

TRANSFORMATION

INNOVATION

FLEXIBILITY

CREATIVITY



Annual Report 2009

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Innovation comes naturally

Mission Statement

IDA will maximise the impact of FDI in the transformation of Ireland into a global hub for innovation and commercialisation, bringing new employment opportunities and economic benefits for all its people by sustaining and winning high quality investment. In collaboration with other stakeholders, IDA will ensure Ireland remains a uniquely attractive environment in which multinational companies can grow.

While every care has been taken by IDA Ireland to ensure the accuracy of this publication, no liability is accepted for errors or omissions.

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To the Minister for Enterprise, Trade and Innovation: Pursuant to the Industrial Development Acts 1986 to 2009, IDA Ireland herewith presents its report and accounts for the year ended 31 December 2009.

Key Figures 2009

125

The total number of foreign investments won

49%

of investments included RD&I

69%

of investments came from existing companies

11%

The increase on 2008 of companies investing in Ireland for the first time

€500m

The amount of investment in Research, Development & Innovation (RD&I)

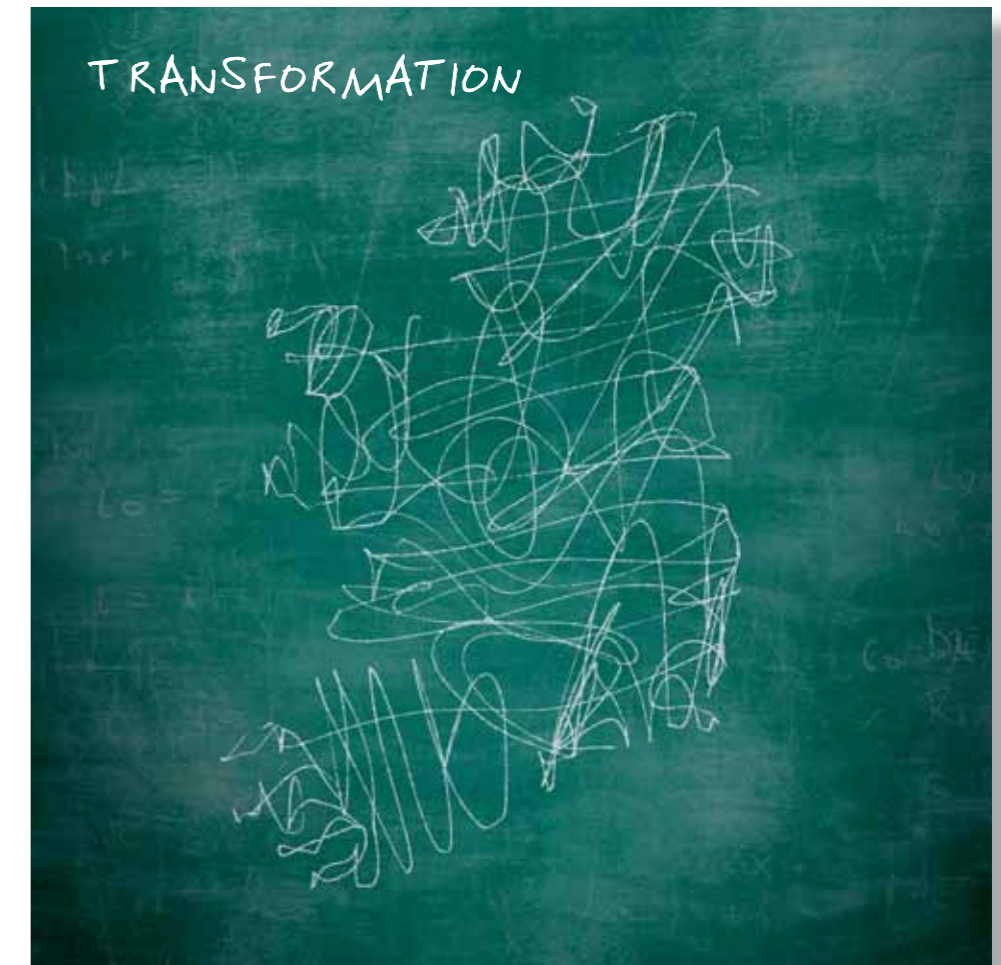
4,500

The number of new jobs that were created in 2009

€110bn

The figure reached in exports from IDA client companies

Ireland's position as a leading international location for value intensive FDI remained strong in 2009 with IDA securing 125 investments. Almost 70% of these were from existing IDA clients further investing in Ireland and reinforcing Ireland's reputation as a key strategic global business hub.



Chairman & Chief Executive Officer's Overview

Many of the world's leading companies continue to invest in Ireland in high-value manufacturing, global business services and Research, Development and Innovation (RD&I). They do so because Ireland provides them with a world-class environment for business; a track record in winning investments from and partnering with multinationals; a pool of talent and a competitive tax regime.

Chairman and CEO Overview



Liam O'Mahony Chairman Barry O'Leary Chief Executive Officer

Against a challenging global economic environment in 2009, the IDA continued to win Foreign Direct Investment (FDI). Overall global FDI was down by circa 30%. IDA Ireland won 125 investments in 2009 which was a decline of 4% on 2008. Existing clients accounted for 69% of investments. A feature of the investments won was that the average scale of individual investments was smaller than previous years.

IDA Ireland focused on securing investments from a broad range of areas including the established sectors of Information Communications Technology (ICT), Life Sciences and Healthcare Services, Financial Services, Digital Media, Engineering, Consumer Brands and International Services. IDA increased its focus on the newer/emerging sectors and markets including Clean/Green Technology, Services Innovation and Convergence.

Foreign Direct Investment, driving export-led growth, is an invaluable factor in Ireland's return to economic prosperity. This is demonstrated by the following statistics:

- Exports from IDA client companies at €110 billion account for over 70% of all exports, and over 80% of exports from Enterprise Agency assisted companies.
- IDA supported companies contributed €19 billion in direct expenditure to the Irish economy.¹

- Total payroll costs by IDA-supported companies amounted to €7.1 billion ²
- Approximately 136,000 people are employed by IDA-assisted companies and a further 100,000 people are employed indirectly as a result of FDI.³
- IDA client companies paid an estimated €2.8 billion in corporation tax, approximately 55% of the total corporate tax take.⁴
- FDI companies accounted for an estimated 70% of overall business spend on Research, Development and Innovation.⁵

Ireland remains the most FDI intensive economy in Europe. The 2009 IBM Global Location Trends Annual Report ranks Ireland as the number one destination globally for jobs by inward investment per capita. Ireland scored highly in a number of areas in the 2010 IMD World Competitiveness Report, coming first in the world for investment incentives being attractive to foreign investors, first for real corporate taxes and fourth for access to skilled labour.

Ireland's attractiveness as a location for FDI is also demonstrated in its rankings in a number of other independent reports:

- Ireland is the second most economically globalised country in the world.⁶
- According to a European Commission study of Third Level Education 2010, international recruiters believe that Ireland produces the most highly-employable graduates in the world.
- In the Global Innovation Index report 2009-2010, Ireland scores fifth in the world for protecting investors and seventh for creative products and services and export earnings of creative industries.

Foreign Direct Investment Wins 2009

The FDI investments won for Ireland in 2009 come from a cross-section of areas ranging from Information Communications Technology to Life Sciences, Financial Services and International Services. IDA Ireland focuses on winning new greenfield investments, expansions from

existing clients and research, development and innovation projects which are in keeping with Ireland's Smart Economy. Ireland's ability to attract unique and innovative investment projects from both new and existing investors remains intact despite a difficult economic backdrop.

Existing Client Investments

Building on Ireland's reputation as a leading location for FDI, 2009 saw many of our globally-recognised investors announce their intention to expand their operations here. Repeat investment from client companies embeds existing operations and employment. Amongst the corporations to plan further investment were **HP**, announcing it would invest €18 million in the expansion of its Global Service Desk operations creating 500 jobs; **McAfee** plans to establish an inside sales operation for Europe, Middle East and Africa (EMEA) creating 120 new jobs at its Cork operation and **Paypal** which announced it will expand its European Centre of Excellence, adding a further 100 jobs to its existing jobs base of 900 in Ireland.

Other announcements by existing IDA clients included **Abbott's** decision to establish the International Pharmaceutical Headquarters of its mature business operations in Dublin, creating an additional 50 jobs; **Trend Micro's** intention to expand its Cork EMEA centre, creating 100 new jobs whilst **Facebook** also announced an expansion of its EMEA Headquarters, which involves

70 additional jobs. This decision by Facebook represents a doubling of its Irish workforce after only one year here. In the digital media sector, **Gala** plans the expansion of its European Headquarters, a move that will create 50 new jobs for Ireland. **Blizzard** also announced growth in its European Customer Support Centre in Cork, bringing employment there to 750 people.

Greenfield Investment

Integral to Ireland's FDI landscape is our strong track record in bringing first time investments to IDA's client portfolio. Greenfield investment shows Ireland is very much open for business and provides the ideal location for companies developing their global presence.

Amongst the companies that decided on the establishment of Greenfield Investments in Ireland in 2009 were **Bentley Systems**, which announced it is to establish an International Shared Services, Sales and Marketing Centre in Dublin with the creation of 150 jobs and **Maxim Integrated Products** which plans to establish an International Business Centre in Ireland, creating 100 jobs. **Big Fish Games** announced the establishment of its European Headquarters in Cork with the creation of 100 new jobs and **Vattenfall**, the major Swedish utilities company, announced its intention to establish an R&D initiative in wave energy in Co. Mayo.

Research, Development and Innovation

Investments in Research, Development and Innovation play a significant role in building Ireland's Smart Economy. RD&I investments not only embed existing operations and employment but pave the way for future investment and job creation. RD&I supported investments in 2009 amounted to over €500 million with investments coming from a wide range of sectors. This figure represents an increase of over €80 million on the 2008 level.

