IDA Ireland

Annual Report and Accounts 2021

IDA Ireland

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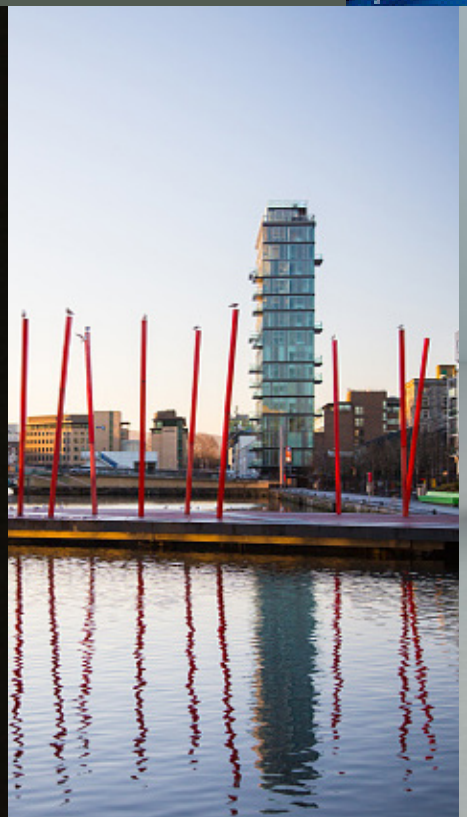

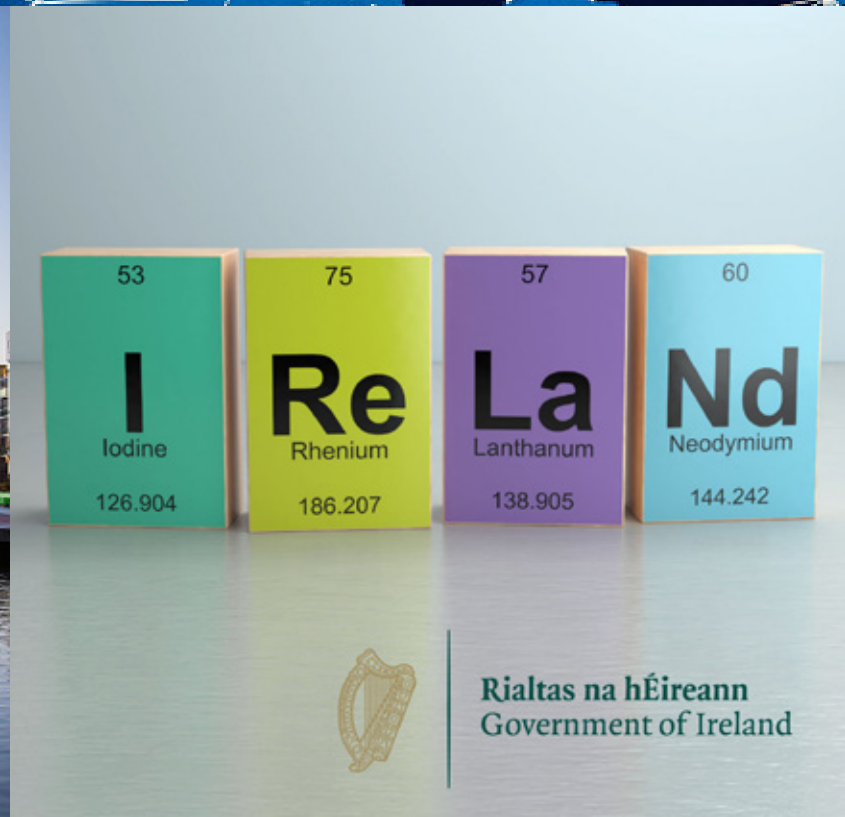

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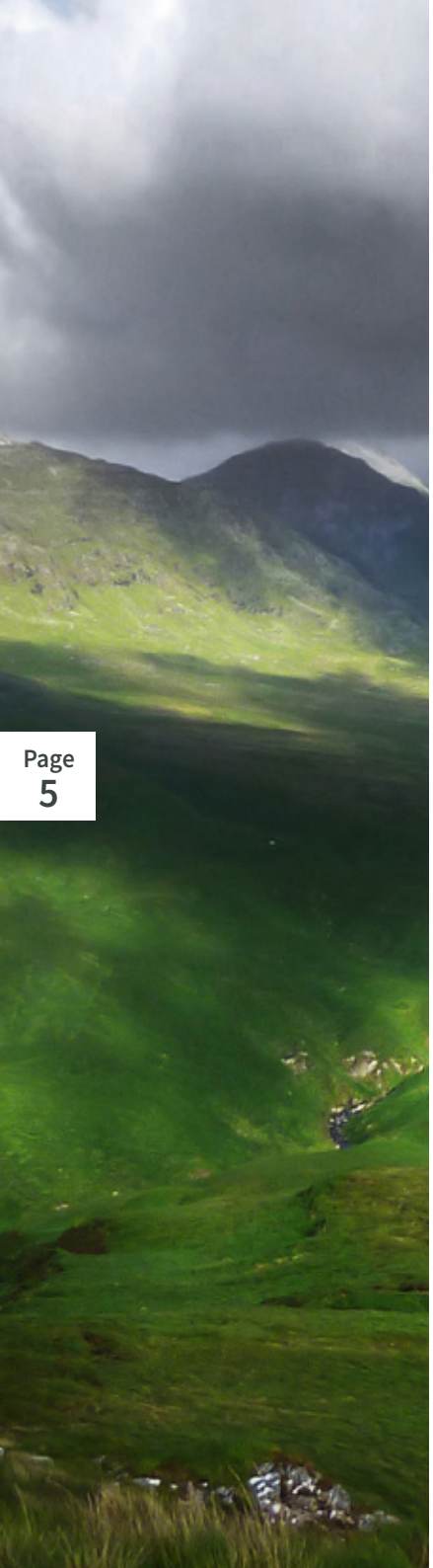
CHAIRMAN & CEO OVERVIEW

Chairman & CEO Overview

2021 was a remarkable year for foreign direct investment (FDI) in Ireland. IDA Ireland's existing base of multinational companies expanded their total employment to a record high, new investment secured against intense global competition reached near pre-pandemic levels and more projects went to the regions than ever before.

These results are testament to Ireland's attractiveness as a place in which businesses at the centre of the modern global economy can start, grow, thrive and adapt. They also demonstrate once again the dynamism of the companies with which IDA partners. In the last decade there has been staircase growth in FDI employment in Ireland. Over the past three years, growth has been extraordinarily resilient despite the sizeable shocks the economy has faced from Brexit, Covid-19 and the war in Ukraine.

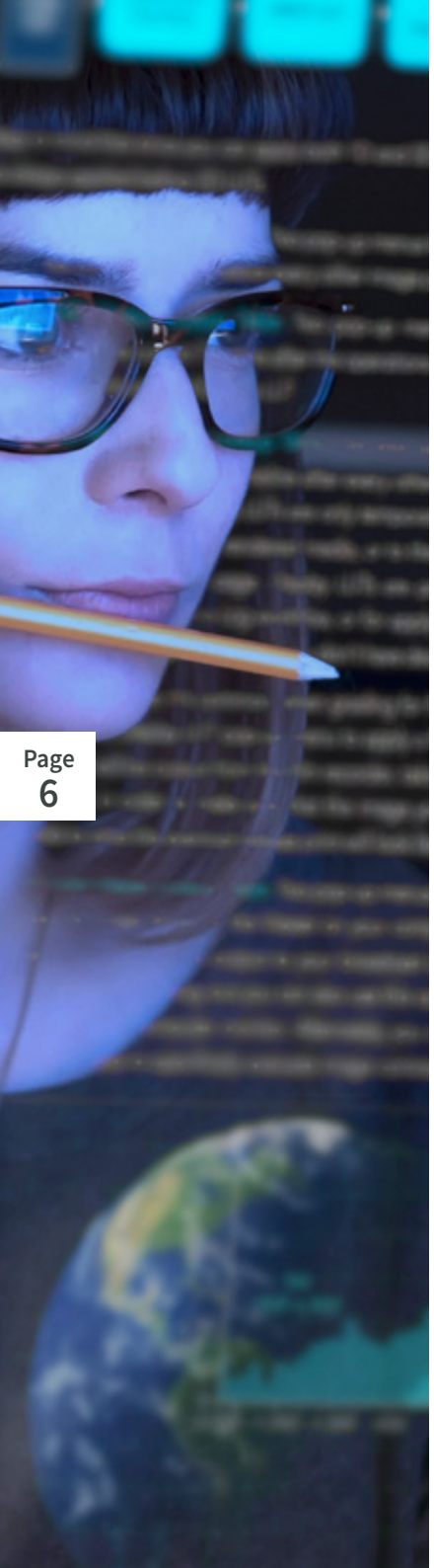


The war in Ukraine is first and foremost a humanitarian crisis. Ireland's response in supporting the citizens of Ukraine is to be commended. This most serious conflict also represents a significant headwind to the global economy and a potential inflection point in the geopolitical landscape. As the economic impact of the pandemic began to fade at the start of year, the Russian invasion of Ukraine sparked a renewed period of uncertainty and added to global inflationary pressures that had gathered pace over the course of last year due largely to pandemic related factors. Continued restrictions in China as it grapples with Covid-19 may further disrupt supply chains and add to inflationary pressures in the global economy.

The challenges posed by the highest levels of inflation in over a decade are not unique to Ireland. However, current circumstances do further underline the need to ensure that Ireland remains an affordable and attractive place for businesses to invest and people to live. IDA remains engaged with client companies and with the Department of Enterprise, Trade and Employment (DETE) and other departments on key competitiveness issues, including energy, water/wastewater, planning, housing, infrastructure and cost of doing business. In a world of transformation, it is imperative that we continue to act to address competitiveness factors that are within Ireland's control.

Responding proactively to change has always been a hallmark of Ireland and IDA's success. IDA's 2021-24 strategy, Driving Recovery and Sustainable Growth, aims to ensure FDI remains a key pillar of Ireland's enterprise policy and contributes to the green and digital transitions. IDA made considerable progress in the implementation of the strategy during 2021, including putting in place the structures that will better enable us to deliver on objectives across our strategic pillars of Growth, Transformation, Regions, Sustainability and Impact. Throughout the year, IDA partnered with client companies to create jobs, locate in the regions and invest in R&D. We also engaged with clients on training, upskilling and environmental sustainability reflecting these key areas of enhanced strategic importance for IDA and our valued client companies.

The Department of Enterprise, Trade and Employment provides invaluable support to IDA, which has been vital to the successful performance of the Agency during recent times of heightened challenge and uncertainty. The Department's ongoing engagement, guidance and assistance are hugely beneficial to IDA colleagues in Ireland and overseas as we collectively seek to win investment to provide jobs and opportunity for the people of Ireland. As we continue to pursue this mission in an environment of geopolitical and competitiveness challenges, the continued support of Government and of the wide array of partners we work with across the enterprise enabling ecosystem will remain essential.



Record FDI performance in 2021

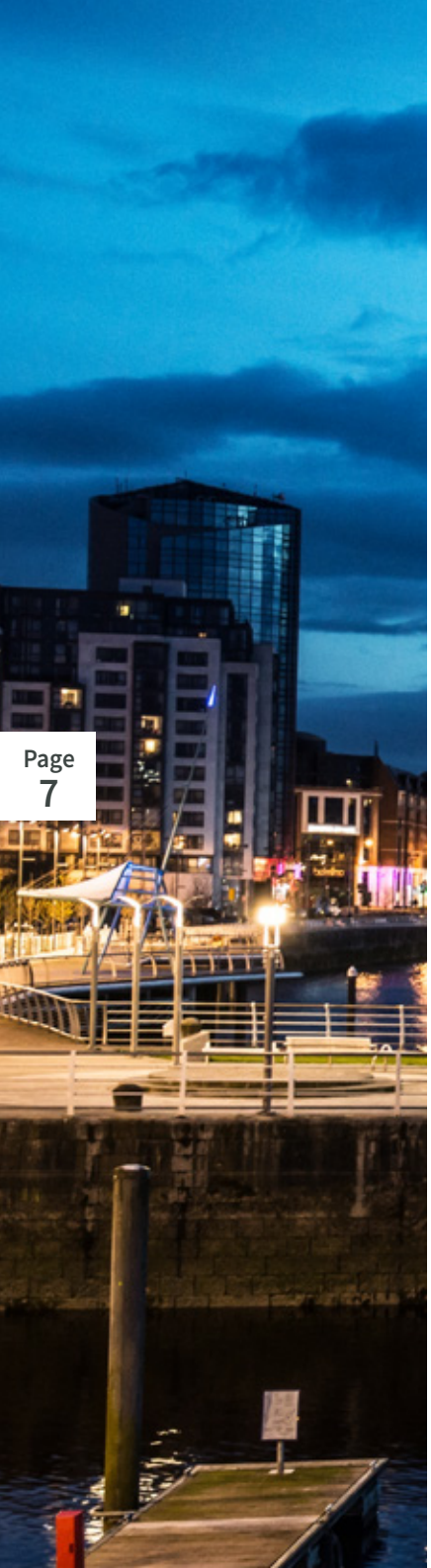
Employment within IDA's portfolio of multinational companies (MNC) continued to grow throughout the Covid-19 pandemic. While job losses were at slightly more elevated levels, job gains remained remarkably buoyant. This is testament to the strength of the companies IDA works with and the stability of Ireland as a location in which to do business. It also reflects the unprecedented level of fiscal support provided by the Government to ease the impact of the pandemic on the economy, protecting jobs and incomes.

Total direct employment in IDA client companies grew by 7% in 2021 to reach a record 275,384[1] . IDA recorded job gains of 29,057 and losses of 12,231, resulting in a net employment gain of 16,826. The job gains and net employment figures were both the highest on record. Losses were higher than in recent years in absolute terms but represented a historically low share of the overall base. Employment increased in every region of the country taking IDA client employment outside Dublin to 151,676 – 55% of total employment in the portfolio. There was particularly strong growth in the Midlands (+10%), the South-East (+8%), and the West (+6%). Employment in Dublin, which continues to be a vital driver of Ireland's FDI performance, grew by 9%. Beyond these sizeable direct employment figures, a further 8 jobs are estimated to be supported in the wider economy for every 10 jobs in IDA client companies – implying combined direct and indirect IDA client employment of over 495,000[2] .

IDA won a further 249 investments in 2021, in line with pre-pandemic averages. The strong flow of projects was driven by existing client expansions (87 investments) and a better than anticipated new name investor performance (104 investments). Over half of all projects (133, 53%) went to regional locations – representing a very strong start to IDA's target to deliver 400 regional investments as part of our Regions strategic pillar. Investment delivery was strong across all source markets, with the largest share of projects coming from North America (64%) followed by Europe (27%) and Growth Markets (8%). These shares indicate a return to the pre-pandemic geographical split of investment, in line with our commitment to maintain North America as a key market while also diversifying to attract additional investment from elsewhere.

Under the Transformation pillar of IDA's strategy, 43 RD&I investments and 15 training investments were secured last year. Our ongoing focus on transformation aims to support clients to increase their productivity, resilience, and innovative capacity. IDA also partnered with clients on 15 sustainability related investments, which seek to either build Ireland's green economy capabilities or to enhance the sustainability of MNC operations in Ireland. Across each investment type – from new names to sustainability – the projects secured in 2021 provide a strong platform for continued resiliency, innovation and growth in the client base over the coming years as these projects get underway.

[1] Department of Enterprise, Trade and Employment (DETE), Annual Employment Survey 2021
[2] DETE/Indecon employment multiplier of 1.8



Impact of FDI

Through its direct and indirect impacts, Ireland's FDI base is a core national asset. The contribution of our client companies is tangible, substantive and something that we do not take for granted. The 1,691 operations IDA partners with are individually diverse and spread across sectors at the forefront of the modern global economy. Collectively, they make a sizeable contribution to our economy and society through job creation, opportunity and progression, innovation, local sourcing, global value chain integration and taxation.

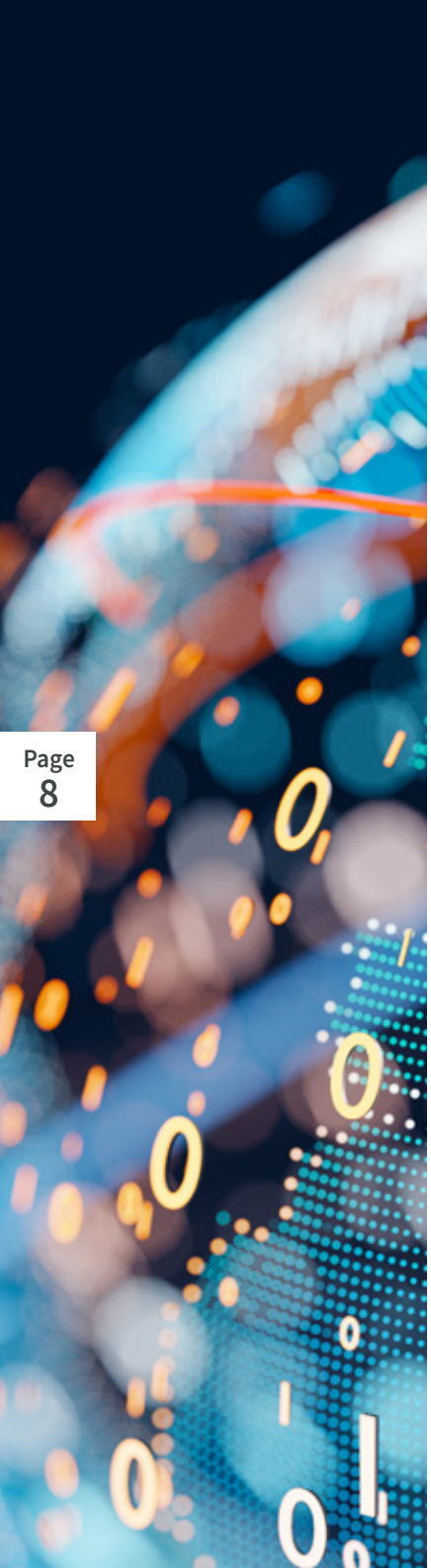
The Department's latest Annual Business Survey of Economic Impact (ABSEI) provided new insights into the extent to which FDI supported the Irish economy at an immensely challenging time in 2020. IDA clients spend in the economy increased by 9% in 2020 to €27.9 billion across payroll (€16.8bn), Irish services and Irish materials (€11.1bn)[3]. In addition, capital expenditure (€7.5bn) and in-house R&D (€2.8bn) by IDA clients both increased in 2020. Exports, which underpinned Irish GDP growth in 2020 despite the adverse effects of the pandemic, increased by 9% to €291.4bn with IDA clients accounting for an estimated 72% of national exports[4]. The resiliency of Ireland's FDI base supported the public finances as IDA client companies continued to be a vital source of Exchequer revenue through their tax contribution. Sectors dominated by export facing MNCs accounted for approximately 70% of corporation tax in 2020[5].

