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annual

report



2001

# Annual

IDA Ireland is an autonomous state sponsored Agency funded through Government grant under the National Development Plan. The Agency reports to the Minister for Enterprise, Trade and Employment.

IDA Ireland operates under the terms of the Industrial Development Acts 1986 to 1998.

This Annual Report and other IDA Ireland information is available on our website [www.idaireland.com](http://www.idaireland.com)



## mission statement

“We will win for Ireland, its people and its regions, the best in international innovation and investment so as to contribute to the continued transformation of Ireland to a world-leading society which is rich in creativity, learning and personal and social well-being.

We will work in partnerships with other organisations to enhance the best of Irish capabilities and talents and match them to the best of global investment.

We will carry out our mission with integrity, professional excellence and responsiveness to all with whom we work or are in contact.”

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*To the Minister for Enterprise, Trade and Employment:*

Pursuant to the Industrial Development Act 1993, IDA Ireland herewith presents its report and accounts for the year ended 31 December 2001.

*Don Aire Fiontar, Trádála agus Fostaíochta:*

De bhun an Achta um Forbairt Tionscail 1993, tá a thuarascáil agus a chúntais don bhliain dar chríoch 31 Nollaig 2001 á dtíolacadh leis seo ag IDA Ireland.

It is the policy of IDA Ireland to make information available on grants paid to companies.

# Chairman's sta

## Education is fundamental to economic development

Education is the essential foundation on which a successful economy and a fulfilling society are built. The Irish education system has long been recognised as one of the most successful in the world in meeting the needs of business. It has played a major part in the impressive growth of the Irish economy in the last decade. Our highly skilled graduates have been a key attraction for inward investors. The education system has contributed greatly in teaching and equipping our students. But now it must meet new demands so that Ireland can continue to advance and prosper.

One of Ireland's great advantages for investment is the speed of response and agility that it displays in meeting the changing needs of business. This has been particularly evident in the past decade when many international companies were undergoing transformation as a result of globalisation, technological advances and the adoption of new business models. In Ireland they found a location which could move at the pace and with the flexibility which was required. As a result they chose Ireland as a base for many strategic activities.

To sustain and renew our success, we must now apply this famed agility and responsiveness to our education.

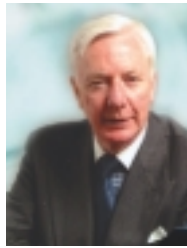
Many of the conditions that attracted some of the best companies in the world to Ireland in the 1990's continue, but some have changed. We do not now have an excess of highly qualified graduates seeking relatively low paid employment as an alternative to emigration. Rather, we have highly talented and skilled people, with confidence, vitality and a well-developed work ethic, who have employment choices and aspirations beyond the expectations of a decade ago. We must meet their needs, and those of society generally, by creating new competitive advantages for Ireland at more advanced levels of education, knowledge and skills.

## Highlights 2001

Total new IDA supported jobs filled	13,514
– of which first time jobs	11,245
Total full time IDA supported employment	138,009
Change in full time employment – IDA-backed companies	-4,021
Number of IDA supported companies	1,237
Projects fully agreed for IDA support	40
Corporation Tax paid (estimated) by IDA supported companies	c. €1.9 billion
Total IDA grants paid	c.€109 million

# Statement John Dunne

*“Education is the essential foundation on which a successful economy and a fulfilling society are built”*



We can only be successful nationally over coming years if we position ourselves as a knowledge-rich, innovative and creative society and economy rather than one which has merely cost advantages. Developed societies demand jobs that are more intellectually-based with greater job satisfaction and fulfilment. This is where our education sector must make a new and more demanding contribution. Education can be the power driver of the next stage of our national development, or a constraint upon it if it does not meet changing economic and social needs.

The unprecedented advances of science and technology we have seen in each recent decade will continue over coming years. These advances will mean that information and knowledge, which enhance productivity, will be the basis of further economic growth. Successful businesses will be those that thrive on innovation and research and successful nations will be those that cultivate such businesses. The quality of skills and learning, and the adaptability of people, will be key to this success.

Knowledge-driven, high-tech industries and services will form the base of the new economic environment. Two fundamental technologies, biotechnology and information technology, are likely

to be at the heart of future growth. For example, it is estimated that the potential market in biotechnology alone will grow in value to over €250 billion by 2005 and sustain over three million jobs globally. In order to successfully compete for the best world class industries in these areas Ireland must invest heavily in educating and equipping graduates with high level skills.

There are many challenges for Ireland in ensuring that our education meets our future needs. We have identified three aspects in particular that we believe require special attention:

- Raising public awareness and acceptance of the importance of the sciences.
- Increasing participation at third level and beyond in science, technology and engineering disciplines.
- Investing in Research & Development capabilities both in universities and in industry.

## Raising Awareness

There is currently a poor public awareness of science and its opportunities. The skills learned through a science-based education are valuable not only in science but are pervasive throughout

# Chairman's sta



IDA Ireland's activities are an integral part of the Irish Government's National Development Plan (2000 – 2006) – the largest development initiative in the history of the Irish State.

The Plan involves an investment of over €50 billion over the seven years, with €43 billion being funded by the Irish Government and the balance coming from the EU and Public Private Partnerships.

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society and the economy. The Life Sciences, related to the body and health, and technology-based activities which govern both work and leisure, permeate daily life. It is essential that we have a scientifically aware and knowledgeable population with a high understanding and capacity in these areas; this must start with children. Science and industry will have a much closer relationship in the coming years, and science graduates will be central players in the expanding ICT and biotech sectors.

A Government Task Force on Physical Sciences has recently received the IDA submission (along with those from influential business and education bodies) in relation to science needs. The key educational issue is “how to make science a more attractive option and reduce the current negativity and lack of interest

in science”. Suggestions made by IDA Ireland in relation to this issue include:

- Adoption of a general science programme for the Leaving Certificate. Science should be at the core of the education system. Scientific thinking should be as standard as English or Maths. A general science subject, which covers all aspects as a fourth option to Physics, Biology and Chemistry, may prove more attractive to students than the current separation of the subjects.
- Heavier investment should be made in the training of science teachers. Funds should be available to provide for more and better labs in second level schools to encourage more practical work.

There is a need to highlight the benefits of science throughout all areas of the economy. For this to succeed it must be driven by a three-way partnership between government, business and the education system. Industry will need to illustrate better and more consistently the opportunities in its sectors to increase and maintain a higher level of interest.

## Participation at Third Level and Beyond

The availability of a skilled and relevantly educated workforce will increasingly become Ireland's key competitive advantage, perhaps its most sustainable competitive advantage. The knowledge base that will underpin our future success will be driven by our third level sector, but it will cater for increasing numbers of post-graduate, doctoral and

# tement (continued)

*“If we are to achieve the world leading society to which we aspire, we must invest more in our people through education”*

post-doctoral students. This higher participation at more advanced levels will demand additional resources, especially in our research base, a greater integration of universities and institutes in national development efforts, and new and more flexible forms of teaching. The Skilbeck Report commissioned by the Higher Education Authority (HEA) and the Conference of Heads of Irish Universities (CHIUI) is a welcome contribution to thinking in this regard.

In our view the third level educational sector of the future should be characterised by:

- an agility and responsiveness which links the best of academic enquiry and excellence to evolving national aspirations;
- leading national development through sources of new learning of international significance;
- centrality to the national ethos of creativity and innovation through links to businesses which are globally competitive;
- closeness to community needs for lifelong and more advanced education.

Such a relevant and engaged sector would be a real national asset.

Judgements in formulating education policy need to be based on a long-term approach, where current issues are not the key driving force. An education system cannot respond instantly to the short-term variations and fluctuations of economic trends, anymore than industrial policy can provide instant solutions to an immediate social need. Ireland's education system has repeatedly proven itself capable of being flexible and responsive to changing needs. Now it must rise to these new challenges, so that we can surpass those other countries that compete through superior knowledge and skills.

## Research & Development

As Dr William Harris, Director General of Science Foundation Ireland has stated, “strong research capacity is vital to prosperity”. There is a need to create a much stronger and more extensive research base in Ireland. The foundations for this have been laid and a variety of initiatives are underway to establish Ireland as a world leading research centre.

The Programme for Research in Third Level Institutions (PRTLII) has invested €605 million since 1999

# Chairman's sta

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in funding research collaboration between Irish third level institutions, working together to achieve common objectives. Science Foundation Ireland (SFI) has made an impressive start in attracting top quality researchers with world leading projects to Ireland to create world-class centres of excellence. Funding for the first ten SFI projects has commenced and the next round of funding will focus on projects which will promote collaboration between third level education and industry.

These initiatives are but a start. Further developments will be needed to ensure that a strong research culture is promoted and encouraged. Industry will need to play a full part participating, and at times leading the agenda, in this R&D development.

We must build on the current pool of Irish expertise which is driving many valuable R&D projects throughout the country; to this we need to add the experience and expertise of international collaborators. Certainly this model worked in the technology sector where an increasing number of Irish enterprises grew out of the transfer of knowledge and skills learned in the multinational sector. Innovative and world

leading research projects working from Ireland can become the norm, just as Ireland has developed as the home for the most technologically advanced industries in the world such as Intel, Wyeth Medica, Microsoft and many others.

Fostering an active R&D environment will result in new ideas being formulated and economic breakthroughs realised. Research spurs innovation. Liberated research policy opens doors to new markets and sectors, cascading its effects into the wider economy. To maintain the momentum it is essential that support for programmes such as SFI and the PRTLTI is agreed on an ongoing basis. Such programmes cannot be short term, once-off programmes. They should be the beginning of sustainable long term funding such as was committed for investment incentives in industrial development for the past 40 years. With the ongoing reductions in direct grants for industrial investment, this is the opportune time to shift the incentive focus to R&D.

## Conclusion

The steps outlined in this statement can have very practical benefits:

- An increase in higher value investment – Ireland moving up the value chain.
- Ireland will become a recognised home base for global companies because new ideas for global operations will originate in Ireland and more intellectual property will be created and used here.
- Businesses in Ireland will be in greater control of their own operations. We will compete on the basis of our intellectual assets rather than on costs.