RD&I investments in 2009 included **IBM** announcing the establishment of a new Risk Management Analytics research collaboration, joining **IBM's** worldwide network of advanced analytic centres in the U.S., Germany and UK. **Boston Scientific** announced a €91 million investment in a Research, Development and Innovation initiative at its site in Galway. The corporation also plans





a further €21.7 million investment in a Research, Development and Innovation initiative at its site in Cork. **Citi** announced its intention to invest €19 million in the establishment of a Global Research, Development, Innovation and Learning Centre while **Intel** plans to expand its R&D facility in Co. Clare investing €50 million and creating up to 134 highly skilled jobs.

Other RD&I highlights in 2009 included **HP's** announcement of an €11 million investment in the expansion of its R&D capability at its existing operation in Galway which will create 50 new jobs. Part of this investment will establish HP Galway as a Centre of Expertise for Cloud Computing Services. **Merit Medical** also announced a €20 million R&D investment at its Galway facility.

Marketing Campaign

2009 saw Ireland receive some negative coverage in the international press which affected Ireland's reputation. In response to this, the IDA launched a major marketing campaign aimed at the North American market, the IDA's largest source of FDI. The IDA's website www.idaireland.com was re-designed to promote Ireland's position as a key location for innovation and investment.

As part of the marketing campaign television (CNBC & Bloomberg), internet, newspaper and airport advertisements were placed highlighting Ireland as an innovation hub with a population famed for its ability to respond in a creative manner to unique challenges and requirements.

Regional Development

IDA continues to focus on winning Foreign Direct Investment across the entire country. The National Spatial Strategy aims to achieve a better balance of social, economic and physical development across Ireland. In keeping with national policy, IDA Ireland promotes regions which are areas of sufficient scale and critical mass created through a network of gateways and hubs.

Examples of investments in the Regions include **Intel** announcing a €50 million expansion of its Research and Development facility in Shannon, Co. Clare and **Isotron** which plans to open its Electronic Beam Sterilisation Facility in the Midlands. **SITA** commenced recruitment of an additional 80 employees in Letterkenny, Co. Donegal and **Lumension** announced it would create 30 jobs in Galway.

A strategic part of IDA's mandate is to work closely with all economic stakeholders in the regions to ensure potential locations meet investor requirements. IDA's Regional teams liaise with key influencers and decision-makers in order that these requirements are met in a timely and efficient manner.

During 2009 substantial progress was made in developing essential transport and energy infrastructure, including progress towards connecting Gateway locations by motorway, works which will be completed in 2010. This will increase access to key investment locations providing increased opportunities for FDI across Ireland.

Team Ireland

Success in making Ireland the location of choice for new investors while helping existing clients transform their own operations will be possible only with commitment from all of the relevant stakeholders. IDA works closely with a range of stakeholders to ensure Ireland's continued

attractiveness for investment. IDA, along with its sister Enterprise Agencies including Forfás, Enterprise Ireland, Science Foundation Ireland, FÁS, Sustainable Energy Authority of Ireland, Shannon Development and Údarás na Gaeltachta, foster a strong working relationship. An Ireland Inc. mindset increases Ireland's business potential. All national Enterprise Agencies also work alongside relevant stakeholders including academia, industry and local and national Government and service providers to create and maintain a unique environment in which investors can develop and prosper.

Almost half of all IDA-supported investments in 2009 were in RD&I projects. IDA Ireland encourages client companies to collaborate and benefit from the collective expertise of Ireland's top Universities, Institutes of Technology and Academic Institutes. This sort of collaboration is charting the direction of Ireland's Smart Economy and is vital to the FDI community here.

Competitiveness

Competitiveness is a key influencing factor in winning FDI. 2009 saw Irish competitiveness improve significantly. Business costs including energy, private rents, office rents, services, construction and labour have all become more competitive. For potential investors, Ireland now offers a greatly enhanced competitive position demonstrated by the following trends:

- Construction tender levels are back to 1999 levels, a reduction of 29% from their peak in 2007.
- Office occupancy costs fell almost 30% between 2008 and 2009.
- The cost of private rental, on a national level, has fallen by approximately 25% from its peak in 2007.⁷
- The cost of living has fallen, with prices falling by 4.5% in 2009.
- Ireland's relative unit wage costs (price and productivity) compared to the EU average has been forecast to improve by 10% over 2009 to 2011.

Outlook/Horizon 2020

There are encouraging signs that the global economy which fuels FDI is returning to growth. The IDA marketing teams across the globe are getting a more positive response and first time investor visits to Ireland by potential new clients are increasing. However, competition for FDI continues to intensify.

A recent IBM study on 'The Enterprise of the Future' from more than 1,000 CEOs worldwide identified that organisations are bombarded by change and many are struggling to keep up. The need for transformation has never been greater.

IDA recently published its strategy 'Horizon 2020'. At the core of 'Horizon 2020' is Transformation. The 10 Steps of Transformation as outlined in the strategy document identify how IDA's targets are to be achieved. The 10 Steps of Transformation are:



To view 'Horizon 2020' in full log onto: <http://www.idaireland.com/news-media/publications/library-publications/ida-ireland-publications/IDA-Ireland-Strategy-2020.pdf>

The strategy document includes specific targets for the five year period 2010-2014 including:

- Creation of 105,000 jobs
- 640 new investments
- Annual business spend on RD&I of €1.7 billion

- 20% of Greenfield investment originating from new growth markets
- 50% of investment to be located outside Dublin and Cork

Staff

The ability of the IDA to continue to attract high-level FDI in a challenging economic environment is achieved through the hard work and dedication of IDA staff both in Ireland and in its overseas offices. IDA Ireland works from a platform of constant change and transformation, believing that to stand still is to fall behind. The capabilities of IDA staff to adapt to changing economic and business environments and to identify emerging opportunities ensures that Ireland continues to secure FDI.

The Board commends the staff of IDA for their exceptional commitment in going out in the global market place, engaging with potential investors at the highest levels and promoting Ireland in such a positive and enthusiastic light in order to increase investment and employment in Ireland. We would like to take this opportunity to thank every member of staff for the dedicated and innovative manner in which they continue to maintain and attract new Foreign Direct Investment in Ireland.

Appreciation

IDA's former Chairman John Dunne retired in December 2009 after ten years of chairing the Organisation. We thank John for his leadership and significant contribution throughout this period.

Conclusion

Building on our successful track record in attracting FDI to Ireland from many of the world's leading companies and the greatly improved competitiveness of the Irish economy, we are well positioned to benefit from global economic growth.

Our established strengths of talent, low corporate tax rate, technology capability and strong FDI track record together with the ease of doing business and the overall improvement in Ireland's value proposition underpin our ability to compete effectively for significant new FDI at this challenging economic time.

We look forward to working with all of the relevant stakeholders in Team Ireland in achieving the ambitious goals outlined in Horizon 2020.



FDI – Sustainability and Social Capital

The European Commission defines Corporate Social Responsibility (CSR) as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.'

¹ IDA Ireland: Annual Business Survey of Economic Impact 2008

² IDA Ireland: Annual Business Survey of Economic Impact 2008

³ Annual Employment Survey 2008

⁴ Exchequer figures, Department of Finance and Forfas Annual Business Survey of Economic Impact 2008

⁵ Science, Technology & Innovation: Delivering the Smart Economy: Department of Enterprise, Trade & Employment, August 2009: Business Expenditure on R&D

⁶ The KOF Index of Globalisation 2010

⁷ The Daft.ie Rental Report: 2010 Q1

FDI – Sustainability and Social Capital

The impact of Foreign Direct Investment (FDI) on Ireland is usually described in terms of economic data, citing the number of jobs created, level of exports generated and the potential for investments to add further impetus to Ireland's Smart Economy and national reputation. The economic impact of multi-national companies is therefore well understood, yet they have a more far-reaching effect.

Corporate Social Responsibility (CSR) practised by IDA's client companies contributes to sustainable development while adding to Ireland's innovative potential and reputation. CSR projects carried out in Ireland enhance communities, increase levels of skills and education while creating a beneficial link between Ireland's multi-national companies and the communities in which they are located.

IDA participates in CSR and as part of its CSR agenda the Organisation has undertaken to actively contribute to the national green agenda. This is achieved by engaging with partners to assist in achieving national objectives. IDA was a key contributor to the Government's white paper 'Delivering a Sustainable Energy Future for Ireland' and is aligned with and supportive of the Kyoto Protocol and Ireland's National Climate Change Strategy 2007-2020.

“The companies that survive longest are the ones that work out what they uniquely can give to the world not just growth or money but their excellence, their respect for others, or their ability to make people happy. Some call those things a soul.”

Charles Handy

A number of measures have been undertaken to reduce energy consumption and greenhouse gas emissions in IDA Headquarters at Wilton Park House. These measures include:

- completion of energy audits
- installation of new energy efficient lighting system

- installation of a Building Energy Management System including a boiler optimiser
- installation of an energy monitoring system with Active Energy Display

Under IDA's Sustainability Initiative, IDA intends to oversee the master Planning and Development of all future Greenfield sites with the aim to achieve recognised certification under programmes such as the United States Green Building Council's (U.S.G.B.C.) Sustainable Site Initiative (SSI).¹

Large numbers of IDA client companies have, over an extended period of time, undertaken a wide range of CSR activities both on a local and national level. These activities span a variety of interests including Education, Community, Environmental, Social Inclusion and Business Linkage.

The creativity and innovation that management and employees at these companies have shown, in the scope of activities they have undertaken, further enhances Ireland's reputation and creditability as a nation possessing a dynamic workforce with the ability to embrace new, unique ventures, including those outside the traditional work environment.

Ireland prides itself on being a nation of innovators and as a result, our reputation is growing as a hub for emerging sectors including Clean/Green and Convergence Technologies. Our CSR capabilities further add to this reputation.

