

ANNUAL REPORT & ACCOUNTS 2020



Build Scale,
Expand Reach



TO THE MINISTER FOR ENTERPRISE, TRADE AND EMPLOYMENT

In accordance with the Industrial Development (Enterprise Ireland) Act 1998, Enterprise Ireland herewith presents its report and accounts for the year ending 31 December 2020.

A handwritten signature in white ink, appearing to read 'Leo Clancy'.

Leo Clancy
Chief Executive Officer

A handwritten signature in white ink, appearing to read 'Terence O'Rourke'.

Terence O'Rourke
Chairman

Front cover image: Tánaiste Leo Varadkar announces €6.5m in grants to the retail sector through the Online Retail Scheme.
L-R: Tánaiste Leo Varadkar; John Smith, MD, Best Menswear; David Jones, Joint Owner, Best Menswear; Stephen Hughes, Head of Consumer, Enterprise Ireland and Julie Sinnamon at Best Menswear (a successful applicant to the Online Retail Scheme) in Jervis Street Shopping Centre, Dublin.

WHAT WE DO

Enterprise Ireland's mission is to deliver a major improvement in the international strength of Irish enterprise across all regions by transforming the innovation and competitive capabilities of Irish companies.

By inspiring and supporting ambitious business leaders to increase the scale of their businesses and expand their reach into new export markets, we will achieve our aim.

We are working with clients through a network of market and sector advisers based in:



10

locations in Ireland



40

locations internationally



BUILD SCALE

Enterprise Ireland supports ambitious Irish companies of all sizes to achieve greater scale through:

- Fostering and developing entrepreneurship
- Increasing innovation levels
- Enhancing leadership development
- Improving competitiveness.



EXPAND REACH

Enterprise Ireland supports clients to accelerate global export growth and consolidate activity in the United Kingdom (UK) through:

- Expanding the global footprint of our client base
- Increasing exports to the Eurozone
- Consolidating exports to the UK
- Developing the market and sector opportunities of the future.

WE HAVE A SPECIAL REMIT TO:

- Work with the network of 31 Local Enterprise Offices through our Centre of Excellence to support small and micro-businesses
- Attract food industry foreign direct investment (FDI) into Ireland
- Promote Ireland overseas as the study abroad destination of choice for higher education.



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CHAIRMAN AND CEO OVERVIEW

As we entered the final year of our 2017–2020 ‘Build Scale, Expand Reach’ strategy, Enterprise Ireland was on track to exceed the majority of its key targets. In 2019, the companies we support had recorded their highest ever level of employment, record exports of more than €25bn, and the highest ever level of expenditure in the Irish economy at €29bn.

However, 2020 brought unprecedented turbulence due to the Covid-19 pandemic and the uncertainty caused by the ongoing negotiations in relation to Brexit. To offset these impacts, Enterprise Ireland while continuing to focus on supporting the competitiveness, innovation and diversification agenda across the enterprise base also developed and introduced a wide range of new targeted supports and initiatives specifically focused on assisting companies to stabilise, reset and recover as they managed their businesses through the dual challenges of Brexit and Covid-19.

This combined partnership effort with companies in conjunction with other government interventions put in place to support the economy during the Covid-19 pandemic resulted in total employment at Enterprise Ireland client companies of 220,613. This was a 0.4% reduction on 2019, but represented relative stability at a time of very significant disruption.

Importantly, from the perspective of balanced regional development, 65% of total employment in Enterprise Ireland companies in 2020 was outside the Dublin region.

The export performance of Irish companies in the midst of the Covid-19 pandemic was robust despite the enormous challenges, with exports growing by 0.3% to €25.486bn in 2020.

Other highlights during 2020 included:

- **125 new start-ups supported through HPSU assistance and the Competitive Start Fund (CSF)**
- **194 research and development (R&D) projects awarded grants with a value greater than €50k**
- **1,408 overseas contracts renewed or won with Enterprise Ireland support**

During an exceptionally challenging year, Ireland was the only economy in the European Union (EU) to grow in 2020.

Sales and export growth of Enterprise Ireland’s clients during the year were 0.7% and 0.3% respectively, despite the impact of the Covid-19 pandemic and related shutdowns. That is in sharp contrast to average contraction of 6.8% across the EU. In the European Economic Forecast – Winter 2021, the European Commission predicted that Irish gross domestic product (GDP) will grow by 3.4% in 2021 and marginally faster in 2022, at 3.5%.

RESPONDING TO THE PANDEMIC CHALLENGE

Enterprise Ireland’s strategy to assist enterprises negatively impacted by the Covid-19 outbreak was focused on ‘stabilise, reset and recover’. 8,650 companies (including non-Enterprise Ireland clients) were offered advice and directed to funding options through our Business Response Hub. This saw a total of €142m being allocated to 1,919 companies during the year in a range of supports, including the:

- **Sustaining Enterprise Fund – €124m to 418 companies, employing more than 17,000 people**
- **Covid-19 Online Retail Scheme – available to non-Enterprise Ireland clients; €11.8m made available to 330 businesses in two calls in 2020**
- **Business Financial Planning Grant - 989 approvals to companies, totalling €4.9m**

Encouragingly, Irish businesses have responded to the pandemic by pivoting to meet new demand in response to emerging market needs in areas such as life sciences, digital health and consumer retail.

These companies have developed some truly life-changing responses to the pandemic, with the result that Ireland is now ranked fifth in the world for global exports of Covid-19 related goods and services, according to the Organisation for Economic Co-operation and Development (OECD).

BREXIT RESPONSE

In recent years, Enterprise Ireland’s priority has been to ensure that Irish exporters were prepared for Brexit. To achieve this, the agency implemented a programme to support Irish exporters to be more innovative, competitive and market diversified, including €125m funding to Brexit-exposed clients in 2018 and 2019.

The conclusion of the Trade and Cooperation Agreement (TCA) between the EU and the United Kingdom (UK) was very welcome. It brought much-needed clarity to the changed trading relationship between the EU and the UK.

The UK is, and will remain, Ireland’s largest export market and initial evidence suggests that Irish companies have prepared well for the new arrangements. There has been a strong uptake of the Enterprise Ireland Ready for Customs grant, with €11.9m allocated up to the end of March 2021.

The Ready for Customs grant helps businesses to increase their capacity to manage the customs process, helping ensure continuity of trade and contributing to recruitment costs, employee costs and provision of IT infrastructure. The scheme will remain open for applications up to 31 August 2021.

We will continue to assist Irish exporters in their efforts to mitigate against increased costs in the supply chain, manage customs and logistics challenges, and deal with other trade disruptions arising from Brexit.

Our focus is on assisting companies to avail of the continuing opportunities in the UK. Our investment in opening a new Enterprise Ireland Manchester office underlines our ongoing commitment to supporting our clients in the UK market.

CHAIRMAN AND CEO OVERVIEW (Continued)

In parallel, we are supporting Irish companies to grow their exports to other markets, particularly the Eurozone region, which is the second largest export market for Enterprise Ireland client companies, with exports to the region totalling €5.856bn in 2020. Proportionally, the UK market exports for Enterprise Ireland supported companies has reduced from 42% of exports in 2009 to 29% in 2020, while growing from €5.6bn to €7.510bn in line with overall export growth over the same period.

INVESTING IN START-UPS

Enterprise Ireland approved funding for a record €48m in Irish start-up companies in 2020. These included companies in the key sectors of fintech, cybersecurity, digital health, and agritech. Thirty-eight of the new start-up companies were women led.

Enterprise Ireland's Seed and Venture Capital Scheme increases the availability of risk capital for start-ups in Ireland. Over the past 25 years, Enterprise Ireland has invested €175m through the scheme to support the funding requirements of early-stage innovative Irish companies with global ambitions.

Two Competitive Start Fund (CSF) competitions have been launched since the beginning of 2020, with €2m in funding made available. The CSF is aimed at early-stage entrepreneurs with an innovative product or service in manufacturing or internationally traded services. Successful projects receive up to €50,000.

Enterprise Ireland also runs a High Potential Start-up (HPSU) programme to help companies develop their ideas and get investor-ready.

SUPPORTING WOMEN IN BUSINESS

Enterprise Ireland recognises that Ireland's economic success will be driven by optimising all our skills and talent through increasing the participation of women in entrepreneurship and business leadership.

In 2011, only 7% of our HPSUs include a woman on the founding team. This position has improved greatly. In

2020, 24% of our HPSUs included a woman founder, well on the way to the goal we set of 30% of HPSUs by 2025.

In January 2020, we launched a comprehensive six-year Action Plan for Women in Business. The strategy is underpinned by the four key objectives of increasing the number of women becoming entrepreneurs, the number of women founders in HPSUs, the number of women-led companies growing internationally, and the number of women in senior leadership positions in companies in Ireland.

Enterprise Ireland has taken steps to address the barriers to funding for women founders. Our Competitive Start Fund (CSF) includes a specific fund for women founders.

We also support a number of capability-building programmes for women entrepreneurs. These include Going for Growth, Excel Female Entrepreneurship at the Rubicon, and the Innovate Programme at Dublin BIC.

While Enterprise Ireland is well known for its entrepreneurship supports for women, increasing gender diversity in business leadership is a relatively new objective. The Part-Time Key Manager Grant was introduced by Enterprise Ireland last year to facilitate the recruitment of part-time senior managers – it is available for both men and women but aims to attract more women to senior management roles.

SUPPORTING CLIMATE ACTION

Enterprise Ireland is committed to sustainability in all its forms, including supporting the reduction of emissions in the enterprise sector. This will be a key strategic focus area in the coming years.

Launched in 2021, the Climate Enterprise Action Fund is Enterprise Ireland's initial programme to contribute to the government's target of reducing emissions by more than 50% by the end of this decade.

The initial €10m fund will assist companies to engage consultants to help them develop plans in areas such as resource efficiency and renewable energy, measuring their carbon footprint and identifying actions to reduce it, and

developing multi-annual climate change plans aligned to international standards and frameworks.

POWERING THE REGIONS

Powering the Regions is Enterprise Ireland's strategy for regional development, building on our excellent track record of delivery for regional Ireland.

It outlines specific plans for each region in the country, drawing on their existing enterprise base, their connections with third-level institutions, and their unique potential for growth. The strategy aims to deliver stronger regional enterprises that provide sustainable employment and local prosperity. We administer the Regional Enterprise Development Fund 2017–2020 as part of this strategy.

Enterprise Ireland also supports a number of regional enterprise centres, the vast majority of which are outside Dublin. They will play an important role in our work to advance the government's Remote Working Strategy. In November 2020, €8.24m was allocated to a range of for-profit and not-for-profit enterprise centres to acknowledge their specific challenges as a result of the Covid-19 pandemic, and to ensure that they remain an engine of regional growth.

GLOBAL AMBITION

A key element of Enterprise Ireland's mission is to support existing and prospective exporters to build scale and expand their reach into new markets. We provide funding, market insight, access to our network of 40 overseas offices, and a range of other supports to help them achieve their global ambition.

Our overseas team, with deep market and sector knowledge provides vital insight and experience and critical business introductions to Irish companies starting or expanding their export journey.

In the most challenging year for global trade in at least 70 years, Irish companies turned in yet another strong export performance. Export sales reached €25.486bn during 2020, an increase of 0.3% on 2019.

Encouragingly, the dominant theme in that performance was the growth in exports to European markets. Exports to the Eurozone grew by 1.6% to €5.856bn, or 23% of total exports, while sales to Northern Europe increased very strongly by 29% to €1.435bn, or 6% of total exports.

In further evidence of the resilience and agility of Irish exporters, sales to North America and the Asia-Pacific region held up remarkably well, falling by just 1% in each case, to sales of €4.465bn and €2.141bn, respectively.

That strong performance is underpinned by the international leadership position taken by Irish enterprise in a wide range of sectors, including medtech, high-tech construction, fintech, information and communications technology (ICT), and emerging technologies. Standout sectors during the year included: construction, with growth of 12% to €2.512bn in exports; consumer retail, which grew by 6.1% to €989m; and fintech, which increased by 2% to €658m.

Food, our single largest export sector, also performed very well in the face of extreme pressures and disruptions and delivered growth of 0.6% to reach €12.172bn in exports.

INNOVATION

As a small country, research and innovation is key to maintaining Ireland's competitiveness in global markets, and it is critical in facing many global challenges. We have established a growing reputation for scientific excellence, and generating and using new knowledge for economic and social progress. These are the hallmarks that give us the competitive edge and place Irish companies at the forefront of delivering solutions that solve the issues of today and tomorrow.

This was never more evident than in the response by Irish businesses to the Covid-19 crisis. Almost immediately we saw Irish companies respond with agility and innovation to pivot in response to the new buyer and market needs that emerged from the pandemic.

Enterprise Ireland is a driving force of Ireland's thriving digital technology cluster, supporting a world-class R&D ecosystem, and a strong venture capital investment

landscape, that is accelerating innovation and bringing the Irish Advantage to a wide range of industries internationally.

Initiatives such as the €500m Disruptive Technologies Innovation Fund are further driving the pipeline of digital innovation, providing funding for collaboration between Ireland's research base and industry to develop disruptive technologies and applications on a commercial basis.

Enterprise Ireland innovation supports are tailored to the size and ambition of the companies, and include Innovation Vouchers worth up to €5,000 to help businesses work with public knowledge providers in the development of new solutions; the Technology Gateway Programme, run in partnership with IDA Ireland, which connects talent in our technological university and institute of technology sector with businesses; and direct RD&I (research, development and innovation) grants to support research and innovation in companies at all levels of growth.

HORIZON EUROPE

With a budget of over €95bn between now and 2027, the EU's new research and investment programme, Horizon Europe, will be the largest programme ever undertaken in Europe. Ireland secured more than €1bn over the lifetime of its forerunner, the Horizon 2020 programme and we will continue to work with Irish companies, researchers and other stakeholders to maximise awareness of the opportunities that will arise under the new programme.

OUR OBJECTIVES FOR 2021

2021 will be a critical year for the Irish economy and the enterprise sector is vital to driving the recovery in the coming months and years. Enterprise Ireland will work closely with Irish businesses to help them accelerate this recovery. Having strong, innovative, regionally based exporting companies is vital to balanced economic development, and to sustaining and creating high-value jobs into the future.

Throughout 2021, our clients will continue to require support to respond to the Covid-19 pandemic and to adjust to the new EU-UK Trade and Cooperation Agreement.

In 2021, we will support transformational change within our client base and, in particular, help more Irish small and medium-sized enterprises (SMEs) to adapt their business models and invest in R&D, increase adoption of digital technologies, and respond to climate change and carbon reduction opportunities for future business growth.

In line with our key objectives, we intend to maximise the number of start-up companies, increase the number of high-growth clients achieving scale, and expand the number of exporting companies.

As we move forward with the creation and implementation of our new strategy to secure continued growth for our client companies and a strong recovery as we come out of the Covid-19 pandemic, we will do so under the leadership of a new Chief Executive Officer, Leo Clancy. Leo joins Enterprise Ireland from our sister agency IDA Ireland, where he was Head of Technology, Consumer & Business Services.

Leo will oversee our work in continuing to expand the scale and reach of Irish businesses, with increased focus on issues such as the transition to a low-carbon economy and the further digitalisation of Irish enterprise.




Terence O'Rourke
Chairman




Leo Clancy
Chief Executive Officer



BUILD SCALE

HIGH POTENTIAL START-UPS (HPSUs)

In 2020 we approved 80 High Potential Start-Up (HPSU) investments and 45 Competitive Start Fund (CSF) investments, 50% of which were located outside Dublin. Enterprise Ireland approved funding of €48m to help HPSU companies achieve their international growth ambitions.

Within the start-up class of 2020:

- 38 women-led start-up companies were approved investment (19 CSF and 19 HPSU)
- 12 HPSUs were commercialised in partnership with our third-level research institutions
- 44 additional HPSUs received follow-on investment funding as their business scaled



Start-Up Showcase 2021 (Tánaiste announces €48m approved to start-ups by Enterprise Ireland in 2020). L-R: Kevin Sherry, Executive Director, Enterprise Ireland; Tánaiste Leo Varadkar and Jennifer Melia, Divisional Manager, High Potential Start-Ups, Enterprise Ireland.

FUNDING AND INVESTMENT

We seek to ensure clients have adequate access to funding in order to scale. We approved direct equity and grant funding for expansion, innovation, training, employment and capability building.

- €124m was in Covid-19 funding under the **Sustaining Enterprise Fund (SEF)**. This has helped sustain 418 companies and 17,710 jobs across the country. In total, €142m in funding was provided to 1,919 companies under a range of Covid-19 funding initiatives introduced in response to the pandemic, including €11.8m under the Covid-19 Online Retail Scheme. There was also €8.2m approved under the Enterprise Centres Fund. In addition, 8,650 companies were supported through Enterprise Ireland's Covid-19 information hub, online support and helpline.
- A €5k **Financial Planning Grant** was made available to our clients, 989 of whom availed of it in 2020 in order to prepare structured financial plans, supporting their applications for funding to banks and other funding providers.

Funding not only sustains companies, but also allows them the opportunity to reimagine their products or business model producing benefits that will last long beyond the Covid-19 pandemic.



