoing chairperson, Ann Riordan, for her huge contribution – both in this role and as a member of the Board since its inception. Her expertise and experience have been an invaluable asset to the organisation. I would also like to thank Hugh Friel who resigned



as chairman on 3 May 2011 having guided the organisation during some of the most difficult days our tourism industry has experienced. Together with my fellow Board members and colleagues in Tourism Ireland, we wish them both every success for the future.

I would also like to acknowledge and thank my fellow Board members for their support throughout 2011 and over the course of their full term of office. On 18 December, a new Board took up the reins, under my chairmanship, and I look forward to working with them to build on the promising early signs of recovery that we have seen in 2011.

Finally, I would like to acknowledge and thank the team at Tourism Ireland, lead by Niall Gibbons, based at home and in the overseas markets, for their enormous contribution over the course of 2011. In challenging economic circumstances, they continue to do an outstanding job in ensuring that the destination features

prominently on the world stage. I have been enormously impressed from what I have seen of the team so far and I look forward to working with them in 2012 and beyond.

Future Prospects

As I look ahead to 2012, I am cognisant that the global economic environment and outlook for international travel remain uncertain; yet we remain cautiously optimistic that the return to growth in 2011 will be further developed in 2012. Our goal is to build on this growth consistently so that, in 2015, we will welcome over 9 million visitors, exceeding the record year for tourism of 2007.

However, prospects for travel and tourism growth in Europe in 2012 remain precarious. Consumer spending is set to tighten as austerity measures kick in, and there continues to be considerable uncertainty around the future of some Eurozone

economies. That said, at time of writing, there have been signs of modest improvement across a range of indicators in our top four markets of Great Britain, the United States, Germany and France.

For our part, we are focused on capitalising upon every single opportunity out there in markets across the world. 2012 looks set to be a busy and important year for tourism to the island with a range of events including the opening of Titanic Belfast, as part of the ni2012 programme, and the promotion of 'The Gathering Ireland 2013', to help us keep the island to the fore for potential visitors across the world. Our intention is to continue to increase Tourism Ireland's market share and to win as much of that business as possible in 2012.

Brian Ambrose
Chairman

Chief Executive's Review



Niall Gibbons
Chief Executive

Following some of the most difficult years for travel and tourism, 2011 saw a welcome return to growth in overseas visitors. Provisional results for 2011 indicate that almost 7.3 million people visited from around the world. While here, these visitors spent almost €3.4bn/£2.8bn, helping to support over 200,000 jobs across the island.

Tourism Ireland's main focus was on winning market share in our four key tourism markets of Great Britain, the United States, Germany and France, which together contribute nearly three-quarters of all visitors to the island. In addition, we continued to promote in another 18 markets overseas, including in emerging markets like China, India and the GCC, with lower levels of investment. Our priority was to ensure that the destination was 'top of mind' for potential holidaymakers across the world and to return overseas tourism to growth. Our message was that there had never been a better time to visit the island of Ireland, with better-than-ever value from industry partners and great things to do and see.

2011 proved to be a year of opportunity for the tourism industry and Tourism Ireland and industry partners worked hard to make the most of each and every one of them.

State Visits

The historic visits of Queen Elizabeth II and US President Barack Obama in May offered the tourism industry a major boost in two of our most important markets. The visits provided unprecedented

opportunities to showcase the island to a huge audience of potential holidaymakers, not only in Great Britain and the United States,



The historic visit of Queen Elizabeth II provided a major boost to the tourism industry

but across the world. They gave us superb platforms for additional marketing campaigns, following in the footsteps of the visitors and highlighting our scenery and our welcoming people, as well as unique aspects of our culture and heritage, our literature, our food and product strengths like genealogy and equestrian amenities.

A large international media



President Obama greets locals in Moneygall, Co Offaly

contingent covered the visits, generating positive publicity worth an estimated €300m/£246m through 38,000 articles and broadcast features in 110 countries across the world. Tourism Ireland has worked hard to build on the positive legacy from these historic visits.

Northern Ireland

Northern Ireland also enjoyed its share of the limelight in 2011 and received a significant boost from a number of high profile events. Rory McIlroy's historic US Open win at Congressional, followed by Darren Clarke's victory at the British Open at Royal St George's, brought a new focus on golf in Northern Ireland and across the island as a whole. As our great golfing experience basked in the global publicity spotlight, Tourism Ireland rolled out a new 'Home of Champions' golf campaign to capitalise on the huge international interest, adding to the extensive campaigns for Northern Ireland which were already under way in top markets across the world. November saw Belfast play host to the MTV European Music Awards which **broadcast each year to an estimated 632 million homes in over 150 countries**. This was an unprecedented opportunity to highlight the new, welcoming and vibrant Belfast and again to capture extensive international media attention. This massive exposure provided Tourism Ireland with a further opportunity to highlight Belfast and Northern Ireland in top markets across the world and to build on the city breaks and *Belfast – City of Music* campaigns which had run in Great Britain and other markets during the year.

This global exposure provided an unprecedented lead-in to Northern Ireland's special year of ni2012. Tourism Ireland played its part in the build-up to the opening of Titanic Belfast and other eagerly anticipated developments such as the new Giant's Causeway Visitor Centre by helping to keep Northern Ireland to the fore

for overseas travel trade, media and consumers during 2011. Overseas visitor numbers to Northern Ireland grew by +4% in 2011 and revenue by +20% and this augurs well for 2012, 2013 and the future, when our promotions will reach hundreds of millions of potential holidaymakers around the world.

New 'Jump into Ireland' Global Advertising Campaign

A key priority for Tourism Ireland in 2011 was the development of a new global advertising campaign which will roll out across markets in 2012 reaching an estimated 200 million people a year. The new, three-year campaign was developed in consultation with a wide range of island of Ireland and market-based industry partners and researched strongly among consumers in key markets. 'Jump into Ireland' captures the essence of a holiday here and plays to our product strengths – portraying iconic holiday experiences, warm, friendly people, and our unique culture and heritage. It differentiates us from our competitors and conveys the fun of a holiday here and has also been developed to be flexible so that it can reflect and promote upcoming events like 'The Gathering Ireland 2013' and Derry~Londonderry City of Culture 2013.

The new campaign launched in January 2012 across our markets and will be seen on TV, radio, in press and in cinemas, outdoor and online.

Visa Waiver Scheme

Although we continued to focus on traditional markets in 2011, Tourism Ireland was also active in markets

of the future like China, India and the GCC which are experiencing economic growth and an increase in outbound travel. Our priority is to build awareness of the island as a premier holiday and business tourism destination in these markets which are expected to be among the fastest-growing for outbound travel over the next decade. Our efforts were greatly enhanced by the introduction of the Irish Government's visa waiver scheme in July which made it considerably easier for tourists from emerging markets to visit Ireland without the cost or bother of applying for a separate visa. We were glad to work with colleagues in various departments, including the Department of Justice and Equality, and embassies in relevant markets to publicise and promote this advance. And, while further work remains to be done in this complex area, the recent announcement by the Irish Government of the scheme's extension for a further four years has been widely welcomed overseas where there is evidence that, at time of writing, 24 new tour operators are programming Ireland for the first time in 2012 on the back of the new visa arrangements.

St Patrick's Day

Over 70 million people around the world claim ancestral links with the island of Ireland and St Patrick's Day is a truly unique opportunity to reconnect them with their heritage and to showcase our wonderful tourism product to a huge worldwide audience. Our global 'greening' initiative continued in 2011, attracting additional iconic landmarks such as Table Mountain in South Africa and Burj

al Arab in Dubai to a lengthening list of high profile participants – even the Moulin Rouge in Paris becoming the ‘Moulin Vert’ for the day. The ‘greening’ captures public and media attention across six continents – generating an estimated €5m/£4.1m worth of positive publicity for the island. This is proven to boost our overall tourism marketing drive during the important decision-making period for holidays. We will continue to capitalise on this unique opportunity in 2012, particularly as we prepare for ‘The Gathering Ireland 2013’.



Moulin Rouge becomes Moulin Vert on St Patrick's Day

Golf

Golf continues to be a major focus for Tourism Ireland across main markets and 2011 was an excellent year for positive publicity for our great golf product and our wonderful golfing ambassadors in Rory McIlroy, Darren Clarke, Pádraig Harrington, Graeme McDowell and others. In addition to the historic performances of these top golfers, the attention of millions of golf enthusiasts around the world was trained on the Irish Open in Killarney and the Solheim Cup at Killeen Castle which Tourism Ireland promoted widely to overseas golf

enthusiasts, travel trade and media.

And golf was in the spotlight again in the autumn. Our ongoing partnership with NBC's Golf Channel in the US secured the



Promoting the Solheim Cup to overseas golf enthusiasts, travel trade and media

hugely popular golf series *Big Break* to shoot here during summer 2011, visiting top courses around the island. The series aired across the United States to 83 million households, generating publicity valued at over \$12 million.

eMarketing and Social Media

Social media is now integral to our overall eMarketing strategy and activity programmes. Word of mouth is particularly influential when it comes to travel decisions, with one in two visitors saying that personal recommendations influenced their choice to come to Ireland. Tourism Ireland teams across the world have worked hard to foster conversations about the island and to stimulate positive word of mouth about holidays here. 2011 saw a major break-through as we reached 640,000 fans on Facebook, making us the second most popular tourist board on the social networking site, after Australia, for most of the year. A number of online initiatives were introduced during the year and captured widespread public attention as well as picking up some awards. Our St Patrick's Day Riverdance

flashmob in Sydney attracted over 2.3 million views on YouTube.



Social Media is integral to our overall eMarketing strategy



Tourism Ireland's Riverdance flashmob attracted more than 2.3 million viewers on YouTube

Return on Investment

Tourism Ireland recognises the important role it has to play in driving economic recovery and creating employment. The need to ensure value for money, increased return on investment and to deliver on the organisation's five 'smart objectives' is paramount. The objectives were to maintain market share by delivering 6.9 million to 7.1 million visitors in 2011; to sustain or improve our competitive interest ranking in each of our top seven source markets, as measured by our Brand Tracking Survey; to grow promotable visitors to Northern Ireland to between 300,000 and

310,000 in 2011; and to increase investment in co-operative marketing by at least +10% in our top four markets with the intention of contributing €3.2m/£2.6m from core funds towards co-operative marketing campaigns with partners.

These objectives, integral to our Business Plan 2011, were set in conjunction with our Board and approved by the North/South Ministerial Council. In 2011, Tourism Ireland delivered on its 'smart objectives' through growth in visitor numbers, increased industry participation in promotions and marketing activity, and the maintenance of the highest standards of corporate governance.

Tourism Recovery Taskforce

In 2011, the Tourism Recovery Taskforce (TRT) was established to help drive the recovery in tourism to the island of Ireland. The taskforce includes representatives of the tourism industry, the Northern Ireland Tourist Board, Fáilte Ireland and Tourism Ireland, under the chairmanship of Vivienne Jupp. The taskforce ensures that the destination is promoted with one strong brand message and a coordinated strategy and action plan involving wide public and private sector participation.

The group, which liaises with Market Partnership Groups in Great Britain, the United States, Germany and France, monitors and fosters tourism recovery by working to identify potential sources of new tourism business. It pursues a work programme to assist the recovery of tourism and help secure the industry's long-term sustainability, which includes research projects to assist market and product development and to inform

case-making and direction-setting.

