Making ventures happen

NDRC’s mission is to create high-impact ventures out of opportunities in the research base.
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It gives me great pleasure to present NDRC’s Annual Report for 2012 – 2013 in my second year as Chairman. I am proud to have been involved with this groundbreaking endeavour since operations began in 2007, both as a Board Member and as a member of the Strategic Review Committee which selects and oversees NDRC’s projects.

For much of my working life, from the founding of Iona Technologies to Incaplex, I have been motivated by the desire to drive scientific innovation in Ireland and to create viable ventures in the sector. This too is the mission of NDRC – to enable great ideas to realise their commercial potential.

Now over five years into NDRC’s development and at the outset of a new cycle, perceptions have altered from ambition to expectation, from possibility to probability, as proven successes continue to underscore our value to the innovation sector.

In my introductory statement last year I spoke of sharpening our mission to contribute to a strong sustainable recovery for Ireland. I am gratified to report that the figures already outstrip those for 2011. Building on pioneering job growth in 2011, the cumulative numbers of jobs created grew more than fivefold to a total of 250 by end 2012. Preliminary projections for 2013 suggest that this will grow further by well over 20% in 2013. When ripple impacts of digital jobs are considered, the true value to the economy can be up to 4.3 times the net digital jobs created, viz. 1,075 jobs as a result of NDRC’s activities in this vital sector for Ireland.

Throughout this challenging period NDRC has remained committed to both its mission and, crucially, its method. Although as early stage investors in innovation we are in the business of creating market capital, for us the method we employ to enable
“This Government remains staunchly committed to investing in Ireland’s knowledge economy. It is essential for the country’s recovery that home-grown ideas are nurtured to such point that they can flourish in their native environment and contribute to sustainable growth. This is central to our action plan for jobs. I am greatly encouraged that in the five years since its inception, NDRC has put down strong roots of its own to consolidate its position within Ireland’s innovation ecosystem. The results being announced here today demonstrate that, and I am pleased to announce the Government’s on-going support to the essential work of this organisation for the next five years.”

PAT RABBITTE TD
Minister for Communications, Energy & Natural Resources
As an early stage investor and company builder, NDRC makes ventures happen by helping researchers, innovators, entrepreneurs and investors to build better businesses.

In the course of this endeavour, the year 2012-2013 has yielded up a validatory new context for NDRC. NDRC’s core purpose is still to bridge the research-to-venture gap in the digital space by harnessing the power of venture entrepreneurialism. We do so in order to create economic value, create high-value jobs, and advance Ireland’s capability in science & technology commercialisation and digital entrepreneurship. Furthermore, our mission continues to focus upon the creation of high-impact ventures out of opportunities in the research space. Amid all this relative sameness, our status within Ireland’s innovation ecosystem has undergone a fundamental change. The ambitious experiment to position Ireland as a significant player in the internationally competitive arena of digital technology commercialisation has succeeded. By consolidating its position as a thought and practice leader, NDRC has secured a vital continuity of its mission.

That this mission is being achieved in the face of a challenging economic environment and against weakness in the global economy further underscores the value proposition now evident in NDRC, and represents a ringing endorsement of the durability of our investment model. Ireland’s challenge is neither a lack of research depth, nor entrepreneurial spirit, but more a deficit of deep commercialisation experience and capacity at the emergent phase of new opportunities. Persistence in adhering to the core tenets of NDRC’s approach has secured success in an environment characterised by the harsh necessities of austerity. This stands testament to the essential, tangible benefit of NDRC to the Irish economy.

The three most compelling attributes of NDRC’s success that have led to renewed investment are our track record of results, our team’s expertise, and the holistic manner in which we bring our high-touch capabilities to bear on early stage ventures.

“NDRC’s focus on early stage innovation and technology transformation has enabled it to accumulate an unparalleled competence within the Irish innovation ecosystem. I’ve observed the evolution of the project for some years now and am keen to establish a closer relationship in light of the renewed commitment to NDRC’s future.”

MARTIN CURLEY
Vice President, Director Intel Labs Europe, and Senior Principal Engineer Intel Labs
“By consolidating its position as a thought and practice leader, NDRC has secured a vital continuity of its mission”

Of these, the most visible are our results, which continue to show increasing growth. Year on year, cumulative FoI more than doubled from €5.7m in 2011 to €16m in 2012, having grown by over 67% between our last published annual report and the end of 2012. The market capital value of ventures emerging from NDRC also more than doubled from €14.9m in 2011 to €39m by end 2012, having expanded by over 35% from our last annual report to year end 2012.

Moreover, looking forward to 2013, both of these result areas are continuing to grow. Based on performance to the end of June 2013, preliminary projections for 2013 indicate that cumulative FoI will again at least double in 2013 to over €32m, while market capital value will more than double to over €90m. As a consequence, the outputs and outcome benefits of NDRC have well exceeded the entire input costs, highlighting the positive impact leverage that NDRC has on the national economy.

While the figures speak for themselves, the real impact is better understood by looking to the inspiring ventures that have emerged from NDRC. Later in this report, we outline some of our more recognisable ventures to offer an insight into what lies at the core of NDRC. While each of these ventures is very different in its own right, one shared commonality is the growing number of jobs that they are creating. NDRC’s impact in this respect is evident in a fivefold increase in jobs from 2011 levels to over 250 by end 2012, incorporating a further 13% growth in net jobs created between September and December of 2012.

Projections for 2013 indicate that jobs will grow by a minimum of 20% to over 300 by year end. Bearing in mind that new jobs enabled by NDRC are high-value jobs by definition, in that they have a positive ripple effect on the economy with the actual number of jobs realised being a multiple of the net digital job as a result of innovation in this vital sector for Ireland.

These results, together with our holistic approach, led to NDRC being recognised in Silicon Valley as the leading university ICT incubator in the world.

On the financial performance front, a modest reduction in income due to the economic climate posed some difficulties for our track record of rigorous financial efficiency. The marginal drop below critical mass reduced economies of scale. Regardless, NDRC held firm to its course of optimising operational efficiencies, and as a consequence succeeded in maintaining its efficiency ratio at better than 78:22, an important achievement in times of austerity. This was realised despite the fact that while NDRC may have originated at the height of the Celtic tiger, it is an organisation steeped in the culture of the start-up, coupled with a focus on viability. We understand the imperative to keep reserve fuel in the tank, to be bold but also to respect the inevitability of a burn rate, so operational efficiencies are managed accordingly, but also with due respect to the needs of a challenging business.

One of the keys to NDRC’s success has been to regard itself as a start-up.

“stay lean and iteratively learn”
As a science & technology focused accelerator NDRC VentureLab is still driven by market imperatives, but addresses opportunities where the nature of the problem requires a greater depth of science, technology or intellectual property. It builds upon lessons garnered from both our Catalyser and NDRC LaunchPad investment programmes, and as such exemplifies the ‘lifecycle of learning and change’ at the heart of the NDRC methodology. Our experience with Catalyser led to NDRC LaunchPad, which is now recognised internationally as Ireland’s leading digital accelerator, and a leading accelerator in Europe. Our development of NDRC LaunchPad has in the process attracted many other accelerators to Dublin, making Dublin an accelerator hub in Europe. Now, that cumulative knowledge gleaned from Catalyser and NDRC LaunchPad is embodied in the design of NDRC VentureLab. With the pilot programme now underway our focus remains firmly on the ultimate objective of viable, investible ventures that drive value and create jobs.