IDA strategy implementation

IDA's four-year organisational strategy aims to consolidate and build on the positive impact of FDI as Ireland pursues a jobs-led recovery that seizes on the opportunities of the green and digital transitions. We have made significant progress implementing the strategy since its publication in January 2021, including the development of implementation plans by IDA's operating divisions to support the achievement of objectives across our strategic pillars of Growth, Transformation, Regions, Sustainability and Impact.

Organisational excellence underpins the ambition of IDA's strategy. A key component of this is building our internal capability to ensure IDA teams can effectively influence decision making and investment by clients on training and sustainability at a local and corporate level. The revised structures put in place in late 2020 are now well embedded in the organisation. The new structure most notably includes dedicated client facing teams focused on transformation of people and processes and the green economy. In implementing the strategy, we have enhanced our focus on sustainability in all its forms, engaged with other investment promotion agencies (IPAs) and the OECD on best practice, and put in place training for our teams to ensure we have the required knowledge and capability to deliver on our objectives. As we strive towards organisational excellence, work is also underway on our ambitious Digital

[3] DETE, Annual Business Survey of Economic Impact (ABSEI) 2020
[4] IDA calculations based on ABSEI data and CSO external trade data
[5] IDA calculations based on Revenue Corporation Tax Payments and Returns



Transformation Programme, which aims to enhance the client experience and make IDA the most digitally enabled investment promotion Agency (IPA) in the world.

We have also made progress across other key supporting initiatives for the achievement of the strategy's objectives. IDA is partnering with Local Authorities and working closely with the private sector as part of the Regional Property Programme, through which we will deliver 19 new advance buildings from 2021-24 to regional locations.

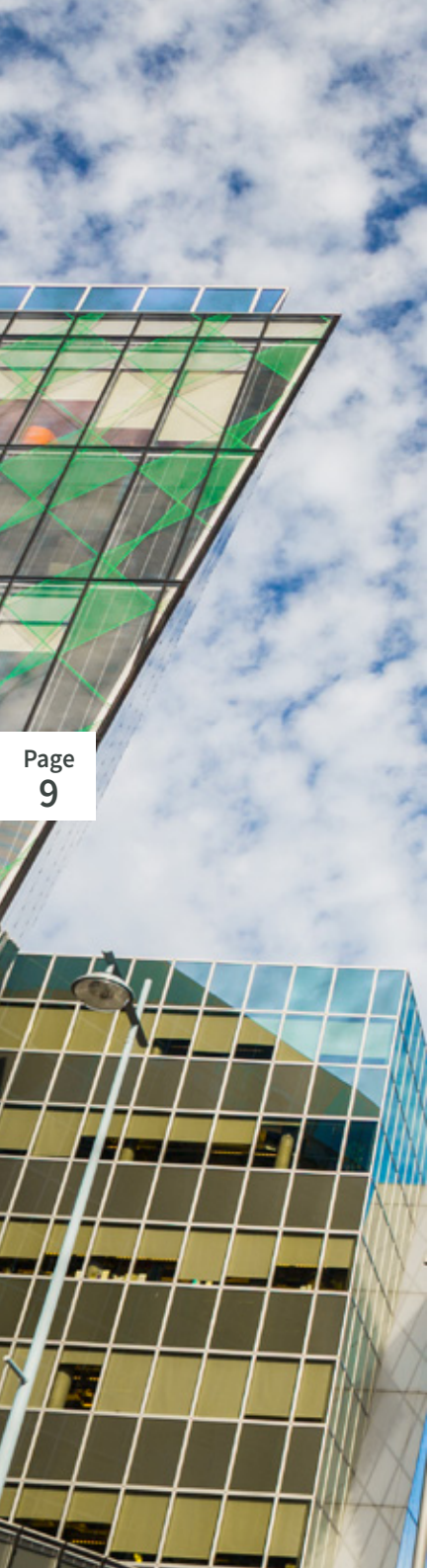
The Advanced Manufacturing Centre (AMC), which will provide a space for Irish and foreign firms to trial, adapt, and scale new technologies is on track to open later in 2022. The AMC will position Ireland's manufacturing base at the forefront of digital transformation and next generation sustainable manufacturing. Investment in the scaling of the National Institute for Bioprocessing Research and Training (NIBRT) in the emerging field of cell and gene therapies also progressed during 2021.

IDA is grateful for the Exchequer funding provided to the Agency across these and other initiatives, which will help in the delivery of our 2021-24 strategy targets and strengthen Ireland's value proposition for FDI for years to come.

Regional development

Regional development remains central to our ambitions. Although it is not a silver bullet, FDI can help propel recovery and realise more balanced growth. Global FDI has historically exhibited a preference for large urban locations, where benefits arising from a critical mass of businesses and people can be amplified relative to smaller regional locations. The rise in remote working since the pandemic may alter location decisions to a certain extent and create increased competition for talent. However, the strength of cities as drivers of FDI due to scale and critical mass is likely to remain. In this context, Ireland has performed well in balancing investment between Dublin and the rest of the country.

IDA's publishing of targets on a regional basis goes beyond the approach of most other investment promotion agencies (IPAs). Our strategy includes a target of 400 regional investments, 50% of the total investment target for the period to 2024. We have made a positive start on the journey towards this objective with a strong flow of projects to regional locations by existing and new clients in 2021.



The scope and range of the investments secured demonstrate the variety of enterprise activity across the country, from semiconductor manufacturing in the Mid-East, to medical technology production in the West, innovative life-saving therapies in the Mid-West, cybersecurity and technology services in the South-East, tech focused R&D in the South-West, therapeutical biopharmaceuticals in the Midlands and software solutions in the Border region.

These and the many other projects won last year build on the record level of FDI in the regions over our 2015-19 strategy, which further enhanced the impact of FDI in locations outside of Dublin. For example, beyond their substantial employment creation, clients in the regions spent over €13bn in the Irish economy across payroll, materials and services in 2020[6]. In a time of global uncertainty and industry transformation and given the significance of their contribution to local economies, a key priority for IDA is to stay close to existing clients to future proof their operations in Ireland's regions.

The growth in regional investment in 2021 was supported by the Regional Property Programme and by continued collaboration with key stakeholders across the country. High-quality property, infrastructure and a sophisticated placemaking approach can be key differentiators in attracting talent and winning investment for regional locations in a highly competitive global environment. IDA is focused on strategic engagement and collaboration with key regional stakeholders to articulate the key criteria companies consider when assessing a regional location and, based on this, to work together to enhance the regional value proposition for FDI.

Outlook

For much of the last decade the global economic and FDI outlook has been subject to considerable uncertainty, which has heightened further this year due to the war in Ukraine. The crisis may have a dampening effect on international investment decisions, which are more easily made in a stable environment. While the geopolitical implications of the invasion of Ukraine for FDI continue to unfold, we have already seen the amplification of pre-existing inflationary pressures that emerged during 2021 and some supply chain impacts. The combination of uncertainty, increased costs and a resulting shift in monetary policy may subdue investment by MNCs in the near term.

[6] DETE, ABSEI 2020

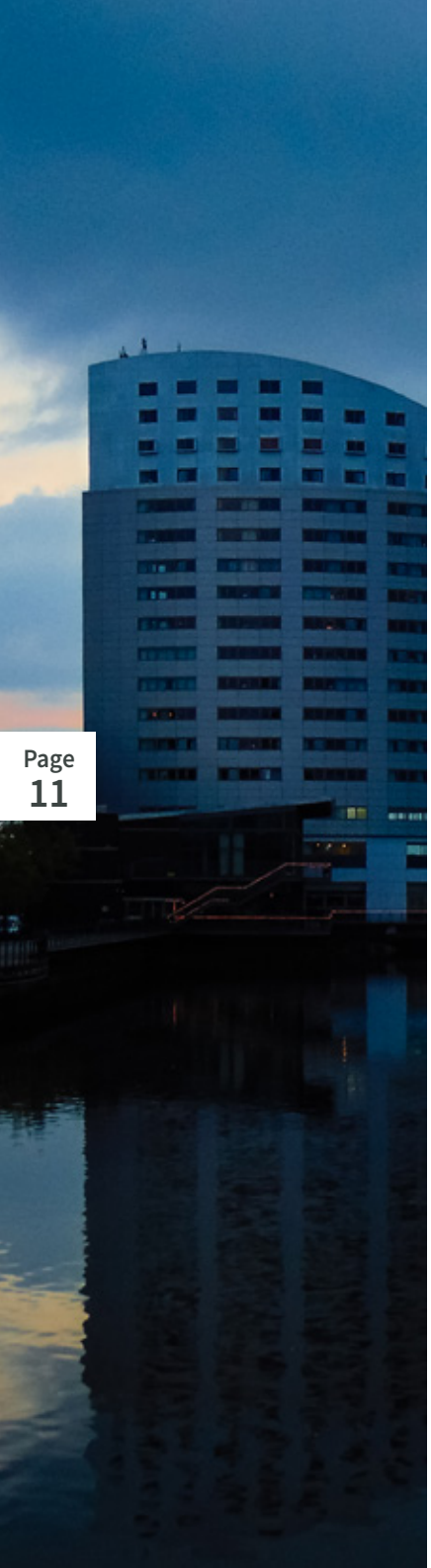
The economic impact of the pandemic eased in Ireland in recent months, however varying vaccination rates across countries and the potential for new variants of the virus to emerge continue to pose a risk to the outlook. Covid-19 is currently causing renewed disruption in Asia Pacific markets with a knock-on impact on global supply chains. This disruption may prolong the supply chain difficulties, including longer lead times and higher transport costs, that have affected companies around the world over the past year. From an investment attraction perspective, as IDA seeks to build out our pipeline of investment projects, travel to certain key source markets in Asia remains challenging for the moment given the level of public health restrictions in place.

In the medium term, the combination of the war in Ukraine and the pandemic may hasten changes to global supply chains and the wider multilateral trade and investment landscape. Brexit, which resulted in some supply chain difficulties during 2021, and the future trajectory of EU-UK relations will also be a key factor for the outlook in the coming years. Ireland's openness to investment, people and ideas from around the world is among our key strengths – we face the challenge of balancing this openness with the potential reality of a less open global economy. In a fast-changing world, IDA looks forward to engaging with DETE on the White Paper on Enterprise Policy over the coming months. Considering all the changes we have seen over the last few years – and the changes that will take place in the years ahead – it is an opportune moment to set a renewed medium-term vision for Ireland's enterprise policy.

Notwithstanding the current challenges and uncertainty in the global environment, IDA client companies are generally optimistic on the prospects for their businesses as a result of continued market growth and demand for their products and services. The pipeline of projects and indications of future job creation in the first half of 2022 has been strong. We continue to see opportunities across our sectors of focus, which we believe remain well aligned to the global economy of today and well positioned to capitalise on the transformed economy of the future.

Client feedback on competitiveness

Client companies remain positive about the business environment in Ireland and our attractiveness relative to key competitor locations for FDI. Ireland's strengths include our skilled and diverse talent base, high quality education and training ecosystem, stable and consistent policymaking and competitive corporate tax regime. To remain successful in the years ahead, we face the dual task of remaining competitive across these factors while also working to address some of the competitive issues that relate to the carrying capacity of the economy that have come under pressure due to significant growth.

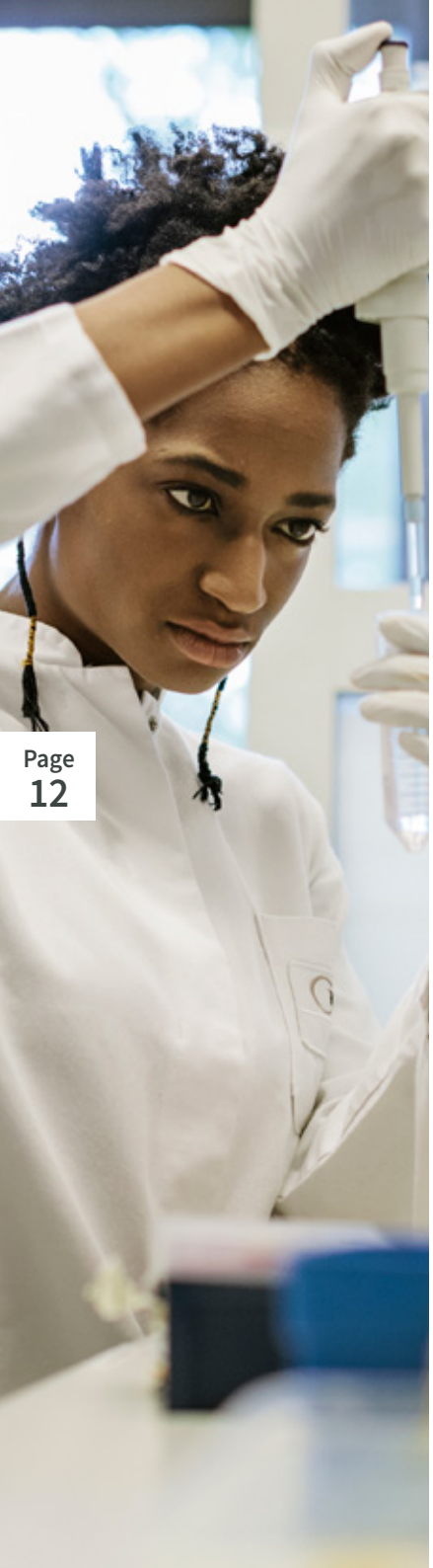


When we speak to client companies, talent and skills availability is at the top of their agenda. Access to talent is the leading factor in international location decisions and it is the core foundation of Ireland's value proposition for FDI. IDA is therefore actively engaged with our parent Department and with the Department of Further and Higher Education, Research, Innovation and Science on the skills, talent and innovation agenda. The availability of skilled, adaptable, and diverse talent is more important than ever – especially as Ireland competes for high value, technology driven employment opportunities across our target FDI sectors. Client companies rate Ireland's talent base and our education system highly. However, as in many other countries, they face increasing difficulties sourcing the skills they need as technology becomes ever more ubiquitous across sectors.

The global competition for talent and the advent of the future of work place an added emphasis on the necessity for Ireland to invest in our people and our education system. This includes ensuring sustainable long-term funding at third level and the provision of training and lifelong learning aligned to future enterprise requirements. The Funding the Future policy, as announced by the Government in recent weeks, is an important step forward in addressing the funding gap in higher education. Greater diversity in our workforce also requires an increased emphasis on alternative pathways to work, which are a welcome focus of recent Government initiatives such as the Action Plan for Apprenticeship 2021-25. In addition to supporting those already in the workforce to upskill and investing to enhance the future pipeline of talent from our education system, Ireland must also remain open and welcoming to people from around the world.

The security of energy supply is a key issue in the immediate term for IDA client companies with significant energy needs. Traditionally, energy supply has been a positive for Ireland. However, more recently some clients have relayed concerns to IDA about the security of supply of electricity and the increased cost of electricity, gas and oil. Security of supply of electricity is of paramount importance for client companies and the wider business environment in Ireland. All necessary measures should be taken as required to guarantee electricity supply. The current situation also provides a basis for expediting the transition to renewable energy and an opportunity for businesses to improve their energy efficiency and reduce their carbon footprint.

In the medium term, increasing the share of renewables in our energy mix and meeting the targets set out in the Climate Action Plan will be important if Ireland is to remain an attractive location to invest in, in a world in which companies are placing an increased value on sustainability. As Ireland transitions to a low carbon economy by 2030 and a carbon neutral economy by 2050 under the National Climate Objective, we must do so in a balanced way across sectors of the economy. Alongside reliable and affordable energy, the provision of high-quality water and wastewater services is also an important part of our value proposition for high value manufacturing FDI.



On taxation, IDA engaged extensively with clients in the run up to and following the Government's decision to sign up to the proposed OECD international corporate tax reforms. It is welcome that the agreement allows for the maintenance of Ireland's 12.5%, while moving to a still competitive 15% rate for companies that meet the turnover threshold. Companies are continuing to assess the potential impact of the overall OECD agreement on their global operations. Feedback from IDA clients to date indicates that the changes are unlikely to have any significant impact on their existing Irish operations. The flow of investment throughout 2021 demonstrates the continued confidence investors have in Ireland. We continue to stay close to companies and to monitor developments on the implementation of the global agreement.

It is important for Ireland to retain its cost competitiveness relative to other locations aiming to attract FDI in similar sectors to IDA. Much of the current inflationary pressures across consumer and producer prices are being driven by global factors outside of Ireland's control. National and international forecasts expect the rate of inflation to remain elevated well above pre-pandemic levels during the second half of 2022, however, in volatile global conditions, the outlook remains highly uncertain. Considering the continued pace of growth in the economy and the need for ongoing capital investment to address capacity constraints, we must closely follow price developments to ensure they remain in line with other locations.

High housing costs and a lack of availability present a challenge for client companies in attracting and retaining the talent they need to continue to grow in Ireland. The targets in the Housing for All strategy and the momentum seen in new dwelling completions and commencements over the second half of 2021 is welcome. Maintaining this momentum and delivering on the extensive actions and objectives set by the Government to tackle the housing crisis would address an area of longstanding concern that, if left unaddressed, will negatively impact our medium-term ability to attract investment and the talented people such investment requires.

Ireland's physical and digital infrastructure proved robust and resilient at the height of the Covid-19 public health restrictions over the past two years. Looking ahead, as the economy continues to expand and as our population grows and works in new ways, ongoing investment in productive capital assets is crucial to reduce capacity constraints and to enable the economy to realise its potential. The revised National Development Plan sets out an ambitious range of infrastructure projects that, if realised, would greatly improve the operational environment for businesses and the quality of life for citizens in Ireland.

Progressing with the on-time and effective delivery of key strategic capital projects across the Government's priority areas of infrastructure, housing and climate would significantly enhance IDA's ability to win FDI for Ireland in the period to 2030. Large capital projects by the State and by IDA client companies are rightly subject to an extensive set of checks and

balances. However, as previously highlighted by IDA, the efficiency of the planning system, and the protracted nature of the judicial review process is an area of reputational risk. We look forward to the outcome of the ongoing review of planning laws by the Attorney General.

