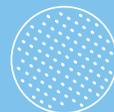




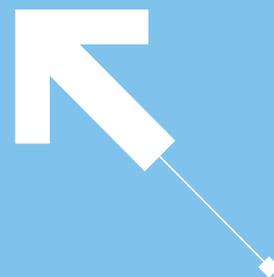
TRANSFORM



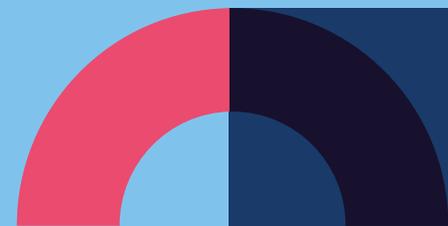
STRENGTHEN



ANNUAL REPORT & ACCOUNTS 2021



SCALE





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 2021.

Leo Clancy
Chief Executive Officer

Terence O'Rourke
Chairman

Front cover image:

Applications open for 14th cycle of Going for Growth programme for women entrepreneurs, supported by Enterprise Ireland and KPMG. Leo Clancy, Enterprise Ireland; Olivia Lynch, KPMG; Jeananne O'Brien, Artizan Food Co. and Anne Cusack, formerly Critical Healthcare.

About Enterprise Ireland

Our Mission

Accelerate the development of world-class Irish companies to achieve leading positions in global markets.

Our Vision 2030

Irish enterprises creating solutions for global challenges, delivering sustainable prosperity throughout Ireland.

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



10

Locations in Ireland



40

Locations Internationally

Strengthen, Transform, 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

Enterprise Ireland supports clients to accelerate global export growth and consolidate activity in the 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

2021 has proven to be a very successful year for businesses supported by Enterprise Ireland, despite the challenges of the pandemic, inflation and global supply chain disruption.

In 2021, the companies we support had exports of €27.292bn, a 12% year on year increase. This is our highest ever level of growth in export value, and increases were experienced across almost all sectors. Exports grew across all territories, with the UK increasing by 15% and the Eurozone increasing by 10%.

In overall business terms, Irish companies had a robust performance last year, with total sales (domestic and export) at €51.766bn, up 12%. In addition, companies supported by Enterprise Ireland increased the net jobs created in 2021 by 11,911, the highest ever jobs gain in a single year.

Given the rapidly evolving environments which enterprises are operating in, it has never been more important to support the ambition of Irish entrepreneurs and their teams, as their spirit and drive are the cornerstones of our local and national economies. And with the encouraging results from 2021, they have successfully proven their agility.

Start-Ups

Supporting companies on their growth journey ultimately means supporting local and national economies. That is why Enterprise Ireland invested more than €28 million in Irish start-ups

and supported 125 start-up companies in 2021. With the difficult circumstances of recent years taken into consideration, the resilience of this cohort of entrepreneurs has been remarkable. Enterprise Ireland supports innovative entrepreneurs at various stages of their growth journey as they work to build world-class businesses.

Our supports for Irish start-ups in 2021 included;

- 82 High Potential Start-Ups (HPSUs) approved for over €18m in funding, and 24 of these were women-led
- Of these 82 HPSUs, 12 emerged from academic research
- Over €2m approved for 43 companies under the Competitive Start Fund, of which 16 are women-led

End of Year Results

We were pleased to announce earlier in the year that net jobs created in companies supported by Enterprise Ireland increased by 11,911 in 2021, representing the highest ever annual increase. The jobs were created across a number of sectors, and, importantly for us, there was growth across all regions as more than two-thirds (68%) of these new jobs were outside of Dublin.

Total employment by companies supported by Enterprise Ireland in 2021 was 207,894. And, as

part of our new strategy, we want to create an additional 45,000 new jobs by 2024. Other key supports delivered by Enterprise Ireland in 2021 included;

- During 2021 over 350 companies were approved €61m in Covid related supports under Sustaining Enterprise Fund, ARF Fund and Business Financial Planning Grants
- 308 companies approved funding of more than €100,000 to support other projects in 2021

Funding & Investment

Enterprise Ireland last year led on the third call of the €175m Seed and Venture Capital (SVC) Scheme, with a focus on commercially managed funds targeting the Pre-Seed, Seed & Series A/ A+ stages, in important target sectors such as ICT, life sciences and industrial.

The overall objective of the SVC Scheme is to increase the availability of risk capital for start-ups to support economic growth through the continued development of the SVC industry in Ireland to achieve a more robust, commercially viable and sustainable sector. And last year, Enterprise Ireland invested €69m in venture capital/private equity funds.

In 2021, a number of funds to which we have made commitments had a first close, and additional funds have followed in 2022.

Enterprise Ireland invested:

- €15m in Redesdale Food Limited Partnership, a fund focused on investing in the future of food, beverage and nutrition companies.
- €15m in Delta Equity Fund IV Limited Partnership, a fund which will invest in seed and early-stage technology companies in Ireland.

Also, through the activities of the Halo Business Angel Network (HBAN), over €15m was invested across 47 deals in start-up and early-stage companies in Ireland.

Expanding reach

Enterprise Ireland supports clients to accelerate global export growth and to expand their footprint and reach in new markets. We work directly with clients through market and sector advisors based in 10 locations across Ireland and in our network of 40 international offices around the world.

In 2021, companies supported by Enterprise Ireland had export sales of €27.292bn.

Key results for clients included;

- 1,384 new contracts secured overseas with Enterprise Ireland assistance
- 480 new overseas presences established by Enterprise Ireland companies
- 6,035 client buyer meetings (including virtual meetings)

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, just 7% of our HPSUs included a woman on the founding team. In 2021, almost 30% of the HPSUs and 27% of CSFs supported by Enterprise Ireland were women-led.

Last September, Enterprise Ireland made available a dedicated €1m funding stream for women entrepreneurs as part of our Competitive Start Fund call. And, last November we launched 'The Level Project', aimed at helping businesses to develop gender-balanced teams leadership teams.

LEOs

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 2021, 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. This included over €24m in direct financial assistance approved for 1,088 business projects, with over 35,729 people employed by LEO client companies in 2021.

Research & Innovation

In the face of turbulent global markets and an accelerated pace of change, innovation remains key to the sustained competitiveness and enhanced productivity of Irish companies.

In 2021, Irish companies had an R&D spend of €1.36bn, up from €1.12bn in 2020. This represents a very significant validation of the drive to innovate and grow differentiation in global markets.

Key to the success of start-ups and enterprises in Ireland is the strong collaborative culture and ecosystem that exists here among academic institutes, investors, industry, R&D and public policy.

Enterprise Ireland's Research and Innovation Division plays a strong role in supporting the national innovation system, by driving the commercialisation of research and innovation between Irish industry and third-level institutions.

Spin-out companies provide a significant route to innovation, developing cutting-edge technology and intellectual property, and creating new high-value jobs. In 2021, there were 32 new spin-out companies from the research system.

Enterprise Ireland's Commercialisation Fund Programme is designed to de-risk research to the point where it can be commercialised as new products, services and/or companies. Last year, there were 41 research projects approved under this Fund.

Chairman and CEO Overview **CONTINUED**

Outlook

As we emerge into this new era, the world finds itself in a dynamic and ever-evolving landscape.

The ongoing war in Ukraine and a series of other potential challenges means there is a degree of instability for business, as well as other ongoing global challenges such as climate change and digitalisation.

There are also immediate concerns in the global and Irish economies in relation to inflation, skills availability and the changed trading relationship with the UK, all of which have the potential to impact on the competitiveness of the Irish enterprise base.

This is compounded for companies by the ongoing turmoil in global financial markets, which is affecting valuations and funding.

The strong results by Irish business in 2021 and the diversity of sectoral focus give a very strong basis for confidence in the ability of our firms to withstand challenges and continue to grow.

Our Objectives for 2022

During 2021, we developed a new corporate strategy 'Leading in a Changing World (2022-2024)', which will underpin our work for this period and will ensure that businesses of all sizes are assisted on their development journey from start-up to scaling.

In order to support companies on their scaling journey and realise their ambitions and goals, we have outlined five strategic ambitions and a number of objectives, including;

- +45,000 jobs new jobs created by 2024, two-thirds created outside of Dublin
- €30bn exports by 2024, with over 70% of exports outside of the UK
- Enterprise sector on track to achieving target of 29-41% reduction in emissions by 2030
- Enterprise expenditure in R&D to reach €1.4bn by 2024.

These remarkable results that we are delighted to share with you are a testament to the tenacity, brilliance and courage of Irish entrepreneurs, and we would like to thank them. The positive results are also a reflection of the dedication of our dynamic and hard-working Enterprise Ireland team both here in Ireland, and in our network of 40 offices around the globe.

We would also like to extend our gratitude to the Board of Enterprise Ireland for their continued support over the last year. And we would like to thank our colleagues in the Department of Enterprise, Trade and Employment, including Tánaiste and Minister for Enterprise, Trade and Employment Leo Varadkar TD, and his ministerial colleagues Damien English TD and Robert Troy TD, for their ongoing support in the championing of Irish enterprise.

These positive results are extremely encouraging, and we look forward to building on them and supporting Irish enterprises to continue to excel globally, as we implement our new strategy over the coming years.



