

Annual Report & Accounts 2018

Build scale, expand reach





TO THE MINISTER FOR BUSINESS, ENTERPRISE AND INNOVATION

In accordance with the Industrial Development (Enterprise Ireland) Act 1998, Enterprise Ireland herewith presents its report and accounts for the year ending 31 December 2018.

A handwritten signature in blue ink, reading 'Julie Sinnamon'.

Julie Sinnamon
Chief Executive Officer

A handwritten signature in blue ink, reading 'Terence O'Rourke'.

Terence O'Rourke
Chairman

Many thanks to our client companies whose photographs are used in this report:

Front cover, image 1: Sonia Neary, Owner & MD, Wellola

Front cover, image 2: Gavin Carpenter, CEO, Phonovation

Front cover, image 3 and page 16: Anne Cusack, Managing Director, Critical Healthcare

Front cover, image 4: Marc Murphy, Founder and CEO, Fenargo

Page 6: Leonora O'Brien, CEO, Pharmapod

Page 13: Alex Murphy, Managing Director, BFree Foods

Page 15: Eamonn Griffith, International Sales Manager, AssociatedRewinds

Back cover, image 1: Niall O'Driscoll, CCO and Co-Founder, vStream

Back cover, image 2: Suzanne Moloney, Founder and CEO, Hidramed Solutions

Back cover, image 3: John McGrath, Head of Business Development, Dawn Farms

Back cover, image 4: Ken Cahill, Founder and CEO, SilverCloud

WHAT WE DO

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

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

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



10

locations
in Ireland



34

locations
internationally

BUILD SCALE

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

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

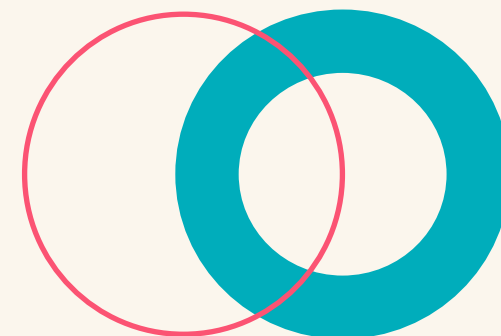
EXPAND REACH

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

2018 WAS ANOTHER STRONG YEAR FOR COMPANIES SUPPORTED BY ENTERPRISE IRELAND.

Companies we back achieved new records for employment and exports against a backdrop of increasing global economic uncertainty.

Employment in these companies reached its highest level in the history of the agency, totalling 217,186, while related exports reached a historic high of €23.8 billion. Particularly noteworthy was the broad regional and sectoral spread involved. Record growth levels in every region saw 61% of employment growth occurring outside of Dublin, bringing total employment in Enterprise Ireland-supported companies in the regions to 64%, another record high.

Overall, 18,896 new jobs were created by Enterprise Ireland-backed companies in 2018. Key performing sectors with regard to employment included life sciences (+8%), construction (+8%), electronics (+7%), primary meats (+5%) and food (+3%).

At the half-way point in our four-year strategy Build Scale and Expand Reach 2017-2020, we are on course to exceed the ambitious target of creating 60,000 new jobs by the end of 2020.

Broad-based export growth

Exports increased 6% on 2017 levels. Despite the continuing uncertainty surrounding Brexit, exports to the UK increased 4% year on year to €7.9 billion, accounting for 33% of total Enterprise Ireland exports in 2018. The Eurozone region, which accounts for 20% of exports, saw growth of 8% to €4.8 billion, while exports to North America increased from €3.87 billion in 2017 to €4.1 billion in 2018, an increase of 6%.

Construction was the top performing sector during the year, with exports of €2 billion, an increase of 22% on

2017. Engineering, with exports of €1.6 billion and growth of 9%, and fintech, with exports of €829 million and growth of 17%, were other strong performers. These were followed by business process outsourcing (€622 million), consumer retail (€872 million), and digital technologies (€2.2 billion) – all up 6% on 2017. The food industry, still the largest single exporting sector, showed an increase of 1% to reach €11.7 billion.

Very encouraging, in the context of Brexit, has been the doubling of exports to markets outside the UK since 2008. This is in line with a key strategic priority to increase the diversification of client company exports into new markets, with two-thirds of exports to go beyond the UK by 2020.

Expanding market reach

This exceptionally strong export and employment growth in an intensely competitive environment has been achieved through a combination of the development of innovative new products and services, enhanced competitiveness, and expanded

market reach by Irish companies.

Enterprise Ireland is pleased to have supported these achievements. During the year, we assisted Irish companies to win 1,604 new overseas contracts, to establish 417 new overseas presences; we also helped 93 companies to export outside of the UK for the first time.

Support delivered to clients included 62 Ministerial-led international events, including trade missions to Germany, Italy, China, and the US. These trade missions support the goal of securing high-level market access for Irish companies aiming to grow business overseas and increase domestic employment.

International and domestic export-focused trade events were increased by 50% in response to risks posed by Brexit. These events included 1,023 international buyer visits.

Preparing for Brexit

The greatest single challenge faced by Irish companies and the economy generally is, of course, Brexit. No one can predict what the eventual

CHAIRMAN AND CEO OVERVIEW (CONTINUED)

outcome of the process will be, but our role as an enterprise support agency is to assist companies to prepare for the worst-case scenario, a no-deal Brexit.

Enterprise Ireland recently carried out a Brexit survey of more than 2,000 clients, which found that 38% of companies expect revenue to be negatively impacted; 40% expect profitability to be negatively impacted in 2019; and 29% expect their ability to invest to be negatively impacted.

In this context, our dedicated Brexit Unit is assisting client companies to prepare for Brexit by helping them work on areas that they can control, such as competitiveness, innovation capacity, supply chains, production processes, new product development, product registrations and authorisations, customs arrangements and market diversification.

This involves intensive one-to-one work with clients on Brexit contingency plans, covering one-to-one consultancy engagements for contingency planning, training, innovation, competitiveness

and diversification financial supports such as Brexit Advisory Clinics, Brexit Specific Capability Initiatives, the Brexit: Act On Initiative and Be Prepared Grant, a new Online Customs Training Course and new funds, including the Market Discovery Fund, Agile Innovation Fund, Operational Excellence Offer, and an online Customs Insights training course.

These supports have been publicised through a Prepare for Brexit information campaign and the prepareforbrexit.ie website, which received over 100,000 visits during 2018.

Supporting sustainable growth

Brexit is just one area of focus for Enterprise Ireland and we continued to provide the full range of supports to client companies. During 2018, we supported 246 client companies in making investments of more than €500,000, while 1,032 companies were assisted with sustainable growth plans, 606 of which were with Brexit-exposed companies.

132 new start-ups were supported through the HPSU (High Potential Start-Up) programme and the Competitive Start Fund (CSF). HPSUs are defined by their potential to become exporting businesses with a minimum of 10 staff, which generate revenues of at least €1 million within three years. We supported the ambition of 82 HPSUs in 2018.

Competitive Start funding supports early stage start-ups to accelerate growth. In 2018, CSFs included a call for up to €1 million in funding targeting overseas entrepreneurs and experienced business professionals, and two calls for up to €1.5 million in funding open to all sectors.

Particularly worthy of note was the fact that 28 female-led start-ups received support during the year. 2018 was the third year of activity for Enterprise Ireland's dedicated €1 million CSF for Female Entrepreneurs, which runs in tandem with a tailored female accelerator, 'The Innovate Programme'.

Four regional accelerator programmes supported by

Enterprise Ireland helped enhance the start-up ecosystem across Ireland in 2018, while 42 projects had been approved for funding totalling €60 million by the end of 2018 under the Regional Enterprise Development Fund, administered by Enterprise Ireland. This fund now operates on a rolling basis as part of Project Ireland 2040.

We are also supporting companies through the new Operational Excellence offer, which helps them win new business in a competitive marketplace through a combination of capital investment, business innovation support, and capability building support.

In this regard, funding was approved for 196 companies to improve productivity, profitability and environmental best practice with our Lean and competitiveness business supports.

Increasing innovation capacity

The future success of Irish enterprise will be firmly rooted in its innovation capacity. We helped clients leverage innovation to win business on international markets

by supporting 143 R&D projects worth more than €50,000; 1,048 collaborative innovations between industry and higher education institutions; 435 Technology Gateway projects for industry; and the provision of 558 innovation vouchers worth up to €5,000 each to the companies concerned.

The Agile Innovation Fund offers up to 50% support towards innovation projects costing from €10,000 to €300,000 to more easily facilitate companies to develop and adapt products for new markets. Twenty-seven projects were approved for total funding of over €70 million under the Disruptive Technologies Innovation Fund.

Enterprise Ireland is the national coordinator for the EU Horizon 2020 research and innovation funding programme. Ireland had won €686.8 million in competitive funding from the Horizon 2020 programme by the end of 2018. Of that, 24 small and medium-sized enterprises (SMEs) secured €17.5m from the SME Instrument of Horizon 2020 in 2018.

World-class performance

The outstanding achievements of Irish enterprise during 2018 are a further testament to the world-class standards being attained by Irish companies. The global competitive environment is highly dynamic and Irish companies face a constant battle against the world's best companies to retain sales let alone to increase them.

For Enterprise Ireland this means we must constantly increase our efforts to support client companies in achieving their ambitions to grow and compete on global markets. For 2019, our top five key strategic priorities are assisting clients to prepare for a hard Brexit, regional jobs growth, and supporting innovation, competitiveness and diversification among Irish exporters.

We would like to express our gratitude to the Enterprise Ireland team both here in Ireland and overseas which has helped deliver these exceptionally strong results. We would also like to thank the members of our Board for sharing their time and energies so

generously during the year.

We wish to thank our colleagues within our parent department, the Department of Business, Enterprise and Innovation, including Minister for Business, Enterprise and Innovation, Heather Humphreys TD, and her Ministerial colleagues, Pat Breen TD and John Halligan TD for their ongoing support.



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

Terence O'Rourke
Chairman

Significant challenges and uncertainty remain as we look ahead. We look forward to working with colleagues to support the vibrant base of Irish start-ups and a very strong cohort of Irish exporting companies in meeting the challenges ahead to realise their ambitions and achieve their full potential.



A handwritten signature in dark ink, appearing to read 'Julie Sinnamon'.

Julie Sinnamon
Chief Executive Officer

Build Scale

Enterprise Ireland supported the ambition of 132 start-up companies in 2018:

- **82 new High-Potential Start-Ups (HPSUs)**
- **50 new early-stage businesses** which were approved for investments of up to €50,000 each through a series of **Competitive Start Fund (CSF)** calls
- **28 female-led start-ups** which include 10 CSF approvals and 18 HPSU approvals.

At the end of 2018 employment reached the highest level in the history of the agency:

Total employed: 217,186
Total new jobs: 18,896
Net jobs created: 8,212

Final 2018 annual employment survey figures, updated from end of year statement prepared mid-December 2018.



FUNDING AND INVESTMENT

Ensuring adequate access to funding in order for clients to scale

- We approved direct equity and grant funding for expansion, innovation, training, employment and capability building which supported over 7,000 new job commitments in 2018.
- Funds supported by Enterprise Ireland through the Development Capital Scheme have to date invested over €240m in established mid-sized Irish companies.

Through our Investment Services team

In 2018, a newly established fund, under the Seed and Venture Capital Scheme (2013–2018), was launched, making additional funds of over €20m available for investment in Irish companies.

- The Finch Capital Fund II is a €110m fund investing in technology companies, primarily in Europe.
- Through the activities of the Halo Business Angel Network (HBAN), over €9.3m was invested across 44 deals in start-up and early-stage companies in Ireland, including Hexafly, Rubicoin and Glavloc Build Systems.
- On the 9 October 2018, the Minister for Business, Enterprise and Innovation announced a new Seed and Venture Capital Scheme with a further allocation of €175m to be committed over the lifetime of the Seed and Venture Capital Scheme (2019–2024).
- The first call for expressions of interest under the Seed and Venture Capital Scheme (2019–2024) will take place in 2019 with Enterprise Ireland seeking to make further commitments to a number of fund managers towards establishing new venture funds.

82
HPSUs approved
for investment



44%
from outside Dublin



18
HPSUs backed
by female
entrepreneurs



15
new HPSUs
from third-level
research





SUPPORT FOR THE IRISH VENTURE CAPITAL SECTOR

To ensure access to risk capital for clients through Enterprise Ireland, successive Governments have invested in the Irish venture capital sector over the past 20 years.

- Under the various Seed and Venture Capital Schemes to date, we have supported 54 funds, resulting in funds under management of over €1.9bn.
- In 2018, Enterprise Ireland invested €41.9m in private equity funds, and one new fund totalling over €15m was established under the Seed and Venture Capital Scheme (2013–2018).
- A new fund totalling over €110m was established under the Seed and Venture Capital Scheme (2013–2018).
- In 2018, Enterprise Ireland and the European Investment Fund increased the size of the European Angels Fund (Ireland) from €20m to €40m.
- In 2018, Enterprise Ireland received returns of €59.6m from its investment in private equity funds.
- Four international funds have been established in Ireland to date as a result of Innovation Funds Ireland, with investments to date of over €75m in Irish-based companies.

