

2009

Enterprise Ireland
Annual Report & Accounts

ENTERPRISE IRELAND IS THE GOVERNMENT ORGANISATION RESPONSIBLE FOR THE DEVELOPMENT AND INTERNATIONALISATION OF IRISH ENTERPRISES.

OUR PRIME PURPOSE IS TO INCREASE EXPORTS AND EXPORT-LED EMPLOYMENT.

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Enterprise Ireland
Office Network



To the Minister for Enterprise, Trade & Innovation

In accordance with the
Industrial Development
(Enterprise Ireland) Act 1998,
Enterprise Ireland herewith
presents its report and
accounts for the year ending
31 December 2009.

Hugh Cooney, *Chairman*

Frank Ryan, *Chief Executive Officer*

CHAIRMAN'S STATEMENT

2009 was a year of immense challenges for Irish companies in both the international and domestic markets. We are encountering one of the worst recessions this country has ever experienced. But within that difficult context, Irish exporting companies are at the heart of the drive to economic recovery and growth, as they continue to win new export sales and create employment across the country. I welcome the opportunity to endorse their tenacity and their achievements.

Irish exporting companies are our best prospect for trading our way through the recession. They provide 133,500 jobs directly, a similar number of indirect jobs, and spend an estimated €19 billion in the Irish economy. In 2009, total export sales by Enterprise Ireland client companies were €12.9 billion, including new export sales of €693 million. While this represents a decrease of 10 per cent on 2008, it was a credible performance given the harsh international trading environment, and shows great resilience by Irish companies.

Enterprise Ireland worked intensively with client companies throughout 2009 to ensure they had access to funding, retained existing customers, improved their competitiveness, and expanded into new markets.

We worked with the main banks at the highest levels to ensure understanding of the financing needs of small and medium-sized enterprises and to increase the flow of funds to client companies. This enhanced co-operation will continue to be developed in 2010.

Continuous innovation and ongoing improvements in our competitiveness are essential. Companies, in partnership with their employees and other stakeholders need to embrace and maintain focus on innovation and competitiveness.

International trade missions are an integral and important part of Enterprise Ireland's strategy to help client companies access key decision makers

and grow sales in export markets. In 2009, 476 client companies participated in 21 overseas trade missions. In 2010, we will maximise the impact of these events by organising missions for specific sectors in key strategic markets.

The Board and staff of Enterprise Ireland recognise that Irish companies have to work harder and innovate more to continue to secure sales in the face of tough markets and increased global competition. These companies have shown themselves to be remarkably adaptable in the current volatile economic environment. We look forward to working in partnership with them and have every confidence in their ability to sustain their businesses and secure new sales in 2010. We will be with them every step of the way.

Key external relationships and interagency collaboration

I would like to express my appreciation to all the Government departments that supported Enterprise Ireland throughout 2009: the Department of Enterprise, Trade & Innovation; the Department of the Taoiseach; the Department of Foreign Affairs; the Department of Agriculture, Fisheries & Food; the Department of Education & Skills; the Department of Communications, Marine & Natural Resources; the Department of Finance; and the Department of the Environment, Heritage & Local Government.

I would also like to record my thanks to all other bodies with which Enterprise Ireland has worked in partnership, including Forfás, IDA Ireland, the City and County Enterprise Boards, Science Foundation Ireland, Bord Bia, FÁS, Bord Iascaigh Mhara, Údarás na Gaeltachta, Shannon Development, the Higher Education Authority, other State agencies, industry associations and third-level institutions.

There is now an important all-island dimension to all aspects of Government policy. Close working relationships have been established between Enterprise Ireland, Invest Northern Ireland and InterTradeIreland. I would also like to acknowledge these important cross-border relationships, which are proving to be of benefit to companies across the island of Ireland.

Corporate governance

To ensure maximum return on investment of public funds, the Board is committed to the highest standards of corporate governance, and to ensuring that the principle of value for money is applied throughout all the agency's activities. Enterprise Ireland applies the principles of good governance, set out in the Code of Practice for the Governance of State Bodies 2009.

During 2009, two members of the Board of Enterprise Ireland retired, in accordance with Section 9 of the Industrial Development (Enterprise Ireland) Act 1998. On behalf of the Board, I would like to thank Gerry O'Malley and Margaret Daly for their commitment and invaluable contribution during their tenures.

I also wish to welcome Jim O'Hara, Intel, and Dr Catherine Caulfield, Ovagen Ltd who were appointed to the Board in 2009.

Finally, I would also like to thank the staff of Enterprise Ireland for their efforts throughout 2009 and their steadfast commitment to the success of Irish enterprise.



Hugh Cooney,
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

A return to export-led growth will lead Ireland's economic recovery. Exports equals jobs and high-quality, innovative and internationally competitive Irish companies are fundamental to Ireland's future prosperity.

Facing the toughest challenges in their history, Enterprise Ireland client companies showed great determination and resilience in seeking out new markets and customers in 2009. As a result, they recorded new export sales of €693 million. This demonstrates that Irish companies have the ambition and capability to identify opportunities in the most difficult economic conditions and build strong, export-focused businesses.

While total export sales fell by 10 per cent to €12.9 billion, a number of key growth sectors, including software, internationally traded services and life sciences increased exports (see page 8).

During 2009, Enterprise Ireland approved funding for a total of 1,460 companies.

Notwithstanding the challenges, we maintained our focus on the innovation agenda as evidenced by the number of new high potential start-ups and investments in R&D which exceeded expectations, indicating improved confidence as companies position themselves to take advantage of recovering markets. In 2009 Enterprise Ireland supported 73 innovative start-up enterprises and 122 client companies were approved financial support in excess of €100,000 for significant R&D projects.

2009 – building business stability

2009 was a year of unprecedented challenges for Ireland's exporters as a result of the global recession and the sustained pressure of the euro to sterling and US dollar exchange rates.

During the year, Enterprise Ireland implemented a number of financial and non-financial initiatives, including the Enterprise Stabilisation Fund and the Employment Subsidy Scheme (Temporary), to help vulnerable but viable client companies through the economic recession, and to ensure that enterprises of strategic importance were sustained and positioned to take advantage of the emerging recovery in the global economy.

Winning new sales and sustaining exports

Success in the United Kingdom (UK) and the United States of America (USA) is critical to the survival of most of our client companies. In 2009, Enterprise Ireland's priority was to consolidate the position of Irish exporters in these markets, and to help them retain and secure greater value from existing and new customers.

Enterprise Ireland also had a particular focus on helping client companies win new sales in the Eurozone countries and, for selected clients, increased support for developing their business in key high-growth markets.

A total of 603 new significant sales contracts were signed by Enterprise Ireland client companies during the year. Enterprise Ireland also supported start-up companies to secure 79 first reference sales in new overseas markets and more than 50 per cent of these were generated in Europe.

taxback.com

Irish success story Taxback.com continued to expand its global business during 2009 announcing a major contract with Visa Europe and the expansion of its VAT recovery services into the United States.

"Our expansion into the US market is estimated to be worth more than €20 million. Taxback.com continues to succeed in these difficult economic times by tapping into global and emerging markets and diversifying to generate new business. This creates highly-skilled jobs in Ireland and we plan to more than double our workforce over the next two years."

Terry Clune
Chief Executive Officer
Taxback.com



Cork company, Apex Fund Services Ltd, launched a new fund administration operation in Shanghai during Enterprise Ireland's trade mission to China. Apex is the first privately-owned fund administration company to launch in China.

"Our launch in China represents a significant milestone in our ongoing expansion plans for a truly global fund services solution. The scale of opportunity in this region is immense and working with Enterprise Ireland has given us access to senior representatives in the banking and financial services industry."

John Bohan
Managing Director
Apex Fund Services Ltd

Exports 2009

Exports 2008	€14,314m
Exports 2009	€12,903m
New export sales (gross gains)*	€693m
Gross losses	€2,103m
Net change	- 10%

*This figure includes export gains recorded by meat and dairy commodity companies.

Exports by main market area*

	2008	2009	% +/-
United Kingdom	€6,200m	€5,458m	-12%
Western Europe (excl UK)	€2,284m	€2,153m	-6%
North America	€1,462m	€1,341m	-8%
Southern Europe, Middle East, Africa and Latin America	€1,618m	€1,562m	-3%
Central, Eastern Europe, Russia and Nordic Markets	€857m	€667m	-22%
Asia / Pacific	€736m	€783m	+6%
Unspecified	€436m	€373m	-14%
Total	€13,593m	€12,337m	-9%

*Excludes sales recorded by the Irish Dairy Board

Exports by major sector

	2008	2009	% +/-
Food	€8,180m	€7,020m	-14%
Cleantech, Electronics and Life Sciences	€1,272m	€1,252m	-2%
Construction, Engineering and Consumer	€2,528m	€2,173m	-14%
Internationally Traded Services	€1,527m	€1,606m	+5%
Software	€807m	€852m	+6%
Total	€14,314m	€12,903m	-10%

Source: Forfás/Enterprise Ireland Annual Business Review. Results are based on companies responding to the survey in 2010 (grossed up to reflect non-respondents). Results can vary from previous estimates due to revisions made by companies and differences in the profile of respondents from one survey period to the next.

In 2010, Enterprise Ireland will continue to help client companies retain customers and win sales in the UK, the USA and selected countries in the Eurozone (France, Spain, Germany, Italy and Benelux). We will also identify opportunities and support the entry of appropriate clients to Brazil, Russia, India, China, the Gulf and Japan.

To help clients transition from sustaining their international business to preparing for growth as economic conditions improve, a new Market Research Programme will be launched in 2010 to help clients investigate and develop new market opportunities.

Public procurement

The Irish public sector represents a major market opportunity for Enterprise Ireland client companies. A public sector contract at home can be the reference sale that enables companies to tender for and secure contracts overseas.

A new Enterprise Ireland public procurement team was established in 2009 to encourage and help client companies to tender for the supply of goods and services to the public sector. Enterprise Ireland is also working with the Office of Public Works and relevant Government departments to help simplify the public procurement process to give small and medium-sized enterprises greater access to contracts.

As governments around the world respond to the economic downturn with public procurement and economic stimulus packages, Enterprise Ireland is proactively investigating potential international public contracts for client companies. In 2009, 80 overseas public procurement contracts worth over €210 million were signed with Enterprise Ireland input.

Strengthening leadership and management capability to increase exports

In 2009, Enterprise Ireland helped client companies develop the necessary skills to increase sales and enter new markets through the First Flight and Excel at Export Selling programmes. A total of 238 companies participated in courses on issues relevant to the current difficult trading conditions, such as sales pipeline management and improving customer retention. In addition, 80 senior sales people started the International Selling Programme which assists exporting companies to develop medium and long-term international sales strategies.

During the year, 60 chief executive officers participated in the Leadership 4 Growth programme which helps companies achieve significant international scale by enhancing the leadership and strategic capabilities of the senior team. Two additional programmes will run in 2010. The first will target the sustainable built environment (construction and cleantech sectors) and the second will be for clients in the engineering, medical technology and electronics sectors.

Also, to supplement the Enterprise Ireland expertise and advice client companies have access to, we have expanded the mentor programme and are partnering with the Irish diaspora to find new and cost-effective sources of business expertise for clients. In 2009, 122 international experts provided valuable mentoring and advice to clients to help their international development. In addition, a further 243 Irish-based mentors were appointed to work with client companies on a broad range of business issues.



careworks

CareWorks provides social care management solutions to over 70 local authority customers in England, Wales and Ireland.

"The UK public sector is becoming more open to innovative solutions, so smaller businesses should not assume there is an incumbent supplier who will inevitably win the business. There are opportunities for companies that can be truly innovative, deliver significant value and demonstrate a rapid return on investment."

Michael Dolan
Managing Director
CareWorks



"The construction industry in Ireland has built up a fantastic construction and design capability over the past ten years delivering large complex projects to the highest international standards. We must now take this capability and go on to become successful international construction companies. We found the Leadership 4 Growth programme to be a very practical and effective opportunity for the CEO and senior team to build the personal leadership and organisational capabilities necessary to achieve this."

Tom Costello
Chief Executive Officer
John Sisk & Son Ltd



JFC Manufacturing Ltd, headquartered in Tuam, Co Galway, announced that it is expanding into South Africa in a joint venture with local plastics design company Accelerate Design Ltd.

"This is a significant step for JFC. South Africa is a large market with massive growth potential. With every downturn, there is opportunity and we don't believe in standing still. The timing is right for JFC to take on the new challenge of growing markets. This new venture is the direct result of working closely with Enterprise Ireland's South Africa team over the last two years."

John Concannon
Managing Director
JFC Manufacturing Ltd

Access to finance

Accessing finance represented a major challenge for companies in 2009. In response, Enterprise Ireland prioritised providing access to finance for client companies through new and existing funding supports and through enhanced co-operation with the main banks.

Financial support to enterprise

In April 2009, the Government established the Enterprise Stabilisation Fund to help viable internationally trading enterprises survive the global downturn. During the year the fund, administered by Enterprise Ireland, approved direct financial support of €68 million to 180 projects across all sectors.

In 2009, Enterprise Ireland approved financial support for 1,460 client companies amounting to €167.4 million.

Enterprise Ireland financial payments to companies in 2009 amounted to €156 million. This included €74 million in share capital investment, €62.8 million in R&D, training and other capability building support, and €19.2 million in capital and employment support for capacity expansion.

Seed and venture capital funds

As well as investing directly in client companies, Enterprise Ireland enters into partnership with seed and venture capital funds to provide equity finance to Irish companies. A €26 million Bank of Ireland Seed and Early Stage Equity Fund was launched in the last quarter of 2009, and an additional €23 million was invested in the AIB Seed Fund to bring its total value to €53 million. Since 2007, eight funds have been established, raising approximately €525 million.

These investments represent a significant broadening of access to funding for the start-ups and entrepreneurs who will be the employers of the future.

In 2009, 38 co-investments with Irish seed and venture capital funds valued at €29.8 million were completed. In addition, Enterprise Ireland is actively involved in matching international venture capital funds with Irish companies. There were 14 international venture capital investments in Enterprise Ireland client companies during the year.

The Halo Business Angel Network (a joint venture between Enterprise Ireland and InterTradeIreland) was launched in 2009 to develop and foster the growth of private equity and business angel activity in Ireland. Private investors are matched with pre-screened investment opportunities in start-up enterprises. During the year, there were nine investments made by private investors in Enterprise Ireland client companies.

Sustaining jobs

During 2009, 7,443 new jobs were created in Enterprise Ireland-supported companies, bringing the total number employed to 133,523. However, there was an overall net decline of 19,078 jobs (see page 18).

The Government, through the Department of Enterprise, Trade & Innovation, introduced the Employment Subsidy Scheme (Temporary) to protect jobs at risk, in vulnerable but viable companies with ten or more full-time employees, as a result of the global and financial economic crises. Enterprise Ireland administered the scheme on behalf of the Department of Enterprise, Trade & Innovation.