Acknowledgements

I am very grateful for the continuing support which Tourism Ireland has received from the administrations in both jurisdictions on the island and from our ministers, Arlene Foster MLA, Minister for Enterprise, Trade and Investment in Northern Ireland, and from Leo Varadkar TD, Minister for Transport, Tourism and Sport and Michael Ring TD, Minister of State for Tourism and Sport in the South. Ministers were generous with their time in participating in a number of productive visits to markets overseas for key promotions and events during the year. I am grateful, too, to the officials of both departments as well as those of the North/South Ministerial Council whose ongoing support and counsel we appreciate.

I would also like to acknowledge the continuing commitment of both Governments to overseas tourism promotion and their recognition of tourism as a driver of economic recovery. The provision of additional funding allowed us to mount enhanced cooperative marketing campaigns with key air and sea carriers, airports and tour operators which leveraged matching investment in tourism promotion overseas from the commercial sector.

I would also like to thank our partners in the tourism industry who have worked with us in significantly greater numbers during 2011 than ever before to bring the island of Ireland holiday experience to life for potential holidaymakers at promotions across the markets and who worked so tirelessly to 'close the sale' for tourism. The staff of Tourism Ireland have worked tirelessly, both at

home and overseas, to project a positive image of the destination in difficult economic circumstances. I remain very proud of their loyalty, commitment, energy and innovation in working on behalf of our industry.

Conclusion

2012 is about competing to win on the world stage and we are optimistic that we will see further growth in visitor numbers and revenue in the year ahead. While recent economic turbulence has brought increased uncertainty affecting business and consumer confidence, the overall outlook for travel and tourism remains cautiously positive and optimistic. People are continuing to travel but value for money remains more important than ever.

2012 looks set to be an exciting year for tourism, with major events like ni2012 – including the opening of Titanic Belfast and the new Giant's Causeway Visitor Centre and the hosting of the Irish Open at Royal Portrush for the first time in over 60 years – the grand finale of the Volvo Ocean Race taking place in Galway and the Notre Dame v Navy American football game coming to Dublin. In the second half of the year, Tourism Ireland will promote 'The Gathering Ireland 2013' to people across the world who have a connection with or an affinity for the island of Ireland and prepare for the great events to come in 2013. We look forward to building on the positive momentum of 2011.

Niall Gibbons
Chief Executive

Tourism Ireland Board



Brian Ambrose OBE, Chairman, whose career spans 35 years in the aviation industry, has held senior management positions within Bombardier in engineering and business

development. In 1997 Mr Ambrose was appointed director of operations at Belfast City Airport with responsibility for the day-to-day running of the airport. In January 2004, he was appointed chief executive of the airport and is responsible for a growing business with an annual passenger throughput in excess of 2.7 million and currently averaging 120 flights each day. With over 1,600 people currently working at the airport, Belfast City Airport has become a significant employer and contributor to the Northern Ireland economy. Mr Ambrose was chairman of CBI Northern Ireland 2008-2009. He is also chairman of Mencap Northern Ireland; a Board member of Business in the Community; and a trustee of the Titanic Foundation. He was awarded an OBE in the New Years Honours in 2011.



Jim Flannery, Vice-Chairman, is a graduate of the Shannon College of Hotel Management and worked in the hotel sector in Germany, the UK and Ireland. He subsequently joined Bord Fáilte, where

he was head of the Development and Quality Control unit. He served as chief executive of the Irish Hotels Federation from 1978 to 1988 and also served as a council member of the International Hotel and Restaurant Association and as founding vice-president of HOTREC, the hotel and restaurant body within the European Union. From 1991 to 1996 he was managing director of International Tourism Marketing Ltd, which provided marketing and other consultancy services to the Irish tourism sector. Mr Flannery has extensive international tourism experience; he established and was the first chief executive of the national tourist boards of Sierra Leone, Kenya and of the Carpathian tourist board in the Ukraine. He also established and/or reorganised the private sector hotel and tourist representative bodies in Oman, Ukraine, Bulgaria and Northern Ireland. Most recently, he has carried out extensive consulting and advisory assignments for the UN World Tourism Organisation in Europe, Africa, the Middle East and India.



Ciara Burke is employed within the health improvement field and works closely with community, statutory and industry to address health and well-being needs. Her professional

background includes experience in business development, marketing and public relations within a range of sectors. Previous roles have incorporated the development of community-based tourism initiatives, product development, delivery of the Welcome to Excellence suite of programmes to the sector, in addition to marketing and event management for a leading visitor attraction.



David Lyle OBE is the chief executive of advertising agency LyleBaillie International Limited and has over 20 years' experience in destination marketing. His unique experience

in North-South co-operation includes producing 20 cross-border TV campaigns on road safety and public service awareness. He is a principal author of 41 award-winning effectiveness case studies and recipient of 248 creative awards – including five Grand Prix. In 2009 he was presented with the David Ogilvy Gold Award by the Advertising Research Foundation in New York. He specialises in evaluating the economic paybacks arising from advertising and was awarded the OBE in 2011 for services to road safety.



Shaun Quinn is chief executive of Fáilte Ireland, the National Tourism Development Authority. Prior to his appointment in 2002, he was chief executive of CERT, the former state tourism training

agency. He joined CERT from Bord Bia – the Irish Food Board – where he held the positions of strategic planning director and later, head of marketing.



Elaine Murphy is an experienced restaurateur and event manager. Having studied history and sociology at Trinity College Dublin and musicology at the College of Music Dublin,

she went on to become general manager of award-winning restaurants 101 Talbot, Mermaid Café and Il Primo before opening her own Michelin-bibbed Moe's in 2000 and The Winding Stair in 2006. She has worked in mentoring and ambassador programmes with Fáilte Ireland and Tourism Ireland and is a well-known food and restaurant writer/critic for Time Out, Totally Dublin, Food and Wine and many trade magazines. She has been a quality assurance representative for Good Food Ireland since its inception and is currently owner/director and general manager of The Grand Social and The Winding Stair in Dublin's city centre.



Denis Cregan is currently serving as chairman of Kerry Airport. He is a director emeritus of Kerry Group PLC; a graduate of University College Cork; and has previously worked with the

Department of Finance, Express Foods, Grand Metropolitan Hotels and Kerry Group where he was a member of the founding management team and served as an executive director until retirement.



Dr Howard Hastings is the managing director of Hastings Hotels. He was appointed chairman of the Northern Ireland Tourist Board in January 2009. He is also a director of the Merrion

Hotel (which is 50% owned by Hastings Hotels) and a former chairman of the Board of Governors at Rockport School Ltd. During the 1990s he was chairman of the Institute of Directors in Northern Ireland and founding chairman of the Northern Ireland Hotels Federation. Howard has also been a member of Castlereagh College governing body and a Board member of Business in the Community and the Bank of Ireland Advisory Board. His former public appointments include a previous stint at Tourism Ireland (2000-2007), the Training & Employment Agency, Investors in People, New Deal Task Force and the Tourism and Hospitality Training Council. Howard is a member of the Institute of Chartered Accountants of England and Wales. He holds a law degree from the University of Nottingham and a master's degree and honorary doctorate from the University of Ulster.



John Healy is a director of Abbey Tours, the largest Irish inbound tour operator handling close to 90,000 visitors to Ireland each year from over 40 different overseas markets. He has extensive

knowledge of the tourism industry, having served for over 25 years at a senior level. He is currently the chairman of ITIC – the Irish Tourist Industry Confederation – the key representative body for the tourism industry in Ireland. He has previously served as president of the Incoming Tour Operators Association-Ireland and was a member of the Business Tourism Forum and chairman of the Business Tourism Working Group. He is a fellow of the Association of Chartered Certified Accountants (FCCA).



Christoph Mueller joined Aer Lingus as its chief executive officer in September 2009. He previously held the position of executive aviation director at TUI Travel plc, a FTSE 100 company. In

January 2006, Christoph joined the executive committee of TUI AG, a DAX 30 company with responsibility for its flight division. He served as the chief financial officer of DHL Worldwide from 2002 to 2004 and became a member of the executive committee of Deutsche Post AG in 2004 after the acquisition of DHL by Deutsche Post AG. Christoph has extensive experience within the aviation industry, having held senior positions in Daimler Benz Aerospace, having been executive vice president at Lufthansa AG and chief executive officer of the Sabena Group. In December 2011, Christoph was appointed to the Board of Tourism Ireland. He has an MBA from the University of Cologne and subsequently completed an advanced management programme at Harvard Business School.



Derek Reaney is from Plumbridge, Co Tyrone and is employed as a development officer with the Ulster-Scots Agency. He has previously worked as a manager of a cross-border peace

and reconciliation project, working with rural communities in the North West. He has worked for over 15 years in the community sector and has been particularly involved in a development capacity for marginalised communities and in supporting cultural projects. He is a member of the Strabane Local Strategy Partnership and previously served on the Board of the North West Investing for Health Partnership and ARC North West Local Action Group.



David Rodway is a retired marine consultant. During his career, mostly in sales and marketing (including eight years in Saudi Arabia), he was also managing director of an aquaculture company based

in Carlingford Lough from 1990 until 1999 and following his retirement, he continued as a part-time technical consultant. From 2005 to 2011, David served on Belfast City Council and a number of public bodies; and was a Board member of Belfast Visitor & Convention Bureau from 2008 until 2011. He continues to serve on the Board of the Belfast Metropolitan College and as a member of the Nomadic Trust (a body tasked with completely refurbishing a passenger ferry which served the Titanic off Cherbourg).

Giants Causeway, Antrim



The historic state visit of Queen Elizabeth II generated positive coverage worth €80m/£65.6m in Britain alone



Specific promotions targeted the Diaspora



Print and online partnership campaign ran with Guardian media, promoting the regions



Overview of Markets

The Markets Division develops and implements overseas marketing plans in Great Britain, North America, Mainland Europe and in Australia and Developing Markets. Tourism Ireland teams in 13 market offices and representatives in a further nine market areas carry out comprehensive programmes of activity designed to inspire and motivate overseas consumers to choose the island of Ireland for a holiday. The division also includes the co-operative marketing team, which is responsible for managing Tourism Ireland's interaction and co-operative investment with industry partners, and for overseas publicity.

Great Britain

2011 was another challenging year for travel from Great Britain. Though the Great Britain outbound market continued to be soft, provisional data suggests a return to modest growth in 2011. One of the highlights of the year was the historic state visit of Queen Elizabeth II which generated positive coverage worth about €80m/£65.6m in equivalent advertising value. Year-on-year visits to the Great Britain discoverireland.com website grew by +8% to almost 2.3 million and the number of fans and followers on Great Britain social media channels grew by +178% to 90,000.

Tourism Ireland's strategy in 2011 focused on differentiating a holiday on the island of Ireland from one in England, Scotland or Wales (our competitive set in Great Britain), underpinned by messages of great value. Regional touring and longer-stay holidays were a focus; activity included TV, radio and online advertising as

well as a print and online partnership with *Guardian* media promoting the regions. An innovative social media initiative, called 'Nick and Sam's Road Trip', saw a British couple asking people to help design their holiday via Twitter and Facebook, in a bid to highlight the same trip to potential holidaymakers and to raise awareness of car touring and longer-stay holidays here. City breaks campaigns promoted good value breaks to *Dublin – City of Words* and *Belfast – City of Music*, through advertising, direct marketing and publicity.

A nationwide, action-packed programme of activities was undertaken around St Patrick's Day which included the 'greening' of various sites including the London Eye, a week-long promotion on ITV's breakfast show *Daybreak*, a live broadcast with Gráinne Seoige from the Guinness Storehouse, media trips, social media activity and sponsorship of the St Patrick's Day ball and London parade. The publicity programme was stepped up considerably and included radiotorials (radio interviews) featuring high profile personalities such as Monty Hall, Patrick Kielty, Terry Wogan and Ranulph Fiennes.