Minister Damien English launches new €5.5m Online Retail Scheme.
L-R: Stephen Creaner, Executive Director, Enterprise Ireland; Derek Moody, Owner and Director, Great Outdoors (a successful applicant to the Online Retail Scheme) and Minister Damien English outside Great Outdoors, Dublin.

Through our Investment Services team:

During 2020, the second call for expressions of interest under the Seed and Venture Capital Scheme (2019–2024) was made, with a focus on funds to commercialise third-level research. Following this call, we have made commitments into four funds under the current Scheme:

- €16m in the Ireland Smart Tech Fund, an early-stage fund which will invest primarily in software and medical device companies across Ireland
- €15m to Atlantic Bridge IV, a growth equity fund investing in disruptive technology sectors
- €10m to MiddleGame Ventures Fund 1, a fintech fund which will actively target Irish start-ups
- €20m to the University Bridge Fund II, a commercialisation fund investing in third-level spin-out companies.

Together, these funds have a total combined fund size of €343m.

Additionally, an allocation of €10m was made available to the Seed & Venture Capital Scheme under the July Stimulus Package. This enabled top-up investments into a number of existing funds whose Irish investees were negatively impacted by Covid-19.

In addition, through the activities of the Halo Business Angel Network (HBAN), over €11.1m was invested across 39 deals in start-up and early-stage companies in Ireland, including Deciphex, Glavloc and FoodMarble.

SUPPORT FOR THE IRISH VENTURE CAPITAL SECTOR

To ensure access to risk capital for clients through Enterprise Ireland, successive governments have invested in the Irish venture capital and development capital sector over the past 27 years.

- Under the various Seed and Venture Capital, and Development Capital Schemes to date, we have supported over 60 funds, resulting in commitments to funds with a total combined fund size of over €2.9bn.
- In 2020, Enterprise Ireland invested €39m in venture capital/private equity funds.
- In 2020, Enterprise Ireland received returns of €65.7m from its investment in venture capital/private equity funds.

DIRECT EQUITY INVESTMENTS HELD BY ENTERPRISE IRELAND

Enterprise Ireland invests in businesses for the purpose of enterprise development and job creation, often at a very early stage when the risk profile is higher.

When we make direct investments in start-up and growth companies, our strategy is to take an equity stake in exchange for funding.

- In 2020, we made 439 new investments in 397 companies, totalling €68.86m. Of this, €34.1m relates to repayable advances under the SEF in 178 companies. These investments were matched by domestic and international investors.
- 2020 was another strong year for investment income generated by Enterprise Ireland's Equity Department, with €39.9m from share sales, share redemptions and dividends.
- At the end of the year, the Enterprise Ireland Direct Investment Portfolio held 3,149 investments in circa 1,600 client companies.

POWERING THE REGIONS

€12m fund announced to help enterprise centres impacted by the Covid-19 pandemic.
Julie Sinnamon speaking at the launch of the €12m Enterprise Centres Fund at the Guinness Enterprise Centre, Dublin.



REGIONS & ENTREPRENEURSHIP

In 2020 we continued to drive the Enterprise Ireland regional agenda, with a particular focus on supporting regional enterprise in responding to the challenges of Brexit and Covid-19. Powering the Regions is the Enterprise Ireland response to government strategies directed at regional economic development, including Project Ireland, the Future Jobs Ireland Framework and the Regional Enterprise Plans. It will see Enterprise Ireland build regions of scale by maximising its investment in regional enterprise. The plan provides the impetus for Enterprise Ireland to drive regional projects. This will futureproof our regions, retain skills and talent, and build productivity and resilience in our client base across Ireland.

The Border Enterprise Fund and the Community Enterprise Scheme were launched in 2020, with funding provided by the Department of Business, Enterprise and Innovation. Under the Border Enterprise Fund 17 projects were approved funding of over €17m and over 90 Enterprise Centres were approved support as part of the total fund of €8.2m

Bevcraft win the National Enterprise Award for 2020/2021. L-R: Darren Fenton and Ciaran Gorman, co-founders of Bevcraft in Westmeath, receiving the Overall Winners' trophy from the 2020/2021 National Enterprise Awards, an initiative of the Local Enterprise Offices.

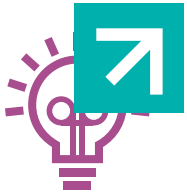


LOCAL ENTERPRISE OFFICES – MAKING IT HAPPEN

Through our Centre of Excellence, and in partnership with local authorities in every county, we supported the 31 Local Enterprise Offices (LEOs) as the 'first-stop shop' for expert advice, information and practical supports. In 2020, LEOs delivered key supports to record numbers of small businesses, helping them respond to the Covid-19 pandemic and the end of the Brexit transition period.

LEO performance in 2020

- 35,236 people employed by LEO clients
- 5,585 jobs created (in gross terms) by 7,529 client companies, resulting in a net decrease of 1,494 jobs
- €22,001,367 in direct financial assistance approved for 1,112 business projects
- 12,946 small firms approved for Trading Online Vouchers, to the value of €30,774,903
- 12,077 Business Continuity Vouchers approved for small to medium-sized enterprises, to the value of €25,850,156
- 77,466 people participated in 3,422 LEO-run training programmes online
- 16,231 mentoring assignments completed through LEOs
- 397 companies learned how to become more competitive through the Lean for Micro programme
- 133 companies transitioned into Enterprise Ireland, with the support of their LEO
- 508 applications approved for Microfinance Ireland loans at discounted rates
- 185 clients approved for the Technical Assistance for Micro Exporters grant, to explore new markets
- 1,782 clients trained for new customs procedures through 'Prepare Your Business for Customs' workshops



INNOVATE

ENTERPRISE IRELAND HAS A CRITICAL ROLE TO PLAY IN THE NATIONAL INNOVATION SYSTEM TO HELP BUILD NEW DISRUPTIVE START-UPS.

- In 2020, there were 30 new spin-out companies from the research system. Spin-out companies provide a significant route to innovation, developing cutting-edge technology and intellectual property, and creating new high-value jobs.
- The Enterprise Ireland Commercialisation Fund Programme de-risks research to the point where it can be commercialised as new products, services and/or companies. In 2020, 47 research projects were approved.
- Big Ideas 2020 took place online for the first time on the 25 November; this was the 12th Big Ideas event. The event showcased 12 spin-outs and of these, seven had women co-founders, three were BioInnovate programme-related spin-outs and two had Enterprise Ireland Business Partner CEOs. The “One to Watch” award and the “Audience Choice” award were won by Galenband from National University of Ireland Galway who have developed a heart monitoring system capable of increasing detection rates of ‘Silent Atrial Fibrillation’. There was a significant (3x) increase in viewership and attendance this year with just over 1,260 attendees.



Minister Damien English announces the winners of the 2020 Enterprise Ireland Innovation Arena Awards competition.

L-R: Mark Christal, Divisional Manager, Regions and Entrepreneurship, Enterprise Ireland and Minister Damien English.

ONE-TO-ONE SUPPORT: SUPPORTS THAT HELP INDIVIDUAL COMPANIES ENGAGE IN RESEARCH, DEVELOPMENT AND INNOVATION

- Approved 194 RD&I investments of over €50k to client companies
- 1,078 clients spent €100k or more on research and development (R&D) in 2020
- 182 clients spent €1m or more on R&D in 2020

IN-COMPANY R&D PERFORMANCE

Under in-company R&D support a total of 171 grant approvals in excess of €50k were made of which 76 were approved under the Agile R&D Fund. The Agile Innovation Fund supports R&D activity in Enterprise Ireland, Údarás na Gaeltachta and LEO clients of all sizes. A total of 135 applications were received. Of these, 116 were approved for 76 Enterprise Ireland clients who were approved for grants of over €50k, 20 LEO clients and five Údarás clients. Under the in-company RD&I Fund an additional 97 applications were approved. The R&D activity was promoted through nine Agile Innovation events, six R&D Project Planning and Costing webinars, and collaborated with other organisations such as IRDG.

The value of European Space Agency contracts placed in Ireland in 2020 was €13.3m, with €11.5m placed with 28 Irish companies. 2020 saw record growth in the number of Irish companies engaging with ESA. 13 new companies secured their first ESA contract; this is the highest number of new-entrant Irish companies recorded in any given year to date.

936



collaborative projects
between companies and
higher education researchers

477



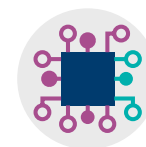
Innovation Vouchers

54



Innovation Partnerships
were approved, of which
61% included Enterprise
Ireland clients

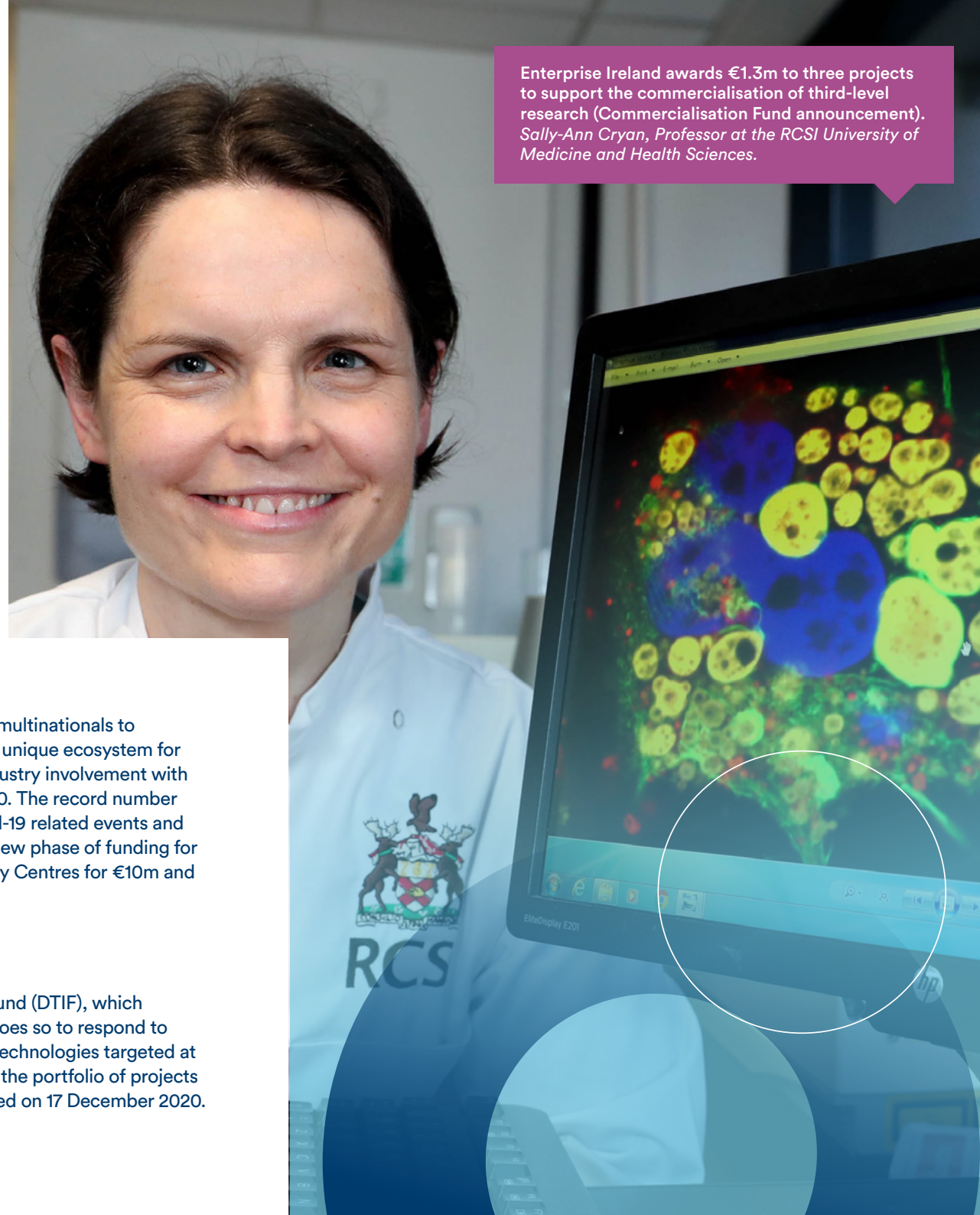
405



industry-funded projects were completed
with Technology Gateways. Despite a
challenging year due to Covid-19 over 570
companies engaged with the Technology
Gateways working on over 830 projects

DEVELOPMENT OF ENTERPRISE IRELAND INNOVATION STRATEGY

Innovation is a critical factor in achieving and retaining competitiveness when the pace of change and global market disruption continues to accelerate. Enterprise Ireland's Innovation Strategy 2020 -2024 will drive innovation across its client base, and will shape Enterprise Ireland into an exemplary innovative organisation. 2020 saw the first trials with clients of the new Innovation Scorecard which will inform its strategic direction and guide it in achieving sustainable growth.



Enterprise Ireland awards €1.3m to three projects to support the commercialisation of third-level research (Commercialisation Fund announcement). Sally-Ann Cryan, Professor at the RCSI University of Medicine and Health Sciences.

TECHNOLOGY GATEWAYS

These industry-focused gateways continue to grow from strength to strength. In 2020, Enterprise Ireland launched a second Capital Equipment fund call for these Gateways to continue to enable them to deliver industry with access to critical, leading-edge equipment and infrastructure to help companies build resilience and to remain globally competitive in the face of industry challenges. €9m was awarded for 53 pieces of equipment for the Technology Gateways and Technology Centres.

ONE-TO-MANY SUPPORTS HELPING CLUSTERS OF COMPANIES TO WORK TOGETHER ON RD&I

TECHNOLOGY CENTRES

Technology Centres enable Irish companies and foreign direct investment (FDI) multinationals to work together on market-focused strategic R&D projects. The centres provide a unique ecosystem for collaboration in areas identified by industry as being strategically important. Industry involvement with the Technology Centres programme stood at 1,228 companies at the end of 2020. The record number of companies involved in Technology Centres is due to a huge demand for Covid-19 related events and also the move to virtual/online sessions. In 2020, Enterprise Ireland approved a new phase of funding for Microelectronic Circuits Centre Ireland (MCCI) and Dairy Processing Technology Centres for €10m and €14m respectively.

DISRUPTIVE TECHNOLOGIES INNOVATION FUND

Enterprise Ireland continued to deliver the Disruptive Technologies Innovation Fund (DTIF), which integrates talent from SMEs, large companies and the Irish research system. It does so to respond to the opportunities presented by the development and deployment of disruptive technologies targeted at tackling national and global challenges. Enterprise Ireland continued to manage the portfolio of projects approved in Call 1 and Call 2. The DTIF Call 3 opened on 24 September and closed on 17 December 2020.



ENTERPRISE IRELAND LEADS IRELAND'S SUCCESSFUL ENGAGEMENT IN HORIZON 2020, THE EU PROGRAMME FOR RESEARCH, DEVELOPMENT AND INNOVATION

Enterprise Ireland continued to coordinate and lead engagement with the EU Research and Innovation Framework, Horizon 2020. By the end of this last full year of the programme, Irish researchers and innovators had been awarded €1.09bn* in funding, with an application success rate of 14.9%. This success represents 1.75% of the total funding awarded against an Irish budget contribution of 1.2%. Over 55% of the funding was awarded to higher education institutions, with private companies receiving over 35%. Final results under Horizon 2020 are expected in 2021. Horizon Europe, the €95.5bn successor programme to Horizon 2020, was launched in March 2021. It will provide significant further opportunities to Irish researchers and innovators.

**Includes contracts signed between 1 January 2014 and 31 December 2020. Taken from European Commission's ECORDA database, the figure is subject to change due to real time updates.*

SHAPING THE IRISH PUBLICLY FUNDED INNOVATION SYSTEM TO RESPOND TO INDUSTRY AND OFFERING SUPPORTS THAT MOULD THE NATIONAL RD&I SYSTEM TO MEET INDUSTRY NEEDS

UNLOCKING KNOWLEDGE TRANSFER

The Knowledge Transfer Ireland (KTI) Unlocking Knowledge Transfer monthly webinar series was launched in 2020. It has proved popular with an average of 130 attendees each month. Expert panelists have covered topics such as managing intellectual property in the context of Brexit, finding research expertise, future trends in AI, and R&D responses to climate action. The webinars provide a platform to highlight the financial and non-financial supports available to companies to work with academic researchers and to share experiences.

Against the backdrop of the pandemic, KTI worked with third level to develop a simple non-exclusive licence template. This aimed to enable quick and free access for companies to technology and intellectual property (IP) that could help with R&D directed at solving challenges related to Covid-19.

MAXIMISING THE COMMERCIALISATION OF PUBLIC-FUNDED RESEARCH, WE:

- Supported the emergence of 30 new spin-out companies from research performing organisations and 12 High Potential Start Ups from research
- Supported the transfer of 144 commercially valuable technologies to companies in Ireland

CLIENT MANAGEMENT DEVELOPMENT DIVISION

2020 saw the successful transitioning of 32 management capability programmes from face-to-face to 100% online delivery. The Division delivered a range of customised programmes and supports focusing on building ambition, leadership, and functional and strategic capabilities.

250 C-level executives participated in year-long programmes such as Leadership 4 Growth, Enter the Eurozone and our High Potential Start Up Founders Forum.