The vast majority of IDA clients locating in Ireland undertake high-value, knowledge-led activities to secure additional mandates. Transformation of this nature requires continual investment and up-skilling of employees. As a direct result of this up-skilling and high level of management training, Ireland now uniquely boasts a diverse management base. The benefits of this reach into the wider business community. This unique talent-pool acts as a further attraction for potential FDI investors to choose Ireland as the location for their investments.

¹ The USGBC is a non-profit organisation that certifies sustainable businesses, homes, hospitals and schools. USGBC is dedicated to expanding green building practices education through its LEED (Leadership in Energy and Environmental Design) Green Building Rate System.

Outside of normal business operations IDA client companies have taken a leadership role in the creation of national social capital through CSR activities across a broad arena. Examples of such wide ranging activities and their ongoing positive impact on future social capital growth include:

Education



IBM Ireland: IBM Reading Companion

A web-based literacy programme using innovative speech recognition technology to help adults and children improve their reading skills. Reading Companion is a \$2 million international grant programme that involves more than 400 schools and not-for-profit organisations around the world.

Microsoft: Internet Safety Day

By mobilising employee volunteers, Microsoft drove a cross-border initiative in collaboration with NCTE, Gardaí & PSNI to educate 6,500 children, 200 teachers and 150 parents in 70 schools from Cork to Belfast on how to stay safe whilst enjoying the benefits of the Internet.

Employee Engagement

Zurich Insurance: Employee Engagement Programme

Zurich's Employee Engagement Programme gives all employees the chance to get actively involved in creating a company they are proud to work for. To achieve this it is essential that leaders and employees talk and listen to each other, exchange opinions and subsequently develop and implement solutions together as needed.

Community Initiative

Intel Ireland: Making a difference in our communities

To mark Intel's 40th anniversary, President and CEO

Paul Otellini posed a million-hour volunteer challenge to employees worldwide. The goal was to continue to give back to local communities around the world by collectively donating 1 million hours of voluntary service in 2008. In Ireland, well over 35,000 hours were volunteered with grants being paid at 10 dollars per hour volunteered; this meant a substantial payment to these organisations of approx €300,000.

Accenture: Increasing Jobcare's Strategic Capability

Accenture has established a very successful partnership with Jobcare, a registered charity based in and serving the local community of inner city Dublin. Jobcare exists to empower individuals from a place of long-term unemployment to employability. Accenture's role in the partnership was focused on helping Jobcare refine and develop customised programmes for its clients.

Environmental/Supply Chain

IBM International Holdings: Inbound Packaging Project

An initiative called the 'Inbound Packaging Project' was established to work with suppliers, at both local and global levels. The objective of the project is to minimize the volume of solid waste that is received from vendors whilst still ensuring the quality of the products shipped. In May 2008, IBM Dublin implemented the Inbound Packaging Project, resulting in reductions in packaging waste, costs paid by IBM, shared reductions in costs paid by the supplier, reduction of storage and handling at supplier facilities and a positive impact on the environment.



Intel Ireland: Sustainable Energy and Water Conservation Programme

Such projects can be as simple as the changing of heating set points to more complicated initiatives, such as the introduction of heat recovery systems to utilise waste heat from operations. The impact of the project is that it has resulted in more efficient and cost-effective energy management and reduction on site and in employee homes.

Dell: Commitment to Environmental Responsibility

As part of Dell's ongoing commitment to environmental responsibility, Dell Ireland challenged all members of the public to join them in helping to make Dublin greener. People were invited to bring their electrical and electronic waste to a free recycling day at Dell's campus. Dell has developed a global policy known as 'No Computer Should Go to Waste', a campaign which aims to provide Dell customers and owners of computer technology with responsible ways to reuse and recycle their IT equipment when they have finished with it. 30 tonnes were collected on the day.

Corporate Citizenship

Zurich Insurance Charity Fund

The Zurich Insurance Charity Fund is comprised of monies raised through salary deductions, matched by the company, Denim Fridays and one-off fundraising events. This policy of charitable support is largely focussed on a single charity in order to have maximum impact. The Chosen Charity receives 80% of the Charity Fund with the remaining 20% divided among charities that employees volunteer for in their own time.



Business Linkage

Microsoft: Digital By Choice


Microsoft Ireland has pioneered Digital By Choice, an offering to larger customers and partners to transact their business digitally. Contract management, software distribution and invoicing is all carried out electronically delivering carbon, cost and time savings to partners, customers and Microsoft.



Investment Highlights for 2009

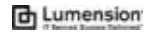
Ireland displays continued success in securing high value global FDI across a wide variety of sectors from many of the world's leading companies. Companies investing in Ireland for the first time in 2009 included Bentley Systems, Maxim Integrated Products, Big Fish Games, Lumension Security, Vattenfall, Hovione, Everest Reinsurance, Gerson Lehrman, Buy.com and Success Factors.


Investment Highlights for 2009


 **Bentley Systems** – adds to Ireland's Information and Communications Technology Portfolio with the establishment of an International Shared Services, Sales and Marketing Centre. The new centre will result in the creation of 150 jobs.

 **Maxim Integrated Products** – established a new international business operation in Dublin, with the creation of 100 jobs. Maxim's new international business, financial, and technical customer services centre in Dublin will serve the Europe, Middle East and Africa (EMEA) region, along with parts of Asia.

 **Big Fish Games** – established their European Headquarters in Cork focusing on multilingual European customer support, games testing and localisation, and is expected to create up to 100 new jobs over the next three years.

 **Lumension Security** – opened a new R&D Centre serving as a hub for Lumension's product research and development, initially creating 10 jobs in Galway for highly skilled individuals to help build out its powerful suite of endpoint security solutions.


 **Vattenfall** – selected Ireland for an exciting initiative to develop ocean wave energy into a viable, clean and valuable new energy source in Ireland's renewable energy portfolio.


 **Hovione** – announced the start-up of operations at its new pharmaceutical manufacturing facility which will employ 80 people and secure the future of the site through the validation of new processes for the manufacture of new compounds.


 **Everest Reinsurance** – located a Reinsurance operation in Ireland conducting non-life reinsurance business throughout the European marketplace including Germany, France, Spain and Italy.

 **Gerson Lehrman** – Gerson Lehrman Group has established a European office in Dublin. Their Irish activities will include sales and client service, software development, including next-generation technology platform and research software.


Ireland displays continued success in securing high value global FDI across a wide variety of sectors.


 **Buy.com** – established a European Operations Centre, which will create 40 highly skilled positions over four years and further reinforces Ireland's profile as a leading location for global Internet service companies.


 **Success Factors** – established a new European Multilingual Business Centre to service customers in the small and medium size markets.

 **HP** – announced a major expansion of their 'Global Centre of Excellence for Large Corporate Contracts' which will lead to 500 Multilingual Technical Support and R&D positions.


IRELAND


 **McAfee** – expanded its existing operation with the establishment of an inside sales operation for Europe, Middle East and Africa. The expansion will generate in the region of 120 jobs.

 **Paypal** – announced the creation of 100 new jobs in customer service and operations at its European Centre of Excellence in Ireland, for individuals fluent in English and a second European language.


 **Abbott** – opens Abbott Mature Products Management Ltd to support the growth of Abbott's mature pharmaceutical brands in key markets.


 **Merck Sharp & Dohme** – announced an additional €20 million investment as part of the first phase of construction for the company's new vaccines and biologics facility.

 **Activision/Blizzard** – phenomenal growth at Blizzard Entertainment's European Centre in Cork from original commitment of 100 new jobs to current workforce of over 780 people.


 **Gilead** – set up a European Financial Shared Services Centre, with the creation of over 30 new jobs.


 **Cerner Corporation** – expanding its presence in its Irish headquarters, by adding a customer multilingual software technical support service for European markets. The new service could create up to 40 high-tech jobs.

 **Facebook** – announced that the company plans to more than double the size of its operation at the official opening of Facebook's new EMEA headquarters in Dublin.


 **Rottapharm** – announced a €7 million investment and an increase in employment of 35 people.

Innovation comes naturally


 **IBM** – announced a new Risk Management Analytics research collaboration, joining IBM's worldwide network of advanced analytic centres.

 **Boston Scientific** – is to invest a further €91 million in a Research, Development and Innovation (RD&I) initiative at its site in Galway.


 **Citi** – announced a further \$24 million investment in its RD&I Centre, in the development of a next generation intelligent payments solution, bringing the group's total investment in research and development in Ireland to date to \$100 million.


 **Intel** – announced an investment of over €50 million in a major expansion at its Research and Development facility in the Shannon Free Zone, Co. Clare.


 **Helsinn** – announced an investment of over €13 million is to establish a Centre-of-excellence in Research and Development for Oral Solid Dosage (OSD) at its Helsinn Birex Pharmaceuticals facility, one of four businesses at its site at Mulhuddart, Dublin.

 **Colgate-Palmolive** – continues to invest in its technology centre with a €4.6 million investment.


 **SITA** – announced its recruitment of a further 80 jobs over the next 12 months.

 **Wexport Ltd.**, part of the LEO Pharma Group is to invest €10 million in the establishment of a R&D Centre in Bioprocessing technology in addition to doubling its production capacity.

 **Baxter Healthcare SA** – announced it is to invest €5.5 million in installing and commissioning a 3MW Combined Heat and Power plant (CHP) in Castlebar, Co. Mayo

 **Sanmina-SCI Corporation** – a global electronics design and manufacturing services provider, is to invest €10 million for the expansion of its R&D Centre into higher value activities.

 **Servier's** expansion in Arklow has resulted in creation of 100 new jobs with the official opening of their new €47 million manufacturing plant.

 **Sajan Inc.** opened their EMEA Headquarters and R&D Centre in Dublin. This operation will drive and support the continued evolution of Sajan's leading-edge translation management system (TMS), and its broader suite of localization solutions.