We are now at a turning point in our economic and social development. If we are to achieve the world leading society to which we aspire, we must invest more in our people through education. That has been a highly successful policy over past decades; it can be even more so in coming years as we continue to compete with the best in the world. IDA Ireland will play its full part in this competition.

**John Dunne**  
Chairman

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## Acknowledgments

Our work involves close working partnerships with the many organisations with which we come in contact on a daily basis. The links that exist between Forfás, Enterprise Ireland and IDA have been greatly strengthened over the past year as our work is so inter-related and I wish to acknowledge the co-operation that exists between us as development agencies.

The support of the Government for our work is fundamentally important to achieving our objectives and I particularly want to acknowledge and thank our own Minister for Enterprise, Trade and Employment and the Minister for Finance for their particular support and responsiveness to our needs and the needs of our international clients. I also appreciate the great support given to IDA by the many government departments with which we come in contact, especially our parent Department of Enterprise, Trade and Employment and the

Departments of Finance, Public Enterprise, Education & Science and Foreign Affairs.

In the past year IDA staff have experienced more change than ever before, both from the internal re-structuring of the organisation and from the dramatic changes in foreign direct investment markets. The organisation has a well deserved reputation for excellence. From the inside it is a pleasure to see this at work – attributable to the outstanding leadership of Sean Dorgan, his management team and the dedication of the staff at home and overseas. I thank them for their ongoing loyalty and hard work and I know that we are building a strong organisation to cater for the future growth needs of the economy.

Finally, I wish to thank all of my colleagues on the Board for their continued and outstanding commitment to the IDA's work.

**John Dunne**  
Chairman

# Chief Executive's

## A year of change and response

Even at the beginning of 2001 it was clear that the year was going to be very different to the previous ones in our work in foreign direct investment markets. Global circumstances, particularly in the dot.com and information technology (I.T.) sectors, had changed investor mood considerably. Clearly, economic slowdown was underway. In many IDA comments and statements we warned of difficult times ahead particularly in the I.T. sector, which is a fundamental sector in our economic development strategy. We also signalled the need for flexibility and

responsiveness and had begun a process of significant change in IDA itself.

International business confidence ebbed as 2001 progressed and the awful events of September 11th in the US added to concerns. This exceptional set of circumstances resulted in one of the toughest years in a long time for IDA Ireland. The significant slowdown, especially in I.T., impacted on our results for 2001 and we ended the year with a small net loss in IDA-backed jobs in overseas companies – the first such loss in fifteen years despite the positive performance in other sectors.

While 13,500 new jobs were created in IDA-backed companies during the year and this was a strong result by average standards, the loss of 17,500 jobs was particularly disappointing and very difficult for the people and the companies involved. In a broader context, these losses were the equivalent of a few months in development terms, such as has been the extraordinary pace of growth in recent years. It is also clear that the results arose from global pressures and economic conditions and for the most part Ireland's competitive strengths remained fundamentally sound. But the year certainly was a warning of the need to remain

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## *Employment in IDA Supported Companies*

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
New Jobs filled	7,074	8,227	9,938	11,955	13,197	14,768	16,154	17,949	23,158	<b>13,514</b>
Number of Companies	860	879	914	968	1,047	1,113	1,174	1,290	1,287	<b>1,237</b>
Full time Employment	78,583	81,264	85,761	92,585	99,690	109,423	118,351	126,972	142,030	<b>138,009</b>
Net change in full time Employment	1,200	2,681	4,497	6,824	7,105	9,733	8,928	8,621	15,058	<b>-4,021</b>
% Net change	+ 1.6%	+ 3.4%	+ 5.5%	+ 8.0%	+ 7.7 %	+ 9.8%	+ 8.2%	+ 7.3%	+ 11.9%	<b>- 2.8%</b>
Job Losses	-5,874	-5,546	-5,441	-5,131	-6,092	-5,035	-7,226	-9,328	-8,100	<b>-17,535</b>
Job Losses as % of Total Jobs	7.5%	6.8%	6.3%	5.5%	6.1%	4.6%	6.1%	7.4%	5.7%	<b>12.7%</b>
Temporary Employment	4,273	5,331	9,028	11,573	9,462	13,475	15,094	15,587	14,793	<b>11,632</b>

Source: Forfás Employment Survey

# Report Sean Dorgan

*“Even at the beginning of 2001 it was clear that the year was going to be very different to the previous ones in our work in foreign direct investment markets”*



competitive in all aspects of the economy, and in infrastructure and services, if we are to continue to achieve good rates of growth.

A total of 40 investment projects - new greenfield projects and expansions - were agreed for support by IDA during the year and our key objective of having 50% of all new jobs in greenfield projects locate in Objective One regions was substantially achieved, albeit with overall numbers much reduced. Data gathered by Forfás during the year also shows substantial growth in the positive impact of overseas companies in the Irish economy. In one year alone between 1999 and 2000 IDA-backed companies increased their exports by 23% in value - to €47 billion per annum - and their direct expenditures in the Irish economy increased by 22%, to over €14 billion per annum.

The day to day work of promoting Ireland as an investment location continues apace. Our focus continues on the business sectors which have given us success in the past decade: Information & Communications Technologies (ICT), Pharmaceuticals and Healthcare, Engineering and International Services (such as software, financial services and others). These are the cornerstones of our development policies and any change in

direction or activity is to drive investment projects higher up the value chain to match the new needs of businesses and of the economy.

## The ICT sector

The recent strong momentum in the ICT sector came to a sudden halt in 2001, but this sector will continue to be of fundamental importance and central to development in all advanced economies. The pace of technology change in the sector is immensely rapid. With so many of the key companies located here we cannot avoid volatility and change. While opportunities to win major new greenfield investments in the sector will be limited for the short term, substantial progress can be, and is being made in adding value and moving the sector in Ireland to a higher plane. We have redoubled our efforts at strengthening the commitment of the key companies to their Irish operations and adding activities such as software development, European headquarters, supply chain management, R&D and higher value manufacturing. The industry is preparing for a new wave of development and investment and we want to ensure that Ireland is ready to feature in this next round of development.

# Chief Executive's

## Pharmaceuticals and Biotechnology

The pharmaceutical sector has been exceptionally successful in Ireland. It is also undergoing a process of change and development globally, with biotechnology processes becoming the engine of growth and change. Ireland has positioned itself well to date in securing major investments in this area and we are on a determined path to secure a further share of such activities. Site location and critical infrastructure are fundamental aspects of winning this next generation of biotechnology investments, allied to proving the economy's ability to deliver

the required range of high skilled graduate and post-graduate workers. Science Foundation Ireland's focus and resources to lift Ireland's capabilities in scientific research in this sector is also an important tool for future growth.

## Healthcare

The healthcare and medical devices sectors have, in recent years, become important sectors in the IDA portfolio. Some of the leading companies in the world now have substantial investments in Ireland but there are many further opportunities for growth, especially in sub-supply and R&D. As in other target sectors, we see the roles of the Universities and Institutes of Technology across the country as being the key to the future growth of this sector in the period ahead.

## International Services

Over half of all new jobs created during 2001 came in the internationally traded services sector and nearly one third of all IDA-backed jobs are now in this sector. It encompasses activities such as software, financial services, back office and data processing as well as European headquarters, financial management and a range of other activities. We see great potential for building on Ireland's

strengths in software and in financial services, especially in regional locations where skills are available and are being developed in educational institutions.

## Property solutions

A key tool in winning favourable location decisions by investors is having the right ready-made property solutions, as was evident in many of the investments secured during 2001. Our property development policy is well positioned to provide these solutions. We aim to have high quality, high profile Business and Technology Parks, with the appropriate quality buildings available, in all key large towns nationwide. During 2001 we made significant progress with over €35 million invested in property development projects. In 2002 a further €50 million is committed to advance our programme. This work is continuing in partnership with the local authorities in every county and the buildings are being provided by private sector investment.

# Report *(continued)*

## Winning in a time of change

The nature of foreign investment now available is different from the past. Ireland as a whole and IDA are responding to this change. Some of the investments secured during 2001 reflect the changes:

### *Pharmaceuticals:*

**Abbott Laboratories** Undertaking two major investments: one involving a €63.5 million upgrade of its long-established healthcare plant in Donegal and the first ever Abbott Laboratories pharmaceutical investment in Ireland, in a new €55 million facility at Sligo.

**Alza Corporation** Locating its €50 million pharmaceuticals plant in Cashel.

**Genemedix** Establishing its €7.2 million European headquarters bio-tech facility in Tullamore.

**Genzyme Corporation** Investing €250 million in its state-of-the-art biotechnology facility in Waterford.

**Wyeth Medica** Continuing its major investment in the construction of the \$1.4 billion largest ever single site biotechnology facility in the world at Clondalkin, in Dublin.

### *International Services:*

**Prumerica Systems** Commenced a major 450 job expansion of its successful customer services and transaction processing operations in Letterkenny.

**Pacificare Health Systems** Expanding its medical claims processing and adjudication centre and creating 160 new jobs in Letterkenny.

**DeCare International** Expanded its dental benefits operations in Claremorris with over 200 new jobs.

**Premiere Conferencing** Established an automated conference calling facility creating 160 jobs in Clonakilty.

### *IT Sector:*

**Xilinx Corporation** The €52 million investment by the company in a substantial expansion of its semiconductor design facility at Citywest in Dublin was a reflection of the calibre and skills of its engineering and design workforce.

**Intel Corporation** Following a twelve month deferral of the construction of its new \$2 billion FAB 24 integrated circuit facility in Leixlip the company confirmed in April 2002 that this globally significant investment would be resumed, to have it ready for production by 2004 using the most advanced next generation 90-nanometer logic technology.

# Chief Executive's

## Restructuring of IDA

In launching IDA's Annual Report last year I focused on the work we had done internally in IDA to set in place a new structure and focus for the organisation's work. With so many changes to business structures, to global technology, and to Ireland's economy over the past five years it was an appropriate year to reshape ourselves for the future. We set in train a process of change within IDA, to focus more intensively on the knowledge and skills strengths in the economy and on more balanced regional growth.

