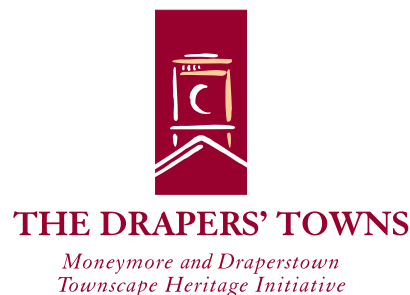


ANNUAL REPORT 2007-2008



workspace
the business

The Workspace Group



CHAIRMAN'S REPORT

It is with great pleasure that I present the Annual Report for the Workspace Group for the financial year ending March 2008.

In the year that we celebrated 25 years of achievement in Draperstown we have been moving onwards and upwards in terms of our activities and our impact locally and further afield.

Perhaps the local highlight of the year was the opening of the much needed Backrow Recreation Centre in Draperstown. This has been developed by Workspace in partnership with the local community, St Colm's High School and Ballinascreen Parish. We are indebted to the project funders namely the Big Lottery Fund, the Drapers' Company of London, Ballinascreen Parish and the very generous contributions of local businesses and individual members of the community. The Centre is already being widely used and we want to see it operating at full capacity through new sporting and leisure activities, and indeed anything which benefits the community in Draperstown.

During the year we established a base in Glasgow for our insulation company Homeseal and are looking forward to seeing our workload in Scotland increase to the levels we envisage.

Workspace subsidiary company Network Recruitment opened an office in Letterkenny, County Donegal to allow further expansion in the recruitment market. We also appointed a number of key individuals to take the business forward and we wish them well for the future.

On the property side we purchased neighbouring commercial units to our site in Magherafelt and began work on nine new office and work units at the Draperstown site.

In our joint working with Moneymore Heritage Trust through the Drapers' Towns Partnership we were successful in the first phase of our Landscape Partnership Bid. Detailed plans and

proposals have now been submitted to the Heritage Lottery Fund for our project – the 'Five Parishes' – and we look forward to a successful outcome.

The year 2007/08 was the final year in our 2005-08 strategy and we surpassed our targets on almost all our objectives. The company now has a turnover of over £3m per annum and employs 65 full time staff in its various activities. I want to thank our Board, the Management Team and the staff of all our businesses and projects for the combined effort in delivering such excellent results. As part of our 25 year celebrations we had a dinner for the past directors of our various companies. The presentation on that night looked back at where we were 25 years ago, where we are now and where we want to get to. It really was inspirational to review our achievements and also to look forward to where we want to get to through our new strategy for 2008-2011.

The Workspace Group never ceases to amaze in terms of what it has achieved, how it continues to deliver and I have no doubt with the same approach – "Passionate about Business... delivering to our Community" – it will continue to meet the needs of its community, its customers, its funders, its partners and of everyone associated with it.

Michael McAllister
CHAIRMAN



BUSINESS START UP AND DEVELOPMENT

During the 2007/08 financial year, the Start a Business Programme (funded by Invest Northern Ireland and Magherafelt District Council) assisted 131 business start trading, offering them invaluable free training and mentoring.



Number of Business Starts from 2002 – 2008

Social Entrepreneurship Programme

Workspace is the lead delivery agent in the North West for Invest NI's Social Enterprise Programme. During the year we assisted 13 voluntary and community groups in setting up enterprises under the Programme. All were developed to meet a need in the local community and will generate profits for re-distribution. The businesses were established in a range of sectors including retail (Mission Hall Quilts), Leisure and Fitness (Vale Centre Fitness Centre) and Childcare (The Nest, Out of

Schools Club). Through the Programme, each was given assistance to develop a business plan enabling them to access a £5,000 start-up grant. Each group also received a package of mentoring support when the business was up and running.

In addition to this, six existing social enterprises were given assistance to grow their businesses and a further 11 community and voluntary groups were given assistance to look at the viability of a range of business ideas and it is anticipated that these groups will be the social enterprises of the future.

WRAISE Programme – Women in Rural Areas into Self-Employment

The WRAISE programme worked with 13 women from the local area to explore the opportunity of self-employment. The participants attended a variety of workshops focusing on building confidence, looking into various business ideas and exploring the opportunity of self-employment.