This section provides comprehensive data in relation to IDA activities and also updates historic data to enable year-on-year comparisons. It details the impact of IDA-supported companies on the economy, the cost per job created and sustained and also provides the updated employment data by sector and region.

IDA Ireland Indicators

Indicator	2009 Value
No. of Greenfield Projects	39
No. of Expansion Projects	24
No. of Approved Research, Development and Innovation Projects by IDA Client Companies	62
IDA supported / initiated Industry-Academia R&D Collaborations	5
Investments in Research, Development & Innovation	€500m
Employment Creation (New Jobs)	4,615
Annual Corporate Tax Payments of IDA Client Companies	*€2.8bn
Average Salary in New Investments	€43,000
No. of IDA Client Companies investing more than €250,000 per annum on R&D	223
No. of IDA Client Companies with significant corporate R&D mandate	199

Note: *Corporation Tax data refers to year 2008.

Economic Impact of IDA Supported Companies

All Sectors	2006 €billion	2007 €billion	2008 €billion	% Change 2007-2008
Sales	98,872	105,501	109,640	3.9%
Exports	94,675	100,784	104,754	3.9%
Direct Expenditure in the Irish economy	17,055	18,257	19,149	4.9%
of which:				
Payroll costs	6,494	6,915	7,131	3.1%
Irish Materials	2,315	2,529	2,309	-8.7%
Irish Services	8,246	8,813	9,709	10.2%
Direct Expenditure as % of Sales	17.2%	17.3%	17.5%	—

Source: Based on the Annual Business Survey of Economic Impact, co-ordinated by Forfás and administered by Insight Statistical Consulting.

Note 1: The Survey is based on manufacturing and internationally traded services companies with 10 or more employees (excluding regulated financial services companies).

Note 2: Results are based on companies responding to the survey in 2009 (grossed-up to reflect non-respondents). Results can vary from previous estimates due to revisions made by companies and differences in the base of respondents from one survey period to the next.

New Jobs by Sector in IDA Supported Companies

Sector	2005	2006	2007	2008	2009
Pharmaceuticals	1,148	803	1,076	610	401
Computer, Electronic & Optical Equipment	632	1,751	543	656	356
Medical/Dental Instruments & Supplies	2,202	1,272	1,280	1,059	1,158
Metals & Engineering	743	730	568	522	186
Miscellaneous Industry	518	363	237	350	100
International & Financial Services (incl. Software)	6,893	7,342	6,684	5,972	2,414
Total	12,136	12,261	10,388	9,169	4,615

Source: Forfás Annual Employment Survey 2009.

Note: Sectors are defined by NACE code, which is the standard statistical classification of economic activities in the EU.

IDA Cost Per Job Sustained

Constant 2009 Prices

	1994/ 2000	1995/ 2001	1996/ 2002	1997/ 2003	1998/ 2004	1999/ 2005	2000/ 2006	2001/ 2007	2002/ 2008	2003/ 2009
IDA Ireland (€)	16,521	16,452	18,694	18,375	16,312	14,348	13,020	13,017	12,608	13,775

Source: Forfás Annual Employment Survey 2009.

Note: The cost per job sustained is calculated by taking into account all IDA Ireland expenditure to all firms in the period of calculation. Only jobs created during and sustained to the end of each seven year period are credited in the calculations.

Origin of IDA Supported Companies 2009

Origin	No. of Companies	Total Employment *
United States	471	95,624
Germany	100	9,426
United Kingdom	106	7,822
France	46	3,810
Rest of Europe	172	12,837
Japan	24	2,503
Rest of Asia-Pacific	15	350
Rest of World	53	3,568
Total	987	135,940

* Includes permanent, part-time and temporary workers

Total Employment by Region in IDA Supported Companies

Area / Region	2005	2006	2007	2008	2009	% change 2008/2009
Border						
North-West/Donegal	6,207	5,468	5,224	5,323	5,247	-1.4%
North-East	4,267	4,261	4,113	3,727	3,368	-9.6%
West & Mid-West						
West	15,025	15,447	15,412	14,386	13,244	-7.9%
Mid-West	12,231	12,851	12,791	11,183	8,132	-27.3%
Midlands & East						
Midlands	5,742	5,820	5,680	5,603	4,841	-13.6%
East	70,895	72,957	72,316	71,758	64,436	-10.2%
South						
South-West	24,313	25,694	25,908	26,043	23,830	-8.5%
South-East	13,224	12,671	13,451	13,508	12,842	-4.9%
IDA Ireland	151,904	155,169	154,895	151,531	135,940	-10.3%

Source: Forfás Annual Employment Survey 2009.

Note 1: Employment includes Part-Time, Temporary and Short-Term Contract employees.

Employment in IDA Supported Companies

Employment Data	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New Jobs Filled	23,033	13,317	10,827	9,250	10,824	12,136	12,261	10,388	9,169	4,615
Number of Companies	1,264	1,200	1,125	1,097	1,060	1,057	1,045	1,054	1,028	987
Full-time Employment	142,302	138,155	133,840	130,640	131,065	134,284	138,306	139,071	138,172	124,759
Net Change in Full-time Employment	14,614	-4,147	-4,315	-3,200	425	3,219	4,022	765	-899	-13,413
% Net Change	+11.4%	-2.9%	-3.1%	-2.4%	+0.3%	+2.5%	+3.0%	+0.6%	-0.6%	-9.7%
Job Losses	-8,419	-17,464	-15,142	-12,450	-10,399	-8,917	-8,239	-9,623	-10,068	-18,028
Job Losses as % Total Jobs	-5.9%	-12.6%	-11.3%	-9.5%	-7.9%	-6.6%	-6.0%	-6.9%	-7.3%	-14.5%
Other Employment	14,731	12,088	12,629	14,719	17,015	17,620	16,863	15,824	13,359	11,181

Source: Forfás Annual Employment Survey 2009.

Note 1: Other Employment includes Part-Time, Temporary and Short-Term Contract employees.

Note 2: Agency Workers are not included in this data.

Total Employment by Sector in IDA Supported Companies

Sector	2005	2006	2007	2008	2009	% change 2008/2009
Pharmaceuticals	24,130	23,047	23,191	22,734	21,218	-6.7%
Computer, Electronic & Optical Equipment	23,127	24,363	23,753	21,071	17,051	-19.1%
Medical/Dental Instruments & Supplies	21,521	21,482	22,609	21,891	21,917	+0.1%
Metals & Engineering	17,269	16,760	15,540	14,483	10,953	-24.4%
Miscellaneous Industry	8,485	7,963	7,604	7,420	6,211	-16.3%
International & Financial Services (incl. Software)	57,372	61,554	62,198	63,932	58,590	-8.4%
Total	151,904	155,169	154,895	151,531	135,940	-10.3%

Source: Forfás Annual Employment Survey 2009.

Note: Sectors are defined by NACE code, which is the standard statistical classification of economic activities in the EU.



The organisation is structured to gather expert knowledge and skills in the key areas of its work. IDA is driving transformation within its client companies, in partnership with local and corporate management. Together, we can make new technological breakthroughs in clean technology, convergence and services innovation and make them a commercial reality.

Board 2009

The Board operates to best practice corporate governance principles and in line with the guidelines set out in the 'Code of Practice for the Governance of State bodies' as issued by the Department of Finance, both in its own activities and in its use of committees.

It is responsible for setting the broad policies of the organisation and for overseeing its operation. It performs these functions directly and through the operation of focused Board Committees. Responsibility for the implementation of policy rests with executive management.

The Board has statutory authority to approve grant aid up to the levels set out in the Industrial Development Acts

and to recommend grant aid above these specified levels to Government.

In accordance with the Ethics in Public Office Acts, 1995 and 2001, IDA Ireland Board Members furnish a Statement of Interests to the Secretary and to the Standards in Public Office Commission.

In accordance with the 'Code of Practice for the Governance of State Bodies', IDA 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.

John Dunne

- Chairman, IDA Ireland
- Board Member, Irish Financial Services Regulatory Authority
- Board Member, Central Bank and Financial Services Authority of Ireland

Lionel Alexander

- Vice President and Managing Director, Hewlett Packard (Manufacturing) Ltd.

Loretta Brennan Glucksman

- Chairman, American Ireland Fund

Bernard Collins

- Non-Executive Director, Irish Life & Permanent Group Holdings
- Chairman, VHI Healthcare
- Director of a number of medical device companies
- Former VP of International Operations and Director of International Board, Boston Scientific Group

Suzanne King

- Manager, FEXCO Global Contact Centre, Cahirciveen, Co. Kerry

Thomas Lynch

- Chairman, Dublin Academic Medical Centre
- Director, Amarin Corporation plc
- Director, ICON plc

Paul Mackay

- Chartered Accountant

Henry McGarvey

- Vice President and Managing Director, Pramerica Systems Ireland Ltd.

Barry O'Leary

- Chief Executive, IDA Ireland
- Board Member, Forfás

Gerard O'Mahoney

- Corporate Finance Partner and Partner in Charge of Regional Offices, Deloitte

Professor Terri Scott

- President, Institute of Technology, Sligo

Brian Whitney

- Assistant Secretary, Department of Enterprise, Trade and Innovation

Martin Burbridge

- Secretary

Brian Whitney was re-appointed to the Board on 3 March 2009. Henry McGarvey was appointed to the Board on 26 March 2009. John Dunne and Paul Mackay retired at the end of 2009, in line with the normal process of rotational retirement. Liam O'Mahony was appointed as Chairman of the Board on 3 February 2010. Heather Ann McSharry was appointed to the Board on 17 February 2010.