The introduction of NDRC VentureLab, complemented by our continued development of NDRC LaunchPad, and further enhanced by a grouping of our pre-accelerator activities under NDRC SandBox, highlights NDRC’s capabilities in discovery, science and technology commercialisation, and digital entrepreneurship.

“...projections for 2013 indicate that cumulative FoI will again at least double in 2013 to over €32m, while market capital value will more than double to over €90m”
NDRC has benefited greatly from the expertise of many people who have been in the orbit of the enterprise over the years. Individuals have come and gone as is natural, but a solid core of people has contributed to the organisation’s development over the majority of its history to date. In this year of reinforced permanence, I wish to say a special word of thanks to these individuals, staff and board members alike, who have contributed to NDRC as we built towards success. I also wish to thank our main funding partner, the Department of Communications, Energy and Natural Resources, for its renewed long-term commitment to NDRC. Finally, I again thank our closest partners, those emergent new ventures that are so central to our success, and are fast becoming vital building blocks in Ireland’s economic recovery and growth.

We can now look towards a longer term horizon, assured of NDRC’s position in the ecosystem. We look forward to partnering further in meaningful and constructive ways to further develop the inherent capability within Ireland’s innovation ecosystem.

“while NDRC may have originated at the height of the Celtic tiger, it is an organisation steeped in the culture of the start-up”
Our History

2007
NDRC Launched
Commenced Operations with a fund of €25m from the Irish State.

2008
Early Portfolio
First call for Collaborative Translational Research (CTR) Opportunities. Ireland’s first Jointly-Owned IP commercialisation agreement launched.

2009
ACCELERATING RESEARCH FROM IDEAS TO INCOME
Portfolio Scale: €12m
Investment Leverage: €1.15m

Green Shoots Show Promise
Fol: €355k
Portfolio Scale: €14.2m
Investment Leverage: €2.34m

2010
Launch Ireland’s 1st tech accelerator NDRC LaunchPad. NDRC Catalyser Feasibility pilot launched.

ISA Collaboration of the Year 2009: LocalSocial
Aramark Healthcare Awards Healthcare Product Innovation 2010: HeartPhone

Portfolios Scale: €12m
Investment Leverage: €1.15m
2011
NDRC Inventorium launched.

2012
Smart Grid Innovation Hub launched in co-operation with EirGrid plc.

2013
NDRC Swequity Exchange pilot launched
NDRC VentureLab pilot launch. Clicktailing pilot launched in partnership with IIA.

2014
New fund from Irish State reinforcing commitment and longevity, and bringing total state funds under management to €42.5m.

INNOVATION. REALISED
Fol: €5.7m
Market Capital (MC) value of Portfolio: €14.9m
Jobs: 250

GROWING CONFIDENCE
Fol: €16m
MC: €39m
Jobs: 250

RESULTS, RELEVANCE, PERMANANCE
Fol: €32m (Projected)
MC: €91m (Projected)
Jobs: 300 (Projected)

FoI: €5.7m
Market Capital (MC) value of Portfolio: €14.9m
Jobs: 43

FoI: €32m (Projected)
MC: €91m (Projected)
Jobs: 300 (Projected)

FoI: €16m
MC: €39m
Jobs: 250

FoI: €32m (Projected)
MC: €91m (Projected)
Jobs: 300 (Projected)

ISU Academic Collaboration Award 2010: Vizi

Digital Media Awards 2010 Best Newcomer with International Potential: MetaLab

IIA Award 2011: Best Open Data Initiative

IIA Award 2012: The Very Best Place to Start

Top University Business Incubators Global Benchmark 2013: NDRC ranked #1 globally for ICT and #4 globally overall
NDRC's core purpose is to bridge the gap between research and venture in the digital space by harnessing the dynamic entrepreneurship within Ireland's knowledge economy. The mechanisms of our high-touch investment brand take the form of three unique initiatives; NDRC SandBox, NDRC LaunchPad and NDRC VentureLab. While the core principles of NDRC are engineered into the DNA of each of these offerings, both NDRC LaunchPad and NDRC VentureLab are designed to address and provide a solution to a specific challenge encountered in the creation of a high impact viable new venture.
NDRC SandBox represents the earliest engagement for emergent ventures within the NDRC process. As a pre-seed stewardship programme, NDRC SandBox focuses on identifying the commercial potential of new ideas that could become digital startups. Its range of initiatives addresses the challenges encountered by future digital entrepreneurs, researchers and innovators with their nascent concepts but also caters to existing companies who wish to explore better ways of innovating. Participants engage with NDRC SandBox to assess and validate their ideas at the earliest stage, to weigh the potential their idea holds to become a viable, investible venture. Idea makers are granted access to the interface of the innovation ecosystem and experience valuable networking opportunities as well as invaluable expertise and mentoring. Our experience enables us to point out possible bumps in the road at a point where startups have just begun to rev their engines. From open mic idea jams to multi-day workshops, NDRC SandBox espouses the iterative ‘learning by doing’ approach that underpins the NDRC value proposition.

Go to page 26 to read more about SandBox initiatives.

“NDRC is helping to make Ireland a key hub of startup activity.

The Irish Times has worked closely with NDRC to launch new innovation projects. Its support is invaluable as The Irish Times explores the digital future”

LIAM KAVANAGH, Managing Director, The Irish Times Ltd

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**NDRC LaunchPad**

NDRC LaunchPad is Ireland’s first and leading digital accelerator, specifically designed to enable digital entrepreneurs to transform solid ideas into high impact ventures.

As a pre-seed investor the focus of this highly regarded initiative is the creation of commercially viable startups. The emphasis here is to harness the inherent dynamism of indigenous and international entrepreneurialism through intensive mentoring and the high-touch approach that exemplifies the NDRC method. Over an intensive 12-week period, participants receive help with every aspect of their business as well as a fast track to attracting follow-on investment. NDRC LaunchPad is recognised as a leading and much emulated accelerator in Europe.

“NDRC LaunchPad is an absolutely A-class programme. It combined top speakers with focused management in order to expand the capabilities of early stage technology startups. We received excellent advice on product differentiation and ongoing support after the programme which has significantly helped to enhance the early stages of Fieldaware’s value proposition”

ANDRONIKOS NEDOS, FieldAware

**NDRC LaunchPad provides emerging startup promoters with:**

- Unparalleled expertise across relevant disciplines with hands-on mentoring to guide development
- 12 weeks working alongside a broad spectrum of startups, innovators and investors
- Peer-to-peer experiential environment
- Weekly workshops and networking with acknowledged thought leaders
- Micro-seed investment of up to €20k per venture
- The opportunity to pitch to investors at the end of year Lift Off event
NDRC VentureLab is a tailored science and technology accelerator designed to create high impact ventures through accelerated research commercialisation.

NDRC VentureLab is dedicated to commercialising novel tech and engineering advances to create high specialism ventures. Building upon cumulative knowledge garnered over a five year period, through the Catalyser and NDRC LaunchPad programmes, NDRC VentureLab is targeted at supporting ventures where the nature of the ‘problem’ necessitates a greater depth of science, tech or intellectual property. The NDRC team initially spends 2-4 months delving deep into propositions with the promoters prior to entry. Validated propositions then engage with NDRC for 6 months to bridge the gap between upstream research investment and downstream return-seeking capital. NDRC VentureLab functions to deeply validate venture propositions through an immersive mentoring process.

Once a concept is validated we then offer:

- “Hands-on sleeves rolled-up approach” from some of the best commercialisation experts in the ecosystem, mentoring and access to our networks.
- 6 month intensive, deeply experiential and focused accelerator programme.
- Peer to Peer learning.
- Access to multiple areas of expertise within the commercialisation process.
- €100k convertible loan investment.
- Opportunity to develop a great new ‘investor ready’ venture.