Conclusion

Ireland is well placed for continued success, provided we can address the competitiveness issues that risk constraining our capacity for future success. Ireland's FDI performance over the past decade indicates that there is much we are doing right as a country. Our value proposition for FDI is strong and our business environment is supporting cutting edge, innovative investment. We have an enviable FDI platform which, combined with a dynamic indigenous base, can drive sustainable growth and create opportunities for all.

At the time of writing, the strong flows of investment witnessed in 2021 have continued in the first half of 2022. The results achieved by IDA Ireland would not be so without the support of so many stakeholders, to whom we are thankful, but particularly, they could not be achieved without the unstinting support, extraordinary commitment and work of the IDA Ireland team in Ireland and across the globe.

STATISTICS

Statistics for Year 2021

IDA Ireland Indicators

Indicator	2021 Value
Total of Investments Approved	249
No of Greenfield investments	104
No of Expansion investments	87
No of Research, Development & Innovation investments	43
Investment in Research, Development & Innovation investments	€1.34bn
Training investments	15
Environmental/Sustainable investments*	15
% of Investments Located Outside Dublin	53%
% of Jobs Approved Outside Dublin	47%
% Jobs Approved with Salaries in excess of €35,000	94%
Average Salary in Investments	57,735
Total R&D in-house Expenditure**	€2.8bn

Note: * Of the total 249 investments approved in 2021, 15 were Environmental/Sustainable and are included across the different investment types identified above.
**** R&D in-house expenditure data refers to 2020.**

Origin of IDA Ireland Supported Companies 2021

Origin	No of Companies	Total Employment
United States	893	190,147
Germany	96	14,373
United Kingdom	161	9,291
France	78	7,913
Rest of Europe	196	22,651
Rest of World	267	31,009
Total	1,691	275,384

Source:

DETE Annual Employment Survey 2021. Note: Includes full-time and part-time employees.

Employment in IDA Supported Companies

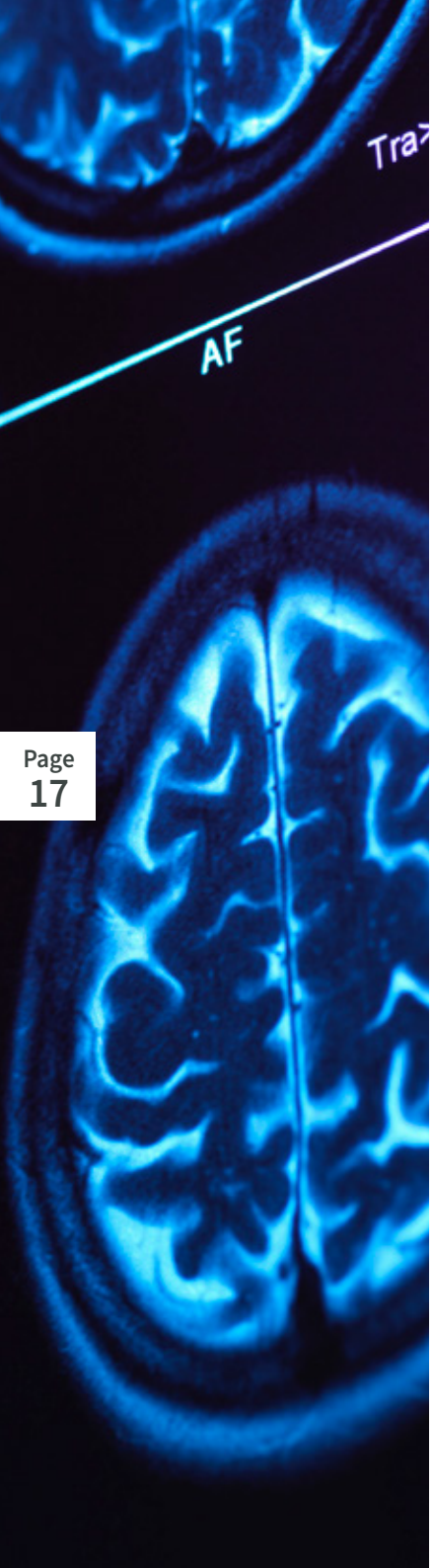
For Year Ended 31 December 2021

	2021 000
Job Gains	29,057

Employment in IDA Supported Companies

	2020 000	**2021 000**
Total Employment	258,558	**275,384**
Full Time	237,865	**255,491**
Other	20,693	**19,893**
Net change in total employment	9,869	**16,826**
% Net change in total employment	4%	**6%**

Source: Department of Enterprise, Trade and Employment
Note: Other Employment includes part-time and short term contract employees



Total Employment by Region in IDA Ireland Supported Companies

Region	2017	2018	2019	2020	2021	% Change 2020/2021
Border	7,529	7,889	8,392	8,495	8,721	2.7%
Dublin	91,729	99,003	108,385	113,906	123,708	8.6%
Mid East	16,162	17,133	17,773	17,961	18,894	5.2%
Mid West	21,153	22,353	23,784	24,095	25,270	4.9%
Midlands	5,058	5,714	6,202	6,265	6,868	9.6%
South East	12,573	13,324	13,396	13,868	14,932	7.7%
South West	39,573	42,087	43,743	46,275	47,572	2.8%
West	24,173	26,256	27,014	27,693	29,419	6.2%
Total	217,950	233,759	248,689	258,558	275,384	6.5%

Source: DETE Annual Employment Survey 2021

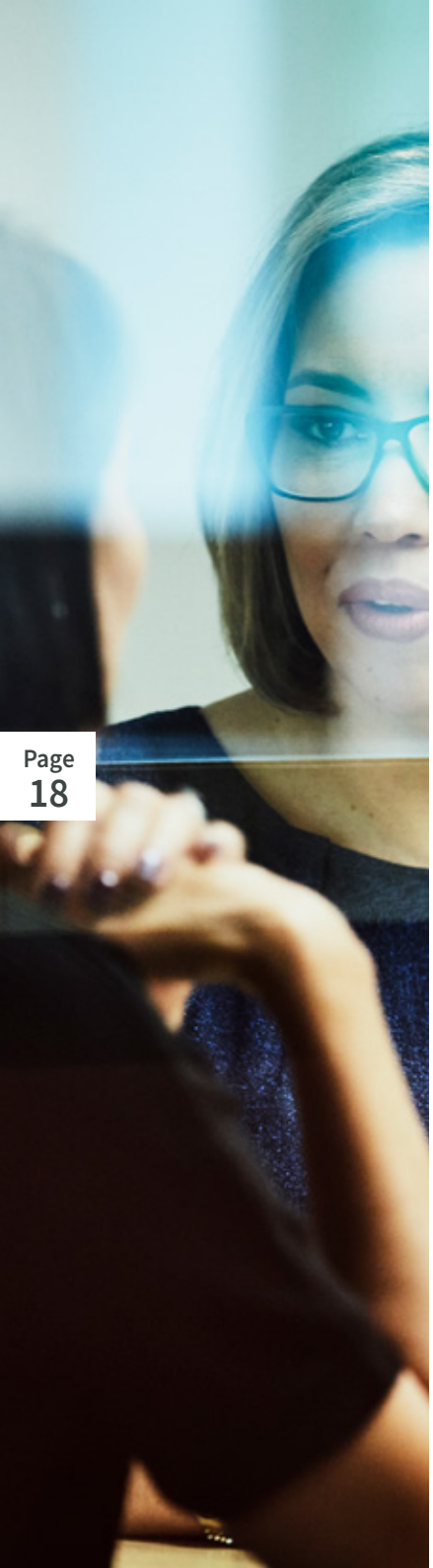
Note: Includes part-time, temporary and short-term contract employees.

Total Employment by Sector in IDA Ireland Supported Companies

Sector	2017	2018	2019	2020	2021	% Change 2020/2021
Business, Financial & Other Services	37,458	40,733	44,918	47,222	51,053	8.1%
Information & Communication	80,725	87,710	94,107	98,021	106,683	8.8%
Modern Manufacturing	80,405	84,337	88,740	92,408	96,356	4.3%
Traditional Manufacturing	19,362	20,979	20,924	20,907	21,292	1.8%
All Sectors	217,950	233,759	248,689	258,558	275,384	6.5%

Source: DETE Annual Employment Survey 2021

The Department of Enterprise, Trade and Employment estimates that for every 10 jobs generated by Foreign Direct Investment (FDI) directly, another 8 are generated in the wider economy. This translates into 495,691 jobs that were supported by FDI at the end of 2021. Secondary economic benefits impact positively on the construction industry, the retail sector and the hospitality industry.



The ABSEI (Annual Business Survey of Economic Impact) survey results for 2020 (latest data available) include data for Exports, Irish Economy Expenditure, in-house R&D and capital expenditure as follows:

- IDA client exports increased by 9.4% to €291.4bn in 2020.
- Expenditure in the Irish economy grew 8.9% to €27.9bn in 2020. This is made up of expenditure on payroll (€16.8bn), Irish services (€8.4bn), and Irish materials (€2.6bn).
- In-house R&D Investment grew 7.2% to €2.8bn in 2020.
- IDA clients invested €7.5bn in capital projects in 2020.

IDA Ireland Cost per Job Sustained Constant 2021 Prices

IDA Ireland	207/13	2008/14	2009/15	2010/16	2011/17	2012/18	2013/19	2014/20	2015/21
Sustained FTJ*	44,752	49,452	56,973	69,611	77,099	94,880	104,690	110,063	121,861
CPJS	€13,273	€13,273	€10,983	€9,499	€8,336	€6,779	€5,812	€5,850	€5,586

Source: DETE Annual Employment Survey 2021

Note: The cost per job sustained is calculated by taking into account IDA Ireland grant 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental

As set out in the Sustainability pillar of our strategy, IDA is committed to supporting national objectives on climate and the environment. Through a three-pronged approach, IDA is aiming to work with existing clients to reduce their environmental footprint, win new investment in green economy related activities and to take steps to improve the environmental sustainability of the Agency itself.

IDA engaged actively with client companies on the environment in 2021. As noted above, IDA recorded 15 environmental sustainability investments by clients for the year – a strong start on the road to achieve our target of winning 60 such investments by 2024. The sustainability investment target is a component part of IDA's wider engagement with MNCs on this issue. For example, IDA is partnering with clients to develop and deliver on climate action plans for their Irish sites with the aim of promoting responsible, sustainable business practices that can position Irish sites at the forefront of wider corporate group initiatives on the environment. The recently launched Enterprise Emissions Reduction Investment Fund will provide an additional avenue through which IDA can engage with clients on improving the emissions of their Irish operations.

In line with public sector targets and to ensure the Agency exemplifies best practice in the space, IDA continues to implement measures to improve the environmental sustainability of the Agency's operations in Ireland and overseas. Data verified by the Sustainable Energy Authority of Ireland (SEAI) shows IDA achieved an overall energy consumption reduction of 11.7% year-on-year in 2020, placing energy usage 54.9% below baseline 2011 levels. Carbon emissions from the IDA property portfolio fell 18.4% year-on-year in 2020, a 68.6% reduction on 2011 baseline levels[1] . Various other green initiatives are ongoing including the development of an action plan in collaboration with SEAI on energy saving opportunities within IDA's property portfolio. IDA's Property Division is progressing with steps to achieve our strategy target of implementing a biodiversity programme on a minimum of five IDA business parks, while our internal Green Initiatives Team delivered a number of projects in 2021 including a biodiversity information session and the implementation of a carbon output tracker to inform travel decisions for IDA teams in-market.

[1] SEAI, Annual Report 2021 on Public Sector Energy Efficiency Performance

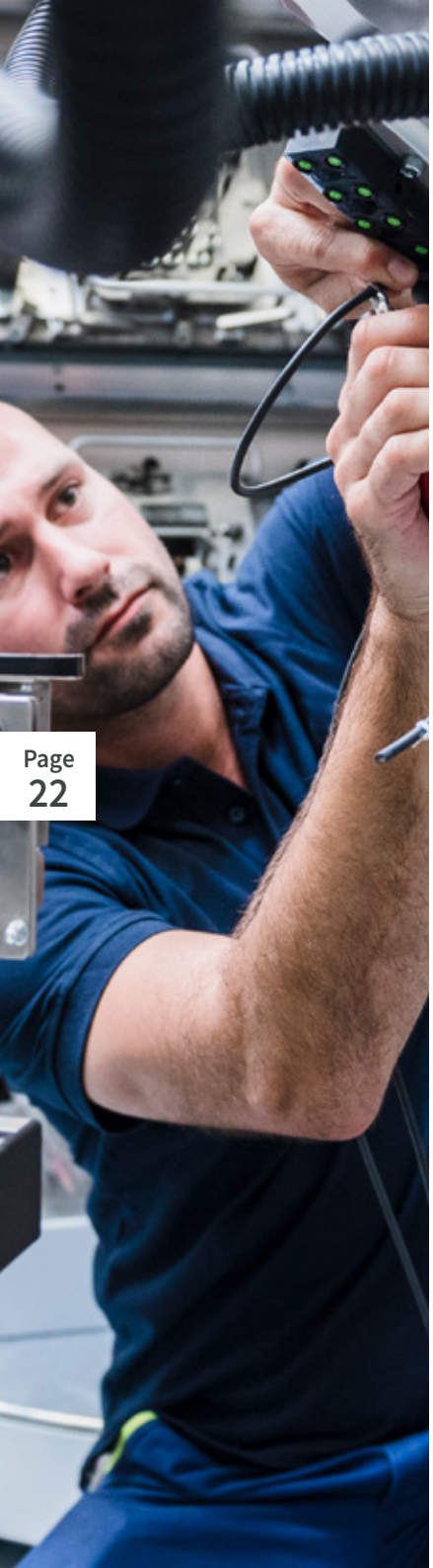
Social

A key focus of IDA's 2021-24 strategy is promoting and attracting FDI in a responsible and sustainable way. This requires an emphasis on sustainability in all its forms, considering the impact of FDI not only on our natural capital but also on human and social capital. IDA is actively engaged with national and international experts to deepen our understanding of how we can promote sustainable, inclusive FDI outcomes. Around two-thirds of IDA clients actively monitor their performance against ESG factors, with their areas of focus including equality, diversity, and inclusion (EDI), workplace development, stakeholder/community engagement and environmental initiatives.

Within our existing base, IDA client companies provide good quality jobs that pay well and provide people with opportunities to progress. For new investment, IDA targets investments with annual salaries above the national average and we have in place a comprehensive due diligence process in our approval of investment projects. The average salary in IDA client companies was an estimated €72,390 in 2020, 44% above the national average[2]. To maintain the high-quality jobs of today, continued upskilling and reskilling will be vital. Clients also spent approx. €90m on training in 2020 according to recent ABSEI data. IDA is partnering with companies through the Transformation pillar of our strategy to further enhance expenditure on and engagement with upskilling by the existing base of MNCs in Ireland.

Promoting FDI related opportunities for all has long been reflected in IDA's promotion of balanced regional development, through which we have directed investment to regions around the country that otherwise may have concentrated in the capital or gone elsewhere in Europe. In the Impact pillar of our strategy, we set out our intention to build on this regional element of inclusivity to work with clients to improve employment opportunities for underrepresented groups. For example, on gender, new data gathered in the ABSEI last year showed that female leadership in IDA clients is in line with the wider national picture. However, both at leadership and across all levels there is room for improvement. IDA is an active participant in the Balance for Better Business Group, which has set a target for women in leadership roles at large MNCs in Ireland of 40% by 2023 from a 2020 baseline level of 30%.

[2] IDA calculations based on ABSEI data for 2020 and CSO average total earnings for full time employees in all sectors (€50,178)

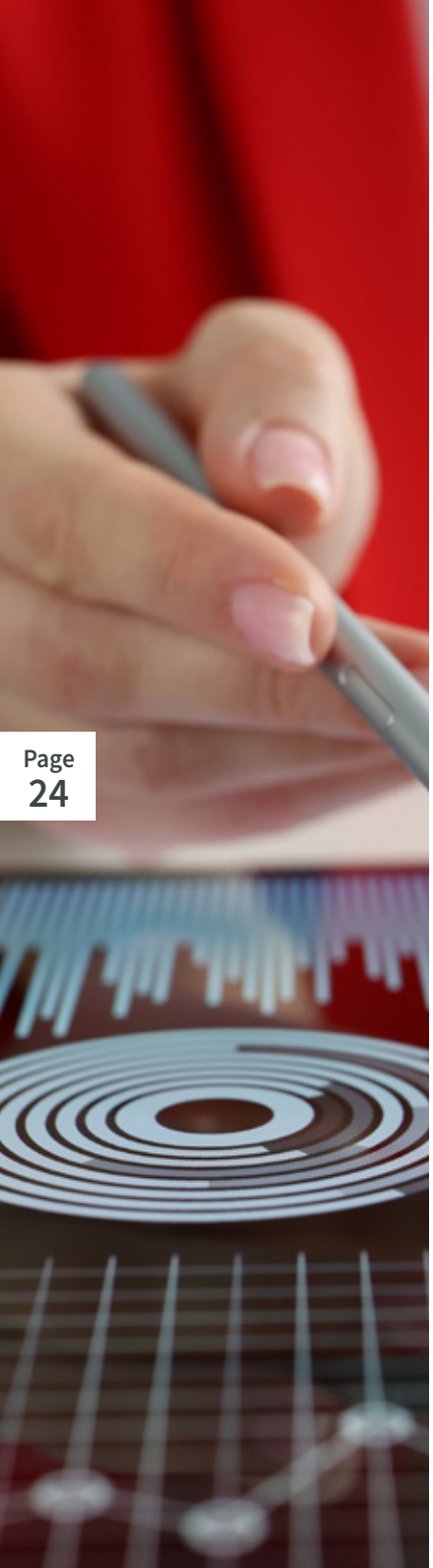


We recognise the need to ensure that we live up to the responsible, sustainable, and inclusive values that we are seeking to promote among the FDI base. IDA must be a supportive, diverse, and inclusive place where colleagues can work, develop, and succeed. For much of 2021, IDA teams around the world continued to work remotely. Performance levels remained extremely high, as illustrated by the record results set out above and by the continued positive feedback from clients on the level of service provided by IDA. However, these remain very challenging times and the safety and wellbeing of colleagues remain our priority. During 2021, IDA provided our people with various resources and supports to help with working from home and to make the eventual return to the office under our new hybrid working arrangements as seamless as possible.