A further 564 senior managers were supported through our masterclass programmes, including Virtual Selling, Market Intelligence, Attracting & Retaining Talent, and Customer Value Proposition programmes.

Our mentor network programme successfully matched 568 new, early-stage and established companies with a mentor in 2020.

8,000 new users (100% increase on 2019) accessed eiLearn in 2020, Enterprise Ireland's digital learning platform. This elearning platform helps clients with key challenges when growing their business internationally. Strongest demand was for new content, including financial capabilities, remote workforce management, digital sales and marketing.



€12m fund announced to help enterprise centres impacted by the Covid-19 pandemic.

L-R: Garrett Ryan, co-founder, Selio Medical; Colm McGarvey, CEO and co-founder, Selio Medical; Tánaiste Leo Varadkar and Julie Sinnamon.



In 2020, Enterprise Ireland partnered with the Department of Further and Higher Education, Research, Innovation and Science and the Irish Management Institute (IMI) to deliver the Spotlight on Skills Programme. This programme was redesigned to be delivered online and to support client companies' workforce planning. We delivered four programmes in 2020, with 80 senior management participants from 47 companies. In addition, Clients Skills managed the GradStart programme, supported client companies to navigate the work permit system, and represented EI at national and regional skills steering groups with internal and external stakeholders.

In 2020, 500 participants completed New Frontiers, Enterprise Ireland's national entrepreneurship programme, across 26 phase 1 programmes run in partnership with 15 Institutes of Technology/Technological Universities. Of these, 157 went on to complete phase 2 across 13 programmes, with 72 receiving continued New Frontiers support in phase 3.



ATTRACTING FOOD INDUSTRY FDI INTO IRELAND

An important objective for Enterprise Ireland's Food Division is to develop a pipeline of new FDI prospects that complement the Irish food and drinks industry and to work with those companies towards securing new investments for Ireland.

In 2020 the Food FDI clients that we work with employed almost 11,000 people across the country and exported €3.75bn of food and drinks from Ireland. We continue to add to this important source of employment working across the globe to highlight Ireland's advantages for food and drinks companies including our ability to produce high quality, sustainable raw materials, and our connected research system along with our talented workforce. Two examples of projects won for Ireland in 2020 with Enterprise Ireland support include Kilkenny Cheese and Crust and Crumb.

- Kilkenny Cheese: This Joint Venture between Royal A-Ware Food Group (Netherlands) and Glanbia Ireland DAC will see the construction of the largest cheese processing facility in Ireland to produce continental cheeses for export markets. This new €140m+ greenfield plant which was won for Ireland with Enterprise Ireland support, will be located in Belview, County Kilkenny and will create over 80 jobs when completed.
- Crust & Crumb: Following the success of their 2018 investment in a new state-of-the-art facility in Ballyconnell, Co. Cavan in 2018, this Northern Irish manufacturer of chilled pizzas, pizza bases and flat breads is now establishing a second facility, a wood fired pizza production facility, with Enterprise Ireland support. This new facility, the first of its type in Ireland, will support an additional 160 jobs, with the total number of people employed in the Ballyconnell facilities expected to grow to 240 people over the next two years.

EDUCATION IN IRELAND

The revenue that Irish higher education institutes (HEIs) win internationally comes from international student mobility into Ireland, mostly from outside the EU. The arrival of Covid-19 in 2020 turned student recruitment and education service delivery on its head.

The first priority was the welfare of the 40,000+ international students in Ireland in Spring 2020, followed by the safe arrival of new students in September 2021. During 2020, we ran 24 in-country Education in Ireland annual student fairs across Africa, Asia Pacific, North America, Latin America, the Middle East and development markets online, and succeeded in doubling the number of students interested in studying in Ireland to more than 100,000. HEIs had to adapt their own recruitment activities and course delivery to a blended online model, while managing students' expectations of life on and off campus. Despite the challenges, HEIs maintained over €478m of income, a 7% drop on 2019. There were learnings for all stakeholders with a transformative increase in digital activity across the world, in some cases reaching new markets that had not been targeted before.

The English language teaching sector was dramatically impacted in 2020. Many businesses reported a 70-80% loss in revenue, as schools were closed, as they entered peak activity times in March. Many schools adapted quickly, moving online to service existing commitments and to look for new opportunities.





EXPAND REACH

SUPPORTING THE INTERNATIONALISATION OF IRISH COMPANIES

- Export sales of **€25.486bn**
- **1,408 new contracts secured overseas** with Enterprise Ireland assistance
- **420 companies with new overseas presences**
- **€5.856bn** exports to the Eurozone region (second-largest territory for Enterprise Ireland clients)
- **Made 8,213 client-buyer introductions**
- **Brought 337 international buyers to Ireland (Q1 2020)**
- **Introduced 281 clients to supply opportunities** with multinational companies through our Global Sourcing Programme

Launch of Enterprise Ireland's international 'Ready for a Green Future' campaign.
Minister Troy launches 'Ready for a Green Future', Enterprise Ireland's international green innovation campaign.





CLIENT EXPORTS 2020 BY TERRITORY



North America
€4.465bn
18% of exports



UK
€7.510bn
29% of exports



Northern Europe
€1.435bn
6% of exports



Central/Eastern/CIS/Russia
€0.652bn
3% of exports



Eurozone
€5.856bn
23% of exports



Middle East/Africa/India
€1.152bn
5% of exports



Asia Pacific
€2.141bn
8% of exports



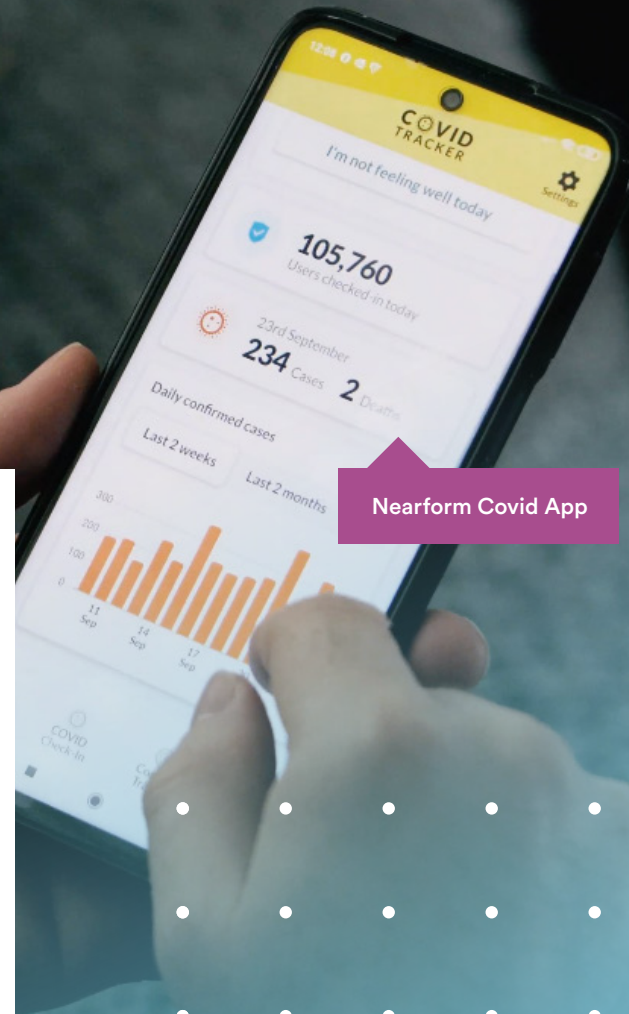
Latin America
€0.242bn
1% of exports



Unspecified & Sales to Ornuu
€2.033bn
8% of exports



TOTAL
€25.486bn



CLIENT EXPORTS BY SECTOR



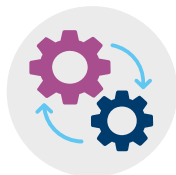
Consumer retail

€0.989bn +6%



Fintech

€0.658bn +2%



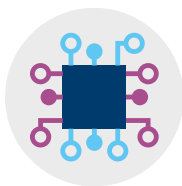
Engineering

€1.672bn -6.2%



Food

€12.172bn +0.6%



Digital technologies

€1.969bn -5%



Electronics

€0.663bn -3.1%

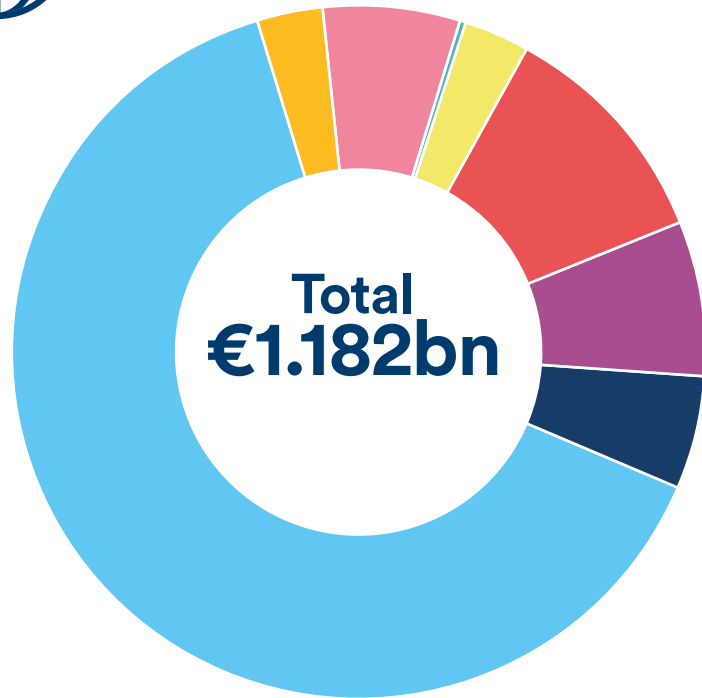


Construction

€2.512bn 12%



ENTERPRISE IRELAND ALLOCATION OF FUNDS 2020



€39m
Capability building

€36m
Capacity building

€63m
Equity, loans and
venture capital funds

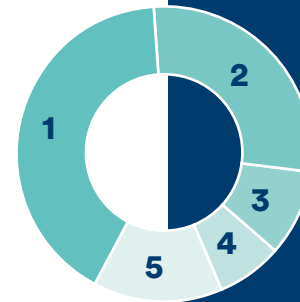
€74m
Sustaining Enterprise
Fund

€127m
Technology and
scientific infrastructure

€754m
Funds administered on
behalf of third parties

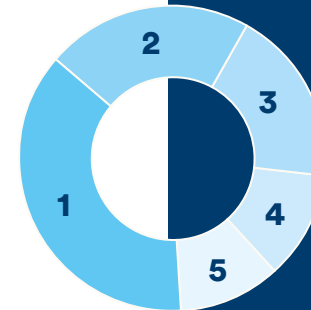
€4m
Disbursements to
other State agencies

€85m
Net operating cost



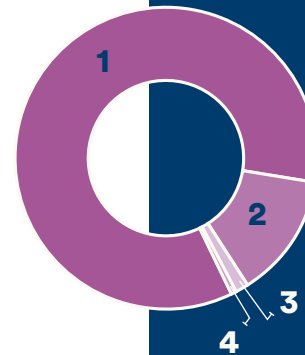
BREAKDOWN OF NET OPERATION COSTS

1. Client services network	€35m
2. Overseas office network	€24m
3. Science and innovation support	€8m
4. Regional office network	€6m
5. Corporate services support	€12m
Total	€85m



FUNDING FOR ENTERPRISE DEVELOPMENT

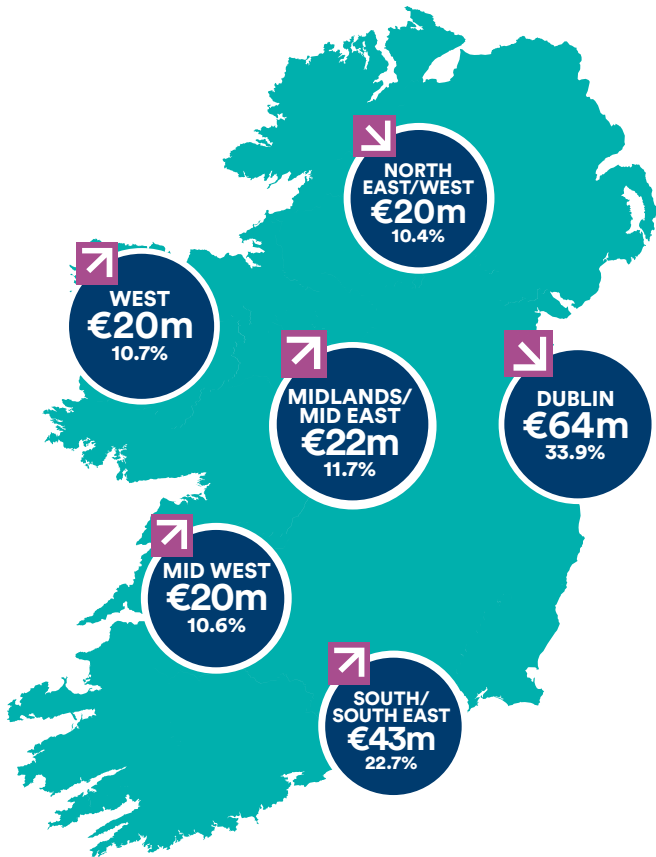
1. Technology and scientific infrastructure	€127m
2. Sustaining Enterprise Fund	€74m
3. Equity, loans and venture capital funds	€63m
4. Capability building	€39m
5. Capacity building	€36m
Total	€339m



FUNDS ADMINISTERED ON BEHALF OF THIRD-PARTY AGENCIES

1. Restart Grant scheme	€646m
2. Local Enterprise Offices	€102m
3. Design and Crafts Council of Ireland	€4m
4. Business Innovation Centres	€2m
Total	€754m

BREAKDOWN OF FUNDING TO CLIENT COMPANIES BY REGION

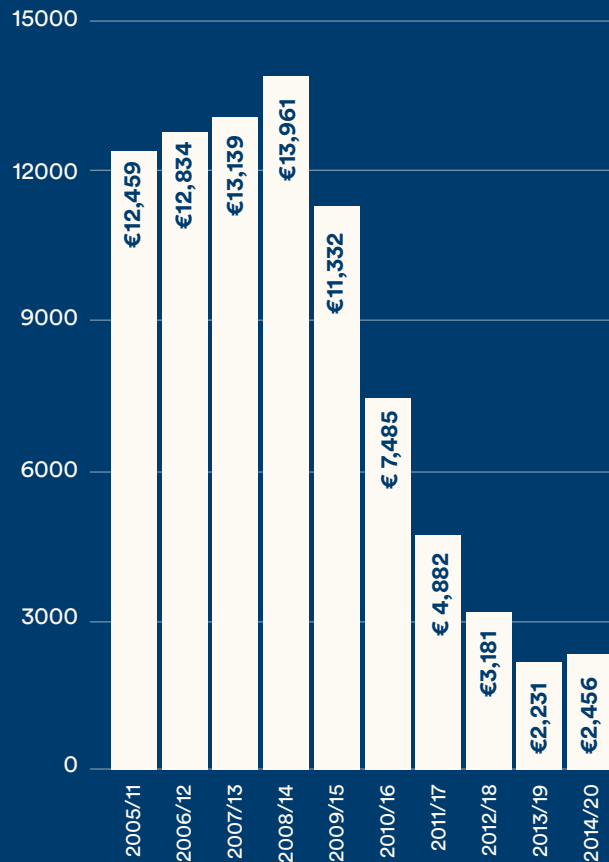


Includes: Grants for industry capability funding, research, development and innovation funding, and Beef and Sheepmeat Fund support.

Excludes: Campus incubation centres payments, Seed and Venture Fund payments, Regional Enterprise Development Fund, the Community Enterprise Initiative and Community Enterprise Centres.

COST PER JOB

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.



Source: Department of Enterprise, Trade and Employment: Cost per job calculations

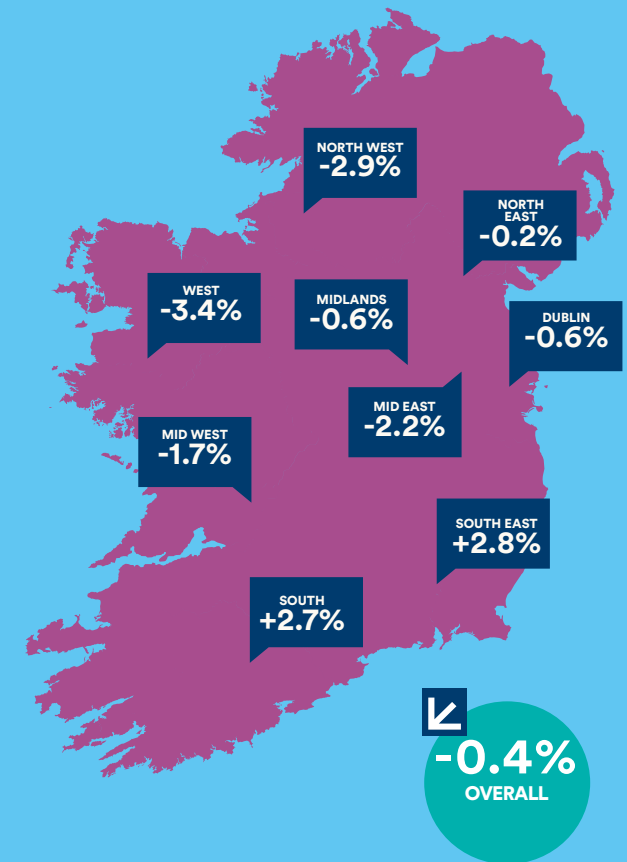
EMPLOYMENT GROWTH PER REGION 2020

220,613
employed in Enterprise
Ireland client companies

-872
net change in employment

16,496
jobs created

65% total employment
outside of Dublin



Source: Annual Employment Survey 2020.