“NDRC’s accelerator for science-based start-ups - NDRC VentureLab - is a new and powerful model for accelerating science commercialisation in Ireland and across Europe... NDRC VentureLab promises to redefine and invigorate current processes for commercialising science-based intellectual property emanating out of Europe’s public universities and research institutes”

DR. BURTON H. LEE PHD MBA,
Managing Director, Innovarium Ventures, Silicon Valley; Member, Irish National Innovation Taskforce, Office of the Taoiseach (Prime Minister), 2009-2010.
Our Focus

NDRC’s core purpose is to bridge the research-to-venture gap in the digital space by harnessing the power of venture entrepreneurialism. We do so in order to create economic value, create high-value jobs, and advance Ireland’s capability in science & technology commercialisation and digital entrepreneurship.
Soundwave is a groundbreaking app that fuses music enjoyment and social media, offering users the ability to share the songs they are listening to on their phones while discovering what friends and even celebrities are enjoying on theirs. One of the app’s most unique features is the facility to allow users to draw their fingers over any area of interest on the Soundwave music map (country, city, street, building) and instantly see the top played and most recently played songs there. Soundwave aims to take the mystery out of music discovery by staying agnostic to the source and surveying the entire scene to offer a unified music feed.

Soundwave will differ further from platforms such as Spotify and Deezer by remaining ad-free. Instead, the service will monetise by leveraging its valuable back-end data to the music industry.

Co-founder and CEO Brendan O’Driscoll had read of previous participants that had successfully completed NDRC LaunchPad and realised that this was the place to take his idea if Soundwave hoped to create a scalable business and attract follow-on investment. The intensive, high-touch environment of NDRC enabled the venture to complete ‘a year’s work’ in three and a half months under NDRC LaunchPad’s stewardship. Much of the early mentoring centered around identifying and establishing a market fit for the product, helping to shape the team’s actions and providing essential direction in their daily operations as an early-stage company.

The unique working environment within NDRC LaunchPad not only allowed the fledgling Soundwave team access to a wealth of invaluable experience across a broad range of disciplines but also facilitated a cross-pollination of ideas amongst other participants working in disparate fields. NDRC’s iterative, collaborative approach is already reaping dividends – following successful beta testing, Soundwave has attracted substantial inward investment and launched in London on 24th June 2013 across all device platforms and in twenty languages.

“Soundwave is a music product that fits my life so perfectly”

STEVE WOZNIAK, Co-founder, Apple
NDRC LaunchPad allowed the fledgling Soundwave team access to a wealth of invaluable experience across a broad range of disciplines.
SilverCloud Health

Ken Cahill, CEO

SilverCloud Health is an innovative online health and wellness e-therapy delivery platform. This groundbreaking system enables healthcare organisations to deliver a broad range of highly engaging interactive online healthcare programmes and support to their clients and patients. The SilverCloud platform is built on over a decade of clinical and academic research into advancing therapy delivery through innovative technology.

SilverCloud is proven to dramatically reduce the cost of therapy delivery whilst increasing service capacity and reach. The platform delivers support and programmes that cover a wide range of disorders, conditions and issues including behavioural health conditions such as depression, anxiety, and post-traumatic stress disorder, to chronic and long-term illnesses such as cardiovascular disease, erectile dysfunction, and dementia.

The genesis of the company was the Technology Enhanced Therapy project, an NDRC Catalyst joint venture initiative between NDRC, Trinity College Dublin’s School of Computer Science & Statistics, Mater University Hospital and charity Parents Plus. The assembled team already possessed an impressive depth of expertise across a diverse range of fields, from human-computer interaction to clinical intervention but required the specialist guidance of NDRC to develop a commercial path.

That’s where NDRC proved invaluable - to help bring the commercial reality to the fore. Realistically, this venture would not have secured commercial investment were it not for NDRC. It could have remained a piece of IP sitting on a shelf in a university department...

The company was spun out in 2012 by Ken Cahill who left NDRC to become CEO of Silvercloud Health. The company has already raised over €1.5 million in inward investment, allowing the venture to scale. Full-time staff will grow from five to twenty five in the next year. Silvercloud is currently selling internationally, with one of the largest insurance providers in the U.S. already utilising the technology. Closer to home, AWARE, the depression charity has begun a nationwide roll-out. Having been named Most Investible Business in Ireland in 2012, April 2013 saw Silvercloud Health awarded the Johnson & Johnson 'Hottest New company increasing access to Healthcare' in San Francisco.
ClearSight Innovations
Ronan Byrne, CEO

ClearSight Innovations Ltd is a medical diagnostic device company based in Ireland and Switzerland. The company is involved in the creation and development of unique ophthalmic diagnostic technologies and recently closed a multi-million euro investment with a major industry player. Its revolutionary technology allows accurate measurement of the eye and will have the ability to move cataract surgery outcomes to a new level. Cataract surgery is the most commonly performed surgery in the world with over 20 million surgeries conducted annually.

ClearSight embarked upon the research commercialisation journey at NDRC after two ophthalmic surgeons – Arthur Cummings and Eugene Ng developed an innovative idea for the measurement of the human eye. They were joined by the Applied Optics Group at NUIG led by Professor Chris Dainty who brought deep optics experience and complemented by the commercial and project management team at NDRC led by Ronan Byrne as project CEO.

Moving from an idea to a project with real commercial traction involved a ‘deep dive’ into the ophthalmic industry to really understand the market requirements and dynamics. This necessitated building industry connections, attending the major conferences and trade shows, as well as multiple interactions with key players and companies. NDRC’s role in the realisation of the commercial entity that is now ClearSight Innovations was vital. By engaging with the surgeons at an early stage, it was possible to build a team of technicians, scientists and commercial personnel around the idea. There were many points along the journey of the project that required the skills of this team to support each other to ensure it did not hit a dead end either technically or commercially.

Emerging from these efforts it became clear the technology could have a really significant impact in the marketplace. ClearSight responded by focusing technical and commercial efforts where the highest strategic value could be built. In addition the team was further enhanced with some key industry figures, allowing both the technology and credibility of ClearSight develop rapidly.

At the beginning, there was simply an idea. NDRC had the expertise and experience to identify an idea with potential long before there was an investor-ready proposition in place. At all times, there was a strong commercial drive and focus to deliver. This, coupled with the scientific, clinical and commercial teams working in an iterative and supportive manner allowed the idea to gain traction and ultimately realise a venture that has now attracted multi-million euro investment. ClearSight Innovations is now creating jobs and building the technology to move forward to market.
MuteButton

MuteButton is a revolutionary treatment for tinnitus, a previously untreatable hearing condition that affects over 40 million people in the developed world and is most commonly described as ‘ringing in the ears’. MuteButton is a small personal-use device that delivers audio stimulus through headphones and mild electrical impulses to the surface of the tongue through a small intra-oral electrode. This is a self-administered treatment that patients can easily integrate into their busy lives. The 30-min twice daily treatments can be conducted in the comfort of their own home, at the office or even on their commute to work.

NDRC offered the startup team the opportunity to rigorously assess the commercial and clinical opportunity for their product by providing the necessary funding and commercial expertise at the critical concept validation phase of the MuteButton project. NDRC provided a hands-on commercial development adviser who, alongside other team members worked closely with the idea initiators at every stage in developing the commercial potential. This support was integral to realising the product opportunity. NDRC’s team were instrumental in enabling the MuteButton founders to prove the commercial and clinical cases for their technology. NDRC investment also facilitated the early prototype development and pilot clinical trials. NDRC’s expert commercial development advice helped the team to more accurately assess the commercial case and early ‘route to market’ strategies for the product.