IDA also commenced the implementation of a new four-year Action Plan for Equality, Diversity and Inclusion (EDI) which focuses on the role modelling of inclusive behaviours, creating and sustaining an inclusive culture and increasing our internal diversity. There was an extensive range of EDI activities and initiatives during 2021 to support these objectives including three anchor events focused on dignity and respect in the workplace. Training sessions were also a focus, with training on the topic of dignity and respect in the workplace, a series of unconscious bias workshops being held for colleagues at all levels of the organisation and Deaf Culture Awareness and ADHD Awareness. IDA is also pleased to continue our partnership with the Open Doors Initiative to increase and support our internal diversity.

Separately, IDA's staff led Corporate Social Responsibility (CSR) Committee had a hugely successful year, with colleagues across the Agency raising funds and awareness for our charity partners – DEBRA Ireland in 2021/22 and Jigsaw in 2020/21. The work of the CSR Committee has helped to further enhance IDA's engagement with a broad range of societal stakeholders. Its activities 2020 and 2021 also brought the IDA team together, albeit virtually, at times during the pandemic when connecting with colleagues across the organisation was more challenging than usual.

FINANCIAL STATEMENTS



Comptroller & Auditor General

Report for presentation to the Houses of the Oireachtas

Industrial Development Agency Ireland

Opinion on financial statements

I have audited the financial statements of Industrial Development Agency Ireland (IDA Ireland) for the year ended 31 December 2021 as required under the provisions of paragraph 7 of the first schedule of the Industrial Development Act 1993. The financial statements comprise:

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of IDA Ireland at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of IDA Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Comptroller & Auditor General

Report for presentation to the Houses of the Oireachtas

Report on information other than the financial statements, and on other matters

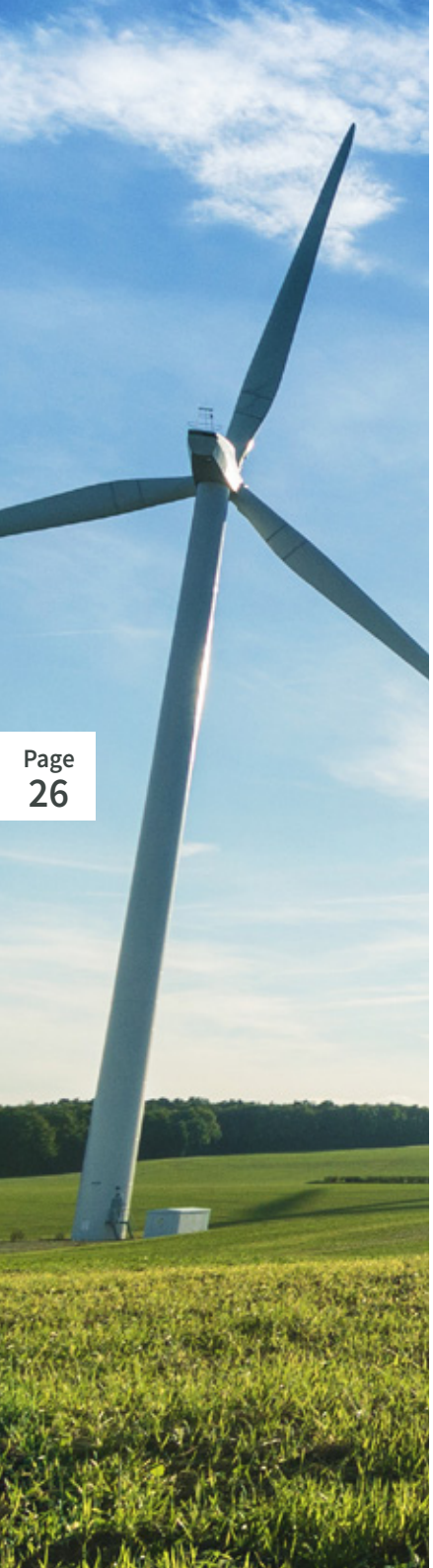
IDA Ireland has presented certain other information together with the financial statements. This comprises the annual report, including the governance statement and Board members' report, and the statement on internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

15th June 2022



Appendix to the report

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

- the preparation of annual financial statements in the form prescribed under paragraph 7 of the first schedule of the Industrial Development Act 1993
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General
I am required under paragraph 7 of the first schedule of the Industrial Development Act 1993 to audit the financial statements of IDA Ireland and to report thereon to the Houses of the Oireachtas.

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Appendix to the report continued

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on IDA Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause IDA Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I report by exception if, in my opinion,

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

Appendix to the report continued

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

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

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

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

Governance Statement and Board Members' Report

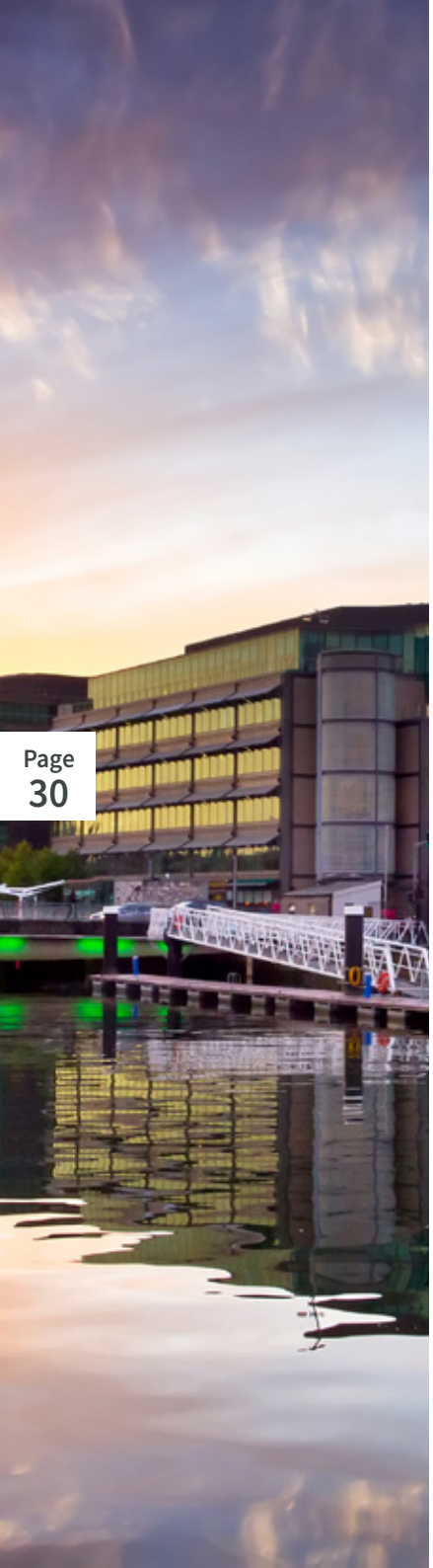
Governance
IDA Ireland is an autonomous Statutory Agency set up under the Industrial Development Acts 1986 - 2019. The Agency operates in accordance with the provisions of the Acts and under the aegis of the Minister for Enterprise, Trade and Employment, who is empowered to provide funds to discharge its obligations and issue general policy directives/seek information on the Agency's activities.

While the primary source of corporate governance for IDA Ireland are 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 Employment 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 continues to implement a policy directive issued by the Minister for Enterprise, Trade and Employment on 18 December 2006 which requires that IDA comply with all relevant Guidelines, Block Exemption Regulations, Frameworks and schemes regarding Regional Aid and in providing research and development grants.

2. Code of Practice for the Governance of State Bodies (2016)
Statement of Compliance
The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. IDA Ireland was in full compliance with the Code of Practice for the Governance of State Bodies for 2021, subject to a waiver from the Department of Enterprise, Trade and Employment in respect of a requirement in a 2014 Circular, as noted in the Statement of Internal Control.

Section 2.6: Complied with by the Chairman of the Board in a separate letter furnished to the Minister for Enterprise, Trade and Employment.



Governance Statement and Board Members' Report

Sections 1.8 & 7.5 (iii): An effective system of internal control is maintained and operated by the Agency (Statement on Internal Control, page 45).

Section 9: Government policy on the pay of Chief Executives and State Body employees is being complied with (Governance Statement and Board Members Report 2021 page 29 and Notes to the Financial Statements pages 54-79).

Sections 1.15 & 1.17: The Board has approved the four year IDA strategy for the years 2021-2024. In addition, the Board has established processes to ensure sound corporate planning, etc., as required by this Section (Governance Statement and Board Members Report 2021 page 29, and Statement on Internal Control page 45).

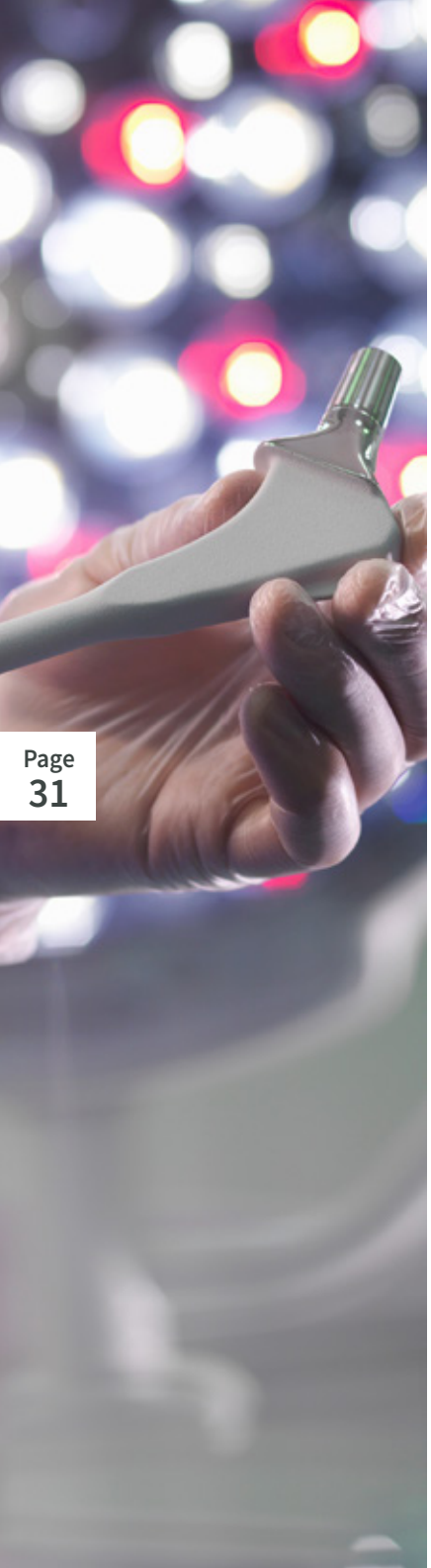
Section 9: The IDA travel procedures reflect the Government's travel policy requirements and are being complied with.

Section 8.47: The Chairman of the Board, in the separate letter furnished to the Minister for Enterprise, Trade and Employment, 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.



Governance Statement and Board Members' Report

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 ongoing 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.

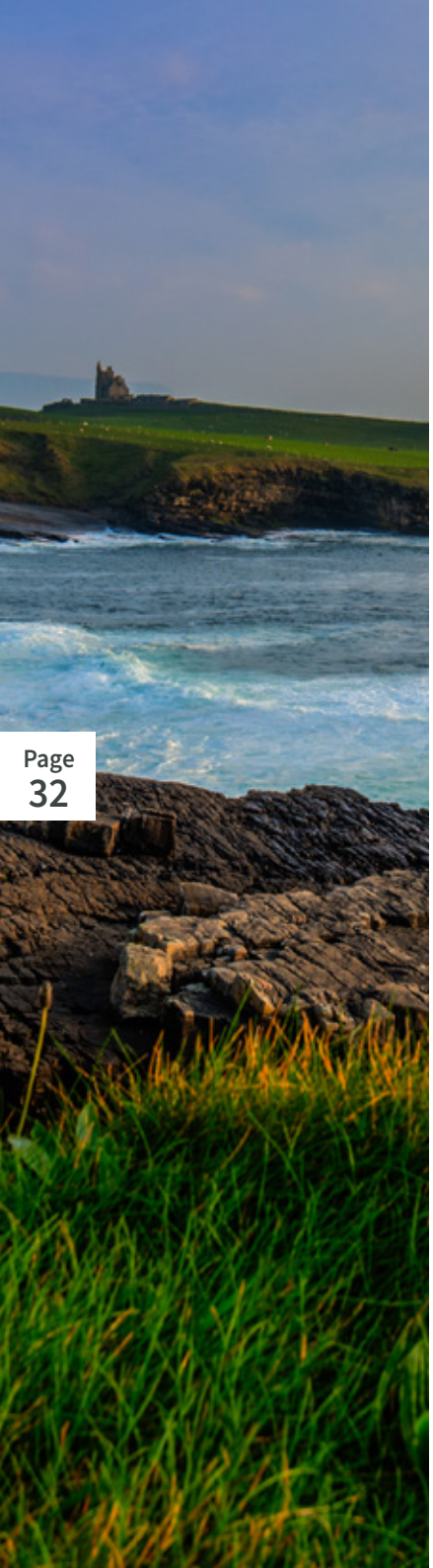
IDA is committed to maintaining and developing a balanced work/life environment for all staff.

6. The Health, Safety and Welfare at Work Act, 2005
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, we continue to partner with the Trade Union in IDA to progress any actions arising from the current public service agreement 2021-2022 "Building Momentum".

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 Act 2014
IDA Ireland complies with this Act. Requests for information under this Act should be addressed to the Freedom of Information Executive, IDA Ireland, 3 Park Place, Hatch St Upper, Dublin 2. D02 FX65.



Governance Statement and Board Members' Report

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. IDA's Global HQ at Three Park Place is A3 BER rated and is certified WiredScore Platinum – features include high quality building envelope insulation, thermal storage, rain water harvesting, photovoltaic panels, combined heat & power (CHP) for renewable energy generation and LED lighting.

11. (I) Prompt Payment of Accounts

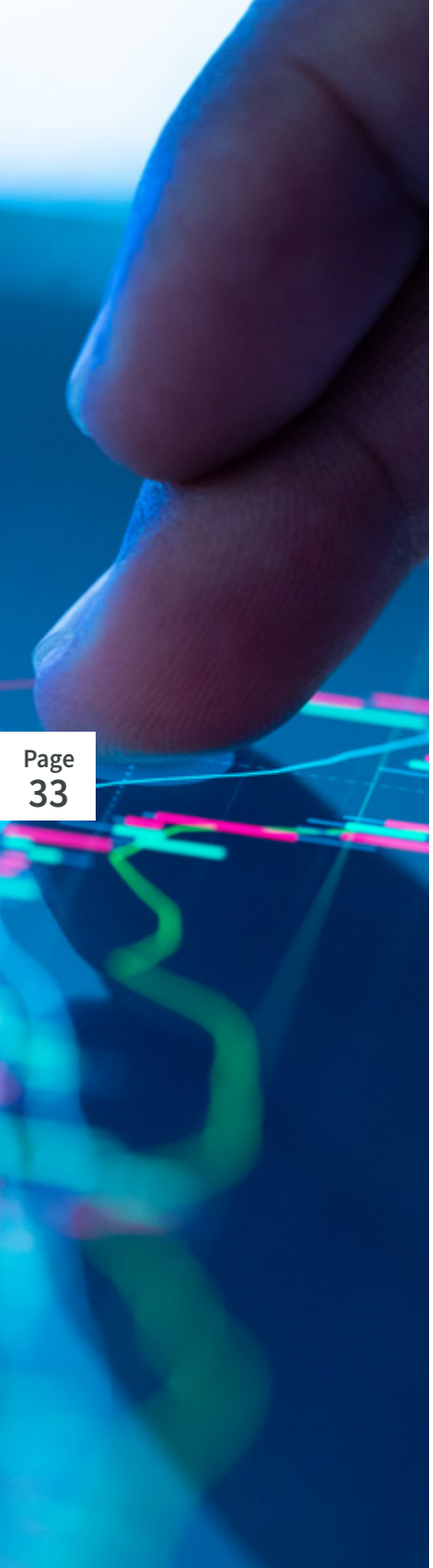
The Prompt Payment of Accounts Act 1997 (the Act), was amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2012, the European Communities (Late Payment in Commercial Transactions) Regulations 2013 and the European Communities (Late Payment in Commercial Transactions) Regulations 2014. Management is satisfied that IDA complied with the provisions of the Act (as amended) in all material respects.

11. (II) Prompt Payment to Supplier

IDA Ireland is committed to meeting its obligations under the 15 day Prompt Payment Rule, which came into effect on 1 July 2011. The provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days. IDA Ireland reports quarterly in the "Corporate Governance" section of the website on the implementation of the 15 day Prompt Payments rule.

12. Protected Disclosure

In line with the legal requirement under section 21 of the Protected Disclosures Act 2014, IDA Ireland has established and maintains procedures for the making of protected disclosures by workers who are or were employed by IDA Ireland and for dealing with any disclosures made. IDA Ireland has provided staff with written information relating to the protected disclosures procedures. There were no protected disclosures made to IDA Ireland in 2021.



Governance Statement and Board Members' Report

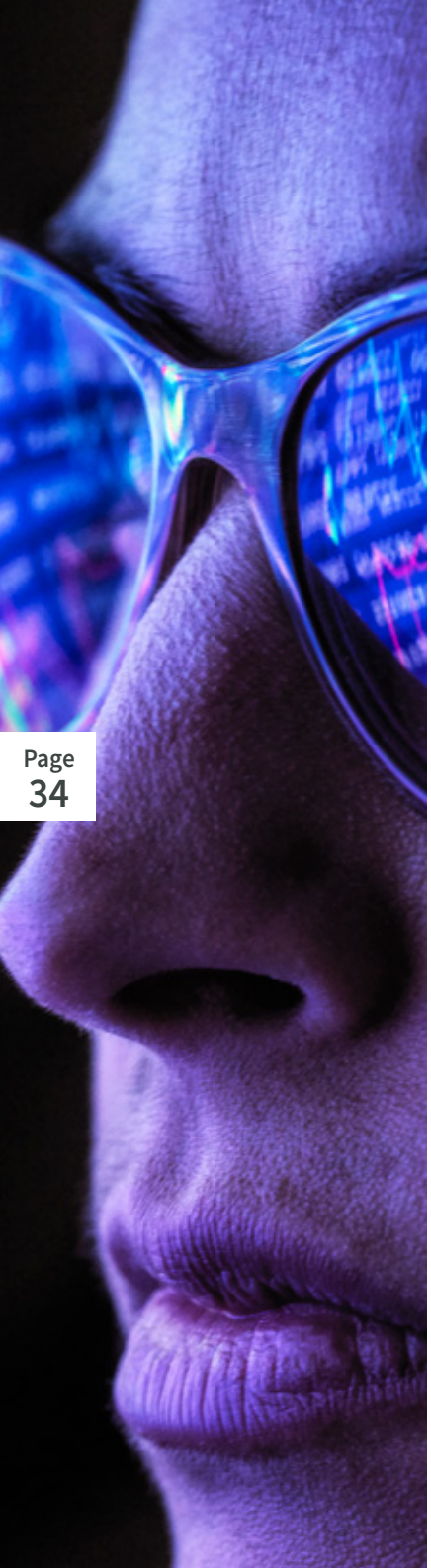
Board Responsibilities

The Board of IDA Ireland was established under the Industrial Development Act 1993. The functions of the Board are set out in section 8 of that Act. The Board is accountable to the Minister for Enterprise, Trade and Employment and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of IDA Ireland are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of IDA Ireland.