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. 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 1986–2019, the Science and Technology Act, and under the aegis of the Minister for Business, Enterprise 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 2016

The Board has adopted the Code of Practice for the Governance of State Bodies 2016 and has implemented procedures and reviews to ensure compliance with its provisions.

The Chairman of the Board, in a separate report furnished annually to the Minister for Business, Enterprise and Innovation, confirms compliance with the individual requirements of the Code.

Enterprise Ireland is certified to the SWIFT 3000:2010 Code of Practice for Corporate Governance Assessment in Ireland.

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 Act 2014

The Freedom of Information (FOI) Act was signed into law in 2014. 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. Further information on the implementation of FOI at Enterprise Ireland is available on our website at www.enterpriseireland.com.

Here you will also find a Publications Scheme providing general and frequently requested information about Enterprise Ireland in line with the obligations of the organisation under the Freedom of Information Act 2014.

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 aspects affecting staff and visitor welfare.

Prompt payment of accounts

Payment of invoices by Enterprise Ireland is governed by the Prompt Payment of Accounts Act 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2012 (S.I. No. 580 of 2012). The regulations, which apply equally to the public and private sectors, provide an automatic entitlement to interest and compensation if payment for commercial transactions is late (after 30 days from the date of receipt). It is the policy of Enterprise Ireland to ensure that all invoices are paid promptly and every effort, consistent with proper financial procedures, is being made to ensure that all suppliers are paid within this timeframe. Controls are in place to provide reasonable, though not absolute, assurance against non-compliance with the Act and regulations.

Prompt payment to suppliers

Enterprise Ireland is committed to meeting its obligations under the 15-day Prompt Payment Rule, which came into effect on 1 July 2011.

This provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days. Enterprise Ireland reports quarterly on the implementation of the 15-day Prompt Payment Rule on its website.

The table below shows Enterprise Ireland's performance regarding the 15-day payment required during 2020.

Details	Number	Value €	Percentage (%) of total number of payments made
Number of payments made within 15 days	8488	€34,247,572.74	99.80%
Within 16 to 30 days	15	€48,377.29	0.18%
In excess of 30 days	2	€15,843.56	0.02%
Total payments	8505	€34,311,793.59	100.00%

Prompt Payment Code of Conduct

Enterprise Ireland is a signatory to the Prompt Payment Code of Conduct.

Ethics in Public Office Acts, 1995 and 2001

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 1 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 regulations.

Data protection

Enterprise Ireland is registered as a data controller under the Data Protection Acts. Enterprise Ireland is subject to the General Data Protection Regulation 2018 and the Irish Data Protection Act 2018. Further information is available from Enterprise Ireland's Data Protection Officer, The Plaza, East Point Business Park, Dublin D03 E5R6 or GDPROnline@enterprise-ireland.com.

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 report listing all such payments made by Enterprise Ireland for any given year is available upon request following the release of the Annual Report.

Protected Disclosures Act 2014

There were no protected disclosures made to Enterprise Ireland in 2020.

Employment Equality Acts, 1998–2015

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 educational programmes, study leave, reduced working hours 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 2020, Enterprise Ireland administered a range of programmes that are eligible for co-funding by EU Structural Funds, including the European Regional Development Fund, the Productive Sector Operational Programme and the Employment and Human Resources Development Operational Programmes for Southern, Eastern, and Border regions.



Official Languages Act 2003

Enterprise Ireland comes under the remit of the Official Languages Act 2003, which was signed into law on 14 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 in Irish and English.

Client Charter

Enterprise Ireland's Client Charter sets out our commitment to provide a high-quality service to our customers and is available in the About us section of our website.

Energy efficiency and conservation

Enterprise Ireland is committed to making every effort possible to be energy efficient and is working closely with SEAI to achieve the Government target of 33% energy reduction by 2020. The agency is on target to reduce its energy usage by 60% as measured from its baseline in 2009. The agency also participates in framework agreements for the supply of utilities such as electricity and gas procured centrally by the Office of Government Procurement for its Dublin and regional offices. Since July 2015, it is a requirement that all public buildings over 250 square meters in area display an energy certificate. Enterprise Ireland's head office buildings have a current display energy cert rating of D1 and E1.

Diversity and Inclusion

Enterprise Ireland is a global organisation that promotes and values diversity. Diversity, inclusion and belonging is central to how we work together and is supported by our values.

Following on from our D&I awareness programmes, Enterprise Ireland has established a dedicated D&I steering group to support and evolve EI's D&I strategy.



Leo Clancy,
Chief Executive Officer

ENTERPRISE IRELAND BOARD 2020

The Board of Enterprise Ireland is responsible for setting the 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 Acts, 1986 to 2019, and the Science and Technology Act, 1987 and to make recommendations to government on funding support above these levels. The Board of Enterprise Ireland and its relevant committees have the authority to make grants, to make loans, and 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 2016, Board members are required to provide a Statement of Interest to a 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 and Employment, with the consent of the Minister for Public Expenditure and Reform. Each year, on the anniversary of the establishment day, the two members (other than the Chairman and Chief Executive) who 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 as at 15 May 2021



Terence O'Rourke

(Chairman), Former Managing Partner, KPMG
Appointed: 1 August 2013
Reappointed: 1 August 2018



Julie Sinnamon

CEO, Enterprise Ireland
Appointed: 3 November 2013
Reappointed: 3 November 2018



Declan Hughes

Assistant Secretary General,
 Department of Enterprise,
 Trade and Employment
Appointed: 4 September 2017
Reappointed: 3 January 2019



Geoff Meagher

Consultant
Appointed: 15 October 2012
Reappointed: 26 June 2020



Colum Horgan

CEO, InverCloud
Appointed: 15 October 2012
Reappointed: 26 June 2020



Dave Shanahan

Founder and CEO, Adagio
 Ventures Commercialisation
 Partners
Appointed: 23 October 2015
Reappointed: 18 July 2019



Lisa Dillon

General Manager of EMEA
 Inside Sales, Microsoft
Appointed: 17 November 2015
Reappointed: 18 July 2019



John McMahon

Consultant
Appointed: 26 March 2014
Reappointed: 10 July 2017



Helen Ryan

Director, Hakata Holdings Ltd.
Appointed: 26 March 2014
Reappointed: 10 July 2017



Elaine Coughlan

Co-Founder and Managing
 Partner, Atlantic Bridge Capital
 Ltd.
Appointed: 12 May 2014
Reappointed: 3 January 2019



Clodagh Cavanagh

CEO, Abbey Machinery Ltd.
Appointed: 3 January 2019



Conor Hanley

President and CEO, Foundry
 Innovation and Research 1 Ltd
 (FIRE1)
Appointed: 3 January 2019

**Joe Healy is Secretary
 to the Board**

**Changes to the Board
 during 2020 / 2021:**

Joe Healy was appointed Secretary on 13 May 2020
 Paul McKeown retired as Secretary on 13 May 2020

MEMBERSHIP OF ENTERPRISE IRELAND MANAGEMENT COMMITTEES

as at 15 May 2021

Strategy and Policy Management Committee

The Strategy and Policy Management Committee considers and agrees actions on key strategic issues relating to the business of the agency including the strategic plan, financial products, sectoral strategies and all relevant matters pertaining to the Board.

Committee members:

Julie Sinnamon (Chairperson)

Kevin Sherry

Stephen Creaner

Paul McKeown

Paula Maguire

Mark Christal

Jenny Melia

Tom Kelly

Carol Gibbons

Orla Battersby

Leo McAdams

Joe Healy

Gearoid Mooney

Tom Cusack

The following members retired from the committee during 2020/2021:

Rowena Dwyer

Mairead Hennessy, Secretary to the Strategy and Policy Management Committee

Performance and Operations Committee

The Performance and Operations Committee approves, considers, agrees actions and monitors progress on key corporate issues relating to the administration and operations of the agency including the Annual Corporate Plan, the Annual Budget, Annual Report and Accounts and Corporate Risk.

Committee members:

Julie Sinnamon (Chairperson)

Kevin Sherry

Stephen Creaner

Paul McKeown

Paula Maguire

Mark Christal

Jenny Melia

Tom Kelly

Carol Gibbons

Orla Battersby

Leo McAdams

Joe Healy

Gearoid Mooney

Tom Cusack

The following members retired from the committee during 2020/2021:

Rowena Dwyer

Mairead Hennessy, Secretary to the Performance and Operations Committee

Management Approvals Committee

The Management Approvals Committee is a sub-committee of the Investment Committee with the power to approve funding up to €250,000.

Committee members:

Tom Early (Chairperson)

Enda McDonnell

Fergus McMahon

Imelda Lambkin

Niall McEvoy

Nicola NicPhaidin

Donald Black

Ciara Fitzpatrick

Keelin Fagan

Jean O'Sullivan

Conor O'Donovan

The following members retired from the committee during 2020/2021:

Jonathan McMillan

Lorraine Frewen, Secretary to the Management Approvals Committee

MEMBERSHIP OF ENTERPRISE IRELAND MANAGEMENT COMMITTEES

as at 15 May 2021 (Continued)

Investment Committee

The Investment Committee is empowered to approve funding packages up to €3 million for projects where previous approvals of funding do not exceed €5 million for one undertaking within the previous two years.

Committee members:

Julie Sinnamon, (Chairperson), Chief Executive Officer, Enterprise Ireland

Kevin Sherry, Executive Director, Enterprise Ireland

Paul McKeown, Executive Director, Enterprise Ireland

Stephen Creaner, Executive Director, Enterprise Ireland

Leo McAdams, Investment Services Divisional Manager

Thomas Murray, Principal Officer, Department of Enterprise, Trade and Employment

Bernie Cullinan, Consultant, private sector

Liam Ryan, Consultant, private sector

Maurice Hickey, private sector

Angela Robinson, Department of Agriculture, Food and the Marine

Brendan Lenihan, private sector

The following members joined the committee during 2020/2021:

Natasha Stanley, Secretary to the Investment Committee

Leo McAdams, Investment Services Divisional Manager

Angela Robinson, Department of Agriculture, Food and the Marine

Brendan Lenihan, Private Sector

Research, Development & Innovation (RD&I) Committee

Enterprise Ireland's approach to RD&I is guided by the Government's Strategy Innovation 2020, which is coordinated by the Department of Enterprise, Trade and Employment. The RD&I Committee approves funding under the R&D Fund which 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.

Committee members:

Stephen Creaner, Executive Director, Enterprise Ireland (Chairperson)

Gearóid Mooney, Divisional Manager, Research and Innovation, Enterprise Ireland

Leo McAdams, Divisional Manager, Investment Services Division, Enterprise Ireland

Deirdre Glenn, Director, Lifescience and Food Commercialisation and Manager, Lifesciences Sector, Enterprise Ireland

Tom Beresford, Head of Moorepark Food Research Centre, Teagasc

Denis Hayes, General Manager, Industry Research and Development Group

Brian McCoy, Consultant

Miriam Ní Néill, Audio/Visual Enterprise Development, Údaras na Gaeltachta

Aidan O'Connor, Consultant

Johnnie Phillips, Consultant

Pdraig Somers, Consultant, DSM Designs Ltd

Linda Cullen, Strategy and Planning Specialist, Bord Bia

Mairead Hennessy, Secretary to the RD&I Committee

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 scheme is a competitive one.

Committee members:

Kevin Sherry, (Chairperson), Executive Director, Global Business Development, Enterprise Ireland

Donnchadh Cullinan, Department Manager, Growth Capital and Banking Relations, Enterprise Ireland

Don Harrington, Director Corporate Finance, Goodbody Stockbrokers, private sector

Bernadette Hawkes, Department of Enterprise, Trade and Employment

Paul McKeown, Executive Director, Enterprise Ireland

Nick Ashmore, CEO, Strategic Banking Corporation of Ireland, private sector

Natasha Stanley, Secretary to the Seed and Venture Capital Funds Committee

The following members retired the committee during 2020/2021:

Jean Carberry, Principal Officer, Department of Business, Enterprise and 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 that are industry-led or have potential to lead directly to a commercial outcome in Ireland.

Committee members:

Gearóid Mooney, (Chairperson), Divisional Manager, Research and Innovation Business Unit, Enterprise Ireland

Jennifer Brennan, Technological Higher Education Association (THEA)

Mike Brosnan, Consultant

Carol Gibbons, Department Manager Electronics & Director ICT Commercialisation

Seamus Grant, Consultant

Lisa Keating, Irish Universities Association

Richard Howell, Head of Research, Food and Codex Coordination Division, Department of Agriculture, Food and the Marine

Alan Kelly, Department of Enterprise, Trade and Employment

Frank Kennedy, Retired Executive, Private Industry

Siobhan Roche, Science Foundation Ireland

Mairead O'Driscoll, Health Research Board

The following members joined the committee during 2020/2021:

Joseph Curtis, Department Manager, Research and Innovation and Corporate Services, Enterprise Ireland

Darrin Morrissey, Health Research Board

Mary Shire, Vice President of Research, University of Limerick

Mairead Hennessy, Secretary to the Industrial Research and Commercialisation Committee

FINANCIAL STATEMENTS

Report for presentation to the Houses of the Oireachtas Enterprise Ireland

Opinion on the financial statements

I have audited the financial statements of Enterprise Ireland for the year ended 31 December 2020 as required under the provisions of section 22 of the Industrial Development (Enterprise Ireland) Act 1998. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Enterprise Ireland at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of opinion

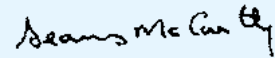
I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Enterprise Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

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

Report on information other than the financial statements, and on other matters

Enterprise Ireland has presented certain other information together with the financial statements. This comprises the annual report, including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Seamus McCarthy
Comptroller and Auditor General
17 June 2021

APPENDIX TO THE REPORT

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 22 of the Industrial Development (Enterprise Ireland) Act 1998
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the Industrial Development (Enterprise Ireland) Act 1998 to audit the financial statements of Enterprise Ireland and to report thereon to the Houses of the Oireachtas.

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

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Enterprise Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Enterprise Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Board of Enterprise Ireland was established under the Industrial Development (Enterprise Ireland) Act, 1998. The functions of the Board are set out in Section 22 of this Act. The Board is accountable to the Minister for Enterprise, Trade and Employment and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of Enterprise Ireland are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of Enterprise Ireland.

Board responsibilities

The work and responsibilities of the Board are set out in the Board terms of reference, which also contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- Declaration of interests
- Chief Executive's Report
- Reports from Board Sub-committees
- Financial reports/management accounts, performance reports
- Corporate Governance items
- Items for discussion
- Projects for decision
- Items for noting

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

In preparing those financial statements, the Board of 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, and
- 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 adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22 of the Industrial Development (Enterprise Ireland) Act, 1998. The maintenance and integrity of the corporate and financial information on Enterprise Ireland's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of Enterprise Ireland by reference to the annual plan and budget was carried out on 10 February 2021.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board consider that the financial statements of Enterprise Ireland give a true and fair view of the financial performance and the financial position of Enterprise Ireland at 31 December 2020.

Board Structure

The Board consists of a Chairperson, Chief Executive Officer and ten non- Executive members, all of whom are appointed by the Minister for Enterprise, Trade and Employment. The members of the Board are appointed for a period of five years or as determined by legislation and meet on a monthly basis. There are currently no vacancies.

The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Terence O'Rourke	Chairman	1 August 2013, Reappointed 1 August 2018
Julie Sinnamon	CEO	3 November 2013, Reappointed 3 November 2018
Clodagh Cavanagh	Board member	3 January 2019
Elaine Coughlan	Board member	12 May 2014, Retired 23 July 2018, Reappointed 3 January 2019
Lisa Dillon	Board member	17 November 2015, Reappointed 18 July 2019
Conor Hanley	Board member	3 January 2019
Colum Horgan	Board member	15 October 2012, Reappointed 26 June 2020
Declan Hughes	Board member	4 September 2017
John Mc Mahon	Board member	26 March 2014, Reappointed 10 July 2017
Geoff Meagher	Board member	15 October 2012, Reappointed 26 June 2020
Helen Ryan	Board member	26 March 2014, Reappointed 10 July 2017
Dave Shanahan	Board member	23 October 2015, Reappointed 18 July 2019

An external Evaluation of the Effectiveness of the Board was conducted in 2020 and the results were presented to the Board on the 14 October 2020 for review. An action plan addressing the recommendations from the evaluation was discussed at a Board Workshop held on 2 December 2020.

The Board met 14 times in 2020.

The Board has established six subcommittees, as follows:

1. Board Advisory Subcommittee: Comprises of four non-executive Board members one of whom is nominated as Chairperson and the Chief Executive Officer. The role of the Board Advisory Subcommittee is to review and discuss matters related to urgent and/or significant proposals prior to full consideration and decision by the Board.