I am happy to report that, with the co-operation of all our staff, IDA has been extensively restructured. We have opened key new offices with national responsibilities in Athlone, Sligo and Waterford. We have also undertaken substantial strategic work to identify opportunities for future economic development in Ireland by focussing on the country's key strengths. Through these we aim to deliver new development to both the regional and national economies.

## The Outlook for 2002

As we go to print it is clear that confidence is being restored and a recovery is underway in foreign direct investment (FDI) markets.

We are seeing a turnaround from the slowdown of last year, although it may be some time yet before a rapid pace of growth is achieved. There is always a time lag between the renewal of investment and its full job creation impact. As a result, real recovery of jobs growth may not be seen until 2003.

The strategy adopted by IDA over many years to achieve a balanced mix in FDI in Ireland has been proven over the past year to be a sound one. Ireland has a good mix of high quality global businesses across a number of key sectors and within them. This year we will see strong growth in some sectors. We are experiencing an exceptionally strong year in the pharmaceuticals and healthcare sectors and will probably deliver the strongest performance in this sector for at least a decade, winning a significant number of new investments. In international services the steady flow of inward investment continues, with some particular success in promoting regional locations for such projects. Meanwhile, a revival of confidence in the ICT sector is being led by the leading companies, most clearly evidenced by Intel's decision to proceed with its \$2 billion FAB 24 plant in Ireland.

We have every confidence that Ireland can continue to be highly competitive for inward investment. However, that requires all of us to seek continual improvement in what we offer. We cannot afford to allow the economic slowdown of last year to reduce the urgency of implementing the programmes for improving Ireland's infrastructure and services. Speedy progress is essential on the key issues of access, telecommunications, electricity supply, waste management and education for skills. IDA remains fully committed to the regional development agenda but we have some serious concerns at the lack of timely delivery of key pieces of essential infrastructure in Objective One regions, especially telecommunications and access. We urge priority attention to these matters.

**Sean Dorgan**  
**Chief Executive**

# Report *(continued)*

## *Economic Impact of IDA Supported Companies*

The data in the table below originates from the new and more comprehensive “Annual Business Survey of Economic Impact”, undertaken by Forfás with support, in data collection, from the Survey Unit of the Economic and Social Research Institute (ESRI). The data cannot be compared with the former Irish Economy Expenditures Survey which was the previous basis for compiling this table.

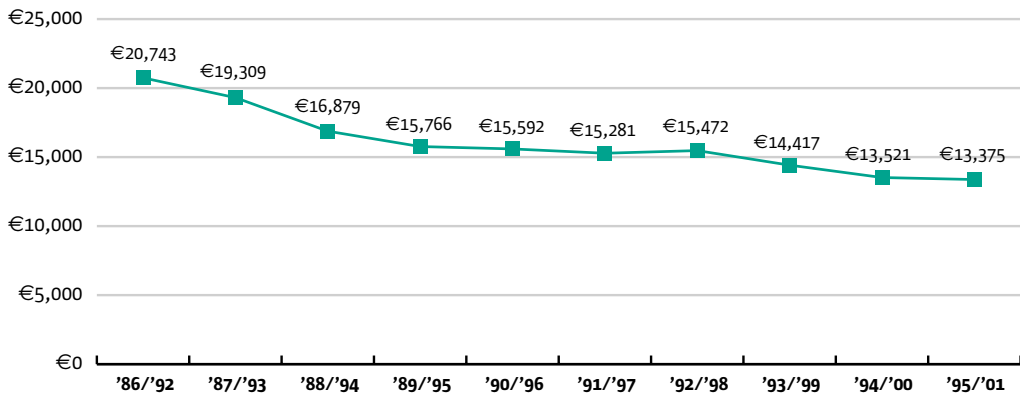
Current 2000 prices - € million

	<b>1999</b>	<b>2000</b>	<b>% Change 1999/2000</b>
Sales	42,856	<b>52,660</b>	+ 22.9
Exports	38,235	<b>47,016</b>	+ 23.0
Direct expenditure in the economy	11,609	<b>14,213</b>	+ 22.4
of which:			
Payroll costs	3,950	<b>4,684</b>	+ 18.6
Irish materials	4,700	<b>6,072</b>	+ 29.2
Irish services	2,959	<b>3,457</b>	+ 33.2
Direct expenditure as % of sales	27.1%	<b>27.0%</b>	- 0.1

Source: Forfás Annual Business Survey.

Note: The survey calculates companies which employ more than 10 people.

## Cost per Job Sustained



Constant 2001 prices

Source: Forfás Employment Survey 2001.

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.

## Origins of IDA Supported Companies

	2001
US	531
Germany	164
UK	162
Rest of Europe	275
Rest of the World	51
Far East	54
<b>Total</b>	<b>1,237</b>

## Total Employment by Sector

Sector	1997	1998	1999	2000	2001
Pharmaceuticals and Healthcare	16,174	17,219	18,850	20,012	<b>20,854</b>
Electronics and Engineering	57,763	60,281	62,468	69,880	<b>62,987</b>
Textile and Clothing	5,932	5,389	3,897	3,271	<b>2,690</b>
Miscellaneous Industry	8,455	8,182	7,680	7,813	<b>7,363</b>
International and Financial Services	21,099	27,280	34,077	41,054	<b>44,115</b>
<b>Total</b>	<b>109,423</b>	<b>118,351</b>	<b>126,972</b>	<b>142,030</b>	<b>138,009</b>

Source: Forfás Employment Survey

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

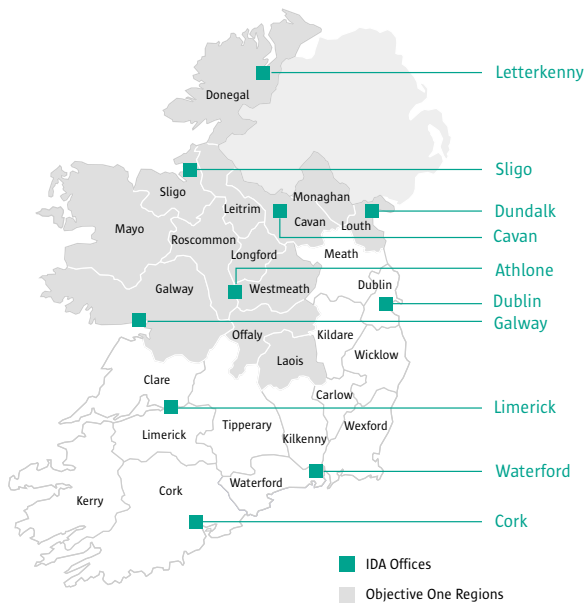
## New Jobs by Sector

Sector	1997	1998	1999	2000	2001
Pharmaceuticals and Healthcare	1,248	1,483	2,244	1,742	<b>1,663</b>
Electronics and Engineering	7,613	6,939	6,506	10,845	<b>3,868</b>
Textile and Clothing	141	104	261	265	<b>303</b>
Miscellaneous Industry	656	384	333	715	<b>555</b>
International and Financial Services	5,110	7,244	8,605	9,591	<b>7,125</b>
<b>Total</b>	<b>14,768</b>	<b>16,154</b>	<b>17,949</b>	<b>23,158</b>	<b>13,514</b>

Source: Forfás Employment Survey

Note 1: New jobs means all new first time jobs and jobs filled in companies recovering their employment levels from cutbacks in previous years.

Note 2: Sectors are defined by NACE code, which is the standard statistical classification of economic activities in the EU.



IDA Ireland has nine offices outside Dublin, strategically located across the regions, six being in Objective One regions.

**Athlone** – headquarters for Regional Development and Property and the Healthcare sector.

# Regional Development

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A number of these offices have national responsibilities, as well as their Regional Office function:

**Sligo** – the Engineering & Consumer Products sector and International Services.

**Waterford** – Information & Communications Technologies (ICT) and Engineering and Consumer Products sectors.

## Employment by Region – IDA-Backed Companies

Area	Region	1997	1998	1999	2000	2001
Border	North-West/Donegal	6,622	6,461	5,486	5,375	<b>5,408</b>
	North-East	4,752	4,879	4,863	5,122	<b>4,143</b>
Midlands & West	Midlands	6,395	6,465	6,006	6,120	<b>5,889</b>
	West	9,978	10,969	11,094	13,049	<b>13,002</b>
<b>Total Objective One Regions</b>		<b>27,747</b>	<b>28,774</b>	<b>27,449</b>	<b>29,666</b>	<b>28,442</b>
South	Mid-West	11,235	12,142	13,288	14,511	<b>13,811</b>
	South-West	13,744	15,110	16,506	19,647	<b>20,306</b>
	South-East	9,845	9,755	9,877	9,843	<b>10,214</b>
East Region		46,852	52,570	59,852	68,363	<b>65,236</b>
<b>Total</b>		<b>109,423</b>	<b>118,351</b>	<b>126,972</b>	<b>142,030</b>	<b>138,009</b>

Source: Forfás Employment Survey.

# Board

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 operations. 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 on grant aid above these levels to Government.

In accordance with the Ethics in Public Office Act, 1995, IDA Ireland Board members furnish a Statement of Interest to the Public Offices Commission and to the Secretary.

## **John Dunne**

Chairman, IDA Ireland.  
Former Director General,  
Irish Business & Employers  
Confederation (IBEC).

## **Bernard Collins**

CEO, Lifemed Consulting  
Limited and Director of a  
number of other medical  
device companies.  
Director, Aerogen Inc.  
President of American  
Chamber of Commerce.

## **Kieran Corrigan**

Managing Partner,  
Kieran Corrigan & Co.,  
Chartered Accountants.  
Managing Director,  
Merlin Films Group Limited.

## **Sean Dorgan**

Chief Executive, IDA Ireland.  
Board Member, Forfás.

## **Gary Duffy**

Managing Director,  
Haswell Consulting Limited.  
Chairman/Director of a number  
of other technology companies.

## **Ann Marie Gill**

Human Resources Director for  
European Operations, General  
Electric Insurance Holdings.

## **Brid Horan**

General Manager Pensions, ESB.  
Director, ESB International.  
Commissioner, National Pensions  
Reserve Fund.

## **Gary Kennedy**

Group Director, Finance,  
Risk & Enterprise Networks  
& e.Business, AIB Group.  
Board Director, Galway  
University Foundation.