MuteButton has subsequently secured €1.6M in venture funding, which will enable delivery of a unique product to a global market of 40 million tinnitus sufferers whose clinical needs are currently unmet.

“MuteButton has subsequently secured €1.6M in venture funding”

“Their support and mentoring was invaluable. Our company is here today thanks to the hands-on approach of NDRC”

DR ROSS O’NEILL,
Mutebutton CEO
Boxever

Boxever is an ingenious service that provides a ‘Big Data’ analytics and optimisation platform for the travel industry (primarily airlines). The proprietary software enables travel companies to leverage customers’ data more effectively to create better customer experiences, but ultimately to increase transactional revenue through one-to-one marketing and merchandising. It works by improving conversion and increasing transaction size through targeting customers individually. The technology has already been implemented by a number of major European airlines.

David O’Flanagan founded the venture in early 2011 and worked solo for nine months before approaching his two co-founders to come onboard. The team were selected for NDRC LaunchPad in September 2011. This move proved to be the catalyst that sparked the next evolutionary step for Boxever, not simply in terms of financial support but by providing the team with an environment in which to learn more about building a business attractive to investors - not just a technology product. While technically strong, the pro-active mentoring from NDRC LaunchPad pushed the team to explicitly identify areas of weakness and to develop strategies to bridge those knowledge gaps.

The NDRC experience was also key to securing funding for the Boxever venture. The founding team completed the NDRC LaunchPad accelerator programme with an initial investment offer in place and within two months had a number of competing term sheets from interested investors. To date Boxever has attracted follow-on investment in excess of €800k from Delta Partners, Bloom Equity and Enterprise Ireland, facilitating the growth of the company from three members to twelve (six more are currently being sought to meet customer demand). According to Mr O’Flanagan, the capital has “afforded us the time and space to really hone our market fit and build a sophisticated product that delivers real value to large retail organisations.”

“The proprietary software enables travel companies to leverage customers’ data more effectively to create better customer experiences”

“NDRC LaunchPad is supportive while fostering a competitive spirit, it’s inspiring to be around so many new ideas”

DAVID O’FLANAGAN
Boxever CEO
NDRC is proud to work with and support these high potential companies
Selected Movers and Shakers

**PicTurk** is an online service for camera clubs. PicTurk makes it easy to manage members, run club competitions, and prepare panels.  
*Revenue generating*

**Local Social** is a platform for creating rich social applications on mobile devices designed to take advantage of a device's proximity to other people, places or things, as well as their current and historic online social context.  
*Revenue generating for Rococo Software Ltd*

**Heartphone** is a web-based system to support the management of chronic illnesses, using mobile technology in the home.  
*Licensed to Cardiomark Ltd*

**LingleOnline** is a technology that allows English language teachers to create exercises and lesson and resource materials quickly and easily from current news articles.  
*Revenue generating*

**FieldAware** is a field service management solution for small and medium service businesses. The platform is purpose-built for service businesses who were previously unable to afford the benefits of field service automation.  
*International customer sales, 7 figure investment, exceptional plan for growth*

**Logentries** provides an innovative log management service in the cloud. Log data is collected in real time, analysed, stored, and presented in a meaningful way, anywhere, anytime.  
*International customer sales, 7 figure investment, exceptional plan for growth*

**Zinc Software** provides biofeedback apps which are clinically proven to reduce tension and increase focus.  
*Revenue generating, international investment*

**Bragbet** is a team betting website where users can communicate and engage with other online gamers in a fun and social context.  
*Strategic partnerships established, international investment*
New to Our Portfolio

Pharmapod is a web-based platform for the pharmacy profession that helps pharmacists deliver structured clinical services and share knowledge amongst their peers. Pharmapod CEO Leonora O’Brien has been nominated for the Cartier women’s initiative award and was winner of Tech Entrepreneurs 2013 as part of the European Digital Agenda Assembly.

Bizimply is a virtual manager solution for restaurants and bars, which consolidates all daily or shift reporting in one place, enabling owners to monitor and manage their business more efficiently from anywhere.

Sendrr is an invoice exchange that transfers invoices directly between different accounting systems.

NewsWhip is a live guide to the news spreading fastest now on Facebook and Twitter. NewsWhip’s technology tracks all the news published by about 5,000 English-language sources (about 60,000 news stories each day).

GetHealth is a mobile and online platform which helps people improve their health through social interaction and gameplay with their family and friends.

Btsmith Games is a new Irish Game Studio, founded by recent graduates of DIT’s MSc in Game Design. No 1 selling iPad game for 3 months ‘Kú’ based on the Táin, built for touch-based devices.

NVMDurance has created technology to extend the endurance of NAND Flash Non Volatile Memory 10 to 50-fold. Recent Investment and winner of Most Innovative Flash Memory Technology prize at Flash Memory Summit 2013.

Prowlster has developed a cross-platform, multi-retailer shopping app called Shopflix which redefines the intersection between content and commerce in an extremely lucrative market. Launching in US in March 2014.

PropertyGate is an online collaboration tool for stakeholders in the property industry, combining management and accounting data with ownership, financials, budgets and forecasts.

GetHealth is a mobile and online platform which helps people improve their health through social interaction and gameplay with their family and friends.

2nd stage funding and international expansion. One of 13 international companies picked as a ‘Healthcare Transformer’ by New York-based programme, Start-up Health Academy, Runner up of The Irish Times Fusion prize.

FrockAdvisor is a social commerce platform that connects existing communities that share an avid interest in fashion.

Generating huge international interest. Winner of The Irish Times Fusion prize.

GigStarter is a revolutionary way to connect artists and audiences. It is a crowdsourcing tool for artists that can be set up to gauge interest direct from their potential fan base. Launching 2013.
Partner Initiatives

**NDRC SandBox**

**Inventorium**

Many organisations regard NDRC as the thought leader in enabling early stage ventures in Ireland. Some of them are partnering with NDRC through various initiatives that they have asked us to enable. Over the following pages we profile some of these Partner Initiatives and examine how they relate to NDRC’s position in the innovation ecosystem.

As well as working on initiatives with partners who recognise our value add, NDRC also experiments with new approaches to venture creation and innovation through NDRC SandBox. NDRC SandBox provides us with a space to trial new initiatives, addressing the challenges we have experienced in working with researchers, technologists and early stage entrepreneurs. NDRC SandBox initiatives are a mix of one-to-one supports, workshops, experimental programmes and sponsored initiatives.

NDRC Inventorium works with start-ups, existing businesses, social enterprises, institutions and individuals who want to turn innovative ideas into profitable ones. Inventorium helps make this happen by building relationships and encouraging creative thinking through workshops, symposia and other events. The multi-year Inventorium initiative provides support across all sectors, but with particular capability in digital and intermedia innovation. Through Inventorium, NDRC offers resources, strategies, advice and expertise, preparing entrepreneurs and emergent start-ups for the journey that leads them to revenue, funding or capital that can get their ideas launch-ready.

The Inventorium initiative is part funded by the European Regional Development Fund through the Ireland-Wales Programme (INTERREG 4A) and as such is a partnership between NDRC in Dublin and CAST in Wales.

**Purpose: Discovery**
NDRC ‘Open Mic Idea Jams’ are evening sessions that take place in social settings where attendees are invited to pitch early stage digital ideas for three minutes to an audience of people who can probe their ideas and support them to realise their visions. These highly animated and interactive sessions have provided great networking opportunities throughout 2012 and 2013, with the chance for contributors to meet potential collaborators, business partners and investors. Seven Open Mic ideas have progressed to structured accelerator or pre-accelerator programmes.