Terence O'Rourke
Chairman

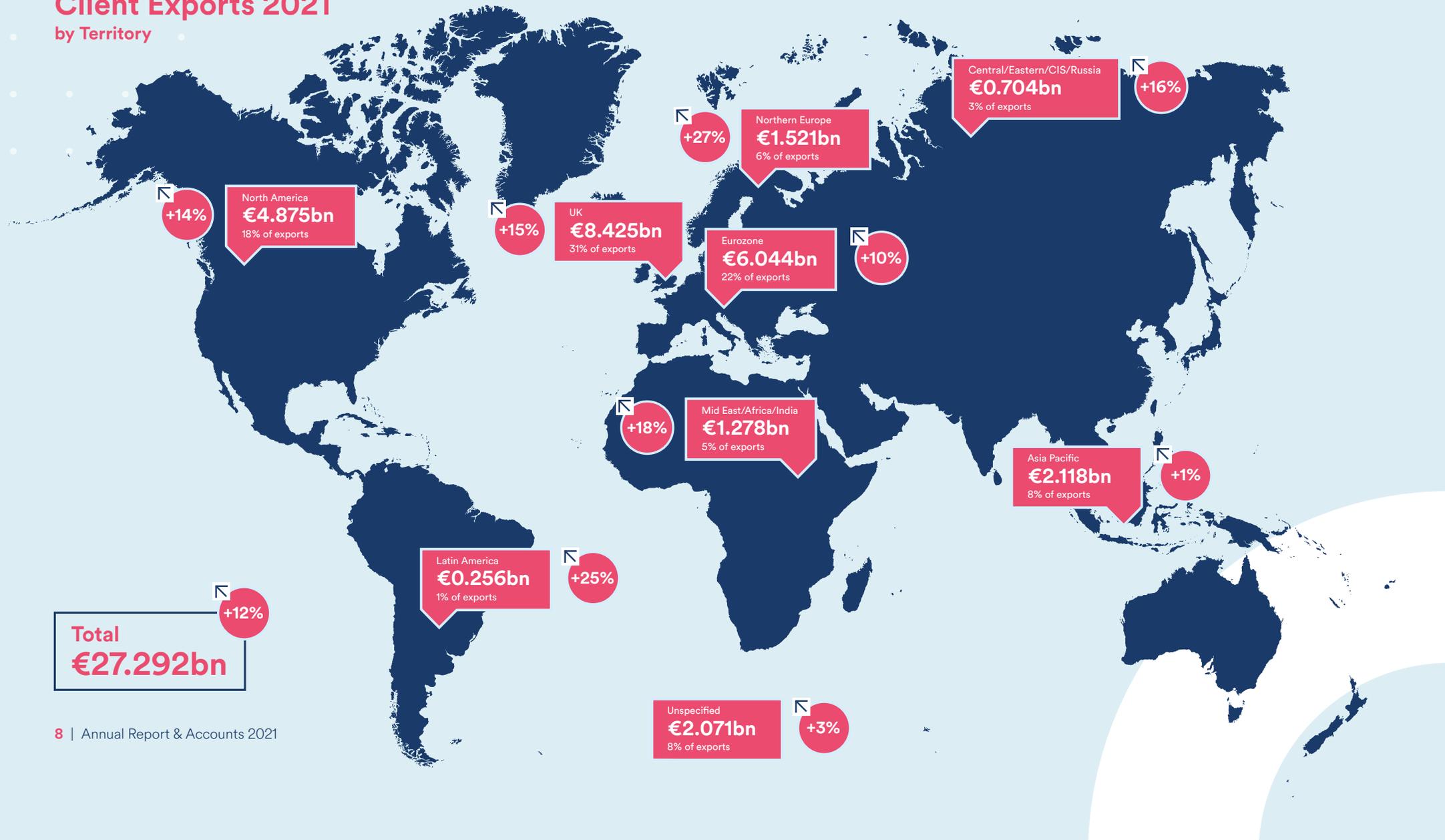


Leo Clancy
Chief Executive Officer

Strengthen, Transform, Scale

Client Exports 2021

by Territory



Strengthen, Transform, Scale

Employment Growth Per Region 2021



207,894
employed in Enterprise
Ireland client companies



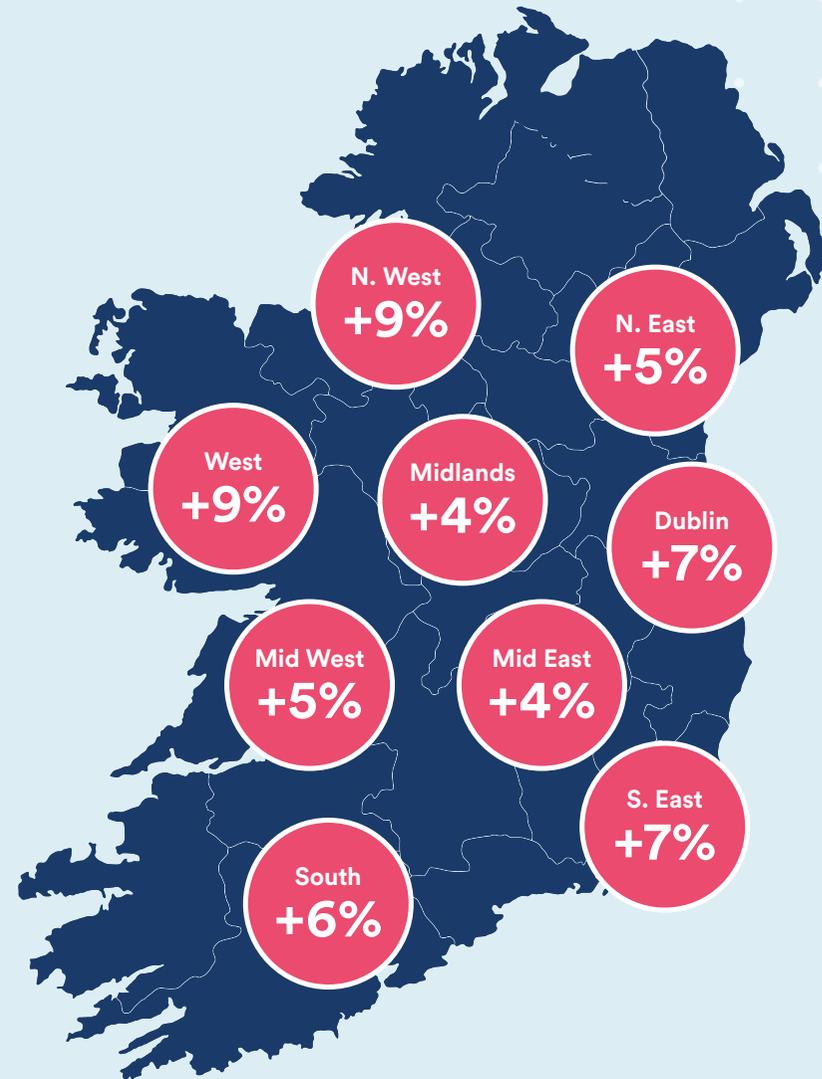
68%
total employment outside
of Dublin



+11,911
net change in employment



20,342
jobs created



Strengthen, Transform, Scale

High Potential Start-Ups (HPSUs)

In 2021 we approved 82 High Potential Start-Up (HPSU) investments and 43 Competitive Start Fund (CSF) investments, 45% of which were located outside Dublin. Enterprise Ireland approved funding of more than **€25m** to help HPSU companies achieve their international growth ambitions.

Within the start-up class of 2021:

- **40** women-led start-up companies were approved investment (**16** CSF and **24** HPSU)
- **12** HPSUs were commercialised in partnership with our third level research institutions
- **11** additional HPSUs received follow-on investment funding as their business scaled



82

High Potential Start-Ups Supported



43

New Competitive Start Funds (CSFs)



40

Women-led start-ups (16 HPSU and 24 CSF)



12

High Potential Start-Ups from third-level research

Enterprise Ireland's 2021 Start-Up Showcase

Kevin Sherry, Enterprise Ireland; Tánaiste Leo Varadkar and Jennifer Melia, Enterprise Ireland.

Start-Up Showcase
2021

Strengthen, Transform, Scale

Funding and Investment

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

Through our Investment Services team the third call for expressions of interest under the **Seed and Venture Capital Scheme in 2021 (2019–2024)** was made, with a focus on commercially managed funds targeting the Pre-Seed, Seed & Series A/A+ stages, in Enterprise Ireland target sectors including ICT, life sciences and industrial.

During 2021, a number of funds to which we have made commitments had a first close as shown below, with additional funds scheduled to follow in early 2022:

- **€15m in Redesdale Food Limited Partnership**, a fund focused on investing in the future of food, beverage and nutrition companies.
- **€15m in Delta Equity Fund IV Limited Partnership**, a fund which will invest in seed and early-stage technology companies in Ireland.

Additionally, an allocation of **€30m** was made available by Enterprise Ireland to the **Irish Innovation Seed Fund (IISF)**. The IISF initiative is seeking commercially focused VC funds that target the Pre-Seed and Seed stages of development, across all Enterprise Ireland supported sectors, including ICT, life sciences

and climate. This €30m investment leveraged an additional €30m investment from the EIF. This €60m investment will be managed by EIF and furthermore, ISIF will co-invest a further €30m alongside on a deal-by-deal basis to create a €90m Fund of Funds for companies at seed and early stage of their development.

Through the activities of the Halo Business Angel Network (HBAN), over **€15m** was invested across **47** deals in start-up and early-stage companies in Ireland, including LetsGetChecked, Vaultree and Strike.



Launch of the Redesdale Food Fund:

Tánaiste Leo Varadkar, Agnese Filippi, Coca-Cola, Nicola Nic Phaidin, Enterprise Ireland and John Conroy, CEO Redesdale Group

Strengthen, Transform, Scale

Support for the Irish Venture Capital Sector

To ensure access to risk capital 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 €3.3bn.
- In 2021, Enterprise Ireland invested €69m in venture capital private equity funds.
- In 2021, Enterprise Ireland received returns of €111m 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 2021, we made 680 new investments in 603 companies, totalling €83m. Of this, €45m relates to repayable advances under the SEF in 348 companies. These investments were matched by domestic and international investors.
- 2021 was another strong year for investment income generated by Enterprise Ireland's Equity Department, with €60.3m from share sales, share redemptions and dividends.
- At the end of the year, the Enterprise Ireland Direct Investment Portfolio held 3,640 investments in approximately 1,901 client companies.

Strengthen, Transform, Scale



Minister English announces opening of €2 million Enterprise Ireland Competitive Start Funds for 'All Sectors' and 'Women Entrepreneurs'

Jennifer Melia, Enterprise Ireland; Minister Damien English and Katie Farrell, SQUID.

Regions & Entrepreneurship

Driving enterprise development in all regions of Ireland is a strategic priority for Enterprise Ireland. Our vision under our Powering the Regions strategy is to ensure that all regions grow optimally based on their innate and unique strengths and capabilities, that all regions sustain and create regional jobs, and that all regions maximise their individual contribution to economic growth and national prosperity.

2021 was a positive year for regional job-creation with our results showing employment growth in every region of between 4% and 9%, and 68% of total jobs supported by Enterprise Ireland based outside of Dublin.

In 2021, an additional funding scheme - The Regional Enterprise Transition Scheme (RETS)– was launched to support projects previously supported under the Regional Enterprise Development Fund and Border Enterprise Development Fund. The RETS saw a further €10m committed to 24 regional and community-based projects focused on helping enterprises to adapt to the changing economic landscape due to Covid-19 and the UK's departure from the EU, in addition to projects supporting digitalisation and assisting in the transition to a green economy. These investments will help ensure the continued growth and development of economic activity in all regions now and into the future.

Strengthen, Transform, Scale

Local Enterprise Offices – Making It Happen

Through our Centre of Excellence, and in partnership with Local Authorities nationwide, we supported the 31 Local Enterprise Offices (LEOs) as the ‘first stop shop’ for expert advice, consultancy and supports for small businesses looking to start and grow.

In 2021 the Local Enterprise Office played a key role in sustaining small business as they continued to respond to Covid-19 and helped them to pivot, supporting new businesses born out of the pandemic.

LEO 2021 Performance:

- **35,729** employed by LEO clients
- **7,440** new jobs created by **7,158** client companies resulting in a net increase of **2,999** jobs
- **€24,041,848** in direct financial assistance approved for **1,088** business projects
- **4,450** small businesses were approved for Trading Online Vouchers
- **60,344** people were trained by LEO run programmes with **14,149** mentoring assignments completed.
- **5,854** people completed a LEO Start Your Own Business programme across the year



Leo Clancy, CEO Enterprise Ireland, Tánaiste Leo Varadkar, Padraic McElwee, Chair of the network of Local Enterprise Offices and AnnMarie Farrelly, Chief Executive, Fingal County Council and Chair of the CCMA Business Committee

- **449** companies learned how to work smarter and more efficiently through Lean for Micro
- **114** Local Enterprise Office-supported companies transitioned to Enterprise Ireland

Innovation

Enterprise Ireland has a critical role to play in the national innovation system to help build new disruptive start-ups.

- In 2021, there were 32 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 2021, 41 research projects were approved.
- Big Ideas 2021 took place in a hybrid format on the 11th of November. The event showcased 12 of the most promising spin-out companies emerging from the third level system in 2021 with the backing and support of Enterprise Ireland's team of commercialisation specialists. Of the 12 spin-outs selected seven had women co-founders, three were BioInnovate Programme related and four involved an Enterprise Ireland Business Partner cofounder.



Minister English announces winners of 2021 Enterprise Ireland Innovation Arena Awards, in partnership with the National Ploughing Association

Kevin Corley and Jennifer Corley, EquiTrace; Anna May McHugh, National Ploughing Association; Minister Damien English and James Maloney, Enterprise Ireland.