Think Big Programme

The Think Big Programme supported 14 local businesses through one-to-one mentoring. The aim was to assist the growth of these businesses so they could eventually become an Invest NI client.

Advanced Cash Control Systems (ACCS) was established in 2006 by Roger McDermott. ACCS supply, install and provide training on a range of Point of Sale systems and Management Information Systems, specialising in the catering and hospitality industries.

Although the business performed well in its first year, to attract, larger more profitable customers, ACCS needed to implement more effective, targeted marketing strategies. Mr McDermott approached Workspace, to see if there was any additional support he could receive. Through the Think Big Programme, Roger worked with Workspace advisors to evaluate his marketing strategies and actions and assistance was provided to develop a new corporate identity, portraying a more professional, innovative business image. This, along with other promotional strategies resulted in increased market share.

Tradelinks Programme

Tradelinks is a business development programme providing specialist mentoring to those seeking to engage in cross-border trade. A total of five businesses from the Magherafelt Council area were assisted during the year. Mid Ulster Storage Solutions in Swatragh participated on the programme and received one-to-one mentoring focused on enhancing the business understanding of SAGE, its operations and capabilities.

Be International Programme

This business development programme worked with 15 local businesses actively involved in exporting their products and services. Each business received one-to-one mentoring support, for example CabinSpace worked with their mentor to develop text and graphics for their new website.

KNOW Programme

The KNOW programme assisted 25 businesses in the North West region to develop cross-border opportunities through a package of training, mentoring and management training support. Some of the successes of the KNOW programme include:

- Provision of guidance, mentoring and support on an individual, bespoke basis to 51 people from 49 indigenous enterprises - 24 in Donegal and 25 in Derry.
- Business audits and training needs analysis on a one-to-one basis to determine the structure and nature of support needed in each business.
- Assistance in directing participants to identify the most appropriate finance sources; to develop cross-border markets, processes, or research and development activities.
- Encouraging participants to partake in common marketing and distribution initiatives, and joint trade exhibitions on a cross-border basis.

These significant outputs were achieved through an excellent working relationship with our partner Westbic.

Property

During the year Workspace expanded its property portfolio. Work on a new site at Tobermore Road, Draperstown was commenced. This new development will complement the e-business park, offering five spacious, hi-spec offices and four industrial units. Workspace also added to its Magherafelt site where an adjacent building was acquired.



NETWORK RECRUITMENT

Network Recruitment underwent significant change during the year.

The business has invested heavily in personnel and opened a second office in Letterkenny. This planned investment was made to increase revenue returns, as well as to increase our presence in the recruitment agency sector in Ireland.

The branch opening in Letterkenny in December 2007 coincided with the appointment of a new Managing Director to help move the business forward. The business in Letterkenny is at a very early phase in terms of development though it has already secured



significant business through the very capable and experienced recruitment experts we have brought on board in the branch.

During the last 12 months Network Recruitment has: invested in a recruitment specific database; become full members of the Recruitment and Employment Confederation which governs recruitment agencies in the UK; and joined the NRF, the governing body overseeing recruitment agencies in ROI.



Jason Black, President of Letterkenny Chamber of Commerce, Margaret Sweeney, CEO of Postbank and President of the Dublin Chamber of Commerce, Toni Forrester, CEO of Letterkenny Chamber of Trade along with Robert Fullerton, Branch Manager Network Recruitment at the official opening of the new premises in Letterkenny

HOMESEAL

Homeseal, now in its fourteenth year of trading, continues to expand providing a professional insulation service.

As well as being a 'Super Installer' on the Warm Homes Scheme in Northern Ireland, Homeseal also receives referrals for Special Project Schemes. These schemes are funded by Northern Ireland Electricity from the Levy Funding and are targeted at householders who fall outside the remit of the Warm Homes Scheme and other Energy Efficiency Schemes.

Warm Homes Scheme

The Warm Homes Scheme is funded by the Department of Social Development and Northern Ireland Electricity. This Scheme provides Homeseal's core business.

