

Innovation
Ireland



2010

Enterprise Ireland
Annual Report & Accounts

ENTERPRISE IRELAND PARTNERS WITH ENTREPRENEURS, IRISH BUSINESSES, AND THE RESEARCH AND INVESTMENT COMMUNITIES TO DEVELOP IRELAND'S INTERNATIONAL TRADE, INNOVATION, LEADERSHIP AND COMPETITIVENESS.

THE ULTIMATE OBJECTIVE IS INCREASED EXPORTS, EMPLOYMENT AND PROSPERITY IN IRELAND.

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Enterprise Ireland
Office Network



ENTERPRISE
IRELAND

Reception →



To the Minister for Jobs, Enterprise & 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 2010.

Hugh Cooney, *Chairman*

Frank Ryan, *Chief Executive Officer*

CHAIRMAN'S STATEMENT

2010 was a watershed year for Enterprise Ireland clients which saw a return to stability and signalled future growth in the Irish economy. Irish enterprises are central to recovery and growth, and in 2010 total export sales of Enterprise Ireland clients grew by 10 per cent to €13.9 billion.

Our client companies have emerged from the challenges of recent times leaner and much better positioned to aggressively target international markets and successfully compete for business against international competitors. These companies support, both directly and indirectly, over 300,000 jobs in every town and village in Ireland. They deliver real and significant economic impact throughout the country. Their successes continue to help shape our future and the Board and staff of Enterprise Ireland commend their performance, and are proud to support and work with them to help them realise their ambition and potential.

Collaborating with key agencies and stakeholders

Strengthening Irish companies' capabilities to grow exports and, consequently, create jobs is the most important national objective and Enterprise Ireland has a major contribution to make. Collaboration is imperative and, in 2010, we continued to strengthen our working relationship with *Team Ireland*. Enterprise Ireland worked very closely with business and research clients, government departments, other economic agencies, and stakeholders to target growth opportunities abroad and to bolster Ireland's international reputation.

Enterprise Ireland continues to work closely with the banks to ensure their understanding of the financing needs of small and medium-sized enterprises and internationalised Irish companies. We undertook secondments to and from AIB and Bank of Ireland, and bank representatives participated on trade missions and at knowledge workshops throughout the year. We have also established working protocols with the main Irish banks to ensure our clients get maximum support for their trading requirements.

I would like to express my appreciation to all the Government departments that supported Enterprise Ireland throughout 2010: the Department of Jobs, Enterprise & Innovation; the Department of the Taoiseach; the Department of Foreign Affairs & Trade; the Department of Agriculture, Fisheries & Food; the Department of Education & Skills; the Department of

Communications, Energy & Natural Resources; the Department of Finance; and the Department of the Environment, Community & Local Government.

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

There is now an important all-island dimension to all aspects of Government policy and there are close working relationships between Enterprise Ireland, Invest Northern Ireland and InterTradeIreland.

Corporate governance

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

In 2010, two members of the Board of Enterprise Ireland retired, in accordance with Section 9 of the Industrial Development (Enterprise Ireland) Act 1998. On behalf of the Board, I would like to thank Tony Spollen and John Connolly for their commitment and invaluable contribution during their tenures. I also wish to welcome Rita Shah, co-founder of Shabra Group and Bob Savage, Vice President and Managing Director of EMC Ireland who were appointed to the Board in 2010.

Finally, I would also like to thank the staff of Enterprise Ireland for their efforts throughout 2010. Their professionalism and steadfast commitment is vital to the success of Irish enterprise.



Hugh Cooney,
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

2010 was a year of excellent recovery in export growth. Enterprise Ireland client companies recorded a remarkable 10 per cent increase in total export sales and demonstrated their resilience, tenacity and renewed confidence by achieving total export sales of €13.9 billion, recovering over 70 per cent of the losses recorded in 2009.

In late 2007, Enterprise Ireland's 2008-2010 strategy was launched. This set out a very ambitious target of €4 billion in new export sales. By the end of 2010, following the most difficult period in our economic history, Irish companies had succeeded in winning €3.97 billion in new export sales. €1.95 billion of this was delivered in 2010 alone – the highest annual export gain by Irish companies on record.

More Irish businesses are now exporting to more countries than ever before, expanding their global footprint and targeting new opportunities. Success in high growth and emerging markets increases the potential for future growth in exports and, having faced and survived the unprecedented challenges of the past three years, Irish companies are now more experienced, more capable and more ambitious than ever.

The international success of these companies is central to our economic recovery and to sustaining and creating jobs in Ireland.

All key sectors recorded an increase in export sales in 2010 including life sciences, cleantech, electronics, engineering, construction and timber, education services, and software. Of particular importance, was the recovery of the food sector which is Ireland's biggest indigenous industry.

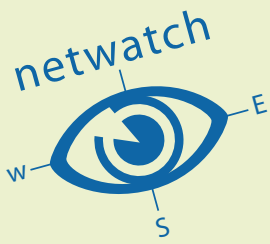
During 2010, Enterprise Ireland continued to support recovery, growth, innovation and the creation of jobs in the Irish economy. We approved funding for a total of 1,070 companies, supported 80 new innovative start-up enterprises, and 86 client companies were approved financial support in excess of €100,000 for significant R&D projects.



Killarney-based Monex signed an agreement with major Italian information technology firm B.E.E. Consulting to roll out their Dynamic Currency Conversion (DCC) software across Italy.

'This deal represents a tremendous opportunity for Monex. It is especially pleasing to be able to show the rest of Europe that Ireland remains at the forefront of technological innovation and entrepreneurship. I must thank Enterprise Ireland, whose role in finding us the perfect partner in the Italian market cannot be underestimated. Their influence, networks and strategic approach were key in building confidence and bringing this contract to its successful conclusion.'

Frank Murphy,
Chief Executive, Monex



In April **Netwatch**, the protection services company that provides real time remote security monitoring, officially opened their new corporate headquarters and state-of-the-art command centre in Carlow and announced the creation of 50 new jobs.

'The new R&D centre, which has been supported by Enterprise Ireland, will allow us to continue to innovate with new applications and new technologies. This investment will position us for future growth not only in Ireland but in overseas markets and will afford us the opportunity to pursue larger and more complex contracts.'

David Walsh,
Managing Director, Netwatch

Cork-based **VoxPro**, the business process services provider specialising in customer communication management, won a number of large-scale contracts in 2010, leading to the creation of 160 new graduate level jobs and a doubling of its workforce.

'The majority of our new contract wins have been for US and UK business, attracted to VoxPro through our ability to provide high calibre, multi-lingual, technical graduates. We have experienced first hand the potential that Ireland has to be a leading light in the new digital economy.'

Dan Kiely,
Managing Director, VoxPro

Job creation is Ireland's most urgent, critical and socially important challenge. Under the Government's Employment Subsidy Scheme (Temporary), administered by Enterprise Ireland on behalf of the Department of Jobs, Enterprise & Innovation, a total of €130 million has been approved to companies to support the retention of 14,863 jobs. As a result these companies committed to maintaining 100,309 jobs.

In addition, over 9,500 jobs were sustained in the companies supported under the Enterprise Stabilisation Fund.

In 2010, 8,193 new jobs were created in Enterprise Ireland-supported companies, bringing the total number employed to 137,241. There was a net decline of 5,355 jobs.

From sustaining companies to preparing for growth

In 2010 Enterprise Ireland focused on the need to move forward from sustaining client companies to positioning them for growth as our key export markets emerged from recession. We prioritised funding for growth and expansion projects, and supported companies where our intervention would have the biggest impact in terms of increased exports and job creation.

We engaged proactively with clients to help them prepare for growth, win new sales, sustain and create jobs, access sources of capital, and improve competitiveness through product and process innovation and cost-reduction.

Winning international sales

Enterprise Ireland's ultimate objective and primary focus is to increase exports and, consequently, employment here in Ireland. During 2010, we continued to aggressively target and secure opportunities for Irish companies in international markets.

Our network of international offices provided customised one-to-one support to Irish companies, and organised group events such as trade missions, trade fairs and visits from international buyers to Ireland. These events are not only vital in helping clients to access key buyers and win sales, they also offer the opportunity to showcase Ireland's innovative capabilities and bolster our international reputation. In 2010, 510 client companies participated in 38 international trade fairs and trade missions including the first dedicated education sector mission to the USA, and trade missions to strategic markets such as Russia, the Kingdom of Saudi Arabia, Brazil and Australia.

During the year, a total of 628 new significant sales contracts were won by clients with Enterprise Ireland input. We also supported start-up companies to secure 82 first reference sales in overseas markets and brought 656 international buyers to Ireland to meet with Irish companies.

The economies of our main trading partners (UK, USA and Eurozone) are out of recession. They represent the greatest proportion of our business and, during the year, we helped existing exporters maintain and build their sales to these markets.

Exports 2010

Exports 2009	€12,643m
Exports 2010	€13,930m
New export sales (gross gains)*	€1,945m
Gross losses	€657m
Net change	+10%

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

Exports by main market area*

	2009	2010	% +/-
United Kingdom	€5,479m	€5,580m	+2%
Northern Europe	€1,658m	€1,839m	+11%
Southern Europe, Middle East and Africa	€1,465m	€1,616m	+10%
Germany, Central, Eastern Europe, and Russia	€972m	€1,239m	+27%
USA and Canada	€1,267m	€1,492m	+18%
Latin America	€69m	€84m	+22%
Asia/Pacific	€756m	€846m	+12%
Unspecified	€420m	€537m	+28%
Total	€12,086m	€13,233m	+9%

*Excludes sales recorded by the Irish Dairy Board

Exports by major sector

	2009	2010	% +/-
Food	€6,947m	€7,689m	+11%
Life Sciences, Electronics and Cleantech	€1,088m	€1,232m	+13%
Construction, Engineering, P&P, and Consumer Retail	€2,310m	€2,597m	+12%
Internationally Traded Services	€1,503m	€1,515m	+1%
Software	€795m	€897m	+13%
Total	€12,643m	€13,930m	+10%

Source: Forfás/Enterprise Ireland Annual Business Review. Results are based on companies responding to the survey in 2011 (grossed up to reflect non-respondents). Results can vary from previous estimates due to revisions made by companies and differences in the profile of respondents from one survey period to the next.



OSG, provider of professional managed service solutions to the insurance and financial services markets, announced a major €6 million Enterprise Ireland-supported investment to drive further international expansion. OSG is one of the first Irish companies to apply lean principles to an information intensive business like insurance.

'The backing of Enterprise Ireland is an endorsement of OSG's business strategy to deliver innovative service solutions. Now is the time to respond to increased market demand, build on our successful expansion into the UK and evolve into a world class centre of excellence. This investment will see the creation of 155 new jobs for talented professionals.'

Malcolm Hughes,
Chief Executive, OSG

Cork-based parking solutions company **GlobeTech Ltd** secured a contract worth €2.2 million with Abu Dhabi's Department of Transport. This is the largest parking project in the world with 71,000 on-street and off-street parking spaces managed. GlobeTech is a prime example of what Irish companies can achieve globally by providing a world-leading, high-tech solution.

'Years of experience in providing parking enforcement solutions have provided us with invaluable insight into the needs of our customers. This expertise, combined with our keen customer focus, from initial specification through to implementation and ongoing support, is what we feel sets us apart from our competitors.'

Kevin Kelly,
CEO, GlobeTech

A dedicated Eurozone team is pro-actively targeting opportunities for clients in the power generation, energy efficiency and pharmaceutical sectors (PEEP). In the UK contracts associated with the 2012 Olympic Games worth over €200 million have been awarded to client companies. Our public procurement team is vigorously pursuing potential international public contracts for Irish businesses and 99 overseas public procurement contracts were signed with Enterprise Ireland input in 2010.