Under the first round of the Employment Subsidy Scheme (Temporary), a total of €66 million was approved to 455 companies to subsidise 7,275 jobs. As a result these companies committed to maintaining over 34,500 jobs to the 30 November 2010.

In addition, approximately 7,803 jobs were sustained in the companies supported under the Enterprise Stabilisation Fund.

Promoting innovation, commercialisation and R&D

At its core the Government's *Building Ireland's Smart Economy* framework has the objective of creating an exemplary research, innovation and commercialisation ecosystem that capitalises on the €8.2 billion State investment in science and technology. As the primary agency charged with driving the commercialisation of research, Enterprise Ireland acts as the bridge between companies and publicly funded research institutions to build collaborative links and ensure that commercially viable knowledge is translated into economic return.

In 2009, Enterprise Ireland focused on supporting short-term R&D activity within companies and on the commercialisation of third-level research to deliver innovative technologies, products and processes.

Promoting R&D and innovation in companies

- In 2009, €44.9 million was approved to support in-company R&D projects.

Client companies' commitment to R&D is stronger than ever - by the end of the year, 52 companies were investing in excess of €2 million per year on R&D projects and 704 clients were spending over €100,000 per year.

In 2010, Enterprise Ireland will continue to promote and provide support for in-company R&D as a key driver of innovation and competitive advantage in the Irish economy.

- Enterprise Ireland's Innovation Voucher scheme enables companies to acquire cost-effective R&D solutions from third-level institutions. With a focus on near-term impact, this initiative is particularly relevant to smaller companies that are not in a position to carry out their own research. A total of 492 Innovation Vouchers were redeemed in 2009, at a value of €2.4 million.
- Thirty clients benefited from the Innovation Partnerships Programme which offers financial support to a company and third-level research institution to collaborate on a research project.



Dublin-based software company Ergo provides IT solutions and services to businesses and the public sector, and is a strategic IT partner to leading organisations such as Bank of Scotland (Ireland), Microsoft, Pfizer, the Irish Revenue Commissioners and VHI.

On opening their new R&D facility, John Purdy, Chief Executive Officer of Ergo said:

"Innovation is the lifeblood of Ireland's future, allowing us to stay competitive on the aggressive world stage. Home-grown, knowledge-based companies like Ergo will play an important role in the future of Ireland Inc., something that Enterprise Ireland has recognised through its R&D Fund which enabled this to happen."



In June 2009 the Taoiseach, Mr Brian Cowen T.D. announced the appointment of an innovation taskforce to advise the Government on its strategy for positioning Ireland as an international innovation hub and to assist in making the Smart Economy a reality. The group was assembled to advise the Government on options to increase innovation and entrepreneurship, and to ensure that investment in science, technology and research translates into high-value jobs and sustainable economic growth. Enterprise Ireland welcomes this initiative and looks forward to working with the group on implementation in 2010 and beyond.



Opsona Therapeutics is a third-level spin out company founded by some of Ireland's leading immunologists based at Trinity College Dublin. In 2009, Opsona completed a €21.3 million fundraising round, one of the largest private capital raisings for any biotechnology company worldwide.

"These investments are an endorsement of Opsona's approach to targeting the innate immune system. The continued support of Enterprise Ireland demonstrates their commitment to investment in high potential companies. The finance raised places Opsona in a strong financial position and enables us to achieve our clinical and operational goals over the coming years."

Mark Heffernan
Chief Executive Officer
Opsona Therapeutics

ATSR (Automotive Technology Systems and Research Ltd) announced a significant €1 million investment programme in Tullamore, Co Offaly that will create up to 30 new jobs over the next two years. ATSR develops and produces controlling systems for emergency vehicles and is experiencing rapid growth in the UK, US and Canada.

"Our focus is on demonstrating clear competitive advantage for our customers in terms of usability, efficiency, capability and cost. ATSR is a committed innovator, and this investment programme, supported by Enterprise Ireland, will allow us capitalise on the growing global demand for our products."

Eric Gallagher
Chief Executive Officer
ATSR

Supporting business networks to promote R&D

- To stimulate innovation networking among industry and sector groups, Enterprise Ireland provided €600,000 in funding to three enterprise innovation networks in 2009 - the Irish Software Innovation Network, the Construction IT Alliance, and the Industry Research & Development Group. These networks promote innovative business practices in member companies and build collaborative links with researchers to gain access to R&D expertise.

Driving industry-led R&D

- Competence Centres are collaborative entities established by Irish small and medium-sized enterprises, multinational companies and research institutions that work together to overcome common research challenges. They are resourced by highly qualified researchers to undertake market-focused, strategic R&D for the benefit of industry.

These centres are a joint initiative of Enterprise Ireland and IDA Ireland and a key element of the Government's strategy to build a smarter, greener economy. By the end of 2009, Enterprise Ireland had agreed to provide €32 million in funding for five centres to conduct research in bioenergy and biorefining, IT innovation, applied nanotechnology, composite materials and microelectronics. Competence Centres for manufacturing research and energy efficiency also received €1 million each to fund their initial research phase.

- During 2009, 127 companies were involved in seven Enterprise Ireland-supported industry-led research programmes across a number of sectors. These collaborative research programmes support medium-term 'shared agenda' research activity among companies that could not afford to fund such research on their own.

Capitalising on international research opportunities

- International R&D funding continues to be a valuable source of finance and provides access to collaboration and networking with European partners.

Enterprise Ireland helps Irish researchers engage in pan-European research projects such as the €50 billion Seventh EU Framework Programme (FP7). In 2009, €27.4 million in research funding was awarded to 36 companies in Ireland. Since the start of FP7 in 2007, Irish-based companies and public research organisations have secured total funding of €152.7 million.

In addition, the European Space Agency awarded research contracts worth €7.1 million to Irish companies in 2009.

Converting research into commercial products and services

- There is now a national technology transfer system in place comprising Enterprise Ireland and the technology transfer offices of Irish higher education institutions. With 35 spin-out companies established, and 95

commercially relevant technologies licensed to companies during 2009, good progress was made in translating investment in research into commercial opportunities. In addition Enterprise Ireland, through the Commercialisation Fund, approved support to 81 commercially focused research projects, involving a total funding commitment of €12.5 million.

- The Applied Research Enhancement programme supports the establishment of applied research centres of excellence in the Institutes of Technology. At the end of 2009 17 research centres, located in 11 Institutes of Technology, had received total financial support of approximately €23 million. Across these centres, 172 collaborative industrial research projects are either ongoing or completed since 2008.
- The new Business Partners programme was run in 2009 to increase the number of companies emerging from higher education research institutes. The aim is to introduce business people with the skills to create new companies to the research teams that have developed emerging commercially-viable technologies. After the first year of the programme, 11 projects show the potential to develop into new companies.

Developing new start-up companies

Enterprise Ireland is committed to supporting entrepreneurs to ensure that emerging technologies and innovative business ideas with export potential become a commercial reality. These entrepreneurs start high potential companies that create jobs throughout Ireland, achieve international scale, and contribute to export-led growth and the revitalisation of the economy.

In 2009, Enterprise Ireland approved funding to support 188 high potential start-up companies. During the year, over €21 million was approved to 73 new high potential start-ups. In addition, 13 prospective high potential start-ups in the ICT and life sciences sectors emerged from State-funded third-level research. These companies are expected to create more than 900 new jobs and achieve total sales of over €600 million in the next three years.

This impressive number of new companies across a wide range of knowledge-intensive sectors is proof that entrepreneurs throughout the country have the ambition, ability and courage to take their ideas forward and create innovative, export-focused businesses despite the difficult economic conditions.

During the year, Enterprise Ireland worked closely with other relevant agencies (e.g. IDA Ireland, FÁS, City and County Enterprise Boards, Business Innovation Centres) to promote start-ups and management buy-outs. Seven potential start-ups have emerged as a result of this process. In addition, 21 City and Country Enterprise Board clients were identified as having export potential and transferred to Enterprise Ireland in 2009.

The Global Entrepreneurship Monitor (GEM) measures entrepreneurial activity in over 50 countries. The 2008 study found that the rate at which entrepreneurs were starting businesses in Ireland (4.3%) continues to be well above the EU average (2.7%) and OECD average (3.3%). This also compares favourably to the rate in the USA (5.8%). These figures refer to the percentage of the adult population starting up a new enterprise.



3V Transaction Services Ltd launched its pay-as-you-go VISA voucher product in the Benelux region. Following a launch in Canada, the move into the Benelux region, starting in Holland, is another key step in the development of 3VTS. Further expansion is in train.

"This expansion marks a significant milestone in the development of 3V Transaction Services Ltd. Enterprise Ireland has been a huge supporter of 3V from the beginning, offering invaluable assistance and financial support. Their proactive international network is well connected and is a resource that all Irish exporting companies should leverage when planning to enter foreign markets."

Kieron Guilfoyle
Chief Executive Officer
3VTS



The Propel Ideas into Businesses Programme, developed by Enterprise Ireland and Invest Northern Ireland, helps ambitious entrepreneurs transform their innovative ideas into successful businesses that can operate globally.

"PROPEL helped me take a new business idea from concept through to proposition in a measured and structured way. It opened the door to different expertise and resources which are enabling me to grow my company to an internationally trading enterprise."

Owen Leonard
Ozonetech

Ribworld, set-up in 2003, is now in the top three producers of cooked pork ribs in Europe and employs more than 50 at its state-of-the-art processing operation in Clonmel, Co Tipperary. In 2009, the company secured a contract to supply its products to the biggest supermarket chain in Sweden.

"The weakness of sterling during 2009 made us look at our options and put more emphasis on other European markets. With the Swedish contract, we're confident our growth will continue. We hope to reach maximum capacity in the next three years. At that point, we'll expand, utilise our American approval and take a foothold in the market over there."

Bo Nielsen
Founder and Managing Director
RibWorld

Fostering entrepreneurship

Fostering entrepreneurship and facilitating the key infrastructural needs of Irish enterprise is vital to ensuring the continued flow into the Irish economy of strong start-ups with export potential. The objective is to build a highly attractive incubation environment for the best entrepreneurs from Ireland and overseas.

During the year, 68 Enterprise Ireland entrepreneurship programmes took place, providing participants with the business skills, contacts, mentoring and support to potentially transform their innovative ideas or technologies into exporting businesses.

There are currently 21 Enterprise Ireland-supported campus incubation facilities and six specialist bio-incubation facilities in operation in Ireland. At the end of 2009, 264 companies were based in these centres, employing 1,014 people in a range of sectors including software, medical devices and digital media.

Community Enterprise Centres provide a range of facilities that enable entrepreneurs to establish new businesses and provide employment in local and rural communities. Enterprise Ireland worked in close co-operation with FÁS, the local authorities, the City and County Enterprise Boards and the City and County Development Boards to implement the Community Enterprise Scheme 2007-2009. There are currently 981 businesses located in these centres providing employment for 4,850 people.

Building competitiveness

Building competitiveness is one of the key issues facing companies across all sectors. Irish enterprises must address many challenges if they are to increase profitability and compete successfully in international markets.

In 2009, the Enterprise Ireland Growth Fund approved funding of €14.3 million to 67 client companies. This fund helped clients to achieve greater competitiveness by investing in new equipment, implementing new processes, training staff or hiring key managers or consultants.

In 2010, a new approach to building client companies' competitiveness will be introduced with the launch of the Lean Programme. This programme, ranging from initial consultancy (Lean Start) to significant company-wide initiatives (Lean Transform), will be delivered by national and international experts and will help companies identify cost savings and process improvements across all business operations.

Developing key sectors

Food

Employing 54,000 people directly, with sales of €13.5 billion and exports of €7.02 billion, the food sector plays a major role in the growth and success of the Irish economy. As the majority of exports from this sector are to the UK, the exchange rate between the euro and sterling had a major impact in 2009 and this, along with severe price deflation in the global dairy market, resulted in a 14 per cent decrease in food sector export sales.

Enterprise Ireland works in partnership with other State agencies such as Bord Bia, Bord Iascaigh Mhara, Teagasc and the Department of Agriculture, Fisheries & Food on the development of the food sector. Large companies that can achieve economies of scale in the production of primary and value-added products will be a key future driver of growth. Enterprise Ireland is providing funding and support towards large-scale lean programmes, and innovation and management development initiatives for key sub-sectors, as well as encouraging selected consolidations designed to improve export competitiveness.

Software

The significant reduction in spending by public sector and corporate buyers, longer lead times to contracts and payments, and a greater focus on cost have led to a stalling of growth in the software sector worldwide. Despite this, software client companies succeeded against the odds and increased exports by six per cent in 2009, bringing total export sales to €852 million.

Software is strategically important as a key contributor to the development of the Smart Economy. The software sector in Ireland has strong capability and expertise in a number of specialist areas, including telecommunications, finance, e-learning and information security. Strong networks of companies within these clusters provide a solid base for growth and development. However, scale remains an issue with many Enterprise Ireland software clients recording sales of under €5 million per annum.

Enterprise Ireland's software strategy is addressing the issue of scale deficit through clustering, collaboration and consolidation. The outcome will be an increased number of companies of sufficient scale, utilising new business models (e.g. software-as-a-service) to achieve sustainable growth, accompanied by a continued flow of innovative start-up companies.

Internationally traded services

Total export sales by internationally traded services clients amounted to €1.61 billion in 2009. The future growth potential of this key sector is proven by the fact that export sales increased by five per cent over 2008.

The internationally traded services sector is vital to the next stage of Ireland's economic development. Enterprise Ireland's strategy for the services sector focuses on maximising the performance of companies that are already active in export markets, on encouraging companies that are currently trading locally to expand their markets abroad, and on fostering a new breed of start-up service companies with export potential, particularly in the financial services and environmental sectors.

In 2009, 92 companies were approved €1.5 million support through the Going Global Fund, which helps domestically focused service companies investigate the possibility of internationalising their business.

Enterprise Ireland is also working closely with relevant stakeholders to proactively develop sectors identified as having significant growth potential (e.g. specialist financial services, international healthcare services, business process



Founded in 1997 with six employees, **Abtran** currently employs 1,000 people and is Ireland's largest indigenous business process innovator. In 2009, the company announced a €6 million Enterprise Ireland-supported investment in R&D, and the creation of 250 graduate level jobs.

"Abtran's vision is to create a world class brand that builds on our success to date and continues to compete globally. Our growth plans for the future will be underpinned by our existing high quality of operations together with continued investment in technology and highly skilled personnel. Quite simply, people plus innovation equals better customer service and better value for money."

Michael Fitzgerald
Chief Executive Officer
Abtran

The Institutes of Technology of **Athlone, Galway-Mayo and Waterford** announced significant contracts with the Technical Vocational Training Corporation (TVTC) of the Kingdom of Saudi Arabia. The announcement was made during the Enterprise Ireland trade mission to Saudi Arabia and Qatar.

The three Institutes are to receive approximately 200 TVTC scholarship students over a three to four year period. The students will study a range of courses including Engineering, Science and Business. The total spend in the Irish economy is estimated at €20 million including fees and expenditure in the local economy.