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. 2018 was another strong year for investment income generated by Enterprise Ireland's Equity Department, from the portfolio of investments in just over 1,500 client companies. Enterprise Ireland's equity investments generated €31.3m in income. When we make direct investments in start-up and growth companies, our strategy is to take an equity stake in exchange for funding.

- The Enterprise Ireland Direct Equity Portfolio now holds equity investments in 1,481 client companies.
- In 2018, the portfolio generated income of €31.3m from share sales, share redemptions and dividends.
- Enterprise Ireland Direct Equity exits included Clavis Technology Ltd., Ardmore Studios Ltd., Coolnagour Ltd. and SensL Technologies Ltd.
- In 2018, we made 274 investments in 241 companies, totalling €29.3m. These investments were matched by domestic and international investors.

DRIVING REGIONAL DEVELOPMENT AND ENTREPRENEURSHIP

- We continued to drive the Enterprise Ireland Strategy 2017–2020: Build Scale, Expand Reach across all regions, in order to mobilise collaboration; draw on regional strengths to increase the number and survival of start-ups; improve scaling performance; and attract foreign direct investment.
- Enterprise Ireland launched the Regional Enterprise Development Fund (REDF), with competitive funding of up to €60m provided by the Department of Business, Enterprise and Innovation in May 2017. The REDF is a key action to support the Regional Enterprise Plan and the Action Plan for Rural Development. The REDF is aimed at accelerating economic recovery in every part of the country by delivering on the potential of local and regional enterprise strengths. Forty-two successful applicants representing all regions of the country collectively secured up to €60m for their projects in the two competitive calls.
- We continued to support 353 start-ups, which employ 1,792 people, occupying the 23 Enterprise Ireland-funded Campus Business Incubation Centres in Irish institutes of technology and universities.
- Global Sourcing, the joint agency initiative between Enterprise Ireland and IDA Ireland, bringing Ireland's world-class supply chain to multinational companies, continues to support the regional development agenda in generating greater engagement between IDA Ireland companies and Enterprise Ireland clients. In particular, the 2018 Trade and Investment Mission, held in Dublin, Limerick and Sligo, facilitated networking and scheduled meetings between 111 multinational companies and 194 Enterprise Ireland clients, with over 700 meetings held. Resulting contracts worth over €6m for Enterprise Ireland client companies were identified during 2018.

LOCAL ENTERPRISE OFFICES – MAKING IT HAPPEN IN 2018

Through our Centre of Excellence and in partnership with the local authorities, we supported the Local Enterprise Offices (LEOs) as the 'first-stop shop' for expert advice, information and practical supports, in order to help them deliver key performance figures in 2018.

Performance highlights from LEOs in 2018 include:

- 11% employment growth nationally, with 8,007 new jobs (gross) and 3,656 jobs (net) created by LEO-backed client companies.
- €18.2m in direct financial assistance was approved for 1,259 business projects.
- 34,938 people participated in 2,029 LEO-run business training programmes.
- 3,944 people took part in 285 Start Your Own Business programmes.
- 9,625 mentoring assignments were provided through LEOs.
- 221 companies were supported by Lean for Micro.
- 171 companies progressed from the LEOs into the Enterprise Ireland portfolio.

- 1,107 companies were approved for Trading Online Vouchers under the National Digital Strategy.
- 326 applications were approved for Microfinance Ireland loans.
- 433 small companies were approved for assistance under TAME (Technical Assistance for Micro Exporters) to help them explore and develop new markets.
- 4,054 participants attended LEO-run Brexit information events in 2018.

We worked with the LEO network and its committees to coordinate Brexit-related supports and flagship national programmes, such as Ireland's Best Young Entrepreneur; National Women's Enterprise Day; Local Enterprise Week; the Student Enterprise Programme; the Local Enterprise Village at the National Ploughing Championships; Local Enterprise Showcase; and the National Enterprise Awards.

We continued to roll out core competency business training for staff of the 31 LEOs in local authorities to drive service consistency for their clients nationally.

Innovate

SUPPORTING MARKET-LED INNOVATION, WE:

- Approved 143 research, development and innovation investments of over €50k to client companies.
- Engaged 1,020 client companies in research and development (R&D) projects with an annual spend of over €100k.
- Engaged a top tier of 164 clients in R&D projects with an investment of over €1m per year.





1,048

collaborative projects between companies and higher education, including



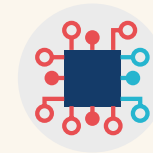
558

Innovation Vouchers were redeemed to solve small and medium business problems



55

Innovation Partnerships were approved, 25 of which were between Enterprise Ireland clients and higher education institutions



435

projects were completed with Technology Gateways at the institutes of technology. 2018 was a record year for companies engaging with Technology Gateways, with over 500 different companies working on more than 740 projects.

Technology Gateway Network 2018–2022 and New Technology Gateway Cluster

Minister of State for Training, Skills, Innovation, Research and Development announced a €26.75m investment in the Technology Gateway programme (2018–2022) in May 2018. Since its formation in 2013, the Enterprise Ireland Technology Gateway Programme has created a nationwide network of 15 Gateways located in 11 institutes of technology that provide industry with access to over 300 highly skilled and industrially focused researchers.

The Irish Food Tech Cluster was launched in May 2018 with the

aim of optimising the power of the Technology Gateway Network and connecting industry with researchers in a wide selection of areas that include bioprocessing, food for health, process control and packaging.

Driving industry-led research

Industry involvement with the Technology Centres programme stood at 844 companies at the end of 2018, of which 525 held full membership. All companies benefit from the network of industry-led research centres.

Technology Centres

In 2018, the Enterprise Ireland Board

approved new phases of funding for three Technology Centres for five years each: Food for Health Ireland, Pharmaceutical Manufacturing Technology Centre, and Centre for Applied Data Analytics Research. Technology Centres are organised to respond rapidly to industry-defined needs and conduct market-relevant R&D in partnership with collaborating groups of companies.

Disruptive Technologies Innovation Fund

As part of the National Development Plan 2018–2027, the Disruptive Technologies Innovation Fund (DTIF) was announced. The aim of the DTIF is to provide investment in the development and deployment of

disruptive technologies, targeted at tackling national and global challenges. The first call of the DTIF was completed in 2018 and 45 of 300 expressions of interest were invited to submit full applications. Twenty-seven of the projects, involving 104 organisations, were approved. Enterprise Ireland client companies led 17 of these and are participating in 26 of the 27 projects.



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

- Irish companies and academics won €147.3m in Horizon 2020 funding in 2018 of which, €56m went to Irish companies.
 - Ireland had won €686.8m in competitive funding from the Horizon 2020 programme by the end of 2018. Enterprise Ireland coordinates the National Support Network for Horizon 2020.
 - In 2018, Ireland performed at a 6.8% success rate for the Horizon 2020 SME Instrument.
 - 24 small and medium-sized enterprises (SMEs) (14 in Phase 1 projects and 10 in Phase 2 projects) secured €17.5m from a total budget of €471.8m in 2018 from the SME Instrument of Horizon 2020.
- Enterprise Ireland coordinates Ireland's industrial participation

in the European Space Agency (ESA) programme. Key developments in 2018 included a significant increase in industrial engagement. 27 companies in Ireland secured ESA contracts valued at €19.3m, representing a rolling average of €13.7m over the period 2016–2018. Seven Irish companies secured first-time ESA contracts.

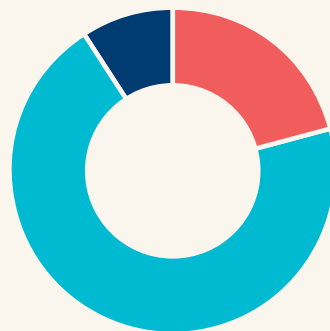
KEY SECTORAL AREAS FOR SME INSTRUMENT PHASE 2 SUCCESSES

Agriculture (€3.5m)

Innovation in SMEs (€11.8m)

ICT (€1.5m)

(All data sourced from the European Commission website on 10/04/2019).



MAXIMISING THE COMMERCIALISATION OF PUBLIC-FUNDED RESEARCH, WE:

- Supported the emergence of 30 new spin-out companies from Research Performing Organisations.
- Supported the transfer of 155 commercially valuable technologies to companies in Ireland.
- Approved 44 Commercialisation Fund projects.



CLIENT MANAGEMENT DEVELOPMENT DIVISION

In 2018, Enterprise Ireland's Client Management Development (CMD) division delivered 22 bespoke programmes designed to build ambition and develop leadership and management capability, ranging from strategic programmes that create transformational business change to flexible programmes that address shorter term business issues.

We gave 484 senior managers the tools, techniques and ambition to grow their business as part of our year-long transformation programmes (Leadership 4 Growth, Go Global 4 Growth, Innovation 4 Growth, the HPSU Founders Forum, the International Selling Programme, Open 4 Growth, the Thrive Programme and CSF Accelerator Programme).

Our flagship programme, Leadership 4 Growth, was successfully launched in September 2018, running in partnership with the IESE Business School and supporting 31 clients (24 Enterprise Ireland, one IDA Ireland and six

Invest Northern Ireland). This unique programme includes three overseas modules and one-to-one business advisory support. It will enhance companies' leadership, strategic capabilities, ambition and confidence, and will finish in late 2019.

A further 1,073 managers were supported through our flexible modular programmes. The programmes are designed to address the key challenges companies are facing across the key business pillars of sales and marketing, finance, people and leadership, strategy, operations, and innovation. Workshops include business planning, customer value proposition, sales pipeline management, investor ready, identifying innovation opportunities for growth, masterclass in leadership, scenario planning for Brexit, strategic finance, fast track for revenue, and SPRINT programmes.

Two new initiatives that launched in 2018 were a series of Brexit



CLIENT MANAGEMENT DEVELOPMENT DIVISION (CONTINUED)

workshops hosting 151 participants and Spotlight on Skills, which was attended by more than 210 managers. The Spotlight on Skills programme provided companies with a toolkit and methodology to identify their critical skill needs, and develop a company skills plan and a strategy to address the skills needs identified. Managers were introduced to the Department of Education and Skills Fora Managers to help them respond to the needs identified in their plans.

There are numerous initiatives improving capability for HPSU client companies, such as the HPSU Founders Forum, designed to help post-investment HPSUs to reach €1m or more in shorter timeframes. More than 200 companies are currently participating, of which 47 joined in 2018.

The aim of Enterprise Ireland's HPSU SPRINT programme, delivered in partnership with Dublin Business Innovation Centre (DBIC),

is to help founders develop the skills needed to build a successful business, and help them to ensure product-market fit and get investor ready in shorter timeframes. Thirty-two managers came through the HPSU SPRINT programme in 2018. Fast track to revenue workshops were also delivered, in which 42 managers were supported, with 65 managers coming through investor ready workshops.

Another new initiative delivered by CMD in 2018 was GradStart. This broad-based graduate programme financially supports client companies to employ up to three graduates at any one time across all disciplines and sectors. GradStart was launched in May 2018 and supported 137 roles across 78 companies in 2018.

Our mentor network programme continues to match new, early stage and established business owners with experienced business mentors. The programme is

composed of a panel of 400 seasoned entrepreneurs and senior executives who have experienced the kind of challenges and opportunities that Enterprise Ireland-backed companies are facing. In 2018, we matched 443 companies with a mentor (402 for Enterprise Ireland clients, 31 for LEO client companies and 10 for IDA Ireland and Údarás na Gaeltachta clients).

Key content was developed for eiLearn, Enterprise Ireland's digital learning platform, which is designed to support clients to grow their business. In 2018, we supported an additional 3,483 people via eiLearn. A new Customs Insights online module was developed and launched in December 2018, for which more than 620 people registered and viewed content in the first week.

We also supported 162 companies through one-to-one engagement across our People and Management

pillar. Key issues companies are facing in this pillar include attracting and retaining key skills; managing performance; transitioning leadership to become more strategic; aligning and defining senior management roles; communicating strategic direction to managers and employees; building an appropriate organisation structure to scale; succession planning and identifying and addressing key management gaps. We are planning to design workshops to address these key challenges in 2019.



DRIVING COMPETITIVENESS, WE:

- Approved funding for 196 companies to improve productivity, profitability and environmental best practice with our Lean and Competitiveness business supports. (Note: this includes Lean Transform, Lean Plus, Lean Start and Capital Investment Initiative approvals.)
- Invested directly in the growth of 246 clients with investment plans of greater than €500,000.
- Launched an Operational Excellence Offer in July 2018 with a fund of €20m to support activities enabling a transformative step-change in a company through process innovation. The offer aims to increase the prevalence of holistic support packages for Enterprise Ireland clients which, in conjunction with Enterprise Ireland's Market Discovery and Innovation incentives, drives the competitiveness agenda.
- Accessed through a single application and assessment process, funding is structured around the following expenditure categories:
 - Capital equipment investment in production assets
 - Business model and process innovation implementation costs
 - Training to support the project, including in leadership and lean operational excellence.