Dundalk Pilot Scheme

Homeseal successfully completed insulation work on domestic properties on a Dundalk Pilot Scheme, which was funded by Sustainable Energy Ireland (SEI). Extra funding allowed a further 60 insulation jobs to be completed on this scheme.

National Trust Properties

Homeseal carried out loft insulation work on 12 National Trust Properties across Northern Ireland. This scheme was funded by Northern Ireland Electricity and the National Trust.

New Products

Chimney Balloons have been introduced into the Homeseal product range as a value added product to householders. Further research into other products, including other insulation product types, will be a focus in 2008-09.



Claire McCambridge, NIE, Marion McCloskey General Manager Homeseal NI, and members of National Trust during the installation of loft insulation at Castlecoole

Summary

Homeseal continues to be well recognised as a professional insulation company in the industry, tackling fuel poverty and poorly-heated homes. The service provided has now been extended to a larger geographical area and to a wider range of customers. The Partnerships with EAGA, Department for Social Development, Northern Ireland Electricity and Sustainable Energy Ireland helped cement the performance achieved in 2007-08 and the extension of the contract with EAGA in particular, until March 2009, will help maintain and indeed increase the revenue stream.

Work Undertaken 2007-08 (and comparison over 5 years)

	LOFT INSULATION AND DRAUGHT PROOFING	CAVITY WALL INSULATION
Total 2007/2008	2706	932
Total 2006/2007	2713	1007
Total 2005/2006	1289	635
Total 2004/2005	640	420
Total 2003/2004	286	288



Matt Trolan, Principal of St. Mary's Primary School along with Pat Kidd, Homeseal Surveyor with children from the school

Looking forward into 2008-09

There are a number of key developments that will help move Homeseal forward and increase the financial contributions from the company:

- Developing our activities in Scotland.
- Working with the Education and Library boards to insulate schools in Northern Ireland. Homeseal has begun installing insulation in a number of schools within the Northern and South Eastern Library Board areas.

- Developing the product range to include solid wall insulation – there is ongoing research into the viability of insulating solid wall homes which would create new revenue streams for Homeseal.

Overall, the future of Homeseal is positive and over the next two years we anticipate significant growth and diversity in the geographical range of our business and the services we offer.

NETWORK PERSONNEL

Network Personnel continues to deliver a range of much needed training and employment programmes primarily on behalf of the Department of Employment and Learning.

New Deal Programme

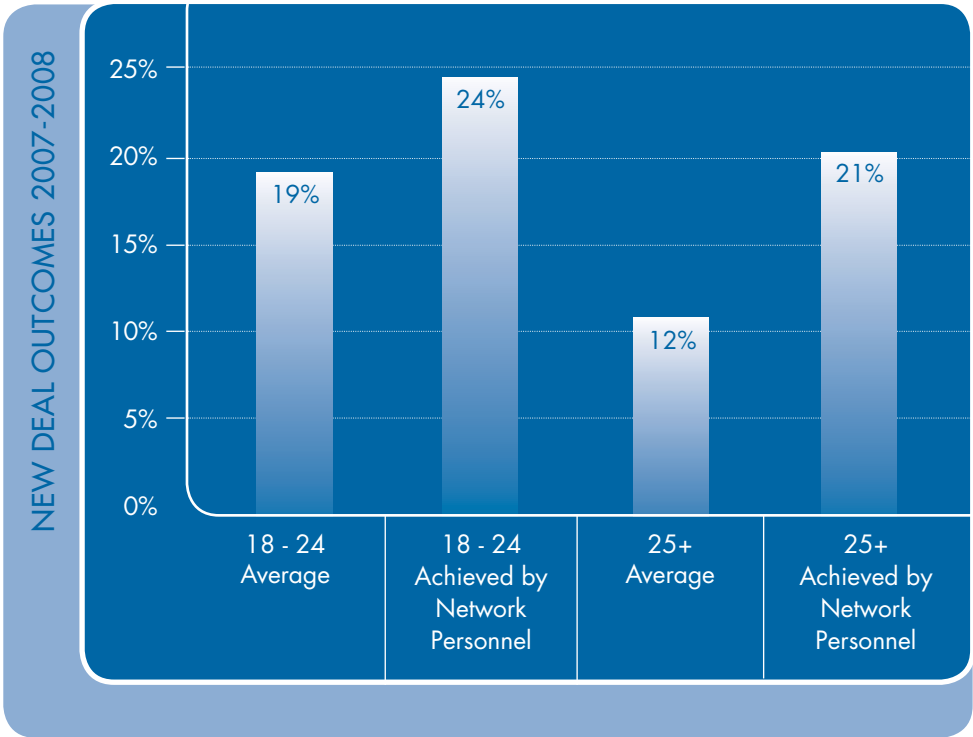
Network Personnel delivers the New Deal programme throughout Magherafelt District Council area. This includes New Deal for 18-24, New Deal 25+, New Deal for Self Employment and New Deal for Lone Parents.