EirGen Pharma commercially launched its early stage breast cancer drug Eir-012 across Europe and signed a partnership agreement with a leading Japanese pharmaceutical company to develop and supply three cancer products from their facility in Waterford.

"EirGen continues to invest in developing innovative products and services to maintain our competitive advantage and maximize our growth in international markets. Our extensive experience in the industry and our understanding of the business needs of the leading international pharma companies have enabled us develop a proven service offering that has established a solid foundation for future growth."

Patsy Carney
Managing Director and
co-founder of EirGen

innovation and international education services). For example, Enterprise Ireland plays a key role in developing the international education sector in Ireland and, in 2009, assumed responsibility for the 'Education Ireland' brand and for promoting Ireland as a centre of excellence for international education.

Life sciences

There are now 170+ indigenous companies operating in the life sciences sector across a wide array of sub-sectors such as medical devices, medical sub-supply, diagnostics, biotech, chemicals and manufacturing. Total export sales in 2009 were €671 million, an impressive increase of six per cent over 2008.

Ireland is a global centre of excellence in this sector, employing over 40,000 people and exporting in excess of €40 billion per annum. Eighteen of the top 20 global biopharmaceutical companies and 18 of the top 25 medical technologies multinationals have operations in Ireland and there is a dynamic and growing indigenous company base.

While the sector has performed strongly over the last number of years and the outlook remains positive, it faces immediate challenges such as accessing venture capital and cash management, securing global partnerships, and a shortage of wet-lab facilities for start-up companies. To address these and other issues that impact on the continued growth of this sector, Enterprise Ireland is proactively engaging with national and international investors, the clinical community, leading international research centres, and key stakeholder agencies, academia and business associations to develop the life sciences ecosystem in Ireland.

Cleantech

The global drive to generate clean energy, manage scarce resources, and develop sustainable and environmentally friendly products and services is aiding rapid growth in the cleantech sector. Recent green stimulus packages in the world's major economies and green public procurement targets within the EU have stimulated further growth.

Cleantech is now one of Ireland's fastest growing sectors. With 240 companies employing over 5,900 people, the sector's total export sales in 2009 were €120 million.

In 2009, Enterprise Ireland participated in the Government's High Level Action Group on Green Enterprise and has developed a strategic plan to develop Ireland as a global centre and leader in cleantech. This plan is focused on building strong capability and export-led clusters in the specific sub-sectors of energy efficiency, waste water treatment solutions, waste material handling equipment, biomass/bioenergy, marine renewals, and environmental monitoring and instrumental services.

Construction

In 2009, total export sales in the construction and timber sector amounted to €1.15 billion, a decrease of seven per cent on the previous year.

In response to the decline in the construction market, Enterprise Ireland identified clients with potential for success in international markets and prioritised helping them to access finance, identify alternative markets, and improve competitiveness. The challenge is to develop their capability to build successful international construction businesses from an Irish base.

A number of initiatives, including a Leadership 4 Growth programme tailored specifically for this sector, are in place to help construction clients to access opportunities in the UK, Middle East and Gulf markets. New international sales were secured in 2009, including over €200 million worth of contracts relating to the 2012 London Olympics.

2010 - preparing for future growth

In 2009 Enterprise Ireland focused on ensuring that Irish enterprises emerge from the global downturn in the strongest possible position. We helped vulnerable but viable companies to stabilise, to retain and build their current exports, and introduced them to new buyers and markets.

The Government's *Building Ireland's Smart Economy* sets out a future vision for Ireland as a global innovation hub – a home for a significant number of large, world leading, innovation-intensive companies, and a highly attractive incubation environment for the best entrepreneurs. During 2009, Enterprise Ireland participated in the Taoiseach's Innovation Task Force which was established to advise Government on its strategy to achieve this vision.

Enterprise Ireland's core strategy in 2010 will continue to be to grow exports by driving innovation and scale in established companies, and by supporting entrepreneurship and the establishment of high potential start-ups by domestic and overseas entrepreneurs. Underpinning these drivers of economic stability and growth are the fundamental requirements to enable the successful commercialisation of research, and to develop strong management teams and leadership capabilities in companies.

In order to ensure that all the resources of Enterprise Ireland are used to maximise new exports and deliver export-led employment in 2010, the organisation will focus on the specific growth sectors of software, internationally traded services, life sciences and cleantech, and on specific markets (UK, USA, Eurozone and, for selected clients, the high growth markets of Brazil, Russia, India, China and the Gulf). At the same time, the organisation will continue to provide intensive support for the important food and construction sectors.

Investment funding will prioritise supporting strategically important companies to undertake growth projects, helping companies develop innovative products, processes and business models with near-term impact, and building competitiveness through lean activities.

Our client companies worked extremely hard over the past year to counter the difficult economic conditions. This work and preparation will stand to them in 2010 as markets begin to rebound. We will be relentless in our determination to support our clients in every way possible to ensure they capitalise on the global recovery from its very first wave.

During 2009 the staff of Enterprise Ireland continued to demonstrate great enthusiasm, flexibility and professionalism and, in many cases, have taken on additional responsibilities. Throughout the year, the number of staff working proactively with client companies was increased and new departments were established as a response to the economic crisis. I would like to take this opportunity to recognise these efforts and to thank staff as they continue to rise to the challenges in 2010.



Frank Ryan
Chief Executive Officer

London 2012 Olympic Games

P. Elliott & Company, a major property development and construction company headquartered in Cavan, secured the main contract for the construction of one of the blocks in the Athletes' Village. The company won this project in their first year of trading in the UK market.

Banagher Concrete, Co Offaly secured an order for pre-cast concrete terracing for the Handball Arena. This followed their success at stadiums across Ireland such as the new Aviva Stadium.

Leading wood energy and organic waste management company, Clearpower has been commissioned to provide the renewable heating equipment for the Olympic Park complex in East London.

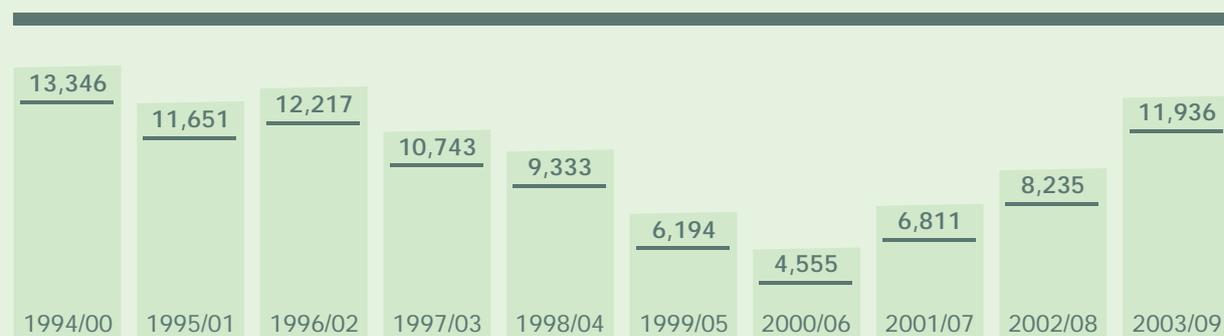
Transforming Irish Industry 2008-2010

Strategic Objectives	2009 Result
New export sales	€693 million
Number of clients engaged in meaningful R&D (€100,000 spend annually)	704
Number of clients engaged in significant R&D (€2 million spend annually)	52
New high potential start-ups (outside Dublin)	73 (34)
Number of clients achieving annual global sales of €5 million	560
Number of clients achieving annual global sales of €20 million	183
Growth Fund approvals	67

Client Employment Performance by Region 2009

Region	Total Employment	Gains	Losses	Net Change
Dublin / Mid East	55,093	3,121	-9,608	-6,487
Midlands	7,692	319	-2,121	-1,802
Mid West	9,108	461	-2,038	-1,577
West	9,512	549	-1,793	-1,244
North East	13,533	498	-2,601	-2,103
North West	4,621	331	-1,276	-945
South East	14,734	778	-3,621	-2,843
South West	19,230	1,386	-3,463	-2,077
Total	133,523	7,443	-26,521	-19,078

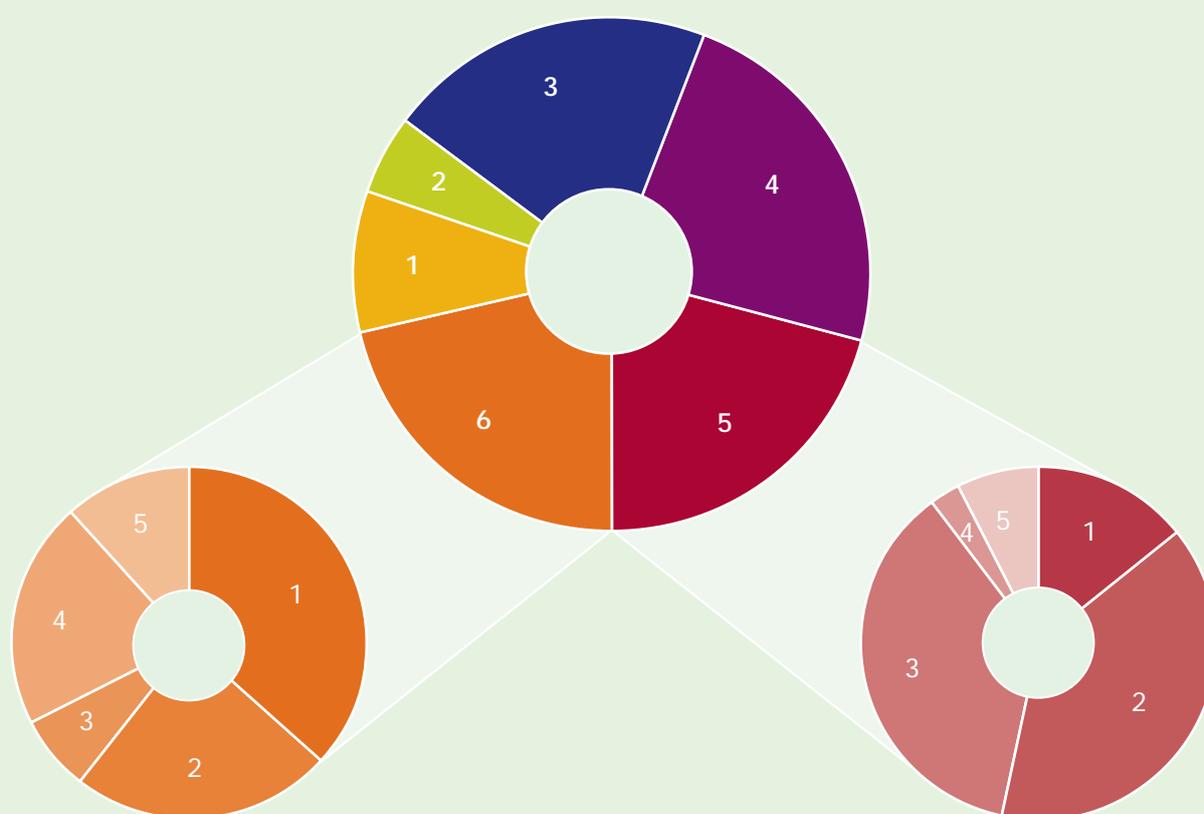
Cost per job



2009 cost per job sustained (2009 prices). The cost per job is calculated by taking into account all agency expenditure on all firms in the period. Only jobs created during, and sustained at the end of, each seven-year period are credited in the calculations.

Enterprise Ireland allocation of funds

1. Capability Building	€38.8m
2. Capacity Building	€21.9m
3. Equity and Venture Capital Funds	€90.1m
4. Technology and Scientific Infrastructure	€101.7m
5. Funds administered on behalf of third party agencies	€90.1m
6. Net operating costs	€93.2m
Total	€435.8m



Net operating costs

1. Client Services Network	€34.3m
2. Overseas Office Network	€22.2m
3. Regional Office Network	€6.6m
4. Science and Innovation Support	€19.4m
5. Corporate Services Support	€10.7m
Total	€93.2m

Funds administered on behalf of third party agencies in 2009

1. Employment Subsidy Scheme	€12.8m
2. Dairy, Beef & Sheepmeat Funds	€35.3m
3. County Enterprise Boards	€32.9m
4. Business Innovation Centres	€2.5m
5. Other (e.g. Community Enterprise Centres, Crafts Council of Ireland, Webworks, NITL)	€6.6m
Total	€90.1m

CORPORATE GOVERNANCE

Enterprise Ireland is a body corporate established by the Industrial Development (Enterprise Ireland) Act 1998. As a statutory body, it is endowed with a separate legal personality and perpetual succession. It also has the capacity to own property, make contracts, sue and be sued in its corporate name. The members of the Board of Enterprise Ireland constitute the members of the agency.

The agency operates in accordance with the provisions of the Industrial Development Acts 1986–2003 and under the aegis of the Minister for Enterprise, Trade and Innovation who is empowered to provide funds to the agency to enable it to discharge its obligations; to issue general policy directives; and to seek information on the agency's activities.

In addition to its own governing legislation, the agency is also required to comply with a range of other statutory (National and EU) and administrative requirements. In particular, it has put in place procedures to ensure compliance with the following specific requirements:

Code of Practice for the Governance of State Bodies

Following the revision of the Code of Practice for the Governance of State Bodies 2009, Enterprise Ireland has reviewed its processes to ensure that it is complying with the provisions of the revised code.

Guidelines for the Appraisal and Management of Capital Expenditure Proposals

Enterprise Ireland has well-established, robust procedures for the appraisal and management of capital expenditure projects arising under its capital grants programmes. These procedures comply with the principles set out in the guidelines.

Freedom of Information Acts, 1997 & 2003

Regulations were signed into law on 30th March 2001, providing for the extension of the Freedom of Information Act (FOI) to Enterprise Ireland. This Act provides a legal right to individuals to obtain access to information held by public bodies, to the greatest extent possible, consistent with the public interest and the right to privacy. However, the Act provides strong protections for individuals or companies who supply information to Enterprise Ireland that is confidential, commercially sensitive or personal. Such information cannot be released under FOI without those who supplied the information being consulted. There is also a right of appeal to the Information Commissioner, who is an independent authority for FOI matters. Further information on the implementation of FOI at Enterprise Ireland is available from the Government Relations and FOI Office, Enterprise Ireland, The Plaza, East Point Business Park, Dublin 3 and is also available on our website at www.enterprise-ireland.com.

Safety, Health and Welfare at Work Act 2005

In accordance with the Safety, Health and Welfare at Work Act 2005, Enterprise Ireland has put in place procedures to comply with the provisions of the Act and has prepared a safety statement that encompasses all of the aspects affecting staff and visitor welfare.

Worker Participation (State Enterprise) Act, 1988

Enterprise Ireland is not a designated body for the purposes of the Act. However, Enterprise Ireland has put consultative processes in place involving the Trade Unions representing staff.