Expand Reach



SUPPORTING THE INTERNATIONALISATION OF IRISH COMPANIES

- Record export sales of €23.8bn*
- 1,604* new contracts secured overseas with Enterprise Ireland assistance
- 417* companies established new overseas presences
- €4.8bn in exports to the Eurozone region (second largest market for Irish exporters)
- 62 Ministerial-led overseas trade missions and knowledge events
- 163 market diversification grants approved
- Brought 1,077* international buyers to Ireland to meet with clients
- 93* first-time exporters outside the UK

* Board-reported figures to 31st December 2018, updated from End of Year Statement prepared mid-December 2018.





In addition to supporting Irish-owned businesses, Enterprise Ireland has a special remit to attract food industry FDI into Ireland and promote Ireland overseas as the study abroad destination of choice for higher education.

ATTRACTING FOOD INDUSTRY FDI INTO IRELAND

In 2018, Enterprise Ireland approved six new foreign direct investments for significant food industry projects in regional locations around Ireland, working with international companies including TINE (Norway), Volac (UK), ARIIX (USA) and Emerí Nutrition Co Ltd.

Glanbia Cheese EU (a joint venture between US company Leprino Foods and Glanbia plc) announced plans to build a €130m mozzarella cheese facility, Europe's largest, in Portlaoise, creating 78 jobs supported by Enterprise Ireland.

Crust & Crumb plans to build a state-of-the-art chilled pizza factory in Cavan with the creation of 80 jobs.

These projects will bring approximately €300m in valuable investments to regional locations, with the creation of 280 new jobs and new exports of €220m.

Food industry FDI is of great economic importance. The new projects require the purchase of large quantities of raw materials locally, with the effect of supporting jobs in primary production in Ireland.

EDUCATION IN IRELAND

In 2018, the number of international students in Ireland studying full time at third level reached 38,445, with a further 121,462 studying in Marketing English in Ireland (MEI) language schools.

Tuition fee income at third level was €412.5m, a 12% increase year-on-year.

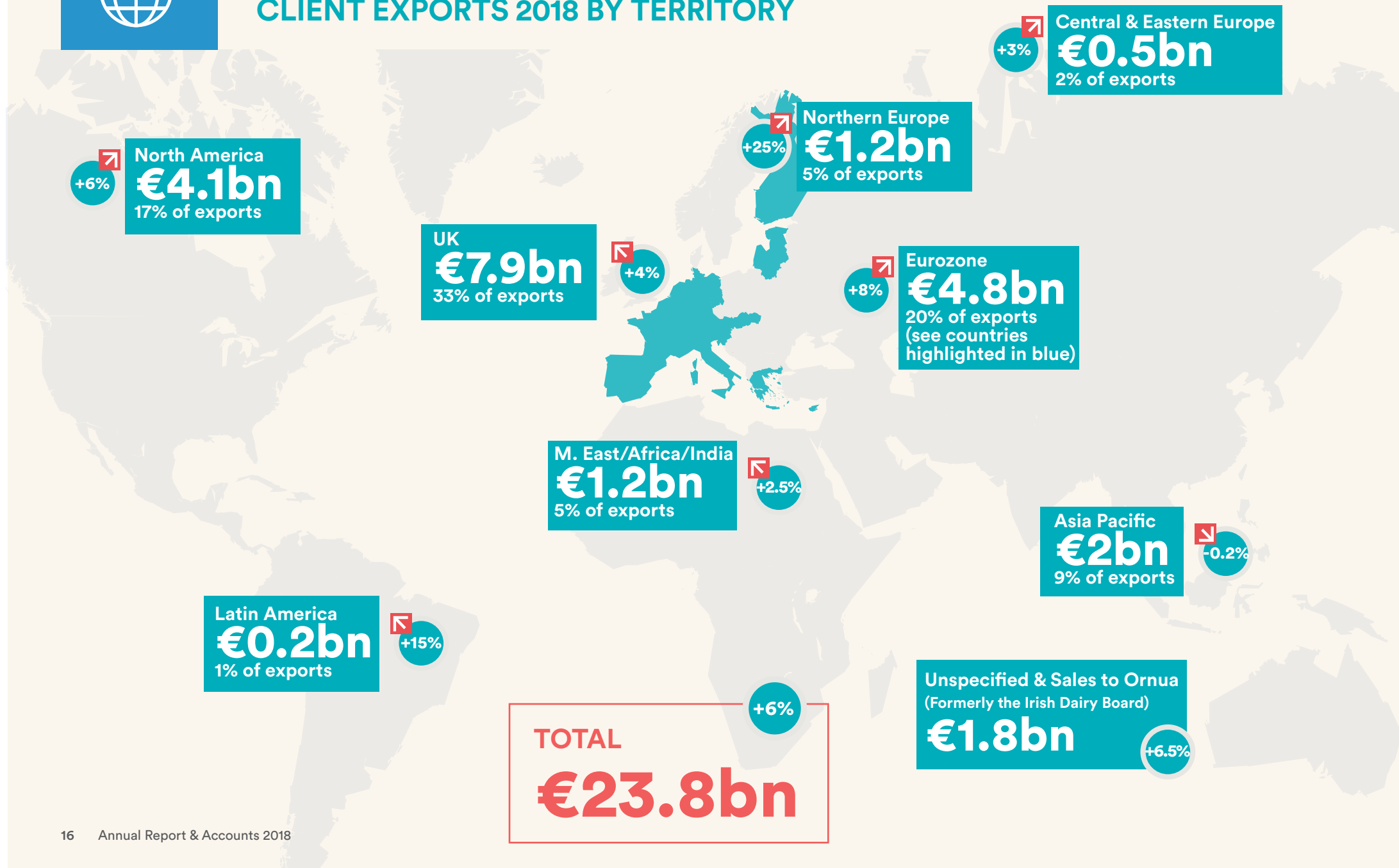
In the third year of the International Education Strategy 2016–2020, Ireland's higher education institutions (HEIs) and English language schools are well positioned to reach the ambitious targets set out in this strategy.

More resources have been invested in the sector internationally with a concerted effort to deepen roots in traditionally strong markets like North America, the Gulf, India, and China, alongside additional investment in the developing markets of ASEAN, Sri Lanka, Nigeria, Mexico, Colombia, and Brazil.

HEIs participated in coordinated education fairs and promotional activity in 16 countries with Ministers and senior officials leading delegations in five locations, making the necessary high-level linkages at Government level supported by the Irish Embassy network.



CLIENT EXPORTS 2018 BY TERRITORY





CLIENT EXPORTS BY SECTOR



Fintech

€829m

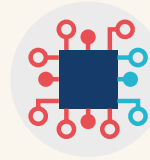
+17%



Construction

€2bn

+22%



Digital technologies

€2.2bn

+6%



Engineering

€1.6bn

+9%



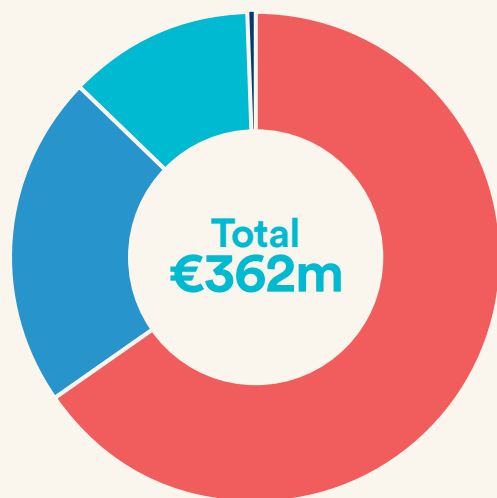
Food

€11.7bn

+1%



ENTERPRISE IRELAND ALLOCATION OF FUNDS 2018



€237m

Funding for Enterprise Development

€79m

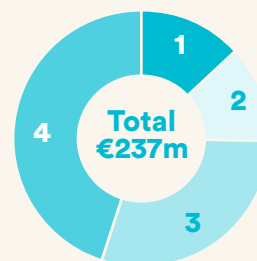
Client and Corporate Services Network

€44m

Funds Administered on Behalf of Third Parties

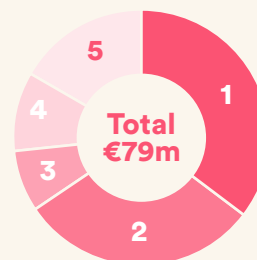
€2m

Disbursements to other State Agencies



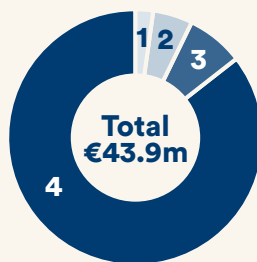
FUNDING FOR ENTERPRISE DEVELOPMENT

1. Capability Building	€31m
2. Capacity Building	€29m
3. Equity and Venture Capital Funds	€71m
4. Technology and Scientific Infrastructure	€106m
Total	€237m



CLIENT AND CORPORATE SERVICES NETWORK

1. Client Services Network	€28m
2. Overseas Office Network	€24m
3. Regional Office Network	€6m
4. Science and Innovation Support	€8m
5. Corporate Services Support	€13m
Total	€79m

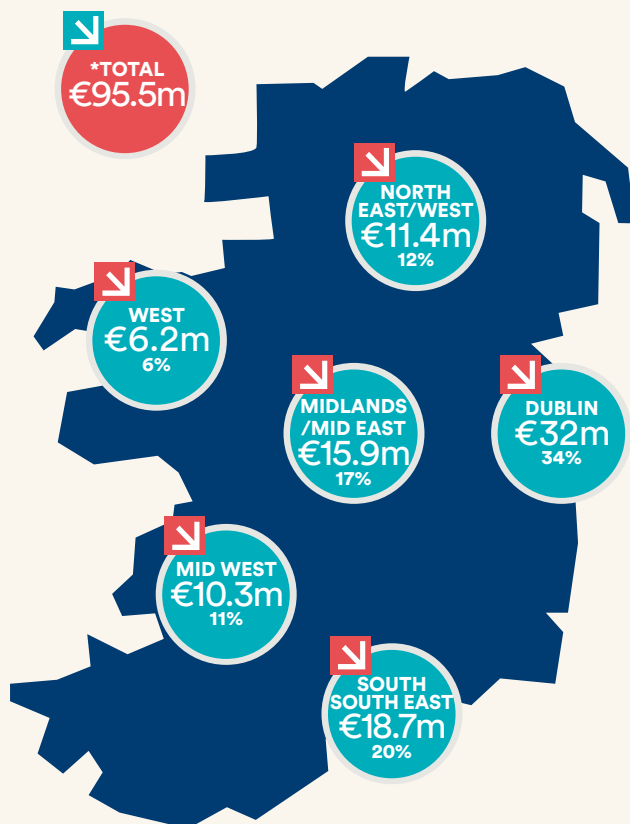


FUNDS ADMINISTERED ON BEHALF OF THIRD-PARTY AGENCIES

1. Beef and Sheep Meat Investment Fund	€1m
2. Business Innovation Centres	€2m
3. Design and Crafts Council of Ireland	€3m
4. Local Enterprise Offices	€38m
Total	€44m

BREAKDOWN OF FUNDING TO CLIENT COMPANIES BY REGION

65% of funding went to regions outside of Dublin



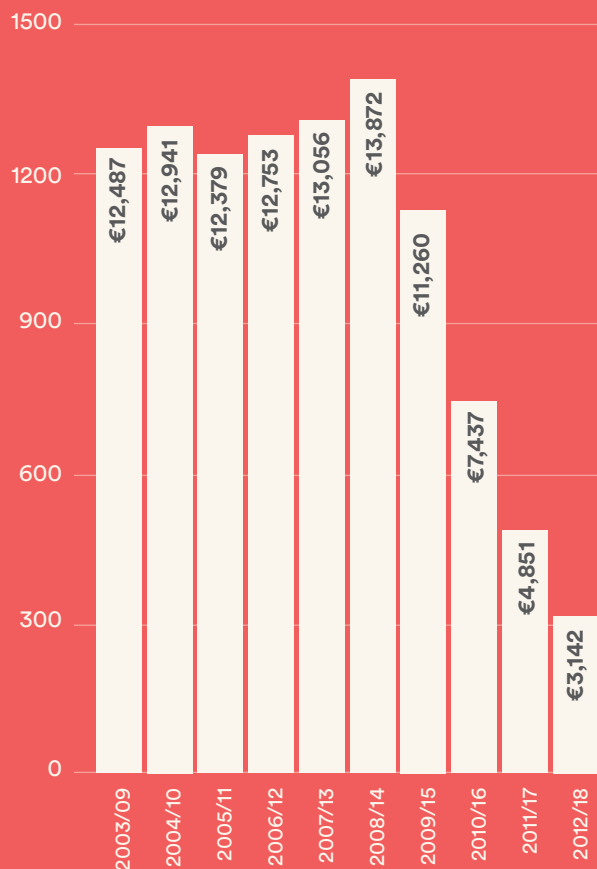
***Note:** Included in this total, clients in overseas locations received funding of €0.8m and clients in Northern Ireland received €0.2m.