High growth markets led the global economy from recession in 2010 and will be the main drivers of growth in 2011. The BRIC nations (Brazil, Russia, India and China) represent 40 per cent of the world's population and a fifth of the global economy. Enterprise Ireland is focused on working with clients that have the capability and resources to benefit strategically from entering these markets.

To help clients transition from sustaining their international business to preparing for growth as economic conditions improve, we launched the New Market Research Programme in 2010 to help clients identify and develop new market opportunities and, by year end, 33 in-company market researchers were in place.

Enterprise Ireland is also expanding its reach to identify and work with companies with export potential that have not yet targeted international markets. In 2010, 91 Going Global fund applications, worth €1.2 million, were approved to help companies explore opportunities to internationalise their business as a route to growth.

Strengthening capability to increase exports

Enterprise Ireland provides a number of targeted short development programmes to help client companies develop the necessary skills to increase sales and enter new markets. In 2010, a total of 594 participants took part in these courses, including First Flight UK, First Flight China, First Flight North America, and the Excel at Export Selling workshops. This included 78 senior sales people who participated in the International Selling Programme which assists exporting companies to develop medium and long-term international sales strategies.

Access to finance

Accessing finance continues to be a significant challenge for companies. In addition to providing direct financial support, Enterprise Ireland has broadened our clients' access to different sources of finance by investing in new seed and venture capital funds, matching domestic business angel and international venture capital managers with investment opportunities in client companies, and through enhanced co-operation with the main banks.

Financial support to enterprise

The Enterprise Stabilisation Fund was established by Government in 2009 to help viable, high growth potential enterprises survive the global downturn and Enterprise Ireland was mandated to administer it. During 2010 we continued to make strategic interventions through this fund and, to date, have approved financial support of €84.5 million to 227 companies across all sectors.

Enterprise Ireland disbursed financial supports to industry in 2010 amounting to €356.9 million. This included €44.5 million in share capital investment, €15.6 million in seed and venture capital funds, €77.7 million in R&D, training and other capability building support, €17.4 million in capital and employment support for capacity expansion, and €65.2 million in third level research.

In addition, Enterprise Ireland provided funding of €37.4 million to third party agencies on behalf of the Department of Jobs, Enterprise & Innovation, and administered grant support schemes on behalf of the Department of Jobs, Enterprise & Innovation and the Department of Agriculture, Fisheries & Food to the value of €99.1 million.

Seed and venture capital funds

Ensuring Ireland has a first class investment eco-system that meets the needs of Irish entrepreneurs and expanding companies is a major objective of national policy. The availability of venture capital and the presence in Ireland of international venture capital firms is vital in driving entrepreneurship and start-ups, attracting high potential start-ups from overseas, and enabling ambitious companies to grow and create jobs.

Innovation Fund Ireland was launched in September 2010 and is a component of the National Recovery Plan 2011-2014. Through this initiative, the Government made available €125 million for Enterprise Ireland to invest in international venture capital funds that establish a presence in Ireland and that invest, at a minimum, an equivalent

amount in Irish companies or companies with a significant presence in Ireland. A further €125 million has been made available by the National Pension Reserve Fund for this initiative.

Enterprise Ireland also partners with Irish seed and venture capital funds and, in 2010, significant progress was made in increasing the funding available to new businesses in Ireland. Four new funds were set up by Enterprise Ireland in association with Bank of Ireland, AIB Bank, University of Limerick Foundation and NUIG Foundation to provide critical seed funding for high potential start-up companies. These funds have a total of €124 million available for investment. Since 2007, 11 seed and venture capital funds have been established with investment funds under management of €645 million.

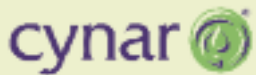
The Halo Business Angel Network and the regional business angel programmes based in the Business Innovation Centres (jointly supported by Enterprise Ireland and InterTradeIreland) develop and foster the growth of business angel activity in Ireland. Private business angel investors are matched with pre-screened investment opportunities in start-up enterprises. During 2010, investments of €5.26 million were made by business angel investors in 25 client companies.



Maintaining a continuing strong flow of international investments to fund the growth plans of Irish companies is a key objective for Enterprise Ireland.

In November, over 96 venture capital and other investors from North America, Britain, mainland Europe and Asia attended the Enterprise Ireland International Investor Forum in London, to meet 25 selected Irish software and life sciences companies.

In the past couple of years more than 40 international VCs have invested in Enterprise Ireland client companies - these investments have almost always been on the basis of syndicated investment with an Irish VC firm.



Cynar plc signed an exclusive agreement with SITA UK, one of the UK's leading recycling and resource management companies, to build Britain's first plants to convert end-of-life plastics into fuel. Cynar aims to be first to market with the profitable commercialisation of technology that converts waste plastics to diesel fuel.

'We believe Cynar has found an entrepreneurial partner in SITA UK who can help us ensure that our years of research will be realised in the near future with vehicles running on plastic-derived diesel, and ensuring that there is a practical commercial benefit derived from waste plastics.'

Michael Murray,
CEO, Cynar plc

The Competence Centre for Applied Nanotechnology is supported by Enterprise Ireland and IDA Ireland, and co-hosted by Tyndall National Institute, University College Cork and CRANN at Trinity College Dublin.

Nanotechnology is the science of very tiny things and the researchers in this centre are making molecules talk to molecules to make materials that they couldn't make in the past.

According to Leonard Hobbs of Intel, one of the multinationals involved in this centre, this gives the companies involved an *'amazing ability to transform what the pharmaceutical, electronics and medical industries do because now we can manipulate the very tiniest building blocks that these industries use.'*

Promoting innovation, commercialisation and R&D

Innovation is the strongest competitive differentiator available to Irish enterprise. Our challenge is to ensure Ireland is recognised globally for the strength of its innovations.

Enterprise Ireland's objective is to maximise Irish companies' engagement in and expenditure on market-led R&D, and to ensure that our economy benefits from the State's significant investment in science, technology and innovation. We do this by supporting investments in R&D projects to deliver new products, processes and business models, by driving collaboration between companies and researchers, and by commercialising new technologies.

Promoting R&D and innovation in companies

- In-company R&D is a key driver of innovation, competitive advantage and job creation in the Irish economy. More client companies' than ever before are engaged in research, and expenditure on R&D by Irish-owned businesses now exceeds €0.5 billion annually. Almost 50 per cent of all enterprises in Ireland are engaged in innovative activity, placing Ireland seventh across the EU and considerably above the EU average of 39 per cent.

In 2010, Enterprise Ireland approved €30.2 million to support in-company R&D projects. This includes a number of multi-million investments that offer significant potential and will create high-value jobs.

By the end of the year, 51 companies were investing in excess of €2 million per year on R&D projects and 715 clients were spending over €100,000 per year.

- Enterprise Ireland's Innovation Vouchers are used by small companies to explore solutions to a business opportunity or problem with a research body or third level institute. A total of 489 Innovation Vouchers were redeemed in 2010, at a value of €2.4 million. This brings the total number of vouchers redeemed since their introduction to over 1,000. This initiative is particularly relevant to companies that are not in a position to carry out their own R&D.
- During 2010, 30 clients benefited from the Innovation Partnerships Programme which offers financial support to a company and third level institute to collaborate on a research project.

Driving collaborative, industry-led R&D

- Technology Centres, a joint initiative of Enterprise Ireland and IDA Ireland, are collaborative research entities where Irish small and medium-sized enterprises, multinational companies and research institutes join forces to undertake strategic, market-focused R&D. They enable companies to achieve the kind of transformational change required to develop new technologies and bring innovative products and services to market - leading to growth in intellectual property, exports and jobs in Ireland.

By the end of 2010, Enterprise Ireland had agreed to provide €50 million in funding for eight centres to conduct research in bioenergy and biorefining, IT innovation, applied nanotechnology, composite materials, microelectronics, manufacturing research, energy efficiency and food for health. A further two centres

for financial services and learning technologies are currently being established.

- During 2010, 176 companies were involved in Enterprise Ireland-supported industry-led research programmes across a number of sectors. These collaborative research programmes support medium-term 'shared agenda' research activity among companies that could not afford to fund such research on their own.

Converting research into commercial products and services

Enterprise Ireland works closely with universities, institutes of technology, and other research institutes and government agencies such as IDA Ireland, Science Foundation Ireland and the Higher Education Authority, to maximise the commercial return on the State's research investment, and to increase the quality and quantity of research outputs delivered to enterprise.

- The National Technology Transfer System comprises Enterprise Ireland and the technology transfer offices of Irish higher education institutes. It helps researchers to explore the commercial potential of their technologies and find the best route to market. During 2010, a total of 31 spin-out companies were established and 93 technologies were transferred to companies.
- Through the Commercialisation Fund, Enterprise Ireland approved support to 49 commercially-focused research projects, involving a total funding commitment of over €6 million.

- The Business Partners programme introduces entrepreneurs with a strong track record of commercial success to research teams that have developed commercially-viable technologies. The aim is to increase the number of companies emerging from publicly-funded research. To date, 170 new opportunities have been identified from the research system and notified to potential business partners and 40 business partnerships have been signed.
- The Applied Research Enhancement programme supports the establishment of applied research centres of excellence in the institutes of technology. To date, 13 research centres, located in nine institutes of technology, have received total financial support of €22.8 million.

Capitalising on international research opportunities

- International R&D funding continues to be a valuable source of finance and provides access to collaboration and networking with European partners. Enterprise Ireland helps Irish researchers engage in pan-European research projects such as the €50 billion Seventh EU Framework Programme (FP7). In 2010, €31.6 million in research funding was awarded to companies in Ireland via FP7 and the European Space Agency. Since the start of FP7 in 2007, Irish-based companies and public research organisations have secured total funding of €269 million.



Enterprise Ireland's **Big Ideas Showcase**, held in October, gave researchers the opportunity to pitch their new technologies to over 200 potential investors and business partners. All of the technologies were developed from state-funded research in higher education institutes and the main purpose of the event was to help turn this research into commercial products and to generate new companies and jobs.



Cork company **Luxcel Biosciences** signed a strategic alliance and major investment programme with US company MOCON Inc. Luxcel was set up as a spin-out from University College Cork to commercialise technology developed through state-funded research.

'This is a very exciting development for Luxcel. Having a global leader like MOCON come on board both as investor and development partner is a tremendous accolade for us. Likewise the continued support of Enterprise Ireland - they have provided every assistance to get us to this stage where we can embark on international partnerships that open up real growth potential for our company.'

Dr Richard Fernandes,
CEO, Luxcel

Start-up Class of 2010

In 2010, Enterprise Ireland supported the establishment of 80 new high potential start-up companies, involving over 150 entrepreneurs.

These innovative, export focused young companies are expected to grow rapidly, generate significant sales and employment, and become engines of economic growth in Ireland. They will create over 770 new jobs and generate total sales of €528 million over the next three years, with exports accounting for more than 80 per cent of this figure.

Of the 80 new high potential start-ups, 38 came from the industrial and life sciences sector, 34 from software and services, and eight from the food and consumer sector. Ten of the companies were set-up to commercialise research carried out in third-level institutes.

One of the new companies is Eventovate, a cloud computing service pitched at hotel event planning businesses. They have successfully raised €700,000 from the Bank of Ireland Start-up and Emerging Sectors Equity Fund managed by Delta Partners, the AIB Seed Capital Fund and Enterprise Ireland.

Founder Jonathan Ruane was a brand manager at Procter & Gamble in Britain before returning to Ireland in 2009 to start up his own business. Eventovate will use the investment to hire more staff and finance its expansion into the UK.

Developing new start-up companies

Ireland is one of the most entrepreneurial economies in the developed world and an excellent location to start and run a business. The World Competitiveness Yearbook 2010 ranked Ireland first for corporate taxes that encourage entrepreneurial activity and fourth for having a culture that is open to new ideas.