## **Ronald Long**

Assistant Secretary,  
Department of Enterprise,  
Trade & Employment.  
Board Member, Nitrigin  
Éireann Teo.

## **Thomas Lynch**

Executive Vice-Chairman,  
Elan Corporation, plc.  
Chairman, Amarin Corporation plc.  
Director, ICON plc.

## **Dr. Frank McCabe**

Director, Citibank Plc.  
Director, Science  
Foundation Ireland.

## **Nial Ring**

Managing Director,  
Greencastle Investments Limited.  
Chairman, Pubxchange.com  
Limited.

## **Dick Ryan**

Secretary.

P.J. Dineen retired at the end of  
2001, in line with the normal  
process of rotational retirement.

Brid Horan was re-appointed to  
the Board at the end of 2001.

# 2002 Committees

## Audit & Finance Committee:

Assists and supports the Board in discharging its legal and accounting responsibilities; communicates with external auditors and evaluates and co-ordinates the internal audit function; reviews financial planning and monitors budgeting and banking arrangements.

### *Members:*

Nial Ring (Chair)  
Kieran Corrigan  
John Dunne  
Ronald Long

## Investment Committee:

Reviews proposals for grant assistance on a delegated basis from the Board to approve up to a maximum of €1.5 million.

### *Members:*

Gary Kennedy (Chair)  
Kieran Corrigan  
Sean Dorgan  
Ann Marie Gill  
Ronald Long

## Management Development & Remuneration Committee:

Responsible for reviewing performance of the 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)  
Sean Dorgan  
Brid Horan  
Dr. Frank McCabe

## Property Committee:

Reviews policy with regard to the financing, provision, maintenance and disposal of property and approves procedures with regard to tendering and awarding of contracts.

### *Members:*

Gary Duffy (Chair)  
Sean Dorgan  
Brid Horan  
Thomas Lynch  
Dr. Frank McCabe

# Statutory Obligations

## Equality in IDA Ireland

Equality is an established priority for IDA and the principles continue to be endorsed by the CEO and Management Committee. The organisation has a progressive equality agenda and new initiatives are developed, on an ongoing basis, to reinforce our commitment to this area.

IDA Ireland is an Equal Opportunities employer. To this end we are committed to ensuring that no staff member of IDA, or applicant for employment to 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 travelling community or any other grounds not relevant to good employment practice.

The Employment Equality Act 1998 is comprehensive and deals with discrimination in work related areas including - access to employment, employment conditions, training, work experience, advancement etc. During 2001 specific attention was paid to the areas of selection and recruitment, staff development & training, promotion, work/life balance and anti-harassment measures. We developed and implemented a number of initiatives such as a Traineeship Scheme, a Scholarship Programme and a Secondment

programme all of which assist staff in acquiring the appropriate skills/knowledge to enable them achieve promotion. In addition, there is a comprehensive set of policies to enable staff develop a desirable balance between their work and personal priorities, i.e. job sharing, career breaks, flexible working hours, phased parental leave, etc

## The Equality Objective

Our continued focus in the area of equality is to develop and encourage an equality culture and attitude within the organisation. The objective is to ensure that all staff are treated fairly and are provided with equal opportunity for development and career progression. This involves integrating equality into day-to-day performance management and staff development programmes, so that it becomes part of the culture of the organisation and a core management practice - encouraged by all managers and adopted by all staff throughout the organisation.

## Safety, Health and Welfare Act (1989)

In accordance with the Safety, Health and Welfare Act (1989) IDA Ireland adopted the written safety statement of the former Industrial Development Authority and continues to implement appropriate measures to protect the safety and health of all employees and visitors within its offices.

## Worker Participation (State Enterprise) Act 1988

Sub-Board consultative structures are operating effectively in IDA Ireland and are now 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.

## Ethics in Public Office Act, 1995

In accordance with the Ethics in Public Office Act, 1995, all IDA Ireland staff holding designated positions have completed Statements of Interest in compliance with the provisions of the Act.

## Freedom of Information Act, 1997

This Act became effective in relation to IDA Ireland on the 30th March 2001. Requests for information under this Act should be addressed to the Freedom of Information Executive, IDA Ireland, Wilton Park House, Wilton Place, Dublin 2.

## Energy Efficiency

In June 2001 the Government issued a memorandum requiring all State Agencies to report, in their Annual Report, on measures being taken to reduce energy usage, where they have responsibility for new buildings or major refurbishment of buildings and/or in buildings occupied by them.

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 areas (e.g. energy, health & safety, etc). In relation to the buildings occupied by IDA Ireland, its headquarters in Dublin and its regional offices, these conform to 'best practice' principles in all areas (e.g. energy, health & safety, etc).

### Prompt Payment of Accounts Act, 1997

The Prompt Payment of Accounts Act, 1997, came into operation on 2 January 1998. IDA Ireland comes under the remit of the Act. The following is the report on the payment practices of the Agency for the year ended 31 December 2001 in accordance with the requirements as set out in schedule 12 of the Act.

It is the policy of IDA Ireland to ensure that all invoices are paid promptly. Specific systems are in place to enable all invoices to be tracked and to ensure that payments are made before their due date. Invoices are logged on a daily basis and cheques are issued as required to ensure prompt payment. These controls are designed to provide reasonable, and not absolute, assurance against non-compliance with the Act.

During 2001 the total number of late payments, with individual values in excess of €317 (IR£250), was 115 and they were, on average, 8 days over the due date. The total value of these late payments was €543,228 (IR£427,827) representing 0.53% of total payments made by the Agency, with associated penalty interest payments totalling €1,192 (IR£939). Approximately 97.8% of all payment demands were paid within the prescribed timeframe.

**Sean Dorgan**  
Chief Executive

Report of the Comptroller and Auditor General pursuant to Section 13 of the Prompt Payment of Accounts Act, 1997

### Responsibilities of the Agency and of the Comptroller and Auditor General

The Agency is obliged to comply with the Act and, in particular, is required

- to pay its suppliers by the appropriate payment date
- if payment to a supplier is late, to include the appropriate penalty interest with the payment together with the information required by Section 6
- to disclose its payment practices in the period in the appropriate way.

Under Section 13 of the Act, it is my responsibility, as auditor of the Industrial Development Agency (Ireland), to report on whether, in all material respects, the Agency has complied with the provisions of the Act.

### Basis of Opinion

My examination included a review of the payment systems and procedures in place and checking, on a test basis, evidence relating to the operation of the Act by the Agency during the year.

### Opinion

As a result of my examination, it is my opinion that the Agency complied in all material respects with the provisions of the Act during the year ended 31 December 2001.



**John Purcell**  
Comptroller and Auditor General  
17 June 2002

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# Financial 21 ements 2001

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

I have audited the financial statements on pages 24 to 39 under the Industrial Development Act, 1993.

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

The accounting responsibilities of the Board of the Agency are set out in the Statement of Board Members' Responsibilities on page 23. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me by the Agency and to report on them.

## 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 auditing standards 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 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 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, proper books of account have been kept by the Agency and the financial statements, which are in agreement with them, give a true and fair view of the state of affairs of the Industrial Development Agency (Ireland) at 31 December 2001 and of its income and expenditure and cash flow for the year then ended.



**John Purcell**

Comptroller and Auditor General

17 June 2002

# 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 Employment 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 the 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:

**John Dunne**  
Chairman

**Sean Dorgan**  
Chief Executive

**Nial Ring**  
Chairman, Audit and  
Finance Committee

# Basis of Accounting

- (1) The Financial Statements have been prepared in accordance with the historical cost convention in the form approved by the Minister for Enterprise, Trade and Employment with the consent of the Minister for Finance and are denominated in euro and Irish Pounds.**

**The Financial Statements are prepared on an accrual basis, except where stated below. The financial year is 1 January to 31 December.**

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

- (2) Tangible Fixed Assets comprise:**

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

- (3) 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.

- (4) Investments consist entirely of equity investments.**

- (5) Accounts Receivable comprise amounts due in respect of:**

- (a) Properties sold on a deferred basis. Interest is charged on these amounts at the Exchequer Lending Rates advised by the Department of Finance;
- (b) Rents due under the terms of lease agreements, for periods of up to 35 years, entered into between the Agency and tenants and charges for the use of Undeveloped Lands;
- (c) Fees from purchase options given on IDA property, deposits paid by IDA for the purchase of property where title had not been received, and the provision of other services;
- (d) Amounts due in respect of the disposal of telecommunication assets.

- (6) Accounts Payable comprise amounts payable in respect of:**

- (a) Creditors;
- (b) Grants that have matured for payment;
- (c) Deposits received in respect of disposals of property in progress;
- (d) Amounts due in respect of the purchase of telecommunication assets.

- (7) By way of memorandum Income and Expenditure in respect of Industrial Property transactions are set out in note 20 to the Financial Statements.**

# Accounting Policies

## (1) Income recognition

Income from Oireachtas grants, grant refunds, the European Social Fund, and investments represent actual cash received.

## (2) Carrying Amounts, Depreciation and Provisions for Impairment

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

## (3) 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.

## (4) Grants Payable

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

## (5) 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.

## (6) Operating Leases

The rentals under operating leases are dealt with in the Financial Statements as they fall due.

## (7) Capital

Capital represents funds utilised for the acquisition of Industrial Property, Other Fixed Assets, Telecommunication Assets and Investments taking account of disposals, depreciation charges and, where applicable, provisions for impairment in the carrying amounts.

## (8) Telecommunication Assets Reserve

Profits arising on the disposal of Telecommunications Assets are not realised until such time as the consideration price is received. Unrealised profits are transferred to a special Capital Reserve Account pending receipt of the consideration.

## (9) Superannuation

All IDA staff are employees of Forfás and are seconded to the Agency by Forfás. Under Sections 2 and 3 of the Second Schedule of the Industrial Development Act, 1993, Forfás is responsible for all employee pension entitlements. Forfás is also responsible for pension reporting requirements, including those set out under FRS 17. IDA makes contributions to Forfás in respect of staff seconded. These contributions are dealt with in the Operating Account in the period to which they relate.