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.

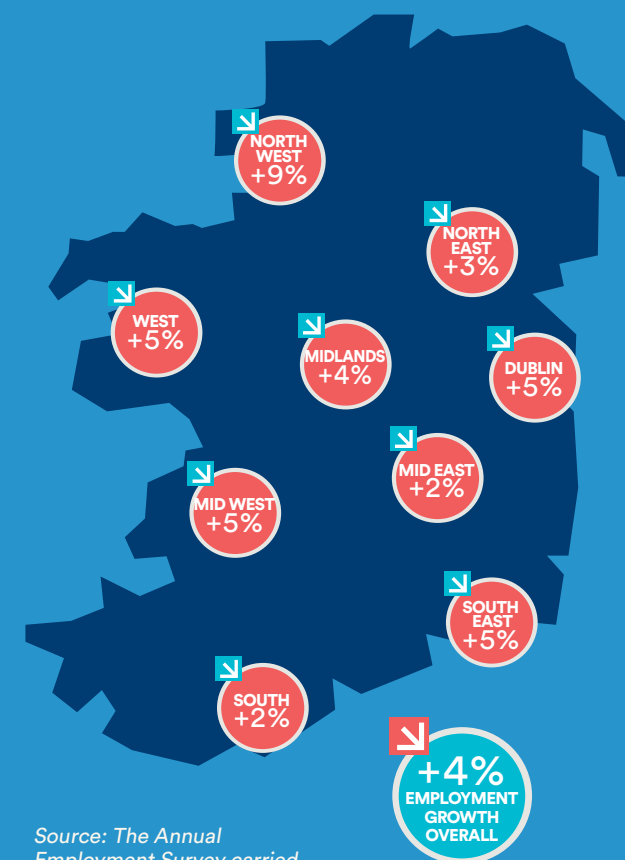


Source: Department of Business, Enterprise and Innovation: Cost per job calculations

EMPLOYMENT GROWTH PER REGION

217,186
employed by
Enterprise
Ireland-supported
companies

18,896 total new jobs
8,212 net jobs created
64% employment outside
of Dublin



Source: The Annual Employment Survey carried out by the Department of Business, Enterprise and Innovation.

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 1986–2009 and under the aegis of the Minister for Business, Enterprise and Innovation, who is empowered to provide funds to the agency to enable it to discharge its obligations; to issue general policy directives; and to seek information on the agency's activities.

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

CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES 2016

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

The Chairman of the Board, in a separate report furnished annually to the Minister for Business, Enterprise and Innovation, confirms compliance with the individual requirements of the Code. Enterprise Ireland is certified to the SWiFT 3000:2010 Code of Practice for Corporate Governance Assessment in Ireland.

GUIDELINES FOR THE APPRAISAL AND MANAGEMENT OF CAPITAL EXPENDITURE PROPOSALS

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

FREEDOM OF INFORMATION ACT 2014

The Freedom of Information (FOI) Act was signed into law in 2014. This Act provides a legal right to individuals to obtain access to information held by public bodies, to the greatest extent possible, consistent with the public interest and the right to privacy. Further information on the implementation of FOI at Enterprise Ireland is available on our website at www.enterpriseireland.com.

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

SAFETY, HEALTH AND WELFARE AT WORK ACT 2005

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

Corporate Governance (continued)

PROMPT PAYMENT OF ACCOUNTS

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

PROMPT PAYMENT TO SUPPLIERS

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

This provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days. Enterprise Ireland reports quarterly on the implementation of the 15-day Prompt Payment Rule on its website. The table below shows Enterprise Ireland's performance regarding the 15-day payment required during 2018.

Details	Number	Value €
Number of payments made within 15 days	13,562	36,032,683
Within 16 to 30 days	24	69,818
In excess of 30 days	1	966
Total payments	13,587	36,103,467

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 positions comply with the regulations.

Corporate Governance (continued)

DATA PROTECTION

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

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 2018.

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 2018, Enterprise Ireland administered a range of programmes that are eligible for co-funding by EU Structural Funds, including the European Regional Development Fund, the Productive Sector Operational Programme and the Employment and Human Resources Development Operational Programmes for Southern, Eastern, and Border regions.

OFFICIAL LANGUAGES ACT 2003

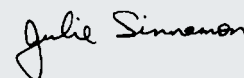
Enterprise Ireland comes under the remit of the Official Languages Act 2003, which was signed into law on 14 July 2003 to provide a statutory framework for the delivery of services through the Irish language. In accordance with Section 10 of the Act, this Annual Report is published in Irish and English.

CLIENT CHARTER

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

ENERGY EFFICIENCY AND CONSERVATION

Enterprise Ireland is committed to making every effort possible to be energy efficient and is working closely with SEAI to achieve the Government target of 33% energy reduction by 2020. The agency is on target to reduce its energy usage by 33% 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 D1 and E1.



Julie Sinnamon
Chief Executive Officer

Enterprise Ireland Board 2018

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

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

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

In its own activities and in its use of subcommittees, 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 of the Board. 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 Business, Enterprise and Innovation, with the consent of the Minister for Public Expenditure and Reform. Each year, on the anniversary of the Establishment Day, the two members (other than the Chairman and Chief Executive) who have been longest in office since their last appointment retire from office. New Board members, on their appointment, are provided with an extensive briefing on the agency and its operations.

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

ENTERPRISE IRELAND BOARD AS AT 27 MAY 2019



Terence O'Rourke,
(Chairman), former
Managing Partner,
KPMG



Julie Sinnamon,
CEO, Enterprise Ireland



Declan Hughes,
Assistant Secretary,
Department of Business,
Enterprise and Innovation



Geoff Meagher,
Consultant



Colum Horgan,
CEO, InverCloud



Dave Shanahan,
Founder and CEO,
Adagio Ventures
Commercialisation
Partners



Lisa Dillon,
General Manager of
EMEA Inside Sales,
Microsoft



John McMahon,
Consultant



Helen Ryan,
Director, Hakata
Holdings Ltd.



Elaine Coughlan,
Co-Founder and
Managing Partner, Atlantic
Bridge Capital Ltd.



Clodagh Cavanagh,
CEO, Abbey Machinery
Ltd.



Conor Hanley
President and CEO,
Foundry Innovation and
Research 1 Ltd (**FIRE1**)

Paul McKeown
is Secretary to the
Board

Changes to the Board during 2018 / 2019

Terence O'Rourke was reappointed on 1 August 2018
Julie Sinnamon was reappointed on 3 November 2018
Patrick Flynn retired on 23 July 2018
Elaine Coughlan retired on 23 July 2018 and was reappointed on 3 January 2019
Clodagh Cavanagh was appointed on 3 January 2019
Conor Hanley was appointed on 3 January 2019

MEMBERSHIP OF ENTERPRISE IRELAND MANAGEMENT COMMITTEES

as at 27 May 2019

In order to continually enhance Enterprise Ireland's organisational effectiveness, in March 2019 a number of committee changes were implemented, including the dissolution of six committees and the introduction of three new committees and changes to delegated powers. The Management Committees in effect as at 27 May are as follows:

STRATEGY AND POLICY MANAGEMENT COMMITTEE

The Strategy and Policy Management Committee considers and agrees action on the key strategic issues relating to the business of the agency. It reviews and approves the strategic plan for recommendation to the Board and matters relating to the external policy including financial product guidelines, sectoral policies and strategies, regional strategy and new and amended programmes and schemes.

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

Kevin Sherry, Executive Director, Global Business Development, Enterprise Ireland

Stephen Creaner, Executive Director, Enterprise Ireland

Orla Battersby, Divisional Manager, Food, Enterprise Ireland

Jennifer Melia, Divisional Manager, High Potential Start-Ups, Enterprise Ireland

Tom Kelly, Divisional Manager, Innovation and Competitiveness, Enterprise Ireland

Leo McAdams, Divisional Manager, International Sales and Partnering, Enterprise Ireland

Paul McKeown, Chief Financial Officer, Enterprise Ireland

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

Niall O'Donnellan, Divisional Manager, ICT, International Services and Client Management Development, Enterprise Ireland

Mark Christal, Divisional Manager, Regions and Entrepreneurship, Enterprise Ireland

Joe Healy, Divisional Manager, Corporate Services, Enterprise Ireland

Rowena Dwyer, Department Manager, Policy, Planning and Government Relations, Enterprise Ireland

Mairead Hennessy, Secretary to the Strategy and Policy Management Committee

PERFORMANCE AND OPERATIONS COMMITTEE

The Performance and Operations Committee considers and agrees action on the key corporate issues relating to the administration and operations of the agency. It reviews and approves the annual corporate plan for recommendation to the Board and matters relating to internal policy including the annual budget, Annual Report and Accounts, progress against organisation targets and corporate and divisional risk registers.

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

Kevin Sherry, Executive Director, Global Business Development, Enterprise Ireland

Stephen Creaner, Executive Director, Enterprise Ireland

Orla Battersby, Divisional Manager, Food, Enterprise Ireland

Jennifer Melia, Divisional Manager, High Potential Start-Ups, Enterprise Ireland

Tom Kelly, Divisional Manager, Innovation and Competitiveness, Enterprise Ireland

Leo McAdams, Divisional Manager, International Sales and Partnering, Enterprise Ireland

Paul McKeown, Chief Financial Officer, Enterprise Ireland

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

Niall O'Donnellan, Divisional Manager, ICT, International Services and Client Management Development, Enterprise Ireland

Mark Christal, Divisional Manager, Regions and Entrepreneurship, Enterprise Ireland

Joe Healy, Divisional Manager, Corporate Services, Enterprise Ireland

Rowena Dwyer, Department Manager, Policy, Planning and Government Relations, Enterprise Ireland

Mairead Hennessy, Secretary to the Performance and Operations Committee

INVESTMENT COMMITTEE

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

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

Grainne Mulligan, Principal Officer, Department of Agriculture, Food and the Marine

Bernie Cullinan, Consultant, Private Sector

Thomas Murray, Principal Officer, Department of Business, Enterprise and Innovation

Niall O'Donnellan, Divisional Manager, ICT, International Services and Client Management Development, Enterprise Ireland

Liam Ryan, Consultant, Private Sector

Maurice Hickey, Consultant, Private Sector

Kevin Sherry, Executive Director, Global Business Development, Enterprise Ireland

Stephen Creaner, Executive Director, Enterprise Ireland

Paul McKeown, Chief Financial Officer, Enterprise Ireland

Eimear Kenny, Secretary to the Investment Committee

The following members retired or resigned from the Committee during 2018:

Eugene Forde, Principal Officer, Department of Business, Enterprise and Innovation

Marian Byrne, Principal Officer, Department of Agriculture, Food and the Marine

RESEARCH, DEVELOPMENT AND INNOVATION COMMITTEE

Enterprise Ireland's approach to R&D and innovation is guided by the Government's strategy Innovation 2020, which is coordinated by the Department of Business, Enterprise and Innovation. The R&D Fund was launched in early 2008 and is designed to provide support for research, development and technological innovation relevant at all stages of company development. It provides support to enable companies to progress from undertaking an initial research project to high level innovation and R&D activity.

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

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

Leo McAdams, Divisional Manager, International Sales and Partnering, Enterprise Ireland

Deirdre Glenn, Director, Life Sciences and Food Commercialisation, and Manager, Life Sciences Sector, Enterprise Ireland

Tom Beresford, Head of Moorepark Food Research Centre, Teagasc

Denis Hayes, General Manager, Industry Research and Development Group

Brian McCoy, Consultant, Private Sector

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

Aidan O'Connor, Consultant, Private Sector

Johnnie Phillips, Consultant, Private Sector

Padraig Somers, General Manager, Helsinn Birex Pharmaceuticals

Linda Cullen, Strategy and Planning Specialist, Bord Bia

Lorraine Frewen, Secretary to the Research, Development and Innovation Committee

The following members retired or resigned from the Committee during 2018:

Brian Dalton, Innovation, Research and Development Programmes, Department of Business, Enterprise and Innovation

Orla Donohoe, Sector Manager, Bakery, Food and Beverages, Bord Bia

SEED AND VENTURE CAPITAL FUNDS COMMITTEE

The objective of the Enterprise Ireland Seed and Venture Capital programmes is 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.

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

Donnchadh Cullinan, Department Manager, Growth Capital, Enterprise Ireland

Don Harrington, Director Corporate Finance, Goodbody Stockbrokers, Private Sector

Jean Carberry, Principal Officer, Department of Business, Enterprise and Innovation

Paul McKeown, Chief Financial Officer, Enterprise Ireland

Nick Ashmore, CEO, Strategic Banking Corporation of Ireland

Eimear Kenny, Secretary to the Seed and Venture Capital Funds Committee

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 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.