Tourism Ireland's activity to enthuse the travel trade about packaging, promoting and selling the destination included a series of campaigns with online operators like Expedia, lastminute.com and Hotels.com. Successful workshops and familiarisation visits for influential coach and group tour operators took place; and the Shamrock Agents training programme, for about 1,500 key British travel agents, continued in 2011. Three trade and consumer promotions for Northern Ireland took place in Manchester, Glasgow and Birmingham.

Golf was a major focus during 2011 and events like the Solheim Cup and the Irish Open in Killarney were highlighted. The historic wins by Rory McIlroy at the US Open and Darren Clarke at The Open championship raised awareness of our world-class golf among discerning British golfers and a 'major' golf tourism campaign was rolled out which included advertorials and press ads in leading national and regional newspapers. In addition, iconic golf commentator and TV presenter Peter Alliss conducted a series of radio interviews for BBC and numerous commercial radio stations, reaching over 12 million listeners in almost every part of Great Britain with messages about golf in Northern Ireland. Co-operative activity during the year was undertaken with leading online golf booking agencies including Golfbreaks.com, YourGolfTravel.com and Going for Golf.

North America

2011 was a year of recovery and growth for North America, with provisional data suggesting a +6% increase in visitors. Tourism Ireland's advertising and direct marketing was seen by millions of potential holidaymakers in 15 key centres across the **United States**, reminding Americans about the many unique and distinct experiences on offer around the island and emphasising the ease of getting here and the availability of great value packages. Advertising ran in a number of high profile publications, such as *Budget Travel*, *National Geographic Traveler*, *Travel & Leisure*, *Harpers* and *Food & Wine*; online, on popular news and lifestyle websites; and on radio in New York, Boston, Chicago, Atlanta, Philadelphia and Los Angeles, as well as in Dallas and Houston for the first time.

Specific promotions targeted the Diaspora, including a campaign which reached over 8 million consumers through print, radio and online advertising in New York, Boston and Chicago, with the headline *'In Ireland, You're more than welcome ... You're home'*. An Ulster Scots campaign included a media sales blitz to promote Titanic and ni2012 in the southern US states.

Golf promotions were stepped up and a high profile 'Ireland Home of Champions' campaign ran in July, to capitalise on the successes of Rory McIlroy, Graeme McDowell, Darren Clarke and Pádraig Harrington. Highlights included advertising on the popular Golf Channel, as well as sponsorship of its famous reality golf TV show *Big Break Ireland*, a ten-week series which reached over 180 million viewers and was worth more than \$12m in media exposure.

Tourism Ireland promoted the Notre Dame v Navy American football game which will take place in Dublin in September 2012; promotions on NBC Sports were undertaken around Notre Dame games in New York, Boston and Chicago.

Extensive co-operative marketing activity was undertaken with air carriers serving Dublin, Belfast and Shannon, as well as with US-based tour operators.

Over 200 American journalists visited the island of Ireland in 2011, generating a record level of coverage valued at an estimated €86m/£70.5m in equivalent advertising value (EAV). Extensive activity around St Patrick's Day and the visit of President Obama were two highlights of the publicity programme; the St Patrick's week publicity effort alone reached an audience of more than 200 million. Assistance was provided to NBC's family history show *Who Do You Think You Are?* to broadcast an episode with Rosie O'Donnell in search of her Irish ancestry; and over 50 million households across the United States tuned into *My Land* on the PBS network with singer/harpist Órla Fallon. More than 40 assigning editors and journalists visited Ireland as part of the Annual Travel Classics Conference.

Fifty tourism organisations participated in Tourism Ireland's series of 'Flavors of Ireland' events, promoting directly to more than 1,000 travel agents and media contacts. Other activity with partners included sales missions, workshops, webinars and familiarisation trips.

In **Canada**, a 20-page booklet, promoting offers from key industry

partners, was distributed with *The Toronto Star* and *The Globe & Mail*, reaching approximately 500,000 consumers. Tourism Ireland had a strong presence at the Toronto Star Golf & Travel Show, Canada's largest golf exhibition, and at Canada Blooms, Canada's largest flower and garden festival. A film crew from Citytv Toronto's popular morning show, *Breakfast Television*, visited Belfast and Dublin where the host, Jennifer Valentyne, researched her family history. In addition to the live broadcasts to almost one million viewers, pre-tapes featured on the Citytv website and Jennifer also tweeted and blogged about her visit during her time here. MTV Canada broadcast live from Belfast during the MTV European Music Awards; and a 30-minute episode about Belfast Music Week aired nationally to an audience of over six million on MTV Canada.

Wexford Town, Wexford



Golf promotions included a high profile 'Home of Champions' campaign



'Belfast – City of Music' campaigns ran during the year in Great Britain and other markets

Mainland Europe

Extensive advertising in **Germany** ran on television for the second year in a row, as well as on radio, online and in cinemas. These campaigns led to an increase of +11% in visits to the German discoverireland.com website, as well as a +36% increase in referrals to third-party partner websites. Co-operative campaigns with key carriers Aer Lingus, Germanwings, Lufthansa, Ryanair and Irish Ferries included print, radio and online advertising. Direct marketing campaigns and other promotions took place with German and island of Ireland partners such as DERTOUR, TUI Wolters, Manor House Hotels and Celtic Campervans. Publicity initiatives generated coverage worth over €15m/£12m in equivalent advertising value. Innovative Facebook campaigns saw the German fanbase grow to over 55,000 by year end. Industry engagement continued to be a focus, with 384 island of Ireland-based industry partners availing of promotional platforms in the market.

In **France**, a nationwide TV campaign ran in March and May, supported by online video ads, as well as online tactical ads featuring offers from partners. Campaigns highlighting city breaks, car touring, and Northern Ireland were undertaken with leading online travel agents Go Voyage, Expedia and Opodo. Co-operative activity also took place with Aer Lingus, Irish Ferries, Brittany Ferries and Ryanair. Other campaigns highlighted Ireland West and Ireland East, online and on radio. Approximately 140 French journalists visited the island in 2011, generating coverage valued at over €7.5m/£6m; and Tourism Ireland generated front-page coverage in *Le Figaro* (daily newspaper)

when the Moulin Rouge became the 'Moulin Vert' for St Patrick's Day. St Patrick's Day 2011 activity also included a joint online campaign with Bord Bia. Tourism Ireland won 'Best Tourist Board Website' at the French hospitality industry's 'Les Travel D'Or' awards; and the French Facebook fanbase grew from 11,000 to 36,000 during the year.

Advertising campaigns in **Italy** ran in six cities with direct flights. Online activity included video banners on YouTube and electronic direct mail to over 10 million new contacts during the year. Co-operative advertising was undertaken with Ryanair and Aer Lingus; campaigns were also undertaken with eDreams, Expedia and lastminute.com. Sixty-seven influential Italian journalists visited the island of Ireland, producing 311 articles with an equivalent advertising value of almost €11m/£9m. Over 600 travel agents took part in Tourism Ireland's eLearning programme and 336 industry partners availed of promotional opportunities in the market. Tourism Ireland's Italian fanbase on Facebook grew to over 19,000 fans by year end.

2011 was a busy year for the **Spanish** market, culminating in double digit growth in visitor numbers. Radio, print and online advertising campaigns ran in Madrid and Barcelona, driving over 800,000 visits to the Spanish discoverireland.com website. Co-operative campaigns were undertaken with new partners Catai and Tourist Forum, as well as with Ryanair, Aer Lingus and leading online travel agencies Rumbo and eDreams. A highlight of the year was the 'greening' of Madrid's Puerta de Alcalá monument, which generated

coverage worth an estimated €500,000/£410,000 in equivalent advertising value (EAV). This coverage, combined with programmes on top TV stations Antena 3 and TVE 1, helped generate a record €9.5m/£7.8m in EAV. Innovative social media campaigns resulted in 50,000 Facebook fans by year end; and a Spanish Twitter account was set up. Other digital activity included a campaign on MTV in Spain to capitalise on the MTV Europe Music Awards in Belfast and the launch of an eLearning programme for travel agents.

Visitor numbers from the **Netherlands** increased by strong double digit growth to 140,000 in 2011. Publicity was a key focus, with 42 journalists visiting, helping to generate coverage worth about €2.3m/£1.9m. Co-operative advertising campaigns were undertaken with key tour operators and carriers, such as Aer Lingus, bmibaby, easyJet and Irish Ferries. Twenty-one island of Ireland partners joined Tourism Ireland at Vakantiebeurs, the annual holiday fair in Utrecht. And social media activity helped grow the Dutch Facebook fanbase by +177% to 15,800 fans by year end. Eight partners joined Tourism Ireland at the annual Brussels Holiday Fair in **Belgium**; and co-operative promotions were undertaken with leading Belgian tour operator Gallia. In the **Nordic region**, 16 tourism operators from across the island joined Tourism Ireland for a three-city trade mission in the cities of Copenhagen, Stockholm and Oslo. Fifty-three Nordic journalists visited the destination during the year, helping to generate coverage worth about €4.7m/£3.9m. This coverage

included an episode of *Norway's Next Top Model* recorded in Dublin which aired in March on Norway's TV3, as well as footage of Dublin and Wicklow on Swedish travel show *Resebyrå* (meaning 'The Travel Agent') on Swedish TV station SVT. The excellent food experience which visitors can enjoy was highlighted to key food, lifestyle and travel media at a 'Taste of Ireland' event in Copenhagen in June; organised by Tourism Ireland and Bord Bia, Michelin star chef Derry Clarke joined forces with Irish chefs from Copenhagen's Noma restaurant to prepare a lunch hosted by the Irish Ambassador to Denmark.

Australia & Developing Markets

The **Australian** market performed well for tourism to the island of Ireland in 2011, delivering about 126,000 visitors, an estimated increase of +7% on 2010. Tourism Ireland's flashmob in Sydney's Central Station on St Patrick's Day was one of the

highlights of the year, generating huge positive publicity in Australia and across the world. The performance was posted on YouTube where it has been viewed by over 2 million people. In the autumn, a humorous online campaign featuring Portstewart comedian Jimeoin promoted Northern Ireland to potential holidaymakers in Australia. A co-operative campaign with Flight Centre, Australasia's largest retail travel agency group, included TV, print and online advertising as well as instore promotions. Co-operative activity was also undertaken with Harvey World Travel, Creative Holidays, Insight Vacations and Etihad Airways.

A new visa waiver scheme was introduced by the Irish Government in July, making it considerably easier for tourists from emerging markets to visit Ireland without the cost or hassle of applying for a separate visa. Tourism Ireland highlighted the scheme to key travel trade and media contacts, as well as directly to consumers.

Media coverage worth about €600,000/£492,000 was generated about the scheme, new tour operator and travel agent itineraries featured Ireland for the first time and the scheme also helped Tourism Ireland to reach new consumer markets.

The announcement of a new Emirates service from Dubai to Dublin was a boost for access from Australia, China, India, South Africa and, of course, the UAE and wider GCC markets, and helped to enhance confidence among the travel trade in those markets in selling Ireland. Tourism Ireland undertook co-operative promotions with a range of airline and travel trade partners in November and December 2011.

