

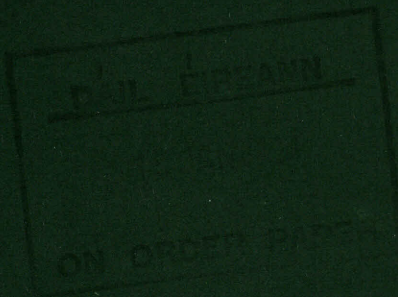
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IRISH GOODS COUNCIL

Annual Report and Accounts

for the period from

**1st January 1981 to
31st December 1982**



Irish Goods Council

Chairman:

T. P. Hardiman

Members:

Gillian Bowler
Gerry Heffernan
Norman Kilroy
Harry Lynam
Alan McCarthy
Patricia McCarthy
Michael Nesbitt
Paddy O'Keeffe

Chief Executive:

Vivian Murray

Registered Office:

Merrion Hall,
Strand Road,
Dublin 4
Telephone 696011

Foreword

In 1982 the twin problems of cost pressures and declining domestic markets forced many Irish manufacturers into a position of struggling to stay in business. Despite the difficulties the Council is encouraged by the degree to which during the year industry effectively used the Council's marketing support services and the opportunities provided by its subcontract and trade exhibitions. The Council's services encourage industry to adopt a market-led approach to exploiting the opportunities provided by domestic demand. The quantified domestic sales secured by industry can be viewed as satisfactory given the severity of the recession.

During the year the European Court ruled that the Guaranteed Irish campaign which was partly financed by the Irish government and implemented by the Irish Goods Council constituted a measure prohibited by the EEC treaty. The Council is therefore obliged to cease its involvement in the scheme.

It is envisaged that in 1983 many manufacturers, particularly in the small firms sector, will be under increasing pressure to survive. An improvement in marketing skills and a market-led approach to the domestic market will be necessary if these firms are to maintain sales.

In this report a review and evaluation of the marketing support services provided by the Council to Irish industry in 1982 is undertaken. It is the Council's view that if an efficient indigenous industry is to develop, particularly in the small firms' sector, industry must produce competitive products and significantly improve marketing skills. Only in this way will Irish industry be able to compete effectively on the domestic market where approximately 65% of indigenous output is sold.

During 1982, direct domestic orders written at Irish Goods Council-sponsored marketing trade fairs were £9.1 million and annual domestic sales for the firms involved were estimated to be over £75 million.

The Council's marketing assistance to sub-supply industries during the year resulted in over £30 million worth of industrial sub-contract business being secured by Irish industry. The principal sectors involved were engineering, electronics, plastics and packaging.

The Council focussed primary attention during 1982 on identifying market opportunities and assisting industries with their marketing requirements. In providing marketing support services the objective was to help firms build up their own marketing skills.

Subcontract Marketing Services

Subcontract exhibitions which are one of the most useful vehicles used to highlight market needs in industrial purchasing continued to play an important part in the Council's work. The subcontract exhibitions also enabled the Council to introduce firms to its marketing support services.

During 1982 a series of 15 subcontract exhibitions was organised by the Council featuring components to a value of £145 million.

Nine of these were general subcontract exhibitions and were mounted on a regional basis throughout the country. The components, parts and sub-assembly items displayed represented the purchasing requirements of a wide spectrum of industry.

Six exhibitions of components used in the telecommunications field were organised in conjunction with the Department of Posts & Telegraphs and the Telecommunications Division of the E.S.B. and Aer Lingus.

The permanent subcontract display of component parts was also maintained at our offices and was viewed by 1,031 visitors during 1982. In conjunction with the display, the components were featured in the Opportunities File every Tuesday on the business page of the Irish Independent.

Information on the manufacturing capabilities, product classifications, etc., of more than 4,000 companies was collated on a data base. Specific information on the machine capacity of over 1,000 companies involved in subcontract work was assembled in a Capability Register File. This information facilitated the identification of supply sources and subcontract capability. The data base provided a further use as a source for selective mailings.

During the year over 1,250 visits were made by the Council's industrial officers to manufacturing companies. These visits allowed the identification of subcontract potential in some companies and the spare productive capacity available in others. Supplier companies were assisted with marketing problems in the course of these visits.

Sectoral Marketing Activities

Marketing trade exhibitions which are undertaken on a sectoral bases continued to be one of the primary activities undertaken by the Council. These trade exhibitions covered fashion, furniture, floor-covering, clothing, footwear, stationery and cards sectors.