# Operating Account

for year ended 31 December 2001

	Notes	2001 €'000	2000 €'000	2001 IR€'000	2000 IR€'000
<b>INCOME</b>					
Oireachtas Grants	1	<b>141,668</b>	190,626	<b>111,573</b>	150,130
National Training Fund	1(b)	<b>2,539</b>	-	<b>2,000</b>	-
EU Structural Funds	2	<b>5,671</b>	4,624	<b>4,466</b>	3,642
Grant Refunds		<b>21,419</b>	15,213	<b>16,869</b>	11,981
Rental Income		<b>5,904</b>	7,485	<b>4,650</b>	5,895
Less Rental Income received from Enterprise Ireland Clients	3 (a)	<b>(1,347)</b>	(1,298)	<b>(1,061)</b>	(1,022)
Other Income	4	<b>1,756</b>	2,989	<b>1,383</b>	2,354
Profit on Disposal of Assets	5	<b>33,783</b>	66,073	<b>26,606</b>	52,037
		<b>211,393</b>	285,712	<b>166,486</b>	225,017
<b>EXPENDITURE</b>					
Grants Payable	6	<b>109,015</b>	150,539	<b>85,856</b>	118,559
Promotion and Administration	7 (a)	<b>31,360</b>	30,226	<b>24,698</b>	23,806
Industrial Building Charges	8	<b>6,211</b>	4,476	<b>4,892</b>	3,525
Depreciation Charges and Provisions	13	<b>11,569</b>	12,036	<b>9,111</b>	9,479
		<b>158,155</b>	197,277	<b>124,557</b>	155,369
Net Operating Surplus for Year		<b>53,238</b>	88,435	<b>41,929</b>	69,648
Contribution to the Exchequer	14	<b>(33,931)</b>	(27,577)	<b>(26,723)</b>	(21,719)
Transfers to other State Bodies	11(a)	<b>(2,953)</b>	-	<b>(2,326)</b>	-
Balance at 1 January		<b>12,284</b>	38,074	<b>9,674</b>	29,986
Transfer to Telecommunication Asset Reserve		-	(3,240)	-	(2,552)
Transfer (to)/from Capital	15	<b>(11,075)</b>	(83,408)	<b>(8,722)</b>	(65,689)
<b>Balance at end of year</b>		<b>17,563</b>	12,284	<b>13,832</b>	9,674

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 23 form part of these Financial Statements.

On behalf of the Board:

**John Dunne**  
Chairman

**Sean Dorgan**  
Chief Executive

**Nial Ring**  
Chairman, Audit and Finance Committee

# Balance Sheet

as at 31 December 2001

	Notes	2001 €'000	2000 €'000	2001 IR€'000	2000 IR€'000
<b>TANGIBLE FIXED ASSETS</b>					
Industrial Property	9	<b>181,537</b>	163,847	<b>142,972</b>	129,040
Other Fixed Assets	10	<b>1,573</b>	414	<b>1,239</b>	326
		<b>183,110</b>	164,261	<b>144,211</b>	129,366
<b>INTANGIBLE ASSETS AND INVESTMENTS</b>					
Telecommunication Assets	11	<b>28,929</b>	36,703	<b>22,783</b>	28,906
Investments	12	<b>2,489</b>	2,489	<b>1,960</b>	1,960
<b>Total Tangible and Intangible Assets and Investments</b>		<b>214,528</b>	203,453	<b>168,954</b>	160,232
<b>CURRENT ASSETS</b>					
Accounts Receivable	16	<b>38,391</b>	38,032	<b>30,235</b>	29,953
Cash at Bank and on hand		<b>4,839</b>	5,807	<b>3,811</b>	4,573
		<b>43,230</b>	43,839	<b>34,046</b>	34,526
<b>CURRENT LIABILITIES</b>					
Accounts Payable	17	<b>25,776</b>	31,430	<b>20,300</b>	24,753
<b>Net Current Assets</b>		<b>17,454</b>	12,409	<b>13,746</b>	9,773
<b>LONG TERM RECEIVABLES</b>					
Accounts Receivable: amounts falling due after more than one year	16	<b>3,349</b>	18,640	<b>2,638</b>	14,680
<b>LONG TERM LIABILITIES</b>					
Accounts Payable: amounts falling due for payment after more than one year	17	-	15,525	-	12,227
<b>Net Assets</b>		<b>235,331</b>	218,977	<b>185,338</b>	172,458
<b>REPRESENTING:</b>					
<b>Capital</b>	15	<b>214,528</b>	203,453	<b>168,954</b>	160,232
<b>Operating Account</b>		<b>17,563</b>	12,284	<b>13,832</b>	9,674
<b>Telecommunication Assets Reserve</b>	11(b)	<b>3,240</b>	3,240	<b>2,552</b>	2,552
		<b>235,331</b>	218,977	<b>185,338</b>	172,458

The Basis of Accounting, Accounting Policies, Cash Flow Statement and Notes 1 to 23 form part of these Financial Statements.

On behalf of the Board:

**John Dunne**  
Chairman

**Sean Dorgan**  
Chief Executive

**Nial Ring**  
Chairman, Audit and Finance Committee

# Cash Flow Statement

for year ended 31 December 2001

	Notes	2001 €'000	2000 €'000	2001 IR£'000	2000 IR£'000
<b>RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>					
Net Operating Surplus for Year		<b>53,238</b>	88,435	<b>41,929</b>	69,648
Depreciation Charges:					
- Industrial Property	13	<b>6,052</b>	6,450	<b>4,766</b>	5,080
- Fixed Assets and Intangible Assets	13	<b>5,517</b>	5,586	<b>4,345</b>	4,399
Expenditure Capitalised	7 (a)	<b>(338)</b>	(486)	<b>(266)</b>	(383)
Provisions for impairment:					
- Industrial Property		-	-	-	-
- Investments		-	-	-	-
Profit on Disposal of Property, Telecommunication Assets and Investments	5	<b>(33,783)</b>	(66,073)	<b>(26,606)</b>	(52,037)
Bank Interest and Dividends Received	4	<b>(778)</b>	(1,083)	<b>(612)</b>	(853)
(Increase)/decrease in Accounts Receivable amounts falling due within one year		<b>(359)</b>	(12,623)	<b>(282)</b>	(9,942)
(Decrease)/increase in Accounts Payable		<b>(5,654)</b>	21,522	<b>(4,453)</b>	16,950
Decrease/(increase) in Accounts Receivable amounts falling due after more than one year		<b>15,291</b>	(10,617)	<b>12,043</b>	(8,361)
(Decrease)/increase in Accounts Payable amounts falling due after more than one year		<b>(15,525)</b>	15,525	<b>(12,227)</b>	12,227
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>23,661</b>	46,636	<b>18,637</b>	36,728
<b>CASH FLOW STATEMENT</b>					
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>23,661</b>	46,636	<b>18,637</b>	36,728
<b>Contribution to the Exchequer</b>	14	<b>(33,931)</b>	(27,577)	<b>(26,723)</b>	(21,719)
<b>Returns on Investment and Servicing of Finance</b>	21 (a)	<b>778</b>	1,083	<b>612</b>	853
<b>Telecommunication Assets Deposit</b>		-	7,761	-	6,113
<b>Capital expenditure and financial investment</b>					
Acquisitions	21 (b)	<b>(36,585)</b>	(144,081)	<b>(28,814)</b>	(113,473)
Disposals	21 (c)	<b>45,109</b>	115,198	<b>35,526</b>	90,726
Net capital expenditure and financial investment		<b>8,524</b>	(28,883)	<b>6,712</b>	(22,747)
<b>Cash inflow/(outflow) before use of financing</b>		<b>(968)</b>	(980)	<b>(762)</b>	(772)
Financing	21 (d)	-	-	-	-
<b>Increase/(Decrease) in cash for the period</b>		<b>(968)</b>	(980)	<b>(762)</b>	(772)
<b>Reconciliation of net cash flow to movement in net funds</b>					
Change in net debt resulting from cash flows	21 (e)				
Net funds at 31 December		<b>4,839</b>	5,807	<b>3,811</b>	4,573
Net funds at 1 January		<b>5,807</b>	6,787	<b>4,573</b>	5,345
<b>Movement in net funds in the period</b>		<b>(968)</b>	(980)	<b>(762)</b>	(772)

# Notes to the Financial Statements

for year ended 31 December 2001

## 1 OIREACHTAS GRANTS

- (a) The Oireachtas Grants are provided under Section 33 of the Industrial Development Act, 1998. The aggregate amount provided to IDA in the period 1 January 1994 to 31 December 2001 was €1139m (IR£897m).

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

	2001 €'000	2000 €'000	2001 IR£'000	2000 IR£'000
Grant for Promotion and Administration				
Expenditure	29,029	22,132	22,862	17,430
Grant for Industry	85,835	133,932	67,601	105,480
Grant for Industrial Property	26,804	34,562	21,110	27,220
	<b>141,668</b>	190,626	<b>111,573</b>	150,130

The Oireachtas Grant for Industry may be supported by funding from the European Regional Development Fund under the Operational Programme for Industry. The Department of Enterprise, Trade and Employment has confirmed that no ERDF funding was applied in support of IDA Oireachtas Grant in 2001 (2000 nil). The grant for Industrial Property in 2001 includes an amount of €23.3m/IR£18.3m (€31.1m/IR£24.5m in 2000) which was provided for the purpose of making payments under a contract for the acquisition of Telecommunication Assets.

### (b) National Training Fund

With effect from 1 January 2001 training grants paid with a total value of €2.539m (IR£2M) were met with funds received through the Department of Enterprise, Trade and Employment from the National Training Fund.