The **UAE** celebrated St Patrick's Day with the first 'greening' event in the region – of the iconic Burj al Arab in Dubai. MBC1, a pan-Arab television channel, sent a crew to Ireland for a week of live broadcasts

and filming for its breakfast show which aired to millions of viewers. For St Patrick's Day in **India**, Tourism Ireland promoted the destination during the 2011 Cricket World Cup, at which the Irish team had some outstanding performances. Tourism Ireland was actively involved in the facilitation of the five-week shoot of a new Bollywood film *Ek Tha Tiger* (meaning 'Once there was a Tiger') in Dublin, which is due for release in August 2012. In **China**, a "Celebrate Chinese New Year in Ireland" print campaign ran in Beijing, Shanghai and Guangzhou, in conjunction with 11 Chinese travel agents and with support from island of Ireland industry partners; and a Groupon online campaign attracted over 400,000 visits to the campaign website. The 'greening' of Table Mountain on St Patrick's Day was one of the highlights of the year in **South Africa**. The 2011 conference of the Association of South African Travel Agents (ASATA)

took place in Ireland in May, with 180 leading travel representatives travelling here from South Africa. With the Derry-Londonderry yacht as a backdrop, Tourism Ireland hosted an event in Cape Town when the Clipper Round the World Yacht Race arrived there at the end of the third stage of the 2011/2012 event. And in December, Galway and Ireland were highlighted during the Cape Town stopover of the Volvo Ocean Race.



Burj al Arab goes green for St. Patricks Day

Co-operative Marketing

The co-operative marketing department is responsible for managing Tourism Ireland's interaction, and co-operative investment, with industry partners. These include the Northern Ireland Tourist Board, Fáilte Ireland, Dublin Tourism, Shannon Development, air and sea carriers, airports, the Irish Tour Operators Association, marketing groups and other industry members across the island.

The industry opportunities website is the main tool for industry partners to access information on how they can work with Tourism Ireland to promote and grow their business from overseas. In excess of 2,000 opportunities, ranging from no cost to low cost to very good value, are on offer.

In October, we mounted a €9m co-operative marketing campaign in major markets involving key

air and sea carriers, airports and tour operators. The campaign was supported with additional Irish Government funding, derived from the travel tax, and it leveraged matching investment from the commercial sector.

Overseas Publicity

Publicity raises the profile of the island of Ireland as a holiday destination in key target media overseas through an extensive programme run in conjunction with Fáilte Ireland and the Northern Ireland Tourist Board, the key

Dublin Festival Season, Belfast Festival at Queens, the Wexford Festival Opera, Cork Jazz and many more. Other key themes included city breaks, food and gastronomy, culture, walking, cycling, golf (in particular highlighting the Solheim Cup, the Irish Open and the success of our golf champions internationally), the announcement of Derry~Londonderry as UK City of Culture 2013 and profiling our icons such as the Giant’s Causeway and the Cliffs of Moher.

Australia’s popular breakfast television show, *Today*, broadcast live from Dublin, the Causeway Coast and Co Tipperary to over 1 million viewers.

Tourism Ireland continued to make use of popular film and TV programmes filmed on location around the island. For example, following the huge success of *Game of Thrones*, filmed on location in

tool being media visits. There were approximately 1,500 media visits in 2011, which helped to generate over 12,200 major articles and broadcasts, with an equivalent advertising value of more than €300m/£246m and an audience reach of over 900 million.

Apart from reinforcing the key brand message, publicity also focuses on a selection of specific themes, which in 2011 included a focus on Titanic Built in Belfast; Dublin Unesco City of Literature; Galway and the West – Ireland’s outdoor adventure playground; festivals and events such as the St Patrick’s Festival, MTV European Music Awards in Belfast and cultural flagship festivals like the Galway and Kilkenny arts festivals,

The historic visits of Queen Elizabeth II and US President Barack Obama offered particularly strong PR opportunities and Tourism Ireland capitalised on the visits to showcase our culture and heritage, gastronomy, equestrian Ireland and genealogy.

Other highlights of 2011 included *Monty Halls’ Great Irish Escape* on BBC2, a six-part series filmed in the west of Ireland which ran from August to September and had an EAV of about €12.2m/£10m; German TV channel N-TV featured celebrity Rolf Bauer realising his dream of travelling from Belfast to Portrush on a motorbike; a 1.5-hour programme on our culture, music and dance on TFI, French national television, with an audience reach of over 6 million; and

Northern Ireland, Tourism Ireland worked with HBO and the Northern Ireland Tourist Board to bring international entertainment media to Northern Ireland for a ‘behind-the-scenes’ peek. Tourism Ireland also ran campaigns in several markets around the launch of *The Guard*, the comedy film set in Connemara starring Brendan Gleeson.

Business Tourism

Tourism Ireland continued to promote business tourism overseas during the year, in conjunction with Fáilte Ireland and the Northern Ireland Tourist Board. A busy programme of high profile events, promotions and sales blitzes took place, highlighting ease of access, the great facilities and good

Newgrange, Meath



value rates available for meetings and conferences here and getting the destination known for excellence in business support. Dublin City of Science and ni2012 were other hooks used in business tourism promotions. Corporate clients, association conferences, corporate meetings and incentive travel were the main focus.

In Great Britain, the programme in 2011 included advertising in specialist corporate publications, email and

activity, familiarisation visits, direct marketing, advertorials and networking events, as well as attendance at business tourism promotions like the PCMA (Professional Convention Management Association) annual meeting and IMEX America. In Europe, business tourism promotions were undertaken in the key markets of Germany, France and Belgium. Increased emphasis was placed on providing valuable platforms for industry partners to do business with European decision-makers, supported

Graeme McDowell and Pádraig Harrington.

Highlights of our activity included, in the United States, advertising on the popular Golf Channel, as well as sponsorship of its famous reality golf TV show Big Break Ireland, a ten-week series which reached over 180 million viewers and was worth more than \$12m in media exposure. In Britain and other markets, a 'major' golf tourism campaign was rolled out which included advertising and features in leading national and regional newspapers, online, on radio and in specialist publications.

direct marketing activity, as well as participation at events like Confex in March and Venues & Events in September. A successful lead-generation programme resulted in 79 international associations, 28 national associations and 45 corporate/incentive leads being passed to Fáilte Ireland, the Northern Ireland Tourist Board and Belfast Visitor & Convention Bureau during the year. In November, a workshop event called 'Ireland Meets the West End' took place in London, bringing together over 40 leading Great Britain corporate and incentive buyers with 38 island of Ireland partners.

In the United States, the business tourism programme included online

by a series of familiarisation trips for conference organisers to sample the product. An innovative project to win a 'dream conference' to Ireland ran in Norway and Denmark in conjunction with Norwegian Airlines, resulting in tangible business from both markets.

Golf

Golf continued to be a major focus for Tourism Ireland across markets, to capitalise on recent major successes and events like the Solheim Cup at Killeen Castle in Co Meath, and the Irish Open in Killarney. Promotions were stepped up with the roll-out of our 'Home of Champions' advertising campaign, building on the successes of Rory McIlroy, Darren Clarke,



Overview of Central Marketing

The Central Marketing Division consists of the following departments:

Northern Ireland and Product Liaison - works to achieve additional growth for Northern Ireland, and to assist it in realising its tourism potential; it also works to identify and pursue opportunities through the promotion of specific island of Ireland product groups; **Strategy Development & Insights** - helps shape Tourism Ireland's strategic direction and carries out research and analysis on market trends and consumer behaviours in markets across the world; **Customer Engagement and eMarketing** - works with both Tourism Ireland

market teams overseas and with industry suppliers to engage directly with consumers who wish to know more about the island as a holiday destination; **Marketing Communications** - manages the development, implementation and evaluation of the island of Ireland tourism brand marketing programme, including Tourism Ireland's global advertising campaigns; and the **Content Department** - manages the sourcing and generation of consumer content.

Key achievements during 2011 included:

Northern Ireland & Product Liaison

Increased exposure for Northern Ireland through television and film was a goal for the year and the foundation for many 2012 successes was laid in 2011. Tourism Ireland worked with Northern Ireland Screen to ensure BBC network commitment to Titanic-themed programmes and series – including the Titanic commemoration from Belfast's Waterfront Hall and the *Titanic with Len Goodman* series. Titanic programmes were also commissioned for PBS (an American

Devenish Island, Fermanagh



public broadcasting TV service with about 350 member TV stations across the United States).

The short film *The Shore*, directed and produced by Terry and Oorlagh George, was co-funded by Tourism Ireland and received positive reviews at the Belfast Film Festival. In the autumn, a successful bid was put in place to establish the Circuit of Ireland on the IRC (Intercontinental Rally Challenge) 2012 calendar, ensuring European-wide coverage on Eurosport.

A highlight of the year was the staging of the MTV European Music Awards in Belfast in November; the awards captured the attention of international media, highlighting the new and

vibrant Belfast to a global audience. Tourism Ireland identified music as an image-changing theme for the city in its promotions back in 2008, supporting Belfast City Council in the development of products like the *Belfast Music Tour* and the *Oh Yeah Music Centre* and in its support of festivals and emerging performers.

Following the successful 'Experience Northern Ireland, Titanic & More' showcase event at Grand Central Terminal in New York in 2010, Tourism Ireland fronted many of its 2011 promotions with Titanic-themed imagery. About 50 journalists from around the world were invited by Tourism Ireland to come to Northern Ireland at the end of May, for the

centenary of Titanic's launch in the shipyards of Harland & Wolff. By the end of the year, our multi-lingual, dedicated Titanic website www.the-titanic.com and YouTube site were ranking in Google page one results for Titanic-related search phrases; and there were nearly 100,000 fans on the related Titanic Stories Facebook page.

During 2011, Tourism Ireland deepened its relationships with Northern Ireland media personalities and sports stars, leveraging their goodwill as ambassadors for the place they call home, particularly in the Great Britain market.



Strategy Development & Insights

The Strategy Development & Insights team provides strategic direction to the organisation and the industry through the provision of consumer research and tourism insights.

In 2011, the changing image of the island of Ireland as a tourist destination was assessed in our top seven markets and the development of the new 'Jump into Ireland' advertising campaign was supported with a number of phases of research. A pilot research project confirmed that Tourism Ireland delivers a return on marketing investment on a par with competitor destinations. The Tourism Ireland marketing plan *Competing to Win* was published and the Tourism Ireland business plan was approved by the North/South Ministerial Council. The department also provided ongoing support to the Tourism Recovery Taskforce for its research agenda.

Customer Engagement & eMarketing

During 2011, Tourism Ireland continued its investment in the area of eMarketing and the discoverireland.com suite of 42 websites in 14 languages attracted approximately 11.5 million visits.

Social media marketing was an area of continued expansion for Tourism Ireland in 2011, with the organisation's Facebook audience growing from 200,000 at the beginning of January to 640,000 by year end. Activity on Twitter and YouTube also increased with a notable success from the Australia office resulting in 2.3 million views of a St Patrick's Day flashmob video. The Discover Ireland blog was expanded to four languages and received more than 250,000 visits. On St Patrick's Day, Tourism Ireland launched the first social game ever created by a tourist board called 'Ireland Town', it attracted over 215,000 players. Tourism Ireland

increased its emphasis on social media customer service which now represents over 15% of contact centre activity.

In May, Tourism Ireland won the All Ireland Marketing (AIM) award for eMarketing, recognising the expansion and quality of the organisation's work, particularly in the area of social media.

There was an increased focus on email marketing, with the deployment of new tools in this area, and Tourism Ireland sent approximately 58 million emails to consumers around the world in 2011. Over 770,000 new contacts were added to the organisation's overseas consumer databases during the year, bringing them to over five million by year end.



Marketing Communications

Tourism Ireland's global advertising and media account was the subject of an EU-wide tender process which culminated in June with the appointment of Publicis to handle global advertising development and Carat to handle global media buying for a four-year period, with an option to extend the contract by a further three years. In December, following an extensive period of development and three stages of consumer research in our top four markets, a new global advertising campaign – 'Jump into Ireland' – was launched. The campaign has been designed to be flexible and adaptable and to evolve over its three-year lifespan to reflect the range of locations and iconic experiences on offer across the island. The tagline 'Jump into Ireland' is designed to convey a sense of playfulness and to reflect the immersive nature of a holiday here

with iconic experiences and warm, friendly people.