The number of manufacturers participating at I.G.C. sponsored trade exhibitions during the year was 260. An intensive drive for new business resulted in the opening of 1,783 new retail accounts. Buyer attendance at 12 exhibitions was 2,398.

A further 12 sectoral co-operative marketing projects involved the participation of 171 manufacturers in marketing workshops, fashion forecasts, touring fashion shows and provincial trade shows, as well as marketing drives for workwear, sportswear, gifts, cards and stationery.

Three new sectoral marketing groups were formed in the year — Menswear, Bedding and Contract Furniture. Market data is being compiled in respect of each group and marketing activities are planned for 1983.

A Trade Directory of Clothing Manufacturers was compiled for publication early in 1983. A supplementary directory of C.M.T. (cut, make & trim) services to the clothing industry is also being compiled. It is envisaged that a considerable extra utilisation of capacity in this sub-sector of the clothing industry can be achieved. Textile products and furniture directories are planned.

Marketing Support Services

The marketing deficiencies in many sectors of Irish industry have been well documented. The services provided by the Irish Goods Council have been developed to improve marketing skills particularly in the small and medium sized enterprises. These services also play an important role in assisting individual firms secure orders at the Council's trade fairs and through its subcontract activities.

The Council's marketing support services resulted in increased domestic sales and in the development of marketing competence within individual firms. The number of companies who obtained indepth support was however constrained due to the level of resources which the Council was able to allocate to these services. The four main areas of support provided by the Council during the year were Market Research and Information, Test Marketing, Design of Packaging and Promotional Material and Promotion of New Products.

During 1982, marketing support services were provided for over 370 companies in the sub-supply industries and for 147 in the consumer products area.

During the year there was an increase in the number of firms assisted by the Council with the promotion of new products.

Business Transacted

The marketing trade fairs and the subcontract activities of the Council backed up by the marketing support services resulted in significant orders for Irish industry during 1982.

Companies in the sub-supply industries, which the Council had assisted, obtained additional orders worth £30.4 million during 1982. In the consumer products sectors, firms participating in Irish Goods Council sponsored trade exhibitions had estimated annual domestic sales of £76 million and direct orders placed at the exhibitions were valued in excess of £9 million.

In relation to industrial subcontract business, the main areas where business was secured by Irish firms with the assistance of the Council was in the engineering and the electronics/electrical sectors. Details of this business are outlined in the table below. In summary it can be seen that in the engineering sector the business secured, while representing a significant proportion of the total business transferred, was down on the results of 1981. This was due in part to the depressed demand for engineering. Business placed in the plastics sector was also down on 1981 but this was due to the closure of a number of important plastic moulding companies.

Particular attention during the year was paid to assisting firms in the electronics/electrical area to obtain increased industrial business and orders increased very significantly.

INDUSTRIAL SUBCONTRACTING TABLE OF BUSINESS PLACEMENT

Industrial Category	1981	1982
	£'000	£'000
Engineering	15,321	12,344
Plastics	4,554	2,758
Print & Packaging	3,653	1,594
Timber	911	537
Rubber/Foam/Leather	755	1,375
Finishing & Plating	720	545
Chemicals	100	841
Electronics/Electrical	2,849	7,515
Fabrics/Materials	1,375	285
Misc./Industrial Equipment, etc.	2,660	2,567
TOTAL	32,898	30,361

In the consumer products area, the main sectors where orders were written at Irish Goods Council sponsored trade fairs was in the fashion clothing area due to the continuing marketing progress made by the Irish Fashion Group. Details of the orders secured can be seen in the following table. Firms in the furniture and floor-covering sectors wrote £2.6 million worth of domestic sales which was significantly down on 1981 due to the recession in the consumer durable market.