Strengthen, Transform, Scale

One-To-One Support

Supports that help individual companies engage in research, development and innovation

- **141** RD&I approvals **over €50k** to client companies
- **1,080** clients spent **€100k** or more on research and development (R&D) in **2021**
- **196** clients spent **€1m** or more on R&D in **2021**

In-Company R&D Performance

Under in-company R&D support a total of 123 grant approvals in excess of €50k were approved to Enterprise Ireland clients, of which 56 were approved under the Agile Innovation Fund. The Agile Innovation Fund supports R&D activity in Enterprise Ireland, Údarás na Gaeltachta and LEO clients of all sizes.

European Space Agency Contracts

The value of European Space Agency contracts placed in Ireland in 2021 was €19m, with €15.8m placed with 36 Irish companies,

14 of which were first time ESA contractors. This brings the total number of companies in Ireland engaging with ESA to over 90. A key trend in 2021 was the significant increase in the number of start-up companies securing development ESA contracts in support of their business development strategies.

Technology Gateways

The volume of work completed by the industry-focused Technology Gateways continues to grow year on year despite the impact of Covid-19. Since 2018, the current programme has now delivered over 3,500 projects for 2,350 companies.

In 2021, Enterprise Ireland launched a third and fourth 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. Over €12m was awarded for 61 pieces of equipment for the Technology Gateways and Technology Centres bringing the total Capital Equipment investment over the past three years to €27.6million for 157 items.

Launch of Ireland's first National Artificial Intelligence Strategy

Ken Finnegan, Tangent Centre; Carol Gibbons, Enterprise Ireland and Minister Robert Troy.



Strengthen, Transform, Scale

One-To-Many Supports

Helping clusters of companies to work together on RD&I technology centres

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. At the end of 2021 there were 569 companies involved with the 8 Technology Centres. In 2021, Enterprise Ireland approved a new phase of funding for two Technology Centres – Learnovate which provides expertise in the future of work and learning to help organisations transform employee, student and customer learning experiences, and Meat Technology Ireland which provides a strategic research and innovation base for the beef and sheep meat processing sector in Ireland.



1579

collaborative projects between companies and higher education researchers



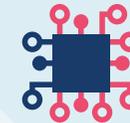
417

Innovation vouchers redeemed



59

companies were supported through the Innovation Partnership Programme, of which 28 are Enterprise Ireland clients.



499

industry-funded projects were completed with Technology Gateways.

Disruptive Technologies Innovation Fund

Enterprise Ireland continued to administer the Disruptive Technologies Innovation Fund (DTIF) on behalf of the Department of Enterprise, Trade and Employment, with Call 4 results expected to be announced in mid-2022. The DTIF focuses on the development and deployment of disruptive technologies and facilitates collaboration between Ireland's enterprises and our world class research system. The DTIF team in Enterprise Ireland continued to manage the portfolio of 72 projects approved to date under Calls 1-3.

Strengthen, Transform, Scale

Enterprise Ireland leads Ireland's successful engagement in Horizon 2020, the EU Programme for Research, Development and Innovation

Horizon Europe, the EU's €95.5bn successor Research & Innovation Framework programme to Horizon 2020, was launched in March 2021. Enterprise Ireland continues to lead and coordinate Ireland's National Support Team of National Delegates and National Contact Points (NCPs) from Enterprise Ireland, sister agencies and government departments with a view to maximising Ireland's participation and success in Horizon Europe. By the end of 2021, Irish researchers, start-ups, scale-ups and established companies (SMEs and larger) had been awarded €1.2bn in net EU contribution from Horizon 2020, with an application success rate of 14.73%. Ireland ranks 14th in terms of participation and 13th in terms of budget share.

Approximately 65% of the funding was awarded to higher education institutions, with private companies receiving 34% - a trend reflecting increasing participation of industry and SMEs in Framework programmes. Final results under Horizon 2020 are expected in 2022. The Horizon Europe programme will run until 2027 and will have three key pillars: (1) excellence in science (2) global challenges and European industrial competitiveness, and (3) Innovative Europe. Horizon Europe now also includes

five Missions - in cancer; adaptation to climate change including societal transformation; climate-neutral and smart cities; soil health and food; and healthy oceans, seas, coastal and inland waters. In line with Enterprise Ireland's strategy, future success in Horizon Europe will enable our clients to build on their existing capabilities, scale and create jobs.

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

The Knowledge Transfer Ireland (KTI) Unlocking Knowledge Transfer monthly webinar series continued throughout 2021. It proved a useful platform to engage with a wide range of stakeholders to provide information about all aspects of knowledge transfer and supports available throughout the Irish R&D system.

KTI delivered its first cross-channel marketing campaign across radio and digital channels to increase awareness of the business benefits of knowledge transfer and of the KTI resources available. Awareness amongst the business audience post campaign had risen from 22% to 38% with 62% of those familiar with KTI being likely to recommend its services.

Strengthen, Transform, Scale

Technology Transfer Strengthening Initiative

The Technology Transfer Strengthening Initiative (TTSI3) Managed Consultancy (MC) pilot programme and Lean Start-up (LS) pilot training programme concluded at the end of 2021. The MC pilot contributed to the successful establishment of managed consultancy units, which have extended the range of ways in which industry (and other organisations) can benefit from access to knowledge and expertise based on State funded research.

Maximising the Commercialisation of Public-Funded Research, we:

- Supported the emergence of **32** new spin-out companies from research performing organisations and **12** High Potential Start-ups from research.
- Supported the transfer of **177** commercially valuable technologies to companies in Ireland.

Client Management Development Division

Client Management Development delivered a range of customised programmes and supports focusing on building leadership strategic capabilities across our client base, with over 2,000 participants from across our client base. 338 senior leaders participated in leadership and strategy programmes

such as Leadership 4 Growth, Enter the Eurozone, Go Global 4 Growth and our High Potential Start-up Founders Forum. A further 1,475 managers were supported through our masterclass programmes, including Spotlight on Skills, Innovation Culture, Virtual Selling, Market Intelligence, Attracting & Retaining Talent, Customer Value Proposition and Product Management programmes.

Our mentor network programme successfully matched 353 new, early-stage and established companies with a mentor in 2021. 6,500 new users accessed eiLearn in 2021, Enterprise Ireland's digital learning platform. This elearning platform helps clients with key challenges when growing their business internationally.

In addition to Spotlight on Skills, we delivered other programmes to support client companies' workforce and skills planning. The Client Management Development (CMD) department managed the GradStart programme, supported client companies to navigate the work permit system, and represented Enterprise Ireland at national and regional skills steering groups with internal and external stakeholders. The team also published the fourth Future of Work Guide (Emerging Through Covid-19: The Future of Work). In 2021, a total of 433 participants completed one or more of the three Phases of the New Frontiers, Enterprise Ireland's national entrepreneurship programme. During that year 26 phase 1 programmes and 13 Phase 2 and Phase 3 programmes ran in partnership with 15 Institutes of Technology/Technological Universities.

Strengthen, Transform, Scale

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 2021 the Food FDI clients that we work with employed over 11,000 people across the country and exported €3.5bn 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.

Education In Ireland

Despite 2021 being the second year of the pandemic, Irish Higher Education Institutions (HEIs) achieved the highest levels of contribution from international students in their history. The reputation of Irish HEIs across the world is strong and has provided a solid platform to support this level of growth from across the world. It was another virtual year, with much of the recruitment activity being digital, supported by local in-market teams in HEIs and EI. 25 virtual education fairs and initiatives took place across Africa, Asia Pacific, North America, Latin America, the Middle East and other markets. The virtual nature of events has broadened the reach for Ireland's HEIs and has provided them with access to new markets.

Despite the challenges of the virtual world, HEIs grew their revenue from international students to over €500m, a 11% increase. The nature of internationalisation for HEIs has changed dramatically over the last two years, providing challenges but also providing opportunities to explore new technologies and approaches to support their ambition.

English language education, which largely remained closed to international students until October 2021, is now beginning to recover, with expectations of reaching 50-60% of 2019 levels in 2022. There is a pent-up demand with many schools taking bookings for the summer period, the limiting factor likely to be accommodation during 2022.

Strengthen, Transform, Scale

Supporting the Internationalisation of Irish Companies

- Export sales of **€27.292bn** in 2021
- **€6.044bn** exports to the Eurozone region (**22%** of Exports) in 2021
- **1,384** new contracts secured overseas with Enterprise Ireland assistance
- **480** new overseas presences by Enterprise Ireland companies
- **876** participants on 2021 Digital Marketing Masterclass
- Physical Trade Missions recommenced in Autumn 2021. **Six** in-market trade missions took place between September and December 2021 across the UK, North America, the Middle East and Europe
- Enterprise Ireland International Markets Week 2021 saw more than **700** companies meet **140** market advisors from 40 overseas offices in 1,600+ individual meetings virtually



North America trade visit – Official opening of Enterprise Ireland’s office in Montréal, Canada

John Boylan, Embassy of Ireland in Canada; Minister Robert Troy, Lydia Rogers and Sean Davis, Enterprise Ireland.

Strengthen, Transform, Scale



Food

€12.911bn

+6%



Engineering

€1.818bn

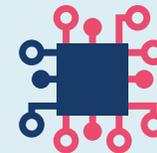
+14%



Timber

€0.498bn

+46%



Digital Technologies

€1.531bn

+21%



Electronics

€0.864bn

+15%



Education

€0.557bn

+8%



Consumer Retail

€1.090bn

+13%



Construction

€2.890bn

+24%

Strengthen, Transform, Scale

Enterprise Ireland Allocation of Funds 2021



€468m

Funding for Enterprise Development

€12m

Operations

€46m

Client services - Ireland Based

€90m

Funds provided to third-party agencies

€24m

Client services - Overseas

Funds provided to Third-Party Agencies

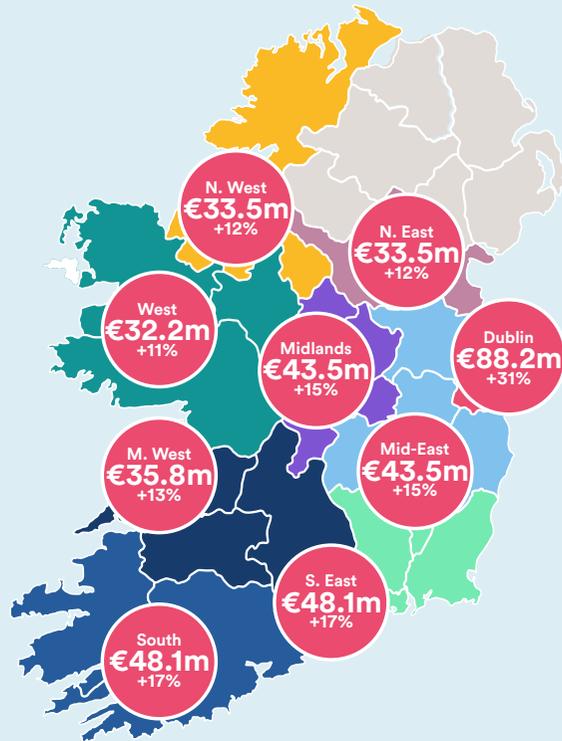
| | |
|--|--------|
| 1. Local Enterprise Offices | €60.1m |
| 2. Local Authorities (Small Business Aid Scheme for COVID / Restart Grant) | €21.5m |
| 3. Design & Crafts Council Ireland | €4.6m |
| 4. Business Innovation Centres | €2.2m |
| 5. Údarás na Gaeltachta (Sustaining Enterprise Fund) | €1.8m |