The work and responsibilities of the Board are set out in The Corporate Governance Manual which also contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Paragraph 7 (2) of the First Schedule of the Industrial Development Act 1986 requires the Board of IDA Ireland to keep, in such form as may be approved by the Minister for Enterprise, Trade and Employment, with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.



Governance Statement and Board Members' Report

In preparing these financial statements, the Board of IDA Ireland is required to:

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

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Paragraph 7 (2) of the First Schedule of the Industrial Development Act 1986. The maintenance and integrity of the corporate and financial information on the IDA Ireland's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of IDA Ireland by reference to the annual plan and budget was carried out on 10th February 2022.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of IDA Ireland give a true and fair view of the financial performance and the financial position of IDA Ireland at 31 December 2021.

Governance Statement and Board Members' Report

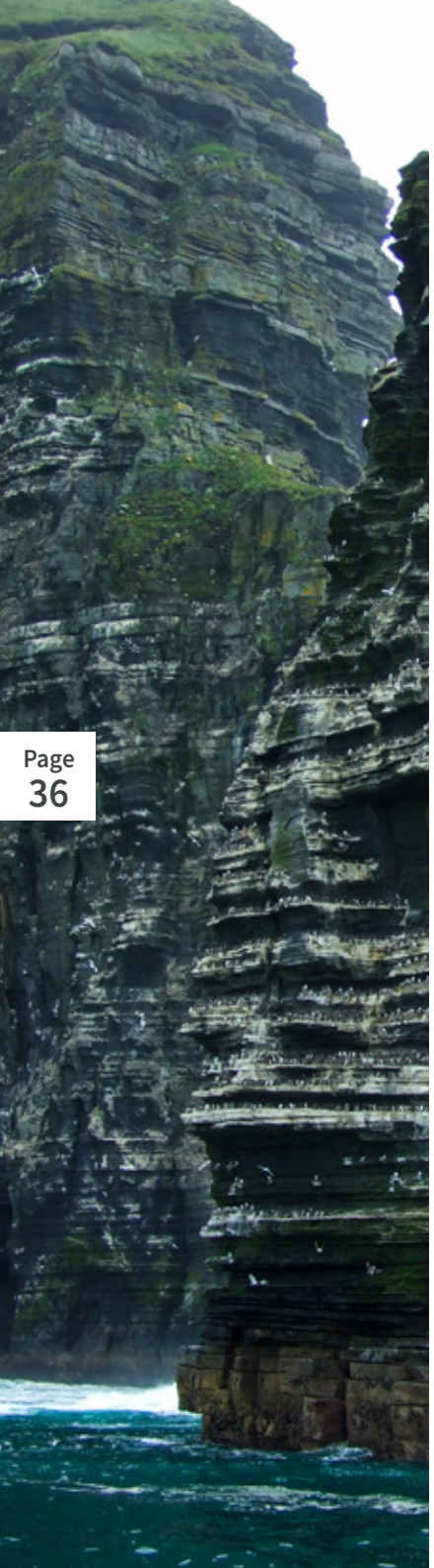
Board Structure

The Board consists of a Chairperson, the CEO and up to ten ordinary members, all of whom are appointed by the Minister for Enterprise, Trade and Employment. The members of the Board are appointed for a period of five years and meet 10 times a year or more often if required. The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Frank Ryan	Chairman	1st January 2014 (retired 31 December 2018. Re-appointed 1 January 2019)
Martin Shanahan	CEO	31st August 2014
Geraldine McGinty	Ordinary member	8th August 2014 (retired 31 December 2017. Re-appointed 26 January 2018. Retired 1st September 2021)
Barry O'Sullivan	Ordinary member	4th September 2015 (retired 31 December 2018. Re-appointed 1 January 2019)
Marian Corcoran	Ordinary member	26th August 2016 (retired 31 December 2020. Re-appointed 1 January 2021)
Dermot Mulligan	Ordinary member	2th October 2016 (retired 31 December 2020. Re-appointed 14 January 2021. Retired 31st December 2021)
Mary Mosse	Ordinary member	17th September 2017. Retired 31st December 2021
Kevin Cooney	Ordinary member	8th June 2018
Thomas (Tony) Kennedy	Ordinary member	8th June 2018. Retired 31st December 2021. Re-appointed 2nd March 2022)
Ann Hargaden	Ordinary member	27th November 2020
Regina Moran	Ordinary member	27th November 2020
Bill O'Connell	Ordinary member	27th November 2020
Declan Hughes	Ordinary Member	8th February 2022

The Board carried out a Board Effectiveness and Evaluation Review, completed in December 2021.

Key Personnel changes – Board members as above. At Senior Management level (Divisional Manager or higher) the following changes occurred during 2021: Donal Travers was appointed a Divisional Manager in March 2021; Leo Clancy resigned as a Divisional Manager in May 2021; Shane Nolan was appointed a Divisional Manager in May 2021.



Governance Statement and Board Members' Report

Board 2021
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 Public Expenditure & Reform, 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.

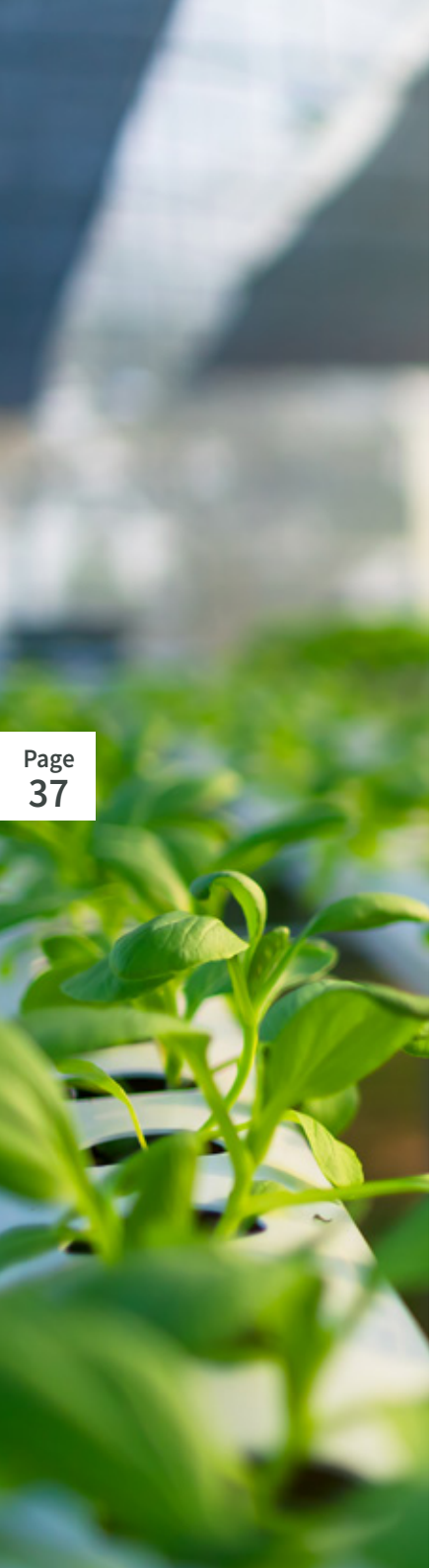
In accordance with the 'Code of Practice for the Governance of State Bodies' 2016, IDA Ireland fully complies with Government policy on the pay of Chief Executives and State Body employees and with Government guidelines on the payment of fees to Board Members.

Frank Ryan
Chairman, IDA Ireland

Martin Shanahan
Chief Executive Officer, IDA Ireland

Geraldine McGinty
Associate Professor of Clinical Radiology and Population Science, Weill Cornell Medical College, New York
Assistant Attending Radiologist, New York Presbyterian Hospital

Marian Corcoran
Founder MC 2 Change Limited



Governance Statement and Board Members' Report

Dermot Mulligan
Asst. Secretary General
Department of Enterprise, Trade and Employment

Barry O'Sullivan
Vice President of Manufacturing, Johnson and Johnson Vision Care

Mary Mosse
Director Port of Waterford Company
Member of the Low Pay Commission
External Examiner Cardiff Metropolitan University

Thomas (Tony) Kennedy
CEO Tawin Consulting

Kevin Cooney
Former Senior Vice President, Former Managing
Director EMEA, CIO, Xilinx Inc

Ann Hargaden
Consultant at Lisney Ireland.

Bill O'Connell
Principal BOC Consulting Services

Regina Moran
Vice President, Strategic Projects & Change
Fujitsu

John Nolan
Secretary, IDA Ireland

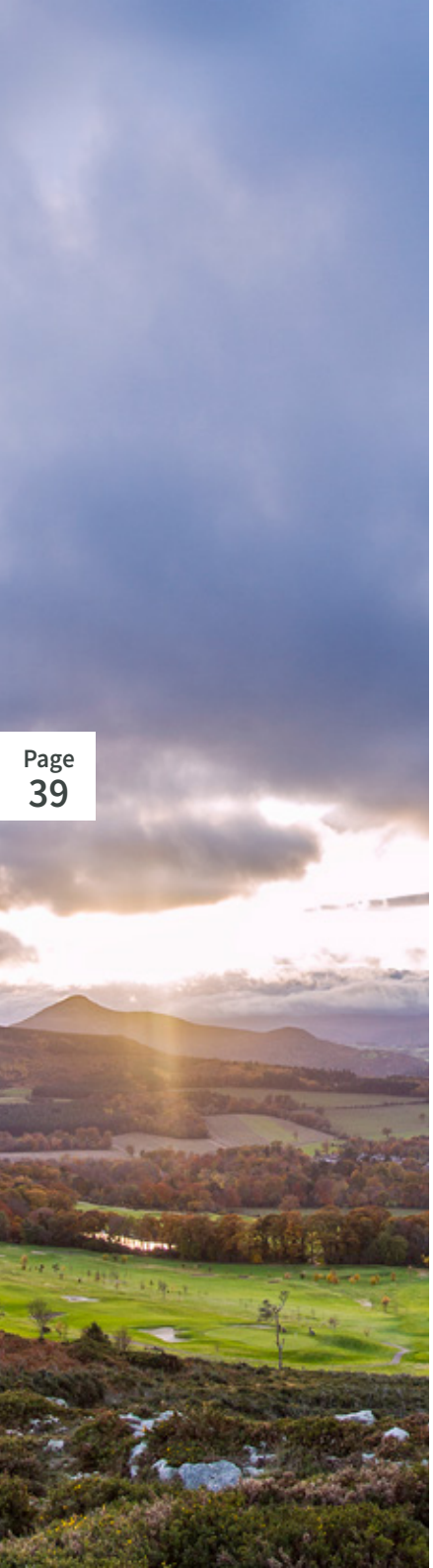
Governance Statement and Board Members' Report

The Board committee structure is outlined below.

Audit, Finance and Risk 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 and the system of internal financial control. It also oversees the implementation of the organisation's risk policy including the development of its risk register and monitors budgeting and banking arrangements.

Members 2021
Geraldine McGinty (Chair) (retired 1st September 2021)
Tony Kennedy (Acting Chair from 1st September 2021)
Dermot Mulligan
Ann Hargaden
Regina Moran
Liam Rattigan (retired 31st March 2021) (External Committee Member)
John Glennon (appointed 1st December 2021) (External Committee Member)

Regional Development and Property Committee
Provides guidance on the implementation of the regional development aspects of IDA's Strategy. Reviews and monitors IDA's annual and cumulative regional targets and its involvement in national and regional strategy development. 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 €12million.

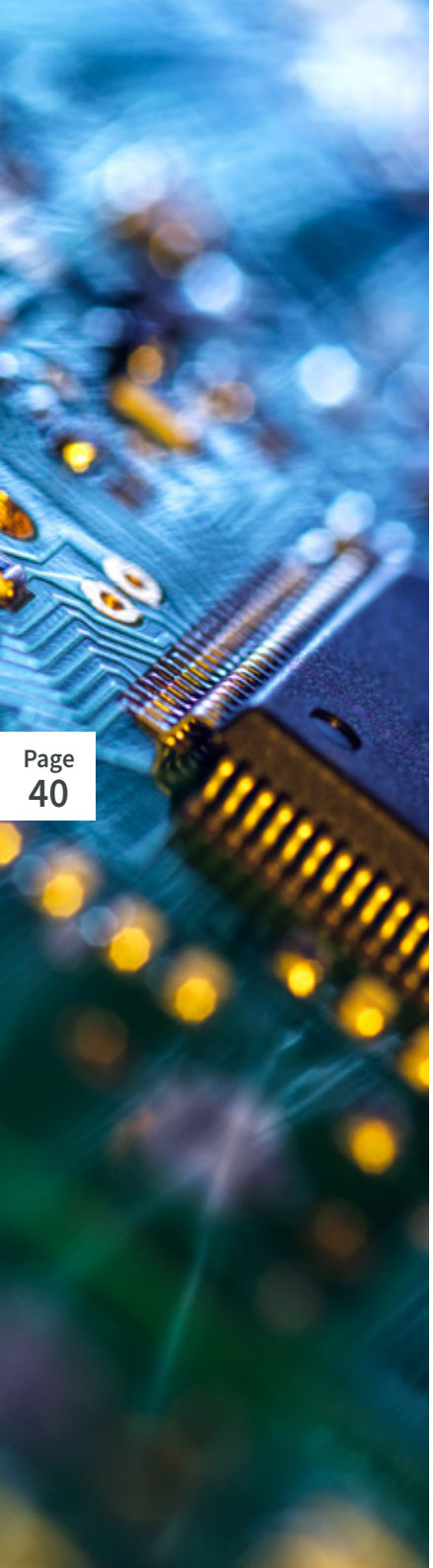


Governance Statement and Board Members' Report

Members 2021
Marian Corcoran (Chair)
Dermot Mulligan
Mary Mosse
Barry O'Sullivan
Geraldine McGinty (retired 1st September 2021)
Bill O'Connell
Ann Hargaden
Martin Shanahan

Innovation and Sustainable Development Committee
Provides guidance on the promotion by IDA of sustainable economic development in line with Government policy; on supporting sectoral and industry transformation through innovation, the development of human capital and the adoption of advanced manufacturing technologies; and on increasing research and development by companies.

Members 2021
Barry O'Sullivan (Chair)
Mary Mosse
Kevin Cooney
Dermot Mulligan
Tony Kennedy
Bill O'Connell
Regina Moran



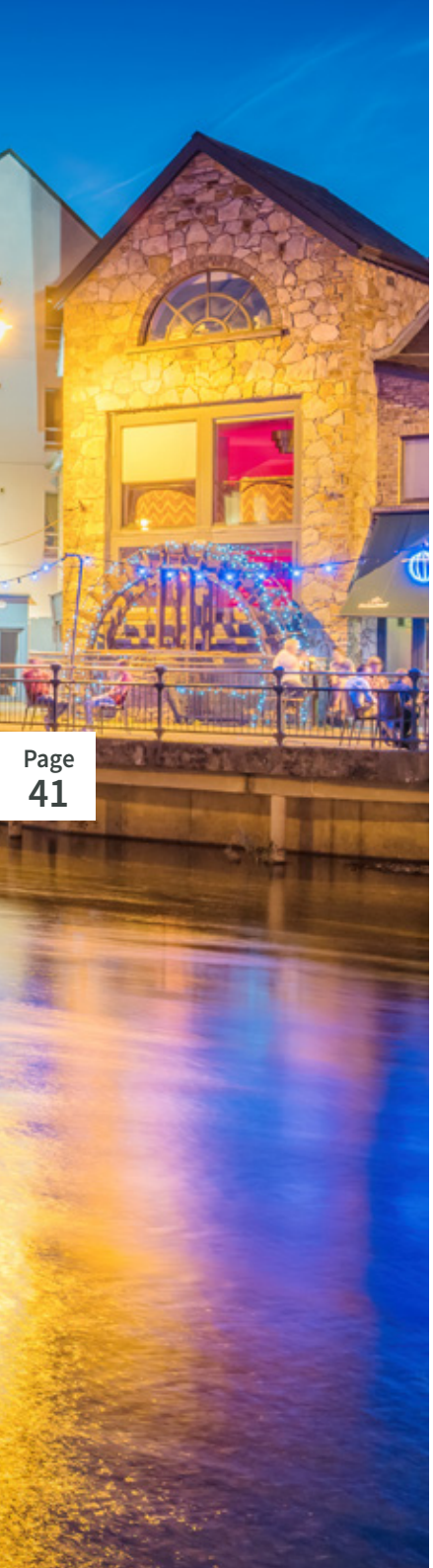
Governance Statement and Board Members' Report

Organisational Development Committee
Reviews the performance of the senior management team and plans for management development and succession. The Committee also provides guidance on organisational development and the Agency's Diversity and Inclusion Policy.

Members 2021
Frank Ryan (Chair)
Marian Corcoran
Martin Shanahan
Kevin Cooney

Management Investment Committee
Reviews all proposals for grant assistance and recommends them to the Board. Under powers delegated by the Board the Committee approves grants up to a maximum of €900,000.

Members 2021
Martin Shanahan (Chair)
Mary Buckley
Eileen Sharpe
Regina Gannon
Denis Curran



Governance Statement and Board Members' Report

Board Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2021 is set out below including the fees and expenses received by each member.