Three 30-second television ads were shot on location by the award-winning commercial and music video director Daniel Wolfe and Irish cinematographer Robbie Ryan. The soundtrack is courtesy of Co Down group Snow Patrol. The new ads will appear on TV in Great Britain, Germany and France. In addition, 60-second versions will appear on cinema in Great Britain, the United States, Germany and Italy. An extensive print campaign will run in the United States, as well as outdoor advertising in Great Britain. Online advertising will run in all markets in which Tourism Ireland has a presence. In total, the campaign will reach an estimated audience of 200 million potential visitors worldwide. Over a three-year period, the total investment, including production and media costs, will be approximately €50m/£41m.

Content Department

The Content Department manages the sourcing and generation of a range of consumer content which includes publication of destination and product guides, in both offline and online formats, for use by consumers in our markets. Global distribution is also carried out by the team. Key achievements during 2011 included the production of 1.1 million Tourism Ireland market books in ten languages for 20 countries; distribution overseas of Tourism Ireland literature and almost 2 million brochures from the tourism industry on the island; the tender process for a new content commissioning agency; and the production of new B-roll footage for publicity purposes.

Overview of Corporate Services

Achill Island, Mayo

In 2011, the Corporate Services Division continued to support the implementation of corporate and operating plans across the organisation by carrying out a range of functions which include Corporate and Industry Communications, Finance, Human Resources and Information Communications Technology (ICT).

Key achievements during 2011 included:

Corporate & Industry Communications

An extensive programme of stakeholder, industry and media communications was implemented across the island of Ireland during 2011 by the Corporate & Industry Communications team to enhance

understanding of Tourism Ireland's role in, and contribution to, tourism on the island.

Progress reports and operational updates were provided for ministers from both jurisdictions at a meeting of the North/South Ministerial Council Tourism Sectoral Format in Armagh. Day-to-day liaison with departments, including the Department of Enterprise, Trade and Investment in Northern Ireland and the Department of Transport, Tourism and Sport in the South, also covered arrangements and briefings in relation to visits to the markets by both ministers with responsibility for tourism on the island, ministers attending St Patrick's Day celebrations overseas, visits by the then President of Ireland, Mary McAleese, to the Netherlands and Spain, as well as other events at home and overseas, including the visits in

May of Queen Elizabeth II and US President Barack Obama.

An extensive industry communications and events programme included a marketing roadshow early in the year and launches in Dublin and Belfast for Tourism Ireland's 2012 marketing plans. A series of briefings was also provided for industry groups and representatives around the island during the year. A new Tourism Recovery Taskforce was established in conjunction with ITIC, Fáilte Ireland, the Northern Ireland Tourist Board and representatives of key industry sectors, to ensure that the destination is promoted at home and abroad with one strong brand message and a co-ordinated strategy and action plan involving wide public and private sector participation. Sub-groups, called Market Partnership Groups, were also established in top markets, Great

Britain, the United States, Germany and France.

Media relations were also intensified during the year and significant advances in coverage were recorded with a communications programme reflecting the work of Tourism Ireland. A series of media briefings across the island helped to clarify understanding of Tourism Ireland's role. Irish media had opportunities to witness Tourism Ireland's marketing activity overseas at first hand through participation at World Travel Market in London and the Best of Britain and Ireland in Birmingham.

A number of Freedom of Information requests were received and responded to under the Freedom of Information Code of Practice as agreed by the North/South Ministerial Council.

Human Resources

Resourcing continued to be a priority and a critical challenge for Tourism Ireland in 2011; resources were redeployed and re-orientated as required, to meet business needs with flexible cross-function, cross-area and hub working strategies implemented.

Tourism Ireland continued to invest in the training and development of all employees during 2011. Particular focus was placed on the adoption and effective use of technology in marketing, as well as on marketing strategy and management development. The results of a career development survey led to the creation of a succession planning and talent management strategy. All employees had two formal performance reviews during the year, at mid-year and year end. And

Tourism Ireland was named on the SME 'Great Place to Work' list in Ireland, with good staff survey results reflecting continuing high levels of engagement, satisfaction and pride amongst Tourism Ireland employees.

The online HR System was further developed, providing employee ownership of a central database. The worldwide employee handbook was substantially revised, reflecting current needs, legislation and best practice.

Worldwide internal communications remain vital – with live, interactive virtual staff communications events held. Key appointments were made and leadership coaching to implement change initiatives continued.

Finance

The provision of a smooth, flexible and efficient back-office service to assist market offices, other head office departments and the management team in their own operations continued during 2011.

The ongoing programme to identify cost savings continued during the year, helping to ensure that services were provided on a value-for-money basis and that costs were reduced wherever practicable. The programme of upgrading and reviewing computer and management information systems also continued.

The rolling internal audit programme continued during the year and, as in the previous six years, no significant issues were reported. Copies of these reports are made available to the Comptroller and Auditor General.

The total public sector income received by Tourism Ireland amounted to €74.7m/£64.8m. The ongoing

administration of cross-border bodies is complex due to the different operating environments in both jurisdictions.

This includes different fiscal year-ends, legislation, currencies, operating and accounting procedures; it involves considerable collaboration across a number of Government departments, to ensure that accountability requirements are fulfilled in both jurisdictions. Tourism Ireland meets on a regular basis with both sponsor departments, the Department of Transport, Tourism and Sport and the Department of Enterprise, Trade and Investment; with officials of the North/South Ministerial Council; with officials from the Department of Finance and Personnel in Northern Ireland and the Department of Finance in the South; and with colleagues from Fáilte Ireland and the Northern Ireland Tourist Board in pursuit of this goal.

Information Communications Technology (ICT)

The ICT Department manages the ICT systems and infrastructure for the organisation, which include over 20 corporate systems, ICT infrastructure for all offices and telecommunications services for the organisation. Key achievements for 2011 include the tendering and implementation of a new corporate Wide Area Network, which ensured a tripling of network speed and a 15% financial annual saving; the tendering and implementation of a new hosting site contract, leading to an improved service and 20% financial annual saving; and the implementation of several new internal systems including TAMS (trade account management systems) and PowWowNow.



Hook Head, Wexford

Tourism Ireland Limited

(A company Limited by Guarantee
not having a Share Capital)

Report and Financial Statements

for the year ended 31 December 2011

Contents

Company Information	28
Report of the Directors	29
Statement of Directors' Responsibilities	33
Statement of Internal Financial Control	34
Report of the Comptroller and Auditor General	35
Statement of Accounting Policies	37
Income & Expenditure Account	39
Statement of Total Recognised Gains and Losses	39
Balance Sheet	40
Cash Flow Statement	41
Notes to the Financial Statements	42

Company Information

Directors

Brian Ambrose OBE (*Chairman*)

Jim Flannery (*Vice-Chairman*)
(*Appointed 25 July 2011*)

Ciara Burke (Boyle)

Denis Cregan (*Appointed 18 Dec 2011*)

Howard Hastings

John Healy (*Appointed 18 Dec 2011*)

David Lyle

Christoph Mueller
(*Appointed 18 Dec 2011*)

Elaine Murphy
(*Appointed 18 Dec 2011*)

Shaun Quinn

Derek Reaney
(*Appointed 18 Dec 2011*)

David Rodway
(*Appointed 18 Dec 2011*)

Hugh Friel (*Resigned 3 May 2011*)

Robert Manson
(*Resigned 18 Dec 2011*)

Mandy Patrick (Martin) MBE
(*Resigned 18 Dec 2011*)

Bill McGinnis CBE
(*Resigned 18 Dec 2011*)

John Power (*Resigned 18 Dec 2011*)

Maurice Pratt (*Appointed 3 February 2011 and resigned 18 Dec 2011*)

Ann Riordan (*Resigned 18 Dec 2011*)

Secretary

Shane Clarke

Registered Office

5th Floor
Bishop's Square
Redmond's Hill
Dublin 2

Business Addresses

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Bishop's Square
Redmond's Hill
Dublin 2

Beresford House
2 Beresford Road
Coleraine
BT52 1GE

Auditors

Comptroller and Auditor General
(*Republic of Ireland*)

Bankers

Allied Irish Banks plc
37/38 Upper O'Connell Street
Dublin 1

Solicitors

Mason Hayes & Curran
Barrow Street
Dublin 4

Tughans
Marlborough House
30 Victoria Street
Belfast
BT1 3GS

Report of the Directors

for the year ended 31 December 2011

Brief History and Statutory Background of the Company

Tourism Ireland Limited was formed by the Government of Ireland and the Northern Ireland Executive, under the auspices of the North/South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland and was incorporated on 11 December 2000 as a Company Limited by Guarantee not having a Share Capital. It takes policy direction from the NSMC and maintains a close working relationship with its founder members, Fáilte Ireland (FI) and the Northern Ireland Tourist Board (NITB). The principal objectives of the company are to increase tourism to the island of Ireland and to support Northern Ireland in achieving its tourism potential. It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year Corporate and one year Operating Plans to guide its activities. The company receives grants of money from both jurisdictions and these grants are disbursed through FI and NITB. A Board of Directors is appointed by the NSMC for a period of four years.

Format of Financial Statements

The accounts have been prepared in a format determined by the Companies Acts 1963 to 2009 (Republic of Ireland). The base currency of the financial statements is Euro (€). The Euro results have been translated into Sterling (STG£) at the closing rate of STG£1 equals €1.19659 (2010: STG£1 equals €1.16636) for the Balance Sheet and at the yearly average rate of €1.15210 (2010: STG£1 equals €1.16534) for the Income and Expenditure Account.

Books of Account

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act 1990, the Directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at Bishop's Square, Dublin.

Principal Activities

The company's principal activities are the design and implementation of marketing programmes in its key overseas markets for the purpose of promoting the tourism industry of the island of Ireland, in line with its objectives set out above.

External Auditors

The financial statements are audited by the Comptroller and Auditor General in the Republic of Ireland. The Comptroller and Auditor General for Northern Ireland has full access to the working papers of the Comptroller and Auditor General in the Republic of Ireland, based on which a report may be laid before the House of Commons and the Northern Ireland Assembly.

Results

The deficit of income over expenditure for the year was €1,202,638 (STG£1,043,866).

Corporate Governance

The company is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC. It has a non-executive Board of Directors appointed by the NSMC and includes representatives of the Northern Ireland tourism industry, the tourism industry in the South and the NITB and FI. Directors are appointed for a four-year term.

The Board agrees a schedule of meetings to be held in each calendar year. The Board Members receive full Board papers a week before each meeting; these papers include a finance report and reports from the Chief Executive and each of the company's Divisional Directors. The Board members can, in furtherance of their duties, take independent professional advice as required, at the expense of the company. All Board members have access to the advice and services of the Company Secretary.

Report of the Directors

for the year ended 31 December 2011

There were 9 Board meetings during 2011 and the following table sets out the attendance:

	Number of meetings potentially able to attend	Number of meetings actually attended
Hugh Friel (<i>Chairman until 3 May 2011</i>)	2	2
Ciara Burke (<i>Vice-Chairperson</i>)	9	8
Brian Ambrose	9	6
Jim Flannery	4	3
Howard Hastings	9	9
David Lyle	9	8
Robert Manson	9	9
Mandy Patrick	9	8
Bill McGinnis	9	7
John Power	9	8
Maurice Pratt	8	8
Shaun Quinn	9	8
Ann Riordan (<i>Chairperson from July 2011</i>)	9	9

The Board also operates through a number of sub-committees as follows:

Risk Management Committee This sub-committee is comprised of four Directors who meet on a quarterly basis to review and discuss the internal control environment of the company. They are informed by the company's Risk Register which is used to set out a programme of work for the Internal Audit function, reporting directly to this committee. The internal and external auditors have full and unrestricted access to the committee.