Enterprise Ireland is committed to supporting entrepreneurs to ensure that emerging technologies and innovative business ideas with export potential become a commercial reality. These companies are the employers of the future and we are committed to providing the right supports and conditions for start-up companies to succeed, and to attract overseas entrepreneurs to Ireland.

In 2010, Enterprise Ireland continued to work with innovative start-up companies at all stages of development and growth, and €18.69 million was approved to 80 new high potential start-ups. In addition, during the year 17 high potential start-ups received follow-on investments valued at €2.15 million.

A new competitive fund for the internet and games sector was launched in 2010. This initiative is a direct response to the recommendations of the Innovation Taskforce and provides a new, more flexible approach to funding technology-based, innovative start-ups. A total of ten companies have received a €50,000 investment in return for a ten per cent equity stake. The fund will be expanded in 2011 to include growth sectors such as cloud computing, telecoms, life sciences and cleantech, with 50 further investments planned.

During the year, Enterprise Ireland worked closely with other relevant agencies (e.g. IDA Ireland, FÁS, County and City Enterprise Boards (CEBs), Business Innovation Centres) to promote start-ups and management buy-outs. Over 50 prospective start-ups have been generated as a result of this process.

Fostering entrepreneurship

In 2010, 67 Enterprise Ireland entrepreneurship programmes took place, providing participants with the business skills, contacts, mentoring and support to potentially transform their innovative ideas or technologies into exporting businesses. A total of 107 start-up prospects were identified during these programmes, and 78 participants became CEB clients.

At the end of 2010, 1,065 people were employed in businesses located in Enterprise Ireland-supported campus incubation facilities. There are currently 21 campus incubation facilities and six specialist bio-incubation facilities in operation in Ireland.

We also continued to support the Community Enterprise Centres (CECs) which provide a range of facilities that enable entrepreneurs to establish new businesses and provide employment in local and rural communities. Since the first CEC development scheme in 1989, €61.4 million has been approved for the building and expansion of 134 centres across the country.

Building competitiveness

Competitiveness is vital to sustaining our export-led growth. Irish enterprises must address many challenges if they are to increase profitability, remain competitive against international companies at home, and compete successfully in international markets. Their efforts must be matched across the economy and Enterprise Ireland acts as an advocate for Irish businesses on key competitiveness issues such as the cost of utilities, local authority charges and commercial rents.

A new approach to building client companies' competitiveness was introduced in 2010 with the launch of the Lean Programme. This programme gives significant additional support for lean activities and helps companies to increase productivity, drive down costs and introduce continuous process improvements across all business operations. Clients are supported by private sector consultants with significant expertise in lean business techniques and procedures.

During the year, Enterprise Ireland approved funding for lean projects for 72 companies in the mainly food, cleantech, electronics and life sciences sectors. Improvements in lead times, unit costs and profitability have already been achieved by participating companies and we will continue to drive improvements in competitiveness in 2011.

Growth and competitiveness in key sectors

Food

The food sector is our most valuable indigenous industry and plays a major role in employment, and in the growth and success of the Irish economy. In 2010, reduced exchange rate pressures, increases in global prices for agricultural commodities, a more stable consumer environment, and improved competitiveness contributed to a strong recovery in food exports. Total export sales were €7.7 billion, an increase of 11 per cent over 2009.

In 2010, Enterprise Ireland, in conjunction with the Department of Agriculture, Fisheries & Food, supported the drive to improve overall competitiveness and productivity by introducing large-scale lean programmes in some of our major food exporters.

Key investments were also won against strong international competition. Most notably, the Irish government, through Enterprise Ireland, is supporting Danone Baby Nutrition's €50 million investment in its manufacturing facility in Macroom, Co Cork. This investment will fund the expansion and redevelopment of the existing facility and will, on completion, be the most technologically advanced manufacturing centre in Danone Baby Nutrition's global network.

Food Harvest 2020 – A vision for Irish agri-food and fisheries, is a national strategy for the development of the food sector. It sets out substantial targets and has identified export growth potential of



Dawn Farm Foods won a €700 million contract to supply the Subway franchise in Europe. This major success underpins both the government and Enterprise Ireland's strategy for the food sector - building innovation in export focused companies that are capable of achieving global reach.

'This is a significant deal for Dawn Farms and follows major investment supported by Enterprise Ireland. Subway has ambitious growth plans for Europe and, with hard work on both sides, this deal will translate into hundreds of millions of Euro in export sales for Ireland over the duration of the contract.'

Larry Murrin,
Chief Executive, Dawn Farms



During Enterprise Ireland's trade mission to Brazil, **Combilift** announced that it had won contracts to supply its unique forklift trucks to Brazilian steel giant, Gerdau.

'Combilift has invested heavily in its R&D facility at the company HQ in Monaghan, and has on average introduced at least one new model per year since the company was established. Customer feedback continues to play an important role in ongoing product development, together with Combilift's policy of providing customised solutions. With this approach, we have grown our business world wide, and now look forward to increasing our presence in Brazil.'

Martin McVicar,
CEO, Combilift

more than 40 per cent over the next ten years. Enterprise Ireland will continue to work in partnership with other State agencies such as Bord Bia, Bord Iascaigh Mhara, Teagasc and the Department of Agriculture, Fisheries & Food to meet these targets.

Manufacturing, Electronics and Engineering

Ireland has a strong manufacturing base in several key sectors that makes a strategically important contribution to the Irish economy. Sectors that show continuing export growth potential include electronics, engineering, clean technologies and green products.

Enterprise Ireland is working with manufacturing clients to refocus them on international markets and help them to identify and develop new opportunities, such as adding innovative services to their business offer.

To increase international market expansion and diversification, our priorities for these sectors include building scale through consolidations, increasing collaboration between Irish companies and multinationals, identifying opportunities for convergence, and developing clusters in niche areas such as microelectronics, water and waste water treatment, energy management, and generic pharma markets.

Continued investment in R&D and innovation activities is critical to the future viability and competitiveness of manufacturing companies. Enterprise Ireland is focusing on strengthening collaboration between client companies and researchers to increase product, process and service development.

Software and Internationally Traded Services

In 2010 total export sales by internationally traded services amounted to €1.5 billion and software exports were €897 million.

The software and internationally traded services sectors continue to show strong growth. The key priorities of Enterprise Ireland's strategy for these sectors are: to accelerate the international growth of existing clients in sectors with significant export and employment potential; to increase the number of high potential start-ups particularly in internet, web 2.0, social networking, financial services, environmental and international healthcare services; to develop strong exports in emerging sectors; and to grow the base of exporting clients by targeting locally-trading companies that have the potential to internationalise.

Education Services

A sector that offers significant potential is international education services and Enterprise Ireland has responsibility for promoting Irish higher education and the English language sectors internationally. Over 26,000 international students currently undertake third level education in Ireland and are estimated to contribute €900 million to the Irish economy. Enterprise Ireland, under the brand *Education in Ireland*, aims to substantially increase the number of international students studying in Irish higher education institutes by 2015.

The strategy to promote Irish education internationally goes deeper than immediate economic benefits such as increased spending by international students in the Irish economy. The international students we educate today



New agreements were signed between the Irish and Saudi Arabian governments to train Saudi students in Ireland. Under the King Abdullah Scholarship Programme, several hundred Saudi students will study vocational skills at Carlow Institute of Technology, Cork Institute of Technology and Blanchardstown Institute of Technology.

Also, Athlone, Waterford and Galway-Mayo Institutes of Technology, which are already involved in the inter-government initiative, got approval to deliver masters programmes to Saudi scholarship students. About 800 Saudis are studying in Ireland and it is estimated they are worth some €20 million to the economy annually.

are tomorrow's generation of leaders, entrepreneurs and decision makers. They will make up a new diaspora, a network of Irish-educated alumni that can be of critical assistance in the future promotion of Ireland.

Life Sciences

The life sciences sector continued to perform strongly in 2010 with total export sales of €682 million, an increase of 12 per cent over 2009. Employment in this sector has remained solid and 11 new high potential start-ups were established.

During the year, Enterprise Ireland continued to support clients' investments in growth, with innovation, operational excellence, and leadership and management capability being central to their international competitiveness. Our life sciences clients were successful in winning export sales in areas such as medical devices, specialist medical sub-supply, end-product development, generics, connected health and point-of-care diagnostics.

Strategically, the Irish life sciences eco-system needs to develop an integrated value proposition from discovery through to commercialisation, manufacture and service provision. The sector is becoming increasingly collaborative and integrated. Enterprise Ireland is working with all key participants, influencers and enablers (from academics and clinicians, to multinationals and client companies, domestic and international venture capitalists, industry associations and other Government agencies) to realise the growth opportunities and economic rewards on offer.

Public Procurement

Engagement in public procurement contracts offers significant market opportunities for Irish companies. Enterprise Ireland's public procurement team is pro-actively working with Irish contracting authorities, government agencies, targeted channel partners, primary contractors, and with global organisations such as the European Union and the United Nations, to raise awareness of the innovative solutions offered by Irish enterprises, and to identify and target opportunities for our clients to tender for public contracts.

We are also working with clients to raise their awareness of public sector opportunities, and to help them develop their capability to tender for and win contracts.

Convergence and emerging sectors

The accelerated integration of technologies and the convergence of sectors are creating opportunities for companies to collaborate to develop groundbreaking products, and to create innovative business models and service solutions. Enterprise Ireland has identified healthcare, security and cloud computing as three key emerging sectors that offer a unique opportunity for convergence between sectors such as software, life sciences, electronics and services.

Enterprise Ireland showcases Irish expertise in pharma plant construction

Enterprise Ireland brought 50 buyers from the world's leading pharmaceutical and biotech companies to Ireland to showcase Irish expertise in plant design, construction and engineering.

Ireland's thriving pharmaceutical industry means that Irish firms have been at the forefront in the design, construction and engineering of the world's most technologically advanced facilities such as Pfizer in Grange Castle and Centocor in Cork.

Many of the buyers have responsibility for new production facilities and this event gave them the opportunity to meet with leading Irish firms in project management, process engineering, automation, cleanroom technology and engineering.



Dublin software company **Openet** is investing €3.65 million in a major R&D programme with support from Enterprise Ireland. The investment will see Openet create 35 new high-value jobs in Dublin over the next year.

'We're excited to be expanding our R&D operations which will assist Openet to quickly take advantage of new market opportunities. Internationalisation is core to Openet's growth strategy and, apart from supporting our R&D programme, Enterprise Ireland, through its overseas offices, provides high levels of support in our key markets including valuable introductions to key individuals and important local market knowledge.'

Niall Norton,
CEO, Openet



Internet Growth Acceleration Programme

Fifteen young Irish internet companies received a major boost to their prospects for growing their businesses when they completed the first Internet Growth Acceleration Programme (iGAP). This is a unique programme aimed at high potential internet companies with global growth potential. It was developed by Enterprise Ireland in partnership with the Internet Growth Alliance.

'Participating on iGAP has radically altered how Sonru do business by accelerating our professionalism in marketing, sales and business strategy. The programme has instilled in us the credibility and confidence to become a global player and given us the tools to execute our international growth strategy.'

Fergal O'Byrne,
CEO, Sonru.com

Developing leaders

This generation of business leaders and entrepreneurs are facing extraordinary challenges and it will be their successes that shape our economic recovery and provide the jobs we need for shared prosperity. Enterprise Ireland's objective is to ensure our client companies have world-class leaders and managers with the skills and abilities to build international success from Ireland.

During the year, 56 chief executive officers participated in two Leadership 4 Growth programmes – one for clients in the sustainable build environment sector and one for clients in the engineering, medical and service technology sectors. In addition, the Strategic Leadership 4 Chief Financial Officers programme was launched in October. These world-class programmes help participant companies achieve significant international scale by enhancing the leadership and strategic capabilities of the senior team.