The members of the Board Advisory Subcommittee are: Terence O'Rourke (Chairperson), Julie Sinnamon (CEO), Declan Hughes, Geoff Meagher and Elaine Coughlan.

There were two meetings of the Board Advisory Subcommittee in 2020.

2. Audit and Risk Committee: Comprises of four non-executive Board members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. The Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Geoff Meagher (Chairperson), Colum Horgan, Helen Ryan and Clodagh Kavanagh.

There were four meetings of the ARC in 2020.

3. Investment Portfolio Review Committee (IPRC): Comprises of two non-executive Board members appointed by the Board, one of whom is nominated as Chairperson, the Chief Executive Officer, the Chief Financial Officer and one private sector member. The role of the Investment Portfolio Review Committee (IPRC) is to oversee the management of Enterprise Ireland's Investment Portfolio.

The members of the Investment Portfolio Review Committee are: John Mc Mahon (Chairperson), Declan Hughes, Julie Sinnamon (CEO) and Paul McKeown (CFO). Michael Murphy was appointed 10 March 2021.

There were four meetings of the IPRC in 2020.

4. Strategy and Policy Committee: Comprises of five non-executive Board members appointed by the Board. The Strategy and Policy Committee's role is to work with the Executive to develop the corporate strategy for Enterprise Ireland.

The members of the Strategy Committee are: Terence O'Rourke (Chairperson), John Mc Mahon, Dave Shanahan, Conor Hanley and Helen Ryan.

The Committee meets as required. There were four meetings in 2020.

5. Performance and Resource Planning Committee: Comprises of the Chairperson of the Board, who shall be the Chairperson and at least two non-executive Board members appointed by the Board.

The Performance and Resource Planning Committee's role is to assist the Board in fulfilling its oversight responsibilities by providing advice and recommendations to the Board in the appointment, remuneration and the assessment of the performance of and succession planning for the CEO in line with Government policy. The members of the Performance and Resource Planning Committee are Terence O'Rourke (Chairperson), Elaine Coughlan and Lisa Dillon.

The Committee meets as required. There was one meeting in 2020.

6. Strategic Resource Review Committee: Comprises of The Chief Executive Officer and at least three independent Non-Executive Directors appointed by the Board one of whom is Chairperson.

The Enterprise Ireland Strategic Resource Review Committee was established by the Board in January 2020 to develop a framework for the allocation of resources, and to develop an approach to the assessment and communication of value for money and impact. The members of the Strategic Resource Review Committee are Geoff Meagher (Chairperson), Julie Sinnamon (CEO), Declan Hughes and John McMahan.

The Committee meets as required. There was one meeting in 2020.

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

(Continued)

Schedule of attendance, fees and expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out below:

	Board	Board Advisory	Audit & Risk	IPRC	Strategy & Policy	Performance & Resource Planning	Strategic Resource Review	Fees 2020 €	Expenses 2020 €
Number of meetings	*14	2	4	4	4	1	1		
Terence O'Rourke	14	2			2	1		20,607	1,258
Julie Sinnamon	14	2		4			1	-	10,247
Elaine Coughlan	13	2				1		12,021	-
Lisa Dillon	14					1		12,021	-
Colum Horgan	14		4					12,021	-
Declan Hughes	14	2		3			1	-	-
John McMahan	14			4	4		1	12,021	-
Geoff Meagher	14	2	4				1	12,021	-
Helen Ryan	13		4		4			12,021	324
Dave Shanahan	13				4			12,021	-
Conor Hanley	14				4			12,021	-
Clodagh Cavanagh	14		4					12,021	-
Total								128,796	11,829

*This includes a meeting held by Correspondence in October 2020 and the Board met on the 9 September 2020 without executive Board members or management present.

Total expenses of €11,829 includes €615 paid directly to the Board members. The balance of €11,214 relates to expenditure paid by Enterprise Ireland on behalf of the Board members. The expenses incurred relate to travel and subsistence costs incurred by the CEO and the Board members in attending Board meetings and other Enterprise Ireland client events including overseas trade missions.

There were two Board members, Ms Julie Sinnamon (CEO) and Mr Declan Hughes Assistant Secretary Department Enterprise, Trade and Employment who did not receive a Board fee in line with the One Person One Salary (OPOS) principle.

Key personnel changes

In accordance with the Industrial Development (Enterprise Ireland) Act, 1998, two members of the Board, who have been longest in office since their last appointment, shall retire from office on each anniversary of Enterprise Ireland's establishment day.

Mr Colum Horgan and Mr Geoff Meagher were due to retire on 23 July 2020. Both were reappointed on 26 June 2020.

Ms Julie Sinnamon informed the Board on the 12 Feb 2020 of her intention to step down from her role as CEO. Following a comprehensive recruitment process the Board of Enterprise Ireland appointed Mr Leo Clancy as the new Chief Executive Officer on 15 March 2021. Ms Sinnamon retired on 30 May 2021 and Mr Clancy took up his new appointment on 31 May 2021.

Disclosures required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that Enterprise Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee short-term benefits breakdown

Employees' short-term benefits in excess of €60,000 are set out in Note 7(b).

Consultancy costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2020 €	2019 €
Commercial & Technical Evaluation	846,232	495,433
Internal Audit, Risk Management & Programme Audits	110,481	463,348
Financial & Process Reviews	82,256	141,681
Legal	195,416	254,611
Other	209,076	267,849
Total Consultancy Costs	1,443,461	1,622,922

Legal costs and settlements

There were no legal costs in the reporting period in relation to settlements, conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by Enterprise Ireland which is disclosed in Consultancy costs above.

Travel and subsistence expenditure

Enterprise Ireland's head office is located in East Point Business Park, Dublin. Enterprise Ireland also has a regional and overseas office network. Travel outside of Ireland for all staff based in Ireland is considered International Travel. Travel undertaken by staff located in any of the 38 overseas offices within the jurisdiction of their appointed office is regarded as Domestic travel. Travel outside of the jurisdiction in which the staff member's appointed office is located is regarded as International travel.

Travel and subsistence expenditure is categorised as follows:

	2020 €	2019 €
Domestic		
Board*	9,964	32,081
Employees	676,989	2,750,387
International		
Board*	1,865	17,068
Employees	527,714	2,481,217
Total	1,216,532	5,280,753

*includes travel and subsistence of €615 paid directly to the Board members in 2020 (2019- €13,765). The balance of €11,214 (2019- €35,384) relates to expenditure paid by Enterprise Ireland on behalf of the Board members and the CEO.

Hospitality expenditure

The Statement of Income and Expenditure and Retained Revenue Reserves includes the following hospitality expenditure:

	2020 €	2019 €
Staff hospitality	4,576	25,812
Client hospitality	86,892	239,434
Total	91,468	265,246

Statement of compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. Enterprise Ireland was in full compliance with the Code of Practice for the Governance of State Bodies for 2020.

On behalf of the Board of Enterprise Ireland:


Terence O'Rourke,
 Chairman


Leo Clancy,
 Chief Executive Officer

17 June 2021

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

On behalf of Enterprise Ireland, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in Enterprise Ireland for the year ended 31 December 2020 and up to the date of approval of the financial statements.

Capacity to handle risk

Enterprise Ireland has an Audit and Risk Committee (ARC) comprising four Board members, with relevant expertise, one of whom is the Chair. The ARC met four times in 2020.

Enterprise Ireland has a well-established internal audit function which is adequately resourced with independent external expertise, and which conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within Enterprise Ireland's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and control framework

Enterprise Ireland has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing Enterprise Ireland and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented
- Financial responsibilities have been assigned at management level with corresponding accountability
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management
- There are systems aimed at ensuring the security of the information and communication technology systems
- There are systems in place to safeguard the assets and
- Control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

Impact of Covid-19 on the risk and control framework

Enterprise Ireland has continuously assessed its control framework following the outbreak of Covid-19 and the move to remote working for all staff. Existing secure technology platforms were extended to all staff to facilitate remote working and enhanced cyber security measures including training and testing were implemented. Alternative procedures were put in place in relation to grant inspections to mitigate risks arising from the inability to carry out on-site visits to client premises. The impact of risks arising from Covid-19 are assessed as part of the agency's risk management process and Enterprise Ireland will continue to take all necessary actions to mitigate all material risks identified.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

During the year, the agency's payroll reconciliation controls identified that salary overpayments had been made in error amounting to a total of €85,107. The overpayments were repaid to the agency in full.

The relevant payroll control frameworks have been revised to ensure that the same errors cannot result in salary overpayments occurring in the future.

Procurement

I confirm that Enterprise Ireland has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

Review of effectiveness

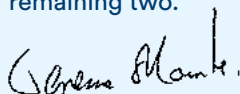
I confirm that Enterprise Ireland has procedures to monitor the effectiveness of its risk management and control procedures. Enterprise Ireland's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit and Risk Committee which oversees their work, the external auditors and the senior management within Enterprise Ireland responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2020 on 10 March 2021.

Internal control issues

Non-compliant procurement

During 2020, expenditure of €119,312 was incurred in relation to goods and services with four suppliers where the procedures employed did not comply with procurement guidelines. In all cases they related to urgent procurement of services arising from COVID-19. Framework agreements are now in place for two of these services and will be put in place for the remaining two.



Terence O'Rourke
Chairman

17 June 2021

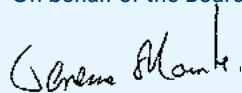
Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Income			
Oireachtas Grants - Department of Enterprise, Trade & Employment	2	1,068,071	296,993
Funding from Other Government Departments	3	24,546	5,711
Own Resources	4	9,720	10,393
Net Deferred Retirement Benefits Funding	8 (d)	17,301	17,984
Profit on disposal/transfer of Fixed Assets (net)	11	43,698	49,151
TOTAL INCOME		1,163,336	380,232
Expenditure			
Financial Support to Industry	5	984,956	243,939
Disbursements to Other State Agencies re Financial Support to Industry	6	3,782	855
Administration, Operation and Promotion	7	88,744	89,909
Retirement Benefits Costs	8 (c)	20,373	21,211
Movement in Value of Fixed Assets	9	(55,532)	12,024
Movement in Value of Public Benefit Entity Concessionary Loans	10	(307)	425
TOTAL EXPENDITURE		1,042,016	368,363
Surplus before Appropriations		121,320	11,869
Appropriations			
Contribution (to)/from the Exchequer	12	(11,024)	(9,234)
Transfer (to)/from the Capital Account	13	(68,656)	(13,186)
Transfer (to)/from the State Advances Account	14	(34,037)	3,739
Surplus/(Deficit) after Appropriations		7,603	(6,812)
Balance Brought Forward at Start of Year		2,848	9,660
Balance Carried Forward at End of Year		10,451	2,848

The Statement of Cash Flows and Notes 1 to 26 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman



Leo Clancy
Chief Executive Officer

17 June 2021

Statement of Comprehensive Income

For the year ended 31 December 2020

Surplus/(Deficit) after Appropriations

Experience gain/(loss) on Retirement Benefits scheme liabilities

Change in assumptions underlying the present value of Retirement Benefits liabilities

Total Actuarial gain/(loss) in the year

Adjustment to deferred Retirement Benefits funding

Total Comprehensive Income for the year

	2020 €'000	2019 € '000
	7,603	(6,812)
	(9,808)	2,576
	(36,196)	(47,601)
	(46,004)	(45,025)
	46,004	45,025
	7,603	(6,812)

The Statement of Cash Flows and Notes 1 to 26 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman



Leo Clancy
Chief Executive Officer

17 June 2021

Statement of Financial Position as at 31 December 2020

Fixed Assets

Property, Plant and Equipment
Financial
Total Fixed Assets

Public Benefit Entity Concessionary Loans

Current Assets

Receivables
Cash and Cash Equivalents

Current Liabilities

Payables (Amounts falling due within one year)
--

Net Current Assets

Retirement Benefits Obligations

Deferred Funding Assets

Total Net Assets

Representing

Capital Account
State Advances Account
Retained Revenue Reserves

Notes	2020 €'000	2019 €'000
16	1,765	1,884
17	524,599	455,824
	526,364	457,708
18	46,715	11,565
19	4,159	3,931
	24,271	22,073
	28,430	26,004
20	17,979	23,156
	10,451	2,848
8(e)	(572,754)	(509,449)
8(e)	572,754	509,449
	583,530	472,121
13	526,364	457,708
14	46,715	11,565
	10,451	2,848
	583,530	472,121

The Statement of Cash Flows and Notes 1 to 26 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman



Leo Clancy
Chief Executive Officer

17 June 2021

Statement of Cash Flows

for the year ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Cash flows from Operating Activities			
Excess Income over Expenditure		121,317	11,869
Adjustments for			
Dividends Receivable		(2,804)	(3,826)
Interest Receivable		(11)	-
Reduction in Value of Fixed Assets		(55,532)	12,024
Profit on Disposal of Financial Fixed Assets		(43,698)	(49,151)
(Increase)/Decrease in Value of Financial Incentive Assets		(307)	425
(Increase)/Decrease in Receivables excluding Dividends		(193)	1,127
Increase/(Decrease) in Payables excluding Contribution to the Exchequer		(2,599)	5,495
Contribution to the Exchequer		(13,602)	(131)
The effect of foreign exchange rate changes		203	(370)
Net Cash Inflow from Operating Activities		2,774	(22,538)
Cash flows from Investing Activities			
Payments to acquire Fixed Assets			
Property, Plant & Equipment	16	(543)	(1,117)
Financial:			
Investments in Shares	17 (c)	(28,466)	(26,140)
Convertible Loan Notes	17 (d)	(4,325)	-
Seed and Venture Capital Fund	17(a)	(38,968)	(46,700)
Public Benefit Entity Concessionary loans made	18	(36,137)	-
Receipts from disposal of Fixed Assets			
Financial:			
Investments in Shares	11(b)	37,180	62,513
Seed and Venture Capital Fund	11(b)	65,696	35,385
Public Benefit Entity Concessionary Loan Receipts	18	2,418	3,314
Net cash flows from Investing Activities		(3,145)	27,255
Cash flows from Financing Activities			
Dividends received		2,772	3,972
Net Cash flows from Financing Activities		2,772	3,972
Net Decrease in Cash and Cash Equivalents			
Cash and Cash equivalents at the start of the year		22,073	13,014
The effect of foreign exchange rate changes		(203)	370
Cash and Cash equivalents at the end of the year		24,271	22,073

Accounting Policies

for the year ended 31 December 2020

1. Significant Accounting Policies

The basis of accounting and significant accounting policies adopted by Enterprise Ireland are set out below. They have all been applied consistently throughout the year and the preceding year.

(a) General Information

Enterprise Ireland was established under the Industrial Development (Enterprise Ireland) Act, 1998. Enterprise Ireland's head office is located in East Point Business Park, Dublin 3. Enterprise Ireland is a Public Benefit Entity (PBE). A Public benefit entity provides goods or services for the general public, community or social benefit and, where any equity is provided, it is to support the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

Enterprise Ireland's primary objective as set out in Part II S7(1) of the Industrial Development (Enterprise Ireland) Act, 1998 is:

- to develop industry and enterprise in the State
- to promote, assist and develop the marketing of goods and service industries
- to promote enterprises in strategy assessment and formulation
- to develop the technological base and the capacity of enterprises to innovate and undertake research, development and design
- to strengthen the skills base in industry
- to make investments in and provide supports to industrial undertakings which comply with the requirements of the enactments for the time being in force
- to administer such schemes, grants and other financial facilities requiring the disbursement of European Union and such other funds as may from time to time be authorised by the Minister with the concurrence of the Minister for Public Expenditure and Reform.

While Enterprise Ireland invests equity in client companies, generating a financial return on the investment is not the sole reason for making the investment and any financial returns received are used to fund Enterprise Ireland's primary objective.

(b) Statement of Compliance and Basis of Preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in compliance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and in the form approved by the Minister for Enterprise, Trade and Employment with the concurrence of the Minister for Public Expenditure and Reform under the Industrial Development (Enterprise Ireland) Act, 1998.

The presentation currency of the financial statements of Enterprise Ireland is euro. The functional currency of Enterprise Ireland is considered to be euro because that is the currency of the primary economic environment in which the agency operates.

(c) Income

Income is accounted for on an accruals basis with the exception of the following:

Oireachtas Grants

Oireachtas grants are recognised on a cash receipts basis.

Divided Income

Dividend Income is recognised when the right to receive payment is established, it is probable that the income will be received and the amount can be measured reliably. While Enterprise Ireland issues dividend invoices, it is not known if the Investee company has sufficient distributable reserves and therefore the right to receive payment has not been established. Accordingly, Enterprise Ireland recognises income which has been received in the relevant financial year or invoiced in the relevant financial year and received in the first quarter of the following year.

Repayable financial support refunds

Financial Supports to Industry become repayable if certain circumstances as set out in the letter of offer occur such as liquidation/dissolution. Repayable financial support refunds are recognised on a cash receipts basis.

(d) Financial Supports to Industry

A liability is recognised in the Financial Statements once the definition and recognition criteria for a liability have been satisfied, the obligation is such that Enterprise Ireland cannot realistically withdraw from it and when the grantee has complied with all the stipulated conditions.