Prompt Payment of Accounts Act, 1997

Enterprise Ireland comes under the remit of the Prompt Payment of Accounts Act, 1997, which came into effect on 2nd January 1998, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002, which came into effect on 7th August 2002. It is the policy of Enterprise Ireland to ensure that all invoices are paid promptly. Specific provisions are in place to enable all invoices to be tracked and to ensure that payments are made before their due date for interest and charges purposes. Invoices are logged daily and weekly payment runs are carried out to ensure prompt payment. These controls are designed to provide reasonable, though not absolute assurance against non-compliance with the Act and Regulations.

Enterprise Ireland enters into written contracts in a number of areas. The payment period applicable for these contracts ranges from 1 to 14 days.

Ethics in Public Office Act, 1995

Enterprise Ireland was brought within the scope of the Ethics in Public Office (Prescribed Public Bodies, Designated Directorships of Public Bodies and Designated Positions in Public Bodies) Regulations 2004 (S.I. No 699 of 2004) with effect from 1st January 2005. Enterprise Ireland Board members furnish statements of interests each year to the Secretary and copies have been provided to the Commission Secretary, Standards in Public Office Commission. In addition, Enterprise Ireland staff members holding designated positions comply with the Act.

Data Protection Acts, 1988 and 2003

Enterprise Ireland is registered as a data controller under the Data Protection Acts. Data protection is concerned with the protection of the individual's fundamental right to privacy and to exercise control over how personal information is used. Applications in relation to personal information may be made under either the Freedom of Information Acts or under the Data Protection Acts. Further information is available from the Government Relations and FOI Office, The Plaza, East Point Business Park, Dublin 3.

Employment Equality Acts, 1998 and 2004

Enterprise Ireland is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. Enterprise Ireland operates a number of schemes that provide staff with options in relation to meeting their career and personal needs, such as job sharing, study leave, educational programmes and career breaks. A policy on the Protection of Dignity at Work is in operation and has been communicated to all staff.

Commission of the European Union

In 2009, Enterprise Ireland administered a range of programmes which are eligible for co-funding by EU Structural Funds under the Productive Sector Operational Programme, Employment and Human Resource Development Operational Programme, and the two Regional Operational Programmes for the Southern and Eastern and BMW regions.

Official Languages Act 2003

Enterprise Ireland comes under the remit of the Official Languages Act 2003 which was signed into law on 14th July 2003 to provide a statutory framework for the delivery of services through the Irish language. In accordance with Section 10 of the Act, this Annual Report is published simultaneously in Irish and English.

Environmental Policy Statement

Enterprise Ireland's activities impact on the environment in two main ways:

Running the organisation: Through an Environmental Management programme, Enterprise Ireland manages the environmental impacts relevant to its activities. By the establishment and review of environmental objectives and targets, Enterprise Ireland aims to continuously improve its environmental performance in areas of its activities which are appropriate and economically viable. The Enterprise Ireland Environmental Policy is available to interested parties on request.

Supporting Irish Business: Enterprise Ireland is pro-active in stimulating high environmental standards among client companies.

Disclosure Policy on Payments and Investments

It is Enterprise Ireland's policy to make information available on Financial Support payments that have been made to client companies. A supplement to this Report, listing all such payments made by Enterprise Ireland in 2009, is available on request.



Frank Ryan
Chief Executive Officer

MEMBERSHIP OF THE BOARD AND COMMITTEES as at 1 May 2010

The Board is responsible for setting the broad strategy and policies of the organisation. It is responsible for the system of internal financial control and for putting in place processes and procedures for the purpose of ensuring that the system is effective. The Board also has oversight responsibility for the activities of the organisation. It delegates to management and sub-committees the responsibility for their implementation.

The Board has statutory authority to approve funding up to the levels set out in the Industrial Development Act 1986, as amended, and the Science and Technology Act 1987 and to make recommendations to Government on funding support above these levels. The Enterprise Ireland Board and its relevant committees have the authority to purchase shares (ordinary and preference) in client companies.

Under the terms of the Industrial Development (Enterprise Ireland) Act 1998, all functions and powers are reserved to the Board, save those that the Board formally delegates. All powers so delegated are set down and are formally approved by the Board.

In its own activities and in its use of sub-committees, the Board operates towards best private sector corporate governance principles.

In accordance with the Ethics in Public Office Act, 1995, and the Code of Practice for the Governance of State Bodies, Board members are required to provide a Statement of Interest to the Standards in Public Office Commission and to the Secretary. Enterprise Ireland fully complies with Government policy on the pay of Chief Executives and State Body employees and with Government guidelines on the payment of fees to Board members.

Board members are appointed by the Minister for Enterprise, Trade & Innovation, with the consent of the Minister for Finance. Each year, on the anniversary of the Establishment Day, the two members (other than the Chairman and Chief Executive) that have been longest in office since their last appointment, retire from office. New Board members, on their appointment, are provided with extensive briefing on the agency and its operations.

The appointment and removal of the Secretary to the Board is a matter for the Board. All Board members have access to the Secretary, who is responsible for ensuring that Board procedures are complied with.

ENTERPRISE IRELAND BOARD



Back row left to right:

- | | |
|---|--|
| <p>1 Helen Nugent
Principal Officer
Department of Enterprise,
Trade & Innovation</p> <p>2 Michael Buckley
Company Director</p> <p>3 Liam Meaney
Company Director</p> | <p>4 Tony Spollen
Company Director</p> <p>5 Paddy Hopkins
Secretary to the Board</p> <p>6 Gearóid Doyle
Executive Chairman
Kinsale Capital Management</p> |
|---|--|

Front row left to right:

- | | | |
|--|--|---|
| <p>7 Jim O'Hara
General Manager
Intel Ireland</p> <p>8 John Connolly
Head of Marketing
SWS Group</p> <p>9 Máire Ní Thuathail
Company Director
EO Teilifis</p> | <p>10 Frank Ryan
Chief Executive Officer
Enterprise Ireland</p> <p>11 Hugh Cooney
(Chairman)
Consultant and Company
Director
KPMG</p> | <p>13 Catherine Caulfield
Chief Operations Officer
Ovagen Limited</p> <p>14 Michael McLoone
County Manager
Donegal County Council</p> |
|--|--|---|

The following members of the Board retired from office during 2009/2010:
Margaret Daly, Environmental Consultant and Gerry O'Malley, Managing Director,
O'Malley InterSearch.

AUDIT COMMITTEE

The Audit Committee assists the organisation in discharging its legal and accounting responsibilities. It provides the communication link with the external Auditor and evaluates and co-ordinates the Internal Audit function and Risk Management process in Enterprise Ireland.

Gearóid Doyle (Chairman)
Executive Chairman
Kinsale Capital Management

Liam Meaney
Company Director

Catherine Caulfield
Chief Operations Officer
Ovagen Limited

Paddy Hopkins
Secretary to the Audit Committee

The following member retired from the Committee during 2009/2010:
Tony Spollen,
Company Director.

INVESTMENT PORTFOLIO REVIEW COMMITTEE

The Investment Portfolio Review Committee has responsibility for overseeing the management of Enterprise Ireland's investment portfolio, and for maintaining an oversight of the investment activity of funds supported by Enterprise Ireland under the various seed and venture capital programmes.

John Connolly (Chairman)
Head of Marketing
SWS Group

Frank Ryan
Chief Executive Officer
Enterprise Ireland

Feargal Ó Móráin
Executive Director
Innovation, Commercialisation
and Investment
Enterprise Ireland

Tony Haslam
Consultant

Vacancy

Paddy Hopkins
Secretary to the Investment Portfolio Review Committee

The following member retired from the Committee during 2009/2010:
Margaret Daly,
Environmental Consultant.

REMUNERATION COMMITTEE

The Remuneration Committee reviews the performance and remuneration of the Chief Executive Officer and the senior management team within the context of Government guidelines.

Hugh Cooney (Chairman)
Consultant and Company Director
KPMG

Michael Buckley
Company Director

Michael McLoone
County Manager
Donegal County Council

Paddy Hopkins
Secretary to the Remuneration Committee

The following member retired from the Committee during 2009/2010:
Mr Gerry O'Malley,
Managing Director,
O'Malley InterSearch.

BUSINESS COMMITTEE

The Business Committee manages and controls the administration of Enterprise Ireland's budget, monitors progress against organisational targets, and considers matters of corporate policy including financial product guidelines, sectoral policies and strategies, regional strategy, and new and amended programmes and schemes.

Frank Ryan (Chairman)
Chief Executive Officer
Enterprise Ireland

Pat Maher
Executive Director
Enterprise Ireland

Gerry Murphy
Executive Director
Enterprise Ireland

Feargal Ó Móráin
Executive Director
Innovation, Commercialisation
and Investment
Enterprise Ireland

Julie Sinnamon
Executive Director
Global Business Development
Enterprise Ireland

Tom Hayes
Divisional Manager
Entrepreneurship and Human
Resources
Enterprise Ireland

Kevin Sherry
Divisional Manager
Internationally Traded Services
Enterprise Ireland

Greg Treston
Divisional Manager
Scaling and High Potential Start-ups
Enterprise Ireland

Niall O'Donnellan
Divisional Manager
Investment Services
Enterprise Ireland

Jennifer Condon
Divisional Manager
Software and Public Procurement
Enterprise Ireland

Dick Lenehan
Divisional Manager
Food
Enterprise Ireland

Paddy Hopkins
Secretary to the Board and Divisional
Manager, Corporate Services
Enterprise Ireland

Tom Kelly
Divisional Manager
Cleantech, Electronics and Life
Sciences
Enterprise Ireland

Liam O'Donohoe
Divisional Manager
Construction, Engineering and Retail
Consumer
Enterprise Ireland

Brendan Flood
Divisional Manager
Business Process Improvement,
IT, Corporate Marketing and
Client Knowledge Services
Enterprise Ireland

Martin Lyes
Divisional Manager
Research and Innovation
Enterprise Ireland

Alan Dixon
Director
Asia Pacific
Enterprise Ireland

Jennifer Malone
Secretary to the Business Committee

The following member retired from
the Committee during 2009/2010:
Mike Feeney,
Executive Director,
Enterprise Ireland.

INVESTMENT COMMITTEE

The Investment Committee is empowered to approve funding packages up to €1.25 million, for projects where previous approvals of funding do not exceed €3.25 million within the previous two years.

Frank Ryan (Chairman)
Chief Executive Officer
Enterprise Ireland

Marian Byrne
Principal Officer
Department of Agriculture,
Fisheries & Food

Helen Curley
Principal Officer
Department of Enterprise,
Trade & Innovation

Tony Haslam
Consultant

Pat Maher
Executive Director
Enterprise Ireland

David Moffitt
Chief Executive Officer
K4 Holdings Ltd

Gerry Murphy
Executive Director
Enterprise Ireland

Niall O'Donnellan
Divisional Manager
Investment Services
Enterprise Ireland

Feargal Ó Móráin
Executive Director
Innovation, Commercialisation
and Investment
Enterprise Ireland

Julie Sinnamon
Executive Director
Global Business Development
Enterprise Ireland

Jennifer Malone
Secretary to the Investment
Committee

The following members retired from the Committee during 2009/2010:

Mike Feeney, Executive Director, Enterprise Ireland and Ronnie Sheehan, Department of Enterprise, Trade & Innovation.

R&D FUND COMMITTEE

Enterprise Ireland's approach to R&D and innovation is guided by the Government's Strategy for Science, Technology and Innovation, 2006-2013, which is coordinated by the Department of Enterprise, Trade & Innovation.

The R&D Fund was launched in early 2008 and is designed to provide support for research, development and technological innovation relevant at all stages of company development. It provides support to enable companies to progress from undertaking an initial research project to high level innovation and R&D activity.

Feargal Ó Móráin (Chairman)
Executive Director
Innovation, Commercialisation
and Investment
Enterprise Ireland

Tom Hayes
Divisional Manager
Entrepreneurship and Human
Resources
Enterprise Ireland

Kevin Sherry
Divisional Manager
Internationally Traded Services
Enterprise Ireland

Joe Madden
Department Manager
Electronics and HRD
Enterprise Ireland

Brian McCoy
Consultant

Aidan O'Connor
Consultant

Padraig Somers
General Manager
Helsinn Birex Pharmaceuticals

Denis Hayes
Technical Manager
Bulmers Ltd (Showerings)

Vacancy
Office of Science & Technology
Department of Enterprise,
Trade & Innovation

Pamela Byrne
Agricultural Inspector
Department of Agriculture,
Fisheries & Food

Orla Donohoe
Bord Bia

Sean MacManus
Údarás na Gaeltachta

Charles McCorkell
Faculty of Engineering and
Computing
Dublin City University

Tom Beresford
Teagasc

Eileen McGoldrick
Secretary to the R&D Fund
Committee

The following members retired from the Committee during 2009/2010: Sean Tuohy, Teagasc and Pat McCourt, Department of Enterprise, Trade & Innovation.

SEED AND VENTURE CAPITAL FUNDS COMMITTEE

The objectives of the Enterprise Ireland Seed and Venture Capital programmes are to further develop the Irish venture capital sector, to provide risk capital to SMEs in the seed, start-up and development stages, to leverage private and institutional investment, and to develop commercially viable funds. The funding commitment (2007-2012) is up to €175 million in commercially focused, private sector venture capital funds. Funding can be up to a maximum of 50 per cent in any venture capital fund. The scheme is a competitive one.

Niall O'Donnellan (Chairman)
Divisional Manager
Investment Services
Enterprise Ireland

Des Doyle
Department Manager
Growth Capital Department
Enterprise Ireland

Brendan Flood
Divisional Manager
Business Process Improvement,
IT, Corporate Marketing and
Client Knowledge Services
Enterprise Ireland

Don Harrington
Director Corporate Finance
Goodbody Stockbrokers

Tony Haslam
Consultant

Des Keane
Consultant

Vacancy
Principal Officer
Department of Enterprise,
Trade & Innovation

Helena Acheson
Manager
Enterprise & Regional
Policy Division
Forfás

Eileen McGoldrick
Secretary to the Seed and Venture
Capital Funds Committee

The following member retired from the Committee during 2009/2010: Ronnie Sheehan, Department of Enterprise, Trade & Innovation

THE INDUSTRIAL RESEARCH AND COMMERCIALISATION COMMITTEE

The Industrial Research and Commercialisation Committee approves funding of up to €1.25 million for applied research and commercialisation involving the Universities and Institutes of Technology, collaborative research and industry-led networks. It focuses on projects which are either industry-led or have potential to lead directly to a commercial outcome in Ireland.