The following table sets out the composition and attendance at the Risk Management Committee meetings during 2011:

	Number of meetings potentially able to attend	Number of meetings actually attended
Robert Manson (<i>Chairman</i>)	4	4
Ciara Burke	4	3
David Lyle	4	4
Maurice Pratt	3	3

Remuneration Committee This sub-committee consists of five Directors and meets to review the appropriateness of the company's remuneration levels and other terms and conditions of employment of key executives.

The following table sets out the composition and attendance at Remuneration Committee meetings during 2011:

	Number of meetings potentially able to attend	Number of meetings actually attended
Bill McGinnis (<i>Chairman</i>)	2	1
Brian Ambrose	2	2
Hugh Friel	1	1
Mandy Patrick	2	2
Ann Riordan	2	2

The Board accepts its responsibility for the Company's internal control and sets out its position in more detail in the Statement of Directors' Responsibilities and the Statement of Internal Financial Control.

Report of the Directors

for the year ended 31 December 2011

Post Balance Sheet Events

There have been no events subsequent to 31 December 2011 which necessitated amendment of the financial statements or separate disclosure therein.

Research and Development

The company did not engage in research and development activities during the period.

Future Developments

The Directors expect that the development of the Company's activities will continue in accordance with plans.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the company are the continued funding of its activities by the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland. While there is a reasonable expectation that the respective Governments will continue to fund the activities of the Company, the level of this funding is under constant review. There are no formal long-term funding agreements in place.

Due to its worldwide operations, the ongoing downturn in the economies of the Company's key markets, Great Britain, the USA, France, Germany and the rest of the world generally, is having an adverse effect on the whole tourism and travel industry and specifically, on the Company's ability to deliver the growth, both in tourist numbers and tourist spend, which the company has been targeted to deliver to the island of Ireland. An event such as a major terrorist attack or outbreak of disease, which reduces international travel, would increase the effects of the current economic downturn on the Company's ability to deliver on its targets. In addition, any further loss or disruption of air or sea access and unfavourable foreign exchange movements will have an impact on travel to the island of Ireland. The Board regularly monitors the above risks and appropriate actions are taken to mitigate those risks or address their potential adverse consequences to the extent reasonably practicable.

Equality Legislation

The Board's policy is to comply fully with Equality Legislation in both jurisdictions. Recruitment is based on the ability of a candidate to perform the job. Full and fair consideration is given to applications for employment from

all minority groups, including the disabled, where they have the appropriate skills and abilities to perform the job.

If disablement occurs during employment, the Board's policy is to make every effort to ensure the availability of adequate retraining, or if applicable, to help source alternative employment.

Safety, Health and Welfare at Work

The policy of the Board is to ensure the continued safety, health and welfare of the employees at work by maintaining a safe and healthy work environment based on the provisions of Safety, Health and Welfare at Work Legislation in the jurisdictions in which it operates.

Charitable Donations

Tourism Ireland Limited made no charitable donations during the period.

Payment of Suppliers

Tourism Ireland Limited's policy is to pay all suppliers as promptly as is practicable and not to take any extra time in paying suppliers, other than that required to properly check and process the invoice. In 2011, the average time from receipt of a supplier invoice to payment was 20 days. During the year Tourism Ireland Limited did not pay any interest in respect of late payments. Further information on Tourism Ireland's payments to suppliers is available on Tourism Ireland's corporate website, www.tourismireland.com.

Employee Involvement

Tourism Ireland Limited implements its business strategy through its staff. In achieving business objectives, the involvement of staff in the planning and decision-making process is key. Staff involvement is maximised through the combined use of appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

Freedom of Information

The British-Irish Agreement Act 1999 provides that a Code of Practice on Freedom of Information be drawn up by the Irish and Northern Ireland Ministers with responsibility for freedom of information for the North/South Bodies and the approval by the NSMC. The Code, which was approved on 1 January 2006, is non-statutory and was drafted with

Report of the Directors

for the year ended 31 December 2011

regard to the Freedom of Information Acts, 1997 and 2003 in Ireland and the Freedom of Information Act, 2000 in the United Kingdom.

The Code facilitates public access to information held by the six North/South Implementation Bodies and Tourism Ireland Limited in a number of ways. It provides that each body should publish certain types of information relating to its functions, structures, organisation and services, together with a general description of the type of information held by that body. It sets out the process under which a member of the public can request information held by a body, the steps that a body must take in handling such a request and the time period within which a body should normally respond to a request. The Code also contains the facility for members of the public to obtain a statement of the reasons for an act of a body affecting the person.

The Annex to the Code sets out the categories of exempt information. If the information requested falls into a category listed in Part 1 of the Annex, the body is not obliged to release the information. If the information requested falls into a category listed in Part 2, the body must carry out a public interest test in deciding whether or not to release the information. The Code provides for an internal review mechanism of decisions taken by the body under the Code.

Corporate Social Responsibility

Leading companies are those that not only deliver superior performance and excellent customer service, but also consider ethical, social and environmental issues for all stakeholders. Tourism Ireland recognises its wider obligations to its employees, society and the community it serves and believes there is a strong link between Corporate Social Responsibility and long-term success. Tourism Ireland aspires to a set of values which recognises the interests of all stakeholders and the contributions they make. To this end, we adopt very high standards of integrity, corporate governance and environmental awareness. We recognise that being a good corporate citizen not only involves achieving our business aims but embraces a wider contribution to the interests of all our stakeholders.

Our stakeholders, both in the tourist industry and tourists themselves, are fundamental to the growth of the tourist business on the island of Ireland. International tourism is an intensely competitive market and if we do not offer the most attractive propositions, tourists will take their business

elsewhere. Tourism Ireland does not adopt a 'one size fits all' approach to the service we provide, but aims to provide a comprehensive and flexible suite of marketing options to the tourist industry.

At a corporate level, we adopt the highest standards of compliance with regulatory requirements and aim to operate to the spirit and not just the letter of the regulations of both jurisdictions.

We aim to treat our suppliers with the same courtesy with which we treat our stakeholders.

Without a talented, dedicated and motivated staff, Tourism Ireland cannot aspire to provide the excellent level of service our stakeholders deserve. For this reason, staff recruitment, training and development are given the highest priority. Our people and agents, based in 24 locations in 21 countries, are the key to Tourism Ireland's success over the past 11 years.

Tourism Ireland is fully committed to equal opportunities recruitment and employment. Our strategy is to recruit the best and provide them with comprehensive training and support to allow them maximise their long-term potential.

Directors' Register of Interests

The Directors' Register of Interests is maintained at the registered office of the company. It is available to the public and may be accessed by contacting the Company Secretary.

On behalf of the Board



Brian Ambrose
Chairman



Jim Flannery
Director

Date: 10 May 2012

Statement of Directors' Responsibilities

for the year ended 31 December 2011

Company law requires the Board of Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that financial period. In preparing those financial statements, the Board of Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Directors is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009, as applicable to companies limited by guarantee and not having a share capital. It is responsible for ensuring that the business of the entity is conducted in a proper and regular manner and for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Brian Ambrose
Chairman



Jim Flannery
Director

Date: 10 May 2012

Statement of Internal Financial Control

for the year ended 31 December 2011

The Board acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated by the company.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- As appropriate, formal project management disciplines.

Tourism Ireland Limited has an internal audit function in place, whose programme of work is influenced by analysis of the risk to which the company is exposed. An internal audit plan has been prepared based on this analysis. This analysis of risk is reviewed during the year and is endorsed by the company's Risk Management Committee. The internal audit programme of works includes performance of detailed audit work, provision of a report on the internal audit activity in the company on a regular basis to the Risk Management Committee and an independent opinion on the adequacy and effectiveness of the company's system of internal financial control. Areas covered by internal audit in their 2011 work programme included visits to Market Offices, reviews of IT Security, Human Resource Strategy & Management, Fraud/Corruption Prevention & Detection, Contract Management, Business Continuity Management, and Internal Financial Controls.

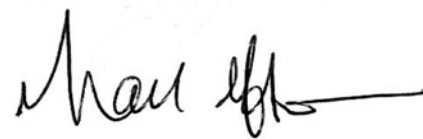
The effectiveness of the system of internal financial control is assessed by the Board on the basis of work carried out by the executive managers within the company who have responsibility for the development and maintenance of the financial control framework. In conducting their review, the Board takes account of the management letter and other reports of the external auditor.

In February 2012, the effectiveness of the system of internal financial controls was reviewed by the Board and the Board concluded that these controls were operating effectively and satisfactorily.

On behalf of the Board



Brian Ambrose
Chairman



Niall Gibbons
CEO

Date: 10 May 2012

Report of the Comptroller and Auditor General (Republic of Ireland)

for the year ended 31 December 2011

Tourism Ireland Limited

I have audited the financial statements of Tourism Ireland Limited for the year ended 31 December 2011 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Directors

The Directors are responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the company's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances, and have been consistently applied and adequately disclosed

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs at 31 December 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2009.

I have obtained all the information and explanations that I consider necessary for the purpose of my audit. In my opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In my opinion, the information given in the Directors' Report is consistent with the financial statements.

Matters on Which I Report by Exception

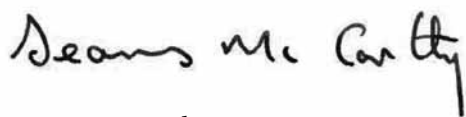
I report by exception if

- my audit noted any material instance where moneys have not been applied for the purposes intended by Dáil Éireann and the Northern Ireland Assembly or where the transactions did not conform to the authorities governing them, or
- the information given in the Annual Report for the year for which the financial statements is prepared is not consistent with the financial statements, or

Report of the Comptroller and Auditor General (Republic of Ireland)

for the year ended 31 December 2011

- the Statement on Internal Financial Control does not reflect the company's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.
- I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy

Comptroller and Auditor General

Date: 18 June 2012

Statement of Accounting Policies

The significant accounting policies adopted by the company are as follows:

The significant accounting policies adopted by the company are as follows:

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with financial reporting standards generally accepted in Ireland and the United Kingdom.

Income

Income is accounted for on a receivable basis. All grant income is credited to the Income and Expenditure Account in the accounting period in which it is claimed from the funding bodies.

Expenditure

VAT and local sales taxes are absorbed by the company with a limited recovery system agreed with the Revenue Authorities. All advertising and promotional expenditure, including costs incurred on the production of publications items for which no revenue is obtained, is charged to the Income and Expenditure account in the financial period in which it is incurred.

Debtors

Debtors are stated after providing for specific bad and doubtful debts.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, on the straight line basis. Computer software that is either purchased or developed in-house is normally written off in the year of purchase unless it can be proven to have a re-sale value.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at standard rates fixed for the year for each currency with gains and losses realised at the time of payment. Realised gains and losses are taken to the Income and Expenditure Account.

Translated amounts have been disclosed in the Income and Expenditure Account, Cash Flow Statement, Balance Sheet and related notes in Euro (€) with summary amounts given in Sterling (STG£).

Pension Costs

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis. The scheme is administered by an external administrator. Funding from the Irish Government is provided by the Department of Transport, Tourism and Sport and funding from the Northern Ireland Executive is provided by the Department of Enterprise, Trade and Investment to Tourism Ireland, which then funds the administrator.