Total €90.2m

Strengthen, Transform, Scale

Breakdown Of Funding To Client Companies

By Region

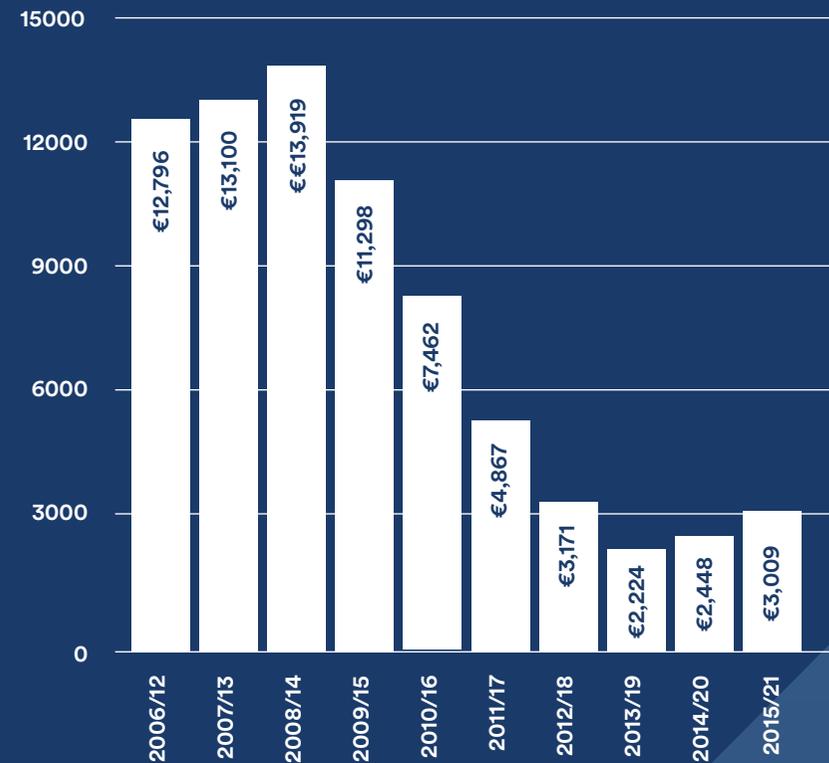


Includes: Grants for industry capability funding, research, development and innovation funding, and Beef and Sheepmeat Fund support.

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

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 Enterprise, Trade and Employment, 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 Enterprise, Trade and Employment, 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.enterprise-ireland.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.



| Details | Number | Value € | Percentage (%) of Number |
|---|--------|------------|-----------------------------|
| Number of payments made within 15 days | 5785 | 33,475,935 | 99% |
| Number of payments made within 16 days to 30 days | 49 | 194,203 | 1% |
| Number of payments made in excess of 30 days | 3 | 2,431 | 0% |
| Total payments | 5837 | 33,672,569 | 100% |

Period Covered: 01/01/2021-31/12/2021

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 above shows Enterprise Ireland's performance regarding the 15-day payment required during 2021.

Prompt Payment Code

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

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, EastPoint 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 2021.

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 2021, 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 50% energy reduction by the end of 2030. The agency reduced its energy usage by over **64% in 2021** 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. The Enterprise Ireland's head office buildings have a current display energy cert rating of C2 and D1.

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 Diversity and Inclusion (D&I) awareness programmes, Enterprise Ireland has established a dedicated D&I steering group to support and evolve the agency's D&I strategy.



Leo Clancy,
Chief Executive Office

Enterprise Ireland Board 2021

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 the Standards in Public Office Commission and to the Secretary. Enterprise Ireland fully complies with Government policy on the pay of chief executives and state body employees and with Government guidelines on the payment of fees to Board members.

Board members are appointed by the Minister for Enterprise, Trade 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 Chairperson 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 of 13th April 2022



Terence O'Rourke
(Chairman), Former Managing Partner, KPMG
Appointed: 1 August 2013
Reappointed: 1 August 2018



Leo Clancy
Chief Executive Officer of Enterprise Ireland
Appointed: 31 May 2021



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



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



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



Clodagh Cavanagh
CEO, Abbey Machinery Ltd.
Appointed: 3 January 2019



Lucinda Woods
Consultant
Appointed: 12 January 2022



James Woulfe
Former Chief Executive of Dairygold Co-Operative Society
Appointed: 12 January 2022



Pauline Mulligan
Assistant Secretary General in the Department of Enterprise, Trade and Employment
Appointed: 8 February 2022

Joe Healy is Secretary to the Board

Changes to the board during 2021/2022:

Julie Sinnamon, Retired: 28 May 2021
Declan Hughes, Retired: 8 February 2022
Geoff Meagher, Retired: 26 June 2021
Colum Horgan, Retired: 26 June 2021
John McMahon, Retired: 19 April 2022

Lucinda Woods, Appointed: 12 January 2022
James Woulfe, Appointed: 12 January 2022
Pauline Mulligan, Appointed: 8 February 2022
Leo Clancy, Appointed: 31 May 2021

Membership of Enterprise Ireland Management Committees as at 13 April 2022

Executive Committee

The Executive Committee was established by the Chief Executive Officer in 2022 to consider and agree actions on key strategic issues relating to the mandate of the agency.

Committee members:

Leo Clancy, CEO, Chair
Orla Battersby
Mark Christal
Stephen Creaner
Tom Cusack
Carol Gibbons
Joe Healy
Tom Kelly
Leo McAdams
Paul McKeown
Jennifer Melia
Kevin Sherry
Kathryn Whyte

The following members retired from the committee during 2021/2022:

Gearoid Mooney

Mairead Hennessy, Secretary to the Executive 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)
Alan Hobbs
Alexa Toomey
Anne Lanigan
Ciara Fitzpatrick
Declan Black
Keelin Fagan
Kevin Burke
Martin Corkery
Ross O'Colmain
Rowena Dwyer

The following members retired from the committee during 2021/2022:

Enda McDonnell
Jean O'Sullivan
Conor O'Donovan
Fergus McMahon
Imelda Lambkin
Niall McEvoy
Nicola NicPhaidin

Marina Profir, Secretary to the Management Approvals Committee

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:

Leo Clancy, (Chair) Chief Executive Office, 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
Paul Dixon – Private Sector

The following members joined the committee during 2021/2022:

Leo Clancy, Chief Executive Officer, Enterprise Ireland
Paul Dixon, Private Sector
The following members retired from the committee during 2021/2022:
Julie Sinnamon, (chairperson), Chief Executive Officer, Enterprise Ireland

Lucy Tsimba, Secretary to the Investment 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, 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
Leo McAdams, Divisional Manager Investment Services & Entrepreneurship, Enterprise Ireland
The following members retired from the committee during 2021/2022:
Nick Ashmore, CEO, Strategic Banking Corporation of Ireland, Private Sector
Lucy Tsimba, Secretary to the Seed and Venture Capital Funds Committee

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:

Stephen Creaner, (Chairperson), Executive Director, Enterprise Ireland

Jennifer Brennan, Technological Higher Education Association (THEA)

Mike Brosnan, Consultant

Carol Gibbons, Divisional Manager, Regions and Local Enterprise

Seamas Grant, Consultant

Lisa Keating, Irish Universities Association

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 retired from the committee during 2021/2022:

Gearóid Mooney, (Chairperson), Divisional Manager, Research and Innovation Division,

Enterprise Ireland

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

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 2021 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 2021 and of its income and expenditure for 2021 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
14 June 2022

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 annual 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.

I 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.

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.

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 9 February 2022.

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 2021.

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 is currently one vacancy.

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 |
| Leo Clancy | CEO | 31 May 2021 |
| Julie Sinnamon | CEO (ex) | 3 November 2013, Reappointed 3 November 2018, Retired 28 May 2021 |
| 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, Retired 26 June 2021 |
| Declan Hughes | Board Member | 4 September 2017, Retired 8 February 2022 |
| John Mc Mahon | Board Member | 26 March 2014, Re-Appointed 10 July 2017, Re-appointed 23 July 2021, Resigned 19 April 2022 |
| Geoff Meagher | Board Member | 15 October 2012, Re-Appointed 26 June 2020, Retired 26 June 2021 |

| Board Member | Role | Date Appointed |
|------------------|--------------|---|
| Helen Ryan | Board Member | 26 March 2014, Re-Appointed 10 July 2017, Re-appointed 23 July 2021 |
| Dave Shanahan | Board Member | 23 October 2015, Re-Appointed 18 July 2019 |
| Jim Woulfe | Board Member | 12 January 2022 |
| Lucinda Woods | Board Member | 12 January 2022 |
| Pauline Mulligan | Board Member | 8 February 2022 |

An external evaluation of the effectiveness of the Board was conducted in 2020 and the results were presented to the Board on the 9 December 2020 for review together with an action plan. An update on the Action Plan was presented to the Board at its meeting on 8 December 2021.

An internal evaluation of the effectiveness of the Board was conducted in December 2021. The results were presented to the Board at its meeting on 9 February 2022.

The Board met 19 times in 2021, 17 meetings and 2 workshops.

In 2021 the Board had established six sub-committees, as follows:

1. Board Advisory Subcommittee: Comprised of four non-executive Board members, one of whom was 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 Sub-committee were: Terence O'Rourke (Chairperson), Leo Clancy (CEO) Declan Hughes and Elaine Coughlan.

There was one meeting of the Board Advisory Subcommittee in 2021.

2. Audit and Risk Committee: Comprised of four non-executive Board members. The role of the

Audit and Risk Committee (ARC) was to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC was independent from the financial management of the organisation. The ARC ensured that the internal control systems including audit activities were monitored actively and independently. The ARC reported to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee were: Geoff Meagher (Chairperson), Colum Horgan, Helen Ryan and Clodagh Kavanagh. Geoff Meagher and Colum Horgan retired on 26 June 2021. On 7 July 2021 Helen Ryan was appointed Chairperson and Elaine Coughlan was appointed to the committee.

There were six meetings of the ARC in 2021.

3. Investment Portfolio Review Committee (IPRC): Comprised of two non-executive Board members appointed by the Board, one of whom was 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) was to oversee the management of Enterprise Ireland's Investment Portfolio.

The members of the Investment Portfolio Review Committee were: John Mc Mahon (Chairperson), Declan Hughes, Julie Sinnamon (CEO) (until April 2021) Leo Clancy (CEO) (from July 2021) and Paul McKeown (Executive Director & CFO). Michael Murphy (Consultant Private Sector) was appointed 10 March 2021.

There were eight meetings of the IPRC in 2021.

4. Strategy and Policy Committee: Comprised 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 were Terence O'Rourke (Chairperson), John Mc Mahon, Dave Shanahan, Conor Hanley and Helen Ryan.

The Committee meets as required. There were no meetings in 2021.

5. Performance and Resource Planning Committee: Comprised 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 2021.

6. Strategic Resource Review Committee: Comprised 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 were Geoff Meagher (Chairperson) (retired 26 June 2021), Julie Sinnamon (retired 28 May 2021), Declan Hughes and John McMahon.

The Committee meets as required. There were no meetings in 2021.

At its meeting on 9 February 2022, the Board approved a restructuring of its sub-committees to reflect the new Strategy of Enterprise Ireland, *Leading in a Changing World 2022-2024*.