Feargal Ó Móráin (Chairman)
Executive Director
Innovation, Commercialisation and Investment
Enterprise Ireland

Martin Lyes
Divisional Manager
Research and Innovation
Enterprise Ireland

Orla Battersby
Department Manager
Business and Consumer Services
Enterprise Ireland

Joe Healy
Department Manager
Dairy, Functional Foods/Ingredients, Beverages and Food Technology
Enterprise Ireland

Leo Bishop
Research Skills & Manufacturing (RSM)
IDA Ireland

Enda Connolly
Chief Executive
Health Research Board

Richard Howell
Senior Inspector & Head of Research
Food and Codex Co-Ordination Division
Department of Agriculture, Fisheries & Food

Mark Keane
Vice President for Innovation
NovaUCD
University College Dublin

Pat Layde
R&D Manager
General Paints Ltd

Eucharía Meehan
Head of Research Programmes
Higher Education Authority

Fionn Murtagh
Director, ICT
Science Foundation Ireland

Richard O'Kennedy
Director of Applied Biochemistry Group
School of Biotechnology and National Centre for Sensor Research
Dublin City University

Paul Shortt
Office of Science & Technology
Department of Enterprise, Trade & Innovation

Vincent O'Flaherty
Director
National University of Ireland, Galway

Frank Kennedy
R&D Manager
Cadbury (Ireland) Limited

Morgan Sheehy
Consultant

Pat Coman
Director
Institute of Technology - Tallaght

Ray O'Neill
Vice Principal for Research
National University of Ireland - Maynooth

In attendance:
John Dooley
National STI Policy
Forfás

Zoë Deane
Secretary to the Industrial Research and Commercialisation Committee

The following members retired during 2009/2010:
Seamus Bree, Director West Region, Enterprise Ireland and David Coates, Consultant.

GROWTH FUND COMMITTEE

The Growth Fund was launched in early 2008 and was open to Enterprise Ireland's SME clients to help them increase sales and exports through productivity, management capabilities and competitiveness. Funding of up to €450,000 was available to support a range of activities including capital investment, technology acquisition, recruitment of key managers, management development and staff training, and workplace innovation. This fund has now ceased.

A new competitive fund, the Job Expansion Fund, was launched in May 2010 to assist Enterprise Ireland client companies achieve increased employment through increased sales and international trade. Support under the fund will be available towards capital, technology acquisition, training, key manager recruitment, employment and consultancy. The first meeting of the Job Expansion Fund Committee will be on 19 July 2010. The Committee members are currently being appointed by Enterprise Ireland.

Feargal Ó Móráin (Chairman)
Executive Director
Innovation, Commercialisation
and Investment
Enterprise Ireland

Niall O'Donnellan
Divisional Manager
Investment Services
Enterprise Ireland

Jennifer Condon
Divisional Manager
Software and Public Procurement
Enterprise Ireland

Tom Kelly
Divisional Manager
Cleantech, Electronics and
Life Sciences
Enterprise Ireland

Liam O'Donohoe
Divisional Manager
Construction, Engineering and
Retail Consumer
Enterprise Ireland

Joe Breslin
Manager, Financial Services
Enterprise Ireland

Declan Coppinger
Assistant Principal Officer
Department of Agriculture,
Fisheries & Food

Edna Jordan
Head of Workplace Learning
and Development
National Centre for Partnership
& Performance

Michael Hussey
Consumer Foods Division
Bord Bia

Michael D Gilchrist
Department of Mechanical
Engineering
University College Dublin

Paddy Callaghan
Nature's Best Ltd

Gerry Murphy
Assistant Principal Officer
Department of Enterprise,
Trade & Innovation

Jennifer Malone
Secretary to the Growth Fund
Committee

GOING GLOBAL FUND COMMITTEE

Going Global is a competitive fund which is focused on locally trading companies that have successfully established businesses in Ireland, and wish to explore opportunities to internationalise their business as a route to growth.

Kevin Sherry (Chairman)
Divisional Manager
Internationally Traded Services
Enterprise Ireland

Kevin Kavanagh
Department Manager
Construction, Timber,
Print & Packaging
Enterprise Ireland

Jonathan Ryan
Department Manager
Commercial Evaluation
Enterprise Ireland

Michael Browne
Senior Development Adviser
Financial Services
Enterprise Ireland

Zoë Deane
Secretary to the Going Global
Fund Committee

The following members retired during 2009/2010:
Michael Leahy,
Enterprise Ireland.

ORGANISATION STRUCTURE
as at 30 June 2010



CHIEF EXECUTIVE OFFICER	Frank Ryan
Press, Public Relations and International Communications	Alan Hobbs
- International Communications	Gerry O'Brien

ENTREPRENEURSHIP AND HUMAN RESOURCES	Tom Hayes
<ul style="list-style-type: none"> • Entrepreneurship • HPSU Prospect Development • CEB Unit • North East/North West • Dublin, Mid East • Midlands • South West/South East • Mid West • West • Enterprise Preparation • Human Resources and Superannuation 	Lorcan O'Sullivan Richard Murphy Richard Murphy Conor Fahy Paschal McGuire Barry Egan Martin Doyle Jerry Moloney Seamus Bree Michael Brougham Mark Christal

CORPORATE AND INVESTMENT SERVICES**Feargal Ó Móráin****Corporate Services****Paddy Hopkins**

- Secretariat & Corporate Governance
- Finance
- Grants Administration
- Facilities Domestic & Overseas

Paddy Hopkins
Leonard Carty
Eileen O'Neill
Hugh O'Rourke

Investment Services**Niall O'Donnellan**

- Commercial Evaluation
- Banking Relationships
- Equity
- Growth Capital

Jonathan Ryan
Eamonn May
Leo McAdams
Des Doyle

Corporate Development

- Corporate Development and Policy

Rosemary Sexton

GLOBAL BUSINESS DEVELOPMENT**Julie Sinnamon****Software and Public Procurement****Jennifer Condon**

- Telecoms, Internet, Media and Edutainment (TIME) Software
- Software and ICT Technology
- Finance & Enterprise Software
- Public Procurement

Colm MacFhionnlaich
Michael Hughes
Jim Cuddy
Stephen Hughes

Food**Dick Lenehan**

- Primary Meats
- Prepared Consumer Foods, Bakery, Horticulture and Poultry
- Dairy, Functional Foods/Ingredients, Beverages & Food Technology

Derek Breen
Jim Mulcahy
Joe Healy

Internationally Traded Services**Julie Sinnamon**

- Financial Services and New Services Prospecting
- Business and Consumer Services

Joe Breslin
Orla Battersby

Construction/Engineering and Consumer**Liam O'Donohoe**

- Construction and Timber
- Consumer Retail Markets
- Engineering

Kevin Kavanagh
Charlie Kelly
Neil O'Sullivan

Cleantech, Electronics and Life Sciences	Tom Kelly
<ul style="list-style-type: none"> • Cleantech and Paper, Print & Packaging • Life Sciences • Electronics • Applied Innovation • Competitiveness • Lean Business • Environment & Green Technologies and Shannon Laboratory 	Marina Donohoe Brian O'Neill Joe Madden Eddie Commins Declan Lyons Richard Keegan Fred McDarby

Business Process Improvement & IT, Corporate Marketing & CKS	Brendan Flood
<ul style="list-style-type: none"> • Corporate Website Project / Social Networking • Business Process Improvement & IT • Corporate Marketing, Trade Promotions and Event Management • Client Knowledge Services 	Brendan Flood Deirdre McDonough Nick Mernagh Gerry McMahon

Client Management Development and Staff Development	Julie Sinnamon
<ul style="list-style-type: none"> • Change Management/OD • Individual Company HRD Supports • Management Development Programmes 	Tom Kelledy John McGarr Niamh Cooney

SCALING AND HIGH POTENTIAL START-UPS	Greg Treston
<ul style="list-style-type: none"> • Scaling Team 1 • Scaling Team 2 • HPSU – Accelerated Growth Team 1 • HPSU – Accelerated Growth Team 2 • HPSU – Financial and Enterprise Software • HPSU – Industrial & Life Sciences • HPSU – Communications Software, Media & Entertainment Services • HPSU – Food and Retail 	Michael Cantwell Lisa Vaughan Pat Byrne Aidan Stack Michael Moriarty John O'Dea Tom Cusack John Dillon

INTERNATIONAL SALES AND PARTNERING	Kevin Sherry
<ul style="list-style-type: none"> • Exporter Communications • High Growth Markets and Policy Services Development 	Jim Maguire David Byrne
<ul style="list-style-type: none"> • Western Europe <ul style="list-style-type: none"> UK Cleantech, Industrial & Life Sciences UK Software, Services & Retail Markets Scotland Belgium, Netherlands, Luxembourg France Germany, Austria, Switzerland 	Giles O'Neill Emanuel Carvalho Gavin McWhirter Christine Esson James Mackrill Gary Fallon Deirdre McPartlin

<ul style="list-style-type: none"> Central and Eastern Europe, Russia & Nordic Markets Czech Republic, Hungary, Romania, Bulgaria & Slovakia Poland Nordic Markets Russia, CIS 	<p>Pat Maher Ladislav Muller Karen Cohalan Fergus McMahon Mike Hogan</p>
<ul style="list-style-type: none"> Southern Europe, Middle East, Africa and Latin America Spain, Portugal Italy, Turkey Latin America Middle East & North Africa 	<p>John MacNamara John Roche Kevin Buckley Colin McCullagh Jim Mongey</p>
<ul style="list-style-type: none"> North America US Cleantech, Industrial and Life Sciences US Software and Services Canada 	<p>Gerry Murphy Sean Davis John McIntyre Nick Marmion</p>
<ul style="list-style-type: none"> Asia Pacific ASEAN Region Australia, New Zealand China India Japan Korea Singapore, Indonesia, The Philippines 	<p>Alan Dixon Michael Garvey Paul Burfield Alan Buckley Gabriel McCarrick Eddie Hughes Dianne Rhee Pat O'Riordan</p>

RESEARCH AND INNOVATION	Feargal Ó Móráin
<p>Research and Innovation</p> <ul style="list-style-type: none"> R&D and Technology Transfer Technology Programmes, Budgets & Reporting <ul style="list-style-type: none"> - Research & Technology Programmes International Technology Programmes FP7 National Office Technology Exploitation Network Life Science and Food Commercialisation Industrial Technologies Commercialisation <ul style="list-style-type: none"> - Industry Commercialisation Programmes ICT Commercialisation <ul style="list-style-type: none"> - Innovation, Technology Partnering & ICT 	<p>Martin Lyes John Smith Joe Curtis Jennifer Melia Bill O'Brien Imelda Lambkin Mary Gillick Keith O'Neill Jim Lawler Neil Kerrigan Gearoid Mooney Tom Sheedy</p>

FINANCIAL STATEMENTS

Report of the Comptroller and Auditor General for Presentation to the Houses of the Oireachtas

I have audited the financial statements of Enterprise Ireland for the year ended 31 December 2009 under Section 22 of the Industrial Development (Enterprise Ireland) Act, 1998.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Board and the Comptroller and Auditor General

Enterprise Ireland is responsible for preparing the financial statements in accordance with the Industrial Development (Enterprise Ireland) Act, 1998, and for ensuring the regularity of transactions. Enterprise Ireland prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Board are set out in the Board Members' Report.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects Enterprise Ireland's compliance with the Code of

Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the statement covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to Enterprise Ireland's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 Enterprise Ireland's affairs at 31 December 2009 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by Enterprise Ireland. The financial statements are in agreement with the books of account.



John Buckley
Comptroller and Auditor General
23 June 2010

Board Members' Report

For the year ended 31 December 2009

Board Members' Responsibilities

Financial Statements

Section 22 of the Industrial Development (Enterprise Ireland) Act, 1998, requires Enterprise Ireland to keep, in such form as may be approved of by the Minister for Enterprise, Trade and Innovation with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it.

In preparing those financial statements, Enterprise Ireland is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Board is responsible for keeping proper books of account which disclose, with reasonable accuracy at any time, its financial position and which enables it to ensure that the financial statements comply with Section 22 of the Industrial Development (Enterprise Ireland) Act, 1998.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Prompt Payment of Accounts Act, 1997

The Board has overall responsibility for the organisation's compliance with the Prompt Payment of Accounts Act, 1997, which came into effect on 2 January 1998, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002, which came into effect on 7 August 2002. The Board has delegated this responsibility to management.

The system of internal control incorporates such controls and procedures that are considered necessary to ensure compliance with the Act. The organisation's system of internal control includes accounting and computer controls designed to ensure the identification of invoices and contracts for payment within the prescribed payment dates as defined by the Act. These controls are designed to provide reasonable, though not absolute, assurance against non-compliance with the Act.

The Board is satisfied that Enterprise Ireland complied with the provisions of the Act in all material respects.

Statement on Internal Financial Control

On behalf of the Board of Enterprise Ireland, I acknowledge our responsibility for the system of internal financial control in the agency and for putting in place processes and procedures for the purpose of ensuring that the system is effective.

The system can provide only 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 in a timely period.

The Board has taken steps to ensure an appropriate control environment is in place by:

- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation
- Clearly defining and documenting management responsibilities and powers
- Developing a strong culture of accountability across all levels of the organisation

The Board has also established processes to identify and evaluate business risks. This is achieved in a number of ways including:

- Identifying the nature, extent and financial implications of risks facing Enterprise Ireland
- Assessing the likelihood of identified risks occurring
- Assessing Enterprise Ireland's ability to manage and mitigate the risks that do occur
- Working closely with Government and various agencies and institutions to ensure that there is a clear understanding of Enterprise Ireland's goals and support for the Agency's strategies to achieve those goals
- Carrying out regular reviews of strategic plans both short and long term and evaluating the risks to bringing those plans to fruition

- Setting annual and longer term targets for each area of our business followed by the regular reporting on the results achieved
- Establishing and enforcing extensive standard procedures and provisions under which financial assistance may be made available to projects, including provisions requiring repayment if the project does not fulfil commitments made by the promoter
- Establishing procedures to ensure that the schemes and programmes administered by Enterprise Ireland are in accordance with the legislation governing their operation and that appropriate risk management systems are in place

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

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board of Directors
- Regular reviews by the Board of Directors of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performances
- Clearly defined capital investment control guidelines
- Formal project management disciplines

Enterprise Ireland has an internal audit department, currently staffed by a team made up of resources outsourced from a firm of accountants together with an experienced Enterprise Ireland manager. This department operates in accordance with the Internal Audit Charter approved by the Audit Committee of the Board. This committee meets on a quarterly basis to review reports prepared by Internal Audit and other departments. The Audit

Committee reports regularly to the Board in relation to the matters that it has considered.

The internal audit function operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies. A rolling three-year Internal Audit Strategic Audit Plan is approved by the Audit Committee and revised annually where required. The current work plan takes account of areas of potential risk identified in a risk assessment exercise carried out with management at the start of the current planning cycle. The Internal Auditor provides the Committee with quarterly reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal financial control and the recommended corrective measures to be taken where necessary. The Audit Committee receives a quarterly Management report on the status of issues raised by the Internal Audit. Internal Audit reviews this report regularly.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee which oversees the work of the Internal Auditor, the executive managers within Enterprise Ireland who have responsibility for the development and maintenance of the financial control framework and comments made by the Comptroller and Auditor General in his management letter.