Enterprise Ireland partners with leading executive education providers, including Stanford University, Duke Corporate Education, IMD Business School and the Irish Management Institute, on the development and delivery of management development programmes. We have learnt a great deal about the skills and knowledge that make a real impact on the success of a company. In 2011 we will develop programmes that will deliver these skills to a significantly wider audience of managers in Ireland.

Graduates 4 International Growth

The Graduates 4 International Growth programme was launched in 2010 and matched 41 top-level graduates with ambitious, high growth companies. Through the programme, which is delivered in partnership with UCD Michael Smurfit Graduate Business School, these motivated and talented future leaders will develop international business skills and experience. Participating companies benefit by gaining a market development resource to help them grow business in their target markets.

Mentor Programme

In 2010 we expanded the mentor programme and continued to partner with the Irish diaspora to find new and cost-effective sources of business expertise for clients. A total of 217 mentors were appointed to work with Enterprise Ireland client companies and 63 worked with CEB clients on a broad range of business issues. In addition, 108 international experts provided valuable in-market mentoring and advice to clients to help them develop new contacts and sales.

2011 – Growing exports, creating jobs

Enterprise Ireland recognises that job creation is central to our economic recovery and shared prosperity. Growing exports is critical to achieving this and strong, sustainable and innovative Irish enterprises will lead our return to national growth.

Despite the severe challenges of recent times, Ireland now has a modern, dynamic and mature enterprise base competing successfully in diverse sectors and in markets around the globe. Our objective is to continue to expand this global footprint by scaling Irish businesses into global players, driving continual improvements in competitiveness, and proactively prospecting for new opportunities in emerging sectors and high growth economies.

Investment in science, technology and innovation will ensure future growth in the Irish economy and is vital to remain relevant and competitive in world markets. Enterprise Ireland will work with other government agencies and key stakeholders on national research priorities and intellectual property exploitation. While continuing to ensure that Irish research delivers new technologies to innovative

companies, we will also focus on supporting non-technical sources of value creation such as innovative business models, company cultures and enhanced customer response systems.

Enterprise Ireland is making unprecedented changes to our supports for entrepreneurs and start-up companies by adopting a higher level of flexibility and risk sharing in the early stage financing of high potential enterprises. We will also continue to invest in angel, seed and venture capital funds to develop a funding environment that meets the needs of Irish entrepreneurs and expanding companies.

Domestically focused companies make a significant contribution to the economy in terms of employment. Enterprise Ireland is expanding its reach to work with companies that have the potential

to build capacity to target international markets and, ultimately, create new jobs based on export sales.

Enterprise Ireland is working intensively with the ambitious entrepreneurs and businesses that will shape Ireland's economic progress. We are focusing our resources, both time and money, on the companies that will deliver the greatest impact for Ireland in terms of exports and jobs. All Enterprise Ireland staff, both at home and overseas, are dedicated to the achievement of these goals and to the future success of Irish enterprise.



Frank Ryan,
Chief Executive Officer

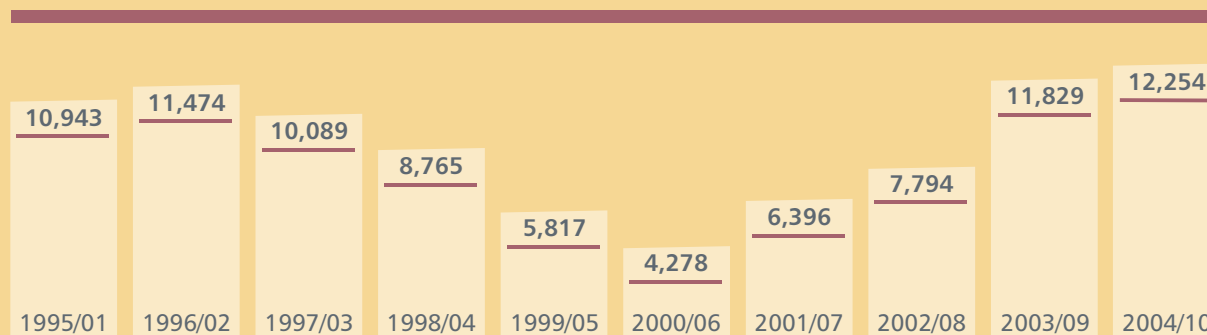
Enterprise Ireland Strategy 2008-2010

Strategic Objectives	2008-2010 Targets	2008-2010 Results
New export sales	€4 billion	€3.969 billion
Number of clients engaged in meaningful R&D (€100,000 spend annually)	800	715
Number of clients engaged in significant R&D (€2 million spend annually)	55	51
New high potential start-ups (outside Dublin)	200 (100)	224 (116)
Number of clients achieving annual global sales of €5 million	635	572
Number of clients achieving annual global sales of €20 million	225	197
Job Expansion Fund (formerly Growth Fund) approvals	250	171

Client Employment Performance by Region 2010

Region	Total Employment	Gains	Losses	Net Change
Dublin / Mid East	57,459	3,129	-5,949	-2,820
Midlands	7,515	457	-844	-387
Mid West	13,091	748	-990	-242
West	9,501	786	-978	-192
North East	12,855	622	-1,261	-639
North West	4,538	376	-515	-139
South East	16,769	1,127	-1,292	-165
South West	15,513	948	-1,719	-771
Total	137,241	8,193	-13,548	-5,355

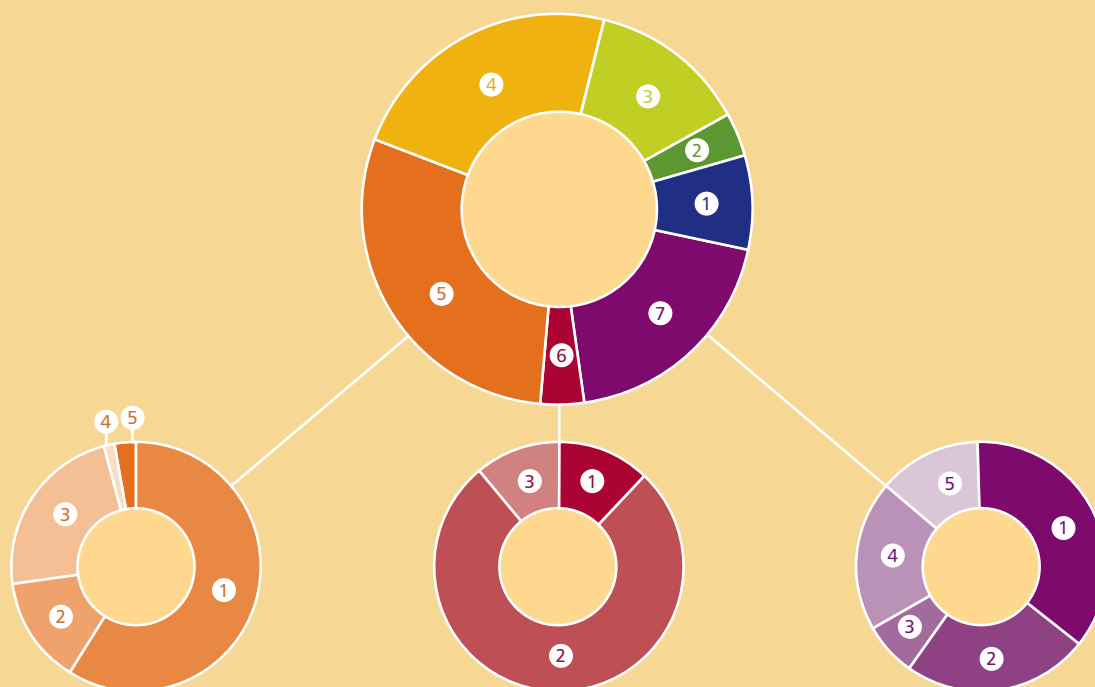
Cost per job



2010 cost per job sustained (2010 prices). The cost per job is calculated by taking into account all agency expenditure on all firms in the period. Only jobs created during, and sustained at the end of, each seven-year period are credited in the calculations.

Enterprise Ireland allocation of funds

1. Capability Building	€36.2m
2. Capacity Building	€17.4m
3. Equity and Venture Capital Funds	€60.1m
4. Technology and Scientific Infrastructure	€106.7m
5. Funds administered on behalf of third parties ¹	€136.5m
6. Disbursements to other state agencies ²	€17.5m
7. Net operating costs ³	€89.2m
Total	€463.6m



Funds administered on behalf of third party agencies in 2010¹

1. Employment Subsidy Scheme	€80.0m
2. Dairy, Beef & Sheepmeat Funds	€19.1m
3. County Enterprise Boards	€31.8m
4. Business Innovation Centres	€2.2m
5. Crafts Council of Ireland	€3.4m
Total	€136.5m

Disbursement to other state agencies²

1. Údarás na Gaeltachta	€2.1m
2. IDA Ireland	€13.5m
3. SFADCo	€1.9m
Total	€17.5m

Net operating costs³

1. Client Services Network	€32.3m
2. Overseas Office Network	€21.6m
3. Regional Office Network	€6.2m
4. Science and Innovation Support	€17.4m
5. Corporate Services Support	€11.7m
Total	€89.2m

Corporate Governance

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

The agency operates in accordance with the provisions of the Industrial Development Acts 1986–2009 and under the aegis of the Minister for Jobs, 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

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

Guidelines for the Appraisal and Management of Capital Expenditure Proposals

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

Freedom of Information Acts, 1997 & 2003

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

Safety, Health and Welfare at Work Act 2005

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

Worker Participation (State Enterprise) Act, 1988

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

Prompt Payment of Accounts Act, 1997

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

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

Ethics in Public Office Act, 1995

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

Data Protection Acts, 1988 and 2003

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

Employment Equality Acts, 1998 and 2004

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

Commission of the European Union

In 2010, Enterprise Ireland administered a range of programmes which are eligible for co-funding by EU Structural Funds under the Productive Sector Operational Programme, Employment and Human Resource Development Operational Programme, and the two Regional Operational Programmes for the Southern and Eastern and BMW regions.

Official Languages Act 2003

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

Environmental Policy Statement

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

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

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

Disclosure Policy on Payments and Investments

It is Enterprise Ireland's policy to make information available on Financial Support payments that have been made to client companies. A supplement to this Report, listing all such payments made by Enterprise Ireland in 2010, is available on request.



Frank Ryan
Chief Executive Officer

Membership of the Board and Committees

as at 1 May 2011

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

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

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

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

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

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

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



Enterprise Ireland Board

Left to right back row

Helen Nugent
Principal Officer
Department of Jobs,
Enterprise & Innovation

Gearóid Doyle
Executive Chairman
Kinsale Capital Management

Jim O'Hara
General Manager
Intel Ireland
(Retired July 2010)

Bob Savage
Vice President and Managing
Director
Ireland Centre of Excellence
EMC Corporation

Paddy Hopkins
Secretary to the Board

Michael Buckley
Company Director

Liam Meaney
Company Director

Left to right front row

Máire Ní Thuathail
Company Director
EO Teilifís

Michael McLoone
County Manager
Donegal County Council
(Retired July 2010)

**Hugh Cooney
(Chairman)**
Consultant and Company
Director
KPMG

Catherine Caulfield
Chief Operations Officer
Ovagen Limited

Frank Ryan
Chief Executive Officer
Enterprise Ireland

Rita Shah
Joint Managing Director
Shabra Group

The following members of the Board retired from office during 2010/2011:
John Connolly, Head of Marketing, SWS Group and Tony Spollen, Company Director.