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

Mike Brosnan, Consultant, Private Sector

Joseph Curtis, Department Manager, Event Management, Facilities and Procurement, Enterprise Ireland

Carol Gibbons, Department Manager, Digital Technologies, and Director, ICT Commercialisation, Enterprise Ireland

Seamus Grant, Consultant, Private Sector

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

Gemma Irvine, Head of Policy and Strategic Planning, Higher Education Authority

Frank Kennedy, Retired Executive, Private Sector

Niall O'Donnellan, Divisional Manager, ICT, International Services and Client Management Development, Enterprise Ireland

Mairead O'Driscoll, Director Funding, Health Research Board

Mary Shire, Vice President of Research, University of Limerick

Colette Reilly, Innovation, Research and Development Programmes, Department of Business, Enterprise and Innovation

Jennifer Brennan, Director of Research, Development and Innovation, Technological Higher Education Association

Lisa Keating, Director of Research and Innovation, Irish Universities Association

Siobhan Roche, Director of Industry Programmes, Science Foundation Ireland

Mairead Hennessy, Secretary to the Industrial Research and Commercialisation Committee

The following members retired from the Committee during 2018:

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

Brian Dalton, Innovation Research and Development Programmes, Department of Business, Enterprise and Innovation

Darrin Morrissey, Director of Programmes, Science Foundation Ireland

MANAGEMENT APPROVALS COMMITTEE

The Management Approvals Committee is a subcommittee of the Investment Committee and approves funding under the Job Expansion Fund of up to €150,000 and Capital Investment Initiative of up to €250,000. It approves funding under the Exploring Opportunities Initiative of up to €150,000 and considers requests for extensions to grant final claim dates and grant recovery cases.

Tom Early, (Chairperson), Equity and Commercial Evaluation, Enterprise Ireland

Carol Gibbons, Department Manager, Digital Technologies, and Director, ICT Commercialisation, Enterprise Ireland

Stephen Hughes, Department Manager, Construction, Timber, Cleantech and Consumer, Enterprise Ireland

Imelda Lambkin, Department Manager, Disruptive Technologies, Enterprise Ireland

Niall McEvoy, Department Manager, HPSU ICT Accelerate, Enterprise Ireland

Fergus McMahon, Department Manager, Exporter Development and Core Client Relationship Team, Enterprise Ireland

Nicola NicPháidín, Department Manager, Consumer Food, Seafood and Horticulture, Food Enterprise and HPSUs, Enterprise Ireland

Donald Black, Department Manager, Core Advance Engagement Team, Enterprise Ireland

Lorraine Frewen, Secretary to the Management Approvals 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 2018 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 2018 and of its income and expenditure for 2018 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.

Waiver of loan interest

I draw attention to note 18 to the financial statements, which deals with concessionary loans issued by Enterprise Ireland. This discloses that, as part of the disposal of its interest in a company, Enterprise Ireland recovered the amount loaned to the company in 1986, but formally waived its entitlement to €7.7 million of accumulated interest. Although contractually provided for, the interest was not recognised in Enterprise Ireland's financial statements because it was not considered recoverable based on the commercial position of the company since the early 1990s.



Seamus McCarthy
Comptroller and Auditor General
21 June 2019

APPENDIX TO THE REPORT

Responsibilities of Board members

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

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

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

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

Reporting on other matters

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

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

I also report by exception if, in my opinion,

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

Governance Statement and Board Members' Report

Governance

The Board of Enterprise Ireland was established under the Industrial Development (Enterprise Ireland) Act 1998. The functions of the Board are set out in Section 22 of this Act. The Board is accountable to the Minister for Business, Enterprise and Innovation 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 subcommittees
- Financial reports/management accounts and 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 Business, Enterprise and Innovation 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 enable 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 14 February 2019.

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 considers 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 2018.

Board Structure

The Board consists of a Chairperson, CEO and ten non-executive members, all of whom are appointed by the Minister for Business, Enterprise and Innovation. The members of the Board are appointed for a period of five years and meet on a monthly basis. There are currently no vacancies.

The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Terence O'Rourke	Chairman	29 July 2013 Reappointed 1 August 2018
Julie Sinnamon	CEO	3 November 2013 Reappointed 3 November 2018
Clodagh Cavanagh	Board Member	3 January 2019
Elaine Coughlan	Board Member	12 May 2014 Retired 23 July 2018 Reappointed 3 January 2019
Lisa Dillon	Board Member	17 November 2015
Patrick Flynn	Board Member	8 July 2014 Retired 23 July 2018
Conor Hanley	Board Member	3 January 2019
Colum Horgan	Board Member	15 October 2012 Reappointed 10 July 2017
Declan Hughes	Board Member	4 September 2017
John McMahon	Board Member	26 March 2014 Reappointed 10 July 2017
Geoff Meagher	Board Member	15 October 2012 Reappointed 10 July 2017
Helen Ryan	Board Member	26 March 2014 Reappointed 10 July 2017
Dave Shanahan	Board Member	23 October 2015

The Board completed an external Board Effectiveness and Evaluation Review in 2017 and a Board Self-Assessment Evaluation was carried out in June 2018.

The Board has established five subcommittees, as follows:

1. Board Advisory Subcommittee:

Comprises of three non-executive Board members and the CEO. The role of the Board Advisory Subcommittee is to review and discuss matters related to urgent and/or significant proposals prior to full consideration and decision by the Board.

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

There were two meetings of the Board Advisory Subcommittee in 2018.

2. Audit and Risk Committee:

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

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

There were four meetings of the ARC in 2018.

3. Investment Portfolio Review Committee:

Comprises of two non-executive Board members appointed by the Board, one of which shall be nominated as Chairperson, the CEO

and the Chief Financial Officer. The role of the Investment Portfolio Review Committee (IPRC) is to oversee the management of Enterprise Ireland's investment portfolio.

The members of the Investment Portfolio Review Committee are: John McMahon (Chairperson), Declan Hughes, Julie Sinnamon (CEO) and Paul McKeown (CFO).

There were four meetings of the IPRC in 2018.

4. Strategy and Policy Committee:

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

The members of the Strategy Committee are: Terence O'Rourke (Chairperson), John McMahon, Lisa Dillon, Dave Shanahan and Helen Ryan.

5. Performance and Resource Planning Committee:

Comprises of the Chairperson of the Board and at least three 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 on 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 two vacancies.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2018 is set out below:

	Board	Board Advisory	Audit & Risk	IPRC	Strategy & Policy	Performance & Resource Planning	Fees 2018 €	Expenses 2018 €
Number of meetings	*13	2	4	4	As required	As required		
Terence O'Rourke	13	2					20,528	4,225
Julie Sinnamon	13	2		4			-	28,528
**Elaine Coughlan	5						6,698	175
Lisa Dillon	11						11,975	-
**Patrick Flynn	7						6,698	-
Colum Horgan	12		4				11,975	5,277
Declan Hughes	12	1		4			-	-
John Mc Mahon	12			4			11,975	122
Geoff Meagher	12	2	4				11,975	2,422
Helen Ryan	13		4				11,975	3,267
Dave Shanahan	11						11,975	-
Total							105,774	44,016

*The Board met on 12 September 2018 without executive Board members or management present.

**Ms Elaine Coughlan and Mr Patrick Flynn retired from the Board on 23 July 2018.

Total expenses of €44,016 include €13,729 paid directly to the Board members, the balance of €30,287 relates to expenditure paid by Enterprise Ireland on behalf of the Board members. The expenses incurred relate to travel and subsistence costs incurred by the CEO and the Board members in attending Board meetings and other Enterprise Ireland client events including overseas trade missions.

There were two Board members, Ms Julie Sinnamon (CEO) and Mr Declan Hughes, Assistant Secretary Department of Business, Enterprise and Innovation 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 retired on 23 July 2018, Ms Elaine Coughlan and Mr Patrick Flynn. On 3 January 2019 the Minister reappointed Ms Elaine Coughlan and appointed two new Board members Ms Clodagh Cavanagh and Mr Conor Hanley.

The Executive Director Mr Stephen Creaner was appointed to his position with effect from 17 September 2018.

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 (2016) ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

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

Consultancy Costs

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

	2018 €	2017 €
Commercial & Technical Evaluation	460,069	279,712
Internal Audit, Risk Management & Programme Audits	273,808	370,412
Financial & Process Reviews	13,523	73,431
Legal	251,509	83,206
Other	166,374	177,579
Total Consultancy Costs	1,165,283	984,340

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 thirty-four 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:

	2018 €	2017 €
Domestic		
Board*	17,132	18,088
Employees	2,475,408	2,380,845
International		
Board*	26,884	30,060
Employees	2,537,581	2,087,632
Total	5,057,005	4,516,625

*includes travel and subsistence of €13,729 paid directly to the Board members in 2018 (2017- €15,342). The balance of €30,287 (2017- €32,806) 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:

	2018 €	2017 €
Staff hospitality	10,851	14,253
Client hospitality	287,817	258,249
Total	298,668	275,502

Statement of Compliance

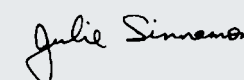
The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. Enterprise Ireland was in full compliance with the Code of Practice for the Governance of State Bodies for 2018.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke,
Chairman

18 June 2019



Julie Sinnamon,
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 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

Enterprise Ireland has an Audit and Risk Committee (ARC) comprising three Board members, with financial and audit expertise, one of whom is the Chair. The ARC met four times in 2018.

Enterprise Ireland has a well-established internal audit unit which is adequately resourced, 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 to 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.

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.

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 2018.

Internal Control Issues

Non-Compliant Procurement

During 2018, expenditure of €114,101 was incurred in relation to services with three suppliers where the procedures employed did not comply with procurement guidelines. Two instances involved procurement of urgent and essential services involving once-off non-recurring contracts. The third instance involved unforeseen further significant follow-on advice required from the original service provider. An EU-level tender is currently underway in relation to the services provided by the third supplier.

Four instances of non-compliance were disclosed in 2017. Payments of €35,840 were made to two of these suppliers in 2018 prior to finalisation of new tenders.



Terence O'Rourke

Chairman

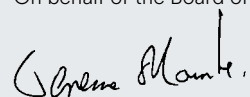
18 June 2019

Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2018

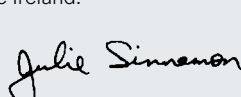
	Notes	2018 €'000	2017 € '000
Income			
Oireachtas Grants - Department of Business, Enterprise and Innovation	2	268,583	271,811
Funding from Other Government Departments	3	6,864	9,834
Own Resources	4	9,543	10,027
Net Deferred Retirement Benefits Funding	8 (d)	21,405	19,656
Profit on disposal/transfer of Fixed Assets (net)	11	24,228	38,554
TOTAL INCOME		330,623	349,882
Expenditure			
Financial Support to Industry	5	210,086	203,276
Disbursements to Other State Agencies re Financial Support to Industry	6	1,540	685
Administration, Operation and Promotion	7	84,176	80,673
Retirement Benefits Costs	8 (c)	23,644	22,089
Movement in Value of Fixed Assets	9	1,381	27,284
Movement in Value of Public Benefit Entity Concessionary Loans	10	(359)	445
TOTAL EXPENDITURE		320,468	334,452
Surplus before Appropriations		10,155	15,430
Appropriations			
Contribution (to)/from the Exchequer	12	(131)	1,104
Transfer to the Capital Account	13	(6,362)	(24,139)
Transfer from the State Advances Account	14	3,293	3,983
Surplus/(Deficit) after Appropriations		6,955	(3,622)
Balance Brought Forward at Start of Year		2,705	6,327
Balance Carried Forward at End of Year		9,660	2,705

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman
18 June 2019



Julie Sinnamon
Chief Executive Officer

Statement of Comprehensive Income for the year ended 31 December 2018

Surplus/(Deficit) after Appropriations

Experience gain/(loss) on Retirement Benefits scheme liabilities

Change in assumptions underlying the present
value of Retirement Benefits liabilities

Total Actuarial gain/(loss) in the year

Adjustment to deferred Retirement Benefits funding

Total Comprehensive Income for the year

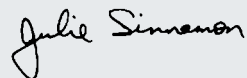
2018 €'000	2017 € '000
6,955	(3,622)
13,848	(15,210)
9,261	54
23,109	(15,156)
(23,109)	15,156
6,955	(3,622)

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman
18 June 2019



Julie Sinnamon
Chief Executive Officer

Statement of Financial Position as at 31 December 2018

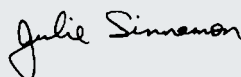
	Notes	2018 €'000	2017 € '000
Fixed Assets			
Property, Plant and Equipment	16	1,213	1,257
Financial	17	443,309	436,903
Total Fixed Assets		444,522	438,160
Public Benefit Entity Concessionary Loans	18	12,220	11,664
Current Assets			
Receivables	19	5,269	4,046
Cash and Cash Equivalents		13,014	8,321
		18,283	12,367
Current Liabilities			
Payables (Amounts falling due within one year)	20	8,623	9,662
Net Current Assets		9,660	2,705
Retirement Benefits Obligations	8(e)	(446,440)	(448,144)
Deferred Funding Assets	8(e)	446,440	448,144
Total Net Assets		466,402	452,529
Representing			
Capital Account	13	444,522	438,160
State Advances Account	14	12,220	11,664
Retained Revenue Reserves		9,660	2,705
		466,402	452,529