I confirm that in the year to 31 December 2009, the Board conducted a review of the system of internal financial control.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman

Accounting Policies

For the year ended 31 December 2009

The basis of accounting and significant accounting policies adopted by Enterprise Ireland are as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in the form approved by the Minister for Enterprise, Trade and Innovation with the concurrence of the Minister for Finance under the Industrial Development (Enterprise Ireland) Act, 1998.

The financial statements have been prepared on an accruals basis, except as stated below and in accordance with Generally Accepted Accounting Practice. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become applicable.

Income Recognition

The following income categories are on a cash basis:

- Oireachtas Grants
- Financial Support Refunds
- Dividends
- Factory Rental Income
- Proceeds from Sale of Fixed Assets

(b) Superannuation

Legislation requires Forfás to prepare and administer pension schemes for the granting of pension entitlements to its staff including staff seconded to Enterprise Ireland. Forfás is responsible for Pension reporting requirements including those set out under FRS17.

Voluntary Leaving Programmes and the Incentivised Scheme of Early Retirement lump sums (superannuation and severance) are accounted for in the Income and Expenditure Account in the period in which they arise.

(c) Leases

Rentals under operating leases are dealt with in the financial statements as they fall due.

(d) Foreign Currencies

The financial statements are expressed in euro.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. Transactions in foreign currencies are translated at the exchange rates ruling at the dates of the underlying transactions. The resulting profits or losses are dealt with in the Income and Expenditure Account.

(e) Investments

Quoted Investments

Investments listed on a recognised stock exchange are stated at the lower of cost or net realisable value. Where the reasons for previous provisions in respect of diminution in value have ceased to apply, those provisions are reversed. The market valuation of the quoted portfolio is disclosed in Note 16 (c).

Other Investments

Other investments are stated at the lower of cost or net realisable value, based on management's assessment and a review process using the latest available audited or management accounts of the investee companies or other relevant business information. Where the reasons for previous provisions in respect of diminution in value have ceased to apply, those provisions are reversed.

Write off of Investments

Where management's assessment of the value of investments is nil, due to insolvency or otherwise, those investments are written off. In these instances the full effect of the loss is included in the profit or loss on disposal calculation (Note 9(b)) and any previous provisions for diminution in value on those investments are reversed.

Investment in Subsidiary

Maison D'Irlande SARL is a wholly owned subsidiary of Enterprise Ireland established to manage the lease of the Ireland House (Maison D'Irlande) property in Paris. The net assets and the results of the subsidiary have been consolidated with those of Enterprise Ireland. However, a separate company Balance Sheet and related Notes have not been prepared as any difference between them and the group Balance Sheet is negligible.

Seed and Venture Capital Funds

Advances to these funds are reported at the lower of cost or net realisable value based on Fund Managers' valuations using the latest audited or management accounts available. The guidelines followed by the Fund Managers in arriving at the valuations are in accordance with the valuation principles of the European and the Irish Venture Capital Associations. Where the reasons for previous provisions in respect of diminution in value have ceased to apply, those provisions are reversed.

Gains and Losses

Realised gains and losses and provision for change in value of investments are recognised in the Income and Expenditure Account.

Consolidation

The financial statements do not reflect a consolidation of the results of investee companies. Enterprise Ireland is of the opinion that such a consolidation would be misleading, having regard to the diverse nature of businesses of the companies involved and to its general duty to prepare financial statements which give a true and fair view of its industrial promotion activities.

Accounting Policies (continued)

For the year ended 31 December 2009

(f) Repayable Financial Support to Industry

The amount recoverable in respect of repayable financial support to industry is reflected in the Balance Sheet as Financial Incentive Assets and the related funding is included in the State Advances Account. A specific provision is maintained in the Income and Expenditure Account to provide for possible shortfalls and doubtful debts.

The repayable financial supports to industry are as follows:

Targeted Marketing Consultancy (TMC) Programme

A proportion of financial incentives support under the TMC Programme is recoverable based on the sales performance of companies assisted. The amounts advanced are recovered over a 24 to 60 month period by way of a levy based on the sales achieved by the TMC expenditure.

Research & Development and Capital Financial Support

Certain Research & Development and Capital Financial Support agreements have a repayable clause allowing for part of the financial support to be recovered.

(g) State Advances Account

The State Advances Account represents monies advanced to client companies by way of repayable financial support, and which is still outstanding, less a provision for shortfalls and doubtful debts.

(h) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives as follows:

(i) Motor Vehicles	20%
(ii) New Buildings	4%
(iii) Refurbishment to Existing Buildings	20%
(iv) Leasehold Improvements	20%
(v) Fixtures & Fittings	25%
(vi) Computers	33%
(vii) Technical Equipment	25%
(viii) Land	0%
(ix) Artwork	0%

Expenditure on assets with an individual cost below the capitalisation threshold (€2,500) are expended in the Income and Expenditure Account in the year of purchase.

(i) Provision for Doubtful Debts

Trade Debtors

Doubtful debts are provided for by way of a specific provision.

Income and Expenditure Account

For the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Income			
Exchequer Funding			
Oireachtas Grants	1	396,037	328,407
Other Funding			
Own Resources	2	10,432	13,119
Funding from Third Parties	3	35,494	25,940
TOTAL INCOME		441,963	367,466
Expenditure			
Financial Support to Industry	4	249,786	220,153
Disbursements to other State Agencies re Financial Support to Industry	5	14,018	2,545
Administration, Operation and Promotion	6	101,023	120,963
Diminution in Value of Fixed Assets	7	25,270	34,822
Diminution in Value of Financial Incentive Assets	8	285	-
Loss on Disposal of Fixed Assets (net)	9	8,987	5,013
TOTAL EXPENDITURE		399,369	383,496
Surplus/(Deficit) before Appropriations		42,594	(16,030)
Appropriations			
Contribution to Exchequer	10	(2,809)	(4,447)
Contribution from Other Organisations	11	208	1,948
Transfer (to)/from the Capital Account	12	(45,869)	3,371
Transfer to the State Advances Account	13	(2,253)	(3,930)
Deficit after Appropriations		(8,129)	(19,088)
Balance Brought Forward at Start of Year		34,314	53,402
Balance Carried Forward at End of Year		26,185	34,314

Amounts shown under Income and Expenditure are in respect of continuing activities.

There are no recognised gains or losses, other than those dealt with in the Income and Expenditure Account.

The Accounting Policies, Cashflow Statement, Notes 1 to 23 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Balance Sheet

As at 31 December 2009

	Notes	2009 €'000	2008 €'000
Fixed Assets			
Tangible	15	26,839	31,203
Financial	16	227,611	175,177
Total Fixed Assets		254,450	206,380
Financial Incentive Assets	17	9,908	7,655
Current Assets			
Debtors	18	3,722	3,904
Cash at bank and in hand		32,984	41,702
		36,706	45,606
Current Liabilities			
Creditors (Amounts falling due within one year)	19	10,521	11,292
Net Current Assets		26,185	34,314
Total Net Assets		290,543	248,349
Representing			
Capital Account	12	254,450	206,380
State Advances Account	13	9,908	7,655
Income and Expenditure Account		26,185	34,314
		290,543	248,349

The Accounting Policies, Cashflow Statement, Notes 1 to 23 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Cash Flow Statement

For the year ended 31 December 2009

	2009	2008
	€'000	€'000
Reconciliation of Net Movement for the Year to Net Cash Inflow from Operating Activities		
Excess Income over Expenditure	42,594	(16,030)
Bank Interest	(1,351)	(2,459)
Dividends	(1,149)	(1,365)
Diminution in Value of Fixed Assets	25,270	34,822
Loss/(Profit) on Disposal of Tangible Fixed Assets	21	(238)
Loss on Disposal of Financial Fixed Assets	8,966	5,251
Diminution in Value of Financial Incentive Assets	285	-
Decrease in Debtors	182	2,353
(Decrease)/Increase in Creditors	(772)	1,906
Net Cash Inflow from Operating Activities	74,046	24,240
Cash Flow Statement		
Net Cash Inflow from Operating Activities	74,046	24,240
Contribution to Exchequer	(2,809)	(4,447)
Contribution from Other Organisations	208	1,948
Returns on Investments and Servicing of Finance		
Bank Interest received	1,351	2,459
Dividends received	1,149	1,365
Investing Activities		
Payments to acquire Fixed Assets		
Tangible	(2,073)	(20,940)
Financial:		
Investments in Shares	(74,002)	(30,702)
Seed and Venture Capital Fund	(16,123)	(7,934)
Recoverable Incentives Paid	(2,708)	(3,935)
Receipts from disposal of Fixed Assets		
Tangible	11	261
Financial:		
Investments in Shares	9,105	14,532
Seed and Venture Capital Fund	2,957	8,318
Recoverable Incentives Assets	170	5
Decrease in Cash and Cash Equivalents	(8,718)	(14,830)
Reconciliation of Net Cash Flow to Movement in Net Funds		
Net Funds at 31 December	32,984	41,702
Net Funds at 1 January	41,702	56,532
Movement in Net Funds in the Year	(8,718)	(14,830)

The Accounting Policies, Cashflow Statement, Notes 1 to 23 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Notes to the Financial Statements

For the year ended 31 December 2009

1 Exchequer Funding

Oireachtas Grants

- (a) Under Section 11 of the Industrial Development Act, 1993, as amended by section 4(a) of the Industrial Development Act, 2009, the aggregate amount of grants made by the Minister to Forfás and its Agencies to enable them to discharge their Capital obligations and liabilities shall not exceed €7 billion. At 31 December 2009 the aggregate amount made available to the three Agencies was €3.676 billion (2008- €3.325billion) of which Enterprise Ireland and the former Forbairt received €965.421m (2008- €853.775m).
- (b) Under Section 14(3) of the Industrial Development Act 1986, the aggregate amount of grants made by the Minister to Forfás and its Agencies to enable them to meet their obligations and liabilities in respect of principal and interest on foot of Loan Guarantees under that Act and under Section 37 of the Industrial Development Act 1969, Sections 2 and 3 of the Industrial Development Act 1977, shall not exceed €159m. At 31 December 2009 the aggregate amount so provided was €13.547m (2008- €13.547m), all of which related to Enterprise Ireland clients.

The Oireachtas Grants as shown in the financial statements consist of:

	2009 €'000	2008 €'000
Grant for Capital Grants, Loan Guarantees, etc.	111,646	56,370
Grant for County Enterprise Boards	33,490	33,770
Grant for Promotion and Administration Expenditure	93,056	100,218
Grant for Capital Equipment	2,400	5,400
National Training Fund	2,950	3,000
The Workplace Innovation Fund	108	36
Employment Subsidy Scheme (Temporary)	18,200	-
Science & Technology Development Programme	134,187	129,613
	396,037	328,407

2 Own Resources

	Notes	2009 €'000	2008 €'000
Financial Support Refunds		1,447	2,479
Dividends		1,149	1,365
Professional Fee Income	2(a)	3,928	4,584
Rental Income	2(b)	978	1,224
Other Income	2(c)	2,930	3,467
		10,432	13,119

Notes to the Financial Statements

For the year ended 31 December 2009

2 Own Resources

	2009	2008
	€'000	€'000
a) Professional Fee Income		
Professional Services	1,926	2,147
Market Project Income	2,002	2,437
	3,928	4,584

Income under this heading includes amounts received for Research Work, Tests, Investigations, Market Projects and Consultancy undertaken on behalf of clients.

b) Rental Income		
Factory Rents	76	95
Office Sub-Lettings	902	1,129
	978	1,224

c) Other Income		
Sale of Publications and Advertising/Subscriptions	67	104
Bank Deposit Interest	1,351	2,459
Contribution to Central Overheads by Other Organisations	213	332
Other	1,299	572
	2,930	3,467

3 Funding from Third Parties

	2009	2008
	€'000	€'000
Cross Border Projects	55	680
Joint Economic Commission Projects	152	172
Dairy Investment Fund	26,936	25,088
Beef and Sheepmeat Investment Fund	8,351	-
	35,494	25,940

Notes

4(b)

4(c)

Notes to the Financial Statements

For the year ended 31 December 2009

4 Financial Support to Industry

	Notes	2009 €'000	2008 €'000
(i) Company Development			
Employment		9,518	7,271
Employment Subsidy Scheme (Temporary)	4(a)	12,792	-
Dairy Investment Fund	4(b)	26,939	25,084
Beef and Sheepmeat Investment Fund	4(c)	8,351	-
Fixed Asset Support		9,681	7,182
Technology Infrastructure		20	56
Marketing & Knowledge Transfer Support		12,243	14,206
Feasibility		10,223	9,034
Management Development & Training	4(d)	14,028	12,193
Consultancy Grants		2,305	1,722
Webworks		1,787	2,572
Community Enterprise Centres		1,363	1,196
		109,250	80,516
(ii) Third Parties			
Business Innovation Centres		2,516	2,705
Crafts Council of Ireland		3,243	3,350
County Enterprise Boards	4(e)	32,943	33,586
National Institute of Transport Logistics (NITL)		180	448
		38,882	40,089
(iii) Science & Technology Development			
Transforming R&D Activity in Enterprise	4(f)	36,244	32,186
Industry Collaboration with 3rd Level Sector	4(g)	30,935	28,470
Realising the Commercial Potential of Ireland's Research Community	4(h)	34,475	38,892
		101,654	99,548
Total Financial Support to Industry Charged to the Income and Expenditure Account		249,786	220,153
Financial Support to Industry capitalised on the Balance Sheet			
Investments in Shares	4(i)	74,002	30,702
Seed and Venture Capital Funds		16,123	7,934
Financial Incentive Assets	17	2,708	3,935
Total Financial Support to Industry		342,619	262,724

Notes to the Financial Statements

For the year ended 31 December 2009

(a) Employment Subsidy Scheme (Temporary)

The Government, through the Department of Enterprise, Trade and Innovation, has initiated the Employment Subsidy Scheme (Temporary), managed by Enterprise Ireland, to support the retention of full time and part time jobs in viable enterprises, that might otherwise be made redundant as a result of the impact of the global and financial economic crisis. The scheme is implemented under the EU State Aid Temporary Framework Guidelines.

(b) Dairy Investment Fund

In April 2007 the Minister for Agriculture, Fisheries and Food launched the Dairy Investment Fund to be administered by Enterprise Ireland. The purpose of the fund is to increase the efficiency of the main dairy outputs by supporting the upgrading of existing plant and buildings to capture new business and / or develop value added products.

(c) Beef and Sheepmeat Investment Fund

In December 2008 the Minister for Agriculture, Fisheries and Food launched the Beef and Sheepmeat Investment Fund to be administered by Enterprise Ireland. The purpose of the fund is to support capital investments, that seek to better utilise the overall industry capacity through increased scale in primary processing, increased added value in further processing and improved efficiencies to allow Irish companies compete internationally.