Audit Committee

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

Gearóid Doyle (Chairman)
Executive Chairman
Kinsale Capital Management

Liam Meaney
Company Director

Catherine Caulfield
Chief Operations Officer
Ovagen Limited

Paddy Hopkins
Secretary to the Audit Committee

Investment Portfolio Review Committee

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

Jim O'Hara
General Manager
Intel Ireland
(Retired 2010)

Helen Nugent
Principal Officer
Department of Jobs, Enterprise & Innovation

Frank Ryan
Chief Executive Officer
Enterprise Ireland

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

Tony Haslam
Consultant

Paddy Hopkins
Secretary to the Investment Portfolio Review Committee

The following member retired from the Committee during 2010/2011: John Connolly, Head of Marketing, SWS Group.

Remuneration Committee

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

Hugh Cooney (Chairman)
Consultant and Company Director
KPMG

Michael Buckley
Company Director

Michael McLoone
County Manager
Donegal County Council
(Retired 2010)

Paddy Hopkins
Secretary to the Remuneration Committee

Special Advisory Committee

The Special Advisory Committee to the Board reviews major funding proposals prior to full consideration and decision by the Board of Enterprise Ireland.

Hugh Cooney (Chairman)
Consultant and Company Director
KPMG

Michael Buckley
Company Director

Jim O'Hara
General Manager
Intel Ireland *(Retired 2010)*

Paddy Hopkins
Secretary to the Special Advisory Committee

Innovation Fund Ireland Committee

The Innovation Fund Ireland Committee considers and recommends to the Board applications for funding under the Innovation Fund Ireland Scheme.

Hugh Cooney (Chairman)
Consultant and Company Director
KPMG

Michael Buckley
Company Director

Gearóid Doyle
Executive Chairman
Kinsale Capital Management

Don Harrington
Company Director

Tony Haslam
Consultant

Paddy Hopkins
Secretary to the Innovation Fund Ireland Committee

Business Committee

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

Frank Ryan (Chairman)
Chief Executive Officer
Enterprise Ireland

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

Julie Sinnamon
Executive Director
Global Business Development
Enterprise Ireland

Jennifer Condon
Divisional Manager
Internationally Traded Services, Software and Public Procurement
Enterprise Ireland

Alan Dixon
Director
Asia Pacific
Enterprise Ireland

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

Tom Hayes
Divisional Manager
Entrepreneurship and Regions
Enterprise Ireland

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

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

Dick Lenehan
Divisional Manager
Food
Enterprise Ireland

Martin Lyes
Divisional Manager
Research and Innovation
Enterprise Ireland

Niall O'Donnellan
Divisional Manager
Investment Services and Human Resources
Enterprise Ireland

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

Kevin Sherry
Divisional Manager
International Sales and Partnering
Enterprise Ireland

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

Jennifer Malone
Secretary to the Business Committee

Investment Committee

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

Frank Ryan (Chairman)
Chief Executive Officer
Enterprise Ireland

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

Julie Sinnamon
Executive Director
Global Business Development
Enterprise Ireland

Niall O'Donnellan
Divisional Manager
Investment Services and Human
Resources
Enterprise Ireland

Marian Byrne
Principal Officer
Department of Agriculture,
Fisheries & Food

Helen Curley
Principal Officer
Department of Jobs, Enterprise
& Innovation

Tony Haslam
Consultant

David Moffitt
Chief Executive Officer
K4 Holdings Ltd

Jennifer Malone
*Secretary to the Investment
Committee*

R&D Fund Committee

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

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

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

Tom Hayes
Divisional Manager
Entrepreneurship and Regions
Enterprise Ireland

Kevin Sherry
Divisional Manager
International Sales and
Partnering
Enterprise Ireland

Joe Madden
Department Manager
Electronics and HRD
Enterprise Ireland

Brian McCoy
Consultant

Aidan O'Connor
Consultant

Padraig Somers
General Manager
Helsinn Birex Pharmaceuticals

Denis Hayes
Technical Manager
Bulmers Ltd (Showerings)

Eadaoin Collins
Office of Science & Technology
Department of Jobs, Enterprise
& Innovation

Pamela Byrne
Department of Agriculture,
Fisheries & Food

Cathryn Hargan
Bord Bia

Miriam Ní Néill
Údarás na Gaeltachta

Tom Beresford
Teagasc

Eileen McGoldrick
*Secretary to the R&D Fund
Committee*

The following members retired from the Committee during 2010/2011: Charles McCorkell, Faculty of Engineering and Computing, Dublin City University and Sean McManus, Údarás na Gaeltachta

Seed and Venture Capital Funds Committee

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

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

Des Doyle
Department Manager
Growth Capital Department
Enterprise Ireland

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

Don Harrington
Director Corporate Finance
Goodbody Stockbrokers

Tony Haslam
Consultant

Des Keane
Consultant

Helen Curley
Principal Officer
Department of Jobs, Enterprise
& Innovation

Vacancy
Forfás

Eileen McGoldrick
*Secretary to the Seed and Venture
Capital Funds Committee*

The following member retired from
the Committee during 2010/2011:
Helena Acheson, Forfás

The Industrial Research and Commercialisation Committee

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

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

Martin Lyes
Divisional Manager
Research and Innovation
Enterprise Ireland

Orla Battersby
Department Manager
Education Services
Enterprise Ireland

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

Jim Whelan
Research Skill & Manufacturing (RSM)
IDA Ireland

Enda Connolly
Chief Executive
Health Research Board

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

Pat Layde
R&D Manager
General Paints Ltd

Eucharía Meehan
Head of Research Programmes
Higher Education Authority

Fionn Murtagh
Director, ICT
Science Foundation Ireland

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

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

Vincent O’Flaherty
Director
National University of Ireland,
Galway

Frank Kennedy
R&D Manager
Cadbury (Ireland) Limited

Morgan Sheehy
Consultant

Pat Coman
Director
Institute of Technology - Tallaght

Ray O’Neill
Vice Principal for Research
National University of Ireland,
Maynooth

Brian Fitzgerald
Vice President
University of Limerick

Eugene Corcoran
Consultant

In attendance:
John Dooley
National STI Policy
Forfás

Zoë Deane
Secretary to the Industrial Research and Commercialisation Committee

The following member retired during 2010/2011: Mark Keane, Vice President for Innovation, University College Dublin

Job Expansion Fund Committee

The Job Expansion Fund was launched in May 2010 to assist Enterprise Ireland client companies achieve increased employment through increased sales and international trade.

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

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

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

Eileen O'Neill
Manager
Grants Administration Department
Enterprise Ireland

Paddy Callaghan
Managing Director
Nature's Best Ltd

Bairbre Meehan
Chief Executive Officer
Ansamed Ltd

Malcolm Lewis
Consultant

Margaret Lawlor
Department of Jobs, Enterprise & Innovation

Paul Vickers
Food Division
Department of Agriculture, Fisheries & Food

Michael Hussey
Consumer Foods Division
Bord Bia

The committee members for 2011 are currently being appointed by Enterprise Ireland

Eileen McGoldrick
Secretary to the Job Expansion Fund Committee

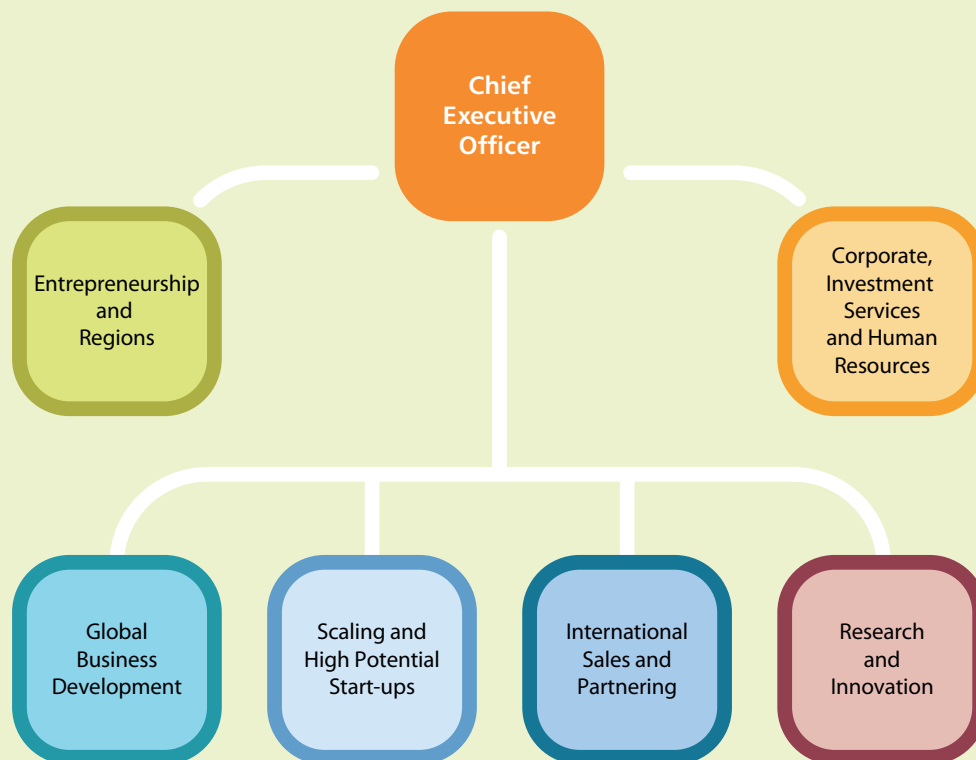
Going Global Fund Committee

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

The Committee Members for 2011 are currently being appointed by Enterprise Ireland.

Organisation Structure

as at 20 June 2011



Chief Executive Officer

Frank Ryan

Press, Public Relations and International Communications
- International Communications

Alan Hobbs
Gerry O'Brien

Entrepreneurship and Regions

Tom Hayes

- Entrepreneurship
- HPSU Prospect Development
- CEB Unit
- North East/North West
- Dublin, Mid East
- Midlands
- South/South East
- Mid West
- West
- Enterprise Preparation

Lorcan O'Sullivan
Richard Murphy
Richard Murphy
Conor Fahy
Paschal McGuire
Barry Egan
Vacant
Jerry Moloney
Seamus Bree
Michael Brougham

Corporate, Investment Services and Human Resources **Feargal Ó Móráin**

- Corporate Development and Policy Rosemary Sexton

Corporate Services

Paddy Hopkins

- Secretariat & Corporate Governance Paddy Hopkins
- Finance Leonard Carty
- Grants Administration Eileen O'Neill
- Facilities Management and Procurement Joe Curtis

Investment Services and Human Resources

Niall O'Donnellan

- Commercial Evaluation Jonathan Ryan
- Banking Relationships Eamonn May
- Equity Leo McAdams
- Growth Capital Des Doyle
- Investment Review and Monitoring Hugh O'Rourke
- Human Resources Mark Christal

Global Business Development **Julie Sinnamon**

Software and Public Procurement

Jennifer Condon

- Telecoms, Internet, Media and Edutainment (TIME) Software Colm MacFhionnlaich
- Software and ICT Technology Michael Hughes
- Finance & Enterprise Software Jim Cuddy
- Public Procurement Stephen Hughes

Internationally Traded Services

Jennifer Condon

- Financial Services and Business Process Outsourcing Joe Breslin
- Business and Consumer Services Marina Donohoe
- Education Services Orla Battersby

Food

Dick Lenehan/Michael Cantwell

- Primary Meats Derek Breen
- Consumer Food, Horticulture and Seafood Jenny Melia
- Dairy, Beverages, Food Technology and FDI Joe Healy

Construction, Engineering and Consumer

- Construction and Timber
- Consumer Retail Markets
- Engineering and Paper, Print and Packaging

Liam O'DonohoeKevin Kavanagh
Charlie Kelly
Neil O'Sullivan

Life Sciences, Electronics and Cleantech

- Life Sciences
- Cleantech and Electronics
- Technology Development
- Competitiveness
- Environment & Green Technologies and Shannon Laboratory