In June we received highly positive feedback following an ETI inspection. The annual IQRS report submission was also extremely positive and was allocated the maximum grade 1.



The existing New Deal contract was due to end in March 2008 and the programme was to be replaced with a new programme, Steps2Work. To facilitate the tendering process, extensions were awarded to existing providers to deliver the New Deal contracts up to 31 August 2008. In February 2008 Network Personnel were asked to participate in a pilot programme for six months delivering the Steps2Work programme for the Magherafelt District Council area.

NEW DEAL OUTCOMES 2007-2008



Job Broking

The Job Broking team had a very successful year delivering the programme throughout all of Northern Ireland with the exception of Belfast.

The number of people allowed to register on the programme was capped for this financial year. Support workers were more selective when registering interested clients to ensure the programme achieved the target of 25% to jobs. In fact Network Personnel more than surpassed this target and achieved 52% to employment.

Skillsmatch

This year we had further funding from Proteus to deliver a range of computer courses. These courses included Advanced ECDL, Sage level 2, Word Processing Stage 2 & 3 and CAD level 2. This funding ran until June 2008 by which time there were over 200 beneficiaries.

Skills for Carers

The Co-operation Ireland funded Skills for Carers programme, which was initiated in February 2006, continued to operate very successfully.



Network Personnel's Cathy McGarvey with Stacey Davies (seated) who participated in the Job Broking Scheme

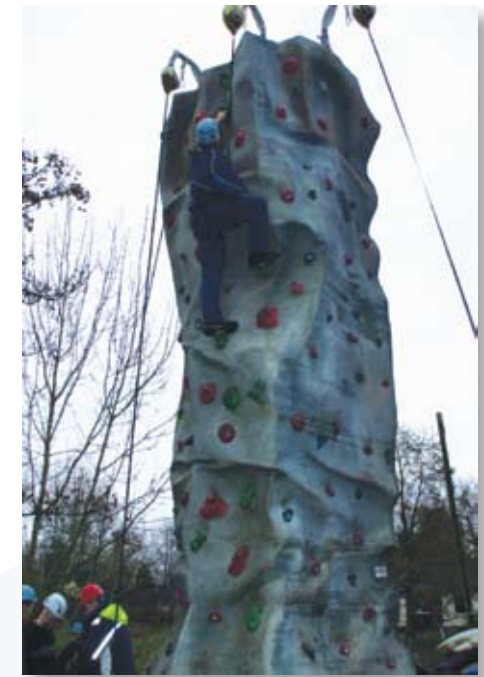
In line with the ethos of Co-operation Ireland, the programme is delivered in conjunction with Tír Boghaine Teo, a community based organisation in Killybegs.

A further £47,000 was obtained from Co-operation Ireland enabling an additional 27 participants to complete their NVQ level 2 in Direct Care.

Further cross border residentials were held throughout the year and a programme of activities for those who care for an elderly or disabled relative also took place, with participants engaging in a range of relaxation activities.

Outreach ICT Training

Funding was secured from RDC to run a new set of ICT courses beginning in September 2007. Four new part time tutors helped to deliver training in a number of outreach venues across a range of courses. Venues included Bellaghy Women's Group, An Carn, Dromore, Drumduff, Meadowell Fold and Ballinascreen Fold. Courses delivered to 230 people included ECDL, Sage level 1 and Basic Computers.