Governance Statement and Board Members' Report

(Continued)

Schedule of Attendance, Fees and Expenses 2021

A schedule of attendance at the Board and Sub Committee meetings for 2021 is set out below:

| | Board | Board Advisory | Audit & Risk | IPRC | Strategy & Policy | Performance & Resource Planning | Strategic Resource Review | Fees 2021 € | Expenses 2021 € |
|--------------------|-------|-------------------|-----------------|------|----------------------|---------------------------------------|---------------------------------|-------------------|-----------------------|
| Number of meetings | *17 | 1 | 6 | 8 | – | 1 | – | | |
| Terence O'Rourke | 17 | 1 | | | – | 1 | | 20,528 | 898 |
| Julie Sinnamon | 9 | | | 2 | | | – | – | 762 |
| Leo Clancy | 8 | 1 | | 4 | | | | – | 7,305 |
| Elaine Coughlan | 17 | 1 | 2 | | | 1 | | 11,975 | – |
| Lisa Dillon | 17 | | | | | 1 | | 11,975 | – |
| Colum Horgan | 10 | | 3 | | | | | 5,781 | – |
| Declan Hughes | 17 | 1 | | 8 | | | – | – | – |
| John Mc Mahon | 17 | | | 8 | – | | – | 11,975 | – |
| Geoff Meagher | 10 | | 4 | | | | – | 5,781 | – |
| Helen Ryan | 16 | | 6 | | – | | | 11,975 | – |
| Dave Shanahan | 13 | | | | – | | | 11,975 | – |
| Conor Hanley | 17 | | | | – | | | 11,975 | – |
| Clodagh Cavanagh | 17 | | 6 | | | | | 11,975 | 465 |
| Total | | | | | | | | 115,915 | 9,430 |

*This includes 3 meetings held By Correspondence and the Board met on the 10 of March 2021 and on the 13 of October 2021 without executive Board members or management present.

Total expenses of €9,430 includes €5,402 paid directly to the Board members. The balance of €4,028 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 three Board members, Ms Julie Sinnamon (Retired CEO), Leo Clancy (Current 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.

Ms Sinnamon retired as CEO of Enterprise Ireland on 28 May 2021 and Mr Leo Clancy took up his appointment as the new CEO on 31 May 2021.

Mr Colum Horgan and Mr Geoff Meagher retired on 26 June 2021.

Mr Declan Hughes retired on 8 February 2022.

Mr John Mc Mahon Resigned 19 April 2022.

Mr Jim Woulfe and Ms Lucinda Woods were appointed on 12 January 2022.

Ms Pauline Mulligan, Assistant Secretary Department Enterprise, Trade and Employment, was appointed on 8 February 2022.

Disclosures required by 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 excludes operational functions provided by external experts.

| | 2021 € | 2020 € |
|--|----------------|------------------|
| Commercial & Technical Evaluation | 376,039 | 846,232 |
| Internal Audit, Risk Management & Programme Audits | 163,136 | 110,481 |
| Financial & Process Reviews | 38,463 | 82,256 |
| Legal | 231,940 | 195,416 |
| Other | 55,560 | 209,076 |
| Total Consultancy Costs | 865,138 | 1,443,461 |

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 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:

| | 2021 € | 2020 € |
|----------------------|----------------|------------------|
| Domestic | | |
| Board* | 5,989 | 9,964 |
| Employees | 365,335 | 676,989 |
| International | | |
| Board* | 3,441 | 1,865 |
| Employees | 176,222 | 527,714 |
| Total | 550,987 | 1,216,532 |

*Includes travel and subsistence of €5,402 paid directly to the Board members in 2021 (2020 – €615). The balance of €4,028 (2020 – €11,214) 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:

| | 2021 € | 2020 € |
|--------------------|---------------|---------------|
| Staff hospitality | 9,278 | 4,576 |
| Client hospitality | 70,671 | 86,892 |
| Total | 79,949 | 91,468 |

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 2021.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke,
Chairman

13 June 2022



Leo Clancy,
Chief Executive Officer

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 2021 and up to the date of approval of the financial statements.

Capacity to Handle Risk

Enterprise Ireland has an Audit and Risk Committee (ARC) normally comprising four Board members, with relevant expertise, one of whom is the Chair. The ARC met six times in 2021.

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, and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts

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.

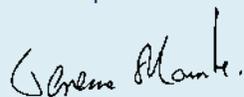
Non-Compliant Procurement

During 2021 expenditure of €197,675 was incurred in relation to goods and services with three 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. A Framework agreement is now in place for one of these cases and action is in progress to address the remaining two.

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 2021 on 13 April 2022.



Terence O'Rourke
Chairman

13 June 2022

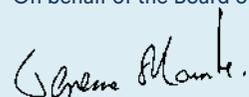
Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2021

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|----------------|------------------|
| Income | | | |
| Oireachtas Grants – Department of Enterprise, Trade & Employment | 2 | 581,777 | 1,068,071 |
| Funding from Other Government Departments | 3 | 3,500 | 24,546 |
| Own Resources | 4 | 18,461 | 9,720 |
| Net Deferred Retirement Benefits Funding | 8(d) | 15,722 | 17,301 |
| Profit on disposal/transfer of Fixed Assets (net) | 11 | 61,434 | 43,698 |
| TOTAL INCOME | | 680,894 | 1,163,336 |
| Expenditure | | | |
| Financial Support to Industry | 5 | 404,929 | 984,956 |
| Disbursements to Other State Agencies re Financial Support to Industry | 6 | 1,825 | 3,782 |
| Administration, Operation and Promotion | 7 | 86,869 | 88,744 |
| Retirement Benefits Costs | 8(c) | 20,213 | 20,373 |
| Movement in Value of Fixed Assets | 9 | (7,036) | (55,532) |
| Movement in Value of Public Benefit Entity Concessionary Loans | 10 | 4,945 | (307) |
| TOTAL EXPENDITURE | | 511,745 | 1,042,016 |
| Surplus before Appropriations | | 169,149 | 121,320 |
| Appropriations | | | |
| Contribution (to)/from the Exchequer | 12 | (116,673) | (11,024) |
| Transfer (to)/from the Capital Account | 13 | (10,577) | (68,656) |
| Transfer (to)/from the State Advances Account | 14 | (39,188) | (34,037) |
| Surplus/(Deficit) after Appropriations | | 2,711 | 7,603 |
| Balance Brought Forward at Start of Year | | 10,451 | 2,848 |
| Balance Carried Forward at End of Year | | 13,162 | 10,451 |

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

13 June 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Surplus/(Deficit) after Appropriations | 2,711 | 7,603 |
| Experience gain/(loss) on Retirement Benefits scheme liabilities | (516) | (9,808) |
| Change in assumptions underlying the present value of Retirement Benefits liabilities | (49,432) | (36,196) |
| Total Actuarial gain/(loss) in the year | (49,948) | (46,004) |
| Adjustment to deferred Retirement Benefits funding | 49,948 | (46,004) |
| Total Comprehensive Income for the year | 2,711 | 7,603 |

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

13 June 2022

Statement of Financial Position

As at 31 December 2021

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|---------------|---------------|
| Fixed Assets | | | |
| Property, Plant and Equipment | 16 | 2,304 | 1,765 |
| Financial | 17 | 534,219 | 524,599 |
| Total Fixed Assets | | 536,523 | 526,364 |
| Public Benefit Entity Concessionary Loans | 18 | 86,620 | 46,715 |
| Current Assets | | | |
| Receivables | 19 | 3,816 | 4,159 |
| Cash and Cash Equivalents | | 22,702 | 24,271 |
| | | 26,518 | 28,430 |
| Current Liabilities | | | |
| Payables (Amounts falling due within one year) | 20 | 13,356 | 17,979 |
| | | 13,162 | 10,451 |
| Net Current Assets | | | |
| Retirement Benefits Obligations | 8(e) | (638,424) | (572,754) |
| Deferred Funding Assets | 8(e) | 638,424 | 572,754 |
| Total Net Assets | | 636,305 | 583,530 |
| Representing | | | |
| Capital Account | 13 | 536,523 | 526,364 |
| State Advances Account | 14 | 86,620 | 46,715 |
| Retained Revenue Reserves | | 13,162 | 10,451 |
| | | 636,305 | 583,530 |

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

13 June 2022

Statement of Cash Flows

For the year ended 31 December 2021

| | Notes | 2021 €'000 | 2020 €'000 |
|---|-------|-----------------|----------------|
| Cash flows from Operating Activities | | | |
| Excess Income over Expenditure | | 169,149 | 121,320 |
| Adjustments for | | | |
| Dividends Receivable | | (4,034) | (2,804) |
| Interest Receivable | | (1,343) | (11) |
| Reduction in Value of Fixed Assets | | (7,036) | (55,532) |
| (Profit)/Loss on Disposal of Property, Plant & Equipment | | (12) | – |
| Profit on Disposal of Financial Fixed Assets | | (61,422) | (43,698) |
| (Increase)/Decrease in Value of Financial Incentive Assets | | 4,945 | (307) |
| (Increase)/Decrease in Receivables excluding Dividends | | 202 | (196) |
| Increase/(Decrease) in Payables excluding Contribution to the Exchequer | | 400 | (2,599) |
| Contribution to the Exchequer | | (121,695) | (13,602) |
| The effect of foreign exchange rate changes | | (282) | 203 |
| Net Cash Inflow from Operating Activities | | (21,128) | 2,774 |
| Cash flows from Investing Activities | | | |
| Payments to acquire Fixed Assets | | | |
| Property, Plant & Equipment | 16 | (1,268) | (543) |
| Financial: | | | |
| Investments in Shares | 17(c) | (27,774) | (28,466) |
| Convertible Loan Notes | 17(d) | (8,388) | (4,325) |
| Seed and Venture Capital Fund | 17(a) | (68,985) | (38,968) |
| Public Benefit Entity Concessionary loans made | 18 | (46,884) | (36,137) |
| Receipts from disposal of Fixed Assets | | | |
| Property, Plant & Equipment | 11(a) | 12 | – |
| Financial: | | | |
| Investments in Shares | 11(b) | 53,259 | 37,180 |
| Convertible Loan Notes | 11(b) | 415 | – |
| Seed and Venture Capital Fund | 11(b) | 110,623 | 65,696 |
| Public Benefit Entity Concessionary Loan Receipts | 18 | 4,044 | 2,418 |
| Net cash flows from Investing Activities | | 15,054 | (3,145) |
| Cash flows from Financing Activities | | | |
| Dividends received | | 4,175 | 2,772 |
| Interest received | | 48 | – |
| Net Cash flows from Financing Activities | | 4,223 | 2,772 |
| Net Decrease in Cash and Cash Equivalents | | (1,851) | 2,401 |
| Cash and Cash equivalents at the start of the year | | 24,271 | 22,073 |
| The effect of foreign exchange rate changes | | 282 | (203) |
| Cash and Cash equivalents at the end of the year | | 22,702 | 24,271 |

Notes to the Financial Statements

For the year ended 31 December 2021

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.

Dividend 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 (unquoted shares and Convertible Loan Notes) 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.