Tom KellyBrian O'Neill
Joe Madden
Eddie Commins
Richard Keegan
Fred McDarby

Business Process Improvement, IT and Client Management Development

- CKS, Business Process Improvement & IT
- Event Management and Corporate Marketing
- Company Mentors and Advisers
- Client Management Development Programmes

Brendan FloodDeirdre McDonough
Gerry McMahon
John McGarr
Niamh Cooney

Scaling and High Potential Start-ups

- Scaling
- HPSU – Accelerated Growth Team 1
- HPSU – Accelerated Growth Team 2
- HPSU – Financial and Enterprise Software
- HPSU – Industrial & Life Sciences
- HPSU – Communications Software, Media & Entertainment Services
- HPSU – Food and Retail

Greg TrestonLisa Vaughan
Pat Byrne
Aidan Stack
Michael Moriarty
John O'Dea
Tom Cusack
John Dillon

International Sales and Partnering

- Exporter Communications
- Latin America, High Growth Markets and Policy
Latin America
- UK and Northern Europe
UK Cleantech, Industrial & Life Sciences
UK Software, Services & Retail Markets
Scotland
Belgium, Netherlands, Luxembourg
France
Nordic Markets

Kevin SherryJim Maguire
David Byrne
Colin McCullagh
Giles O'Neill
Emanuel Carvalho
Gavin McWhirter
Christine Esson
James Mackrill
Gary Fallon
Fergus McMahon

<ul style="list-style-type: none"> Germany, Central and Eastern Europe, Russia Czech Republic, Hungary, Romania, Bulgaria & Slovakia Poland Russia, CIS Germany, Austria, Switzerland 	<p>Pat Maher Ladislav Müller Mike Hogan Gerard Mac Carthy Deirdre McPartlin</p>
<ul style="list-style-type: none"> Southern Europe, Middle East and Africa Spain, Portugal Italy, Turkey Middle East & North Africa 	<p>John MacNamara John Roche Kevin Buckley Jim Mongey</p>
<ul style="list-style-type: none"> United States of America and Canada US Cleantech, Industrial and Life Sciences US Software and Services Canada 	<p>Gerry Murphy Sean Davis Nick Marmion Ross O'Colmain</p>
<ul style="list-style-type: none"> Asia Pacific ASEAN Region Australia, New Zealand China India Japan Korea Singapore, Indonesia, The Philippines 	<p>Alan Dixon Michael Garvey Paul Burfield Alan Buckley Gabriel McCarrick Eddie Hughes Dianne Rhee Pat O'Riordan</p>

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

FINANCIAL STATEMENTS

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

I have audited the financial statements of Enterprise Ireland for the year ended 31 December 2010 under the Industrial Development (Enterprise Ireland) Act, 1998.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The Financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of Enterprise Ireland's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to state bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to Enterprise Ireland's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view, of the state of Enterprise Ireland's affairs at 31 December 2010 and of its income and expenditure for the year then ended.

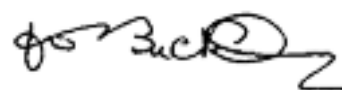
In my opinion, proper books of account have been kept by Enterprise Ireland. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- My audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- The information given in Enterprise Ireland's Annual Report for the year for which the financial statements are prepared is not consistent with the financial statements, or
- The Statement on Internal Financial Control does not reflect Enterprise Ireland's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



John Buckley
Comptroller and Auditor General
25 May 2011

Board Members' Report

For the year ended 31 December 2010

Board Members' Responsibilities

Financial Statements

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

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

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

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

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Statement on Internal Financial Control

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

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

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

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

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

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

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

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

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

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

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

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

I confirm that in the year to 31 December 2010, the Board conducted a review of the system of internal financial control.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman

Accounting Policies

For the year ended 31 December 2010

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

(a) Basis of Accounting

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

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

Income Recognition

The following income categories are on a cash basis:

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

(b) Superannuation

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

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

(c) Leases

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

(d) Foreign Currencies

The financial statements are expressed in euro.

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

(e) Investments

Quoted Investments

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

Other Investments

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

Write off of Investments

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

Investment in Subsidiary

Maison D'Irlande SARL is a wholly owned subsidiary of Enterprise Ireland established to manage the lease of the Ireland House (Maison D'Irlande) property in Paris. The net assets and the results of the subsidiary have been consolidated with those of Enterprise Ireland. However, a separate company Balance Sheet and related Notes have not been prepared as any difference between them and the group Balance Sheet is negligible. Following negotiations with the landlord, this subsidiary is no longer required and has been wound up effective from 31 December 2009.

Accounting Policies (continued)

For the year ended 31 December 2010

Seed and Venture Capital Funds

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

Gains and Losses

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

Consolidation

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

(f) Repayable Financial Support to Industry

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

The repayable financial supports to industry are as follows:

Targeted Marketing Consultancy (TMC) Programme

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

Research & Development and Capital Financial Support

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

(g) State Advances Account

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

(h) Tangible Fixed Assets

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

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

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

(i) Provision for Doubtful Debts

Trade Debtors

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

Income and Expenditure Account

For the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
Income			
Exchequer Funding			
Oireachtas Grants	1	421,819	396,037
Other Funding			
Own Resources	2	9,622	10,432
Funding from Third Parties	3	22,947	35,494
Profit/(Loss) on Disposal of Fixed Assets (net)	9	315	(8,987)
TOTAL INCOME		454,703	432,976
Expenditure			
Financial Support to Industry	4	294,816	249,786
Disbursements to other State Agencies re Financial Support to Industry	5	17,499	14,018
Administration, Operation and Promotion	6	93,998	101,023
Diminution in Value of Fixed Assets	7	27,633	25,270
Diminution in Value of Financial Incentive Assets	8	443	285
TOTAL EXPENDITURE		434,389	390,382
Surplus before Appropriations		20,314	42,594
Appropriations			
Contribution to Exchequer	10	(31,846)	(2,809)
Contribution from Other Organisations	11	-	208
Transfer to the Capital Account	12	(11,398)	(45,869)
Transfer from / (to) the State Advances Account	13	63	(2,253)
Deficit after Appropriations		(22,867)	(8,129)
Balance Brought Forward at Start of Year		26,185	34,314
Balance Carried Forward at End of Year		3,318	26,185

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

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

The Accounting Policies, Cashflow Statement, Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Balance Sheet

As at 31 December 2010

	Notes	2010 €'000	2009 €'000
Fixed Assets			
Tangible	15	21,363	26,839
Financial	16	244,479	227,611
Total Fixed Assets		265,842	254,450
Financial Incentive Assets	17	9,845	9,908
Current Assets			
Debtors	18	3,889	4,093
Cash at bank and in hand		24,593	32,984
		28,482	37,077
Current Liabilities			
Creditors (Amounts falling due within one year)	19	25,164	10,892
Net Current Assets		3,318	26,185
Total Net Assets		279,005	290,543
Representing			
Capital Account	12	265,842	254,450
State Advances Account	13	9,845	9,908
Income and Expenditure Account		3,318	26,185
		279,005	290,543

The Accounting Policies, Cashflow Statement, Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Cash Flow Statement

For the year ended 31 December 2010

	2010 €'000	2009 €'000
Reconciliation of Net Movement for the Year to Net Cash Inflow from Operating Activities		
Excess Income over Expenditure	20,314	42,594
Bank Interest received	(580)	(1,351)
Dividends received	(2,070)	(1,149)
Diminution in Value of Fixed Assets	27,633	25,270
Loss on Disposal of Tangible Fixed Assets	-	21
(Profit)/Loss on Disposal of Financial Fixed Assets	(315)	8,966
Diminution in Value of Financial Incentive Assets	443	285
Decrease/(Increase) in Debtors	204	(190)
Decrease in Creditors excluding Contribution to the Exchequer	(5,099)	(601)
Net Cash Inflow from Operating Activities	40,530	73,845
Cash Flow Statement		
Net Cash Inflow from Operating Activities	40,530	73,845
Contribution to Exchequer	(12,475)	(2,608)
Contribution from Other Organisations	-	208
Returns on Investments and Servicing of Finance		
Bank Interest received	580	1,351
Dividends received	2,070	1,149
Investing Activities		
Payments to acquire Fixed Assets		
Tangible	(735)	(2,073)
Financial:		
Investments in Shares	(44,453)	(74,002)
Seed and Venture Capital Fund	(15,615)	(16,123)
Recoverable Incentives Paid	(2,001)	(2,708)
Receipts from disposal of Fixed Assets		
Tangible	-	11
Financial:		
Investments in Shares	14,685	9,105
Seed and Venture Capital Fund	7,402	2,957
Recoverable Incentive Assets	1,621	170
Decrease in Cash and Cash Equivalents	(8,391)	(8,718)
Reconciliation of Net Cash Flow to Movement in Net Funds		
Net Funds at 31 December	24,593	32,984
Net Funds at 1 January	32,984	41,702
Movement in Net Funds in the Year	(8,391)	(8,718)

The Accounting Policies, Cashflow Statement, Notes 1 to 24 form part of these financial statements.

On behalf of the Board of Enterprise Ireland:



Hugh Cooney
Chairman



Frank Ryan
Chief Executive Officer

Notes to the Financial Statements

For the year ended 31 December 2010

1 Exchequer Funding

Oireachtas Grants

- (a) Under Section 11 of the Industrial Development Act, 1993, as amended by section 4(a) of the Industrial Development Act, 2009, the aggregate amount of grants made by the Minister to Forfás and its Agencies to enable them to discharge their Capital obligations and liabilities shall not exceed €7 billion. At 31 December 2010 the aggregate amount made available to the three Agencies was €3.998 billion (2009- €3.676 billion) of which Enterprise Ireland and the former Forbairt received €1.045 billion (2009- €0.965 billion).
- (b) Under Section 14(3) of the Industrial Development Act 1986, the aggregate amount of grants made by the Minister to Forfás and its Agencies to enable them to meet their obligations and liabilities in respect of principal and interest on foot of Loan Guarantees under that Act and under Section 37 of the Industrial Development Act 1969, Sections 2 and 3 of the Industrial Development Act 1977, shall not exceed €159m. At 31 December 2010 the aggregate amount so provided was €13.547m (2009- €13.547m), all of which related to Enterprise Ireland clients.

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

	2010 €'000	2009 €'000
Grant for Financial Supports to Industry	80,123	111,646
Grant for County and City Enterprise Boards	30,756	33,490
Grant for Promotion and Administration Expenditure	84,420	93,056
Grant for Capital Equipment	850	2,400
National Training Fund	1,430	2,950
The Workplace Innovation Fund	307	108
Employment Subsidy Scheme (Temporary)	93,353	18,200
Science & Technology Development Programme	128,087	134,187
Enterprise Platform Programme	2,493	-
	421,819	396,037

2 Own Resources

	2010 €'000	2009 €'000
Financial Support Refunds	2,770	1,447
Dividends	2,070	1,149
Professional Fee Income	2,593	3,928
Rental Income	782	978
Other Income	1,407	2,930
	9,622	10,432

Notes to the Financial Statements

For the year ended 31 December 2010

2 Own Resources

	2010 €'000	2009 €'000
a) Professional Fee Income		
Professional Services	1,171	1,926
Market Project Income	1,422	2,002
	2,593	3,928

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

b) Rental Income

Factory Rents	21	76
Office Sub-Lettings	761	902
	782	978

c) Other Income

Sale of Publications and Advertising/Subscriptions	59	67
Bank Deposit Interest	580	1,351
Contribution to Central Overheads by Other Organisations	217	213
Other	551	1,299
	1,407	2,930

3 Funding from Third Parties

	2010 €'000	2009 €'000
Cross Border Projects	-	55
Joint Economic Commission Projects	151	152
Dairy Investment Fund	4(b) 8,848	26,936
Beef and Sheepmeat Investment Fund	4(c) 10,266	8,351
European Globalisation Adjustment Fund	3(a) 2,093	-
Food Competitiveness Fund	3(b) 1,589	-
	22,947	35,494

(a) European Globalisation Adjustment Fund (EGF)

The European Globalisation Adjustment fund aims to support workers, mainly in regions and sectors which have been disadvantaged by exposure to the globalised economy. The EGF funds received in 2010 related to Dell, Waterford Crystal and SRS Technics which were disbursed to the relevant County and City Enterprise Boards.