Progress2Work

The Progress2Work programme remained very busy with client caseload numbers consistently exceeding target levels. 26 Progress2Work clients commenced employment, with 13 sustaining work for more than 13 weeks. 57 clients also availed of training and education. Client referrals continued steadily throughout this period, coming from organisations including hostels, Jobs and Benefits offices, prisons and social work teams.

Our Progress2Work team was the highest performing provider in Northern Ireland in relation to client training and employment figures.

In September 2007 Progress2Work received a grant from the Northern Drug and Alcohol Co-ordination Team's Voluntary/Community Organisation Fund. This funding was used to deliver 'The Reach Project', an innovative programme incorporating outdoor pursuits, teambuilding games and a range of group activities, specifically designed to enhance 'jobsearch' skills, workplace teamwork and confidence. The programme specifically targeted Progress2Work clients who had a history of drug/alcohol addiction and who resided in the Coleraine and Ballymena areas.



Participants on the Reach Programme

BACKROW RECREATION CENTRE

The Backrow Recreation Centre was officially opened in April 2008.

The facility is now an integral part of the Draperstown community and is an excellent example of real partnership working between Workspace, St Colm's High School, the Ballinascreen Parish and eight local primary schools.

The Centre is used during the day by St Colm's and the primary schools, and is available to the wider community in the evenings and weekends. All local sporting and community organisations have access and we plan to add to this with the introduction of new sporting and recreational activities as well as a summer scheme for local school children.

The Recreation Centre was developed as a result of the generous support of the Big Lottery Fund, the Drapers' Company of London and Ballinascreen Parish as well as the local community and businesses.

To date over 4,000 members of the community have availed of the Recreation Centre.

The Centre was officially opened by Breidge Gadd, Chair of The Big Lottery Fund in Northern Ireland. The opening was a true partnership



Cutting the tape at the Official Opening were, from left: Brian Murray, Chief Executive, Workspace; Roisin McKenna, Principal, St Colm's High School; Mr Stephen Foakes, Master, Drapers' Company, London; Breidge Gadd, Chair, Big Lottery Fund, NI; Fr Colum Clerkin, Parish Priest, Ballinascreen Parish

celebration event with Funders, Workspace members and directors, representatives from the schools, sporting organisations, local businesses and members of the local community. Also very welcome on the day was a number of representatives of the Drapers' Company of London led by the Master Draper, Stephen Foakes.



BUSINESS RESULTS EVENTS

During 2007-2008 Business Results Events (BRE) worked on a large number of events in locations across Ireland and further afield.

Venues included Galway; Dublin; Enniskillen; Belfast and Vienna. Among the events managed were official openings, gala business awards, high profile conferences, 'meet the buyer' networking events and an international trade mission.

Trade Mission to ITnT Vienna

BRE was responsible for the organisation of an all-island trade delegation of 15 companies to the ITnT Trade Show in Vienna in February 2008 on behalf of the MicroTrade programme. The primary focus of the participating businesses was to identify new market opportunities and forge new business relationships, on both an all-island basis, and across Central Eastern Europe.

Initial feedback indicates that a number of working partnerships and significant sales will be generated over the coming year as a direct result of their involvement in the trade mission.

FUSION Networking Event

The FUSION Networking Event was held at University College Dublin in September 2007 bringing together over 100 companies and small businesses to meet on a one-to-one basis to explore possible collaboration. The event was seen as a great success for the FUSION programme, as Dianne Fee, Project Manager with InterTradeIreland noted:

"The event was brilliantly organised, the staff were extremely professional and despite a very tight timescale BRE still secured extremely good attendance at the event, as well as organising relevant meetings for participants."



BUSINESS
RESULTS
events

Get Business 2008

For the third consecutive year, BRE organised the Get Business Event in the Killyhevlin Hotel in Fermanagh. Working in partnership with Sligo & Leitrim CEBs, BRE recruited over 40 businesses each year (over 90 in 2008) from the border counties and 10-12 large buyer companies from NI and ROI. BRE oversaw the development of the event including delegate meetings, securing and briefing speakers and managing all associated PR & Promotion. The event was a great success with 100% of delegates rating the organisation of the event as very good or excellent.