Pension costs reflect pension benefits earned by employees during the period. An amount corresponding to the pension charge is recognised as income to the extent, that in the future either by way of grant income or other funding to the administrator, it is recoverable, and offset by pension payments made in the year.

Actuarial gains or losses arising from changes to actuarial assumptions and from experience surpluses and deficits are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Northern Ireland Executive and the Irish Government.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents a corresponding asset being resources to be made available in future periods from the Northern Ireland Executive and the Irish Government, in the manner described above.

The Balance Sheet recognises the cumulative liability for pensions earned by employees as at the year end together with a corresponding asset.

Statement of Accounting Policies

The significant accounting policies adopted by the company are as follows:

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

Contributions are made to a number of personal pension schemes operated by staff who are not members of a defined benefit scheme. Payments made under each scheme are included in the Income and Expenditure Account in the year to which they relate.

Leased Assets

Assets acquired under finance leases are capitalised as tangible fixed assets and depreciated in accordance with normal company policy. The corresponding liability is recorded as a creditor and the interest element of the finance lease payment is charged to the Income and Expenditure Account on an annuity basis. Operating lease rentals are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

Government Grant Reserve

The Government Grant Reserve represents the unamortised value of grant income used for capital purposes.

Income & Expenditure Account

for the year ended 31 December 2011

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Total Income	2	80,301	69,700	76,530	65,672
Less Expenditure	3	(81,686)	(70,902)	(77,171)	(66,222)
Transfer from Government Grant Reserve	11	182	158	422	362
(Deficit)/Excess of Income over expenditure		(1,203)	(1,044)	(219)	(188)

Statement of Total Recognised Gains and Losses

for the year ended 31 December 2011

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
(Deficit)/Excess of Income over expenditure		(1,203)	(1,044)	(219)	(188)
Actuarial (loss)/gain on pension liabilities	15c	(1,209)	(1,010)	(682)	(585)
Adjustment to Deferred pension funding		1,209	1,010	682	585
Total Recognised (loss) gain for the year		(1,203)	(1,044)	(219)	(188)

All income is in respect of continuing operations.

The accounting policies and notes 1 to 23 form an integral part of these Financial Statements.

On behalf of the Board



Brian Ambrose
Chairman



Jim Flannery
Director

Date: 10 May 2012

Balance Sheet

as at 31 December 2011

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Fixed Assets	7	256	214	438	376
Current Assets					
Debtors	8	3,773	3,153	3,353	2,875
Bank and cash balances		9,237	7,719	7,823	6,707
		13,010	10, 872	11,176	9,582
Current Liabilities					
Creditors falling due within one year	9	(10,211)	(8,533)	(7,174)	(6,151)
Net Current Assets		2,799	2,339	4,002	3,431
Total Assets Less Current Liabilities before Pensions		3,055	2,553	4,440	3,807
Deferred pension funding	15e	39,423	32,946	36,955	31,684
Pension Liabilities	15c	(39,423)	(32,946)	(36,955)	(31,684)
		-	-	-	-
Net Assets		3,055	2,553	4,440	3,807
Represented by					
Income and expenditure account	12	2,799	2,339	4,002	3,431
Government Grant Reserve	11	256	214	438	376
		3,055	2,553	4,440	3,807

The accounting policies and notes 1 to 23 form an integral part of these Financial Statements.

On behalf of the Board



Brian Ambrose

Chairman



Jim Flannery

Director

Date: 10 May 2012

Cash Flow Statement

for year ended 31 December 2011

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Net cash (outflow)/inflow from operating activities	13	1,506	1,092	(684)	(840)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(92)	(80)	(72)	(62)
Proceeds of disposal of fixed assets		-	-	16	14
Net cash (outflow)/inflow in the period	14	1,414	1,012	(740)	(888)

Notes to the Financial Statements

for year ended 31 December 2011

1. Format of Financial Statements

Euro results have been translated into Sterling at the year end closing rate of €1.19659 (2010: €1.16636) for the Balance Sheet and the average yearly rate of €1.15210 (2010: €1.16534) for the Income and Expenditure Account.

2. Total Income

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Fáilte Ireland		56,038	48,641	55,025	47,218
Northern Ireland Tourist Board		20,516	17,807	17,749	15,231
Trade Income		1,302	1,130	1,388	1,191
Sundry Income		204	177	193	165
Net deferred funding for pensions	15d	2,241	1,945	2,175	1,867
		80,301	69,700	76,530	65,672

Income is receivable from Fáilte Ireland and the Northern Ireland Tourist Board in accordance with funding provisions set out in the Financial Memorandum. The amount actually received in Sterling from NITB was £16.823m (2010: £15.797m).

Income is inclusive of funds for product and regional marketing from Fáilte Ireland of €4.090m: £3.551m (2010 €6.043m: £5.186m) and the Northern Ireland Tourist Board €nil: £nil (2010 €nil: £nil).

3. Expenditure

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Marketing Programmes		57,053	49,520	51,500	44,194
Overseas General Sales Agents		736	639	731	627
Staff costs	5	15,500	13,454	15,069	12,931
Office and Admin costs		6,746	5,856	8,034	6,893
Travel and subsistence		1,075	933	1,183	1,015
Legal and professional		484	420	552	474
Directors remuneration	6	92	80	102	88
		81,686	70,902	77,171	66,222

Marketing programmes are inclusive of funds for product and regional marketing from Fáilte Ireland of €4.090m: £3.551m (2010 €6.043m: £5.186m) and the Northern Ireland Tourist Board €nil: £nil (2010 €nil: £nil).

Company Policy allows in exceptional circumstances for the payment of school fees for the children of management on overseas assignment. Included within €6,746,000 (£5,856,000) is an amount of €68,235 (£59,227) in respect of school fees.

Notes to the Financial Statements

for year ended 31 December 2011

3. Expenditure (continued)

2011 Expenditure Analysis

	Notes	Central € (000's)	Great Britain € (000's)	Europe € (000's)	Australia & Dev. Markets € (000's)	North America € (000's)	Total € (000's)
Marketing Programmes		9,463	21,014	13,398	2,600	10,578	57,053
Overseas General Sales Agents		-	-	150	586	-	736
Staff costs	5	7,332	1,383	3,517	711	2,557	15,500
Office and Admin costs		4,071	694	884	243	854	6,746
Travel & Subsistence		276	138	293	144	224	1,075
Legal and professional		351	(2)	58	19	58	484
Directors remuneration	6	92	-	-	-	-	92
		21,585	23,227	18,300	4,303	14,271	81,686

Central Marketing programmes comprise of Tourism Ireland's customer contact centre, e-marketing unit, advertising production and the costs of the production and distribution of collateral materials.

		Central STG £ (000's)	Great Britain STG £ (000's)	Europe STG £ (000's)	Australia & Dev. Markets STG £ (000's)	North America STG £ (000's)	Total STG £ (000's)
Marketing Programmes		8,214	18,240	11,629	2,256	9,181	49,520
Overseas General Sales Agents		-	-	130	509	-	639
Staff costs	5	6,365	1,200	3,053	617	2,219	13,454
Office and Admin costs		3,533	602	768	211	742	5,856
Travel & Subsistence		240	120	254	125	194	933
Legal and Professional		305	(2)	50	16	51	420
Directors' remuneration	6	80	-	-	-	-	80
		18,737	20,160	15,884	3,734	12,387	70,902

4. (Deficit)/Excess of Income over Expenditure

This is stated after charging:

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Depreciation of tangible assets	7	274	238	469	402
Auditors' remuneration		23	20	24	21
Directors' remuneration	6	92	80	102	88
Operating lease rentals - Land & Buildings		2,156	1,871	2,111	1,811
Operating lease rentals - Other		24	21	14	12

Notes to the Financial Statements

for year ended 31 December 2011

5. Employees and Remuneration

	Notes	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Wages & salaries		10,169	8,827	10,143	8,704
Social welfare costs		1,280	1,111	1,202	1,031
Student placement programmes		658	571	489	420
Company contribution to private pensions		35	30	17	15
Current pension service costs	15d	3,055	2,652	2,919	2,505
Other payroll costs		303	263	299	256
		15,500	13,454	15,069	12,931

The average number of people employed during the year was 154 (2010: 156).

During the year, €216,968 (£188,324) of pension levy was deducted and paid over to the Department of Transport, Tourism and Sport.

The current Chief Executive was appointed by the North South Ministerial Council on 10 June 2009 and his contract is for a period of 5 years. His salary is €165,972 (£144,060), he is a member of the company's pension scheme, no bonus is payable and his salary has been amended in accordance with the Financial Emergency Measures in the Public Interest Act 2009.

6. Directors' Remuneration

	2011 €	2011 STG £	2010 €	2010 STG £
For services as directors	92,303	80,120	102,000	88,000
The breakdown is as follows:				
Mr Brian Ambrose	8,100	7,031		
Ms Ciara Burke	10,350	8,984		
Mr Robert Manson	8,100	7,031		
Mr Howard Hastings	8,100	7,031		
Mr John Power	8,100	7,031		
Mr David Lyle	8,100	7,031		
Mr Bill McGuinness	8,100	7,031		
Ms Ann Riordan	10,062	8,733		
Mrs Mandy Martin	8,100	7,031		
Mr Hugh Friel	4,297	3,730		
Mr Maurice Pratt	7,363	6,391		
Mr James Flannery	3,531	3,065		

No other Director received any remuneration and the Directors are not entitled to any other emolument, benefit or pension and are not entitled to compensation upon loss of office. None of the Directors received an incentive to take up office.

Notes to the Financial Statements

for year ended 31 December 2011

7. Tangible Fixed Assets

	Computer Equipment € (000's)	Fixtures & Fittings € (000's)	Leasehold Property € (000's)	Total € (000's)
Cost				
At 1st January 2011	1,703	960	2,410	5,073
Additions	79	13	-	92
Disposals	(152)	(12)	-	(164)
At 31st December 2011	1,630	961	2,410	5,001
Depreciation				
At 1st January 2011	1,579	773	2,283	4,635
Charge for Year	103	69	102	274
Disposals	(152)	(12)	-	(164)
At 31st December 2011	1,530	830	2,385	4,745
Net Book Value				
	€ (000's)	€ (000's)	€ (000's)	€ (000's)
At 31st December 2011	100	131	25	256
At 31st December 2010	124	187	127	438

	Computer Equipment STGE(000's)	Fixtures & Fittings STGE(000's)	Leasehold Property STGE(000's)	Total STGE(000's)
Cost				
At 1st January 2011	1,459	825	2,066	4,350
Exchange Adjustment	(35)	(21)	(52)	(108)
Additions	69	11	-	80
Disposals	(132)	(11)	-	(143)
At 31st December 2011	1,361	804	2,014	4,179
Depreciation				
At 1st January 2011	1,351	662	1,961	3,974
Exchange Adjustment	(32)	(19)	(53)	(104)
Charge for Year	90	60	88	238
Disposals	(132)	(11)	-	(143)
At 31st December 2011	1,277	692	1,996	3,965
Net Book Value				
	STGE(000's)	STGE(000's)	STGE(000's)	STGE(000's)
At 31st December 2011	84	112	18	214
At 31st December 2010	108	163	105	376

The estimated useful lives of tangible fixed assets by reference to which depreciation is calculated are as follows:

Computer Equipment	3 years	Fixtures & Fittings	8 years
Leasehold Property	8 years		