(e) Repayable Financial Support to Industry - Public Benefit Entity Concessionary Loans

Repayable Capital Financial Supports are classified as public benefit entity concessionary loans i.e. loans which are granted for the purpose of furthering the objectives of the public benefit entity, are not repayable on demand and are granted at below the prevailing market rate of interest or interest free. Repayable Capital Financial Supports are initially recognised in the Statement of Financial Position at the amount paid. Subsequently the carrying amount in the financial statements shall be adjusted to reflect any accrued interest payable or receivable. Repayable Capital Financial Supports are reviewed annually for indications of impairment and any impairment losses are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

The repayable financial supports to industry are as follows:

Repayable Financial Support

Certain Capital Financial Supports Loan Notes, and Repayable Advances have a repayable clause allowing for all or part of the financial support to be recovered.

Repayable Grants issued by the former County and City Enterprise Boards and the Local Enterprise Offices

The County Enterprise Boards (Dissolution) Act 2014 provided for the dissolution of the County and City Enterprise Boards (CEBs) and the transfer of their functions and assets and liabilities to Enterprise Ireland on 14 April 2014. The functions of the CEBs since 14 April 2014 are delivered under an operating arrangement through the local authorities following the establishment of a network of Local Enterprise Offices (LEOs).

Measure 1 grants issued by the CEBs and now issued by the LEOs, have a repayable clause allowing for part of the financial support to be recovered. These recoverable grants are assets of Enterprise Ireland and as such are reflected on the agency's Statement of Financial Position.

The amount recoverable in respect of repayable financial support to industry is reflected in the Statement of Financial Position as Public Benefit Entity Concessionary Loans and the related funding is included in the State Advances Account.

(f) State Advances Account

The State Advances Account represents monies advanced to Enterprise Ireland and CEB/LEO client companies by way of repayable financial support classified as public benefit entity concessionary loans.

(g) Investments

Quoted Investments

Investments listed on a recognised stock exchange are measured at their fair value and movements are recorded through the Statement of Income and Expenditure and Retained Revenue Reserves.

Other Investments

Other Investments are measured at cost less impairment as their fair value cannot be measured reliably.

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.

Seed and Venture Capital Funds

Advances to these funds are measured at fair value and gains or losses in fair value are recorded through the Statement of Income and Expenditure and Retained Revenue Reserves based on the attributable proportion of the reported fund net assets using the latest audited or management accounts available. Fund net assets are derived from the fair value of underlying investments. The guidelines followed by the Fund Managers in arriving at the valuations of underlying investments are in accordance with the relevant accounting standards of each fund and with the International Private Equity and Venture Capital Valuation (IPEV) guidelines where applicable.

Gains and Losses

Realised gains and losses for change in value of investments are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

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.

(h) Property, Plant and Equipment

Property, Plant and Equipment assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over their estimated useful lives as follows:

• Motor Vehicles	20% per annum
• Buildings	2% per annum
• Refurbishment to Existing Buildings	20% per annum
• Leasehold Improvements	20% per annum
• Fixtures & Fittings	25% per annum
• Computers	33% per annum
• Technical Equipment	25% per annum
• Land	0% per annum
• Artwork	0% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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

(i) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each year end. If there is objective evidence of impairment, an impairment provision is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

(j) Provision of Doubtful Debts

Trade Debtors

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

(k) Retirement Benefits

The Industrial Development (Forfás Dissolution) Act 2014 (No 13 of 2014), passed into law on 16 July 2014, made provision for the dissolution of Forfás and provided for the establishment of Enterprise Ireland as a separate legal employer (previously Enterprise Ireland staff were seconded from Forfás). In accordance with the legislation:

(i) Enterprise Ireland established its own Retirement Benefits scheme (funded annually on a pay as you go basis from monies provided by the Department of Enterprise, Trade and Employment). Enterprise Ireland staff who were members of the Forfás Retirement Benefits schemes joined the new Enterprise Ireland Retirement Benefits scheme on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer.

(ii) Enterprise Ireland is responsible for the Retirement Benefits costs of staff who retire after 31 July 2014.

(iii) The Department of Enterprise, Trade and Employment assumes legal responsibility for the existing Forfás Retirement Benefits schemes, existing Enterprise Ireland pensioners and former staff with preserved benefits.

Enterprise Ireland also operates the Single Public Services Retirement Benefits Scheme (Single Scheme), which is the defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

Retirement Benefits costs reflect retirement benefits earned by employees and are shown net of staff retirement benefits contributions which are remitted to the Department of Enterprise, Trade and Employment in respect of the main scheme and to the Department of Public Expenditure and Reform in respect of the Single Scheme. An amount corresponding to the retirement benefits charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge retirement benefits payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding

Notes to the Financial Statements for the Year Ended 31 December 2019

adjustment is recognised in the amount recoverable from the Department of Enterprise, Trade and Employment.

Retirement Benefits liabilities represent the present value of future retirement benefits payments earned by staff to-date. Deferred retirement benefits funding represents the corresponding asset to be recovered in future periods from the Department of Enterprise, Trade and Employment.

Retirement Benefits scheme liabilities are measured on an actuarial basis using the projected unit credit method.

(l) Leases

Operating leases

As lessor

Leases where Enterprise Ireland retains substantially all the risks and benefits of ownership after entering into the lease agreement are classified as operating leases. The carrying value of the leased assets are recorded in the Statement of Financial Position and accounted for in accordance with the accounting policy for Property, Plant and Equipment. Rental Income is recognised on a straight line basis in the Statement of Income and Expenditure and Retained Revenue Reserves.

As lessee

Rental expenditure under operating leases is charged to the Statement of Income and Expenditure and Retained Revenue Reserves on a straight-line basis over the lease period except where there are rental increases linked to expected general inflation, in which case these increases are recognised when incurred.

(m) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the date of the Statement of Financial Position. 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 Statement of Income and Expenditure and Retained Revenue Reserves.

(n) Critical Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affects the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effects on amounts recognised in the Financial Statements.

Non-Traded Financial Fixed Assets - Seed and Venture Capital Funds

The value of Financial Fixed Assets (Seed and Venture Capital Funds) that are not traded in active markets is determined by using valuation techniques applied by the Fund Managers who exercise judgement in selecting a variety of methods and make assumptions that are mainly based on observable data and conditions existing at each reporting date. The guidelines followed by the Fund Managers in arriving at the valuations are in accordance with the relevant accounting standards of each fund and with the International Private Equity and Venture Capital Valuation (IPEV) guidelines where applicable.

COVID-19 is a constantly developing situation as at the date of approval of these financial statements and continues to cause disruption to many companies. The valuations presented as at 31 December 2020 reflect any impacts of COVID-19 based on the Fund Manager's best assessment and the information available at the reporting date.

Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the Financial Statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms of the retirement benefits and post-retirement plans.

The assumptions can be affected by:

(i) the discount rate, changes in the rate of return on high-quality corporate bonds

(ii) future compensation levels, future labour market conditions

Impairment of Assets

- Other Investments

Other Investments are measured at cost less impairment at the reporting date. Indicators of impairment are based on a review process using the latest audited or management accounts of the investee companies or other relevant business information. If there is evidence of impairment, an impairment provision is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year. Where there is evidence that the previous impairment provision no longer applies, those provisions are reversed.

- Public Benefit Entity Concessionary Loans

Repayable grants are classified as Public Benefit Entity (PBE) Concessionary loans. PBE Concessionary loans are reviewed annually for indicators of impairment based on the repayment history of the grantee and management's view of the collectability of the debt. A specific provision is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves where the repayment of the debt is doubtful.

2. Oireachtas Grants - Department of Enterprise, Trade and Employment (Vote 32)

The Oireachtas Grants voted to Enterprise Ireland from the Department of Enterprise, Trade and Employment as shown in the financial statements consist of:

	Notes	Subhead	2020 €'000	2019 €'000
Grant for Financial Supports to Industry		A7.2	108,382	34,925
Grant for Local Enterprise Offices	5(a)	A8	79,388	37,845
Grant for Promotion and Administration Expenditure		A7.1	80,208	80,267
Grant for Capital Equipment		A7.3	1,500	1,800
Grant for Restart Grant Scheme		A7.4	652,000	-
Science & Technology Development Programme		B4.1	127,293	126,741
Disruptive Technologies Innovation Fund		B9	19,300	15,415
			<u>1,068,071</u>	<u>296,993</u>

The grant for Promotion and Administration expenditure of €80.208m is stated net of employee retirement benefits contributions totalling €2.397m, €2.039m remitted to the Department of Enterprise, Trade and Employment in respect of Enterprise Ireland's staff retirement benefits scheme and €0.358m remitted to the Department of Public Expenditure and Reform in respect of the single service retirement benefits scheme.

3. Funding from Other Government Departments

	Notes	2020 €'000	2019 €'000
National Training Fund - (Department of Education and Skills) Vote 28		3,500	3,500
LEO Online Trading Voucher Scheme - (Department of Communications, Climate Action & Environment) Vote 29 Subhead A5		20,439	1,961
Food Capital Investment Scheme- (Department of Agriculture, Food and the Marine) Vote 30 Subhead C4	3(a)	557	250
Public Service Innovation Fund (Department of Public Expenditure & Reform) Vote 11 Subhead B6	3(b)	50	-
		<u>24,546</u>	<u>5,711</u>

(a) Food Capital Investment Scheme

The Food Capital Investment Scheme was approved by Government in 2018 for the food and drinks industry to support initiatives in the areas of improved efficiency, enhanced production and capital investment. This funding is provided by the Department of Agriculture, Food and the Marine.

(b) Public Service Innovation Fund

The Public Service Innovation Fund is a competitive fund that aims to support innovative ideas from across public service organisations with funding available up to €0.060m per project. Projects should have a strong focus on outcomes, impacts, scalability, transferability and learning within the Public Service. Collaboration between Public service organisations is encouraged.

Notes to the Financial Statements for the Year Ended 31 December 2020

4. Own Resources

	2020 €'000	2019 € '000
Dividend Income	2,804	3,826
Public Benefit Entity Concessionary Loan Interest	11	-
Financial Support Refunds	2,853	1,170
Fee Income	4(a) 2,242	3,741
Rental Income - Office Sub-letting	667	576
Other Income	4 (b) 1,143	1,080
	<u>9,720</u>	<u>10,393</u>

In accordance with Enterprise Ireland's accounting policy, Dividend income is recognised when the right to receive payment has been established, it is probable the income will be received and the amount can be measured reliably. Enterprise Ireland was notified in 2020 that 27 (2019 - 28) companies with Dividends outstanding amounting to €1.443m (2019- €1.179m) had been formally liquidated/dissolved. As a result this amount is not collectable.

In accordance with Enterprise Ireland's accounting policy, Financial Support Refund income is recognised when it is probable the cash will be received and the amount can be measured reliably . Financial Supports become repayable if certain circumstances, as set out in the letter of offer, occur such as liquidation/dissolution. During 2020, Financial Support Refunds of €2.853m (2019- €1.170m) were received. Enterprise Ireland was notified in 2020 that 3 (2019 - 4) companies with Financial Support refundable amounting to €0.083m (2019 - €1.010m) had been formally liquidated/dissolved. As a result this amount is not collectable.

(a) Fee Income

Professional Services
Market Project Income

	2020 €'000	2019 € '000
Professional Services	1,657	1,143
Market Project Income	585	2,598
	<u>2,242</u>	<u>3,741</u>

(b) Other Income

Contribution to Central Overheads by Other Organisations
Contribution to Education in Ireland
Other

	2020 €'000	2019 € '000
Contribution to Central Overheads by Other Organisations	137	158
Contribution to Education in Ireland	636	730
Other	370	192
	<u>1,143</u>	<u>1,080</u>

Education in Ireland is the umbrella brand for marketing the Irish higher education and the English Language Sectors internationally. During 2020 contributions to Education in Ireland of €0.557m (2019- €0.544m) were made by the Department of Education and Skills and contributions of €0.079m (2019- €0.186m) were made by third level institutions.

5. Financial Support to Industry

	Notes	2020 €'000	2019 € '000
(i) Company Development			
Employment		10,567	12,873
Fixed Asset Support		22,644	28,903
Technology Infrastructure		205	160
Marketing and Knowledge Transfer Support		14,013	21,990
Feasibility		2,760	2,376
Management Development and Training		10,028	8,104
Consultancy Grants		4,003	999
Sustaining Enterprise Fund- Business Plan Grants	5(c)	29,150	-
Community Enterprise Centres		2,311	151
Regional Enterprise Development Fund		7,145	6,022
SME Regional Innovation & Tech Clusters		1,234	-
		<u>104,060</u>	<u>81,578</u>
(ii) Third Parties			
Business Innovation Centres		2,200	2,200
Design and Crafts Council of Ireland		3,544	3,185
Local Enterprise Offices	5(a)	102,226	42,794
Restart Grant Scheme	5(b)	645,651	-
		<u>753,621</u>	<u>48,179</u>
(iii) Science & Technology Development			
Transforming R,D&I Activity in Enterprise	5(d)	30,683	24,712
Industry Collaboration with Third-Level Sector	5(e)	49,171	47,025
Realising the Commercial Potential of Ireland's Research Community	5(f)	26,719	27,534
Disruptive Technologies Innovation Fund	5(g)	20,702	14,911
		<u>127,275</u>	<u>114,182</u>
Charged to the Statement of Income and Expenditure and Retained Revenue Reserves		<u>984,956</u>	<u>243,939</u>
Financial Support to Industry Capitalised on the Statement of Financial Position			
Investments in Shares	5(h) / 17(c)	28,466	26,140
Investments in Convertible Loan Notes	17(d)	4,325	-
Seed and Venture Capital Funds	17(a)	38,968	46,700
Public Benefit Entity Concessionary Loans	18	37,250	3,084
		<u>1,093,965</u>	<u>319,863</u>

Notes to the Financial Statements for the Year Ended 31 December 2020

(a) Local Enterprise Offices

Local Enterprise Offices (LEOs) operate in each Local Authority where they deliver a range of grant support and capability development functions to the micro-enterprise sector on behalf of Enterprise Ireland. Enterprise Ireland has a dedicated LEO centre of excellence to carry out the functions agreed between the Department of Enterprise, Trade and Employment and Enterprise Ireland. The role of this unit is to provide a range of supports to the LEOs which enhances the impact of the LEOs on the development of micro-enterprise and small business, increasing their effectiveness and efficiency. The supports provided include strategic, administrative, technical and financial support. The LEOs as the first stop shop for enterprise were on the frontline supporting business during the Covid-19 crisis. Additional capital funding €59m was allocated to the LEOs, €55m to deliver the Covid-19 schemes namely: the Business Continuity Voucher Scheme, an expanded Trading Online Voucher Scheme and the Client Stimulus Scheme and €4m to mitigate the efforts of Brexit in the Border Region.

(b) Restart Grant Scheme

On 15th May 2020, the Government announced the Restart Grant Scheme, to give direct grant aid to micro and small businesses to help them with the costs associated with reopening and reemploying workers following Covid-19 closures. The Scheme is administered by the Department of Enterprise, Trade and Employment who are responsible for general oversight of the Scheme in accordance with the Government Decision, for ongoing review of the Scheme and for the allocation of funding for the Scheme to the Local Authorities. Enterprise Ireland is responsible for paying the approved funding under the Scheme to each Local Authority and for accounting for the funding in accordance with the payment instruction received from Department of Enterprise, Trade and Employment. The Local Authority is responsible, within its area, for processing all applications, issuing payment approvals and for the payment of grants to qualifying businesses under the Scheme.

(c) Sustaining Enterprise Fund

In 2020 the Government approved the Sustaining Enterprise Fund supporting undertakings affected by the economic repercussions of the Covid -19 outbreak. The Fund operates under an EU Commission approved Scheme ("the Scheme") within the Temporary Framework for State Aid Measures to support the economy in the current Covid-19 outbreak. The objective of the scheme is to sustain businesses, while ensuring that they are still viable during, and after, the impact of Covid-19. Furthermore, the scheme seeks to address a sudden shortage or unavailability of liquidity and also to preserve the continuity of economic activity through supporting undertakings facing financial difficulties as a consequence of the Covid-19 outbreak. Total payments in 2020 under the Sustaining Enterprise Fund to Enterprise Ireland clients were €74.4m and are included in the client supports listed in the table below:

	Included in Notes	2020 € '000
Business Plan Grant	5	29,150
Investments in Shares	17(c)	5,178
Investments in Convertible Loan Notes	17 (d)	4,025
Repayable Advances	18	34,141
Loan Notes	18	1,920
		<u>74,414</u>

(d) Transforming R,D&I Activity in Enterprise

This activity comprises the following sub-measures: R&D Fund, which provides support for research, development and technological and business innovation relevant to all stages of company development and Innovation Management, which supports the provision of training and consultancy to companies in the areas of R&D and the management of innovation.