Notes to the Financial Statements

for the Year Ended 31 December 2021

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 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 continues to cause disruption to many companies and economic activities globally. The valuations presented as at 31 December 2021 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 | 2021 €'000 | 2020 €'000 |
|--|-------|---------|----------------|------------------|
| Grant for Financial Supports to Industry | | A7.2 | 228,074 | 108,382 |
| Grant for Local Enterprise Offices | 5(a) | A8 | 57,971 | 79,388 |
| Grant for Promotion and Administration Expenditure | | A7.1 | 84,829 | 80,208 |
| Grant for Capital Equipment | | A7.3 | 2,000 | 1,500 |
| Grant for Restart Grant Scheme | | A7.4 | – | 652,000 |
| Grant for SBASC Scheme | | A7.4 | 30,802 | – |
| Science & Technology Development Programme | | B4.1 | 152,057 | 127,293 |
| Disruptive Technologies Innovation Fund | | B8 | 26,044 | 19,300 |
| | | | 581,777 | 1,068,071 |

The grant for Promotion and Administration expenditure of €84.8m is stated net of employee retirement benefits €2.35m remitted to the Department of Enterprise, Trade and Employment in respect of Enterprise Ireland's staff retirement benefits scheme and €0.44m 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 | 2021 €'000 | 2020 €'000 |
|---|-------|---------------|---------------|
| National Training Fund – (Department of Further and Higher Education, Research, Innovation & Science) Vote 28 | | 3,500 | 3,500 |
| LEO Online Trading Voucher Scheme – (Department of Environment, Climate & Communications) Vote 29 Subhead A5 | | – | 20,439 |
| Food Capital Investment Scheme – (Department of Agriculture, Food and the Marine) Vote 30 Subhead C4 | 3(a) | – | 557 |
| Public Service Innovation Fund (Department of Public Expenditure & Reform) Vote 11 Subhead B6 | 3(b) | – | 50 |
| | | 3,500 | 24,546 |

(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 2021

4. Own Resources

| | Notes | 2021 €'000 | 2020 €'000 |
|---|-------|---------------|---------------|
| Dividend Income | | 4,034 | 2,804 |
| Convertible Loan Note Interest | | 1 | – |
| Public Benefit Entity Concessionary Loan Income | | 1,342 | 11 |
| Financial Support Refunds | | 2,340 | 2,853 |
| Restart Grants Scheme Refunds | 4(c) | 5,893 | – |
| Fee Income | 4(a) | 3,043 | 2,242 |
| Rental Income – Office Sub-Letting | | 684 | 667 |
| Other Income | 4(b) | 1,124 | 1,143 |
| | | <u>18,461</u> | <u>9,720</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 2021 that 22 (2020 – 27) companies with Dividends outstanding amounting to €1.112m (2020 – €1.443m) 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. Enterprise Ireland was notified in 2021 that 1 (2020 – 3) company with Financial Support refundable amounting to €0.199m (2020 – €0.083m) had been formally liquidated/dissolved. As a result this amount is not collectable.

(a) Fee Income

| | 2021 €'000 | 2020 €'000 |
|-----------------------|---------------|---------------|
| Professional Services | 2,044 | 1,657 |
| Market Project Income | 999 | 585 |
| | <u>3,043</u> | <u>2,242</u> |

(b) Other Income

| | 2021 €'000 | 2020 €'000 |
|--|---------------|---------------|
| Contribution to Central Overheads by Other Organisations | 96 | 137 |
| Contribution to Education in Ireland | 832 | 636 |
| Other | 196 | 370 |
| | <u>1,124</u> | <u>1,143</u> |

Education in Ireland is the umbrella brand for marketing the Irish higher education and the English Language Sectors internationally. During 2021 contributions to Education in Ireland of €0.650m (2020 – €0.557m) were made by the Department of Further Education, Research, Innovation and Science and contributions of €0.182m (2020 – €0.079m) were made by third level institutions.

(c) Restart Grant Scheme Refunds

The Local Authorities returned unspent Restart Grant Scheme funding during 2021 amounting to €5.893m. These Restart Grant Scheme refunds were used to fund a small number of other Local Authorities with Restart Grant Scheme commitments €0.298 (Note 5), with the balance returned to the Department of Enterprise, Trade and Employment €5.595m (Note 12).

Notes to the Financial Statements

for the Year Ended 31 December 2021



5. Financial Support to Industry

| | Notes | 2021 €'000 | 2020 €'000 |
|---|------------|----------------|------------------|
| (i) Company Development | | | |
| Employment | | 20,659 | 10,567 |
| Fixed Asset Support | | 16,664 | 22,644 |
| Technology Infrastructure | | 143 | 205 |
| Marketing & Knowledge Transfer Support | | 14,185 | 14,013 |
| Feasibility | | 2,638 | 2,760 |
| Management Development & Training | | 12,811 | 10,028 |
| Consultancy Grants | | 15,984 | 4,003 |
| Sustaining Enterprise Fund – Business Plan Grants | 5(d) | 46,465 | 29,150 |
| Accelerated Recovery Fund | 5(e) | 5,131 | – |
| Enterprise Centre Scheme | | 1,992 | 2,311 |
| Regional Development Funds | | 26,036 | 7,145 |
| SME Regional Innovation & Tech Clusters | | 512 | 1,234 |
| | | 163,220 | 104,060 |
| (ii) Third Parties | | | |
| Business Innovation Centres | | 2,200 | 2,200 |
| Design and Crafts Council of Ireland | | 4,594 | 3,544 |
| Local Enterprise Offices | 5(a) | 60,081 | 102,226 |
| Restart Grant Scheme | 5(b) | 298 | 645,651 |
| SBASC Scheme | 5(c) | 21,181 | – |
| | | 88,354 | 753,621 |
| (iii) Science & Technology Development | | | |
| Transforming R,D&I Activity in Enterprise | 5(f) | 38,113 | 30,683 |
| Industry Collaboration with 3rd Level Sector | 5(g) | 64,342 | 49,171 |
| Realising the Commercial Potential of Ireland's Research Community | 5(h) | 26,161 | 26,719 |
| Disruptive Technologies Innovation Fund | 5(i) | 24,739 | 20,702 |
| | | 153,355 | 127,275 |
| Charged to the Statement of Income and Expenditure and Retained Revenue Reserves | | | |
| | | 404,929 | 984,956 |
| Financial Support to Industry capitalised on the Statement of Financial Position | | | |
| Investments in Shares | 5(j)/17(c) | 27,774 | 28,466 |
| Investments in Convertible Loan Notes | 17(d) | 8,388 | 4,325 |
| Seed & Venture Capital Funds | 17(a) | 68,985 | 38,968 |
| Public Benefit Entity Concessionary Loans | 18 | 47,183 | 37,250 |
| Total Financial Support to Industry | | 557,259 | 1,093,965 |

(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 businesses during the Covid-19 crisis. In 2020 additional capital funding of €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 effects of Brexit in the Border Region.

(b) Restart Grant Scheme

On 15 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. Applications for the Restart Grant Scheme closed on 30 October 2020.

(c) Small Business Aid Scheme for Covid (SBASC)

On 11 March 2021, the Government announced the Small Business Aid Scheme for Covid (SBASC), to support companies, self-employed, sole traders or partnerships with a minimum turnover of €50,000 who were not eligible for other Government supports that were put in place to help businesses and workers during the pandemic. 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.

(d) Sustaining Enterprise Fund

In 2020 the Government approved the Sustaining Enterprise Fund (SEF) supporting undertakings affected by the economic repercussions of the Covid -19 outbreak. The Fund operates under an EU Commission approved Scheme within the Temporary Framework for State Aid Measures to support the economy re the Covid-19 outbreak. The SEF continued to operate under the Framework into 2021, with the objective of sustaining 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 under the Sustaining Enterprise Fund to Enterprise Ireland clients were €104.5m (2020 – €74.4m) and are included in the client supports listed in the table below:

| | Included in Notes | 2021 €'000 | 2020 €'000 |
|---------------------------------------|----------------------|----------------|---------------|
| Business Plan Grant | 5 | 46,465 | 29,150 |
| Investments in Shares | 17(c) | 6,080 | 5,178 |
| Investments in Convertible Loan Notes | 17(d) | 6,863 | 4,025 |
| Repayable Advances | 18 | 44,884 | 34,141 |
| Loan Notes | 18 | 250 | 1,920 |
| | | <u>104,542</u> | <u>74,414</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021



(e) Accelerate Recovery Fund

The Accelerate Recovery Fund provides liquidity support to companies, where the sudden shortage or unavailability of liquidity, caused by Covid-19, has resulted in a lack of sufficient capital to support significant necessary investment in productivity improvements, capacity building and the acceleration of digital transformation across all aspects of the business, including Industry 4.0. The Fund operates under an EU Commission approved Scheme within the Temporary Framework for State Aid Measures.

(f) 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, Covid-19 Products Scheme, which facilitates research and development and expanded production into Coronavirus related products and Innovation Management, which supports the provision of training and consultancy to companies in the areas of R&D and the management of innovation.

(g) Industry Collaboration with 3rd Level Sector

This activity comprises the following sub-measures: 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.

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

This activity comprises the following sub-measures: Commercialisation Fund, which supports academic researchers to take the outputs of research with commercial potential and bring it to a point where it can be transferred into industry; 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.

(i) 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.

(j) Investments in Shares and Convertible Loan Notes

The investment in shares refers to 198 undertakings (2020 -170) and the Investment in Convertible Loan Notes refers to 91 undertakings (2020 – 58).

6. Disbursements to other State Agencies

| | Notes | 2021 €'000 | 2020 €'000 |
|-------------------------------|-------|---------------|---------------|
| Údarás na Gaeltachta | | | |
| R&D Fund | 5(d) | – | 1,288 |
| Financial Support to Industry | | – | 164 |
| Sustaining Enterprise Fund | | 1,825 | 2,330 |
| | | 1,825 | 3,782 |

7. Administration, Operation and Promotion

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|---------------|---------------|
| Remuneration and Other Pay Costs | 7(a) | 64,887 | 64,845 |
| Board Members' Emoluments (Including CEO Remuneration) | | 358 | 335 |
| Travelling Expenses | | 663 | 1,361 |
| Rents, Rates, Service Charges & Insurance | | 9,548 | 9,335 |
| Repairs, Maintenance & Leasing Charges | | 569 | 624 |
| Light, Heat & Cleaning | | 723 | 708 |
| Printing, Postage & Stationery | | 345 | 389 |
| Communication & IT Costs | | 3,299 | 3,480 |
| Professional Fees | | 3,048 | 3,397 |
| Advertising & Marketing | | 1,688 | 2,755 |
| Audit Fee | | 87 | 87 |
| Other Operating Expenses | | 1,121 | 821 |
| Property, Plant & Equipment Below Capitalisation Threshold | 7(e) | 533 | 607 |
| | | 86,869 | 88,744 |

(a) Remuneration and Other Pay Costs

| | 2021 €'000 | 2020 €'000 |
|--|---------------|---------------|
| Salaries | | |
| Salaries | 58,103 | 58,225 |
| Overtime | 24 | 25 |
| Allowances | 654 | 605 |
| Other Staff-related Costs | | |
| Employer's Contribution to Social Welfare | 4,039 | 3,888 |
| Employer's Contribution to Pension Schemes | 283 | 274 |
| Staff Training and Development | 747 | 817 |
| Recruitment/Relocation Costs | 857 | 858 |
| Other Staff Related Costs | 180 | 153 |
| | 64,887 | 64,845 |

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 2021 was 768 (2020 – 775).