	Domestic sales written at IGC sponsored trade fairs	Estimated Annual sales for firms participating in IGC sponsored fairs	Domestic Sales written at IGC sponsored trade fairs	Estimated Annual sales for firms participating in IGC sponsored fairs
	£'000	1981 £'000	1982 £'000	£'000
Fashion Clothing	5,460	27,300	4,929	24,640
Furniture & Floor-Coverings	3,440	28,671	2,585	20,681
Clothing and Footwear	1,078	26,954	1,554	30,882
Stationery, Cards, Toys	58	354	47	274
Gifts	305	1,688	—	—
TOTAL	10,341	84,967	9,115	76,477

Accounts

Houses of the Oireachtas

IRISH GOODS COUNCIL**Company Limited by Guarantee and not having a Share Capital****INCOME AND EXPENDITURE ACCOUNT****For year ending 31/12/1982**

INCOME		Schedule	Year to 31/12/82 £	Year to 31/12/81 £
Oireachtas Grant-in-Aid (Note 1a)	...		939,000	922,000
Contributions from Industry	1	351,071	219,960
			<u>1,290,071</u>	<u>1,141,960</u>
EXPENDITURE				
General Administration	2	237,388	221,964
"Guaranteed Irish" Publicity	3	68,408	361,491
Sectoral Promotions	4	423,101	380,246
Retail Promotions	5	66,682	152,596
Market Research & Activity Evaluation	...		21,404	22,315
Industrial Sales Promotions	6	250,077	163,687
Community & Youth Programmes	7	10,838	22,762
Navan Chamber of Commerce Exhibition Centre		—	50,914
An Foras Forbartha Directory		20,000	12,119
			<u>1,097,898</u>	<u>1,388,094</u>
Surplus (Deficit) for Year		<u>192,173</u>	<u>(246,134)</u>

Notes 1 & 2 together with Schedules 1 to 7 form part of these Accounts.

T. P. Hardiman, Chairman

A. P. McCarthy, Director

IRISH GOODS COUNCIL**Company Limited by Guarantee and not having a Share Capital****BALANCE SHEET****As at 31/12/1982**

		31/12/82		31/12/81
	£	£	£	£
FIXED ASSETS (at cost) (Note 1b)				
Fixtures & Fittings		35,158		26,709
Furniture & Office Equipment		<u>9,237</u>		<u>6,995</u>
		44,395		33,704
CURRENT ASSETS				
Stocks (Note 1c)	10,281		7,103	
Debtors & Prepayments (Note 1d)	140,486		76,688	
Cash at Bank and on Hand	<u>1,769</u>		<u>3,512</u>	
	152,536		87,303	
LESS CURRENT LIABILITIES				
Creditors	267,367		301,166	
Bank Overdraft	<u>—</u>		<u>82,450</u>	
	267,367		383,616	
Working Capital Deficit		<u>(114,831)</u>		<u>(296,313)</u>
Net Assets/(Liabilities)		<u>(70,436)</u>		<u>(262,609)</u>
REPRESENTED BY:				
Income & Expenditure Account				
Balance 1st January 1982		(262,609)		(16,475)
Surplus/(Deficit) on Income & Expenditure Account for year		<u>192,173</u>		<u>(246,134)</u>
		<u>(70,436)</u>		<u>(262,609)</u>

Notes 1 & 2 together with Schedules 1 to 7 form part of these Accounts.

T. P. Hardiman, Chairman
A. P. McCarthy, Director

IRISH GOODS COUNCIL**Company Limited by Guarantee and not having a Share Capital****SCHEDULES TO THE ACCOUNTS****For the year ended 31/12/1982**

	Year to 31/12/82	Year to 31/12/81
	£	£
1. CONTRIBUTIONS FROM INDUSTRY		
Print Sales	9,359	10,853
"Guaranteed Irish" Publicity	36,799	14,508
Exhibition Income	50,084	19,681
Food Promotion	—	38,061
Furniture Promotion	90,066	13,507
Clothing Promotion	126,291	80,707
Jewellery Promotion	12,884	30,576
Footwear Promotion	9,919	6,025
Sundry	15,669	6,042
	<u>351,071</u>	<u>219,960</u>
2. GENERAL ADMINISTRATION		
Salaries (Note 2)	69,044	67,232
Consultancy Fees	20,078	27,332
Office Administration Costs	59,036	55,781
Conferences, Meetings & Management Committee Expenses	3,465	4,341
Car Leasing and Expenses	14,996	10,780
Insurance	7,449	5,161
Provision for Doubtful Debts	4,629	3,000
Audit Fee	1,200	1,200
Rent, Rates and Service Charges	51,678	43,152
Sundry Expenses	5,813	3,985
	<u>237,388</u>	<u>221,964</u>
3. GUARANTEED IRISH PUBLICITY		
Media Advertising	2,500	283,488
General Publicity Activities	23,577	41,750
Merchandising Aids	19,857	17,247
Operating Costs	22,474	19,006
	<u>68,408</u>	<u>361,491</u>