(e) Industry Collaboration with 3rd Level Sector

This activity comprises the following sub-measures: Technology Gateways, which provides for the support of applied research networks in Institutes of Technology, aimed at building sufficient scale to allow them to make an impact on industry in their locality firstly and nationally secondly; Innovation Partnerships, which supports joint R&D projects involving client companies of all Irish development agencies and colleges, where the bulk of the R&D is carried out within a third level institute or a public research organisation; Technology Centres, which supports the establishment and maintenance of centres aimed at developing close interactions with companies (large and small/SME and MNC) with the intention of transferring knowledge and skills about technologies of direct relevance to business; International Collaboration, which provides support for Horizon 2020 related activities in the third-level sector; Innovation Vouchers, which facilitates company access to knowledge providers in the third level colleges and New Frontiers programme, which provides training, support and mentoring to entrepreneurs who wish to accelerate the development of their new business.

(f) 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; 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 Incubators, which supports the cost of building and management of incubator centres associated with Universities and Institutes of Technology to encourage the spin-off of technology and the structured collaboration between firms in the locality and the college.

(g) Disruptive Technologies Innovation Fund (DTIF)

This activity is a unique R&D funding mechanism from the Department of Enterprise, Trade and Employment and administered by Enterprise Ireland. It is aimed at collaborative projects of scale (>€2 million) where the applicants can be the best mix of Irish based MNC, SME and Academic researchers required to deliver a disruptive solution for the market in the medium term. It can be in any combination of applicant except that each project must include at least one SME.

(g) Investments in Shares

The investment in shares refers to 170 undertakings (2019 -197).

6. Disbursements to Other State Agencies

	Notes	2020 €'000	2019 €'000
Údarás na Gaeltachta			
R&D Fund	5(d)	1,288	855
Financial Support to Industry		164	-
Sustaining Enterprise Fund		2,330	-
		<u>3,782</u>	<u>855</u>

7. Administration, Operation and Promotion

	Notes	2020 €'000	2019 €'000
Remuneration and Other Pay Costs	7(a)	64,845	62,675
Board Members' Emoluments (Including CEO Remuneration)		335	366
Travelling Expenses		1,361	5,726
Rents, Rates, Service Charges and Insurance		9,335	8,901
Repairs, Maintenance and Leasing Charges		624	842
Light, Heat and Cleaning		708	962
Printing, Postage and Stationery		389	542
Communication and IT Costs		3,480	3,023
Professional Fees		3,397	3,071
Advertising and Marketing		2,755	2,324
Audit Fee		87	87
Other Operating Expenses		821	903
Property, Plant and Equipment Below Capitalisation Threshold	7(e)	607	487
		<u>88,744</u>	<u>89,909</u>

Notes to the Financial Statements for the Year Ended 31 December 2020

(a) Remuneration and Other Pay Costs

Salaries

Salaries	
Overtime	
Allowances	

Other Staff-related Costs

Employer's Contribution to Social Welfare	
Employer's Contribution to Pension Schemes	
Staff Training and Development	
Recruitment/Relocation Costs	
Other Staff Related Costs	

	2020 €'000	2019 €'000
Salaries	58,225	55,665
Overtime	25	36
Allowances	605	623
Other Staff-related Costs		
Employer's Contribution to Social Welfare	3,888	3,677
Employer's Contribution to Pension Schemes	274	174
Staff Training and Development	817	1,221
Recruitment/Relocation Costs	858	872
Other Staff Related Costs	153	407
	64,845	62,675

Recruitment and Relocation costs are mainly associated with the reassignment of staff in the Overseas/Regional Office Network. Other Staff related costs include: Canteen subvention, Staff members professional subscriptions (subject to BIK), Employee Assistance Programme, Health Screening and Retirement Planning.

The total staff employed (whole time equivalents (WTE)) as at 31 December 2020 was 775 (2019- 768).

(b) Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range from	To	Number of Employees 2020	Number of Employees 2019
€60,000-	€69,999	88	87
€70,000-	€79,999	88	81
€80,000-	€89,999	90	123
€90,000-	€99,999	113	79
€100,000-	€109,999	30	20
€110,000-	€119,999	17	17
€120,000-	€129,999	7	5
€130,000-	€139,999	2	-
€140,000-	€149,999	3	3
€150,000-	€159,999	3	4
€160,000-	€169,999	3	2
€170,000-	€179,999	3	-
€180,000-	€189,999	1	1

Note: For purposes of this disclosure, short -term employees benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee, but exclude employer's PRSI.

(c) Additional Superannuation Contribution

During 2020, €1.968m (2019- €2.075m) in additional superannuation contributions were deducted from the staff of Enterprise Ireland and paid over to the Department of Enterprise, Trade and Employment. During 2020, the Design and Crafts Council of Ireland deducted additional superannuation contributions from their staff amounting to €0.021m (2019-€0.009m). These deductions were paid to Enterprise Ireland who in turn forwarded them to the Department of Enterprise, Trade and Employment.

(d) Key Management Personnel Compensation

The total compensation paid to key management personnel in 2020 amounted to €834,740 (2019- €678,244). Key management personnel consists of the CEO, the members of the Board and three Executive Directors. The members of the Board do not receive any post employment or termination benefits. Standard public sector retirement benefit arrangements apply to the CEO and the three Executive Directors.

The CEO Remuneration package for 2020 was made up as follows: annual basic salary €189,610, standard public sector retirement benefits arrangements and a company car subject to benefit in kind (€12,375). The Chief Executive Officer did not receive any performance related payment in 2020.

(e) Property, Plant and Equipment Assets Below the Capitalisation Threshold

Expenditure on assets with an individual cost below the capitalisation threshold of €2,500 is expended in the Statement of Income and Expenditure and Retained Revenue Reserves in the year of purchase.

8. Retirement Benefits Scheme

- (a) The Industrial Development (Forfás Dissolution) Act 2014 (No 13 of 2014) passed into law on 16 July 2014, made provision for the dissolution of Forfás and provided for: the establishment of Enterprise Ireland as a separate legal employer; Enterprise Ireland developing its own retirement benefits scheme noting that staff who were members of the Forfás retirement benefits Scheme join the new Enterprise Ireland Scheme on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer and Enterprise Ireland accounting for the associated Retirement Benefits Liabilities. The Department of Enterprise, Trade and Employment assumes legal responsibility for the existing Forfás retirement benefits schemes, pensioners and former staff with preserved benefits. Enterprise Ireland has responsibility for the retirement benefits costs of staff retiring from Enterprise Ireland post 31 July 2014, under the Industrial Development (Forfás Dissolution) Act 2014.

Scheme	Staff Covered	Type
Enterprise Ireland	(a) Staff recruited by the former Forfás up to 5 April 1995 who became pensionable after that date , (b) Staff recruited by the former Forfás after 5 April 1995, (c) A small number of staff previously covered by the FÁS / AnCo Schemes, (d) A small number of staff previously covered by the Shannon Free Airport Development Co. Ltd Superannuation Scheme. (e) A small number of staff previously covered by the County and City Enterprise Board Schemes.	Unfunded Defined Benefit both Contributory and Non Contributory
	Former IDA staff and those recruited by the former Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Contributory Defined Benefit funded until 31/12/2009 see note (a.2)
	Former Eolas staff (other than those covered by the former NBST scheme below) and those recruited by the former Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Unfunded Non Contributory Defined Benefit
	A small number of former NBST staff serving on 31/12/1987	Unfunded Contributory Defined Benefit
	A small number of former Irish Goods Council staff serving on 31 August 1991	Contributory Defined Benefit funded until 31/12/2009. See note (a.2)
	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

Notes to the Financial Statements for the Year Ended 31 December 2020

(a.1) Enterprise Ireland also has responsibility for the retirement benefits costs of staff who are members of the single public service pension scheme (single scheme).

(a.2) Under the Financial Measures (Miscellaneous Provisions) Act 2009 the assets of the two funded retirement benefits schemes were transferred to the National Pension Reserve Fund on 31 December 2009. The retirement benefits schemes associated with these two funds continue in force for existing members with no impact on benefits or associated provisions for members. Employer and employee contributions for these schemes are remitted to the Exchequer and retirement benefits costs at retirement are now paid by Oireachtas Grant subhead A7-1.

(b) Retirement Benefits Disclosure under FRS 102

Financial Reporting Standard 102 (FRS 102) requires financial statements to reflect at fair value the assets and liabilities arising from an employer's superannuation obligations and any related funding, and to recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

(c) Analysis of Total Retirement Benefits Charge

	2020 €'000	2019 € '000
Service Costs	16,952	15,228
Interest on Retirement Benefits Scheme Liabilities	5,818	8,422
Employee Contributions	<u>(2,397)</u>	<u>(2,439)</u>
	<u>20,373</u>	<u>21,211</u>

(d) Net Deferred Funding for Retirement Benefits in year

	2020 €'000	2019 € '000
Funding recoverable in respect of current year retirement benefits cost	22,770	23,650
Funding to pay retirement benefits	<u>(5,469)</u>	<u>(5,666)</u>
	<u>17,301</u>	<u>17,984</u>

	2020 €'000	2019 €'000
(e) Retirement Benefits Obligations		
made up of:		
Present Value of Retirement Benefits Schemes' Liabilities	(572,754)	(509,449)
Change in Retirement Benefits Schemes' Liabilities		
Present Value of schemes' obligations at start of year	(509,449)	(446,440)
Current Service Cost	(16,952)	(15,228)
Interest Costs	(5,818)	(8,422)
Payments to pensioners	5,469	5,666
Experience gains/(loss) on Retirement Benefits Obligations	(9,808)	2,576
Change in assumptions underlying the present value of retirement benefits Liabilities	(36,196)	(47,601)
Present value of schemes' obligations at end of year	<u>(572,754)</u>	<u>(509,449)</u>

Enterprise Ireland recognises as an asset an amount corresponding to the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described below and a number of past events. These events include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service. Enterprise Ireland has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The deferred funding asset for retirement benefits at 31 December 2020 amounted to €572.754m. The quantification of the liability is based on the financial assumptions set out in Note 8 (f). The assumptions used, which are based on professional actuarial advice, are advised to the Department of Enterprise, Trade and Employment.

- (f) The valuation used for FRS 102 disclosures has been based on a full actuarial valuation at 31 December 2020. The financial assumptions used to calculate scheme liabilities under FRS 102 as at 31 December 2020 were as follows:

	Projected Unit 2020	Projected Unit 2019
Valuation Method:		
Discount Rate	0.80%	1.15%
Future Salary Increases	2.90%	2.95%
Future Retirement Benefits Increases	2.40%	2.45%
Inflation Rate	1.40%	1.45%
Weighted average life expectancy for mortality tables used to determine benefit obligations at:		
Member age 65 (Current life expectancy in years)		
	Male	21.7
	Female	24.1
Member age 45 (life expectancy at age 65 in years)		
	Male	24.0
	Female	26.1

(g) Funding Retirement Benefits

Payments for unfunded obligations are expected to amount to €5.33m in 2021.

Notes to the Financial Statements for the Year Ended 31 December 2020

9. Movement in Value of Fixed Assets

	Notes	2020 €'000	2019 €'000
Depreciation of Property, Plant and Equipment	16	662	446
Movement in Fair Value of Seed and Venture Capital Funds	17(a)	(75,791)	(10,292)
Movement in Fair Value of Quoted Investments	17(b)	(1,405)	(12)
Provision for the impairment in the Value of Unquoted Investments	17(c)	20,976	21,713
Reduction in Value of Investments - Write Offs re: Companies Liquidated/dissolved	17(c)	26	169
		<u>(55,532)</u>	<u>12,024</u>

10. Movement in Value of Public Benefit Entity Concessionary Loans

	Notes	2020 €'000	2019 €'000
Write-offs for the Year	18	425	1,010
Movement in Provision for doubtful debts for the Year	18	(732)	(585)
		<u>(307)</u>	<u>425</u>

11. Profit on disposal of Fixed Assets (net)

The Profit on Disposal of Financial Fixed Assets comprises:

	2020					
	Original Cost €'000	Previous Provision for Impairment €'000	Net Book Amount €'000	Fair Value Carrying Amount €'000	Sale Proceeds €'000	Profit/ (Loss) on Disposal net €'000
Financial Fixed Assets:						
Seed and Venture Capital Funds	-	-	-	46,107	65,696	19,589
Investments in Shares - Quoted	-	-	-	-	-	-
Investments in Shares - Unquoted	17,810	4,739	13,071	-	37,180	24,109
	<u>17,810</u>	<u>4,739</u>	<u>13,071</u>	<u>46,107</u>	<u>102,876</u>	<u>43,698</u>
	2019					
	Original Cost €'000	Previous Provision for Impairment €'000	Net Book Amount €'000	Fair Value Carrying Amount €'000	Sale Proceeds €'000	Profit/ (Loss) on Disposal net €'000
Financial Fixed Assets:						
Seed and Venture Capital Funds	-	-	-	29,414	35,385	5,971
Investments in Shares - Quoted	-	-	-	138	223	85
Investments in Shares - Unquoted	26,224	7,029	19,195	-	62,290	43,095
	<u>26,224</u>	<u>7,029</u>	<u>19,195</u>	<u>29,552</u>	<u>97,898</u>	<u>49,151</u>

Funds in the amount of €2.180m (2019 - €1.225m) re disposal of investments were held by third parties in escrow on Enterprise Ireland's behalf at the reporting date. In accordance with Enterprise Ireland's accounting policy, these fund will be recognised when Enterprise Ireland receives the funds.

12. Contribution to/ (from) the Exchequer

Contribution to the Exchequer relates to excess Own Resource Income earned over the amount sanctioned by the Department of Enterprise, Trade and Employment. Own Resource Income consists of proceeds from sale / redemption of shares, dividend income, grant refunds, disposal of capital equipment & professional fees.

	2020 €'000	2019 € '000
Excess Proceeds over amount sanctioned by the Department of Enterprise, Trade and Employment		
Own Resource Capital Income	4,676	9,217
Refund of Oireachtas grant - Local Enterprise Offices	-	17
Refund of unused Restart Grant Scheme Funds	6,348	-
	<u>11,024</u>	<u>9,234</u>

13. Capital Account

	Notes	2020		2019	
		€'000	€'000	€'000	€'000
Opening Balance			457,708		444,522
Net Movements on:					
Property, Plant and Equipment	16	(120)		672	
Investments in Shares	17	(4,202)		(15,064)	
Convertible Loan Notes	17	4,325		-	
Seed and Venture Capital Funds	17	68,653		27,578	
Transfer from the Statement of Income and Expenditure and Retained Revenue Reserves			68,656		13,186
Closing Balance			<u>526,364</u>		<u>457,708</u>

The Capital Account represents monies invested in Property, Plant and Equipment, Shares in quoted and unquoted companies, Convertible Loan Notes, and Investments in Seed and Venture Capital Funds.

14. State Advances Account

	Notes	2020 €'000	2019 € '000
Opening Balance		11,565	12,220
Recoverable grants paid by LEOs	18	1,113	3,084
Transfer to the Statement of Income and Expenditure and Retained Revenue			
Reserves in respect of Public Benefit Entity Concessionary Loans	18	34,037	(3,739)
Closing Balance		<u>46,715</u>	<u>11,565</u>

The State Advances Account represents monies advanced to Enterprise Ireland and CEB (dissolved)/LEO client companies by way of repayable financial support, and which is still outstanding, less a provision for doubtful debts.

Notes to the Financial Statements for the Year Ended 31 December 2020

15. 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 Statement of Income and Expenditure and Retained Revenue Reserves. 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.

16. Property, Plant and Equipment

	Land, Buildings & Leasehold Improvements €'000	Motor Vehicles €'000	Fixtures, Fittings, Computers & Artwork €'000	Total €'000
Cost				
At 1 January 2020	29,931	258	4,912	35,101
Additions	394	-	149	543
Disposals	-	-	(760)	(760)
At 31 December 2020	30,325	258	4,301	34,884
Depreciation				
At 1 January 2020	28,670	199	4,348	33,217
Charge for Year	434	19	209	662
Disposals	-	-	(760)	(760)
At 31 December 2020	29,104	218	3,797	33,119
Net Book Amount				
At 31 December 2020	1,221	40	504	1,765
At 31 December 2019	1,261	59	564	1,884

17. Financial Fixed Assets

The carrying amount of Enterprise Ireland's financial assets are summarised by category below

Financial Assets measured at Fair Value

Seed and Venture Capital Funds
Investments in Quoted Shares

Financial Assets measured at Cost less Impairment

Investments in Unquoted Shares
Convertible Loan Notes

Total Financial Fixed Assets

Notes	2020 €'000	2019 €'000
17 (a)	391,429	322,777
17 (b)	4,243	2,838
17 (c)	124,652	130,209
17 (d)	4,275	-
	<u>524,599</u>	<u>455,824</u>

(a) 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:

Fair Value Carrying Amount

At 1 January
Additions
Disposals
Gain/(Loss) on fair value movement during the year
At 31 December

	2020 €'000	2019 €'000
At 1 January	322,777	295,199
Additions	38,968	46,700
Disposals	(46,107)	(29,414)
Gain/(Loss) on fair value movement during the year	75,791	10,292
At 31 December	<u>391,429</u>	<u>322,777</u>

The fair value of the investments in the Seed and Venture Capital funds were determined using a mix of fair value techniques employed by the Fund Managers.

Notes to the Financial Statements for the Year Ended 31 December 2020

(b) Investments in Quoted Shares

Listed Investments consist of shares of quoted companies on a recognised stock exchange. The Fair Value of listed Investments was determined with reference to the quoted market price at the reporting date. The fair value of the listed shares at 31 December 2020 was €4.243m (2019 - €2.838m).