**Purpose: Discovery**

Launched by NDRC in Summer 2012, Swequity is Europe’s first ‘Pre-Accelerator’, and is focused on building founder teams in order to augment startup capability at the very earliest stages. Based on NDRC’s experience of meeting many single-person startups struggling to get off the ground, Swequity was conceived to enable idea-holders to find the right team - of designers, developers, marketers, and technologists - and to create their digital technology startup. Once formed, NDRC works with each new team to prepare their early-stage investor pitch in just 6 weeks. The Swequity programme enables initial team matchmaking and then provides mentoring, workshops, workspaces and expert speakers across many fields. To date, 18 startups have been developed through Swequity, 8 of which have already secured early stage follow-on investment.

**Purpose: Founder team formation and capability building**
‘BASIC RESEARCH TO BUSINESS MODELS’ Competition

NDRC worked with the Irish Research Council (IRC) to run a competition to identify Ireland’s most promising research postgraduates whose ideas held commercial potential. The NDRC team then supported these researchers over 6 weeks to ascertain whether their research had the potential to create commercial impact. Participating researchers that took part in 2013 came from DCU, DIT, NUIG, IT Sligo, TCD, UCC, UCD & UL.

The 15 top researchers participated in a series of workshops specifically designed to move their ideas from the labs and libraries to ‘lean startups’; from research methodology to minimum viable product. The researchers who took part in 2013 learned by experience what it really takes to get research inspired products and services to market, with many of them engaging with potential customers for the first time.

Purpose: to identify the most promising Irish researchers with great ideas.

Smart Grid Innovation Hub

The Smart Grid Innovation Hub is a collaborative initiative by EirGrid Group and NDRC to promote the development of innovative Smart Grid solutions within the energy-supply sector. NDRC facilitated the first open innovation workshop bringing together three disparate disciplines of academia, the power industry and the ICT industry. The Smart Grid is a key enabler of a future low-carbon electricity system that facilitates demand-side efficiency and increases the share of renewable and distributed generation while promoting consumer participation.

The Smart Grid Innovation Hub is one of the four key strategic initiatives of EirGrid’s Smart Grid programme. It capitalises on a tremendous opportunity to build an expertise and knowledge base on the island of Ireland, to spur economic activity and create the real potential for high value exports.

Ireland and Northern Ireland have a unique opportunity in Smart Grids. No other synchronous electricity system in the world manages the same levels of wind penetration (50%) seen today, much less the target of being able to safely and securely manage real time penetration levels of 75% by 2020. The island of Ireland is effectively a live laboratory of Smart Grid evolution. Coupled with this, the Information and Communication Technology (ICT) sector on the island has developed significantly over several decades.

The focus of the Smart Grid Innovation Hub is on entrepreneurial initiatives by companies, academics and entrepreneurs in Ireland and Northern Ireland. Through the Innovation Hub, NDRC and EirGrid enable collaboration and Open Innovation.

In its first 8 months of operation, the Smart Grid Innovation Hub has engaged with and assisted almost a dozen indigenous companies on the island of Ireland and remains in active collaboration with them, as well as undertaking a number of activities to stimulate the sector.

Purpose: Discovery
**Clicktailing**

Clicktailing, inaugurated in 2013 by NDRC in partnership with the Irish Internet Association saw NDRC bring together leading online retailing experts to provide hands-on support for ‘bricks and mortar’ retail businesses, with the aim of developing an online retail presence for them in five weeks.

With the continued challenging economic circumstances, the general consensus is that export-led growth from indigenous enterprises is one of the most effective ways to secure and grow employment. However, some 140,000 Irish businesses don’t yet engage in any form of e-commerce and 50,000 don’t have an online presence.

Businesses involved in Clicktailing received access to an intensive support structure. NDRC brought these ‘offline’ businesses together with stylists, photographers, online advertising and marketing specialists, software engineers, online payments and logistics providers. Participating businesses launched an online store and began trading and generating revenues during the course of the programme. Clicktailing equipped these businesses with the key skills for e-commerce: online customer lifecycle; cost of customer acquisition; social retailing, and technology configuration and support.

NDRC, in partnership with the Irish Internet Association, is applying its unique position within the technology ecosystem to develop this initiative to directly support non-tech indigenous micro enterprises. To date, 20 Clicktailing businesses are trading online and generating revenue.

**Purpose:** To kickstart digital businesses in light of the Action Plan for Jobs 2013. NDRC piloted this initiative and lent its expertise to this vital activity which is slightly peripheral to core investment focus.

---

**Delta Partners & NDRC Entrepreneur In Residence**

NDRC and Delta Partners are together hosting experienced technology entrepreneurs as Entrepreneurs in Residence (EIR) at both organisations throughout 2013. Working with NDRC and Delta, EIRs are able to network with a broad range of startups, getting exposure to some of the opportunities seen by the two institutions at the very earliest stages of concept development right through to Series A investment. In addition to their potential involvement in the ventures themselves, EIRs have the chance to experience investment decision making at both companies. To make the experience as immersive and fulfilling as possible, NDRC and Delta Partners provide office facilities to participants and have them participate in investment activities.

Both organisations understand that the most important element in building a strong, scalable business is the core team. In the absence of experienced leadership, new ventures are unlikely to succeed. The ‘EIR’ model is well known to Venture Capitalists, and is generally designed to do three things:

- To launch a new entrepreneurial venture, often with the backing of the parent firm / organisation;
- To assist in the evaluation of potential investments where the entrepreneur has a particular expertise
- To provide functional expertise to assist with an existing investment

Through the Entrepreneurs in Residence initiative, NDRC and Delta Partners are deepening information flow and collaborative opportunities between the two companies, with an aim to create stronger founding teams with a greater chance of business success.

**Purpose:** connecting great people with great ideas.
Irish Times Fusion

The Irish Times launched Irish Times FUSION in April 2013, an initiative that brings startups together with creative agencies and advertising agencies to find new customers and grow their businesses. Once again NDRC LaunchPad provided its expertise in nurturing start-ups by embedding LaunchPad within the Irish Times’ building over the period of the programme.

Ireland is a great place to be a startup, but presents a challenging market in which to scale and reach many users. The advertising and branding industry is an invaluable channel to reach the world’s consumers. Irish Times FUSION offered the opportunity to work with The Irish Times to tap this channel and kickstart your businesses growth.

NDRC LaunchPad worked with the start-ups to ensure that the Fusion programme delivered against their companies’ optimal business model. In an independently judged competition the winner and runner up were both NDRC LaunchPad graduates – FrockAdviser and Get Health.

**Purpose:** Making ventures happen by connecting great ventures with the deep media expertise within the Irish Times.

Rails Girls

organised and hosted by NDRC
(Rails Girls is a worldwide initiative)

NDRC organised and hosted Ireland’s first Rails Girls event in February 2013. Rails Girls is a 2-day workshop designed to offer women with no prior knowledge of programming an opportunity to understand the technology and to build their ideas. Rails Girls workshops have run internationally, giving women the tools to understand technology and build their ideas by providing a solid grounding on app development and by making technology more approachable.

Using the computer language ‘ruby on rails’ the 40 attendees at the first Irish event learnt sketching, prototyping and basic programming. The workshop also proved to be a valuable networking opportunity for existing female programmers. After just two days every Rails Girls participant had launched an app. The event was sponsored by NDRC Venture, Paddy Power, RedHills, Kablingy, Engine Yard and Bizimply.