## 2 EUROPEAN STRUCTURAL FUNDS

	Total €'000	ESF Receipts €'000	Industry Research & Development Scheme (Measure 1) €'000	Retex Operational Programme €'000	Research & Innovation Technology & Initiative €'000	Industry Research & Development Scheme (Measure 3) €'000
Cash at Bank 1 January	87	-	50	31	6	-
European Structural Fund Receipts/ (Refunded to Enterprise Ireland)	5,671	-	1,892	(31)	3,422	388
Grant Payments funded	5,758	-	1,942	-	3,428	388
Cash at Bank 31 December	-	-	-	-	-	-
	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>
Cash at Bank 1 January	70	-	40	25	5	-
European Structural Fund Receipts/ (Refunded to Enterprise Ireland)	4,466	-	1,490	(25)	2,695	306
Grant Payments Funded	4,536	-	1,530	-	2,700	306
Cash at Bank 31 December	-	-	-	-	-	-

### (a) Industry Research & Development Scheme (Measures 1 & 3)

The EU funded Industry Research & Development Scheme (Measure 1 & Measure 3) aims to address an identified need for demand-led Research & Development in industry by providing support to encourage product and process development initiatives. In Ireland the Scheme is administered by Enterprise Ireland, the agency charged with development of indigenous industry.

# Notes to the Financial Statements

for year ended 31 December 2001

## 2 EUROPEAN STRUCTURAL FUNDS (*continued*)

### (b) RETEX Operational Programme

The EU funded RETEX Operational Programme is specifically designed to address weaknesses common to many sectors of industry including outdated production methods, inadequate focus on design and fragmentation. The funds are intended to be applied across all industrial sectors to encourage diversification of economic activity in regions of the European Union with heavy reliance on the textile and clothing sectors. In Ireland the Programme is administered by Enterprise Ireland.

### (c) Research Technology & Innovation Initiative

The EU funded Industry Research Technology & Innovation Initiative aims to bring about a substantial increase in the level of high quality Research & Development in businesses in Ireland and to ensure an integrated and unified approach to research related activities and the technological aspects of company development. In Ireland the Programme is administered by Enterprise Ireland.

## 3 RENTAL INCOME

### (a) Enterprise Ireland

Rents received of €1.3m (IR£1.1m) represent rents received by IDA from Enterprise Ireland client companies. This amount was transferred to Enterprise Ireland in 2001 as required by the Department of Enterprise, Trade and Employment.

### (b) IDA Ireland

Gross rents receivable from client companies in 2001 was €4.6m (IR£3.6m) which includes Rent Reduction grants amounting to €368k (IR£290k) that are included in Grants Payable in note 6.

## 4 OTHER INCOME

	<b>2001</b>	2000	<b>2001</b>	2000
	€'000	€'000	IR£'000	IR£'000
Dividends	<b>93</b>	584	<b>73</b>	460
Bank Interest	<b>685</b>	499	<b>539</b>	393
Fee Income in respect of Undeveloped Lands	<b>495</b>	613	<b>390</b>	483
Interest on Industrial Property Sales	<b>473</b>	550	<b>373</b>	433
Sundry Income	<b>10</b>	743	<b>8</b>	585
	<b>1,756</b>	2,989	<b>1,383</b>	2,354

## 5 PROFIT ON DISPOSAL OF ASSETS

	<b>2001</b>	2000	<b>2001</b>	2000
	€'000	€'000	IR£'000	IR£'000
Consideration (net of fees and direct expenses)	<b>45,109</b>	114,704	<b>35,526</b>	90,337
Historical Cost	<b>(22,921)</b>	(60,206)	<b>(18,051)</b>	(47,416)
Write back of provision for impairment	<b>3,568</b>	4,564	<b>2,810</b>	3,595
Write back of provision for depreciation	<b>8,027</b>	7,011	<b>6,321</b>	5,521
	<b>33,783</b>	66,073	<b>26,606</b>	52,037

# Notes to the Financial Statements

for year ended 31 December 2001

## 6 GRANTS PAYABLE

	2001	2000	2001	2000
	€'000	€'000	IR€'000	IR€'000
Existing Industries	14,726	18,231	11,598	14,358
New Skills and Technologies Employment	26,543	26,993	20,904	21,259
Training	59,448	80,837	46,818	63,665
Industry Research & Development Scheme (Measure 1) (see also note 2 (a))	2,540	2,955	2,000	2,327
RETEX Operational Programme (see also note 2 (b))	1,942	1,621	1,530	1,277
Measure 3 (see also note 2(a))	-	116	-	91
Research Technology & Innovation Initiative (see also note 2 (c))	388	69	306	54
Grants payable by SFADCo	3,428	1,651	2,700	1,300
	-	18,066	-	14,228
	<b>109,015</b>	150,539	<b>85,856</b>	118,559

## 7 (a) PROMOTION, ADMINISTRATION AND GENERAL EXPENSES

	2001	2000	2001	2000
	€'000	€'000	IR€'000	IR€'000
Board Members' fees, expenses and remuneration	378	287	298	226
Other remuneration costs	17,906	16,446	14,102	12,953
Marketing, consultancy, promotion and advertising	4,779	6,114	3,764	4,815
General Administration	8,185	7,426	6,446	5,849
Audit Fee	37	34	29	27
Provision for Doubtful Debts	413	405	325	319
Less: Capitalisation of expenditure associated with industrial property development	(338)	(486)	(266)	(383)
	<b>31,360</b>	30,226	<b>24,698</b>	23,806

(b) OTHER REMUNERATION COSTS COMPRISE:	2001	2000	2001	2000
	€'000	€'000	IR€'000	IR€'000
Wages and Salaries	16,765	15,377	13,204	12,111
Social Welfare Costs - Employer's Contribution	533	457	419	360
Pension Costs - Employer's Contribution	608	612	479	482
	<b>17,906</b>	16,446	<b>14,102</b>	12,953

All IDA staff are employees of Forfás and are seconded to the Agency by Forfás.

## (c) COMMITMENTS UNDER OPERATING LEASES

The current annual commitment under operating leases is €8.8m (IR€6.9m). These leases will expire as follows:

	2001	2000	2001	2000
	€'000	€'000	IR€'000	IR€'000
within one year	232	99	183	78
in the second to fifth years inclusive	134	284	106	224
more than 5 years	8,437	8,276	6,645	6,518
	<b>8,803</b>	8,659	<b>6,934</b>	6,820

# Notes to the Financial Statements

for year ended 31 December 2001

## 8 INDUSTRIAL BUILDING CHARGES

These charges include the net rents paid in respect of industrial buildings provided by the private sector together with insurance, security and maintenance costs in respect of all promotable industrial buildings held by IDA.

## 9 TANGIBLE FIXED ASSETS - INDUSTRIAL PROPERTY STATED IN €'000

	Land €'000	Site Development €'000	Industrial Property Occupied under Leases €'000	Vacant Industrial Property €'000	Total €'000
<b>Cost</b>					
At 1 January	113,461	65,228	51,040	8,354	<b>238,083</b>
Additions	23,912	9,878	1,267	11	<b>35,068</b>
Transfers	-	-	2,543	(2,543)	-
Disposals	(3,788)	(5,553)	(12,993)	(348)	<b>(22,682)</b>
At 31 December	133,585	69,553	41,857	5,474	<b>250,469</b>
<b>Provision for impairment</b>					
At 1 January	2,464	6,308	7,287	1,151	<b>17,210</b>
Charge for Year	-	-	-	-	-
Transfers	-	-	480	(480)	-
Disposals	(310)	(300)	(2,865)	(7)	<b>(3,482)</b>
At 31 December	2,154	6,008	4,902	664	<b>13,728</b>
<b>Depreciation</b>					
At 1 January	-	33,237	20,776	3,013	<b>57,026</b>
Charge for Year	-	4,750	1,079	223	<b>6,052</b>
Transfers	-	-	399	(399)	-
Disposals	-	(2,399)	(5,249)	(226)	<b>(7,874)</b>
At 31 December	-	35,588	17,005	2,611	<b>55,204</b>
<b>Net Book Amount</b>					
At 31 December	131,431	27,957	19,950	2,199	<b>181,537</b>
At 1 January	110,997	25,683	22,977	4,190	<b>163,847</b>
<b>Net Movement for Year</b>					<b>17,690</b>

# Notes to the Financial Statements

for year ended 31 December 2001

## TANGIBLE FIXED ASSETS - INDUSTRIAL PROPERTY STATED IN IRE'000

	Land IRE'000	Site Development IRE'000	Industrial Property Occupied under Leases IRE'000	Vacant Industrial Property IRE'000	Total IRE'000
<b>Cost</b>					
At 1 January	89,358	51,371	40,197	6,579	<b>187,505</b>
Additions	18,832	7,780	998	9	<b>27,619</b>
Transfers	-	-	2,003	(2,003)	-
Disposals	(2,983)	(4,373)	(10,233)	(274)	<b>(17,863)</b>
At 31 December	105,207	54,778	32,965	4,311	<b>197,261</b>
<b>Provision for impairment</b>					
At 1 January	1,941	4,968	5,739	906	<b>13,554</b>
Charge for Year	-	-	-	-	-
Transfers	-	-	378	(378)	-
Disposals	(244)	(236)	(2,256)	(6)	<b>(2,742)</b>
At 31 December	1,697	4,732	3,861	522	<b>10,812</b>
<b>Depreciation</b>					
At 1 January	-	26,176	16,362	2,373	<b>44,911</b>
Charge for Year	-	3,741	850	176	<b>4,767</b>
Transfers	-	-	314	(314)	-
Disposals	-	(1,889)	(4,134)	(178)	<b>(6,201)</b>
At 31 December	-	28,028	13,392	2,057	<b>43,477</b>
<b>Net Book Amount</b>					
At 31 December	103,510	22,018	15,712	1,732	<b>142,972</b>
At 1 January	87,417	20,227	18,096	3,300	<b>129,040</b>
<b>Net Movement for Year</b>					<b>13,932</b>

- (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 cost of Industrial Property Occupied under Leases is €1.3m (IRE1m) being sales in the course of completion where title had not passed at 31 December 2001.