(d) Management Development & Training

Expenditure in this category which meets European Social Fund eligibility criteria will be submitted by the Managing Authority for the Human Resources Operational Programme 2000 - 2006, within the Department of Enterprise, Trade and Innovation for co-funding. This co-funding is retained by the Exchequer.

(e) County Enterprise Boards

Following a recommendation of the Enterprise Strategy Action Plan, the Minister for Enterprise, Trade and Innovation authorised Enterprise Ireland to exercise the functions conferred on the Minister by the Industrial Development Act 1995 in relation to the County and City Enterprise Boards (CEBs).

In June 2007, Enterprise Ireland established a County Enterprise Board Coordination Unit which took over responsibility for transferring funding to the CEB's on 12th of September 2007. Since January 2008, responsibility for all operational functions in respect of 35 County and City Enterprise Boards has transferred from the Local Enterprise Section of the Department of Enterprise, Trade and Innovation to the new CEB Coordination Unit.

(f) Transforming R&D Activity in Enterprise

This activity comprises the following sub-measures: R&D Capability, which provides support for companies to invest in major R&D programmes; RTI Competitive Scheme, which offers funding to enterprises on a competitive basis towards the cost of undertaking R&D projects which are close to market; R&D fund which provides support for research, development and technological innovation relevant to all stages of company development; Innovation Management, which supports the provision of training and consultancy to companies in the areas of R&D and the management of innovation.

(g) Industry Collaboration with 3rd Level Sector

This activity comprises the following sub-measures: Applied Research Enhancement, which provides for the establishment of applied research centres in Institutes of Technology, aimed at building sufficient scale to allow them to make an impact on industry in their locality; Innovation Partnerships, which supports joint R&D projects involving companies and colleges, where the bulk of the R&D is carried out within a third level institute or a public research organisation; Competence Centres, which supports the establishment and maintenance of centres aimed at developing close interactions with companies with the intention of transferring knowledge and skills about technologies of direct relevance to business; and Industry-Led Networks, which supports research in areas defined by networks of companies in specific industry sectors.

(h) Realising the Commercial Potential of Ireland's Research Community

This activity comprises the following sub-measures: Commercialisation Fund, which supports academic researchers to take the outputs of research with commercial potential and bring it to a point where it can be transferred into industry; Intellectual Property Fund, which provides support to third-level institutions and industrial concerns to assist with the protection and management of patents; Technology Transfer Strengthening, which is designed to support a network of dedicated staff placed within the commercialisation function of third-level institutions to ensure that best use is made of research outputs with commercial potential; and Incubator Space, which supports the cost of building and management of incubator centres associated with Institutes of Technology to encourage the spin-off of technology and the structured collaboration between firms in the locality and the college.

(i) Investments in Shares

The investments in shares of €74m in 217 undertakings (2008 - 105) included €58m under the Enterprise Stabilisation Fund (ESF). The Enterprise Stabilisation Fund was established by Government in 2009 to assist viable but vulnerable exporting companies experiencing difficulties because of the global and financial economic climate. This initiative was aimed at internationally trading companies to help them survive the global downturn by supporting their drive to reduce costs and gain sales in overseas markets and to sustain employment.

Notes to the Financial Statements

For the year ended 31 December 2009

5 Disbursements to other State Agencies

	Notes	Udárás na Gaeltachta €'000	IDA Ireland €'000	SFADCo €'000	Total €'000
Employment Subsidy Scheme (Temporary)	4(a)	598	4,261	549	5,408
RTI Competitive Scheme	4(f)	515	4,642	413	5,570
R&D Fund		750	-	-	750
Enterprise Stabilisation Fund		2,290	-	-	2,290
		<u>4,153</u>	<u>8,903</u>	<u>962</u>	<u>14,018</u>

6 Administration, Operation and Promotion

	Notes	2009 €'000	2008 €'000
Remuneration and Other Pay Costs	6(a)	73,187	78,424
Library Services and Other Client Related Costs		980	1,245
Rents, Rates, Service Charges & Insurance		9,639	11,816
Travelling Expenses		5,108	7,202
Printing, Postage & Stationery		1,272	1,934
Communication & IT Costs		2,669	3,331
Repairs, Maintenance & Leasing Charges		997	1,218
Light, Heat & Cleaning		1,504	1,754
Board Members' Emoluments (including CEO Remuneration)	6(e)	396	389
Professional Fees		2,461	5,600
Audit Fee		79	85
Tangible Fixed Assets Below Capitalisation Threshold	6(f)	471	4,399
Other Operating Expenses		2,260	3,566
		<u>101,023</u>	<u>120,963</u>

(a) Remuneration and Other Pay Costs

Remuneration and Other Pay Costs for employees comprise:

Salaries		65,572	68,869
Voluntary Leaving Programme Superannuation and Severance Lump Sums	6(b)	-	323
Incentivised Scheme of Early Retirement	6(c)	47	-
Other Pay Costs:			
Employer's Contribution to Social Welfare		3,684	3,746
Employer's Contribution to Pension Schemes		996	897
Staff Training and Development		1,619	2,095
Other Staff Related Costs		1,269	2,494
		<u>73,187</u>	<u>78,424</u>

Notes to the Financial Statements

For the year ended 31 December 2009

(b) Voluntary Leaving Programme Superannuation Lump Sums

During 2009 there were no leavers under the voluntary leaving programme. During 2008 four locally employed staff in two overseas locations left Enterprise Ireland under a voluntary leaving programme. The cost of the redundancies were €0.323m. There are no future pension costs associated with these individuals.

(c) Incentivised Scheme of Early Retirement

During 2009 six staff left Enterprise Ireland under the Incentivised Scheme of Early Retirement. The cost of the lump sum payments were €0.047m. Under the terms of the scheme 10% of the lump sum payment was made at the date of retirement. The balance of the lump sum is due for payment by Forfás when retiree reaches pensionable age.

(d) Pension Related Deduction

During 2009 €3.363m pension related deductions were made from the staff of Enterprise Ireland and paid over to the Department of Enterprise, Trade and Innovation. The County Enterprise Boards and Crafts Council of Ireland made pension related deductions from their staff amounting to €0.368m and €0.003m respectively. These deductions were paid to Enterprise Ireland who in turn forwarded them to DETI.

(e) Board Members' Emoluments

Board Member	Board Fee €'000
Hugh Cooney (Chairman)	22
Frank Ryan (CEO)	13
Michael Buckley	13
Catherine Caulfield	5
John Connolly	13
Margaret Daly	9
Gearóid Doyle	13
Liam Meaney	13
Michael Mc Loone	14
Máire Ní Thuathail	14
Helen Nugent	-
Gerard O'Malley	9
Jim O'Hara	-
Anthony Spollen	13
Total	151

Board Members Expenses in 2009 amounted to €1,516 broken down as follows, mileage €1,341 and accommodation €175. The CEO Remuneration package for 2009 was made up as follows: Annual basic salary €222,488, standard public sector pension arrangements and a company car subject to benefit in kind (€14,541). The Chief Executive Officer did not receive any performance related payments in 2009.

During 2009 the Minister for Enterprise, Trade and Innovation appointed the following new members to the Board: Ms Catherine Caulfield and Mr Jim O'Hara. Ms Helen Nugent, Principal Officer, Department of Enterprise, Trade and Innovation does not receive any board fee and Mr Jim O'Hara, General Manager, Intel Ireland waived his fee.

(f) Tangible Fixed Assets below the Capitalisation threshold

Expenditure on assets with an individual cost below the capitalisation threshold of €2,500 are expended in the Income and Expenditure Account in the year of purchase. During 2008 Enterprise Ireland moved from its four Dublin locations to a single location at East Point business park. It also moved into its new regional head quarters in West Park Shannon. Fit out of Furniture and IT Equipment in these locations amounted to €3.866m.

Notes to the Financial Statements

For the year ended 31 December 2009

(g) Superannuation

Under the Industrial Development Acts, 1986-1998, staff working in Enterprise Ireland are seconded from Forfás. Under Paragraph 3 of the 2nd Schedule of the Industrial Development Act, 1993, responsibility for all pension entitlements rests with Forfás. Therefore Forfás is responsible for pension reporting requirements including those set out under FRS17.

Scheme	Staff Covered	Type
Forfás	Staff recruited by Forfás after 5 April 1995	Unfunded Defined Benefit both Contributory and Non Contributory
Former IDA	Former IDA staff and those recruited by Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Contributory Defined Benefit funded to meet pension costs at retirement. Post retirement increases unfunded and met by Forfás
Former Eolas	Former Eolas staff and those recruited by Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Unfunded Non Contributory Defined Benefit
Former National Board of Science & Technology	A small number of former NBST staff serving on 31 December 1987	Unfunded Defined Benefit both Contributory and Non Contributory
Former Irish Goods Council	A small number of former Irish Goods Council staff serving on 31 August 1991	Funded Contributory Defined Benefit
Former An Bord Tráchtála	Former An Bord Tráchtála staff (other than those covered by the Irish Goods Council scheme above) who were pensionable employees on 23 July 1998	Unfunded Contributory Defined Benefit

7 Diminution in Value of Fixed Assets

	Notes	2009 €'000	2008 €'000
Depreciation of Tangible Fixed Assets	15	6,405	4,972
Provision for the Diminution in the Value of Investments	16(a)	13,917	20,743
Provision for the Diminution in the Value of Seed and Venture Capital Funds	16(b)	4,948	9,107
		25,270	34,822

8 Diminution in Value of Financial Incentive Assets

	Notes	2009 €'000	2008 €'000
Shortfalls for the Year	17	64	15
Movement in Provision for Shortfalls for the Year	17	221	(15)
		285	-

Notes to the Financial Statements

For the year ended 31 December 2009

9 Profit/(Loss) on Disposal of Fixed Assets (net)

	2009 Profit/(Loss) on Disposal €'000	2008 Profit/(Loss) on Disposal €'000
Tangible Fixed Assets	(21)	238
Financial Fixed Assets	(8,966)	(5,251)
	(8,987)	(5,013)

(a) The (loss)/profit on disposal of Tangible Fixed Assets comprises:

	2009 Net Book Amount €'000	2009 Sale Proceeds €'000	(Loss) on Disposal €'000	2008 Net Book Amount €'000	2008 Sale Proceeds €'000	Profit on Disposal €'000
Tangible Fixed Assets	32	11	(21)	23	261	238

(b) The loss on disposal of Financial Fixed Assets comprises:

	2009 Original Cost €'000	2009 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000	2008 Original Cost €'000	2008 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000
Financial Fixed Assets:						
Investments in Shares	18,582	9,105	(9,477)	20,587	14,532	(6,055)
Seed and Venture Capital Funds	2,446	2,957	511	7,514	8,318	804
	21,028	12,062	(8,966)	28,101	22,850	(5,251)

Funds in the amount of €0.4m re disposal of investments were held by third parties in escrow on Enterprise Ireland's behalf at the balance sheet date.

10 Contribution to Exchequer

The total contribution to the Exchequer in 2009 amounted to €2.809m (2008 – €4.447m) made up as follows:

	2009 €'000	2008 €'000
Excess Proceeds over amounts accounted for in the government book of estimates		
Own Resource Capital Income (Market Project income, Sale of Investments/Financial Support Refunds)	-	2,781
Own Resource Operating Income (Fees Earned, Rental Income)	772	261
Science and Technology Research (Grant Refunds and Fee Income)	614	734
Refund of Oireachtas grant - County Enterprise Boards	929	671
Refund of Oireachtas grant - Pay	494	-
	2,809	4,447

Notes to the Financial Statements

For the year ended 31 December 2009

11 Contributions from Other Organisations

	Notes	2009 €'000	2008 €'000
National Standards Authority of Ireland (NSAI)	11(a)	208	1,289
Shannon Development	11(b)	-	659
		208	1,948

- (a) This represents a transfer in grant that NSAI receive for pay and other costs relating to the National Metrology Laboratory (NML). NML Staff formally transferred from Enterprise Ireland to NSAI on 1 June 2009. Responsibility for all other payments transferred to NSAI on 31 July 2009.
- (b) This represents a contribution towards the Pay and Non Pay costs of thirteen staff that transferred from SFADCo to Enterprise Ireland following the announcement by the Minister for Enterprise, Trade and Innovation that the functions of approving and administering grants relating to indigenous industry in the Shannon Region (excluding Shannon Free Zone companies) would revert from SFADCo to Enterprise Ireland. These contributions ceased on 30 June 2008.

12 Capital Account

	2009		2008	
	€'000	€'000	€'000	€'000
Opening Balance		206,380		209,751
Shares Transferred from SFADCo - Original Cost		5,056		-
Shares Transferred from SFADCo - Accumulated Provision		(2,855)		-
Net Movements on:				
Tangible Fixed Assets	(4,364)		15,944	
Investments in Shares	41,504		(10,628)	
Seed and Venture Capital Funds	8,729		(8,687)	
Transfer from/(to) Income and Expenditure Account		45,869		(3,371)
Closing Balance		254,450		206,380

13 State Advances Account

	Notes	2009 €'000	2008 €'000
Opening Balance		7,655	3,725
Transfer from Income and Expenditure Account in respect of Financial Incentive Assets	17	2,253	3,930
Closing Balance		9,908	7,655

Notes to the Financial Statements

For the year ended 31 December 2009

14 Taxation

Section 227 of the Taxes Consolidation Act, 1997, provides an exemption from tax on the income of non-commercial state bodies except where interest receivable is subject to tax at source (e.g. DIRT). The net amount of such income is credited to the Income and Expenditure Account.

Enterprise Ireland is liable to employer taxes in Ireland and complies with related withholding, reporting and payment obligations. In some countries in which it operates, confirmation has been obtained that local employment taxes do not apply under the Governmental Services article of the relevant double taxation agreement. It has also been confirmed that exemption under the Governmental Services article does not apply in two jurisdictions (France and Belgium) where exemption was previously claimed. Liabilities in the amount of €0.472m to 31 December 2009 have been provided for.

15 Tangible Fixed Assets

	Land, Buildings & Leasehold Improvements €'000	Motor Vehicles €'000	Fixtures, Fittings, Computers & Artwork €'000	Total €'000
Cost				
At 1 January 2009	64,363	212	6,796	71,371
Additions	1,539	47	487	2,073
Disposals	-	(63)	(1,838)	(1,901)
At 31 December 2009	65,902	196	5,445	71,543
Depreciation				
At 1 January 2009	35,713	166	4,289	40,168
Charge for Year	5,531	32	842	6,405
Disposals	-	(63)	(1,806)	(1,869)
At 31 December 2009	41,244	135	3,325	44,704
Net Book Amount				
At 31 December 2009	24,658	61	2,120	26,839
At 31 December 2008	28,650	46	2,507	31,203

Following the transfer of the National Metrology Laboratory (NML) staff to NSAI on 1 June 2009, tangible fixed assets associated with NML with an original cost of €1.39m, accumulated depreciation €1.36m, and Net Book Amount of €0.03m were transferred from Enterprise Ireland to NSAI for nil consideration.