**Purpose:** Promoting equal opportunities skills development.
In June 2013 PropertyGate went on to claim the title of ‘most investible’ in NDRC Launchpad’s Lift Off competition, securing a 30K investment in the process and allowing the founders to grow their development team. The venture launches in Summer 2013 and is currently seeking 450K from the venture market to enable a move to the British and International markets.

“Idea validation was crucial at this point – that’s why the NDRC experience was so valuable for us…”

TONY STAUNTON, Founder

PropertyGate is an online collaboration tool for stakeholders in the property industry. This unique web-based platform is designed for large-scale asset managers who require transparency over property portfolios and access to that information in real time. All stakeholders can then be granted access to this information.

Tony Staunton had been formulating the kernel of the Property Gate idea before attending one of NDRC’s Open Mic Jam session. His presentation was very positively received and the NDRC team subsequently invited him to apply for a place in the Swequity programme.

Mr Staunton found a business partner within Swequity and the team carried their momentum through the mentoring and matchmaking phase, winning the public vote at the end of the process and ‘graduating’ to join NDRC LaunchPad.
NDRC Directors’ Report and Financial Statements
Year Ended 31 December 2012

CONTENTS
Directors and Other Information 32
Directors’ Report 33–34
Independent Auditors’ Report 35
Income And Expenditure Account 36
Balance Sheet 37
Notes To The Financial Statements 38–43

BOARD OF DIRECTORS
S Baker Chairman (interim)
J Callaghan resigned 13 March 2013
J Coman appointed 30 May 2013
C Dillon
A Doona
E Hazellkorn
B Hurley
M Keane resigned 31 March 2012
E Kennedy
P McCambridge resigned 31 March 2012
A McClean
D McGonagle
G Mooney
M O’Donovan
P Sharpe

SOLICITORS
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Mason, Hayes & Curran
South Bank House
Barrow Street
Dublin 4

SECRETARY & REGISTERED OFFICE
D Dowley
Digital Exchange Building
Crane Street
The Digital Hub
Dublin 8

BANKERS
Bank of Ireland
85 James Street
Dublin 8

AUDITORS
PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

REGISTERED NUMBER
398458
Directors’ Report

The directors present herewith their report and audited financial statements for the year ended 31 December 2012.

Principal activities and review of the development of the business
The company’s principal activity in pursuit of its objective is to invest and engage in collaborative translational research and collaborative innovation, meaning the development of new ventures inspired by prior research investments in pursuit of the creation of market capital value. Further to an initial operational establishment period in 2007, its first research investment contracts signed in 2008, and significant scaling of its operations and investment platform from 2009 through 2011, the company reports herein on sustained progress in the development of the business throughout 2012 and to date. The key business performance indicator for the company, namely third party follow-on investment that is secured by enterprises emerging or developing from the company’s investment programmes, grew at a rate such that cumulative follow-on investment more than doubled year-on-year. This growth continues to be a significant indicator of performance towards the ultimate goal of returns being generated from the company’s activities. The cumulative enterprise value of ventures emerging from NDRC also more than doubled year-on-year. These growth outcomes are a consequence of a continued flow of investments and ventures through NDRC, and increasing maturity of NDRC ventures that have proven their viability since emerging in previous years. In addition to posting these strong results, the company recently achieved a new revenue and funding milestone, as it closed a further investment fund through a renewed multi-year agreement with the Irish State.

Results for the year and state of affairs at 31 December 2012
The income and expenditure account for the year ended 31 December 2012 and the balance sheet at that date are set out on pages 36 and 37. The surplus for the year amounted to €8,456 (2011: surplus of €10,331). The company is exempt from taxation. Results in the form of third party follow-on investments in the outputs of the company’s collaborations are exceptionally strong for the year. Building on very strong results in the previous year, the company reports €16.0m (2011: €5.7m) of follow-on investment secured by new enterprises emerging or developing from the company’s investment programmes. The amount of equity released in these new enterprises to secure the follow-on investment indicates a year-end cumulative enterprise value of these enterprises of €39.0m (€2011: 14.9m.).

Post balance sheet events
In August 2013 the company approved a new multi year funding agreement with the Department of Communications, Energy and Natural Resources for the operation maintenance and management of a National Digital Research Centre through to June 2018 (see note 15).

Directors
The current directors are as listed on page 32 and unless otherwise indicated have served throughout the period.

Directors’ and secretary’s interest in shares
The company is limited by guarantee, does not have a share capital and in the event of a winding up, the members have agreed to pay €5 each to the debts of the company.

Future development in the business
The company will continue to operate to its main objective in 2013.

Health and safety of employees
The Safety, Health and Welfare at Work Act, 2005 imposes certain obligations on employers and the directors are satisfied that the company has taken the necessary action to ensure compliance with the Act.
Charitable and political donations
The company made no political or charitable contributions during the year.

Environmental issues
The company pays particular adherence to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues.

Principal risks and uncertainties
The directors consider that the following is the principal risk factor that could materially and adversely affect the company's operation:

There is a dependence on the Department of Communication, Energy and Natural Resources for short, medium and long term funding. There is a reasonable expectation that short term funding is available as there are formal agreements in place that govern cumulative funding of €42.5m. The company has controls in place to limit potential exposures and management and the directors regularly review, reassess and proactively limit the associated risks.

Tax status
The National Digital Research Centre Limited is recognised by the Revenue Commissioners as having registered charity status - registration number CHY 17664.

Books and accounting records
The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the company. To achieve this, the directors have appointed an experienced bookkeeper who reports to the directors and ensures that the requirements of Section 202 of the Companies Act, 1990, are complied with.

These books and accounting records are maintained at the company's registered office, which is Digital Exchange, Crane Street, The Digital Hub, Dublin 8.

Statement of directors' responsibilities
The directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the provisions of the Companies Acts, 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm they have complied with the above requirements in preparing the financial statements.

Auditors
PricewaterhouseCoopers, the auditors, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

Philip Sharpe
Board member

Declan McGonagle
Board member
Independent Auditors’ Report to the Members of NDRC

We have audited the financial statements of National Digital Research Centre Limited for the year ended 31 December 2012 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors
As explained more fully in the Directors’ Responsibilities Statement set out on page 34, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors’ report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
– give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company’s affairs as at 31 December 2012 and of its surplus for the year then ended; and
– have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012
– We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
– In our opinion proper books of account have been kept by the company.
– The financial statements are in agreement with the books of account.

Matters on which we are required to report by exception
We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors’ remuneration and transactions specified by law are not made.

Herbert Graham
for and on behalf of PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm Dublin.
10 September 2013
## INCOME AND EXPENDITURE ACCOUNT

Year Ended 31 December 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government subvention</td>
<td>4,311,650</td>
<td>5,507,968</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>335,319</td>
<td>311,319</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>4,646,969</strong></td>
<td><strong>5,819,287</strong></td>
</tr>
<tr>
<td>Research investment &amp; fund management</td>
<td>(3,601,424)</td>
<td>(4,724,249)</td>
</tr>
<tr>
<td>General overheads and fund administration</td>
<td>(1,045,545)</td>
<td>(1,095,038)</td>
</tr>
<tr>
<td><strong>Operating Surplus for Year</strong></td>
<td><strong>5,507,968</strong></td>
<td><strong>8,456</strong></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>8,456</td>
<td>10,331</td>
</tr>
<tr>
<td><strong>Surplus for Year</strong></td>
<td><strong>8,456</strong></td>
<td><strong>10,331</strong></td>
</tr>
</tbody>
</table>

There are no gains or losses in either year other than the surplus for the year.