Attendance by Board Members at Board Meetings in 2009

Board Members	Attendance at Board Meetings 2009 (12 Board meetings in 2009 – 10 scheduled and 2 unscheduled)
John Dunne, <i>Chairman</i>	12 meetings
Lionel Alexander	8 meetings
Loretta Brennan Glucksman	6 meetings
Bernard Collins	10 meetings
Suzanne King	12 meetings
Thomas Lynch	11 meetings
Paul Mackay	8 meetings
Henry McGarvey (appointed 26/3/2009)	8 meetings
Barry O'Leary	12 meetings
Gerard O'Mahoney	10 meetings
Professor Terri Scott	11 meetings
Brian Whitney (re-appointed 3/3/2009)	9 meetings

Committees of the Board 2009

Audit and Finance Committee

Assists and supports the Board in discharging its legal and accounting responsibilities; communicates with external auditors and evaluates and controls the internal audit function; reviews financial planning, the system of internal financial control, the corporate risk register and monitors budgeting and banking arrangements.

Members

Thomas Lynch (Chair from Sept. 2009)
Loretta Brennan Glucksman (Chair until Sept. 2009)
John Dunne
Suzanne King
Gerard O'Mahoney (Member until Sept. 2009)
Brian Whitney

Management Development and Remuneration Committee

Reviews the performance of the senior management team and planning for management development and succession. The Committee also reviews remuneration of senior management in the context of Government guidelines.

Members

John Dunne (Chair)
Loretta Brennan Glucksman
Bernard Collins
Thomas Lynch
Paul Mackay
Barry O'Leary

Investment Committee

Reviews proposals for grant assistance and, under powers delegated by the Board, approves grants up to a maximum of €1.5 million.

Members

Brian Whitney (Chair)
Lionel Alexander (Member from Sept. 2009)
Suzanne King
Barry O'Leary
Gerard O'Mahoney (Member from Sept. 2009)

Property Committee

Reviews policy with regard to the financing, provision, maintenance and disposal of property, approves procedures with regard to tendering and awarding of contracts and approves expenditure/sales of up to €5 million.

Members

Bernard Collins (Chair from Sept. 2009)
Thomas Lynch (Chair until Sept. 2009)
Lionel Alexander (Member from Sept. 2009)
Paul Mackay
Henry McGarvey (Member from Sept. 2009)
Barry O'Leary
Professor Terri Scott

NIBRT Committee

Reviews progress on the National Institute for Bioprocessing Research and Training (NIBRT) investment project to ensure that it is delivering in accordance with the objectives and conditions approved by the IDA Board.

Members

Gerard O'Mahoney (Chair)
Thomas Lynch (Member from August 2009)
Paul Mackay
Henry McGarvey (Member from August 2009)

Corporate Governance

IDA Ireland is an autonomous statutory Agency set up under the Industrial Development Acts 1986–2009. The Agency operates in accordance with the provisions of the Acts and under the aegis of the Minister for Enterprise, Trade and Innovation, who is empowered to provide funds to discharge its obligations and issue general policy directives/seek information on the Agency's activities.

While the primary source of corporate governance for IDA Ireland is the Industrial Development Acts, the Agency is also required to comply with a range of other statutory (National and EU) and administrative requirements. IDA Ireland affirms that it met its obligations in regard to all of these requirements. In particular, it has the following procedures in place to ensure compliance with specific requirements:

1 General Administrative and Policy Requirements

At national level, IDA Ireland works closely with officials of the Department of Enterprise, Trade and Innovation and officials of other Government Departments and State Agencies, in advancing its Objectives and ensuring compliance with statutory, administrative and Ministerial/Government requirements. At local level, the Agency works closely with Local Authorities, Educational Establishments, other State Agencies and a wide range of Local Organisations/Public Representatives to develop the local environment necessary for attracting new investment. IDA Ireland is continuing to implement a policy directive issued by the Minister for Enterprise, Trade and Innovation on 18th December 2006 and which reads as follows:

In December 2005, the European Commission adopted the new Regional Aid Guidelines for the period 2007–2013. A Block Exemption Regulation for regional aid, enabling regional aid schemes to be operated without prior approval of the European Commission, has also been adopted. In order to comply with requirements arising from the new Guidelines and the Block Exemption Regulation, new Administrative Rules relating to Industrial Development regional aid schemes for the period 2007 to 2013 have also been drawn up.

IDA also provides research and development grants in accordance with the Community Framework for State aid for Research and Development and Innovation 2006.

2 Code of Practice for the Governance of State bodies

IDA Ireland fully complies with this Code of Practice and in particular affirms its compliance with the following Sections:

Sections 7 & 13: Complied with by the Chairman of the Board in a separate letter furnished to the Minister for Enterprise, Trade and Innovation.

Sections 13.1 & 13.1 (iii): An effective system of internal financial control is maintained and operated by the Agency (Statement of Internal Financial Control, page 29).

Section 13.1 (v): Government policy on the pay of Chief Executives and State body employees is being complied with (Notes to the Financial Statements, No.10 page 38 and Board 2009, page 22).

Section 13.1 (vi): Government guidelines on the payment of Directors' fees are being complied with (Notes to the Financial Statements No. 10 page 38, and Board 2009, page 22).

Sections 2.12, 2.14 & 2.15: The Board of IDA has adopted the Horizon 2020 strategy. In addition, the Board has established processes to ensure sound corporate planning, etc., as required by this Section (Statement of Internal Financial Control, page 29, and Board 2009, page 22).

Section 13.1 (x): The IDA travel procedures reflect the Government's travel policy requirements and are being complied with.

Section 19.2: The Chairman of the Board, in the separate letter furnished to the Minister for Enterprise, Trade and Innovation, confirms that the IDA has complied with its obligations under tax law.

The schemes and programmes administered by the IDA are in accordance with the legislation governing the operation of the Agency and appropriate risk management systems are in place.

3 Revenue Commissioners' Statement of Practice SP-IT/1/04 on Tax Treatment of Remuneration of Members of State and State Sponsored Committees and Boards

IDA Ireland fully complies with this Statement of Practice.

4 Guidelines for the Appraisal and Management of Capital Expenditure Proposals

IDA Ireland has well-established robust procedures in place for the Appraisal and Management of Capital Expenditure projects arising under the Capital Grants or Property programmes. These procedures comply with the principles set out in the Guidelines for the Appraisal and Management of Capital Expenditure Proposals.

5 Employment Equality Acts, 1998 and 2004

Equality is an established priority for IDA. The organisation has a progressive equality and diversity agenda and new initiatives are developed on an on-going basis. IDA Ireland values diversity and strives to be an equality employer where individual contribution is encouraged and differences are valued. To this end, it is committed to ensuring that no staff member of IDA, or applicant for employment with IDA, receives less favourable treatment than any other on grounds of gender, marital status, family status, sexual orientation, religion, age, disability, race, membership of the traveller community or on any other grounds not relevant to good employment practice. This applies to recruitment, working conditions and development opportunities.

IDA is committed to maintaining and developing a balanced work/life environment for all staff.

6 The Health, Safety and Welfare at Work Act, 2005

This Act, which replaces the provisions of the Safety, Health and Welfare Act, 1988, consolidates and updates the existing law. IDA Ireland continues to take appropriate measures to protect the safety, health and welfare of all employees and visitors within its offices to meet the provisions of this Act. This extends to the Public Health (Tobacco) Acts 2002 and 2004.

7 Worker Participation (State Enterprise) Act, 1988

Consultative structures are operating effectively in IDA Ireland and are a recognised feature of the organisation's communications and consultative structure. The Joint Consultative Committee is welcomed as a positive process by both management and staff. Additionally, a further partnership arrangement has been established with the Trade Unions to progress actions under the 'Towards 2016' National Agreement.

8 Ethics in Public Office Act, 1995 and Standards in Public Office Act, 2001

In accordance with the above Acts, all IDA Ireland Board Members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Acts.

9 Freedom of Information Acts, 1997 and 2003

IDA Ireland complies with these Acts. Requests for information under these Acts should be addressed to the Freedom of Information Executive, IDA Ireland, Wilton Park House, Wilton Place, Dublin 2.

10 Energy Efficiency

In compliance with the Government memorandum of June 2001, IDA Ireland, in the design, planning and construction of office and manufacturing buildings on its Business and Technology Parks, applies 'best practice' principles in all cases. The IDA's offices in the regions also conform to 'best practice' principles. The offices in Dublin are managed by Forfás.

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

I have audited the financial statements of the Industrial Development Agency (Ireland) for the year ended 31 December 2009 under the Industrial Development Act, 1993.

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

Respective Responsibilities of the Board of the Agency and the Comptroller and Auditor General

The Agency is responsible for preparing the financial statements in accordance with the Industrial Development Act, 1993, and for ensuring the regularity of transactions. The Agency prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Agency are set out in the Statement of Board Member's Responsibilities.

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

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

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

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

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

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

Basis of Audit Opinion

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

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

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Agency's affairs at 31 December 2009 and of its income and expenditure for the year then ended.

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



John Buckley
Comptroller and Auditor General
26 June 2010



In today's extremely competitive world, business people are agreed that innovation is the primary source of sustainable competitive advantage. This search has led companies including Facebook, Google, Intel and Citi to locate their European headquarters or other major operations centres in Ireland.

Statement of Board Members' Responsibilities

The Industrial Development Agency Ireland (IDA) was established on 1 January 1994 as an agency of Forfás (the policy and advisory board for industrial development in Ireland) under the provisions of the Industrial Development Act, 1993.

Paragraph 7(2) of the First Schedule to the Industrial Development Act, 1993 requires the Agency to keep, in such form as may be approved of by the Minister for Enterprise, Trade and Innovation with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it. In preparing those accounts, the Board 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 a going concern basis unless it is inappropriate to presume that the Agency will continue in operation,
- disclose and explain any material departures from applicable accounting standards.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Agency and which enables it to ensure that the Financial Statements comply with Paragraph 7(2) of the First Schedule to the Industrial Development Act, 1993. The Board is also responsible for safeguarding all the assets of the Agency and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

Liam O'Mahony
Chairman

Barry O'Leary
Chief Executive

Thomas Lynch
*Chairman,
Audit and Finance
Committee*

Statement on Internal Financial Control

On behalf of the Board of IDA I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Agency.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or 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:

- working closely with Government and various agencies and institutions to ensure that there is a clear understanding of IDA'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 regular reporting on the results achieved;
- carrying out regular reviews of developments and strategies in our business sectors,
- 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.