	Board	Audit, Finace & Risk Committee	Regional Development & Property Committee	Organisational Development Committee	Innovation & Sectoral Development Committee	Fees 2021 €	Expenses 2021 €
Number of Meetings	10	5	10	7	9		
Frank Ryan (Chairman)	10	-	-	7	-	20,520	64
Martin Shanahan (Chief Executive)	10	-	9	5	-	-	-
Kevin Cooney	10	-	-	7	9	11,970	-
Marian Corcoran	10	-	10	6	-	11,970	-
Ann Hargaden	10	5	10	-	-	12,968	-
Tony Kennedy	9	4	-	-	8	11,970	-
Geraldine McGinty	6	2	5	-	9	7,980	-
Regina Moran	9	4	-	-	7	12,968	-
Mary Mosse	10	-	9	-	9	11,970	-
Dermot Mulligan	9	5	8	-	5	-	-
Bill O'Connell	10	-	10	-	9	12,968	-
Barry O'Sullivan	10	-	9	-	9	11,970	-
						127,254	**64**

Board Members expenses in 2021 amounted to €64 broken down €Nil accommodation and €64 other travel, subsistence and vouched food expenses. There were no Regional or Overseas Board meetings in 2021. Fees for Ann Hargaden, Regina Moran and Bill O'Connell include a meeting attended in December 2020.

Governance Statement and Board Members' Report

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that IDA has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Permanent Salary Breakdown	**Number of Employees**	
Employee Benefits	**2021**	2020
€60,000 to €70,000	**41**	34
€70,001 to €80,000	**23**	35
€80,001 to €90,000	**41**	28
€90,001 to €100,000	**22**	33
€100,001 to €110,000	**11**	11
€110,001 to €120,000	**7**	5
€120,001 to €130,000	**3**	1
€130,001 to €140,000	**2**	-
€140,001 to €150,000	**5**	2
€150,001 to €160,000	**2**	9
€160,001 to €170,000	**3**	3
€170,001 to €180,000	**1**	1
€180,001 to €190,000	**-**	1
€190,001 to €200,000	**1**	-

Governance Statement and Board Members' Report

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

	2021 €'000	2020 €'000
Legal Advice	**1,327**	763
Commercial & Technical Evaluation and Studies	**306**	187
Financial / Actuarial Advice	**12**	34
Human Resources	**54**	93
Business Improvement	**55**	2
Other	**37**	83
	1,791	1,162
Consultancy costs capitalised	**-**	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	**1,791**	1,162
	1,791	1,162

Legal Costs and Settlements
The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by IDA which is disclosed in Consultancy costs above.

	2021 €'000	2020 €'000
Legal Fees - Legal Proceedings	**1,138**	625
Conciliation and arbitration payments	**-**	-
Settlements	**-**	-
	1,138	625

Legal Costs relate to two ongoing matters involving IDA.
Additional costs were paid by IDA's insurance company in relation to one of the matters.

Governance Statement and Board Members' Report

Travel and Subsistence Expenditure
Travel and subsistence expenditure is categorised as follows:

	2021 €'000	2020 €'000
Domestic		
- Board	-	4
- Employees	**174**	404
International		
- Board	-	2
- Employees	**47**	355
	221	765

Hospitality Expenditure
The Income and Expenditure Account includes the following hospitality expenditure:

	2021 €'000	2020 €'000
Domestic		
- Board	-	-
- Employees	-	9
International		
- Board	-	-
- Employees	-	-
	-	9

Frank Ryan
Chairman

Martin Shanahan
Chief Executive

Dated:
13th June 2022

Statement on Internal Control

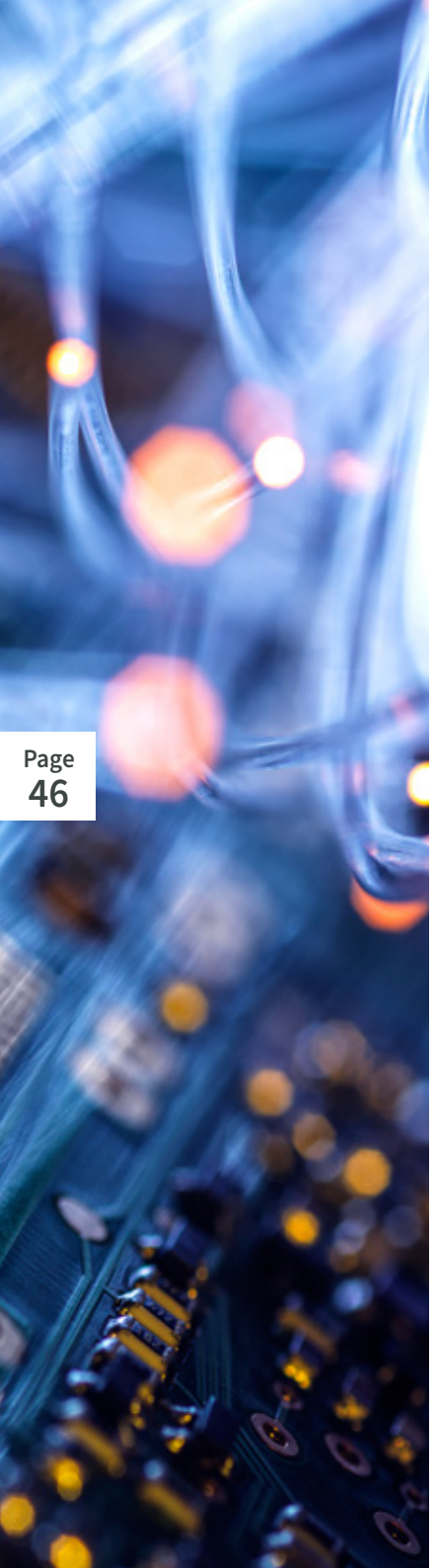
Scope of Responsibility

On behalf of the Board of IDA I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated by the Agency. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in IDA for the year ended 31 December 2021 and up to the date of approval of the financial statements.



Waiver from Department of Public Expenditure and Reform Circular

In 2014, the Department of Public Expenditure and Reform issued a circular in relation to management of and accountability for grants from exchequer funds. This requires that grantors stipulate that grant recipients disclose specific information in their financial statements. This includes details of the grant amount, the purpose for which funds were applied and information on salary rates in operation in the entity. IDA sought a waiver from these requirements from the Department of Enterprise, Trade and Employment, on the basis that IDA's strong transactional controls satisfy the aims of the Circular. This waiver was granted.

Capacity to Handle Risk

IDA has an Audit, Finance and Risk Committee (AFRC) comprising four Board members and one external member, with financial and audit expertise, one of whom is the Chair. The AFRC met five times in 2021.

IDA has an outsourced internal audit function, which reports directly to the AFRC, is adequately resourced and conducts a programme of work agreed with the AFRC.

The AFRC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within IDA's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

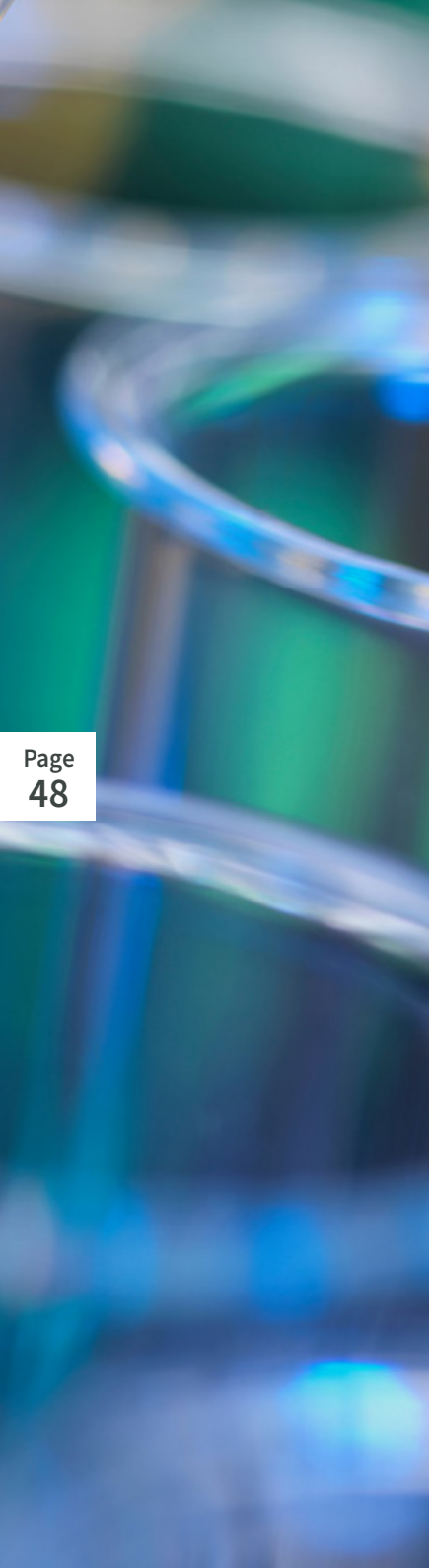
Risk and Control Framework

IDA has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing IDA and these have been identified, evaluated and graded according to their significance. The register is reviewed and approved by the AFRC and the Board on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems,
- there are systems in place to safeguard the assets, and
- control procedures over grant funding comprise the appraisal; technical and financial assessment; approval and payment of grant related projects, including cost benefit analysis, technical assessments, establishment of project milestones, payments in accordance with terms and conditions of legal agreements between IDA and the grantee and provisions for the repayment of the grant if the project does not fulfil commitments made by the promotor.

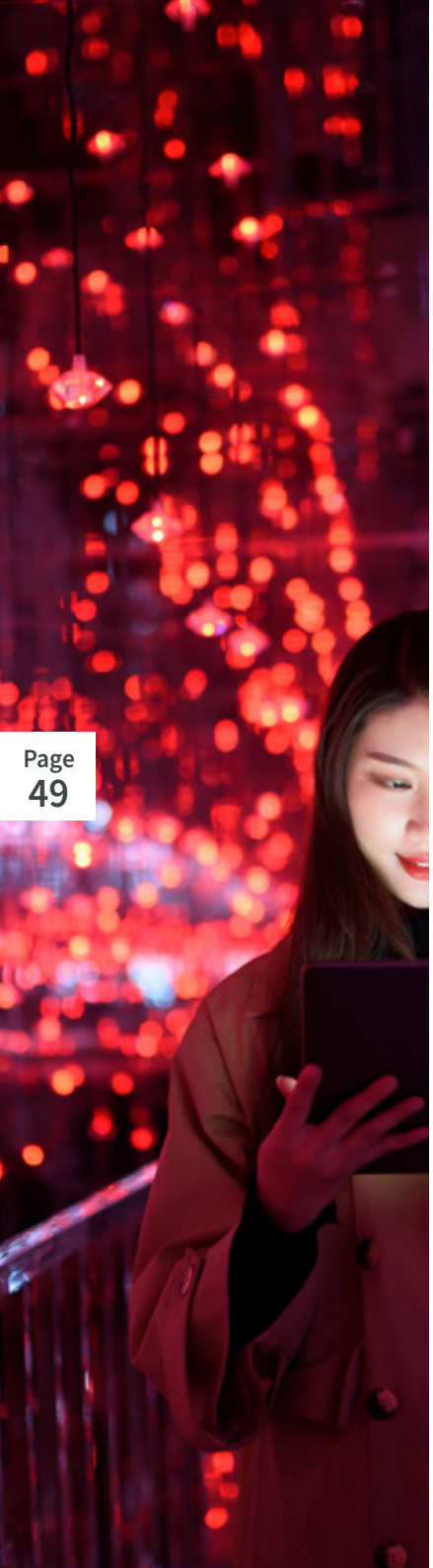


Impact of COVID-19 on the Risk and Control Framework
IDA has continuously assessed its control framework following the outbreak of Covid-19 and the move to remote working for all staff. Existing secure technology platforms were extended to all staff to facilitate remote working and enhanced cyber security measures including training and testing were implemented. The impact of risks arising from COVID-19 are assessed as part of the Agency's risk management process and IDA will continue to take all necessary actions to mitigate all material risks identified.

Ongoing Monitoring and Review
Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement
I confirm that IDA has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2021 IDA complied with those procedures.



Review of Effectiveness

I confirm that IDA has procedures to monitor the effectiveness of its risk management and control procedures. IDA's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit, Finance and Risk Committee which oversees their work, and the senior management within IDA responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls on 10th March 2022.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2021 that require disclosure in the financial statements.

Signed on behalf of the Board

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Frank Ryan
Chairman
13th June 2022

Statement of Income and Expenditure and Retained Revenue Reserves

For Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Income			
Oireachtas Grants	2	**200,236**	197,109
National Training Fund	3	**3,000**	3,000
Grant Refunds	4	**4,766**	917
Rental Income		**3,996**	3,545
Other Income	5	**497**	732
Profit / (Loss) on Disposal of Assets	6	**1,779**	5,767
Net Deferred Pension Funding	21 (f)	**7,253**	6,880
		221,527	217,950
Expenditure			
Grants Payable	7	**105,429**	106,446
Promotion, Administration and General Expenses	8	**63,193**	53,480
Industrial Building Charges	9	**5,715**	8,288
Depreciation Charges	10	**17,717**	18,490
Impairment Charges / (Reversals)	10	**(14,813)**	(865)
Pension Costs	21 (c)	**8,607**	8,070
		185,848	193,909
Surplus for the Year before Appropriations		**35,679**	24,041
Contribution to the Exchequer	11	-	-
Transfer (to) Capital	12	**(36,759)**	(10,402)
(Deficit) / Surplus for the year after Appropriations		**(1,080)**	13,639
Balance Brought Forward at 1 January		**33,632**	19,993
Balance Carried Forward at 31st December 2021		**32,552**	33,632

Amounts shown under Income and Expenditure are in respect of continuing activities. The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cashflows and notes 1 to 26 form part of these Financial Statements.

On behalf of the Board of IDA:

Date: 13th June, 2022

Frank Ryan
Chairman

Martin Shanahan
Chief Executive

Tony Kennedy
Chairman Audit,
Finance & Risk Committee

Statement of Comprehensive Income

For Year Ended 31 December 2021

	Notes	**2021 €'000**	2020 €'000
Surplus before Appropriations		**35,679**	24,041
Experience gain / (loss) on retirement benefit obligations	21 (d)	**305**	(7,344)
Change in assumptions underlying the present value of retirement benefit obligations	21 (d)	**(2,234)**	(19,124)
Total actuarial (loss) in the year		**(1,929)**	(26,468)
Adjustment to deferred retirement benefits funding		**1,929**	26,468
Other Comprehensive Income for the year		**35,679**	24,041

The Statement of Cashflows and notes 1 to 26 form part of these Financial Statements.

On behalf of the Board of IDA: Date: 13th, June 2022

Frank Ryan
Chairman

Martin Shanahan
Chief Executive

Tony Kennedy
Chairman Audit,
Finance & Risk Committee

Statement of Financial Position

As at 31 December 2021

	Notes	2021 €'000	2020 €'000
Tangible Fixed Assets			
Industrial Property	13	**274,788**	235,438
Other Fixed Assets	14	**7,879**	10,470
		282,667	245,908
Intangible Assets			
Telecommunication Assets	15	-	-
Total Tangible and Intangible Assets		**282,667**	245,908
Current Assets			
Inventory	16	**5,488**	-
Receivables	17	**32,865**	36,121
Cash and Cash Equivalents		**300**	4,486
		38,653	40,607
Current Liabilities			
Payables	18	**(5,961)**	(6,913)
Net Current Assets		**32,692**	33,694
Long Term Receivables			
Receivables: amounts falling due after more than one year	17	-	288
Provisions			
Provisions for Liabilities and Charges	19	**(140)**	(350)
Pensions			
Deferred Pension Funding Asset	20 (f)	**219,312**	210,130
Pension Liability	20 (e)	**(219,312)**	(210,130)
Total Net Assets		**315,219**	279,540
Representing:			
Capital Account	12	**282,667**	245,908
Operating Account		**32,552**	33,632
		315,219	279,540

The Statement of Cashflows and notes 1 to 26 form part of these Financial Statements.

On behalf of the Board of IDA: Date: 13th, June 2022

Frank Ryan
Chairman

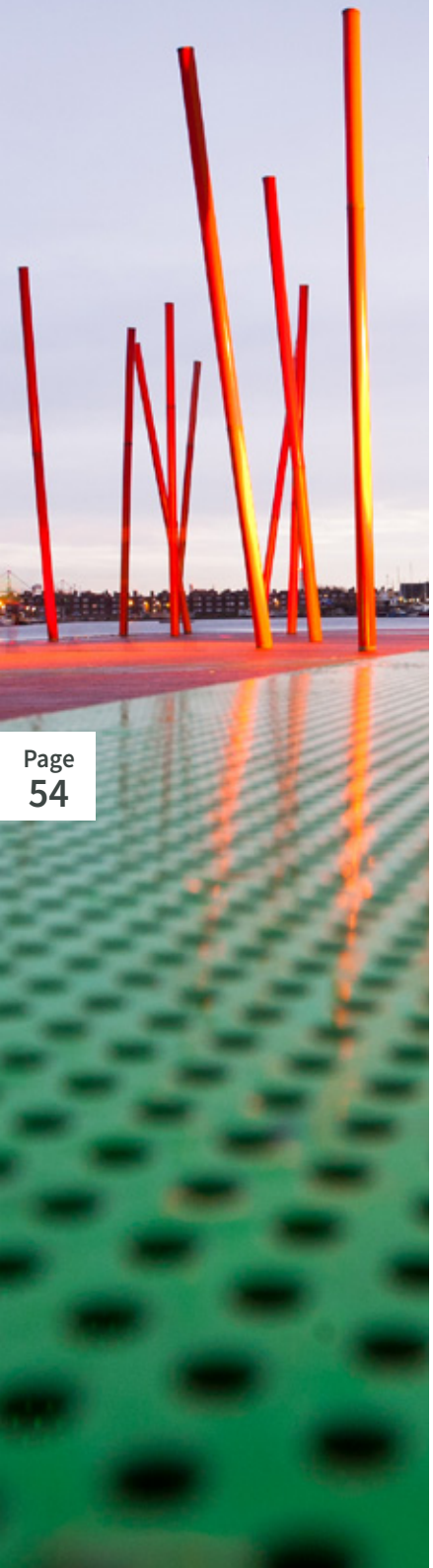
Martin Shanahan
Chief Executive

Tony Kennedy
Chairman Audit,
Finance & Risk Committee

Statement of Cashflow

For Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Net Cash Flows From Operating Activities			
Excess Income over Expenditure		**35,679**	24,041
Reduction in Value of Fixed Assets			
- Industrial Property	10	**(2,129)**	12,971
- Other Fixed Assets & Telecommunication Assets	10	**5,033**	4,654
Expenditure Capitalised	8 (a)	**(777)**	(590)
(Profit) on Disposal of Assets	6	**(1,779)**	(5,767)
Bank Interest	5	-	-
Contribution to the Exchequer	11	-	-
(Increase) in Inventory	16	**(5,488)**	-
Decrease / (Increase) in Receivables amounts falling due within one year	17	**3,256**	(13,518)
(Decrease) / Increase in Payables amounts falling due within 1 year	18	**(952)**	745
(Decrease) in Provisions and Charges	19	**(210)**	(1,976)
Decrease in Receivables amounts falling due after more than one year	17	**288**	315
Net Cash Inflow from Operating Activities		**32,921**	20,875
Cash Flows from Investing Activities			
Acquisitions		**(49,592)**	(37,213)
Disposals		**12,485**	15,543
Net Cash Flows from Investing Activities		**(37,107)**	(21,670)
Cash Flows From Financing Activities			
Bank Interest Received		-	-
Net Cash Flows from Financing Activities		-	-
Net (Decrease) in Cash and Cash Equivalents		**(4,186)**	(795)
Cash and cash equivalents at 1 January		**4,486**	5,281
Cash and Cash Equivalents at 31 December		**300**	4,486



Notes to the Financial Statements

For Year Ended 31 December 2021

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by IDA are set out below. They have all been applied consistently throughout the year and the preceding year:

(a) General Information

IDA Ireland's head office is located at Three Park Place, Hatch Street Upper, Dublin 2, D02 FX65. IDA Ireland is a Public Benefit Entity (PBE). A Public Benefit Entity provides goods or services for the general public, community or social benefit and where any equity is provided, it is to support the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members. IDA Ireland's primary objective as set out in Part II S8 of the Industrial Development (IDA Ireland) Act 1993 is:

- to promote the establishment and development, in the State, of industrial undertakings from outside the State
- to make investments in and provide supports to industrial undertakings which comply with the requirements of the enactments for the time being in force.
- to administer such schemes, grants and other financial facilities requiring the disbursement of European Union Funds and such other funds as may from time to time be authorised by the Minister for Public Expenditure and Reform, and to carry out such other functions as may from time to time be assigned to it by the Minister.