(b) 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, Fisheries and Food.

Notes to the Financial Statements

For the year ended 31 December 2010

4 Financial Support to Industry

	Notes	2010 €'000	2009 €'000
(i) Company Development			
Employment		6,036	9,518
Employment Subsidy Scheme (Temporary)	4(a)	79,981	12,792
Dairy Investment Fund	4(b)	8,848	26,939
Beef and Sheepmeat Investment Fund	4(c)	10,266	8,351
Fixed Asset Support		7,622	9,681
Technology Infrastructure		35	20
Marketing & Knowledge Transfer Support		12,293	12,243
Feasibility		6,597	10,223
Management Development & Training	4(d)	15,554	14,028
Consultancy Grants		1,750	2,305
Webworks		-	1,787
Community Enterprise Centres		1,700	1,363
		150,682	109,250
(ii) Third Parties			
Business Innovation Centres		2,208	2,516
Crafts Council of Ireland		3,419	3,243
County and City Enterprise Boards	4(e)	31,828	32,943
National Institute of Transport Logistics (NITL)		-	180
		37,455	38,882
(iii) Science & Technology Development			
Transforming R&D Activity in Enterprise	4(f)	41,478	36,244
Industry Collaboration with 3rd Level Sector	4(g)	29,098	30,935
Realising the Commercial Potential of Ireland's Research Community	4(h)	36,103	34,475
		106,679	101,654
Total Financial Support to Industry Charged to the Income and Expenditure Account		294,816	249,786
Financial Support to Industry capitalised on the Balance Sheet			
Investments in Shares	4(i)	44,453	74,002
Seed and Venture Capital Funds		15,615	16,123
Financial Incentive Assets	17	2,001	2,708
Total Financial Support to Industry		356,885	342,619

Notes to the Financial Statements

For the year ended 31 December 2010

(a) Employment Subsidy Scheme (Temporary)

The Government, through the Department of Jobs, Enterprise and Innovation, initiated the Employment Subsidy Scheme (Temporary) in 2009, managed by Enterprise Ireland, to support the retention of full time and part time jobs in viable enterprises, that might otherwise be made redundant as a result of the impact of the global and financial economic crisis. The scheme is implemented under the EU State Aid Temporary Framework Guidelines.

(b) Dairy Investment Fund

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

(c) Beef and Sheepmeat Investment Fund

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

(d) Management Development & Training

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

(e) County and City Enterprise Boards

Following a recommendation of the Enterprise Strategy Action Plan, the Minister for Jobs, 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).

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

(f) Transforming R&D Activity in Enterprise

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

(g) Industry Collaboration with 3rd Level Sector

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

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

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

(i) Investments in Shares

The investment in shares of €44m in 184 undertakings (2009-217) included €18m (2009- €55m) under the Enterprise Stabilisation Fund (ESF). The Enterprise Stabilisation Fund was established by Government in 2009 to assist viable but vulnerable exporting companies experiencing difficulties because of the global and financial economic climate. This initiative was aimed at internationally trading companies to help them survive the global downturn by supporting their drive to reduce costs and gain sales in overseas markets and to sustain employment.

Notes to the Financial Statements

For the year ended 31 December 2010

5 Disbursements to other State Agencies

	Notes	Udárás na Gaeltachta €'000	IDA Ireland €'000	SFADCo €'000	Total €'000
Employment Subsidy Scheme (Temporary)	4(a)	1,754	12,413	1,555	15,722
RTI Competitive Scheme	4(f)	-	1,107	-	1,107
Enterprise Stabilisation Fund		370	-	300	670
		<u>2,124</u>	<u>13,520</u>	<u>1,855</u>	<u>17,499</u>

6 Administration, Operation and Promotion

	Notes	2010 €'000	2009 €'000
Remuneration and Other Pay Costs	6(a)	66,984	73,187
Library Services and Other Client Related Costs		1,048	980
Rents, Rates, Service Charges & Insurance		10,404	9,639
Travelling Expenses		4,648	5,108
Printing, Postage & Stationery		961	1,272
Communication & IT Costs		2,721	2,669
Repairs, Maintenance & Leasing Charges		955	997
Light, Heat & Cleaning		1,331	1,504
Board Members' Emoluments (including CEO Remuneration)	6(d)	341	396
Professional Fees		2,514	2,461
Audit Fee		79	79
Tangible Fixed Assets Below Capitalisation Threshold	6(e)	224	471
Other Operating Expenses		1,788	2,260
		<u>93,998</u>	<u>101,023</u>

(a) Remuneration and Other Pay Costs

Remuneration and Other Pay Costs for employees comprise:

Salaries		60,672	65,572
Incentivised Scheme of Early Retirement	6 (b)	44	47
Other Pay Costs:			
Employer's Contribution to Social Welfare		3,259	3,684
Employer's Contribution to Pension Schemes		743	996
Staff Training and Development		1,089	1,619
Other Staff Related Costs		1,177	1,269
		<u>66,984</u>	<u>73,187</u>

Notes to the Financial Statements

For the year ended 31 December 2010

(b) Incentivised Scheme of Early Retirement

During 2010 three staff left Enterprise Ireland under the Incentivised Scheme of Early Retirement. The cost of the lump sum payments were €0.044m. Under the terms of the scheme 10% of the lump sum due was paid at the date of retirement. The balance of the lump sum is due for payment by Forfás when the retirees reach pensionable age.

(c) Pension related deduction

During 2010 €3.749m (2009- €3.363m) pension related deductions were deducted from the staff of Enterprise Ireland and paid over to the Department of Jobs, Enterprise and Innovation. The County and City Enterprise Boards and Crafts Council of Ireland deducted pension related deductions from their staff amounting to €0.438m (2009- €0.368m) and €0.037m (2009- €0.003m) respectively. These deductions were paid to Enterprise Ireland who in turn forwarded them to the Department of Jobs, Enterprise and Innovation.

(d) Board Members' Emoluments

Board Member	Board Fee €'000
Hugh Cooney	20
Frank Ryan	12
Michael Buckley	12
Liam Meaney	12
Gearóid Doyle	12
Michael Mc Loone	12
Máire Ní Thuathail	12
Catherine Caulfield	12
Jim O'Hara	2
Rita Shah	2
Bob Savage	2
Anthony Spollen	7
John Connolly	7
Helen Nugent	-
Total	124

Board Members Expenses in 2010 amounted to €9,555 broken down as follows, mileage €4,818, subsistence €2,500, accommodation €1,350 and other €887. The CEO Remuneration package for 2010 was made up as follows: Annual basic salary €189,115, standard public sector pension arrangements and a company car subject to benefit in kind (€14,235). The Chief Executive Officer did not receive any performance related payments in 2010.

During 2010 the Minister for Jobs, Enterprise and Innovation appointed the following new members to the Board: Ms Rita Shah and Mr Bob Savage. Mr Anthony Spollen and Mr John Connolly retired. Ms Helen Nugent Principal Officer, Department of Jobs, Enterprise and Innovation does not receive any board fee.

(e) Tangible Fixed Assets below the Capitalisation threshold

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

Notes to the Financial Statements

For the year ended 31 December 2010

(f) Superannuation

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

Scheme	Staff Covered	Type
Forfás	Staff recruited by Forfás after 5 April 1995	Unfunded Defined Benefit both Contributory and Non Contributory
Former IDA	Former IDA staff and those recruited by Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Contributory Defined Benefit funded until 31/12/2009 (see note (f.1)) to meet pension costs at retirement. Post retirement increases unfunded and met by Forfás
Former Eolas	Former Eolas staff and those recruited by Forfás in the appropriate grades between 1 January 1994 and 5 April 1995	Unfunded Non Contributory Defined Benefit
Former National Board of Science & Technology	A small number of former NBST staff serving on 31 December 1987	Unfunded Defined Benefit both Contributory and Non Contributory
Former Irish Goods Council	A small number of former Irish Goods Council staff serving on 31 August 1991	Contributory Defined Benefit funded until 31/12/2009. See note (f.1)
Former An Bord Tráchtála	Former An Bord Tráchtála staff (other than those covered by the Irish Goods Council scheme above) who were pensionable employees on 23 July 1998	Unfunded Contributory Defined Benefit

(f.1) Under the Financial Measures (Miscellaneous Provisions) Act 2009 the assets of the two funded pension schemes were transferred to the National Pension Reserve Fund on 31 December 2009. The pension 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 pension costs at retirement are now paid by Oireachtas Grant.

7 Diminution in Value of Fixed Assets

	Notes	2010 €'000	2009 €'000
Depreciation of Tangible Fixed Assets	15	6,211	6,405
Provision for the Diminution in the Value of Investments	16(a)	8,622	13,917
Provision for the Diminution in the Value of Seed and Venture Capital Funds	16(b)	12,800	4,948
		27,633	25,270

8 Diminution in Value of Financial Incentive Assets

	Notes	2010 €'000	2009 €'000
Shortfalls for the Year	17	502	64
Movement in Provision for Shortfalls for the Year	17	(59)	221
		443	285

Notes to the Financial Statements

For the year ended 31 December 2010

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

	Notes	2010 Profit/(Loss) on Disposal €'000	2009 Profit/(Loss) on Disposal €'000
Tangible Fixed Assets	9(a)	-	(21)
Financial Fixed Assets	9(b)	315	(8,966)
		315	(8,987)

(a) The Profit / (Loss) on disposal of Tangible Fixed Assets comprises :

	Net Book Amount €'000	2010 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000	Net Book Amount €'000	2009 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000
Tangible Fixed Assets	-	-	-	32	11	(21)

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

	Original Cost €'000	2010 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000	Original Cost €'000	2009 Sale Proceeds €'000	Profit/(Loss) on Disposal €'000
Financial Fixed Assets:						
Investments in Shares	16,444	14,685	(1,759)	18,582	9,105	(9,477)
Seed and Venture Capital Funds	5,328	7,402	2,074	2,446	2,957	511
	21,772	22,087	315	21,028	12,062	(8,966)

Funds in the amount of €1.034m re disposal of investments were held by third parties in escrow on Enterprise Ireland's behalf at the balance sheet date.

10 Contribution to Exchequer

The total contribution to the Exchequer in 2010 amounted to €31.846m (2009- €2.809m) made up as follows:

	2010 €'000	2009 €'000
Excess Proceeds over amounts accounted for in the government book of estimates		
Own Resource Capital Income (Sale of Investments/Financial Support Refunds)	10,861	-
Own Resource Operating Income (Fees Earned, Rental Income)	-	772
Science and Technology Development (Grant Refunds and Fee Income)	286	614
Refund of Oireachtas grant - County and City Enterprise Boards	1,398	929
Refund of Oireachtas grant - Pay	-	494
Refund of previous years surplus Operating Reserves	3,068	-
Refund of unused Seed and Venture Capital Reserves	16,233	-
	31,846	2,809

Notes to the Financial Statements

For the year ended 31 December 2010

11 Contributions from Other Organisations

	Notes	2010 €'000	2009 €'000
National Standards Authority of Ireland (NSAI)	11(a)	-	208
		-	208

- (a) This represents a transfer in grant that NSAI receive for pay and other costs relating to the National Metrology Laboratory (NML). NML Staff formally transferred from Enterprise Ireland to NSAI on 1 June 2009. Responsibility for all other payments transferred to NSAI on 31 July 2009.