# Notes to the Financial Statements

## for year ended 31 December 2001

### 10 OTHER FIXED ASSETS

Cost	Motor	Office and	Total	Motor	Office and	Total
	Vehicles	Computer		Vehicles	Computer	
	€'000	Equipment, Fixtures & Fittings	€'000	IRE'000	Equipment, Fixtures & Fittings	IRE'000
At 1 January	44	6,354	<b>6,398</b>	35	5,004	<b>5,039</b>
Additions	-	1,855	<b>1,855</b>	-	1,461	<b>1,461</b>
Disposals	-	(153)	<b>(153)</b>	-	(120)	<b>(120)</b>
<b>At 31 December</b>	<b>44</b>	<b>8,056</b>	<b>8,100</b>	<b>35</b>	<b>6,345</b>	<b>6,380</b>
<b>Depreciation</b>						
At 1 January	33	5,951	<b>5,984</b>	26	4,687	<b>4,713</b>
Charge for Year	11	685	<b>696</b>	9	539	<b>548</b>
Disposals	-	(153)	<b>(153)</b>	-	(120)	<b>(120)</b>
<b>At 31 December</b>	<b>44</b>	<b>6,483</b>	<b>6,527</b>	<b>35</b>	<b>5,106</b>	<b>5,141</b>
<b>Net Book Amount</b>						
At 31 December	-	1,573	<b>1,573</b>	-	1,239	<b>1,239</b>
At 1 January	11	403	<b>414</b>	9	317	<b>326</b>
<b>Net Movement for Year</b>			<b>1,159</b>			<b>913</b>

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 & Fittings 5 years
- (iii) Computer Equipment 3 years

### 11 TELECOMMUNICATION ASSETS

Pursuant to a Government decision IDA Ireland, in conjunction with the Department of Public Enterprise, entered into contracts in 1999 for the purchase of Telecommunications 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. A portion of the capacity purchased by IDA has been sold to a number of service providers.

Cost	2001	2000	2001	2000
	€'000	€'000	IRE'000	IRE'000
At 1 January	<b>41,946</b>	-	<b>33,035</b>	-
Additions	-	77,140	-	60,753
Transfer to Other State Bodies	<b>(3,375)</b>	-	<b>(2,658)</b>	-
Disposals	-	(35,194)	-	(27,718)
<b>At 31 December</b>	<b>38,571</b>	<b>41,946</b>	<b>30,377</b>	<b>33,035</b>
<b>Depreciation</b>				
At 1 January	<b>5,243</b>	-	<b>4,129</b>	-
Charge for Year	<b>4,821</b>	5,243	<b>3,797</b>	4,129
Transfers to other State Bodies	<b>(422)</b>	-	<b>(332)</b>	-
Disposals	-	-	-	-
<b>At 31 December</b>	<b>9,642</b>	<b>5,243</b>	<b>7,594</b>	<b>4,129</b>
<b>Net Book Amount</b>				
At 31 December	<b>28,929</b>	36,703	<b>22,783</b>	28,906
At 1 January	<b>36,703</b>	-	<b>28,906</b>	-
<b>Net Movement for Year</b>	<b>(7,774)</b>	<b>36,703</b>	<b>(6,123)</b>	<b>28,906</b>

# Notes to the Financial Statements

for year ended 31 December 2001

## 11 TELECOMMUNICATION ASSETS (*continued*)

The estimated useful life of Telecommunication Assets, by reference to which depreciation has been calculated, is 8 years

- (a) Transfers to other State Bodies during 2001 comprised the transfer of Telecommunication Assets to HEAnet under sanction received from the Department of Enterprise, Trade and Employment.
- (b) There were no sales of Telecommunication assets in 2001. The profit on sales in 2000 of €3.2m (IR£2.55m) has not yet been fully realised and continues to be treated as a special capital reserve until such time as the full sales consideration is received.

## 12 INVESTMENTS

	€'000	IR£'000
<b>Cost</b>		
At 1 January	2,704	2,129
Disposals	(86)	(68)
At 31 December	2,618	2,061
<b>Provision for impairment</b>		
At 1 January	215	169
Disposals	(86)	(68)
At 31 December	129	101
<b>Net Book Amount</b>		
At 31 December	2,489	1,960
At 1 January	2,489	1,960
<b>Net Movement for Year</b>	-	-

Investments Company	Activity	Type of Share	Cost of Acquisition	
			€'000	IR£'000
Container Graphics (Manufacturing) Ltd.	Moulds & Precision Equipment	Preference	76	60
Critical Path Inc.	Software Development	Ordinary	6	5
Mitsui Denman (I) Ltd.	Electronic Manganese Dioxide	Ordinary	559	440
Munekata Ireland Ltd	Plastic Mouldings	Ordinary	286	225
PGM Ballscrews Ireland Ltd.	Screw Machine Products	Ordinary	268	210
Trimfold Ltd.	Envelopes	Preference	86	68
Wessel Industries Holdings Ltd.	Cable Manufacturers	Ordinary	1,924	1,515
<b>Gross Cost of Investments</b>			3,205	2,523
Provision for impairment of the recoverable amount of shares transferred from Forfás to IDA Ireland			(587)	(462)
<b>Historic Cost of Investments at 31 December 2001</b>			2,618	2,061

# Notes to the Financial Statements

for year ended 31 December 2001

## 13 DEPRECIATION CHARGES AND PROVISIONS

	2001	2000	2001	2000
	€'000	€'000	IR£'000	IR£'000
<b>Depreciation Charges</b>				
- Industrial Property (see note 9)	6,052	6,450	4,766	5,080
- Fixed Assets (see note 10)	696	343	548	270
- Telecommunication Assets (see note 11)	4,821	5,243	3,797	4,129
<b>Provisions for impairment</b>				
- Industrial Property (see note 9)	-	-	-	-
	<b>11,569</b>	12,036	<b>9,111</b>	9,479

## 14 CONTRIBUTION TO THE EXCHEQUER

By agreement with the Department of Enterprise, Trade and Employment receipts from promotion and administration income, grant refunds, the sale of industrial property, and income derived from the sale of telecommunication assets to the extent that they exceed the Agency's expenditure requirements, are refundable to the Exchequer. Contributions totalling €33.9m (IR£26.7m), which were paid to the Exchequer in 2001 (€27.6m/IR£21.7m in 2000), comprised:

	2001	2000	2001	2000
	€'000	€'000	IR£'000	IR£'000
Promotions and Administration	-	335	-	264
Grant Refunds	7,452	3,151	5,869	2,482
Industrial Property Disposals	19,046	17,713	15,000	13,950
Telecommunication Assets	7,433	6,378	5,854	5,023
	<b>33,931</b>	27,577	<b>26,723</b>	21,719

## 15 CAPITAL

	Notes	2001	2000	2001	2000
		€'000	€'000	IR£'000	IR£'000
At 1 January		203,453	120,045	160,232	94,543
<b>Transfer (to)/from Operating Account</b>					
- Industrial Property	9	17,690	46,828	13,932	36,879
- Other Fixed Assets	10	1,159	(123)	913	(96)
- Telecommunications Assets	11	(7,774)	36,703	(6,123)	28,906
At 31 December		<b>214,528</b>	203,453	<b>168,954</b>	160,232

# Notes to the Financial Statements

for year ended 31 December 2001

## 16 ACCOUNTS RECEIVABLE

	2001 €'000	2000 €'000	2001 IR€'000	2000 IR€'000
<b>Amounts falling due within one year:</b>				
Accounts Receivable and Prepayments	8,790	6,700	6,923	5,277
Amounts due in respect of disposal of Telecommunication Assets	25,069	21,568	19,743	16,986
Amounts due in respect of disposal of Industrial Property	2,603	2,362	2,050	1,860
Amounts on deposit with Solicitors	1,034	7,316	814	5,762
Bank Interest	86	76	68	60
Other	809	10	637	8
	<b>38,391</b>	38,032	<b>30,235</b>	29,953
<b>Amounts falling due after more than one year:</b>				
Amounts due in respect of disposal of Industrial Property	3,349	6,362	2,638	5,010
Amounts due in respect of disposal of Telecommunication Assets	-	12,278	-	9,670
	<b>3,349</b>	18,640	<b>2,638</b>	14,680
	<b>41,740</b>	56,672	<b>32,873</b>	44,633

The amounts due of €3.3m (IR€2.6m) in respect of disposal of Industrial Property have arisen due to the agreed consideration being paid by installments over periods of up to 10 years.

## 17 ACCOUNTS PAYABLE

	2001 €'000	2000 €'000	2001 IR€'000	2000 IR€'000
<b>Amounts falling due within one year:</b>				
Accounts Payable and Accruals	7,012	5,852	5,523	4,609
Amounts due in respect of the acquisition of Telecommunication Assets	15,525	22,802	12,227	17,958
Grant Payment Accruals	2,582	2,230	2,033	1,756
Provision for amounts refundable in respect of uncompleted sales	657	546	517	430
	<b>25,776</b>	31,430	<b>20,300</b>	24,753
<b>Amounts falling due after more than one year:</b>				
Amounts due in respect of the purchase of Telecommunication Assets	-	15,525	-	12,227
	<b>25,776</b>	46,955	<b>20,300</b>	36,980

Provision for amounts refundable in respect of uncompleted sales represents amounts received, in respect of the sale of Industrial Property, where title had not passed from IDA to the purchaser at 31 December 2001.

# Notes to the Financial Statements

for year ended 31 December 2001

## 18 COMMITMENTS

It is estimated that future payments likely to arise from Grant Commitments amounted to €575m (£453m) as at 31 December 2001.

Capital Commitments outstanding at 31 December 2001 on contracts for the acquisition and development of Industrial Property amounted to €17.4m (IR£13.7m).

## 19 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 may result in a liability to taxes in some jurisdictions but given that this decision rests with the various jurisdictions in question, there are uncertainties in relation to the amount and timing of any liabilities, if any. At the balance sheet date it was not possible to make a reliable estimate of these possible contingent liabilities and, consequently, no provision has been made in the Financial Statements for the year ended 31 December 2001.