(b) Statement of Compliance and Basis of Preparation

The Financial Statements have been prepared in accordance with the historical cost convention, modified in compliance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council in the form approved by the Minister for Enterprise, Trade and Employment with the consent of the Minister for Public Expenditure and Reform.

The presentation currency of the Financial Statements of IDA Ireland is in Euro. The functional currency of IDA Ireland is considered to be Euro as it is the primary economic environment in which the Agency operates.

(c) Revenue

Oireachtas Grants

Revenue is generally recognised on an accruals basis: the one exception being Oireachtas Grants which are recognised on a cash receipts basis.

Refunds of Grants Paid

Grants paid become refundable in certain circumstances, such as liquidation / dissolution of the recipient company, or if the conditions of the grant are not met. Grant refunds are recognised when it is probable that the money will be received by IDA and the amount can be estimated reliably; therefore they are accounted for on an accruals basis.

Interest Income

Interest income is recognised on an accruals basis using the effective interest rate method.

Rental Income

Rents comprise amounts 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 and are accounted for on an accruals basis.

Other Revenue

Other revenue is recognised on an accruals basis.

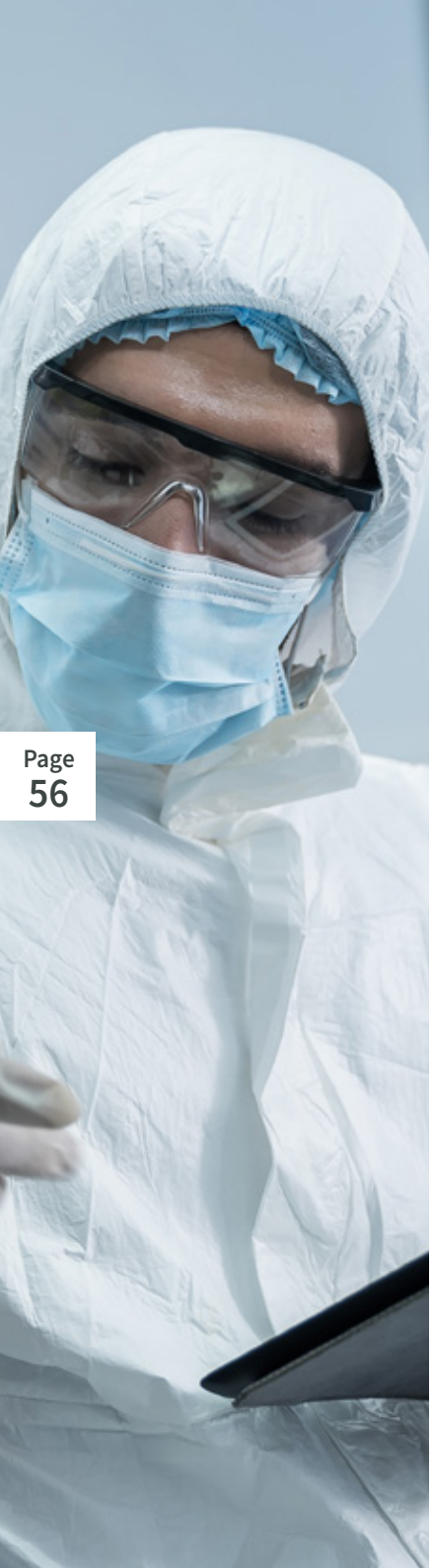
(d) Grants Payable

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

(e) Tangible Fixed Assets

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 computer and office equipment and fixtures and fittings.

Tangible Fixed Assets are stated at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible assets, other than land at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over the estimated useful lives as follows :

(i)	Buildings	3 % per annum
(ii)	Site Development	10 % per annum
(iii)	Office Equipment / Fixtures & Fittings	20 % per annum
(iv)	Computers	33 % per annum
(v)	Land	0 % per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

Impairment of Property, Plant and Equipment
Provisions for impairments may be made following reviews of fixed assets and telecommuniaction assets 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 may not be fully recoverable. Any such provisions will be recognised in the Statement of Income and Expenditure and Retained Revenue Reserves 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 exists or have changed materially the accumulated provision for impairment will be reduced accordingly.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

Reversals of impairments in previous years are accounted for through the Statement of Income and Expenditure and Retained Revenue Reserves.

(f) 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.

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

By way of memorandum Income and Expenditure in respect of Industrial Property transactions are set out in note 22 to the Financial Statements.

(g) Intangible Fixed Assets:

Intangible Fixed Assets comprise telecommunication assets which constitute an indefeasible right of use of a designated portion of a global telecommunications network for a period of 25 years from 2000.

(h) Inventory

Inventory consists of inventories held for distribution at no or nominal consideration, measured at the lower of cost adjusted, when applicable, for any loss of service potential and replacement cost.

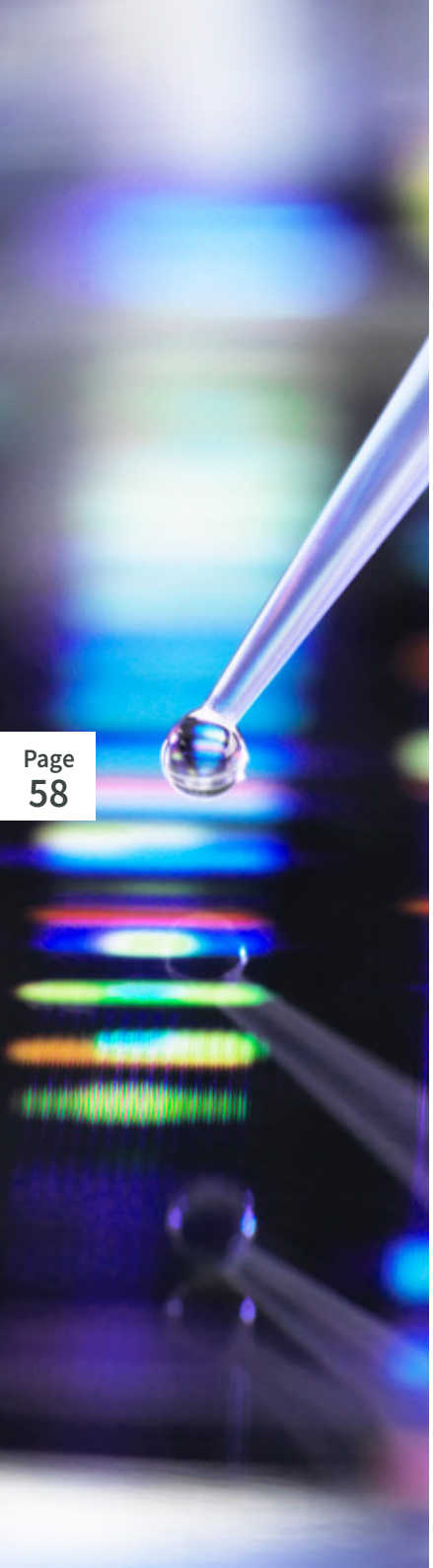
(i) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that IDA will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves. Receivables include :

(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.

(j) Payables comprise amounts payable in respect of:

(i) Creditors and Accruals.
(ii) Grants are payable in line with note (d)
(iii) Deposits for uncompleted sales.

(k) 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.

(l) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Statement of Financial Position 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 Statement of Income and Expenditure and Retained Revenue Reserves.

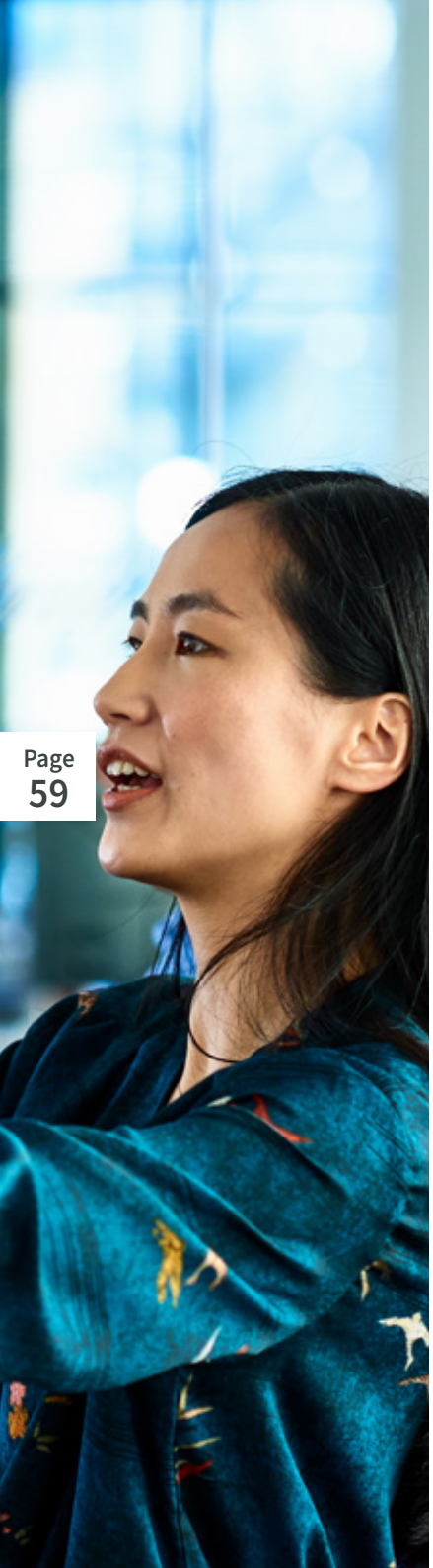
(m) Leases

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.

(n) Employee Benefits

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.



Retirement Benefits

The Industrial Development (Forfás Dissolution) Act 2014 (No 13 of 2014) which was passed into law on 16th July 2014 made provision for the dissolution of Forfás and provided for: the establishment of IDA Ireland, Enterprise Ireland and Science Foundation Ireland as separate legal employers; each Agency developing its own pension scheme noting that staff who are/were members of the Forfás Pension Scheme join the new Agency Schemes on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer, agencies' own staff becoming members of these schemes; and these agencies accounting for the associated Pension Liabilities under FRS102.

The Department of Enterprise, Trade and Employment assumes legal responsibility for the existing Forfás pension schemes, pensioners and former staff with preserved benefits.

Under the Public Service Pensions (Single Scheme and other provisions) Act 2012 new entrants to the Public Service on or after 1 January 2013 become members of the Single Public Service Pension Scheme. IDA has the full legal responsibility for its employees as their legal employer. This includes responsibility for the pensions of current employees who retire after 16th July 2014. The Financial Statements also reflect the pension costs of IDA staff covered by the Single Public Service Pension Scheme.

IDA's pension costs reflect unfunded defined benefit pension schemes, which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Enterprise, Trade and Employment and from certain contributions deducted from staff salaries. Pension costs reflect pension benefits earned by employees in the period and are shown net of retained staff pension contributions. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Enterprise, Trade and Employment.

Pension liabilities represent the present value of future pension payments earned by staff to-date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Enterprise, Trade and Employment.

Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method.

(o) Critical Judgements, Estimates and Assumptions

In the application of IDA Ireland's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Residual values and depreciation of assets

Management have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment reviews of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Retirement benefit obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

(i) the discount rate, changes in the rate of return on high-quality corporate bonds
(ii) future compensation levels, future labour market conditions
(iii) changes in demographics

Provisions

The Agency makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information and adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

2. Oireachtas Grants

The Oireachtas Grants are provided under section 35 of the Industrial Development (Science Foundation Ireland) Act 2003. The Oireachtas Grants as shown in the Financial Statements consist of the following sums paid from Vote 32 - Enterprise, Trade and Employment:

		2021 €'000	2020 €'000
Grant for Promotion and Administration Expenditure	Vote 32 - Subhead A5 (i)	**53,036**	62,109
Grant for Industry	Vote 32 - Subhead A5 (ii)	**98,500**	96,000
Grant for Industrial Property	Vote 32 - Subhead A5 (iii)	**48,700**	39,000
		200,236	197,109

The Grant for Promotion and Administration Expenditure of €53.036m is stated net of employee pension contributions of €1,096,697 (€1,068,494 - 2020) remitted to the Exchequer.

3. National Training Fund

Included in the training grant payments of €17.801m (see note 7) are training grant payments of €3m (€3m in 2020) which were met with funds received through the Department of Enterprise Trade and Employment from the National Training Fund, which is administered through the Department of Education & Skills. Payments made are in compliance with the statutory requirements of the Fund as provided for in section 7 of the National Training Fund Act, 2000.

4. Grant Refunds

When the conditions of a grant agreement are breached by a client company, the grant is recoverable. During the year the Agency recovered €4.766m (€0.917m in 2020) relating to grant refunds.

5. Other Income	**2021 €'000**	2020 €'000
Private sector sublets of Leased Office Accommodation	-	(9)
Bank Interest	-	-
Fee Income in respect of Undeveloped Lands	**144**	440
Interest on Industrial Property Transactions	**334**	231
Sundry Income	**19**	70
	497	732

6. Profit on Disposal of Assets	2021 €'000	2020 €'000
Consideration (net of fees and direct expenses)	**12,485**	15,543
Historical Costs	**(17,741)**	(17,640)
Write back of provision for impairment	**2,221**	21
Write back of provision for depreciation	**4,814**	7,843
	1,779	5,767

The profit on disposal comprises of profits of €2.745m, losses of €0.966m resulting in net profit on disposal of €1.779m.

7. Grants Payable	2021 €'000	2020 €'000
Capital	**15,795**	18,680
Employment	**4,471**	6,359
R&D	**67,144**	68,309
Training	**17,801**	12,736
Other Grants	**218**	362
	105,429	106,446

In 2021 €3.494m (2020 - €1.34m) was paid under a Medicinal Products for Covid 19 scheme and €390k (2020 - €76k) was paid under a Covid 19 Business Continuity Scheme.

8 (a) Promotion, Administration and General Expenses	2021 €'000	2020 €'000
Board members' fees, expenses and CEO remuneration	**319**	287
Other remuneration costs - see 8 (b)	**29,335**	29,843
Marketing, consultancy, promotions and advertising	**19,021**	10,446
General administration	**15,343**	13,461
Audit fee	**62**	62
Provision for doubtful debts	**(110)**	(29)
Less: Capitalisation of expenditure associated with industrial property development	**(777)**	(590)
	63,193	53,480

8 (b) **Other remuneration costs comprise:**	**2021** **€'000**	2020 €'000
Staff short-term benefits	**27,324**	27,935
Employers contribution to social welfare	**2,010**	1,904
Termination Benefits	**-**	-
Retirement benefit costs	**1**	4
	29,335	29,843

The total number of staff employed (WTE) at year end was 328 (2020 : 324)

8 (c) **Staff Short Term Benefits**	**€'000**	€'000
Basic Pay	**27,324**	27,933
Overtime	**-**	2
Allowances	**-**	-
	27,324	27,935

In 2021 €788k of Additional Superannuation Contribution has been deducted and paid over to the Department of Enterprise Trade and Employment.

8 (d)

Permanent Salary Breakdown Employee Benefits	**Number of Employees (WTE) 2021**	**2020**
€60,000 to €70,000	41	34
€70,001 to €80,000	23	35
€80,001 to €90,000	41	28
€90,001 to €100,000	22	33
€100,001 to €110,000	11	11
€110,001 to €120,000	7	5
€120,001 to €130,000	3	1
€130,001 to €140,000	2	-
€140,001 to €150,000	5	2
€150,001 to €160,000	2	9
€160,001 to €170,000	3	3
€170,001 to €180,000	1	1
€180,001 to €190,000	-	1
€190,001 to €200,000	1	-

8 (e)

Key Management Personnel

Key Management personnel in IDA consists of the members of the Board, the Chief Executive Officer, the Executive Director and the Divisional Managers. The total value of employee benefits for key management personnel is set out below:

	2021	2020
	€'000	€'000
Basic Pay	**1,476**	1,368
Allowances	-	-
Termination benefits	-	-
Health Insurance	-	-
	1,476	1,368

8 (f)	**2021 €'000**	2020 €'000
Chief Executive Remuneration		
Mr Martin Shanahan	**192,105**	188,808
Total	**192,105**	188,808

The Chief Executive Officer (CEO) receives an annual salary of €193,542 effective from 1st October 2021. The CEO's pension entitlement does not extend beyond the standard public sector pension arrangements.