12 Capital Account

	2010		2009	
	€'000	€'000	€'000	€'000
Opening Balance		254,450		206,380
Less Wind up of Subsidiary - Maison D'Irlande		(6)		-
Shares Transferred from SFADCo - Original Cost		-		5,056
Shares Transferred from SFADCo - Accumulated Provision		-		(2,855)
Net Movements on :				
Tangible Fixed Assets	(5,477)		(4,364)	
Investments in Shares	19,388		41,504	
Seed & Venture Capital Funds	(2,513)		8,729	
Transfer from the Income and Expenditure Account		11,398		45,869
Closing Balance		265,842		254,450

13 State Advances Account

	Notes	2010 €'000	2009 €'000
Opening Balance		9,908	7,655
Transfer (to)/ from the Income and Expenditure Account in respect of Financial Incentive Assets	17	(63)	2,253
Closing Balance		9,845	9,908

Notes to the Financial Statements

For the year ended 31 December 2010

14 Taxation

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

Enterprise Ireland is liable to employer taxes in Ireland and complies with related withholding, reporting and payment obligations. In some countries in which it operates, confirmation has been obtained that local employment taxes do not apply under the Governmental Services article of the relevant double taxation agreement. It has also been confirmed that exemption under the Governmental Services article does not apply in two jurisdictions (France and Belgium) where exemption was previously claimed. Liabilities in the amount of €19,247 to 31 December 2010 have been provided for.

15 Tangible Fixed Assets

	Land, Buildings & Leasehold Improvements €'000	Motor Vehicles €'000	Fixtures, Fittings, Computers & Artwork €'000	Total €'000
Cost				
At 1 January 2010	65,902	196	5,445	71,543
Additions	477	-	258	735
Disposals	(22)	-	(423)	(445)
At 31 December 2010	66,357	196	5,280	71,833
Depreciation				
At 1 January 2010	41,244	135	3,325	44,704
Charge for Year	5,283	23	905	6,211
Disposals	(22)	-	(423)	(445)
At 31 December 2010	46,505	158	3,807	50,470
Net Book Amount				
At 31 December 2010	19,852	38	1,473	21,363
At 31 December 2009	24,658	61	2,120	26,839

Prior to the move to East Point in September 2008, Enterprise Ireland was located in four Dublin locations. Leases on two locations expired in 2008 requiring the procurement of replacement accommodation. The Board decided to move to a single location at East Point, resulting in significant cost reductions and improved operational efficiencies. The National Metrology Laboratory building, located on the Glasnevin site, is in the process of being transferred to the National Standards Authority of Ireland. Enterprise Ireland is awaiting a decision from the Department of Jobs, Enterprise and Innovation and the Department of Finance as to the future use of the remainder of the Glasnevin site.

Notes to the Financial Statements

For the year ended 31 December 2010

16 Financial Fixed Assets

	Notes	2010 €'000	2009 €'000
Investments in Shares	16(a)	166,676	147,295
Seed and Venture Capital Funds	16(b)	77,803	80,316
Total Financial Fixed Assets		244,479	227,611

(a) Investments in Shares	Quoted Investments €'000 Note (16c)	Other Investments €'000	Investment in Subsidiary €'000 Note (16d)	Total €'000
Cost				
At 1 January 2010	24,230	257,105	6	281,341
Adjustment *	-	49	-	49
Reclassification Adjustment	908	(908)	-	-
Additions	-	44,453	-	44,453
Windup of Subsidiary	-	-	(6)	(6)
Disposals and Write-offs	(3,760)	(12,684)	-	(16,444)
At 31 December 2010	21,378	288,015	-	309,393
Provision for Diminution in Value				
At 1 January 2010	14,966	119,080	-	134,046
Adjustment*	-	49	-	49
Reclassification Adjustment	647	(647)	-	-
Movement in Year	(2,560)	11,182	-	8,622
At 31 December 2010	13,053	129,664	-	142,717
Net Book Amount				
At 31 December 2010	8,325	158,351	-	166,676
At 31 December 2009	9,264	138,025	6	147,295

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

Notes to the Financial Statements

For the year ended 31 December 2010

(b) Seed and Venture Capital Funds

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

	2010 €'000	2009 €'000
Cost		
At 1 January	146,450	132,867
Additions	15,615	16,123
Disposals and Write-offs	(5,328)	(2,445)
Transfer to Investments in Shares	-	(95)
At 31 December	<u>156,737</u>	<u>146,450</u>
Provision for Diminution in Value		
At 1 January	66,134	61,186
Movement in Year	12,800	4,948
At 31 December	<u>78,934</u>	<u>66,134</u>
Net Book Amount		
At 31 December	<u>77,803</u>	<u>80,316</u>

(c) Quoted Investments

The market value of the quoted investments held at 31 December 2010 was €11.486m (2009- €10.935m).

The market value of the quoted investments held at 11 May 2011 was €9.227m

(d) Investment in Subsidiary

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

Notes to the Financial Statements

For the year ended 31 December 2010

17 Financial Incentive Assets

	TMC €'000	R&D & Capital Financial Support €'000	Provision for Shortfalls and Write offs €'000	Total €'000
Opening balance as at 1 January 2010	597	11,714	(2,403)	9,908
Adjustment *	-	395	(395)	-
Recoverable Incentives Paid to Companies	-	2,001	-	2,001
Recoverable Incentives Invoiced to Companies	(4)	(1,617)	-	(1,621)
Shortfalls for the year	-	(502)	-	(502)
Provision for the year	-	-	59	59
Net Movement for the Year	(4)	(118)	59	(63)
Closing balance as at 31 December 2010	593	11,991	(2,739)	9,845

* The adjustment relates to the correction of an understatement of a repayable loan and the provision for shortfall, originally held by the Minister for Finance and NADCORP that was transferred in 1992.

18 Debtors

	2010 €'000	2009 €'000
Amounts falling due within one year:		
Trade Debtors	633	1,017
Prepayments and Accrued Income	2,629	2,489
Payroll Deductions	33	-
Other Debtors	594	587
	3,889	4,093

19 Creditors

	2010 €'000	2009 €'000
Amounts falling due within one year:		
Trade Creditors	1,214	4,422
Payroll Deductions	-	12
Accruals	3,134	3,453
Financial Support Creditors and Accruals	109	1,258
VAT Payable	117	327
Contribution to Exchequer	20,209	838
Other	381	582
	25,164	10,892

Notes to the Financial Statements

For the year ended 31 December 2010

20 Commitments

a) Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €7.008m (2009- €7.112m). Payments under Operating Leases on Buildings amounting to €7.057m are due to be made in 2011. These are in respect of leases which expire as follows:

	2010 €'000	2009 €'000
Expiry of Lease		
Within One Year	789	766
One to Five Years	1,786	1,758
After Five Years	4,482	4,488
	7,057	7,012

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 €424m (2009- €574m).

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 €113m (2009- €117m).

d) Capital Commitments

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

21 Property

a) Freehold Land and Buildings

Enterprise Ireland owns Land and Buildings at the following locations:

Location	Net Book Value as at 31.12.10 €'000
Athlone	41
Cork	30
Dundalk	2
Galway	240
Glasnevin	5,372
Shannon	64
Sligo	14
Waterford	60
	5,823

Notes to the Financial Statements

For the year ended 31 December 2010

b) Leasehold property

Enterprise Ireland leases office space at the following locations:

Location	Expiry Date	Break Clause	Annual Premium €'000
Head Office - Dublin			
East Point (P4A)	2031	2016 & 2021	1,661
East Point (P4B (1))	2027	2014	165
East Point (P4B (2))	2029	2014	228
East Point (P4C)	2031	2021	1,543
East Point Events Car Park	2013		121
Regional Offices			
Letterkenny	2015		53
Tralee	2019		49
Westpark - Shannon	2028	2015 & 2022	337
Overseas Offices			
Amsterdam	2017	**	73
Beijing	2012	**	115
Boston	2012	**	67
Dubai	2012		61
Dusseldorf	2016	**	173
Glasgow	2013		14
Guangzhou	2011	**	13
Hong Kong	2012	**	121
London	2016	2012 *	326
Madrid	2013		91
Milan	2012	**	156
New York	2019	**	505
Paris	2015	2013	122
Palo Alto	2014	**	137
Sao Paulo	2013		45
Singapore	2012	**	58
Stockholm	2014	**	121
Toronto	2012	**	44
Through memorandums of understanding Enterprise Ireland rents office space from the Department of Foreign Affairs & Trade in the locations listed below.			
Brussels			45
Budapest			29
Kuala Lumpur			14
Moscow			25
New Delhi			59
Prague			44
Riyadh			12
Seoul			65
Shanghai		**	76
Sydney			83
Tokyo		**	128
Warsaw			78
Total	Note 20 (a)		7,057

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

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

Notes to the Financial Statements

For the year ended 31 December 2010

22 Board Members – Disclosure of Transactions

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 were made in the year to companies in which Board members are employed or otherwise associated. This includes committee membership in third level research institutes and shareholdings in financial institutions that have an interest in Seed and Venture Capital Funds in which Enterprise Ireland is an investor.

These are detailed as follows:

	2010 €'000	2009 €'000
Financial Support Approved	1,106	209
Financial Support Paid	1,383	949
Research Institutes Support Approved	-	-
Research Institutes Support Paid	-	-
Seed and Venture Capital Investments Approved	4,000	16,000
Seed and Venture Capital Investments Paid	7,216	6,680
Seed and Venture Capital Investments Receipts	5,183	252
Payments to Suppliers	120	138
Other Income Received	281	681

23 Comparative Amount

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

24 Approval of Financial Statements

The financial statements were approved by the Board of Enterprise Ireland on 11 May 2011.

Enterprise Ireland Office Network

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

Head Office

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

Regional Network

National HQ for Entrepreneurship & Regional Development *Shannon*

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

Dublin/Mid East

Dublin

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

Midlands

Athlone

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

North East

Dundalk

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

North West

Sligo

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

Letterkenny

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

Mid West

Shannon

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

Tralee

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

South/South East

Cork

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

Waterford

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

West

Galway

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

International Office Network

UK and Northern Europe

Amsterdam

World Trade Centre,
Strawinskylaan 1351, 1077 XX
Amsterdam, The Netherlands
Tel. +(31 20) 676 3141
Fax +(31 20) 671 6895

Brussels

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

Glasgow

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

London

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

Paris

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

Stockholm

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

Germany, Central and Eastern Europe, Russia

Budapest

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

Düsseldorf

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

Moscow

c/o Commercial Section,
Embassy of Ireland,
Grokholski Pereulok 5,
129010 Moscow, Russia
Tel. +(7 495) 937 5943
Fax +(7 495) 680 5362

Prague

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

Warsaw

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

Southern Europe, Middle East and Africa

Dubai

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

Madrid

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

Milan

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

Riyadh

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

USA and Canada

Boston

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

New York

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

Silicon Valley

800 W.El Camino Real, Suite 420,
Mountain View, CA 94040, USA
Tel. +(1 650) 294 4080
Fax +(1 650) 329 1818

Toronto

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

Latin America

Sao Paulo

Rua Haddock Lobo 1421, Conj. 51,
Cerqueira Cesar, 01414-003,
Sao Paulo – SP, Brazil
Tel. +(55 11) 33554803

Asia/Pacific

Beijing

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

Guangzhou

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

Hong Kong

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

Kuala Lumpur

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

New Delhi

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

Seoul

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

Shanghai

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

Singapore

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

Sydney

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

Tokyo

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

www.enterprise-ireland.com

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

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