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;
- regular reviews by the Board 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.

The IDA has an outsourced internal audit function, which reports directly to the Audit & Finance Committee of the Board. This committee meets on at least a quarterly basis to review reports prepared by Internal Audit and other departments. The Audit & Finance Committee in turn keeps the Board informed of 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 for the Governance of State Bodies. A rolling three-year Internal Audit work plan is determined by the Audit & Finance 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 by management and reviewed by the Audit & Finance Committee and the Board. 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 Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal audit function, the Audit & Finance Committee, which oversees the work of the internal audit function and the executive managers within IDA who have responsibility for the development and maintenance of the financial control framework.

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

Signed on behalf
of the Board:

Liam O'Mahony
Chairman

12 May 2010

Accounting Policies

1 Basis of Accounting

(a) The Financial Statements have been prepared in accordance with the historical cost convention in the form approved by the Minister for Enterprise, Trade and Innovation with the consent of the Minister for Finance and are denominated in euro.

The Financial Statements are prepared on an accrual basis, except where stated in the Accounting Policies. The financial year is 1 January to 31 December.

Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become applicable.

(b) Tangible Fixed Assets comprise:

- (i) Land which is held for the purposes of industrial development.
- (ii) Site development works.
- (iii) Industrial buildings leased to tenants including buildings in the course of sale where title had not passed at the year end.
- (iv) Vacant property available for industrial promotion or in the course of sale where title had not passed at the year end.
- (v) Other Fixed Assets including motor vehicles, computer and office equipment and fixtures and fittings.

(c) Telecommunication Assets comprise:

Telecommunication Assets constitute an indefeasible right of use of a designated portion of a global telecommunications network for a period of 25 years from 2000.

(d) Investments consist entirely of equity investments.

(e) Accounts Receivable comprise amounts due in respect of:

- (i) Properties sold on a deferred basis. Interest is charged on these amounts at the Exchequer Lending Rates advised by the Department of Finance or the EU Discount Reference Rate as applicable.

(ii) Rents due under the terms of lease agreements, for periods of up to 35 years, entered into between the Agency and tenants, charges for the use of undeveloped lands and estate maintenance charges billed to tenants.

(iii) Fees from purchase options given on IDA property, deposits paid by IDA for the purchase of property where title had not passed to the Agency at 31 December, and the provision of other services.

(iv) Amounts due in respect of the disposal or leasing of telecommunication assets.

(v) Amounts due in respect of joint arrangements.

(vi) Amounts due in respect of loans advanced and interest thereon.

(f) Accounts Payable comprise amounts payable in respect of:

(i) Creditors.

(ii) Grants that have matured for payment.

(iii) Deposits for uncompleted sales.

(g) Provisions for liabilities and charges comprise:

(i) Amounts provided in respect of potential costs associated with the dilapidations provision of operating leases.

(ii) Amounts provided where the future costs arising under operating leases are estimated to exceed the amounts recoverable from sub lessees.

(h) By way of memorandum Income and Expenditure in respect of Industrial Property transactions are set out in note 24 to the Financial Statements.

2 Income recognition

Income from Oireachtas grants, grant refunds, the National Training Fund, investments, the European Social Fund and the European Regional Development as referred to in 5 below represent actual cash received.

3 Industrial Property

Industrial Property included in tangible fixed assets has been acquired, developed or constructed for the purposes of assisting in the promotion and development of industry and is not considered to be investment property but normal fixed assets.

4 Carrying Amounts, Depreciation and Provisions for Impairment

(a) The carrying amounts for tangible fixed assets, other than land, and for telecommunication assets comprise:

Historic cost less accumulated depreciation and less a provision for impairment of the assets, where applicable, to endeavour to ensure that the value of the assets carried in the Financial Statements do not exceed their estimated recoverable amounts.

(b) The carrying amounts for Land and Investments comprise:

Historic cost less a provision for impairment of the assets, where applicable, to endeavour to ensure that the value of the assets carried in the Financial Statements do not exceed their estimated recoverable amounts.

(c) Depreciation is calculated in order to write off the cost of assets less, where applicable, any impairment provision over their estimated remaining useful lives. No provision for depreciation is made in respect of land or investments.

(d) Provisions for impairment may be made following reviews of fixed assets, telecommunication assets and investments carried out by officers of IDA or independent valuers, as appropriate, if events or changes in circumstances or economic conditions indicate that the carrying amount of the assets or investments may not be fully recoverable. Any such provisions will be recognised in the Operating Account in the year in which they are made.

Where a subsequent review indicates that the circumstances which gave rise to a provision for impairment no longer exist or have changed materially the accumulated provision for impairment will be reduced accordingly.

(e) The cost of land, site development and industrial property includes an apportionment of administration costs associated with the acquisition or development of the assets.

5 Deferred Income

European Regional Development Fund grants received in respect of the purchase or development of fixed assets are treated as a deferred credit and are amortised to the operating account annually over the useful economic life of the assets to which they relate.

6 Accounting for Bad and Doubtful Debts

Known bad debts are written off and specific provision is made for any amount the collection of which is considered doubtful.

7 Accounting for Investments

The IDA Financial Statements do not reflect a consolidation of the results of the investee companies because IDA activities are so different from those of the investee companies that such consolidation would be incompatible with the obligation to give a true and fair view.

8 Grants Payable

Grants are accrued in the Financial Statements when the grantee complies with stipulated conditions.

9 Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the Operating Account.

Accounting Policies (continued)

10 Operating Leases

The rentals under operating leases are dealt with in the Financial Statements as they fall due. In the case of industrial property available for promotion a provision is made, where applicable, for future rental payments by the Agency.

11 Capital

Capital represents funds utilised for the acquisition and development of industrial property, the acquisition of other fixed assets, telecommunication assets and investments taking account of disposals, depreciation charges and, where applicable, provisions for impairment in the carrying amounts.

12 Superannuation

All IDA staff are employees of Forfás and are seconded to the Agency by Forfás. Legislation requires Forfás to prepare and administer pension schemes for the granting of pension entitlements to its staff including staff seconded to IDA. Forfás is also responsible for pension reporting requirements, including those set out under FRS 17. Voluntary early retirement costs paid directly by IDA and all pension contributions deducted from staff are accounted for in the Operating Account in the period in which they arise.

Operating Account

For year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Income			
Oireachtas Grants	1	110,471	122,619
National Training Fund	2	2,500	2,500
EU-INTERREG 111A Programme	3	228	383
EU & Exchequer Co-Funded Research Technology and Innovation (RTI) for Industry Programme	4	4,642	1,690
Employment Subsidy Scheme	5	4,261	-
Grant Refunds		14,734	4,189
Rental Income		2,938	2,396
Less Rental Income received from Enterprise Ireland Clients	6 (a)	(21)	(76)
Other Income	7	2,689	4,392
Profit on Disposal of Assets	8	7,776	48,679
		150,218	186,772
Expenditure			
Grants Payable	9	80,862	79,691
Promotion, Administration and General Expenses	10(a)	46,400	48,060
Industrial Building Charges	11	12,401	45,856
Depreciation & Impairment Charges	12	90,107	43,309
		229,770	216,916
Net Operating Deficit for Year		(79,552)	(30,144)
Contribution to the Exchequer	13	(3,831)	(8,566)
Balance at 1 January		(9,663)	3,361
Transfer from Capital	14	79,917	25,686
Balance at End of Year		(13,129)	(9,663)

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 Operating Account.

The Basis of Accounting, Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of these Financial Statements.

On behalf of the Board:

Liam O'Mahony
Chairman

Barry O'Leary
Chief Executive

Thomas Lynch
Chairman, Audit and Finance Committee

Balance Sheet

As at 31 December 2009

	Notes	2009 €'000	2008 €'000
Tangible Fixed Assets			
Industrial Property	15	238,017	317,490
Other Fixed Assets	16	1,590	2,034
		239,607	319,524
Intangible Assets and Investments			
Telecommunication Assets	17	–	–
Investments	18	–	–
Total Tangible and Intangible Assets and Investments		239,607	319,524
Current Assets			
Accounts Receivable	19	16,347	18,757
Cash at Bank and on hand		71,745	71,924
		88,092	90,681
Current Liabilities			
Accounts Payable	20	(30,199)	(13,389)
Net Current Assets		57,893	77,292
Long Term Receivables			
Accounts Receivable: amounts falling due after more than one year	19	6,704	13,219
Long Term Payables			
Accounts Payable: amount falling due after more than one year	20	(40,730)	(61,650)
Provisions			
Provisions for Liabilities and Charges	21	(35,673)	(36,973)
Deferred Income			
EU-INTERREG 111A Programme	3	(1,323)	(1,551)
Net Assets		226,478	309,861
Representing:			
Capital	14	239,607	319,524
Operating Account		(13,129)	(9,663)
		226,478	309,861

The Basis of Accounting, Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of these Financial Statements.