On behalf of the board

Philip Sharpe
Board member

Declan McGonagle
Board member
# Financial Statements

## Balance Sheet

As at 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial fixed assets</td>
<td>7</td>
<td>226,829</td>
<td>60,000</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>8</td>
<td>25,915</td>
<td>79,623</td>
</tr>
<tr>
<td></td>
<td></td>
<td>252,744</td>
<td>139,623</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>9</td>
<td>481,281</td>
<td>470,700</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>1,040,563</td>
<td>1,197,526</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,521,844</td>
<td>1,668,226</td>
</tr>
<tr>
<td><strong>Creditors (amounts falling due within one year)</strong></td>
<td>10</td>
<td>(1,045,198)</td>
<td>(1,086,915)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td></td>
<td>476,646</td>
<td>581,311</td>
</tr>
<tr>
<td><strong>Total Assets Less Current Liabilities</strong></td>
<td></td>
<td>729,390</td>
<td>720,934</td>
</tr>
<tr>
<td><strong>Financed By</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>12</td>
<td>729,390</td>
<td>720,934</td>
</tr>
</tbody>
</table>

---

On behalf of the board

Philip Sharpe  
Board member

Declan McGonagle  
Board member
NOTES TO THE FINANCIAL STATEMENTS

1  STATEMENT OF ACCOUNTING POLICIES

Accounting convention and basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in Ireland.

Certain prior year amounts have been reclassified to confirm with current year presentation.

Income

Income from the Department of Communication, Energy and Natural Resources is recognised when costs are incurred.

Grant income from EU sources is recognised when costs are incurred.

Other sources of income are accounted for on a cash receipts basis.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:

- Industrial equipment: 4 years straight line
- Computer equipment: 3 years straight line
- Fixtures and fittings: 5 years straight line

Project related fixed assets

Capital equipment purchased by research partners and funded by NDRC, most of which is computer equipment, is written off to the Income and Expenditure account at time of purchase.

Investment in research activities

The company invests in the early stages of research-driven technology development and commercialisation through partnerships, new ventures, and continuous assessment projects. Investment in these projects are expensed to the Income and Expenditure account as the directors believe that given the stage of development of these entities and the underlying business opportunities, there is not an appropriate level of certainty as to the recoverability of the investment.

As part of the investment portfolio of the company follow-on investment by the company in the shares of companies that are commercialising intellectual property generated by the company’s research investment activities is recognised on the balance sheet at cost, less allowance for impairment losses. This treatment is in accordance with Financial Reporting Standard 9 – Associates and Joint Ventures.

Cash flow statement

Financial Reporting Standard Number 1 (Revised 1996), “Cash Flow Statements”, exempts “small” companies from the requirement to prepare cash flow statement. The company has availed of this exemption.

Pension schemes

The company operates an employer sponsored defined contribution pension scheme. The company's annual contributions are charged to the income and expenditure account in the year to which they relate.

Taxation

Under the Taxes Consolidation Act, 1997, the company is exempted from corporation tax due to its status as a registered charity.

Organisation and status

The company was founded in 2006 and began operational establishment in 2007, for the charitable purpose of education, including promotion of innovation, research, development and education in the arts and sciences.
2 INCOME

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government subvention income</td>
<td>4,311,650</td>
<td>5,507,968</td>
</tr>
</tbody>
</table>

3 MISCELLANEOUS INCOME

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated investment income</td>
<td>10,000</td>
<td>25,000</td>
</tr>
<tr>
<td>EU Grant income</td>
<td>325,319</td>
<td>286,319</td>
</tr>
<tr>
<td></td>
<td>335,319</td>
<td>311,319</td>
</tr>
</tbody>
</table>

4 EMPLOYEES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>16</td>
<td>24</td>
</tr>
<tr>
<td>Management</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Administration</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>31</td>
</tr>
</tbody>
</table>

The average number of persons employed by the company (including directors) during the year was as follows:

The staff costs (including executive directors) comprise:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,540,960</td>
<td>2,056,323</td>
</tr>
<tr>
<td>Social welfare costs</td>
<td>164,385</td>
<td>211,167</td>
</tr>
<tr>
<td>Pension</td>
<td>87,610</td>
<td>99,012</td>
</tr>
<tr>
<td></td>
<td>1,792,955</td>
<td>2,366,502</td>
</tr>
</tbody>
</table>

5 OPERATING SURPLUS FOR YEAR

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit remuneration — audit services</td>
<td>15,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Audit remuneration — other services</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>55,361</td>
<td>74,035</td>
</tr>
<tr>
<td>Director emoluments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- services as director</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- management services</td>
<td>140,844</td>
<td>179,256</td>
</tr>
<tr>
<td>- pension and other benefits</td>
<td>28,461</td>
<td>27,751</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>-</td>
<td>1,213</td>
</tr>
</tbody>
</table>
5 OPERATING SURPLUS FOR YEAR — CONTINUED

In accordance with its approval by the Revenue Authorities as a charitable entity, directors’ emoluments are not paid in respect of services as directors. Directors’ emoluments relate to the services of the Chief Executive Officer, whose remuneration is determined by the Remuneration Committee and ratified by the Board.

6 TAXATION

The service is exempt from company taxation on the basis that it is an eligible tax exempt charity for the purposes of Section 45 of the Finance Act, 2001.

7 FINANCIAL FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January</td>
<td>60,000</td>
</tr>
<tr>
<td>Additions</td>
<td>166,829</td>
</tr>
<tr>
<td>At 31 December</td>
<td>226,829</td>
</tr>
</tbody>
</table>

The company holds a proprietary beneficial interest of 29.2% in LingleOnline Limited and 19% in Silvercloud Health Limited.

During the year, as part of a research commercialisation investment, the company invested €55,000 (2011: €60,000) in LingleOnline Limited, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €101,559 (2011: €nil) in Silvercloud Health Limited, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €10,270 (2011: €nil) in Glidesys Holdings Limited, a spinout created for the commercial exploitation of intellectual property developed.

The company’s LaunchPad accelerator investment programme provides micro-seed investment and other support to start up projects. The company receives a financial interest in the share capital of the recipient companies. As noted in the accounting policies set out on page 9, investment in LaunchPad projects is expensed in the Income and Expenditure account. During the year the company invested €697,923 (2011: €402,953) through this programme.
### 8 TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>INDUSTRIAL EQUIPMENT</th>
<th>COMPUTER EQUIPMENT</th>
<th>FIXTURES AND FITTINGS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>69,830</td>
<td>218,582</td>
<td>64,379</td>
<td>352,791</td>
</tr>
<tr>
<td>Additions during year</td>
<td></td>
<td>449</td>
<td>1,204</td>
<td>1,653</td>
</tr>
<tr>
<td>Disposals during year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>69,830</td>
<td>219,031</td>
<td>65,583</td>
<td>354,444</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>69,830</td>
<td>151,341</td>
<td>51,997</td>
<td>273,168</td>
</tr>
<tr>
<td>Charge in year</td>
<td></td>
<td>50,321</td>
<td>5,040</td>
<td>55,361</td>
</tr>
<tr>
<td>Disposals during year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>69,830</td>
<td>201,662</td>
<td>57,037</td>
<td>328,529</td>
</tr>
<tr>
<td><strong>Net book amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td></td>
<td>17,369</td>
<td>8,546</td>
<td>25,915</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td></td>
<td>67,241</td>
<td>12,382</td>
<td>79,623</td>
</tr>
</tbody>
</table>