Notes to the Financial Statements

for year ended 31 December 2011

8. Debtors

	2011	2011	2010	2010
	€ (000's)	STG £	€ (000's)	STG £
		(000's)		(000's)
Trade debtors	106	89	211	181
Fáilte Ireland	1,824	1,524	1,265	1,085
VAT	-	-	79	68
Sundry debtors and prepayments	1,843	1,540	1,798	1,541
	3,773	3,153	3,353	2,875

9. Creditors

Amounts falling due within one year

	2011	2011	2010	2010
	€ (000's)	STG £	€ (000's)	STG £
		(000's)		(000's)
Trade creditors	9,448	7,896	6,123	5,250
Northern Ireland Tourist Board	36	30	28	24
Trade income received in advance	148	123	252	216
Pay related tax costs and deductions	50	42	49	42
Pension costs	2	2	19	16
VAT	45	37	1	1
Accruals	482	403	702	602
	10,211	8,533	7,174	6,151

10. Operating Leases

	Land & Buildings	Other Operating Leases	Total	Land & Buildings	Other Operating Leases	Total
	€ (000's)	€ (000's)	€ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)
Expiring						
Within 1 year	55	7	62	48	6	54
Between 2 and 5 years	735	6	741	638	5	643
More than 5 years	1,193	-	1,193	1,035	-	1,035
	1,983	13	1,996	1,721	11	1,732

Notes to the Financial Statements

for year ended 31 December 2011

10. Operating Leases (continued)

The annual rent payable in respect of leased premises is broken down as follows:

Location	Expiry Date	Break Clause	2011 Rent Payable €(000's)	2011 Rent Payable £(000's)	2010 Rent Payable €(000's)	2010 Rent Payable £(000's)
Head offices						
Dublin (1)	2022	-	587	510	587	504
Coleraine	2013	-	51	44	49	42
Overseas offices						
Amsterdam	2016	-	61	53	58	50
Brussels	2015	-	36	31	34	29
Copenhagen	2020	2013	39	34	34	29
Dubai	2012	-	55	48	53	46
Frankfurt	2022	2017	101	88	101	87
Glasgow (2)	Rolling	-	20	17	19	16
London	2018	2013	323	280	297	255
Madrid (1) (2)	Rolling	-	51	44	39	34
Milan	2017	-	42	36	40	34
New York (1)	2014	-	502	436	502	431
Paris	2018	-	133	115	128	110
Shanghai (1)	2012	-	46	40	46	40
Sydney	2013	-	42	36	35	30
Toronto	2013	-	42	36	35	30
Total annual costs			2,131	1,848	2,057	1,767

Notes:

(1) Shared accommodation with another state agency or Government body

(2) Premises currently occupied on a rolling basis with no fixed term

Notes to the Financial Statements

for year ended 31 December 2011

11. Government Grant Reserve

	2011	2011	2010	2010
	€ (000's)	STG £	€ (000's)	STG £
		(000's)		(000's)
Balance at beginning of the period	438	376	860	763
Revaluation of opening balance	-	(10)	-	(25)
Transfers (to)/from Income and Expenditure Account:				
Grants used to purchase fixed assets	92	80	72	62
Amortisation in line with asset depreciation	(274)	(238)	(469)	(402)
Amount released on disposal of fixed assets	-	-	(25)	(22)
	(182)	(158)	(422)	(362)
Revaluation to closing balance	-	6	-	-
Balance at 31st December	256	214	438	376

12. Income and Expenditure Account

	2011	2011	2010	2010
	€ (000's)	STG £	€ (000's)	STG £
		(000's)		(000's)
Balance at beginning of the period	4,002	3,431	4,221	3,744
Revaluation of opening balance	-	(87)	-	(125)
(Deficit)/Excess of income over expenditure	(1,203)	(1,044)	(219)	(188)
Revaluation to closing balance	-	39	-	-
Balance at 31st December	2,799	2,339	4,002	3,431

13. Reconciliation of the (Deficit)/Excess of Income over Expenditure to Net Cash (Outflow)/Inflow from Operating Activities

	2011	2011	2010	2010
	€ (000's)	STG £	€ (000's)	STG £
		(000's)		(000's)
(Deficit)/Excess of income over expenditure in period	(1,203)	(1,044)	(219)	(188)
Depreciation of tangible fixed assets	274	238	469	402
Transfer from Government Grant Reserve (per note 11)	(182)	(158)	(422)	(362)
Loss/(Profit) on disposal of fixed assets	-	-	9	8
(Increase)/Decrease in debtors	(420)	(278)	(736)	(554)
Increase/(Decrease) in creditors	3,037	2,382	215	(21)
Revaluation of opening balance	-	(87)	-	(125)
Revaluation to closing balance	-	39	-	-
Net cash (outflow)/inflow from operating activities	1,506	1,092	(684)	(840)

Notes to the Financial Statements

for year ended 31 December 2011

14. Reconciliation of net cash (outflow)/inflow to movement in bank and cash balances

	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Bank and Cash Balances at 1 January	7,823	6,707	8,563	7,595
Net Cash (outflow)/inflow	1,414	1,012	(740)	(888)
Bank and Cash Balances at 31 December	9,237	7,719	7,823	6,707
Net cash (outflow)/inflow from operating activities	1,506	1,092	(684)	(840)
Net cash (outflow) from non operating activities	(92)	(80)	(56)	(48)
Net cash (outflow)/inflow	1,414	1,012	(740)	(888)

15. Pensions

a) Background

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005.

There are a number of different categories of membership which are designed for both new members and members who transferred in from Bord Fáilte (now Failte Ireland) and the Northern Ireland Tourist Board. In addition Tourism Ireland makes contributions to a number of personal schemes operated by its employees.

b) Accounting Treatment

FRS 17 requires financial statements to reflect, at fair value, the assets and liabilities arising from an employer's obligations and any related funding and to recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

The effect of FRS17 is to recognise as expenditure in the year the cost of pensions earned, rather than the payments made to pensioners, and a corresponding funding amount. In addition the Balance Sheet recognises the cumulative liability for pensions earned by employees as at 31 December 2011 together with a corresponding asset.

The valuation used for FRS17 disclosures has been based on an actuarial valuation as at 31 December 2011 by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the scheme liabilities at 31 December 2011. The principal actuarial assumptions used to calculate scheme liabilities under FRS17 are:

	2011	2010
Discount rate (South)	4.60%	4.70%
Discount rate (North)	4.70%	5.40%
Inflation rate (South)	2.50%	2.50%
Inflation rate (North)	2.60%	3.40%
Rate of increase in salaries	4.00%	4.00%
Rate of increase for pensions (South)	2.50% or 4.0%	2.50% or 4.0%
Rate of increase for pensions (North)	2.60%	3.40%
Average expected future life at age 65 for		
Male currently aged 65	21.4	21.3
Female currently aged 65	24.0	23.9
Male currently aged 45	23.3	23.2
Female currently aged 45	25.9	25.8

Notes to the Financial Statements

for year ended 31 December 2011

15. Pensions (continued)

c) Movement in Net Pension Liability during the financial year

	2011	2011	2010	2010
	€ (000's)	STG £ (000's)	€ (000's)	STG £ (000's)
(Deficit) in the plan at the beginning of the year	(36,955)	(31,684)	(33,713)	(29,900)
Exchange differences	-	841	-	999
Benefits paid during the year	814	707	744	638
Member Contributions	(246)	(214)	(250)	(215)
Current service cost	(1,265)	(1,098)	(1,129)	(969)
Net transfers (in)/out of the scheme	1,228	1,066	(135)	(116)
Other finance income/(charge)	(1,790)	(1,554)	(1,790)	(1,536)
Actuarial (loss)/gain	(1,209)	(1,010)	(682)	(585)
(Deficit) in the plan at the end of the year	(39,423)	(32,946)	(36,955)	(31,684)

Analysis of the movement in (deficit) in the Plan during the period is as follows:

	2011	2011	2010	2010
	€ (000's)	STG £ (000's)	€ (000's)	STG £ (000's)
Experience gain/(loss)	(36)	(30)	1,636	1,404
(Loss)/gain on change of financial assumptions	(1,173)	(980)	(2,318)	(1,989)
Actuarial (loss)/gain	(1,209)	(1,010)	(682)	(585)

d) Income and Expenditure Account analysis for the financial year

Analysis of the net deferred funding for pensions is as follows:

	2011	2011	2010	2010
	€ (000's)	STG £ (000's)	€ (000's)	STG £ (000's)
Current service cost	1,265	1,098	1,129	969
Other finance cost	1,790	1,554	1,790	1,536
Benefits paid during the year	(814)	(707)	(744)	(638)
	2,241	1,945	2,175	1,867

Analysis of the current pension service costs is as follows:

	2011	2011	2010	2010
	€ (000's)	STG £ (000's)	€ (000's)	STG £ (000's)
Current service cost	1,265	1,098	1,129	969
Other finance cost	1,790	1,554	1,790	1,536
	3,055	2,652	2,919	2,505

Notes to the Financial Statements

for year ended 31 December 2011

15. Pensions (continued)

e) Deferred Funding Asset for Pensions

	2011 € (000's)	2011 STG £ (000's)	2010 € (000's)	2010 STG £ (000's)
Opening Balance at 1 January	36,955	31,684	33,713	29,900
Increase in Deferred Funding of Pension Asset	2,468	1,262	3,242	1,784
Closing balance at 31 December	39,423	32,946	36,955	31,684

f) History of Defined Benefit Liabilities

	2011 € (000's)	2010 € (000's)	2009 € (000's)	2008 € (000's)	2007 € (000's)
(Deficit) as at 31 December	(39,423)	(36,955)	(33,713)	(24,398)	(25,413)
Experience gain/(loss)	(36)	1,636	(709)	(40)	(1,275)
Percentage of Scheme Liabilities	(0.1%)	4.4%	(2.1%)	(0.2%)	(5.0%)

	2011 STG £ (000's)	2010 STG £ (000's)	2009 STG £ (000's)	2008 STG £ (000's)	2007 STG £ (000's)
(Deficit) as at 31 December	(32,946)	(31,684)	(29,900)	(23,810)	(18,759)
Experience gain/(loss)	(30)	1,404	(632)	(32)	(941)
Percentage of Scheme Liabilities	(0.1%)	4.4%	(2.1%)	(0.1%)	(5.0%)

g) Private Pension Schemes

In circumstances where staff are unable to avail of the scheme, they may set up a personal defined contribution scheme, to which the company will make a contribution. There are 35 staff members in such schemes.

16. Capital Commitments

There were no capital commitments at 31 December 2011 (2010 - Nil).

17. Other Commitments

The company had committed to marketing expenditure of €3.6m (£3.0m) at 31 December 2011 (2010 - €1.0m. £0.9m).

18. Grant Payment Commitments

There were no grant payment commitments at 31 December 2011 (2010 - Nil).

19. Contingent Liabilities

There were no contingent liabilities at 31 December 2011 (2010 - Nil).

Notes to the Financial Statements

for year ended 31 December 2011

20. Related Party Transactions

There were no related party transactions during the period.

21. Losses and Special Payments

In 2008 Tourism Ireland incurred expenditure of €21,000 in respect of the development of an HR software system. The cost of this software was fully expensed in the 2008 accounts. The company involved failed to deliver the required product and has subsequently gone into liquidation. The final non-recoverability of this money was confirmed in 2010. The Board and Risk Management Committee were kept apprised of developments over the course of 2008 to 2010.

22. Board Members – Disclosure of Transactions

In the normal course of business, Tourism Ireland may enter into contractual arrangements with undertakings in which Board Members are employed or otherwise interested. Tourism Ireland has adopted procedures in accordance with the guidelines issued in relation to the disclosure of interests by Board Members and these procedures have been adhered to during the year.

23. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 10 May 2012.



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