Build Ireland Greener, Galway, 2007

This was an all-island networking event for the sustainable construction sector drawing together 50 small companies to meet with 12 buyers and each another. Over 370 one-to-one meetings took place between small businesses, and small businesses and buyers. The majority of delegates rated the event as highly successful and 80% felt they were likely to develop cross-border trade as a result of attending.

Rebranding as ivenTs

Following a review of the strengths of BRE's position as an experienced events management consultancy, a strategic decision was taken in mid 2008 to rebrand the business as ivenTs. Operating with the strapline: 'dotting the i's, crossing the t's' – it is anticipated that the rebranded ivenTs will build on the successes of BRE to consolidate its position in the highly competitive events management sector.



Small Business is Big Business Conference

BRE organised this high profile business development conference held in December 2007 at the Stormont Hotel, Belfast. With more than 160 attendees, BRE was responsible for the complete event management including drafting and overseeing design of all promotional materials; recruiting delegates; sourcing and securing speakers; management of all third party contractors; venue liaison and on-the-day management.



THE RURAL COLLEGE

During the year our associate organisation, The Rural College Ltd officially opened a 10 bedroom and new training room extension to cater for increased demand.

The College continues to provide a range of rural development educational programmes including the MSc in Rural Development with QUB and the Diploma in Community Development with NUI Galway.

In addition the conference and residential facility results in increasing visitors to the area.



The Rural College before and after refurbishment



DRAPERSTOWN AFTER SCHOOL CLUB

The After School Club is an excellent facility offering a safe, secure and fun environment for children in the local rural community.

Throughout the year we offered:

- A full range of indoor and outdoor games and activities
- School collection service
- Supervised homework if requested
- Healthy snacks and drinks
- An all day summer scheme during school holidays.

All services are provided by fully experienced and qualified staff in a Centre that fully complies with, and is regularly inspected, by Social Services. The After School Club recently underwent its annual registration inspection and received no recommendations – an excellent achievement for staff and management.



Funding received through Playboard will continue until June 2008. A business plan is currently being developed to determine the financial sustainability of the Club. At present the fees charged by the Club are subsidised by funding. In the absence of further funding this fee will have to be increased accordingly.

The After School Club received a £1700 grant from the Northern Health & Social Services Board's Access to Natural Spaces scheme. This enabled the Club to remove the large overhanging hedge at the rear of the building and allowed the children to use the extra area of space for outdoor play.



Children at play in the outdoor games area

CORN STORE YOUTH CENTRE

The Corn Store in Draperstown was refurbished in 2002 marking the transformation from old derelict site to a modern building.

The building is leased by Workspace on a peppercorn rent to the local Youth Club.

The Centre has a full range of activities throughout the week with a full-time youth tutor operating there in conjunction with the local high school. The Corn Store Youth Centre has established itself as an important aspect of community life in Draperstown.



The Corn Store before and after refurbishment



COMPANY INFORMATION AS AT MARCH 31ST, 2008

Board of Directors

Chairman

Dr. Michael McAllister

Non Executive Directors

Ms Regina Caulfield

Councillor Patsy Groogan

Mr Jackie Hogg

Councillor Kate Lagan

Mr Willie McKeown

Mr Patsy McShane

Mr Graham Mawhinney

Mr Brian O'Kane

Executive Director

Mr. Brian Murray

Company Secretary

Mr. Patsy McShane

Chief Executive

Mr. Brian Murray

Registered Office

The Business Centre

Draperstown

BT45 7AG

Registration Number

N.I. 18240

Bankers

First Trust Bank

The Diamond, 2 Rainey Street

Magherafelt

BT45 5AG

Bank of Ireland

11 Market Street

Magherafelt

BT45 6EE

Ulster Community Investment Trust

Linenhall House, 13-19 Linenhall Street

Belfast

BT2 8AA

Auditors

E&M Associates

42a-44a New Row

Coleraine

BT52 1AF

Solicitors

Doris & McMahon

63 James Street

Cookstown

BT80 8AE

Tughans

Marlborough House, 30 Victoria Street

Belfast

BT1 3GS



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