### 9 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>70,151</td>
<td>66,177</td>
</tr>
<tr>
<td>Financial fixed asset prepayment</td>
<td>–</td>
<td>51,559</td>
</tr>
<tr>
<td>Other debtors</td>
<td>336,013</td>
<td>286,412</td>
</tr>
<tr>
<td>VAT recoverable</td>
<td>75,117</td>
<td>66,552</td>
</tr>
<tr>
<td></td>
<td>481,281</td>
<td>470,700</td>
</tr>
</tbody>
</table>

### 10 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>121,246</td>
<td>119,918</td>
</tr>
<tr>
<td>Deferred income</td>
<td>295,297</td>
<td>399,160</td>
</tr>
<tr>
<td>Accruals</td>
<td>582,010</td>
<td>507,259</td>
</tr>
<tr>
<td>PAYE and PRSI</td>
<td>46,645</td>
<td>60,578</td>
</tr>
<tr>
<td></td>
<td>1,045,198</td>
<td>1,086,915</td>
</tr>
</tbody>
</table>
11 PENSION COMMITMENTS
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €87,610 (2011: €99,012).
Contributions payable to the fund at the year end have been included in accruals and amount to €11,559 (2011: €19,353).

12 INCOME AND EXPENDITURE ACCOUNT

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>720,934</td>
<td>710,603</td>
</tr>
<tr>
<td>Surplus for year</td>
<td>8,456</td>
<td>10,331</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>729,390</td>
<td>720,934</td>
</tr>
</tbody>
</table>

13 COMPANIES (AMENDMENT) ACT, 1986
The company is a company limited by guarantee without a share capital. In the opinion of the directors, the company is exempt from the disclosure requirements of the companies (Amendment) Act, 1986 by virtue of Section 2 (1) (a) of that Act.

14 RELATED PARTY TRANSACTIONS
Further to its main object, the company entered into a number of collaborative research agreements with University College Dublin ("UCD"), a member of the company. These agreements arose from open competitive tendering processes. In the period under review, services provided by UCD under these agreements amounted €nil (2011: refund €11,371), of which €nil (2011: €nil) was outstanding at 31 December 2012.

Further to its main object, the company entered into a collaborative research agreement with Dublin City University ("DCU"), a member of the company. This agreement arose from an open competitive tendering process. In the period under review, services provided by DCU under this agreement amounted to €nil (2011: €4,000), of which €nil (2011: €4,000) was outstanding at 31 December 2012.

Further to its main object, the company entered into collaborative research agreements with Trinity College Dublin ("TCD"), a member of the company. These agreements arose from open competitive tendering processes. In the period under review, services provided by TCD under these agreements amounted to €nil (2011: €223,297), of which €nil (2011: €119,469) was outstanding at 31 December 2012.

Further to its main object, the company entered into a collaborative research agreement with Institute of Art Design and Technology ("IADT"), a member of the company. This agreement arose from an open competitive tendering process. In the period under review, services provided by IADT under this agreement amounted to €nil (2011: €64,480), of which €nil (2011: €nil) was outstanding at 31 December 2012.
Further to its main object, the company entered into a collaborative research agreement with Dublin Institute of Technology (“DIT”). Dr Ellen Hazelkorn, a director of the company is also Director of Research and Enterprise and Dean of the Graduate Research School at DIT. This agreement arose from an open competitive tendering process. In the period under review, services provided by DIT under this agreement amounted to €nil (2011: €64,231), of which €8,636 (2011: €8,636) was due to be repaid from DIT at 31 December 2012.

Dr Sean Baker, a director of the company, provided services to the company outside of his role as a director. During the year, he provided services amounting to €6,608 (2011: €11,580), of which €nil (2011: €5,819) was outstanding at 31 December 2012.

Philip Sharpe, a director of the company, provided services to the company outside of his role as a director. During the year, he provided services amounting to €11,804 (2011: €11,580), of which €nil (2011: €4,480) was outstanding at 31 December 2012.

15 COMMITMENTS AND RELATED FUNDING

As at 31 December 2012 the company had entered into contractual research commitments with a total value of €682,750 (2011: €478,775), of which €400,000 (2011: €478,775) is due within one year and €282,750 (2011: €nil) is due between two and five years.

The company has entered into a renewed management operation and maintenance agreement with the Department of Communications, Energy and Natural Resources which provides for additional funding of €17.5m over a multi year period from 1 July 2013, bringing the cumulative total to €42.5m under these agreements. The renewed agreement, approved in August 2013, is governed by the contractual commitment of €17.5m funding, with the expectation being the funding be fully drawn down within five years from 1 July 2013. At 31 December 2012, cumulative funding of €22.5 million had been received under the original agreement (2011: €18.3 million).

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 4 September 2013.
NDRC 2007–2012

The Ecosystem Speaks

“NDRC’s early stage investment enabled the ClearSight project to develop a commercially compelling technology with real measurable value to patients. Moreover, their project management expertise and experience meant that an innovative idea could evolve into a sustainable, scalable enterprise.”

PROFESSOR CHRISTOPHER DAINTY
NUI Galway

“NDRC is to be commended on the consistent quality of the start-ups enabled by its accelerator programmes such as NDRC LaunchPad and NDRC VentureLab.”

GIANLUCA DETTORI
Partner, dPixel

“NDRC specialises in channelling practical, market value focused innovation to the Venture Capital market. As such it has become an invaluable part of the pipeline, refining exciting sci-tech ideas to the point where investor confidence in their participant companies has never been higher.”

FRANK KENNY
Founder, Delta Partners
NDRC has equity interests in the following companies:

Adaptics Ltd
Agile Education Technologies Ltd
Balls.ie (registered as Balls Media Ltd)
bitSmith Ltd
Bluebox Ltd
BOSS Metrics Ltd
Boxever Ltd
BragBet Ltd
B-sm@rk Ltd
Busy Moos Ltd
Buzzoo Ltd
Bizimply (registered as Catering Mentor Ltd)
Clearsight Innovations Ltd
Conker Ltd
iCabbii (registered as Coolnagour Ltd)
Fixational Ltd
getHealth Ltd
Fieldaware Inc
Good Travel Software Ltd
Haunted Planet Studios Ltd
CardioMark Ltd
Hit The Road (registered as Commutable Ltd)
Instant Opinion Ltd
jumpzter Ltd
Kind Citizen (registered as Digital Edge Ltd)
LearnUpon Ltd
Lingleonline Ltd
Logenties (registered as Jlizard Ltd)
Media for Buyers Ltd
MuteButton Ltd
Building Eye (registered as Mypp Media Ltd)
Neuro Hero Ltd
Neurosynergy Games Ltd
NewsWhip Ltd
Pharmapod Ltd
Picturk Ltd
Point The Way GPS Ltd
Popdeem (registered as Somnium Ltd)
Soundwave Analytics Ltd
Tempity Ltd
The Turning Institute Ltd
ThoughtBox Ltd
True Pivot Ltd
VideoElephant Ltd
VideoScamp Ltd
Von Bismark Ltd
VoucherLink Ltd
ZenDoc (registered as Everworks Ltd)
Zinc Software Ltd
PowWow Technologies Ltd
Prowlster Ltd
RASS (registered as igeocomms ltd)
Redeem&Get (registered as Sarsol Ltd)
Reverbeo Ltd
Senddr Software Ltd
SilverCloud Health Ltd
Slate State Ltd
Smarttrip Technologies Ltd
Sneaky Vegetables Ltd

NDRC Founder Members

NDRC Funding Partner