Notes to the Financial Statements

for the Year Ended 31 December 2021



(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 2021 | Number of Employees 2020 |
|------------|----------|--------------------------|--------------------------|
| €60,000 | €69,999 | 81 | 88 |
| €70,000 | €79,999 | 81 | 88 |
| €80,000 | €89,999 | 83 | 90 |
| €90,000 | €99,999 | 136 | 113 |
| €100,000 | €109,999 | 39 | 30 |
| €110,000 | €119,999 | 17 | 17 |
| €120,000 | €129,999 | 6 | 7 |
| €130,000 | €139,999 | 1 | 2 |
| €140,000 | €149,999 | 1 | 3 |
| €150,000 | €159,999 | 3 | 3 |
| €160,000 | €169,999 | 5 | 3 |
| €170,000 | €179,999 | 3 | 3 |
| €180,000 | €189,999 | – | 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 2021, €2.044m (2020 – €1.968m) in additional superannuation contributions were deducted from the staff of Enterprise Ireland and paid over to the Department of Enterprise, Trade and Employment. During 2021, the Design and Crafts Council of Ireland deducted additional superannuation contributions from their staff amounting to €0.020m (2020-€0.021m). 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 2021 amounted to €857,850 (2020 – €834,740). Key management personnel during the year consisted of the previous CEO Ms Julie Sinnamon who retired on 28 May 2021 and the current CEO, Mr Leo Clancy who took up his appointment on 31 May 2021, 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 previous and current CEO and the three Executive Directors.

The former CEO Remuneration package for 2021 was made up as follows: salary €104,296, standard public sector retirement benefits arrangements and a company car subject to benefit in kind (€5,236). The former Chief Executive Officer did not receive any performance related payment in 2021.

The current CEO Remuneration package for 2021 was made up as follows: salary €114,329 and standard public sector retirement benefits arrangements. The Chief Executive Officer did not receive any performance related payment in 2021.

(e) Property, Plant & 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 |

- (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

| | | |
|--|---------------|---------------|
| | 2021 | 2020 |
| | €'000 | €'000 |
| Service Costs | 18,458 | 16,952 |
| Interest on Retirement Benefits Scheme Liabilities | 4,543 | 5,818 |
| Employee Contributions | (2,788) | (2,397) |
| | <u>20,213</u> | <u>20,373</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021

(d) Net Deferred Funding for Retirement Benefits in Year

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Funding recoverable in respect of current year retirement benefits cost | 23,001 | 22,770 |
| Funding to pay retirement benefits | (7,279) | (5,469) |
| | 15,722 | 17,301 |

(e) Retirement Benefits Obligations

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Made up of: | | |
| Present Value of Retirement Benefits Schemes' Liabilities | (638,424) | (572,754) |
| Change in Retirement Benefits Schemes' Liabilities | | |
| Present Value of schemes' obligations at start of year | (572,754) | (509,449) |
| Current Service Cost | (18,458) | (16,952) |
| Interest Costs | (4,543) | (5,818) |
| Payments to pensioners | 7,279 | 5,469 |
| Experience gains/(loss) on Retirement Benefit Obligations | (516) | (9,808) |
| Change in assumptions underlying the present value of retirement benefits Liabilities | (49,432) | (36,196) |
| Present Value of schemes' obligations at end of year | (638,424) | (572,754) |

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 2021 amounted to €638.424m. 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 2021. The financial assumptions used to calculate scheme liabilities under FRS 102 as at 31 December 2021 were as follows:

Valuation Method:

| | | |
|--------------------------------------|-------|-------|
| Discount Rate | 1.20% | 0.80% |
| Future Salary Increases | 3.70% | 2.90% |
| Future Retirement Benefits Increases | 3.20% | 2.40% |
| Inflation Rate | 2.20% | 1.40% |

Weighted average life expectancy for mortality tables used to determine benefit obligations at:

| | | Projected Unit 2021 | Projected Unit 2020 |
|--|--------|------------------------|------------------------|
| Member age 65 (Current life expectancy in years) | Male | 21.8 | 21.7 |
| | Female | 24.2 | 24.1 |
| Member age 45 (life expectancy at age 65 in years) | Male | 24.1 | 24.0 |
| | Female | 26.2 | 26.1 |

(g) Funding Retirement Benefits

Payments for unfunded obligations are expected to amount to €6.4m in 2022.

9. Movement in Value of Fixed Assets

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|----------------|-----------------|
| Depreciation of Property, Plant & Equipment | 16 | 729 | 662 |
| Movement in Fair Value of Seed and Venture Capital Funds | 17(a) | (26,552) | (75,791) |
| Movement in Fair Value of Quoted Investments | 17(b) | (1,560) | (1,405) |
| Provision for the impairment in the Value of Unquoted Investments | 17(c) | 15,271 | 20,976 |
| Reduction in Value of Investments – Write-offs re Companies Liquidated/dissolved | 17(c) | 1 | 26 |
| Provision for the impairment in the Value of Convertible Loan Note Investments | 17(d) | 5,075 | – |
| | | <u>(7,036)</u> | <u>(55,532)</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021



10. Movement in Value of Public Benefit Entity Concessionary Loans

| | Notes | 2021 €'000 | 2020 €'000 |
|---|-------|---------------|---------------|
| Write-offs for the Year | 18 | 72 | 425 |
| Movement in Provision for doubtful debts for the Year | 18 | 4,873 | (732) |
| | | <u>4,945</u> | <u>(307)</u> |

11. Profit on disposal of Fixed Assets (net)

| | 2021 Profit/(Loss) on Disposal €'000 | 2020 Profit/(Loss) on Disposal €'000 |
|-----------------------------|--|--|
| Property, Plant & Equipment | 12 | - |
| Financial Fixed Assets | <u>61,422</u> | <u>43,698</u> |
| | <u>61,434</u> | <u>43,698</u> |

(a) The Profit/(Loss) on disposal of Property, Plant & Equipment comprises:

| | 2021 | | | 2020 | | |
|-----------------------------|-----------------------------|---------------------------|---------------------------------------|-----------------------------|---------------------------|---------------------------------------|
| | Net Book Amount €'000 | Sale Proceeds €'000 | Profit/(Loss) on Disposal €'000 | Net Book Amount €'000 | Sale Proceeds €'000 | Profit/(Loss) on Disposal €'000 |
| Property, Plant & Equipment | - | 12 | 12 | - | - | - |
| | <u>-</u> | <u>12</u> | <u>12</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

| | 2021 | | | | | |
|----------------------------------|------------------------|---|-----------------------------|--|---------------------------|---|
| | 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 | – | – | – | 87,801 | 110,623 | 22,822 |
| Investments in Shares – Quoted | – | – | – | 1,147 | 1,400 | 253 |
| Investments in Shares – Unquoted | 23,370 | 9,646 | 13,724 | – | 51,859 | 38,135 |
| Investments in CLN – Unquoted | 203 | – | 203 | – | 415 | 212 |
| | <u>23,573</u> | <u>9,646</u> | <u>13,927</u> | <u>88,948</u> | <u>164,297</u> | <u>61,422</u> |

| | 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> |

Funds in the amount of €1.566m (2020 – €2.180m) 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 the disposal of financial fixed assets, public benefit entity loans, dividend income, grant refunds, disposal of capital equipment and professional fees.

| | 2021 €'000 | 2020 €'000 |
|--|----------------|---------------|
| Excess Proceeds over amount sanctioned by the Department of Enterprise, Trade and Employment | | |
| Own Resource Capital Income | 101,401 | 4,676 |
| Refund of Oireachtas grant – Local Enterprise Offices | 56 | – |
| Refund of unused Restart Grant Scheme Funds | 5,595 | 6,348 |
| Refund of unused SBASC Scheme Funds | 9,621 | – |
| | <u>116,673</u> | <u>11,024</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021



13. Capital Account

| | Notes | 2021 | | 2020 | |
|---|-------|-------|----------------|---------|----------------|
| | | €'000 | €'000 | €'000 | €'000 |
| Opening Balance | | | 526,364 | | 457,708 |
| Shares transferred to PBE Loan | | | (418) | | |
| Net Movements on: | | | | | |
| Property, Plant & Equipment | 16 | 539 | | (120) | |
| Investments in Shares | 17 | (807) | | (4,202) | |
| Convertible Loan Notes | 17 | 3,110 | | 4,325 | |
| Seed & Venture Capital Funds | 17 | 7,735 | | 68,653 | |
| Transfer from the Statement of Income and Expenditure and Retained Revenue Reserves | | | 10,577 | | 68,656 |
| Closing Balance | | | <u>536,523</u> | | <u>526,364</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 | 2021 | 2020 |
|---|-------|---------------|---------------|
| | | €'000 | €'000 |
| Opening Balance | | 46,715 | 11,565 |
| Loan Transferred from Equity | | 418 | – |
| Recoverable grants paid by LEOs | 18 | 299 | 1,113 |
| Transfer to the Statement of Income and Expenditure and Retained Revenue Reserves in respect of Public Benefit Entity Concessionary Loans | 18 | 39,188 | 34,037 |
| Closing Balance | | <u>86,620</u> | <u>46,715</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.

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 & Equipment

| | Land, Buildings & Leasehold Improvements €'000 | Motor Vehicles €'000 | Fixtures, Fittings, Computers & Artwork €'000 | Total €'000 |
|------------------------|---|----------------------------|--|----------------|
| Cost | | | | |
| At 1 January 2021 | 30,325 | 258 | 4,301 | 34,884 |
| Additions | 1,189 | – | 79 | 1,268 |
| Disposals | (22) | (66) | (13) | (101) |
| At 31 December 2021 | <u>31,492</u> | <u>192</u> | <u>4,367</u> | <u>36,051</u> |
| Depreciation | | | | |
| At 1 January 2021 | 29,104 | 218 | 3,797 | 33,119 |
| Charge for Year | 502 | 11 | 216 | 729 |
| Disposals | (22) | (66) | (13) | (101) |
| At 31 December 2021 | <u>29,584</u> | <u>163</u> | <u>4,000</u> | <u>33,747</u> |
| Net Book Amount | | | | |
| At 31 December 2021 | <u>1,908</u> | <u>29</u> | <u>367</u> | <u>2,304</u> |
| At 31 December 2020 | <u>1,221</u> | <u>40</u> | <u>504</u> | <u>1,765</u> |

17. Financial Fixed Assets

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

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|----------------|----------------|
| Financial Assets measured at Fair Value | | | |
| Seed and Venture Capital Funds | 17(a) | 399,014 | 391,429 |
| Investments in Quoted Shares | 17(b) | 5,120 | 4,243 |
| Financial Assets measured at Cost less Impairment | | | |
| Investments in Unquoted Shares | 17(c) | 123,097 | 124,652 |
| Convertible Loan Notes | 17(d) | 6,988 | 4,275 |
| Total Financial Fixed Assets | | <u>534,219</u> | <u>524,599</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021

(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

| | 2021 €'000 | 2020 €'000 |
|--|----------------|----------------|
| At 1 January | 391,429 | 322,777 |
| Shares transferred to Unquoted Investments | (151) | – |
| Additions | 68,985 | 38,968 |
| Disposals | (87,801) | (46,107) |
| Gain/(Loss) on Fair Value movement during the year | 26,552 | 75,791 |
| At 31 December | <u>399,014</u> | <u>391,429</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.

(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 2021 was €5.120m (2020 – €4.243m).