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Terence O'Rourke
Chairman
18 June 2019



Julie Sinnamon
Chief Executive Officer

Statement of Cash Flows

for the year ended 31 December 2018

Cash flows from Operating Activities

Excess Income over Expenditure

Adjustments for

Dividends Receivable

Reduction in Value of Fixed Assets

(Profit)/Loss on Disposal of Property, Plant & Equipment

Profit on Disposal of Financial Fixed Assets

(Increase)/Decrease in Value of Financial Incentive Assets

(Increase)/Decrease in Receivables excluding Dividends

Increase/(Decrease) in Payables excluding Contribution to the Exchequer

Contribution to the Exchequer

The effect of foreign exchange rate changes

Net Cash Inflow from Operating Activities

Cash flows from Investing Activities

Payments to acquire Fixed Assets

Property, Plant & Equipment

Financial:

Investments in Shares

Seed and Venture Capital Fund

Receipts from disposal of Fixed Assets

Property, Plant & Equipment

Financial:

Investments in Shares

Seed and Venture Capital Fund

Public Benefit Entity Concessionary Loan Receipts

Net cash flows from Investing Activities

Cash flows from Financing Activities

Dividends received

Net Cash flows from Financing Activities

Net Decrease in Cash and Cash Equivalents

Cash and Cash equivalents at the start of the year

The effect of foreign exchange rate changes

Cash and Cash equivalents at the end of the year

	2018 €'000	2017 €'000
	10,155	15,430
	(2,794)	(4,508)
	1,381	27,284
	4	(7)
	(24,232)	(38,547)
	(359)	445
	(1,138)	548
	(1,078)	1,545
	(91)	(191)
	(4)	177
	(18,156)	2,176
16	(410)	(189)
17 (c)	(29,303)	(36,863)
17(a)	(41,864)	(52,201)
	-	7
11(b)	28,460	22,316
11(b)	59,601	54,061
18	3,652	3,538
	20,136	(9,331)
	2,709	4,790
	2,709	4,790
	4,689	(2,365)
	8,321	10,863
	4	(177)
	13,014	8,321

Accounting Policies for the year ended 31 December 2018

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 PBE 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
- Promote, assist and develop the marketing of goods and service industries
- Promote enterprises in strategy assessment and formulation
- Develop the technological base and the capacity of enterprises to innovate and undertake research, development and design
- Strengthen the skills base in industry
- Make investments in and provide supports to industrial undertakings which comply with the requirements of the enactments for the time being in force
- 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 Business, Enterprise and Innovation with the concurrence of the Minister for Public Expenditure and Reform under the Industrial Development (Enterprise Ireland) Act, 1998.

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

(c) Income

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

Oireachtas Grants

Oireachtas grants are recognised on a cash receipts basis.

Divided Income

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

Repayable Financial Support Refunds

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

(d) Financial Supports to Industry

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

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

Repayable 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, are not repayable on demand and are granted at below the prevailing market rate of interest or interest free. Repayable grants 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 grants 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:

Research and Development and Capital Financial Support

Certain Research and Development and Capital Financial Support agreements have a repayable clause allowing for 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.

Accounting Policies for the year ended 31 December 2018 (cont.)

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

(f) State Advances Account

The State Advances Account represents monies advanced to Enterprise Ireland and CEB/LEO client companies by way of repayable financial support classified as Public Benefit Entity Concessionary Loans.

(g) Investments

Quoted Investments

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

Other Investments

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

Write-off of Investments

Where management's assessment of the value of investments is nil, due to insolvency or otherwise, those investments are written off.

Seed and Venture Capital Funds

Advances to these funds are measured at fair value and gains or losses in fair value are recorded through the Statement of Income and Expenditure and Retained Revenue Reserves based on Fund Managers' valuations using the latest audited or management accounts available. The guidelines followed by the Fund Managers in arriving at the valuations are in accordance with the valuation principles of the European and Irish Venture Capital Associations.

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 and 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 Business, Enterprise and Innovation). 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 Retirement Benefits 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 Business, Enterprise and Innovation 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 2018

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 Business, Enterprise and Innovation in respect of the main scheme and to the Department of Public Expenditure and Reform in respect of the single pension 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 Business, Enterprise and Innovation.

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 Business, Enterprise and Innovation.

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 effect 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 valuation principles of the European and Irish Venture Capital Associations.

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 Business Enterprise and Innovation (Vote 32)

- (a) Under Section 11 of the Industrial Development Act, 1993, as amended by section 4(a) of the Industrial Development Act, 2009, the aggregate amount of grants made by the Minister to Enterprise Ireland, IDA Ireland and Science Foundation Ireland to enable them to discharge their Capital obligations and liabilities shall not exceed €7 billion. At 31 December 2018 the aggregate amount made available to the three Agencies was €6.549 billion (2017 - €6.223 billion) of which Enterprise Ireland and the former Forbairt received €1.432 billion (2017 - €1.400 billion).
- (b) Under Section 14(3) of the Industrial Development Act 1986, the aggregate amount of grants made by the Minister to Enterprise Ireland, IDA Ireland and Science Foundation Ireland to enable them to meet their obligations and liabilities in respect of principal and interest on foot of Loan Guarantees under that Act and under Section 37 of the Industrial Development Act 1969, Sections 2 and 3 of the Industrial Development Act 1977, shall not exceed €159m. At 31 December 2018 the aggregate amount so provided was €13.547m (2017- €13.547m), all of which related to Enterprise Ireland clients.
- (c) The grant for Promotion and Administration expenditure of €75.736m is stated net of employee retirement benefits contributions totalling €2.409m, €2.204m remitted to the Department of Business, Enterprise and Innovation (in respect of Enterprise Ireland's staff retirement benefits scheme) and €0.205m remitted to the Department of Public Expenditure and Reform (in respect of the single service retirement benefits scheme).

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

	Notes	Subhead	2018 €'000	2017 € '000
Grant for Financial Supports to Industry		A7.2	32,375	38,725
Grant for Local Enterprise Offices	5(b)	A8	33,324	32,577
Grant for Promotion and Administration Expenditure	2(c)	A7.1	75,736	73,560
Grant for Capital Equipment		A7.3	700	700
Science & Technology Development Programme		B4.1	126,448	126,249
			268,583	271,811

Notes to the Financial Statements for the year ended 31 December 2018

3 Funding from Other Government Departments

	Notes	2018 €'000	2017 € '000
Beef and Sheep Meat Investment Fund - (Department of Agriculture, Food and the Marine) Vote 30 Subhead C4	5(a)	670	2,466
Food Competitiveness Fund - (Department of Agriculture, Food and the Marine) Vote 30 Subhead C4	3(a)	719	1,950
National Training Fund - (Department of Education and Skills) Vote 28		3,500	3,500
Joint Economic Commission Projects - (Department of Foreign Affairs and Trade) Vote 28 Subhead C3		65	73
LEO Online Trading Voucher Scheme - (Department of Communications, Climate Action & Environment) Vote 29 Subhead A5		1,910	1,845
		6,864	9,834

(a) Food Competitiveness Fund

The Food Competitiveness Fund was approved by Government in 2009 for the food industry to support initiatives, including Lean manufacturing, Research & Development and Marketing Initiatives. Funding is provided by the Department of Agriculture, Food and the Marine.

4 Own Resources

	Notes	2018 €'000	2017 € '000
Dividends		2,794	4,508
Financial Support Refunds		1,744	963
Fee Income	4(a)	3,350	3,074
Rental Income - Office Subletting		564	458
Other Income	4 (b)	1,091	1,024
		<u>9,543</u>	<u>10,027</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 2018 that 42 (2017 - 40) companies with dividends outstanding amounting to €2.702m (2017- €1.124m) had been formally liquidated/dissolved. As a result this amount is not collectable.

In accordance with Enterprise Ireland's accounting policy, Financial Support Refund income is recognised when it is probable the cash will be received and the amount can be measured reliably. Financial Supports become repayable if certain circumstances, as set out in the letter of offer, occur such as liquidation/dissolution. During 2018, Financial Support Refunds of €1.744m (2017- €0.963m) were received. Enterprise Ireland was notified in 2018 that 16 (2017 - 4) companies with Financial Support refundable amounting to €3.160m (2017 - €0.760m) had been formally liquidated /dissolved. As a result this amount is not collectable.

a) Fee Income

Professional Services
Market Project Income

	2018 €'000	2017 € '000
Professional Services	1,292	953
Market Project Income	2,058	2,121
	<u>3,350</u>	<u>3,074</u>

b) Other Income

Contribution to Central Overheads by Other Organisations
Contribution to Education in Ireland
LEO Micro Finance Ireland
Other

	2018 €'000	2017 € '000
Contribution to Central Overheads by Other Organisations	162	168
Contribution to Education in Ireland	622	653
LEO Micro Finance Ireland	-	4
Other	307	199
	<u>1,091</u>	<u>1,024</u>

During 2018 contributions to Education in Ireland of €0.429m (2017- €0.460m) were made by the Department of Education and Skills and contributions of €0.193m (2017- €0.193m) were made by third level institutions. Education in Ireland is the umbrella brand for marketing the Irish higher education and the English language sectors internationally.

Notes to the Financial Statements for the year ended 31 December 2018

5 Financial Support to Industry

(i) Company Development

Employment
Beef and Sheep Meat Investment Fund
Fixed Asset Support
Technology Infrastructure
Marketing and Knowledge Transfer Support
Feasibility
Management Development and Training
Consultancy Grants
Community Enterprise Centres
Community Enterprise Initiative
Regional Enterprise Development Fund

(ii) Third Parties

Business Innovation Centres
Design and Crafts Council of Ireland
Local Enterprise Offices

(iii) Science & Technology Development

Transforming R&D Activity in Enterprise
Industry Collaboration with Third-Level Sector
Realising the Commercial Potential of Ireland's Research Community

Charged to the Statement of Income and Expenditure and Retained Revenue Reserves

Financial Support to Industry Capitalised on the Statement of Financial Position

Investments in Shares
Seed and Venture Capital Funds
Public Benefit Entity Concessionary Loans

Total Financial Support to Industry

Notes	2018 €'000	2017 €'000
	11,796	13,039
5(a)	670	2,466
	17,395	16,893
	440	489
	19,318	16,933
	1,882	2,320
	7,199	7,458
	950	801
	68	705
	151	393
	1,059	63
	60,928	61,560
	2,200	2,200
	3,224	2,919
5(b)	37,834	37,729
	43,258	42,848
5(c)	25,282	25,082
5(d)	56,029	48,075
5(e)	24,589	25,711
	105,900	98,868
	210,086	203,276
5(f) / 17(c)	29,303	36,863
17(a)	41,864	52,201
18	3,849	3,459
	285,102	295,799

a) **Beef and Sheep Meat Investment Fund**

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

b) **Local Enterprise Offices**

During 2007 the Minister for Business, Enterprise and Innovation authorised Enterprise Ireland to exercise the functions conferred on the Minister by the Industrial Development Act 1995 in relation to the County and City Enterprise Boards (CEBs) previously the responsibility of the Micro Enterprise Policy Unit of the Department of Business, Enterprise and Innovation.

A Government decision and the enactment of the County Enterprise Board (Dissolution) Act 2014 resulted in the dissolution of the CEBs on 14 April 2014 and the transfer of their functions, assets and liabilities to Enterprise Ireland. Local Enterprise Offices (LEOs) have been established 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. A LEO Centre of Excellence has been established by Enterprise Ireland to carry out the functions agreed between the Department of Business, Enterprise and Innovation 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.

c) **Transforming R&D Activity in Enterprise**

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

d) **Industry Collaboration with Third-Level Sector**

This activity comprises the following sub-measures: Technology Gateways, which provide 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; Innovation Partnerships, which support joint R&D projects involving companies and colleges, where the bulk of the R&D is carried out within a third-level institute or a public research organisation; Technology Centres, which support the establishment and maintenance of centres aimed at developing close interactions with companies with the intention of transferring knowledge and skills about technologies of direct relevance to business; International Collaboration, which provides support for Horizon 2020 related activities in the third-level sector; Innovation Vouchers, which facilitate 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.

e) **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.

f) **Investments in Shares**

The investment in shares refers to 241 undertakings (2017 -319).