IRISH GOODS COUNCIL**Company Limited by Guarantee and not having a Share Capital****SCHEDULES TO THE ACCOUNTS****For the year ended 31/12/1982**

	Year to 31/12/82	Year to 31/12/81
	£	£
4. SECTORAL PROMOTIONS		
Food	—	51,648
Clothing	159,592	114,264
Textiles	—	7,210
Footwear	22,206	31,780
Furniture	115,669	35,644
Jewellery	17,534	49,001
Sundry	5,409	19,453
Operating Costs	102,691	71,246
	<u>423,101</u>	<u>380,246</u>
5. RETAIL PROMOTIONS	£	£
Store and Shop Promotions	13,352	85,652
Guaranteed Irish Stockists Scheme	5,054	13,967
Display Material and Advertising	18,307	28,773
Operating Costs	29,969	24,204
	<u>66,682</u>	<u>152,596</u>
6. INDUSTRIAL SALES PROMOTIONS		
Industrial Purchasing Promotion Expenditure	127,357	82,419
Operating Costs	122,720	81,268
	<u>250,077</u>	<u>163,687</u>
7. COMMUNITY AND YOUTH PROGRAMMES		
Activities with community organisations	7,713	21,357
Youth programme	3,125	1,405
	<u>10,838</u>	<u>22,762</u>

IRISH GOODS COUNCIL

Company Limited by Guarantee and not having a Share Capital

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the year ended 31/12/82

	1982	1981
	£	£
SOURCE OF FUNDS		
Surplus (Deficit) of Income over Expenditure	192,173	(246,134)
 APPLICATION OF FUNDS		
Purchase of Fixed Assets	<u>10,691</u>	<u>588</u>
	<u>181,482</u>	<u>(246,722)</u>
 INCREASE / (DECREASE) IN WORKING CAPITAL		
Increase / (Decrease) in Stocks	3,178	4,734
Increase / (Decrease) in Debtors	63,798	(68,632)
(Increase) / Decrease in Creditors	33,799	(91,885)
 Movement in Net Liquid Funds		
Increase / (Decrease) in Cash Balances	<u>80,707</u>	<u>(90,908)</u>
	<u>181,482</u>	<u>(246,722)</u>

IRISH GOODS COUNCIL

Company Limited by Guarantee and not having a Share Capital

NOTES ON THE ACCOUNTS

For the year ended 31/12/1982

1. ACCOUNTING POLICIES

a) **Oireachtas Grant-In-Aid**

Income shown in the account under Oireachtas Grant-In-Aid represents the actual cash receipts in the period and is made up as follows.

Department of Industry and Energy Vote	£920,000.
Increase in Remuneration and Pensions Vote	£19,000

b) **Depreciation**

Due to the method of financing the operations of the company, it is not considered necessary to provide for depreciation of fixed assets.

c) **Stocks**

All stocks are valued at cost.

d) **Debtors**

Appropriate provision has been made for doubtful Debts.

2. SUPERANNUATION

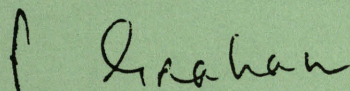
A pension scheme managed by an Insurance Company is in operation in respect of a number of the staff. Equal contributions are made by employer and employee. The Company contribution is included in the salaries charge in Schedule 2. No liability attaches to the Irish Goods Council.

AUDITOR'S REPORT TO THE MEMBERS

I have examined in accordance with approved auditing standards the foregoing Income and Expenditure Account and Balance Sheet of the Irish Goods Council and I have obtained all the information and explanations which I considered necessary for the purpose of my audit.

In my opinion:—

- (a) proper books of account have been kept by the Company and the Income and Expenditure Account and Balance Sheet are in agreement with them and give the information required by the Companies Act, 1963;
- (b) the Income and Expenditure Account and Balance Sheet, together with notes 1 and 2 and Schedules 1 to 7 give, a true and fair view of the surplus for the year ended 31st December 1982 and of the state of the Company's affairs on that date and
- (c) the statement attached to the Account gives a true and fair view of the Source and Application of the funds of the Irish Goods Council for the year ended 31st December 1982.



For and on behalf of the
Comptroller and Auditor General

8th November 1983

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