Fair Value carrying amount

| | 2021 €'000 | 2020 €'000 |
|--|---------------|---------------|
| At 1 January | 4,243 | 2,838 |
| Loan Converted to Shares | 297 | – |
| Shares reclassified from Unquoted to Quoted – Cost | 250 | – |
| Shares reclassified from Unquoted to Quoted – Impairment | (83) | – |
| Additions | – | – |
| Disposals | (1,147) | – |
| Gain/(Loss) on Fair Value movement during the year | 1,560 | 1,405 |
| At 31 December | <u>5,120</u> | <u>4,243</u> |

The fair value movement in 2021 relates to a fair value gains on shares held in Zutec plc and Healthbeacon plc and fair value losses in shares held in Eqtec plc, VR Education Holdings plc and Kollekt on Demand Holdings AB.

(c) Investments in Unquoted Shares

| | Notes | 2021 €'000 | 2020 €'000 |
|---|-------|----------------|----------------|
| Cost | | | |
| At 1 January | | 334,505 | 331,139 |
| Shares reclassified from Unquoted to Quoted | | (250) | – |
| Loan Note converted to Shares | | 100 | 50 |
| Shares transferred from Venture Capital Funds | | 151 | – |
| Shares transferred to PBE Loan | | (417) | – |
| Additions | | 27,774 | 28,466 |
| Disposals | | (23,370) | (17,810) |
| Write-offs re companies liquidated/dissolved | 9 | (9,299) | (7,340) |
| At 31 December | | <u>329,194</u> | <u>334,505</u> |
| Provision for Impairment in Value | | | |
| At 1 January | | 209,853 | 200,930 |
| Shares reclassified from Unquoted to Quoted | | (83) | – |
| Release of Disposals | | (9,646) | (4,739) |
| Release of Write-offs re companies liquidated/dissolved | 9 | (9,298) | (7,314) |
| Increase in provision | | 15,271 | 20,976 |
| At 31 December | | <u>206,097</u> | <u>209,853</u> |
| Net Book Amount | | | |
| At 31 December | | <u>123,097</u> | <u>124,652</u> |

Notes to the Financial Statements

for the Year Ended 31 December 2021



(d) Investments in Convertible Loan Notes

| | Notes | 2021 €'000 | 2020 €'000 |
|--|-------|---------------|---------------|
| Cost | | | |
| At 1 January | | 4,275 | – |
| Additions | | 8,388 | 4,325 |
| Conversion to Quoted Shares | | (297) | – |
| Conversion to Unquoted Shares | | (100) | (50) |
| Disposals | | (203) | – |
| At 31 December | | 12,063 | 4,275 |
| Provision for Impairment in Value | | | |
| At 1 January | | – | – |
| Increase in provision | | 5,075 | – |
| At 31 December | | 5,075 | – |
| Net Book Amount | | | |
| At 31 December | | 6,988 | 4,275 |

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 not 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 2021 | 11,091 | 36,717 | (1,093) | 46,715 |
| Loan transferred from Equity | – | 418 | – | 418 |
| Repayable Supports paid to companies | 299 | 46,884 | – | 47,183 |
| Accrued and unpaid Interest re PBE's | – | 1,293 | – | 1,293 |
| Repayable Advances received from companies | (1,420) | (2,624) | – | (4,044) |
| Write-offs for the year | (72) | – | – | (72) |
| Movement in Provision for the year | – | – | (4,873) | (4,873) |
| Net Movement for the Year | (1,193) | 45,971 | (4,873) | 39,905 |
| Closing balance as at 31 December 2021 | 9,898 | 82,688 | (5,966) | 86,620 |
| Receivable within 12 months | 4,003 | 932 | (1,935) | 3,000 |
| Receivable after 12 months | 5,895 | 81,756 | (4,031) | 83,620 |
| Total Due | 9,898 | 82,688 | (5,966) | 86,620 |

Notes to the Financial Statements

for the Year Ended 31 December 2021



19. Receivables

Amounts falling due within one year:

Trade Debtors

Prepayments and Accrued Income

VAT Recoverable

Payroll Deductions

Other Debtors

| | 2021 €'000 | 2020 €'000 |
|--------------------------------|---------------|---------------|
| Trade Debtors | 220 | 288 |
| Prepayments and Accrued Income | 2,681 | 3,089 |
| VAT Recoverable | 130 | 170 |
| Payroll Deductions | 4 | 11 |
| Other Debtors | 781 | 601 |
| | <u>3,816</u> | <u>4,159</u> |

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 2021 Enterprise Ireland was owed €0.197m (2020 – €0.156m) (included in Other Debtors) for temporary working capital.

20. Payables – Amounts falling due within one year

Trade Creditors

Accruals

Financial Support Creditors

Professional Services Withholding Tax Due

Contribution to the Exchequer

Contract Advance Payments

Other

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Trade Creditors | 1,237 | 742 |
| Accruals | 7,288 | 7,224 |
| Financial Support Creditors | 50 | 107 |
| Professional Services Withholding Tax Due | 185 | 177 |
| Contribution to the Exchequer | 1,634 | 6,656 |
| Contract Advance Payments | 2,917 | 3,038 |
| Other | 45 | 35 |
| | <u>13,356</u> | <u>17,979</u> |

21. Commitments

(a) Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €7.711m (2020 – €7.372m). Payments under Operating Leases on Buildings amounting to €8.330m are due to be made in 2022. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Not later than one year | 8,330 | 7,053 |
| Later than one year and not later than five years | 23,816 | 18,717 |
| Later than five years | 21,163 | 20,224 |
| | <u>53,309</u> | <u>45,994</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 €749m (2020 – €725m).

(c) Seed & 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 €179m (2020 – €149m).

(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 31.12.21 €'000 | Net Book Value as at 31.12.20 €'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 2021

(b) Leasehold property

Enterprise Ireland leases office space at the following locations:

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

Johannesburg

London

Lyon

Manchester

Melbourne

Milan

Montreal

Mumbai

Munich

Paris

San Francisco

Seattle

Toronto

Vietnam

| Expiry Date | Break Clause | | Annual Rental €'000 |
|-------------|--------------|----|------------------------|
| 2031 | 2027 | | 1,801 |
| 2031 | 2027 | | 1,801 |
| 2022 | | | 29 |
| 2029 | | | 19 |
| 2028 | 2022 | | 430 |
| 2026 | | * | 88 |
| 2022 | | ** | 153 |
| 2024 | | | 105 |
| 2022 | | | 57 |
| 2024 | | | 87 |
| 2022 | | | 30 |
| 2024 | | * | 109 |
| 2026 | | * | 140 |
| 2022 | | | 85 |
| 2024 | | ** | 32 |
| 2026 | | * | 510 |
| 2022 | | | 30 |
| 2023 | | | 32 |
| 2022 | | | 38 |
| 2024 | | * | 99 |
| 2022 | | | 32 |
| 2028 | | | 99 |
| 2022 | | | 42 |
| 2028 | | | 369 |
| 2030 | | | 324 |
| 2023 | | | 53 |
| 2026 | | ** | 134 |
| 2022 | | | 48 |

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

| Location | Expiry Date | Break Clause | Annual Rental €'000 |
|--------------|-------------|--------------|------------------------|
| Austin | | ** | 88 |
| Budapest | | | 15 |
| Kuala Lumpur | | | 16 |
| New York | | ** | 707 |
| Madrid | | | 60 |
| Moscow | | | 30 |
| Prague | | | 37 |
| Riyadh | | | 12 |
| Sao Paulo | | | 33 |
| Seoul | | | 79 |
| Shanghai | | | 56 |
| Singapore | | | 91 |
| Stockholm | | | 49 |
| Sydney | | | 112 |
| Tokyo | | | 103 |
| Warsaw | | | 66 |
| Total | | | 8,330 |

* 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 €0.858m (2020 – €0.835m). 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.

Notes to the Financial Statements

for the Year Ended 31 December 2021

These are detailed as follows:

| | 2021 €'000 | 2020 €'000 |
|---|---------------|---------------|
| Financial Support Approved | 11,565 | 14,780 |
| Financial Support Paid | 17,604 | 16,490 |
| Research Institutes Support Approved | 15,232 | 10,478 |
| Research Institutes Support Paid | 17,287 | 23,036 |
| Seed and Venture Capital Investments Approved | 15,000 | - |
| Seed and Venture Capital Investments Paid | 12,235 | 9,597 |
| Seed and Venture Capital Investments Receipts | 16,766 | 9,274 |
| Grants paid to Local Authorities | 3,265 | 30,078 |
| Payments to Suppliers | 1,508 | 1,888 |
| Other Income Received | 941 | 10,350 |

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 11th May 2022.

Enterprise Ireland Office Network



| Region/Office | | Telephone | Address |
|--|--------------------|---------------------|--|
| HEAD OFFICE | Dublin | +(353 1) 727 2000 | The Plaza, EastPoint 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, EastPoint 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 NETWORK | | | |
| AMERICAS | Austin | +(1 512) 792 5499 | 15 Congress Avenue, Suite 1750, Austin, TX78701, 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 |
| | Montreal | +1 4169345033 | 2-3 Place Ville Marie, Montreal QC, H3B 2E3, Canada |
| | New York | +(1 212) 371 3600 | 345 Park Avenue, 17th Floor, New York, NY 10154-0037, USA |
| | San Francisco | +(1 650) 250-1231 | 650 California street, 7th Floor, San Francisco, CA 94108, USA |
| | Sao Paulo (Brazil) | +(55 11) 3149 7650 | Alameda Santos, 787, Conjunto 61 Cerqueira Cesar, São Paulo CEP 01419-001, Brazil |
| | Seattle | +(55 11) 3149 7650 | 1201 Third Avenue, Level 23, Seattle, WA 98101, USA |
| | Toronto | +1 4169345033 | 1 University Avenue, Suite 1604, Toronto ON M5J 2PI, Canada, |
| MIDDLE EAST, AFRICA & ABU DHABI | Abu Dhabi | + (971 4) 3760 400 | Enterprise Ireland, Commercial Section - Embassy of Ireland, Al Yasat Street, Al Bateen, Abu Dhabi, United Arab Emirates |
| | Dubai | + (971 4) 3760 400 | 13th Floor, Office 4b, Monarch Office Tower No. 1, Skeikh Zayed Road PO Box 115425 Dubai United Arab Emirates (UAE) |
| | Johannesburg | +(27 87) 1600364 | Sandton Gate, 25 Minerva Avenue, Glenadrienne, 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 |

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 |
| | 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 |
| | Manchester | + (44 0) 161 638 8716 Bruntwood Ltd, Business Centre Lowry House, Manchester |
| | Paris | + (33 1) 5343 1200 27 Rue de Berri, 75008 Paris, France |
| | Stockholm | + (46 8) 459 2160 Hovslagargatan 5, 4th Floor, SE-111 48 Stockholm, Sweden |
| | Madrid | + (34 91) 4364 086 Casa de Irlanda, Paseo de la Castellana 46 - 3, 28046 Madrid, Spain |
| | 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, Germany |
| | Warsaw | + (48 22) 583 1200 Commercial Section, Embassy of Ireland - Enterprise Ireland, ulica Mysia 5, 00-496 Warszawa, Poland |
| | Prague | + (420 2) 5719 9621 Trziste 13, Praha 1, 118 00, Czech Republic |
| Budapest | + (36 1) 301 4950 Bank Center, Gránit torony, 1054 Budapest, Szabadság tér 7, Hungary | |
| 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, 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 |
| Ho Chi Minh City | + (84 28) 7302 8186/8144 65-67 Le Loi, District 1, Ho Chi Minh City, Vietnam | |

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Enterprise Ireland, The Plaza,
EastPoint Business Park,
Dublin 3. DO3 E5R6
Tel: (0)1 7272000



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