Notes to the Financial Statements for the year ended 31 December 2018

6 Disbursements to Other State Agencies

		2018		
	Notes	Udárás na Gaeltachta €'000	IDA Ireland €'000	Total €'000
R&D Fund	5(c)	905	-	905
A7.2 Financial Support to Industry		635	-	635
		<u>1,540</u>	<u>-</u>	<u>1,540</u>

		2017		
	Notes	Udárás na Gaeltachta €'000	IDA Ireland €'000	Total €'000
R&D Fund	5(c)	535	-	535
Competitive Start Fund		150	-	150
		<u>685</u>	<u>-</u>	<u>685</u>

7 Administration, Operation and Promotion

	Notes	2018 €'000	2017 €'000
Remuneration and Other Pay Costs	7(a)	60,233	56,092
Board Members' Emoluments (Including CEO Remuneration)		332	343
Travelling Expenses		5,462	4,886
Rents, Rates, Service Charges and Insurance		8,448	8,400
Repairs, Maintenance and Leasing Charges		593	610
Light, Heat and Cleaning		897	887
Printing, Postage and Stationery		397	526
Communication and IT Costs		3,057	3,296
Professional Fees		2,131	2,328
Advertising and Marketing		1,513	2,129
Audit Fee		81	79
Library Services and Other Client Related Costs		64	60
Other Operating Expenses		681	616
Property, Plant and Equipment Below Capitalisation Threshold	7(e)	287	421
		<u>84,176</u>	<u>80,673</u>

a) **Remuneration and Other Pay Costs**

Salaries

Salaries
Overtime
Allowances

Other Staff-related Costs

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

2018 €'000	2017 € '000
54,084	50,150
57	64
694	692
3,440	3,109
225	201
782	728
718	780
233	368
60,233	56,092

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 2018 was 634.5 (excluding short term overseas posts) (2017- 620).

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 2018	Number of Employees 2017
€60,000	€69,999	104	98
€70,000	€79,999	68	80
€80,000	€89,999	123	139
€90,000	€99,999	71	31
€100,000	€109,999	32	25
€110,000	€119,999	14	6
€120,000	€129,999	7	3
€130,000	€139,999	2	5
€140,000	€149,999	4	2
€150,000	€159,999	1	1
€160,000	€169,999	1	1
€170,000	€179,999	1	1

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

Notes to the Financial Statements for the year ended 31 December 2018

c) Pension Related Deduction

During 2018, €2.354m (2017- €2.133m) pension related deductions were deducted from the staff of Enterprise Ireland and paid over to the Department of Business, Enterprise and Innovation. The Design and Crafts Council of Ireland deducted pension related deductions from their staff amounting to €0.023m (2017- €0.021m). These deductions were paid to Enterprise Ireland who in turn forwarded them to the Department of Business, Enterprise and Innovation.

d) Key Management Personnel Compensation

The total compensation paid to key management personnel in 2018 amounted to €505,675 (2017- €516,138). Key management personnel consists of the CEO, the members of the Board and two Executive Directors. The members of the Board do not receive any post employment or termination benefits. Standard public sector retirement benefit arrangements apply to the CEO and the two Executive Directors.

The CEO Remuneration package for 2018 was made up as follows: annual basic salary €178,014, standard public sector retirement benefits arrangements and a company car subject to benefit in kind (€12,375). The CEO did not receive any performance related payment in 2018.

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

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

8 Retirement Benefits Scheme

- a) The Industrial Development (Forfás Dissolution) Act 2014 (No 13 of 2014) passed into law on 16 July 2014, made provision for the dissolution of Forfás and provided for: the establishment of Enterprise Ireland as a separate legal employer; Enterprise Ireland developing its own retirement benefits scheme noting that staff who were members of the Forfás Retirement Benefits Scheme join the new Enterprise Ireland Scheme on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer and Enterprise Ireland accounting for the associated Retirement Benefits Liabilities. The Department of Business, Enterprise and Innovation 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 Benefits 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**

Service Costs

Interest on Retirement Benefits Scheme Liabilities

Employee Contributions

2018 €'000	2017 € '000
17,355	16,392
8,698	7,826
(2,409)	(2,129)
23,644	22,089

d) **Net Deferred Funding for Retirement Benefits in year**

Funding recoverable in respect of current year retirement benefits cost

Funding to pay retirement benefits

2018 €'000	2017 € '000
26,053	24,218
(4,648)	(4,562)
21,405	19,656

Notes to the Financial Statements for the year ended 31 December 2018

	2018 €'000	2017 €'000
e) Retirement Benefits Obligations	(446,440)	(448,144)
made up of:		
Present Value of Retirement Benefits Schemes' Liabilities	(446,440)	(448,144)
Change in Retirement Benefits Schemes' Liabilities		
Present Value of schemes' obligations at start of year	(448,144)	(413,332)
Current Service Cost	(17,355)	(16,392)
Interest Costs	(8,698)	(7,826)
Payments to pensioners	4,648	4,562
Experience gains/(loss) on Retirement Benefits Obligations	13,848	(15,210)
Change in assumptions underlying the present value of retirement benefits Liabilities	9,261	54
Present value of schemes' obligations at end of year	(446,440)	(448,144)

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 2018 amounted to €446.440m. 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 Business, Enterprise and Innovation.

- f) The valuation used for FRS 102 disclosures has been based on a full actuarial valuation at 31 December 2018. The financial assumptions used to calculate scheme liabilities under FRS 102 as at 31 December 2018 were as follows:

		Projected Unit 2018	Projected Unit 2017
Valuation Method:			
Discount Rate		1.90%	1.95%
Future Salary Increases		3.25%	3.40%
Future Retirement Benefits Increases		2.75%	2.90%
Inflation Rate		1.75%	1.90%
Weighted average life expectancy for mortality tables used to determine benefit obligations at:			
Member age 65 (Current life expectancy in years)	Male	21.4	21.1
	Female	23.9	23.7
Member age 45 (life expectancy at age 65 in years)	Male	23.8	23.7
	Female	25.9	25.8

- g) **Funding Retirement Benefits**
Payments for unfunded obligations are expected to amount to €5.6m in 2019.

9 Movement in Value of Fixed Assets

	Notes	2018 €'000	2017 € '000
Depreciation of Property, Plant and Equipment	16	450	461
Movement in Fair Value of Seed and Venture Capital Funds	17(a)	(16,652)	1,193
Movement in Fair Value of Quoted Investments	17(b)	(1,706)	53
Provision for the impairment in the Value of Unquoted Investments	17(c)	19,251	25,558
Reduction in Value of Investments - Write Offs re: Companies Liquidated/dissolved	17(c)	38	19
		<u>1,381</u>	<u>27,284</u>

10 Movement in Value of Public Benefit Entity Concessionary Loans

	Notes	2018 €'000	2017 € '000
Write-offs for the Year	18	521	676
Movement in Provision for doubtful debts for the Year	18	(880)	(231)
		<u>(359)</u>	<u>445</u>

11 Profit on disposal of Fixed Assets (net)

	2018 Profit/(Loss) on Disposal €'000	2017 Profit/(Loss) on Disposal € '000
Property, Plant and Equipment	(4)	7
Financial Fixed Assets	<u>24,232</u>	<u>38,547</u>
	<u>24,228</u>	<u>38,554</u>

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

	2018			2017		
	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	<u>4</u>	-	(4)	-	7	7
	<u>4</u>	-	(4)	-	7	7

Notes to the Financial Statements for the year ended 31 December 2018

b) The Profit on Disposal of Financial Fixed Assets comprises:

2018						
	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	-	-	-	50,235	59,601	9,366
Investments in Shares - Quoted	-	-	-	608	1,367	759
Investments in Shares - Unquoted	18,404	5,418	12,986	-	27,093	14,107
	<u>18,404</u>	<u>5,418</u>	<u>12,986</u>	<u>50,843</u>	<u>88,061</u>	<u>24,232</u>

2017						
	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	-	-	-	25,869	54,061	28,192
Investments in Shares - Quoted	-	-	-	1,511	860	(651)
Investments in Shares - Unquoted	15,066	4,616	10,450	-	21,456	11,006
	<u>15,066</u>	<u>4,616</u>	<u>10,450</u>	<u>27,380</u>	<u>76,377</u>	<u>38,547</u>

Funds in the amount of €0.382m (2017 - €1.410m) 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 funds 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 Business, Enterprise and Innovation. Own Resource Income consists of proceeds from sale/redemption of shares, dividend income, grant refunds, disposal of capital equipment and professional fees. In 2018 Enterprise Ireland earned €98.069m Own Resource Income. Enterprise Ireland received sanction from the Department of Business, Enterprise and Innovation to retain this amount.

	2018 €'000	2017 €'000
Excess Proceeds over amount sanctioned by the Department of Business, Enterprise and Innovation		
Own Resource Capital Income	-	(1,196)
Refund of Oireachtas grant - Local Enterprise Offices	131	91
Refund of unused EGF Grants - Local Enterprise Offices	-	1
	<u>131</u>	<u>(1,104)</u>

13 Capital Account

		2018		2017	
	Notes	€'000	€'000	€'000	€'000
Opening Balance			438,160		414,021
Net Movements on:					
Property, Plant and Equipment	16	(44)		(272)	
Investments in Shares	17	(1,875)		(728)	
Seed and Venture Capital Funds	17	8,281		25,139	
Transfer from the Statement of Income and Expenditure and Retained Revenue Reserves			6,362		24,139
Closing Balance			444,522		438,160

The Capital Account represents monies invested in Property, Plant and Equipment, including : Land and Buildings, Motor Vehicles, Fixtures and Fittings, Shares in quoted and unquoted companies and investments in Seed and Venture Capital Funds.

14 State Advances Account

	Notes	2018 €'000	2017 €'000
Opening Balance		11,664	12,188
Recoverable grants paid by LEOs		3,849	3,459
Transfer to the Statement of Income and Expenditure and Retained Revenue Reserves in respect of Public Benefit Entity Concessionary Loans	18	(3,293)	(3,983)
Closing Balance		12,220	11,664

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.

Notes to the Financial Statements for the year ended 31 December 2018

16 Property, Plant and Equipment

Cost

At 1 January 2018

Additions

Disposals

At 31 December 2018

Depreciation

At 1 January 2018

Charge for Year

Disposals

At 31 December 2018

Net Book Amount

At 31 December 2018

At 31 December 2017

Land, Buildings & Leasehold Improvements €'000	Motor Vehicles €'000	Fixtures, Fittings, Computers & Artwork €'000	Total €'000
29,493	244	4,790	34,527
248	-	162	410
(67)	-	(48)	(115)
<u>29,674</u>	<u>244</u>	<u>4,904</u>	<u>34,822</u>
28,592	181	4,497	33,270
264	35	151	450
(63)	-	(48)	(111)
<u>28,793</u>	<u>216</u>	<u>4,600</u>	<u>33,609</u>
881	28	304	1,213
<u>901</u>	<u>63</u>	<u>293</u>	<u>1,257</u>

17 Financial Fixed Assets

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

Financial Assets at Fair Value

Seed and Venture Capital Funds
Investments in Quoted Shares

Financial Assets that are Equity Instruments measured at Cost less Impairment

Investments in Unquoted Shares

Total Financial Fixed Assets

Notes	2018 €'000	2017 € '000
17 (a)	295,199	286,918
17 (b)	2,916	1,103
17 (c)	145,194	148,882
	443,309	436,903

a) Seed and Venture Capital Funds

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

The outturn for the year was as follows:

Fair Value Carrying Amount

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

	2018 €'000	2017 € '000
	286,918	261,779
	41,864	52,201
	(50,235)	(25,869)
	16,652	(1,193)
	295,199	286,918

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

Notes to the Financial Statements for the year ended 31 December 2018

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 2018 was €2.916m (2017 - €1.103m).

Fair Value Carrying Amount

At 1 January

Shares reclassified from Unquoted to Quoted - Cost

Shares reclassified from Unquoted to Quoted - Impairment

Additions

Disposals

Gain/(Loss) on Fair Value movement during the year

At 31 December

2018 €'000	2017 € '000
1,103	2,667
825	-
(110)	-
-	-
(608)	(1,511)
1,706	(53)
2,916	1,103

The fair value movement in 2018 relates to a fair value gain on shares held in VR Education Holdings PLC and fair value losses in shares held in Eqtec PLC, Rapid7 Inc. and Zutec Holdings AB.

c) Investments in Unquoted Shares

Cost

At 1 January

Shares reclassified from Unquoted to Quoted

Additions

Disposals

Write-Offs re companies liquidated/dissolved

At 31 December

Notes	2018 €'000	2017 € '000
	341,658	328,426
	(825)	-
	29,303	36,863
	(18,404)	(15,066)
9	(11,408)	(8,565)
	340,324	341,658

Provision for Impairment in Value

At 1 January

Shares reclassified from Unquoted to Quoted

Release of Disposals

Release of Write-Offs re: companies liquidated/dissolved

Increase in provision

At 31 December

Notes	2018 €'000	2017 € '000
	192,776	180,380
	(110)	-
	(5,418)	(4,616)
9	(11,369)	(8,546)
	19,251	25,558
	195,130	192,776
	145,194	148,882

Net Book Amount

At 31 December

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 recoverable grants issued by Enterprise Ireland and the local Enterprise offices to client companies are non repayable on demand and are granted at below the prevailing market rate of interest or interest free.