8 (g)
Annual Rent Payable in respect of Leased Office Accommodation

	Number of Offices	Lease Expiry Date	Gross Rent Payable	Net Rent Payable
			€'000	€'000
Head Office	1	2043	**7,769**	3,924
Regional Offices	3	2022-2028	**143**	143
Overseas Offices	19	2021-2029	**2,409**	2,409
			10,321	6,476

(i) In the case of Head Office and ten overseas offices, accommodation is co-located with other State Agencies and / or the Irish Government Missions. Net rent payable takes account of amounts received from other State bodies and private tenants that occupy part of the office buildings concerned.

(ii) The IDA renewed one overseas lease in 2021.

(iii) Two overseas office leases contain a break clause in 2024

(iv) The Agency owns one property which is used or available as office space for staff.

8 (h) Commitments under Operating Leases

At 31 December the commitment under operating leases is €175.441m. These leases will expire as follows:

	2021 €'000			2020 €'000		
	Non Industrial Property	**Industrial Property Occupied under leases**	**Industrial Property Available for Promotion**	Non Industrial Property	Industrial Property Occupied under leases	Industrial Property Available for Promotion
within one year	**10,321**	-	-	10,446	-	-
in the second to fifth years inclusive	**36,487**	-	-	37,420	-	-
more than 5 years	**128,633**	-	-	136,495	-	-
	175,441	-	-	184,361	-	-

9. Industrial Building Charges

These charges include the net costs associated with industrial buildings provided by the private sector and maintenance costs in respect of all promotable industrial buildings held by IDA. Costs comprise: professional, legal and consultancy costs €2.99m [2020 €2.445m], net operating lease costs (€0.006m) [2020 €0.004m] and business park maintenance costs €2.941m [2020 €7.815m], reduced by the net movement on provisions in respect of operating leases (as set out in note 18) €0.21m [2020 €1.976m].

10. Reduction in Value of Fixed Assets

		Notes	**2021 €'000**	2020 €'000
Depreciation Charges				
	- Industrial Property	13	**12,684**	13,836
	- Other Fixed Assets	14	**5,033**	4,654
Impairment Charges / (Reversals)				
	- Industrial Property	13	**(14,813)**	(865)
			2,904	17,625

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 or Telecommunications Assets exceed their estimated recoverable value. Impairment reversals arise where there is clear evidence that the recoverable value of Industrial Property or Telecommunications Assets exceed their book value, upto the amount of the original impairment.

11. Contribution to the Exchequer

During 2021 and 2020 IDA Ireland received sanction from DETE to retain Own Resource Income generated. Excess own resource Income above this level and any unused Own Resource Income was refundable to DETE, as a contribution to the Exchequer. In 2021, IDA Ireland received sanction from DETE to retain the €0.659m unused Own Resource Income in 2020. In 2022, sanction from DETE to retain €0.449m unused Own Resource Income in 2021, resulting in nil contributions paid to the Exchequer in 2021 and 2020, is awaited.

12. Capital

		Notes	€'000	**2021 €'000**	€'000	2020 €'000
At 1 January				**245,908**		235,506
Net Movements on:	- Industrial Property	13	**39,350**		13,868	
	- Other Fixed Assets	14	**(2,591)**		(3,466)	
Transfer from Statement of Income and Expenditure				**36,759**		10,402
At 31 December				**282,667**		245,908

13. Tangible Fixed Assets - Industrial Property 2021	Land	Site Development	Industrial Property Occupied Under Leases	Industrial Property Available for Promotion	Total
Cost	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January	259,471	152,312	42,240	46,899	**500,922**
Additions	11,115	15,341	260	21,210	**47,926**
Transfers	-	-	-	-	-
Disposals	(9,089)	(5,057)	-	(3,519)	**(17,665)**
At 31 December	261,497	162,596	42,500	64,590	**531,183**
Provision for Impairment					
At 1 January	104,938	174	977	2,289	**108,378**
Charge / (Reversal) for Year	(14,639)	(174)	-	-	**(14,813)**
Transfer	-	-	-	-	-
Disposals	-	-		(2,221)	**(2,221)**
At 31 December	90,299	-	977	68	**91,344**
Provision for Depreciation					
At 1 January	-	140,985	12,172	3,949	**157,106**
Charge for Year	-	9,534	1,109	2,041	**12,684**
Transfers	-	-	73	(73)	-
Write back on depreciation of Disposals	-	(4,093)	-	(646)	**(4,739)**
At 31 December	-	146,426	13,354	5,271	**165,051**
Net Book Amount					
At 31 December	171,198	16,170	28,169	59,251	**274,788**
At 1 January	154,533	11,153	29,091	40,661	**235,438**
Net Movement for Year					**39,350**

	Land	Site Development	Industrial Property Occupied Under Leases	Industrial Property Available for Promotion	Total
13. Tangible Fixed Assets - Industrial Property - 2020					
Cost	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January	257,784	149,872	34,043	40,248	**481,947**
Additions	8,759	12,230	-	15,626	**36,615**
Transfers	-	-	8,197	(8,197)	-
Disposals	(7,072)	(9,790)	-	(778)	**(17,640)**
At 31 December	259,471	152,312	42,240	46,899	**500,922**
Provision for Impairment					
At 1 January	105,803	195	977	2,289	**109,264**
Charge / (Reversal) for Year	(865)	-	-	-	**(865)**
Transfers	-	-	-	-	-
Disposals	-	(21)	-	-	**(21)**
At 31 December	104,938	174	977	2,289	**108,378**
Provision for Depreciation					
At 1 January	-	137,434	10,575	3,104	**151,113**
Charge for Year	-	11,347	852	1,637	**13,836**
Transfers	-	-	745	(745)	-
Write back on depreciation of Disposals	-	(7,796)	-	(47)	**(7,843)**
At 31 December	-	140,985	12,172	3,949	**157,106**
Net Book Amount					
At 31 December	154,533	11,153	29,091	40,661	**235,438**
At 1 January	151,981	12,243	22,491	34,855	**221,570**
Net Movement for Year					**13,868**

(a) Included in the table above is an amount relating to a joint arrangement entered into in 2004 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 €Nil.

14. Other Fixed Assets

	2021 Office and Computer Equipment, Fixtures & Fittings	2021 Total	2020 Office and Computer Equipment, Fixtures & Fittings	2020 Total
Cost	€'000	€'000	€'000	€'000
At 1 January	23,353	23,353	22,165	22,165
Additions	2,443	2,443	1,188	1,188
Disposals	(76)	(76)	-	-
At 31 December	25,720	25,720	23,353	23,353
Provision for Depreciation				
At 1 January	12,883	12,883	8,229	8,229
Charge for Year	5,033	5,033	4,654	4,654
Disposals	(75)	(75)	-	-
At 31 December	17,841	17,841	12,883	12,883
Net Book Amount				
At 31 December	7,879	7,879	10,470	10,470
At 1 January	10,470	10,470	13,936	13,936
Net Movement for Year	(2,591)	(2,591)	(3,466)	(3,466)

15. Telecommunications 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 was sold to a number of service providers. The remaining assets have an historical cost of €38.85m, which amount has been written off by way of an impairment charge of €21m in 2002 and aggregate depreciation of €17.85m over 8 years from 2000, resulting in a net book value of €Nil.

16. Inventory

	2021 €'000	2020 €'000
Inventory	**5,488**	-
Total at 31st December	**5,488**	-

Inventory consists solely of digital manufacturing assets acquired by the IDA that are planned to be novated for nil consideration in 2022, as part of the National Advanced Manufacturing Centre project.

IDA facilitated the establishment of AMC (incorporated as Advanced Manufacturing Centre Ireland Limited) as an industry led research & technology organisation with its own independent board (with an IDA Executive Team member as a Non-Executive Director) and executive leadership team, which operates independently.

IDA is providing interim funding from December 2021 to 30th June 2022 (up-to €160k) for the benefit of AMC for Salaries, Related Costs & Expenses.

17. Receivables

	2021 €'000	**2021 €'000**	2020 €'000	2020 €'000
Amounts falling due within one year:				
Accounts Receivable and Prepayments	**33,219**		36,792	
Provision for Doubtful debts	**(354)**		(671)	
		32,865		36,121
Amounts falling due after more than one year:				
Amount due from sub-lessee in relation to fit out costs	-		288	
		-		288
		32,865		36,409

(i) Included in receivables and prepayments are amounts of €25.603m in down payments on property transactions, mainly reflecting payments to solicitors' escrow accounts on property purchases, six transactions are expected to complete by Q2 2022 and it is anticipated that the other transactions will complete by Q4 2022.

(ii) The long term Debtor of €288,000 in 2020 representing monies due from SEAI in relation to the fit out costs of the new Global Headquarters occupied by IDA was repaid in full in 2021.

18. Payables

Amounts falling due within one year:	**2021 €'000**	2020 €'000
Accounts Payable and Accruals	**5,631**	5,989
Amount due on Uncompleted Sales	**330**	924
Grant Payment Accruals	-	-
	5,961	6,913

19. Provision for Liabilities and Charges

Operating Leases Provision	**2021 €'000**	2020 €'000
At 1st January	**350**	2,326
Net (reduction) for the year	**(210)**	(1,976)
Total at 31st December	**140**	350

The Operating Leases Provision comprises:
- Potential building reinstatement costs associated with obligations under operating leases.

20. Pensions

(a) IDA has responsibility for the pension costs of staff retiring from IDA post 16th July 2014, under the Industrial Development (Forfás Dissolution Act 2014). Staff who are/were members of the Forfás Pension Scheme join the new IDA Scheme on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer from Forfás to IDA. The following categories of staff are covered by the IDA:

Staff Covered

(a) Staff recruited up to 5 April 1995 who became pensionable after that date.
(b) Staff recruited after 5th April 1995 and before 1st January 2013.
(c) Staff recruited since 1st January 2013, who are members of the Single Public Service Pension Scheme.
(d) Staff recruited since 1st January 2013, who joined the Forfás Pension Scheme (now the new IDA Scheme) as they were pre-existing members of another public service scheme (with no more than six months break in service post 1st January 2013).

Each of the Schemes include Spouses and Children's schemes.
The new Single Public Service Scheme ("Single Scheme") commenced with effect from 1 January 2013. All new entrants to pensionable public service employment on or after 1 January 2013 are, in general, members of the Single Scheme. The rules of the Single Scheme are set down in the Public Service Pensions (Single Scheme and Other provisions) Act 2012. Pension liabilities in relation to those individuals employed under the Single Public Service Scheme for less than 2 years have not been included in the pension calculation as they will not have accrued pension rights until after 2 years service is attained.

IDA meets the net costs arising from normal retirements. These are paid out of current income. Contributions received by IDA from staff in the contributory unfunded schemes outlined above are used to part fund ongoing pension liabilities.

Under the Financial Measures (Miscellaneous Provisions) Act 2009 the assets of the Former Industrial Development Authority were transferred to the National Pension Reserve Fund on 31 December 2009. The pension schemes associated with these two funds continue in force for existing members with no impact on benefits or associated provision for members. IDA Ireland remits employee contributions to the Exchequer. Total employee contributions of €1.097m for these schemes were remitted by IDA to the Exchequer in 2021 and pension costs at retirement are paid by Oireachtas Grant Vote No 32 subhead A5 (i).

(b) Pension Disclosure under FRS102

Financial Reporting Standard 102 (FRS102) requires financial statements to reflect at fair value the assets and liabilities from an employer's superannuation obligations and any related funding and to recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

(c) Analysis of Total Pension Charge	**2021 €'000**	2020 €'000
Service costs	**8,033**	7,031
Interest on Pension Scheme Liabilities	**1,671**	2,108
Employee Contributions utilised in payment of Pensions	**(1,097)**	(1,069)
	8,607	8,070

(d) Analysis of amount recognised in Statement of Comprehensive Income	**2021 €'000**	2020 €'000
Experience Gains / (Losses)	**305**	(7,344)
Changes in assumptions Gains / (Losses)	**(2,234)**	(19,124)
Actuarial Gain / (Loss)	**(1,929)**	(26,468)

(e) Pension Liability Change in Pension Schemes' Liabilities	**2021 €'000**	2020 €'000
Opening Balance	**210,130**	176,782
Current Service Cost	**8,033**	7,031
Interest Costs	**1,671**	2,108
Payments to Pensioners	**(2,451)**	(2,259)
Actuarial (Gain) / Loss	**1,929**	26,468
Present Value of Schemes' Obligations at 31 December	**219,312**	210,130

(f) Net Deferred Funding for Pensions in Year	**2021 €'000**	2020 €'000
Funding Recoverable in respect of Current Year pension costs	**9,704**	9,139
Funding to pay Pensions	**(2,451)**	(2,259)
	7,253	6,880

IDA recognises as an asset an amount corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. These events include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. IDA has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The deferred funding asset for pensions at 31 December 2021 amounted to €219.312m (2020 - €210.130m). The quantification of the liability is based on the financial assumptions set out in note 19(g). The assumptions used, which are based on actuarial advice, are advised to the Department of Enterprise Trade and Employment.

(g) Valuation
The valuation used for FRS102 disclosures has been based on a full actuarial valuation at 31 December 2021. The financial assumptions used to calculate scheme liabilities under FRS102 as at 31 December were as follows;

Valuation method - Projected Unit	**2021**	**2020**	**2019**	**2018**	**2017**
Discount rate	1.20% p.a.	0.8% p.a.	1.20% p.a.	1.90% p.a.	1.95% p.a.
Future salary increases	3.50% p.a.	3.00% p.a.	3.00% p.a.	3.30% p.a.	3.40% p.a.
Future state pension increases	3.50% p.a.	3.00% p.a.	3.00% p.a.	3.30% p.a.	3.40% p.a.
Future pension increases	3.00% p.a.	2.50% p.a.	2.50% p.a.	2.80% p.a.	2.90% p.a.
Future Inflation	2.00% p.a.	1.50% p.a.	1.50% p.a.	1.80% p.a.	1.90% p.a.

Year of attaining age 65	**2021**	**2041**
Life expectancy - male	21.8	24.1
Life expectancy - female	24.2	26.2

(h) History of defined Benefit Obligations - Commenced 2014	**2021**	**2020**	**2019**	**2018**	**2017**
Year Ending 31 December	€'000	€'000	€'000	€'000	€'000
Defined Benefit Obligation	219,312	210,130	176,782	153,942	151,667
Experience gains / (losses) on Scheme Liabilities:					
Amount	305	(7,344)	344	3,954	19
Percentage of Scheme Liabilities	0.1%	(3.5%)	0.2%	2.6%	0.0%
Total (loss) / gain recognised in Statement of Comprehensive Income:					
Amount	(1,929)	(26,468)	(15,716)	5,660	(4,095)
Percentage of Scheme Liabilities	(0.9%)	(12.6%)	(8.9%)	3.7%	(2.7%)

21. Commitments

It is estimated that future payments likely to arise from Grant Commitments amounted to €261m as at 31 December 2021, estimates payable as follows; 2022 €102m, 2023 €63m, 2024 €45m, 2025 €28m, 2026 €14m, 2027 €6m, 2028 €3m. (At 31 December 2020 the estimate was €386m, estimates payable as follows; 2021 €105m, 2022 €89m, 2023 €76m, 2024 €56m, 2025 €35m, 2026 €17m, 2027 €8m). Capital Commitments outstanding at 31 December 2021 on contracts for the acquisition and development of Industrial Property amounted to €81m (2020 : €48m).

22. 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 2021.

23. Industrial Property Income and Expenditure		**2021**	2020
Income:	Notes	**€'000**	€'000
Oireachtas Grant	2	**48,700**	39,000
Rental Income IDA Ireland Client Companies		**3,996**	3,545
Fee Income in respect of Undeveloped Lands	5	**144**	440
Interest on Industrial Property Transactions	5	**334**	231
Profit on Disposal of Industrial Property		**1,778**	5,754
		54,952	48,970
Expenditure:			
Promotion, Administration and General Expenses		**1,694**	1,590
Industrial Building Charges	9	**5,715**	8,288
Depreciation Charges and Provisions	10	**(2,129)**	12,971
		5,280	22,849
Net Movement for Year		**49,672**	26,121
Transfer (to) Capital	12	**(39,350)**	(13,868)
Contribution to Promotion and Administration activities		**10,322**	12,253

24. Related Party Disclosures

Please refer to Note 8 for a breakdown of the remuneration and benefits paid to key management.

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 Public Expenditure and Reform covering the personal interests of Board members and these procedures have been adhered to by the Board members and the Agency. During 2021 two transactions required disclosure being income received of €1.231m and the approval of a grant for €2m as they relate to companies in which a Board member was employed.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

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25. Contingent Liability

IDA entered into an agreement with a service provider with the objective of winning foreign direct investments, primarily in small and medium sized enterprises, resulting in the creation of sustainable jobs. The contract with the service provider expired on the 26th March 2017. In accordance with the contractual obligation in the agreement, IDA made a payment to the service provider in 2017. The payment, which was provided for in the 2016 Financial Statements, was calculated by reference to potential future job creation. As the number of jobs which were subsequently created and verified is less than the number of jobs provided for in that payment, a partial refund of this payment has been sought. In addition, some payments made by IDA to the service provider under the contract were based on jobs which were not subsequently sustained for the minimum period specified in the contract, and a refund for these payments is also being sought from the service provider. The service provider disputes IDA's claim and is seeking unquantified damages from IDA for alleged breach of contract. The matter is now the subject of arbitration proceedings between the parties.

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26. Approval of Financial Statements

The Financial Statements were approved by the Board on 12th May 2022

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GLOBAL OFFICE NETWORK

GLOBAL OFFICES

EUROPE:
1: IRELAND
2: FRANCE
3: GERMANY
4: UNITED KINGDOM

NORTH AMERICA:
5: ATLANTA
6: BOSTON
7: CHICAGO
8: NEW YORK
9: NORTHERN CALIFORNIA
10: SOUTHERN CALIFORNIA
11: AUSTIN
12: TORONTO

ASIA PACIFIC:
13: AUSTRALIA
14: CHINA BEIJING
15: CHINA SHANGHAI
16: CHINA SHENZHEN
17: INDIA MUMBAI
18: JAPAN
19: SINGAPORE
20: KOREA