On behalf of the Board:

Liam O'Mahony
Chairman

Barry O'Leary
Chief Executive

Thomas Lynch
Chairman, Audit and Finance Committee

Cash Flow Statement

For year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Reconciliation of Net Operating Deficit to net cash inflow from operating activities			
Net Operating Deficit for Year		(79,552)	(30,144)
Depreciation & Impairment Charges:			
– Industrial Property	12	89,276	42,438
– Other Fixed Assets & Telecommunication Assets	12	831	871
EU-INTERREG 111A Programme Grant Amortised	3	(228)	(383)
Expenditure Capitalised	10 (a)	(346)	(417)
Profit on Disposal of Assets	8	(7,776)	(48,679)
Bank Interest	7	(1,708)	(2,892)
Decrease / (Increase) in Accounts Receivable amounts falling due within one year		2,410	(3,959)
Increase in Accounts Payable amounts falling due within one year		16,810	829
(Decrease) / Increase in Provisions and Charges		(1,300)	31,830
Decrease / (Increase) in Accounts Receivable amounts falling due after more than one year		6,515	(12,447)
Decrease in Accounts Payable amounts falling due after more than one year		(20,920)	–
Net Cash Inflow / (Outflow) from Operating Activities		4,012	(22,953)
Cash Flow Statement			
Net Cash Inflow / (Outflow) from Operating Activities		4,012	(22,953)
Contribution to the Exchequer	13	(3,831)	(8,566)
Returns on Investment and Servicing of Finance	25 (a)	1,708	2,892
Capital expenditure and financial investment			
Acquisitions	25 (b)	(17,648)	(37,901)
Disposals	25 (c)	15,580	69,374
Management of Liquid Resources			
Increase in short term deposits	25 (d)	(8,000)	(11,000)
Decrease in cash for the period		(8,179)	(8,154)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash for the period		(8,179)	(8,154)
Increase in liquid resources	25 (d)	8,000	11,000
Movement in net funds in the period		(179)	2,846
Net funds at 1 January	25 (d)	71,924	69,078
Net funds at 31 December		71,745	71,924

Notes to the Financial Statements

For year ended 31 December 2009

1 Oireachtas Grants

The Oireachtas Grants are provided under section 35 of the Industrial Development (Science Foundation Ireland) Act 2003. The aggregate amount provided to IDA in respect of Grants for Industry and Grants for Industrial Property in the period 1 January 1994 to 31 December 2009 was €1,780m.

The Oireachtas Grants as shown in the Financial Statements consist of:

	2009 €'000	2008 €'000
Grant for Promotion and Administration Expenditure	41,877	44,099
Grant for Industry	65,364	75,120
Grant for Industrial Property	3,230	3,400
	110,471	122,619

2 National Training Fund

Included in the training grant payments of €2.633m (see note 9) are training grant payments of €2.5m (€2.5m in 2008) which were met with funds received through the Department of Enterprise, Trade and Innovation from the National Training Fund.

3 European Union INTERREG 111A Programme

The purpose of the programme is to support cross border co-operation, social cohesion and economic development between regions of the EU. Under the programme IDA and the Department of Enterprise Trade and Investment (DETI) in Northern Ireland were awarded a grant of €10m, of which €4m was allocated to IDA and €6m to DETI. The grant was awarded for the purpose of assisting in the development of business parks to international standards in Letterkenny and Derry which are jointly promoted for inward investment.

In 2005 IDA received the grant allocation of €4m. In accordance with the Agency's accounting policies €0.228m (€0.383m in 2008) of this amount was transferred to the Operating account in 2009, leaving a balance of €1.323m retained in deferred income.

4 EU & Exchequer Co-Funded Research Technology and Innovations (RTI) for Industry Programme

This measure is designed to improve the level and quality of research and development undertaken by companies in Ireland by co-funding projects to be carried out by them. The fund is administered by Enterprise Ireland and payments made out of this fund are shown in note 9.

5 Employment Subsidy Scheme

The Government, through the Department of Enterprise, Trade and Innovation, has initiated the Employment Subsidy Scheme (Temporary), managed by Enterprise Ireland, to support the retention of full time and part time jobs in viable enterprises, that might otherwise be made redundant as a result of the impact of the global and financial economic crisis. The scheme is implemented under the EU State Aid Temporary Framework Guidelines. Payments made out of this fund are shown in note 9.

6 IDA Rental Income

(a) Enterprise Ireland

Rents received of €0.021m (€0.076m in 2008) represent rents received by IDA from Enterprise Ireland client companies. This amount is transferrable to Enterprise Ireland as required by the Department of Enterprise, Trade and Innovation.

(b) IDA Ireland

Gross rent receivable from client companies in 2009 was €2.917m (€2.320m in 2008).

7 Other Income

	2009 €'000	2008 €'000
Bank Interest	1,708	2,892
Fee Income in respect of Undeveloped Lands	377	322
Interest on Industrial Property Transactions	454	1,015
Sundry Income	150	163
	2,689	4,392

8 Profit on Disposal of Assets

	2009 €'000	2008 €'000
Consideration (net of fees and direct expenses)	15,580	69,374
Historical Cost	(11,490)	(30,313)
Write back of provision for impairment	509	326
Write back of provision for depreciation	3,177	9,292
	7,776	48,679

The profit on disposal of €7.776m is stated net of losses of €0.1m.

9 Grants Payable

	2009 €'000	2008 €'000
Capital	2,203	2,760
Employment	10,634	25,936
R&D Capability	56,668	45,721
Training	2,633	3,584
Research Technology & Innovation (RTI) for Industry Programme (see also note 4)	4,642	1,690
Employment Subsidy Scheme (see also note 5)	4,082	–
	80,862	79,691

Notes to the Financial Statements

For year ended 31 December 2009

(continued)

10 Promotion, Administration and General Expenses

	2009 €'000	2008 €'000
(a)		
Board Members' fees, expenses and remuneration – see 10 (c)	373	495
Other remuneration costs	25,726	25,266
Marketing, consultancy, promotions and advertising	9,079	11,169
General Administration	9,790	10,199
Audit Fee	49	52
Provision for Doubtful Debts	1,729	1,296
Less: Capitalisation of expenditure associated with industrial property development	(346)	(417)
	46,400	48,060
(b)		
Other remuneration costs comprise:		
Wages and Salaries	23,902	23,395
Social Welfare Costs - Employer's Contribution	1,215	1,267
Pension Costs - Employer's Contribution	609	604
	25,726	25,266

All IDA staff are employees of Forfás and are seconded to the Agency by Forfás. In 2009 €1.159m of pension levy has been deducted and paid over to the Department of Enterprise Trade and Innovation.

	2009 €
(c)	
Board members remuneration was as follows:	
John Dunne (Chairman – Retired 31st December 2009)	22,400
Lionel Alexander	13,067
Loretta Brennan Glucksman	13,067
Bernard Collins	13,067
Suzanne King	13,067
Paul Mackay	13,067
Henry McGarvey	9,792
Gerard O'Mahoney	13,067
Terri Scott	13,067
Barry O'Leary (Chief Executive)	13,067
Thomas Lynch	–
Brian Whitney	–

Board Members Expenses in 2009 amounted to €14,137 broken down €7,336 mileage, €3,957 accommodation and €2,844 other travel, subsistence and vouched food expenses.

Chief Executive Remuneration Package

In addition to the Director's fees of €13,067, the Chief Executive Officer received a salary of €222,498, had the use of a company car with a benefit in kind value of €18,345 and is also entitled to a pension in line with the standard public sector entitlement.

10 Promotion, Administration and General Expenses (continued)

(d)

Commitments under Operating Leases

The current annual commitment under operating leases is €11.326m. These leases will expire as follows:

	2009 €'000	2009 €'000	2009 €'000	2008 €'000	2008 €'000	2008 €'000
	Offices Occupied by IDA	Industrial Property Occupied under leases	Industrial Property Available for Promotion	Offices Occupied by IDA	Industrial Property Occupied under leases	Industrial Property Available for Promotion
within one year	164	–	–	135	–	–
in the second to fifth years inclusive	1,062	–	–	699	–	–
more than five years	2,739	3,531	3,830	2,876	3,973	3,132
	3,965	3,531	3,830	3,710	3,973	3,132

11 Industrial Building Charges

These charges include the net costs associated with industrial buildings provided by the private sector, and the net movement on provisions in respect of operating leases as set out in note 21, together with insurance, security and maintenance costs in respect of all promotable industrial buildings held by IDA.

12 Depreciation & Impairment Charges

	Notes	2009 €'000	2008 €'000
Depreciation Charges			
– Industrial Property	15	17,509	17,438
– Other Fixed Assets	16	831	871
– Telecommunication Assets	17	–	–
Impairment Charges			
– Industrial Property	15	71,767	25,000
– Telecommunication Assets	17	–	–
– Investments	18	–	–
		90,107	43,309

Depreciation is calculated in order to write off the cost of assets less, where applicable, any impairment provision over their estimated remaining useful lives. No provision for depreciation is made in respect of land or investments.

Impairment charges arise where the book value of Industrial Property, Telecommunications Assets or Investments exceed their estimated fair value.