Notes to the Financial Statements

For the year ended 31 December 2009

16 Financial Fixed Assets

	Notes	2009 €'000	2008 €'000
Investments in Shares	16(a)	147,295	103,496
Seed and Venture Capital Funds	16(b)	80,316	71,681
Total Financial Fixed Assets		227,611	175,177

(a) Investments in Shares	Quoted Investments €'000 Note (16c)	Other Investments €'000	Investment in Subsidiary €'000 Note (16d)	Total €'000
Cost				
At 1 January 2009	23,654	196,669	6	220,329
Shares Transferred from SFADCo*	-	5,056	-	5,056
Transferred from Seed and Venture Capital Funds	-	95	-	95
Adjustment**	-	441	-	441
Additions	600	73,402	-	74,002
Disposals and Write-Offs	(24)	(18,558)	-	(18,582)
At 31 December 2009	24,230	257,105	6	281,341
Provision for Diminution in Value				
At 1 January 2009	16,743	100,090	-	116,833
Shares Transferred from SFADCo*	-	2,855	-	2,855
Adjustment**	-	441	-	441
Movement in Year	(1,777)	15,694	-	13,917
At 31 December 2009	14,966	119,080	-	134,046
Net Book Amount				
At 31 December 2009	9,264	138,025	6	147,295
At 31 December 2008	6,911	96,579	6	103,496

* On 19 May 2009 under Section 2 of the Industrial Development Act 2009, investments in 25 companies at an original cost of €5,056m, with an accumulated provision of €2,855m and a net book amount of €2,201m were transferred for nil consideration from Shannon Development to Enterprise Ireland.

** The adjustment relates to the correction of an understatement of the cost and provision for diminution in value of shares, originally held by the Minister for Finance and NADCORP that were transferred to the former Forbairt in 1996.

Notes to the Financial Statements

For the year ended 31 December 2009

(b) Seed and Venture Capital Funds

Enterprise Ireland makes funds available under Section 6 of the Industrial Development Act, 1995 for Seed and Venture Capital to assist enterprises to expand and develop new activities or introduce innovations or new technologies. The advances by Enterprise Ireland are transmitted to investment undertakings and combined with private sector funding. Each such fund is managed by an Investment Manager. The outturn for the year was as follows:

	2009 €'000	2008 €'000
Cost		
At 1 January	132,867	132,686
Additions	16,123	7,934
Disposals and Write-offs	(2,445)	(7,514)
Transfer to Investments in Shares	(95)	(239)
At 31 December	<u>146,450</u>	<u>132,867</u>
Provision for Diminution in Value		
At 1 January	61,186	52,079
Movement in Year	4,948	9,107
At 31 December	<u>66,134</u>	<u>61,186</u>
Net Book Amount		
At 31 December	<u>80,316</u>	<u>71,681</u>

(c) Quoted Investments

The market value of the quoted investments held at 31 December 2009 was €10.935m (2008 - €6.572m).
The market value of the quoted investments held at 12 May 2010 was €12.567m.

(d) Investment in Subsidiary

The Investment in Subsidiary of €6,000 refers to the 100% shareholding in Maison D'Irlande SARL, a French company established to manage the lease of the Ireland House (Maison D'Irlande) property in Paris. Following negotiations with the landlord, this subsidiary is no longer required and has been wound up effective from 31 December 2009.

Notes to the Financial Statements

For the year ended 31 December 2009

17 Financial Incentive Assets

	TMC €'000	R&D & Capital Financial Support €'000	Provision for Shortfalls and Write offs €'000	Total €'000
Opening balance as at 1 January 2009	663	9,174	(2,182)	7,655
Recoverable Incentives Paid to Companies	-	2,708	-	2,708
Recoverable Incentives invoiced to Companies	(2)	(168)	-	(170)
Shortfalls for the year	(64)	-	-	(64)
Provision for the year	-	-	(221)	(221)
Net Movement for the Year	(66)	2,540	(221)	2,253
Closing balance as at 31 December 2009	597	11,714	(2,403)	9,908

18 Debtors

	2009 €'000	2008 €'000
Amounts falling due within one year:		
Trade Debtors	646	1,576
Prepayments and Accrued Income	2,489	1,457
VAT Recoverable	-	205
Other Debtors	587	666
	3,722	3,904

Notes to the Financial Statements

For the year ended 31 December 2009

19 Creditors

	2009	2008
	€'000	€'000
Amounts falling due within one year :		
Trade Creditors	4,422	5,633
Payroll Deductions	12	22
Accruals	3,453	4,273
Financial Support Creditors and Accruals	1,258	509
VAT Payable	327	-
Contribution to Exchequer	838	637
Other	211	218
	10,521	11,292

20 Commitments

a) Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €7.112m (2008 - €9.167m).

Payments under Operating Leases on Buildings amounting to €7.012m are due to be made in 2010.

These are in respect of leases which expire as follows:

	2009	2008
	€'000	€'000
Expiry of Lease		
Within One Year	766	880
One to Five Years	1,758	1,419
After Five Years	4,488	4,945
	7,012	7,244

b) Financial Support Commitments

It is estimated that future payments likely to arise from financial support commitments entered into under various support schemes, including EU schemes, will amount to €574m (2008 - €615m).

c) Seed and Venture Capital Funds

It is estimated that future payments likely to arise from Seed and Venture Capital Funds commitments entered into under various contractual agreements will amount to €117m (2008 - €114m).

d) Capital Commitments

There are no material future payments likely to arise from capital building commitments.

Notes to the Financial Statements

For the year ended 31 December 2009

21 Board Members - Disclosure of Transactions

In the normal course of business, Enterprise Ireland may approve financial support and investments in preference and ordinary shares and enter into other contractual arrangements with undertakings in which Enterprise Ireland Board members are employed or otherwise interested.

Enterprise Ireland adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Board members and those procedures have been adhered to by Enterprise Ireland during the year.

Approval and payments of Financial Support and other transactions were made in the year to companies by which Board Members are employed or otherwise associated. This includes committee membership in Third Level Research Institutes and shareholdings in financial institutions that have an interest in Seed and Venture Capital Funds in which EI is an investor.

These are detailed as follows:

	2009 €'000	2008 €'000
Financial Support Approved	209	1,501
Financial Support Paid	949	6,401
Research Institutes Support Approved	-	11,147
Research Institutes Support Paid	-	7,966
Seed and Venture Capital Investments Approved	16,000	-
Seed and Venture Capital Investments Paid	6,680	4,478
Seed and Venture Capital Investments Receipts	252	939
Payments to Suppliers	138	1,252
Other Income Received	681	526

The Board members and Enterprise Ireland complied with the Department of Finance guidelines covering situations of personal interest. In cases of potential conflict of interest, Board members did not receive Board documentation on the proposed transaction nor did the members participate in or attend discussions relating to the matters. A schedule of these transactions is available on request.

22 Comparative Amount

Certain comparative figures have been regrouped and restated on the same basis as those for the current year.

23 Approval of Financial Statements

The financial statements were approved by the Board of Enterprise Ireland on 12 May 2010.

Enterprise Ireland Office Network

Email contact for Enterprise Ireland staff
firstname.surname@enterprise-ireland.com

Head Office

The Plaza,
East Point Business Park, Dublin 3
Tel. (01) 727 2000
Fax (01) 727 2020

Regional Network

National HQ Entrepreneurship & Regional Development

Shannon
4500 Atlantic Avenue,
Westpark, Shannon, Co Clare
Tel. (061) 777 000
Fax (061) 777 001

Dublin/Mid East

Dublin
The Plaza,
East Point Business Park, Dublin 3
Tel. (01) 727 2000
Fax (01) 727 2020

Midlands

Athlone
Auburn, Dublin Road, Athlone,
Co. Westmeath
Tel. (090) 648 7100
Fax (090) 648 7101

North East

Dundalk
Finnabair Industrial Park,
Dundalk,
Co. Louth
Tel. (042) 935 4400
Fax (042) 935 4401

North West

Sligo
Finisklin Business Park, Sligo
Tel. (071) 915 9700
Fax (071) 915 9701

Letterkenny

Portland House, Port Road, Letterkenny,
Co. Donegal
Tel. (074) 916 9800
Fax (074) 916 9801

Mid West

Shannon
4500 Atlantic Avenue,
Westpark, Shannon, Co Clare
Tel. (061) 777 000
Fax (061) 777 001

Tralee

13/14 Denny Street, Tralee,
Co. Kerry
Tel. (066) 7149394
Fax (066) 7149380

South/South East

Cork
Industry House, Rossa Avenue,
Bishopstown, Cork
Tel. (021) 480 0200
Fax (021) 480 0271

Waterford

Waterford Industrial Park, Cork Road,
Waterford
Tel. (051) 333 500
Fax (051) 333 501

West

Galway
Mervue Business Park, Galway
Tel. (091) 735 900
Fax (091) 735 902

International Office Network

Western Europe

Amsterdam
World Trade Centre,
Strawinskylaan 861, 1077 XX
Amsterdam, The Netherlands
Tel. +(31 20) 676 3141
Fax +(31 20) 671 6895

Brussels

Park View, Chaussée d'Etterbeek 180
Etterbeeksesteenweg,
Bruxelles 1040 Brussel, Belgium
Tel. +(32 2) 673 9866
Fax +(32 2) 672 1066

Düsseldorf

Rolandstr. 44, 40476 Düsseldorf,
Germany
Tel. +(49 211) 470 590
Fax +(49 211) 470 5932

Glasgow

10 Claremont Terrace,
Glasgow G3 7XR, Scotland
Tel. +(44 141) 332 3015
Fax +(44 141) 332 0254

London

2nd Floor, Shaftesbury House,
151 Shaftesbury Avenue,
London WC2H 8AL, England
Tel. +(44 20) 7438 8700
Fax +(44 20) 7438 8749

Paris

33 rue de Miromesnil,
75008 Paris, France
Tel. +(33 1) 5343 1200
Fax +(33 1) 4742 8476

Central and Eastern Europe, Russia and Nordic Markets

Budapest

Bank Center, Gránit Torony,
Szabadság tér 7, 1054 Budapest, Hungary
Tel. +(36 1) 301 4950
Fax +(36 1) 301 4955

Moscow

c/o Commercial Section,
Embassy of Ireland,
Grokhol'ski Pereulok 5,
Moscow, Russia
Tel. +(7 495) 937 5943
Fax +(7 495) 680 5362

Prague

Commercial Section,
Embassy of Ireland, Trziste 13,
118 00 Prague 1, Czech Republic
Tel. +(420) 257 199 621
Fax +(420) 257 532 224

Stockholm

Box 5737, Sibyllegatan 49,
114 87 Stockholm, Sweden
Tel. +(46 8) 459 21 60
Fax +(46 8) 661 75 95

Warsaw

Commercial Section,
Embassy of Ireland, ul.Mysia 5,
00-496 Warsaw, Poland
Tel. +(48 22) 583 1200
Fax +(48 22) 646 5015

Southern Europe, Middle East, Africa and Latin America

Dubai

PO Box 115425, Dubai, UAE
Tel. +(971 4) 329 8384
Fax +(971 4) 329 8372

Madrid

Casa de Irlanda,
Paseo de la Castellana 46 – 3, 28046
Madrid, Spain
Tel. +(34 91) 436 4086
Fax +(34 91) 435 6603

Mexico

Av. Homero 109 D-904,
Col. Polanco CP11560
Tel. +(52 55) 52509311

Milan

Via S. Maria Segreta 6,
20123 Milan, Italy
Tel. +(39 02) 8800991
Fax +(39 02) 8690243

Riyadh

c/o Embassy of Ireland, PO Box 94349,
Riyadh 11693, Saudi Arabia
Tel. +(966 1) 488 1383
Fax +(966 1) 488 1094

Sao Paulo

Avenida Paulista, 2300 – andar Pilotis,
Cerqueira Cesar, Sao Paulo 01310-300
Tel. +(55 11) 28474518
Fax +(55 11) 28474550

North America

Boston

50 Milk Street, 20th Floor,
Boston, MA 02109, USA
Tel. +(1 617) 292 3001
Fax +(1 617) 292 3002

New York

Ireland House, 345 Park Avenue, 17th
Floor, New York, NY 10154-0037, USA
Tel. +(1 212) 371 3600
Fax +(1 212) 371 6398

Silicon Valley

800 W.El Camino Real, Suite 420,
Mountain View, CA 94040, USA
Tel. +(1 650) 294 4080

Toronto

Suite 1501, 2 Bloor Street West,
Toronto, Ontario, M4W 3E2, Canada
Tel. +(1 416) 934 5033
Fax +(1 416) 928 6681

Asia/Pacific

Beijing

Commercial Section, Embassy of Ireland,
C612A Office Building, Beijing Lufthansa
Centre, No. 50 Liangmaqiao Road,
Chaoyang District, Beijing 100125, China
Tel. +(86 10) 8448 8080
Fax +(86 10) 8448 4282

Guangzhou

Room 501,
Commercial Tower of China Hotel, Liuhua
Road, Guangzhou, 510015, China
Tel. +(86 20) 8666 2450
Fax +(86 20) 8666 2171

Hong Kong

2107 Tower 2, Lippo Centre,
89 Queensway, Admiralty,
Hong Kong, China
Tel. +(852) 2845 1118
Fax +(852) 2845 9240

Kuala Lumpur

Ireland House, 5.01 South Block,
The Amp Walk, 218 Jalan Ampang,
50450 Kuala Lumpur, Malaysia
Tel. +(60 3) 2164 0616
Fax +(60 3) 2164 0619

New Delhi

Commercial Section,
Embassy of Ireland, 230 Jor Bagh,
New Delhi 110 003, India
Tel. +(91 11) 42403178
Fax +(91 11) 42403177

Seoul

13th Floor, Leema Building,
146-1 Susong-dong Jongro-ku,
Seoul 110-755, Korea
Tel. +(82 2) 755 4767/8
Fax +(82 2) 757 3969

Shanghai

Commercial Section,
Consulate General of Ireland, Suite 700A,
Shanghai Centre, 1376 Nanjing Road
West, Shanghai 200040, China
Tel. +(86 21) 6279 7088
Fax +(86 21) 6279 7066

Singapore

Ireland House, 541 Orchard Road #08-00,
Liat Towers, Singapore 238881
Tel. +(65) 6733 2180
Fax +(65) 6733 0291

Sydney

Level 26, 1 Market Street,
Sydney, NSW 2000, Australia
Tel. +(61 2) 9273 8514
Fax +(61 2) 926 49589

Tokyo

Ireland House,
2-10-7 Kojimachi, Chiyoda-ku,
Tokyo, 102-0083, Japan
Tel. +(81 3) 3263 0611
Fax +(81 3) 3263 0614

www.enterprise-ireland.com

Enterprise Ireland, The Plaza, East Point Business Park, Dublin 3
Tel (01) 727 2000 Fax (01) 727 2020

This Annual Report & Accounts is available to view online at:
www.enterprise-ireland.com/annualreport2009/



Funded by the Irish Government under
the National Development Plan, 2007-2013

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