Fair Value Carrying Amount

	2020 €'000	2019 €'000
At 1 January	2,838	2,916
Shares reclassified from Unquoted to Quoted - Cost	-	300
Shares reclassified from Unquoted to Quoted - Impairment	-	(252)
Additions	-	-
Disposals	-	(138)
Gain/(Loss) on Fair Value movement during the year	1,405	12
At 31 December	<u>4,243</u>	<u>2,838</u>

The fair value movement in 2020 relates to a fair value gains on shares held in Eqtec PLC, VR Educational Holdings PLC, Zutec PLC, & Integumen PLC and fair value losses in shares held in Kollekt on Demand Holdings AB .

(c) Investments in Unquoted Shares

Cost

	Notes	2020 €'000	2019 €'000
At 1 January		331,139	340,324
Shares reclassified from Unquoted to Quoted		-	(300)
Convertible Loan Note converted to Equity		50	-
Additions		28,466	26,140
Disposals		(17,810)	(26,224)
Write-Offs re companies liquidated/dissolved	9	(7,340)	(8,801)
At 31 December		<u>334,505</u>	<u>331,139</u>

Provision for Impairment in Value

At 1 January		200,930	195,130
Shares reclassified from Unquoted to Quoted		-	(252)
Release of Disposals		(4,739)	(7,029)
Release of Write-Offs re: companies liquidated/dissolved	9	(7,314)	(8,632)
Increase in provision		20,976	21,713
At 31 December		<u>209,853</u>	<u>200,930</u>

Net Book Amount

At 31 December		<u>124,652</u>	<u>130,209</u>
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(d) Investments in Convertible Loan Notes

	Notes	2020 €'000	2019 €'000
Cost			
At 1 January		-	-
Additions		4,325	-
Conversion to Shares		(50)	-
At 31 December		<u>4,275</u>	<u>-</u>
Provision for Impairment in Value			
At 1 January		-	-
Increase in provision		-	-
At 31 December		<u>-</u>	<u>-</u>
Net Book Amount			
At 31 December		<u>4,275</u>	<u>-</u>

18. Public Benefit Entity Concessionary Loans

Repayable grants are classified as public benefit entity concessionary loans i.e. loans which are granted for the purpose of furthering the objectives of the public benefit entity. The repayable grants issued by Enterprise Ireland and the local Enterprise offices to client companies are non repayable on demand and are granted at below the prevailing market rate of interest or interest free.

The following concessionary loans were held by Enterprise Ireland at year end

	CEB/LEO Repayable Financial Support €'000	Repayable Financial Support €'000	Provision for Doubtful Debts €'000	Total €'000
Opening balance as at 1 January 2020	12,687	703	(1,825)	11,565
Repayable Supports paid to companies	1,113	36,137	-	37,250
Accrued and unpaid Interest re PBE's	-	11	-	11
Repayable grants received from companies	(2,317)	(101)	-	(2,418)
Write offs for the year	(392)	(33)	-	(425)
Movement in Provision for the year	-	-	732	732
Net movement for the year	<u>(1,596)</u>	<u>36,014</u>	<u>732</u>	<u>35,150</u>
Closing balance as at 31 December 2020	<u>11,091</u>	<u>36,717</u>	<u>(1,093)</u>	<u>46,715</u>
Receivable within 12 months	2,212	417	(1,093)	1,536
Receivable after 12 months	8,879	36,300	-	45,179
Total Due	<u>11,091</u>	<u>36,717</u>	<u>(1,093)</u>	<u>46,715</u>

Notes to the Financial Statements for the Year Ended 31 December 2019

19. Receivables

Amounts falling due within one year:

Trade Debtors

Prepayments and Accrued Income

VAT Recoverable

Payroll Deductions

Other Debtors

	2020 €'000	2019 €'000
	288	985
	3,089	2,016
	170	-
	11	-
	598	930
	4,156	3,931

In April 2010, the Minister for Finance established the Credit Review Office (CRO) as a simple and effective review process for small and medium-sized enterprises (SMEs), sole traders and farm enterprises that have been refused credit from banks participating in the NAMA scheme, and to examine credit policy to assist the Minister in deciding what future actions may be necessary to increase the flow of credit. The Credit Review Office (CRO) is hosted by Enterprise Ireland and all costs are recovered from the participating banks. At 31 December 2020 Enterprise Ireland was owed €0.156m (2019 - €0.254m) (included in Other Debtors) for temporary working capital.

20. Payables - Amounts falling due within one year

Trade Creditors

Accruals

Financial Support Creditors

VAT Payable

Payroll Deductions

Professional Services Withholding Tax Due

Contribution to the Exchequer

Contract Advance Payments

Other

	2020 €'000	2019 €'000
	742	1,840
	7,224	6,163
	107	70
	-	247
	-	1,133
	177	185
	6,656	9,234
	3,038	4,249
	35	35
	17,979	23,156

21. Commitments

(a) Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €7.372m (2019 - €6.988m). Payments under Operating Leases on Buildings amounting to €7.053m are due to be made in 2021. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2020 €'000	2019 €'000
not later than one year	7,053	7,250
later than one year and not later than five years	18,717	18,140
later than five years	20,224	23,768
	<u>45,994</u>	<u>49,158</u>

(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 €725m (2019- €534m).

(c) Seed and Venture Capital Funds

It is estimated that future payments likely to arise from Seed & Venture Capital Funds commitments entered into under various contractual agreements will amount to €149m (2019- €147m).

(d) Capital Commitments

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

22. Property

(a) Freehold Land and Buildings

Enterprise Ireland owns Land and Buildings at the following locations:

Location	Net Book Value as at 31.12.20 €'000	Net Book Value as at 31.12.19 €'000
Athlone	-	-
Cork	10	10
Dundalk	-	-
Galway	-	-
Glasnevin	-	-
Shannon	-	-
Sligo	-	-
Waterford	-	-
	<u>10</u>	<u>10</u>

Notes to the Financial Statements for the Year Ended 31 December 2020

(b) Leasehold property

Enterprise Ireland leases office space at the following locations:

Location

Head Office - Dublin

East Point (P4A)

East Point (P4C)

Regional Offices

Letterkenny

Tralee

Westpark - Shannon

Overseas Offices

Amsterdam

Beijing

Boston

Brussels

Chicago

Copenhagen

Dubai

Dusseldorf

Hong Kong

Istanbul

Johannesburg

London

Lyon

Manchester

Melbourne

Milan

Mumbai

Munich

Paris

San Francisco

Seattle

Toronto

Vietnam

Expiry Date	Break Clause	Annual Rental €'000
2031	2027	1,388
2031	2027	1,388
2021		29
2029		49
2028	2022	430
2025	*	88
2021	**	159
2024		100
2021		60
2021		83
2021		30
2021	*	98
2026	*	127
2021		83
2020		
2021	**	38
2026	*	487
2021		24
2021		14
2021		28
2024	*	96
2028		100
2021		39
2028		352
2021		86
2022		42
2026	**	113
2021		56

Through memorandums of understanding Enterprise Ireland rents office space from the Department of Foreign Affairs & Trade in the locations listed below.

Location	Expiry Date	Break Clause	Annual Premium €'000
Austin			74
Budapest			15
New York		**	684
Madrid			59
Moscow			35
Prague			36
Riyadh			12
Sao Paulo			32
Seoul			74
Shanghai			49
Singapore			88
Stockholm			50
Sydney			98
Tokyo			103
Warsaw			57
Total			7,053

* Includes rent paid re the sublet of office space to other agencies.

** Includes rent paid re the sublet of incubator space for client companies.

23. Related Parties -Disclosure of Transactions

Key management personnel in Enterprise Ireland consist of the CEO, the members of the Board and the three executive directors. Total compensation paid to key management personnel, amounted to €0.835m (2019 - €0.678m). For a breakdown of the remuneration and benefits paid to key management personnel please refer to Note 7 (d).

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

The Board members and Enterprise Ireland complied with the Department of Finance guidelines covering situations of personal interest. 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.

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.

Approval and payments of Financial Support and other transactions that were made in the year to companies by which Board Members are employed or otherwise associated are detailed below. This includes shareholdings in financial institutions that have an interest in Seed and Venture Capital Funds in which Enterprise Ireland is an investor.

These are detailed as follows:

	2020 €'000	2019 € '000
Financial Support Approved	14,780	3,931
Financial Support Paid	16,490	13,067
Research Institutes Support Approved	10,478	13,486
Research Institutes Support Paid	23,036	23,229
Seed and Venture Capital Investments Approved	-	15,000
Seed and Venture Capital Investments Paid	9,597	12,498
Seed and Venture Capital Investments Receipts	9,274	5,767
Grants paid to Local Authorities	30,078	1,323
Payments to Suppliers	1,888	1,506
Other Income Received	10,350	459

24. Comparative Amount

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

25. Events after the Reporting Date

There are no events between the reporting date and the date of approval of these financial statements that require adjustment to the financial statements.

The Board recognises that the Covid-19 pandemic continues to be a significant event. While the impact of Covid-19 on the financial position of Enterprise Ireland is currently uncertain, the Board is monitoring the situation, in conjunction with management, on an ongoing basis.

The Board considers that as the entity provides a public service that is funded by moneys provided by the Exchequer, via its parent department (Department of Enterprise, Trade and Employment), it is appropriate to prepare these financial statements on a going concern basis.

26. Approval of Financial Statements

The financial statements were approved by the Board of Enterprise Ireland on 12th May 2021.

Enterprise Ireland Office Network

Region/Office		Telephone	Address
HEAD OFFICE	Dublin	+(353 1) 727 2000	The Plaza, East Point Business Park, Dublin 3, D03 E5R6
NATIONAL HQ FOR ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT	Shannon	+(353 61) 777 000	4500 Atlantic Avenue, Westpark, Shannon, Co Clare, V14 Y177
REGIONAL NETWORK			
DUBLIN/MID EAST	Dublin	+(353 1) 727 2000	The Plaza, East Point Business Park, Dublin 3, D03 E5R6
MIDLANDS	Athlone	+(353 90) 648 7100	Dublin Road, Athlone, Co. Westmeath, N37 NX72
NORTH EAST	Dundalk	+(353 42) 935 4400	Finnabair Industrial Park, Dundalk, Co. Louth, A91 RYY1
NORTH WEST	Sligo	+(353 71) 915 9700	Finisklin Business Park, Sligo, F91 VK3V
	Letterkenny	+(353 74) 916 9800	CoLab, Port Road, Letterkenny, Co Donegal, F92 CPX7
MID WEST	Shannon	+(353 61) 777 000	4500 Atlantic Avenue, Westpark, Shannon, Co Clare, V14 Y177
	Tralee	+(353 66) 714 9394	13/14 Denny Street, Tralee, Co Kerry, V92 XY5C
SOUTH/SOUTH EAST	Cork	+(353 21) 480 0200	Industry House, Rossa Avenue, Bishopstown, Cork, T12 WCH2
	Waterford	+(353 51) 333 500	Waterford Industrial Park, Cork Road, Waterford, X91 K46F
WEST	Galway	+(353 91) 735 900	Mervue Business Park, Galway, H91 XE9N
OVERSEAS OFFICE			
NORTH AMERICA	Austin	+(1 512) 792 5499	515 Congress Ave, Suite 1750, Austin, TX 78701, USA
	Boston	+(1 617) 292 3001	535 Boylston St, 5th Floor, Boston, 02116 MA, USA
	Chicago	+(1 312) 881 7331	455 N Cityfront Plaza Drive, NBC Tower, Suite 3030, Chicago, Illinois, USA
	New York	+(1 212) 371 3600	345 Park Avenue, 17th Floor, New York, NY 10154-0037, USA
	Seattle	+(55 11) 3149 7650	1201 Third Avenue, Level 23, Seattle, WA 98101, USA
	San Francisco	+(1 650) 250-1231	650 California street, 7th Floor, San Francisco, CA 94108, USA
	Toronto and Montreal	+(1 416) 934 5033	1 University Avenue, Suite 1604, Toronto, ON M5J 2PI, Canada
MIDDLE EAST, AFRICA & SOUTH AMERICA	Dubai	+ (971 4) 3760 400	15th Floor, Office 15A, The H Hotel Office Tower, No. 1, Skeikh Zayed Road, PO Box 115425, Dubai, United Arab Emirates (UAE)
	Johannesburg	+(27 87) 1600364	24 Fricker Road, Illovo, Sandton 2196, South Africa
	Riyadh	+(966 1) 1 407 1570	c/o Embassy of Ireland, Diplomatic Area, PO Box 94349, Riyadh 11693, Kingdom of Saudi Arabia
	Sao Paulo (Brazil)	+(55 11) 3149 7650	Alameda Santos, 787, conjunto 61, Cerqueira Cesar – São Paulo, CEP 01419-001, Brazil

Enterprise Ireland Office Network

Region/Office	Telephone	Address
EUROPE		
Amsterdam	+(31 20) 676 3141	World Trade Center, Strawinskylaan 1351, 1077 XX Amsterdam, The Netherlands
Brussels	+(32 2) 673 9866	Sablon Tower 14th floor, Rue Joseph Stevens 7, Jozef Stevensstraat, Bruxelles 1000 Brussel, Belgium
Budapest	+(36 1) 301 4950	Bank Center, Gránit torony, 1054 Budapest, Szabadság tér 7, Hungary
Copenhagen	+ (46 7) 09 900 353	KLP New Corporate Community, Orestad City, Copenhagen, Denmark
Dusseldorf	+(49 2) 11 470590	Derendorfer, Allee 6, 40476 Dusseldorf, Germany
London	+(44 207) 438 8700	2nd Floor, Shaftesbury House, 151 Shaftesbury Avenue, London, WC2H 8AL, UK
Lyon	+(33 0) 428 6786 89	23 Rue Crepet, 69007, Lyon, France
Madrid	+(34 91) 4364 086	Casa de Irlanda, Paseo de la Castellana 46 - 3, 28046 Madrid, Spain
Manchester	+(44 0) 161 638 8716	Bruntwood Ltd, Business Centre Lowry House, Manchester
Milan	+(39 02) 8800991	Via De Amicis 53, 20123 Milano, Italy
Moscow	+(7 495) 937 5943	C/O Embassy of Ireland, Grokholski pereulok 5, 129010 Moscow, Russia
Munich	+(49 1) 743 4540 23	Satellite Office, Ludwigstrasse 8, Munich
Paris	+(33 1) 5343 1200	27 Rue de Berri, 75008 Paris, France
Prague	+(420 2) 5719 9621	Trziste 13, 118 00 Prague 1 Czech Republic
Stockholm	+(46 8) 459 2160	Hovslagargatan 5, 4th Floor, SE-111 48 Stockholm, Sweden
Warsaw	+(48 22) 583 1200	Commercial Section, Embassy of Ireland - Enterprise Ireland, ulica Mysia 5, 00-496 Warszawa, Poland
ASIA PACIFIC		
Beijing	+(86 10) 8448 8080	C/O Commercial Section, Embassy of Ireland, C612A Office Building, Beijing Lufthansa Ctr., No. 50 Liangmaqiao Road, Chaoyang District, Beijing 100125, China
Hong Kong	+(85 2) 2845 1118	Room 504 (5/F), Tower 2 Lippo Centre, 89 Queensway, Admiralty, Hong Kong
Kuala Lumpur	+(60 3) 2167 8200	Ireland House, The AmpWalk, No 218, Jalan Ampang, Kuala Lumpur, WP Kuala Lumpur, 50450 Kuala Lumpur, Malaysia
Melbourne	+(61 1) 300 482 611	The Hub, 162 Collins Street, Melbourne, VIC 3000, Australia
Mumbai	+(91 22) 490 556 80	Commercial Section, Consulate of Ireland, The Executive Centre, Capital Building, Bandra Kurla Complex, Mumbai 400 051, India
Seoul	+(82 2) 721 7250	Ireland House, 13th Floor, Leema Building, 146-1 Susong-dong, Jongro-ku, Seoul 03152, Korea
Shanghai	+(86 21) 6010 1380	Consulate General of Ireland, Commercial Section, Suite 700A, West Tower, Shanghai Centre, 1376 Nanjing Road West, Shanghai 200040, China
Singapore	+(65 673) 32180	Ireland House, 541 Orchard Road #08-00, Liat Towers, Singapore 238881
Sydney	+(61 2) 9273 8514	Level 26, 1 Market Street, Sydney 2000, NSW, Australia
Tokyo	+(81 3) 3263 0611	Ireland House, 2-10-7 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan
Vietnam (Ho Chi Minh City)	+(84 28) 7302 8186/8144	65-67 Le Loi, District 1, Ho Chi Minh City, Vietnam

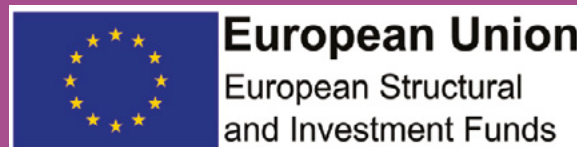


Enterprise Ireland, The Plaza, East Point Business Park, Dublin 3
Tel (01) 727 2000
www.enterprise-ireland.com

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