Notes to the Financial Statements

For year ended 31 December 2009

(continued)

13 Contribution to the Exchequer

By agreement with the Department of Enterprise, Trade and Innovation receipts from promotion and administration activities, grant refunds, ESF receipts, the sale of industrial property and income derived from the sale and or leasing of telecommunication assets to the extent that they exceed the Agency's expenditure requirements, are refundable to the Exchequer. Contributions totalling €3.831m paid to the Exchequer in 2009 (€8.566m in 2008) comprised:

	2009 €'000	2008 €'000
Administration	1,444	363
Grant Refunds	2,282	8,023
Telecommunication Assets	105	180
	3,831	8,566

14 Capital

	Notes	2009 €'000	2008 €'000
At 1 January		319,524	345,210
Net Movements on:			
– Industrial Property	15	(79,473)	(26,293)
– Other Fixed Assets	16	(444)	607
– Telecommunication Assets	17	–	–
– Investments	18	–	–
Transfer to Operating Account		(79,917)	(25,686)
At 31 December		239,607	319,524

15 Tangible Fixed Assets – Industrial Property

	Land	Site Development	Industrial Property Occupied under Leases	Industrial Property Available for Promotion	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January	266,446	166,526	19,622	10,344	462,938
Additions	2,554	12,280	2,308	462	17,604
Transfers	–	–	–	–	–
Disposals	(2,839)	(4,152)	(1,938)	(2,313)	(11,242)
At 31 December	266,161	174,654	19,992	8,493	469,300
Provision for Impairment					
At 1 January	26,671	4,402	1,377	1,509	33,959
Charge for Year	65,038	3,847	612	2,270	71,767
Transfers	–	–	–	–	–
Disposals	(249)	(254)	–	–	(503)
At 31 December	91,460	7,995	1,989	3,779	105,223
Provision for Depreciation					
At 1 January	–	100,666	7,896	2,927	111,489
Charge for Year	–	16,642	792	75	17,509
Transfers	–	–	–	–	–
Disposals	–	(2,521)	(59)	(358)	(2,938)
At 31 December	–	114,787	8,629	2,644	126,060
Net Book Amount					
At 31 December	174,701	51,872	9,374	2,070	238,017
At 1 January	239,775	61,458	10,349	5,908	317,490
Net Movement for Year					(79,473)

- (a) The estimated useful life of industrial property, by reference to which depreciation has been calculated, is as follows:
- (i) Buildings 33 years
 - (ii) Site Development costs 10 years
- (b) Included in the table above is an amount relating to a joint arrangement entered into by the Agency with Fingal County Council to develop lands in Blanchardstown Dublin in the ownership of the Council, for subsequent sale to industrial undertakings. Under the terms of the arrangement, IDA is responsible for making infrastructural improvements to the lands. The Agency bears the full costs of this work and is entitled to receive half of the proceeds of any sales. The net book amount included above in relation to this arrangement is €1.061m.
- (c) The IDA has agreed a charge over industrial land which was the subject of an uncompleted sale for €68.5m giving rise to a repayment obligation in the same amount. This amount is included in the overall amounts due on uncompleted sales detailed in note 20 dealing with Accounts Payable.

Notes to the Financial Statements

For year ended 31 December 2009

(continued)

16 Other Fixed Assets

	Motor Vehicles	Office and Computer Equipment, Fixtures & Fittings	Total
Cost	€'000	€'000	€'000
At 1 January	60	12,640	12,700
Additions	–	390	390
Disposals	–	(242)	(242)
At 31 December	60	12,788	12,848
Provision for Depreciation			
At 1 January	15	10,651	10,666
Charge for Year	15	816	831
Disposals	–	(239)	(239)
At 31 December	30	11,228	11,258
Net Book Amount			
At 31 December	30	1,560	1,590
At 1 January	45	1,989	2,034
Net Movement for Year			(444)

The estimated useful life of fixed assets, by reference to which depreciation has been calculated, is as follows:

- | | |
|---|---------|
| (i) Motor Vehicles | 4 years |
| (ii) Office Equipment/Fixtures and Fittings | 5 years |
| (iii) Computer Equipment | 3 years |

17 Telecommunication Assets

Acting pursuant to a Government decision IDA Ireland, in conjunction with the Department of Public Enterprise (now the Department of Communications, Energy and Natural Resources), entered into contracts in 1999 for the purchase of telecommunication assets in the form of an indefeasible right of use of a designated portion of a global telecommunications network for a period of 25 years from 2000. A portion of the capacity purchased by IDA has been sold to a number of service providers.

	2009 €'000	2008 €'000
Cost		
At 1 January	38,850	38,850
Additions	–	–
Disposals	–	–
At 31 December	38,850	38,850
Provision for Impairment		
At 1 January	21,000	21,000
Charge for Year	–	–
Disposals	–	–
At 31 December	21,000	21,000
Provision for Depreciation		
At 1 January	17,850	17,850
Charge for Year	–	–
Disposals	–	–
At 31 December	17,850	17,850
Net Book Amount		
At 31 December	–	–
At 1 January	–	–
Net Movement for Year	–	–

The estimated useful life of telecommunication assets, by reference to which depreciation has been calculated, is 8 years.

Notes to the Financial Statements

For year ended 31 December 2009

(continued)

18 Investments

	€'000
Cost	
At 1 January	48
Additions	–
Disposals	(6)
At 31 December	42
Provision for Impairment	
At 1 January	48
Charge for Year	–
Disposals	(6)
At 31 December	42
Net Book Amount	
At 31 December	–
At 1 January	–
Net Movement for Year	–

Details of Investments

Company	Activity	Type of Share	Cost of Acquisition	Provision on Transfer of Shares from Forfás	Cost Less Provision on Transfer from Forfás
			€'000	€'000	€'000
Container Graphics (Manufacturing) Ltd.	Moulds & Precision Equipment	Preference	76	34	42
PGM Ballscrews Ireland Ltd.	Screw Machine Products	Ordinary	267	267	–
Historic Cost of Investments at 31 December 2009			343	301	42

19 Accounts Receivable

	€'000	2009 €'000	2008 €'000
Amounts falling due within one year:			
Accounts Receivable and Prepayments		15,804	17,194
Amounts due in respect of disposal of Telecommunication Assets		3,206	3,206
Amounts due in respect of disposal of Industrial Property		6,302	6,497
Amounts on deposit with Solicitors		–	272
Interest Receivable		359	516
Amount due on loan advanced		87	32
Provision for Doubtful debts		(9,411)	(8,960)
		16,347	18,757
Amounts falling due after more than one year:			
Amounts due in respect of disposal of Industrial Property	6,302		12,605
Amount due on loan advanced	402		614
		6,704	13,219
		23,051	31,976

The amount due of €0.489m on loan advances (€0.087m falling due within one year and €0.402m falling due after one year) is comprised of €0.439m capital plus interest to 31 December 2009 of €0.05m, repayable over 15 years commencing in 2008, following a moratorium period of three years.

20 Accounts Payable

	2009 €'000	2008 €'000
Amounts falling due within one year:		
Accounts Payable and Accruals	2,283	6,415
Amount due on Uncompleted Sales	27,916	6,974
	30,199	13,389
Amount falling due after more than one year:		
Amount due on Uncompleted Sale	40,730	61,650
	40,730	61,650

Included in the aggregate amount due for uncompleted sales of €68.646m comprising amounts falling due within one year of €27.916m and €40.73m after one year is an amount of €68.563m in respect of which a charge had been given as set out in note 15 dealing with Industrial Property.

21 Provision for Liabilities and Charges

	2009 €'000	2008 €'000
Operating Leases Provision		
At 1st January	36,973	5,143
Net (reduction) / charge for the year	(1,300)	31,830
Total at 31st December	35,673	36,973

The Operating Leases Provision comprises:

- Potential building reinstatement costs associated with obligations under operating leases.
- Future costs arising under operating leases estimated to exceed the amounts recoverable from sub lessees.

Notes to the Financial Statements

For year ended 31 December 2009

(continued)

22 Commitments

It is estimated that future payments likely to arise from Grant Commitments amounted to €280m as at 31 December 2009.

Capital Commitments outstanding at 31 December 2009 on contracts for the acquisition and development of Industrial Property amounted to €27m.

23 Taxation

Section 227 of the Taxes Consolidation Act, 1997, provides an exemption from tax for income of non-commercial state bodies. This exemption does not apply to deposit interest. Where interest receivable is subject to tax at source (e.g. DIRT), the net receivable amount is credited to the Operating Account.

In some countries in which the Agency operates, an exemption from local taxation has been availed of under the Governmental Services article of the relevant double taxation agreement. This position continues to be under review by the Agency which is actively seeking clarification to determine whether overseas employment taxes arise in any of the jurisdictions where this exemption has been availed of. The review could result in a liability to taxes but in view of the uncertainty in relation to the amount, if any, of such possible contingent liability no provision has been made in the financial statements for the year ended 31 December 2009.

24 Industrial Property Income and Expenditure

	Notes	2009 €'000	2008 €'000
Income			
Oireachtas Grant	1	3,230	3,400
Rental Income IDA Ireland Client Companies	6(b)	2,917	2,320
Fee Income in respect of Undeveloped Lands	7	377	322
Interest on Sales	7	454	1,015
Profit on Disposal of Industrial Property		7,779	48,695
		14,757	55,752
Expenditure:			
Promotion, Administration and General Expenses		2,172	2,541
Industrial Building Charges	11	12,401	45,856
Depreciation Charges and Provisions	12	89,276	42,438
		103,849	90,835
Net Movement for Year			
Transfer from Capital	14	79,473	26,293
Contribution from Promotion and Administration activities		(9,619)	(8,790)

25 Gross Cash Flows

	Notes	2009 €'000	2008 €'000
(a) Returns on Investment and Servicing of Finance			
Bank Interest	7	1,708	2,892
		1,708	2,892
(b) Capital expenditure and financial investment – Acquisitions			
Expenditure Capitalised	10(a)	346	417
Purchase of tangible fixed assets – Industrial Property	15	(17,604)	(36,824)
Purchase of Other Fixed Assets	16	(390)	(1,494)
		(17,648)	(37,901)
(c) Capital expenditure and financial investment – Disposals			
Disposal of tangible fixed assets – Industrial Property		15,580	69,374
Disposal of Other Fixed Assets		–	–
		15,580	69,374
(d) Analysis of Net Funds			
	At 1 January 2009 €'000	Cash Flow €'000	At 31 December 2009 €'000
Cash at Bank and on hand	9,924	(8,179)	1,745
Short term deposits	62,000	8,000	70,000
	71,924	(179)	71,745

26 Board Members – Disclosure of Transactions

In the normal course of business the Agency may approve grants and may also enter into other contractual arrangements with undertakings in which IDA Board members are employed or otherwise interested.

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

During 2009 grants with an aggregate value of €8.010m were approved to a company in which a Board member is employed. The member concerned did not receive any documentation on the transactions nor did the member participate in or attend any Board discussion relating to the transactions.

27 Approval of Financial Statements

The Financial Statements were approved by the Board on 12 May 2010.

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