## 20 INDUSTRIAL PROPERTY INCOME AND EXPENDITURE

	2001 €'000	2000 €'000	2001 IR£'000	2000 IR£'000
<b>Income:</b>				
Oireachtas Grant	3,517	3,517	2,770	2,770
Rental Income IDA Ireland Client Companies	4,557	6,187	3,589	4,873
Fee Income in respect of Undeveloped Lands	495	613	390	483
Interest on Sales	473	550	373	433
Profit on Disposal of Industrial Property	33,697	62,750	26,539	49,420
	<b>42,739</b>	73,617	<b>33,661</b>	57,979
<b>Expenditure:</b>				
Promotion and Administration	2,049	1,855	1,614	1,461
Depreciation Charges and Provisions	6,052	6,450	4,767	5,080
Industrial Building Charges	6,211	4,476	4,892	3,525
	<b>14,312</b>	12,781	<b>11,273</b>	10,066
Net Movement for Year	<b>28,427</b>	60,836	<b>22,388</b>	47,913
Contribution to the Exchequer (see note 14)	<b>(19,046)</b>	(17,713)	<b>(15,000)</b>	(13,950)
Transfer from Capital (see note 15)	<b>(17,690)</b>	(46,828)	<b>(13,932)</b>	(36,879)
Contribution to/(from) Promotion and Administration activities	<b>(8,309)</b>	(3,705)	<b>(6,544)</b>	(2,916)

Surplus funds derived from industrial property are used to fund the Promotion and Administration activities of the Agency to the extent sanctioned by the Department of Enterprise, Trade and Employment.

# Notes to the Financial Statements

for year ended 31 December 2001

## 21 GROSS CASH FLOWS

	2001 €'000	2000 €'000	2001 IR€'000	2000 IR€'000		
<b>(a) Returns on Investment and Servicing of Finance</b>						
Dividends	93	584	73	460		
Bank Interest	685	499	539	393		
	<b>778</b>	<b>1,083</b>	<b>612</b>	<b>853</b>		
<b>(b) Capital expenditure and financial investment - Acquisitions</b>						
Purchase of tangible fixed assets						
- Industrial Property (see note 9)	(35,068)	(67,202)	(27,619)	(52,926)		
Purchase of Telecommunication Assets (see note 11)	-	(77,140)	-	(60,753)		
Expenditure Capitalised (see note 7(a))	338	486	266	383		
Purchase of Other Fixed Assets (see note 10)	(1,855)	(225)	(1,461)	(177)		
	<b>(36,585)</b>	<b>(144,081)</b>	<b>(28,814)</b>	<b>(113,473)</b>		
<b>(c) Capital expenditure and financial investment - Disposals</b>						
Disposal of tangible fixed assets						
- Industrial Property	45,023	76,677	35,458	60,388		
Disposal of tangible fixed assets						
- Telecommunication Assets	-	38,435	-	30,270		
Disposal of Other Fixed Assets	-	-	-	-		
Disposal of Investments	86	86	68	68		
	<b>45,109</b>	<b>115,198</b>	<b>35,526</b>	<b>90,726</b>		
<b>(d) Financing</b>						
Net current assets transferred from Forfás	-	-	-	-		
<b>(e) Analysis of Net Funds</b>						
	At 1 January 2001		Cash Flow		At 31 December 2001	
	€'000	IR€'000	€'000	IR€'000	€'000	IR€'000
Cash at Bank and on hand	5,807	4,573	(968)	(762)	4,839	3,811

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## 22 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 adopts 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 2001 bank interest amounting to €462k (IR€364k) was payable to IDA by a bank in which a Board Member was employed. Grants totalling €2.4m (IR€1.9m) were approved for a company in which another Board Member had declared an interest. Rent of €278k (IR€219k) was also payable by a company in which a further Board Member expressed an interest. The members concerned did not receive any documentation on the transactions nor did the members participate in or attend any Board discussion relating to these matters.

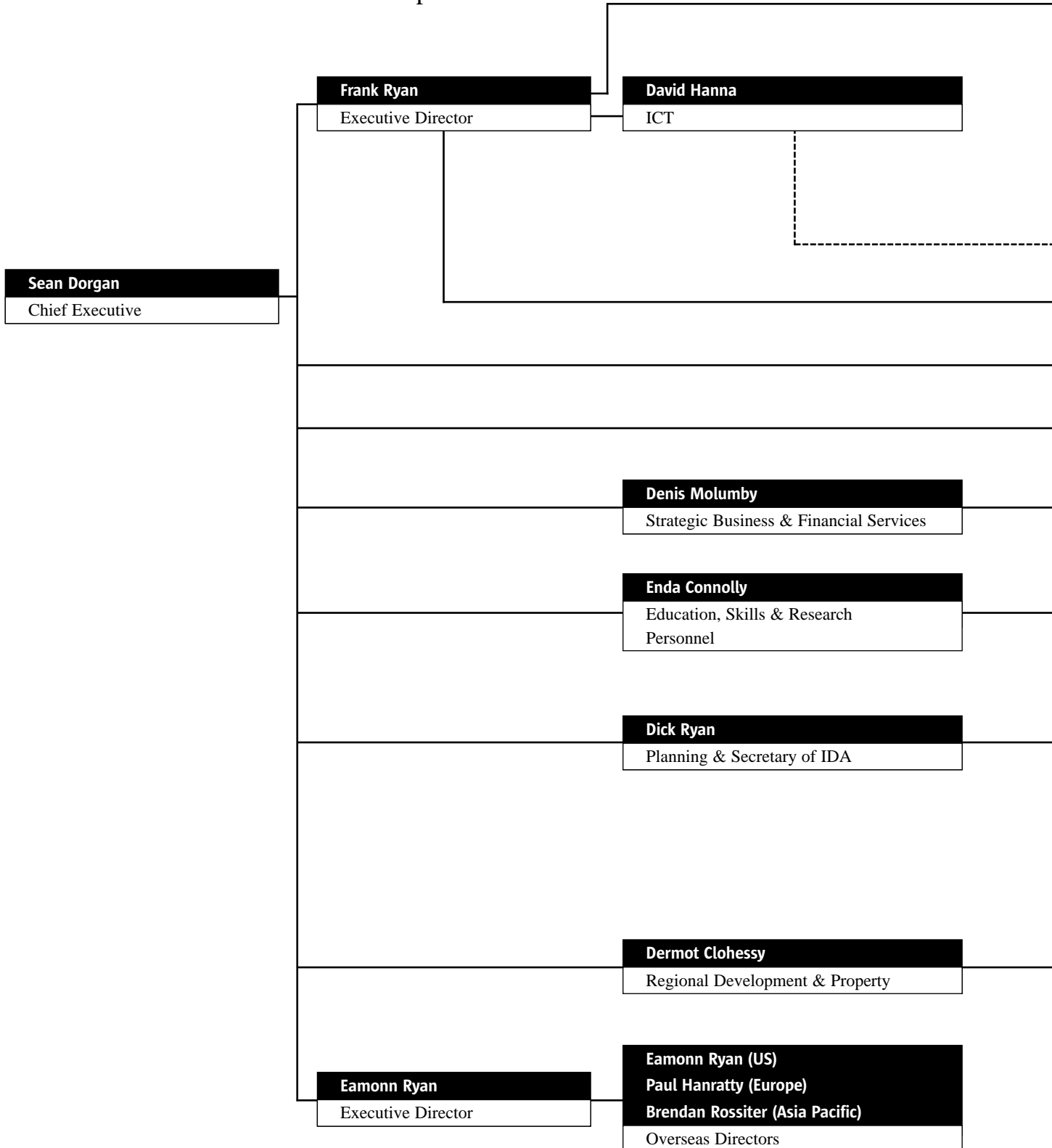
## 23 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 15 May 2002.

# Organisation *Structure* June 2002

IDA Ireland has 295 staff posts

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<b>Barry O'Leary</b>
Pharmaceuticals
<b>Brendan McDonagh (Located in Athlone)</b>
Healthcare
<b>Gus Jones</b>
International Services & Software (New Clients)
<b>Mary Molloy</b>
International Services & Software (Existing Clients)
<b>George Bennett (Located in Sligo)</b>
Engineering & Consumer Products
<b>Eileen Sharpe (Located in Waterford)</b>
ICT

<b>Donal Murphy</b>
Marketing Services & IDA I.T. Systems
<b>Vacancy</b>
Accounts & Grants
<b>Colm Donlon</b>
Press & Public Relations
<b>Brendan Logue, Austin Hanley, Vacancy</b>
Strategic Business Development & Financial Services
<b>Denis Fitzpatrick</b>
Personnel & Organisation Development
<b>Peter Lillis</b>
Education, Skills & Research
<b>Miriam Johnston</b>
Legal & Secretariat
<b>Brian Cogan</b>
Planning
<b>Martin Burbridge (Located in Athlone)</b>
Property
<b>Pat Loftus</b>
Area Director Border
<b>Frank Conlon</b>
Area Director West & Midlands
<b>Mary Buckley</b>
Area Director South

Regional Offices	
<b>Pat Doherty</b>	Dundalk
<b>Joe McHugh</b>	Sligo & Letterkenny
<b>Pat Loftus</b>	Cavan
<b>Jim Murren, Maire Lee-Geary</b>	Galway
<b>Frank Conlon</b>	Athlone
<b>Brian Conroy</b>	Waterford
<b>Vacancy</b>	Cork
<b>Shay Power</b>	Limerick
<b>Conor Agnew, Frank Davenport</b>	East Region

# IDA Ireland Offices

To contact IDA Ireland by e.mail:

## Head Office:

Corporate address = [idaireland@ida.ie](mailto:idaireland@ida.ie)  
Individual staff address =  
first name.surname@ida.ie

## Regional Offices in Ireland:

Contact is with  
individual staff address =  
first name.surname@ida.ie

## Overseas Offices throughout the world:

Contact is with individual  
staff address = first name.  
surname@city name.ida.ie

## Head Office

IDA Ireland  
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Dublin 2,  
Ireland.

Tel: + 353 1 603 4000  
Fax: + 353 1 603 4040  
Website address =  
[www.idaireland.com](http://www.idaireland.com)

## Regional Offices

### IRELAND BORDER

#### Border

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#### Donegal

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Letterkenny  
Co. Donegal  
Tel: (074) 69 810  
Fax: (074) 69 801

#### North West

Finisklin Industrial Estate  
Sligo  
Tel: (071) 59 710  
Fax: (071) 59 711

#### North East

Finnabair Industrial Park  
Dundalk  
Co. Louth  
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Fax: (042) 935 4411

### IRELAND WEST & MIDLANDS

#### West

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#### Midlands

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Dublin Road, Athlone  
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Fax: (0902) 71 553

### IRELAND SOUTH

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#### Mid-West

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Fax: (061) 468030

#### South-East

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### IRELAND EAST

#### East

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Fax: 2845 9240

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#### Korea

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