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

	CEB/LEO Refundable Financial Support €'000	R&D & Capital Financial Support €'000	Provision for Doubtful Debts €'000	Total €'000
Opening balance as at 1 January 2018	13,409	1,545	(3,290)	11,664
Recoverable grants paid to companies	3,849	-	-	3,849
Recoverable grants received from companies	(3,026)	(626)	-	(3,652)
Write-offs for the year	(440)	(81)	-	(521)
Provision for the year	-	-	880	880
Net movement for the year	383	(707)	880	556
Closing balance as at 31 December 2018	13,792	838	(2,410)	12,220
Receivable within 12 months	5,989	616	(2,410)	4,195
Receivable after 12 months	7,803	222	-	8,025
Total Due	13,792	838	(2,410)	12,220

Included in the Recoverable Grants received from companies amount of €0.626m is the full repayment from a company of a loan issued in 1986. The repayment of the loan arose as part of a structured transaction which also involved the disposal of shares in the company. As part of this transaction all parties agreed to formally waive compound interest arising from the loan agreement since 1990, of which Enterprise Ireland's proportion amounted to €7.7m. This compound interest had not been recognized in the financial statements of Enterprise Ireland, because, based on the underlying commercial position of the company from the early 1990's onwards, it was not considered recoverable.

19 Receivables

	2018 €'000	2017 €'000
Amounts falling due within one year :		
Trade Debtors	627	229
Prepayments and Accrued Income	4,026	3,176
Payroll Deductions	65	64
Other Debtors	551	577
	5,269	4,046

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 2018 Enterprise Ireland was owed €0.164m (2017 - €0.160m) (included in Other Debtors) for temporary working capital.

Notes to the Financial Statements for the year ended 31 December 2018

20 Payables - Amounts falling due within one year

	2018 €'000	2017 € '000
Trade Creditors	811	928
Accruals	4,206	3,953
Financial Support Creditors	136	1,959
VAT Payable	36	83
Professional Services Withholding Tax Due	166	188
Contribution to the Exchequer	131	91
Contract Advance Payments	3,132	2,455
Other	5	5
	<u>8,623</u>	<u>9,662</u>

21 Commitments

a) Operating Leases

Payments made under operating leases on buildings charged in the financial statements amounted to €6.800m (2017 - €6.534m). Payments under operating leases on buildings amounting to €7.005m are due to be made in 2019. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2018 €'000	2017 € '000
not later than one year	7,005	6,638
later than one year and not later than five years	17,082	15,526
later than five years	<u>26,708</u>	<u>28,723</u>
	<u>50,795</u>	<u>50,887</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 €481m (2017- €412m).

c) **Seed and Venture Capital Funds**

It is estimated that future payments likely to arise from Seed & Venture Capital Funds commitments entered into under various contractual agreements will amount to €141m (2017 - €152m).

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

Athlone
Cork
Dundalk
Galway
Glasnevin
Shannon
Sligo
Waterford

Net Book Value as at 31.12.18 €'0000	Net Book Value as at 31.12.17 €'000
-	-
10	10
-	-
-	-
-	-
-	-
-	-
-	-
10	10

Notes to the Financial Statements for the year ended 31 December 2018

b) Leasehold property

Enterprise Ireland leases office space at the following locations:

Location

Head Office - Dublin

East Point (P4A)

East Point (P4C)

East Point Events Car Park

Regional Offices

Letterkenny

Tralee

Westpark - Shannon

Overseas Offices

Amsterdam

Austin

Beijing

Berlin

Boston

Brussels

Chicago

Doha

Dubai

Dusseldorf

Hong Kong

Istanbul

Johannesburg

London

Lyon

Manchester

Milan

Mumbai

Munich

Paris

Sao Paulo

Toronto

Expiry Date	Break Clause		Annual Premium €'000
2031	2027		1,423
2031	2027		1,423
2019			75
2019			30
2019			49
2028	2022		430
2021		*	84
2019		**	53
2019		**	151
2019			10
2024			106
2019			52
2021			78
2019			44
2021		*	106
2021		*	127
2019			82
2019			38
2021		**	42
2026		*	493
2019			14
2019			15
2024		*	100
2019			164
2019			20
2019			194
2021			52
2025		**	51

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

Location

Budapest
New York
Madrid
Moscow
Prague
Riyadh
San Francisco
Seoul
Shanghai
Singapore
Stockholm
Sydney
Tokyo
Warsaw

Total

Expiry Date	Break Clause		Annual Premium €'000
			10
		**	677
			118
			24
			37
			12
			146
			73
			54
			80
			33
			82
			91
			62
			7,005

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

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

Notes to the Financial Statements for the year ended 31 December 2018

23 Related Parties -Disclosure of Transactions

Key management personnel in Enterprise Ireland consist of the CEO, the members of the Board and the two executive directors. Total compensation paid to key management personnel, amounted to €0.506m (2017 - €0.516m). 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 Finance in relation to the disclosure of interests by Board members and those procedures have been adhered to by Enterprise Ireland during the year.

The Board members and Enterprise Ireland complied with the Department of Finance guidelines covering situations of personal interest. In the normal course of business, Enterprise Ireland may approve financial support and investments in preference and ordinary shares and enter into other contractual arrangements with undertakings in which Enterprise Ireland Board members are employed or otherwise interested.

In cases of potential conflict of interest, Board members did not receive Board documentation on the proposed transaction nor did the members participate in or attend discussions relating to the matters. A schedule of these transactions is available on request.

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

These are detailed as follows:

	2018 €'000	2017 € '000
Financial Support Approved	28,084	2,561
Financial Support Paid	8,567	5,141
Research Institutes Support Approved	30,401	3,578
Research Institutes Support Paid	22,224	4,402
Seed and Venture Capital Investments Approved	-	2,660
Seed and Venture Capital Investments Paid	10,142	11,201
Seed and Venture Capital Investments Receipts	9,319	10,293
Payments to Suppliers	1,590	897
Other Income Received	627	133

24 Approval of Financial Statements

The financial statements were approved by the Board of Enterprise Ireland on 8th May 2019.

Enterprise Ireland Office Network

Region/Office		Telephone	Address
HEAD OFFICE	Dublin	+(353 1) 727 2000	The Plaza, East Point Business Park, Dublin 3, D03 E5R6
NATIONAL HQ FOR ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT	Shannon	+(353 61) 777 000	4500 Atlantic Avenue, Westpark, Shannon, Co Clare, V14 Y177
REGIONAL NETWORK			
DUBLIN/MID EAST	Dublin	+(353 1) 727 2000	The Plaza, East Point Business Park, Dublin 3, D03 E5R6
MIDLANDS	Athlone	+(353 90) 648 7100	Dublin Road, Athlone, Co. Westmeath, N37 NX72
NORTH EAST	Dundalk	+(353 42) 935 4400	Finnabair Industrial Park, Dundalk, Co. Louth, A91 RYY1
NORTH WEST	Sligo	+(353 71) 915 9700	Finisklin Business Park, Sligo, F91 VK3V
	Letterkenny	+(353 74) 916 9800	CoLab, Port Road, Letterkenny, Co Donegal, F92 CPX7
MID WEST	Shannon	+(353 61) 777 000	4500 Atlantic Avenue, Westpark, Shannon, Co Clare, V14 Y177
	Tralee	+(353 66) 714 9394	13/14 Denny Street, Tralee, Co Kerry, V92 XY5C
SOUTH/SOUTH EAST	Cork	+(353 21) 480 0200	Industry House, Rossa Avenue, Bishopstown, Cork, T12 WCH2
	Waterford	+(353 51) 333 500	Waterford Industrial Park, Cork Road, Waterford, X91 K46F
WEST	Galway	+(353 91) 735 900	Mervue Business Park, Galway, H91 XE9N
OVERSEAS OFFICE			
AMERICAS & CANADA	Austin	+(1 512) 792 5499	Congress Ave, Suite 1750, Austin, TX 78701, USA
	Boston	+(1 617) 292 3001	535 Boylston St, 5th Floor, Boston, 02116 MA, USA
	Chicago	+(1 312) 881 7331	455 N Cityfront Plaza Drive, NBC Tower, Suite 3030, Chicago, Illinois, USA
	New York	+(1 212) 371 3600	Ireland House, 345 Park Avenue, 17th Floor, New York, NY 10154-0037, USA
	São Paulo	+ (55 11) 3149 7650	Alameda Santos, 787, conjunto 61, Cerqueira Cesar – São Paulo, CEP 01419-001, Brazil
	Silicon Valley	+ (1 650) 250-1231	Mountain View, 650 California street 7th Floor, San Francisco, CA 94108, USA
	Toronto	+(1 416) 934 5033	2 Bloor Street W, Suite 1501, Toronto, Ontario, M4W 3E2, Canada

Enterprise Ireland Office Network

Region/Office	Telephone	Address
MIDDLE EAST, AFRICA & INDIA	Abu Dhabi	+ (971 2) 495 8245 Embassy of Ireland, Abu Dhabi, Road 19 off 32 Street, Al Bateen, PO Box 61581, Abu Dhabi, United Arab Emirates
	Doha	+ (974 441) 01735 Office 825, 8th Floor, Al Fardan Office Tower, West Bay, PO Box 31316, Doha, Qatar
	Dubai	+ (971 4) 3760 400 15th Floor, Office 15A, The H Hotel Office Tower, No. 1, Sheikh Zayed Road, PO Box 115425, Dubai, United Arab Emirates
	Istanbul	+ (90 212) 809 1149 Süzer Plaza, Asker Ocagi Cad. No: 6 Daire: 2608 Kat: 26 34367, Sisli, Harbiye, Istanbul, Turkey
	Johannesburg	+ (27 87) 1600364 24 Fricker Road, Illovo, Sandton 2196, South Africa
	New Delhi	+ (91) 22 49055680 Commercial Section, Embassy of Ireland, C17 Malcha Marg, Chanakyapuri, New Delhi 110021, India
	Riyadh	+ (966 1) 1 407 1570 c/o Embassy of Ireland, Diplomatic Area, PO Box 94349, Riyadh 11693, Kingdom of Saudi Arabia
EUROZONE	Amsterdam	+ (31 20) 676 3141 World Trade Center, Strawinskylaan 1351, 1077 XX Amsterdam, Netherlands
	Brussels	+ (32 2) 673 9866 Sablon Tower 14th floor, Rue Joseph Stevens 7, Jozef Stevensstraat, Bruxelles 1000 Brussel, Belgium
	Düsseldorf	+ (49 211) 470 590 Derendorfer Allee 6, 40476 Düsseldorf, Germany
	Madrid	+ (34 91) 436 4086 Casa de Irlanda, Paseo de la Castellana, 46-3, 28046 Madrid, Spain
	Milan	+ (39 02) 880 0991 Via de Amicis 53, 20123 Milano, Italy
	Paris	+ (33 1) 5343 1200 33 rue de Miromesnil, 75008 Paris, France
UK, NORDICS, RUSSIA, CIS, CENTRAL & EASTERN EUROPE	Budapest	+ (36 1) 301 4950 Bank Centre, Szabadság tér 7, 1054 Budapest, Hungary
	London	+ (44 207) 438 8700 2nd Floor, Shaftesbury House, 151 Shaftesbury Avenue, London, WC2H 8AL, UK
	Manchester	Lowry House, 17 Marble Street, Manchester, M2 3AW, UK
	Moscow	+ (7 495) 937 5943 c/o Commercial Section, Embassy of Ireland, Grokholski Pereulok 5, 129010 Moscow, Russia
	Prague	+ (420 2) 5719 9621 Trziste 13, 118 00 Prague 1 Czech Republic
	Stockholm	+ (46 8) 459 2160 Hovslagargatan 5, 4th Floor, SE-111 48 Stockholm, Sweden
	Warsaw	+ (48 22) 583 1200 Mysia 5, 00-496 Warsaw, Poland
ASIA PACIFIC	Beijing	+ (86 10) 8448 8080 c/o Commercial Section, Embassy of Ireland, C612A Office Building, Beijing Lufthansa Ctr., No. 50 Liangmaqiao Road, Chaoyang District, Beijing 100125, China
	Hong Kong	+ (852) 2845 1118 Room 504 (5/F), Tower 2 Lippo Centre, 89 Queensway, Admiralty, Hong Kong
	Seoul	+ (82 2) 721 7250 Ireland House, 13th Floor Leema B/D, 42 Jongro 1-Gil, Jongro-Ku, Seoul 110-755, Korea
	Shanghai	+ (86 21) 6010 1380 Commercial Section, Consulate General of Ireland, 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

Notes

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This Annual Report and Accounts is available to view online at:
www.enterprise-ireland.com/annualreport2018

Ireland's European Structural and Investment Funds Programmes 2014-2020.
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