NDRC
ANNUAL
REPORT
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Now into our second decade as Ireland’s leading investor in very early stage digital businesses, NDRC’s model has evolved with the times. In our last annual report, we celebrated our first Decade of Investing by looking back at the various approaches we made in the entrepreneurial environment.

Initially, we invested exclusively through collaboration with academic research. Numerous significant successes emerged, such as SilverCloud Health, but developments in digital technology indicated better returns to the State could be achieved by also investing smaller sums in companies that weren’t necessarily spinouts from universities. With that we successfully evolved to a more focused investment model with both the VentureLab and LaunchPad programmes in recent years.

We have broadened out into the regions of the South East and the West, bringing this tried and tested acceleration activity to new bases. Now successes such as Property Bridges in Waterford can be added to the likes of Newswhip, Boxever, Nuritas, Drop, iCabbi, Tandem and most recently EnteraSense and Pharmapod in Dublin over the past decade. Each of these businesses show just how effective these gradual shifts in our investment approach have worked down the years.

That rounded out what we feel was a fine first 10 years as Ireland’s earliest investor. However time stands still for nobody, or no business.

I have been with NDRC since its inception. Then, as now, entrepreneurs struggled to survive, with private investment from angels or VCs extremely rare for businesses at idea stage, or even significantly later. Now, while the sums needed by startups to reach seed investment stage may have shifted, the underpinning support structure they need remains the same. I’m proud of how we have evolved with the market’s needs; I’m proud of our reputation among investors throughout Europe; and I’m proud that impressive funds raised in 2018 by startups such as Nuritas, EnteraSense and Pharmapod show that NDRC is as effective as ever.

NDRC’s portfolio of companies now stands at almost 300, with more than half still in operation. Given the duration of our existence, and the fraught environment within which even the most capable companies must operate, we find this success rate increasingly encouraging.

Our portfolio of companies have now raised €250 million in follow-on investment, employing more than 1,000 directly, with these high employment figures now looking sustainable after a number of consecutively strong years.

Our domain-agnostic approach is evident, too. The likes of EnteraSense raising €3.5 million in Galway, the EU backing of Cortechs and the crowdfunded successes of Exceedence, Trezeo and a year prior, HouseMyDog show the broad spectrum of industry our companies operate in, as well as the various ways they go about securing funding after they progress through the NDRC programmes.

Elsewhere, startups judged as too early for our investment are not too early for our hands-on support, with our various support structures – pre-acceleration, pre-commercialisation and The Ireland Funds Business Plan Competition – attracting an abundance of talented entrepreneurs.

The demographic of our founders is one reason for this success. Almost one-third of our portfolio of startups still in operation have female members on their founding team; 20 per cent of our founders come from outside of Ireland.

We wouldn’t be in the position we are today without the support of our investors, principal among them the Department of Communications, Climate Action and Environment (DCCAE). They have backed us since the beginning, when we first invested in a set of companies in 2008. Last year a review process, conducted by Indecon on the behalf of DCCAE, found that support in this space should continue – and the Government has confirmed its decision to do so.

As the acting executor of this support, for more than a decade, we can only be heartened by the realisation that we, as a small but able team, have proved that such intervention remains key.

What I said last year remains true. Following such an extensive economic review, involving both a study of the ecosystem and NDRC’s performance, we in NDRC cannot but view this as an implicit endorsement of our work.

Continued appropriate state intervention is crucial: if we are to succeed ultimately, the ecosystem needs consistent and enduring support for early stage ventures.

2019 brings a fresh approach. Our investment sums have risen significantly, per company. Our programmes have adapted to a new age of digital businesses. 2018 was a very significant year in terms of NDRC’s own evolution, and I greatly believe 2019 will be an improvement on that again. I look forward to sharing that journey with you all.
NDRC sources and builds digital startups to invest in and work with, providing them with an integrated offering of a modest amount of capital combined with the knowledge and expertise to enable them to become investor-ready faster and more successfully than would otherwise be the case.

The importance of innovation and Ireland’s indigenous economic capacity is being reinforced by the international debate around trade and taxation. Ireland’s attractiveness as a location for foreign direct investment as promoted by IDA Ireland has been a key driver of our economic planning for a number of decades now. Our economic plan, also entails supporting established indigenous companies to expand their exporting capabilities as stimulated by Enterprise Ireland. NDRC’s mission to build globally scalable businesses knits well into this economic plan – our focus drives the indigenous company renewal cycle by delivering validated and sustainable new businesses with global potential and ambition to the economy. Clearly it will continue to be so in the years ahead, but the uncertainty around international trade and the uncertainty around corporation tax revenues has brought the need for a better balance with our own domestic capacity to the fore. Project Ireland 2040, for example recognises the importance of research and innovation in this process.

The challenge we set ourselves is a tough one: to build companies with global scaling potential and ambition. As we detailed in our book A Decade of Investing published last year, we have evolved from being involved in collaborative research to a hands-on role on preparing technology-powered startups to scale. We believe it is this hybrid model, comprising an integrated blend of pre-seed investment and hands-on support, that is central to our success. We want to develop indigenous economic capacity, but we also want to develop global companies, albeit companies based in Ireland.

We are therefore proud to report strong results for the year 2018. Both the increase in follow-on investment secured by our ventures and their overall value in market capitalisation, each a key measurable metric for our performance, are up more than 25 per cent on 2017. We can see that our ventures continue to generate momentum. The upward trajectory of progress continues to be consistent with our overall goal.

The total number of jobs among our portfolio now exceeds 1,000. 25 per cent of these jobs are based outside of Ireland, highlighting the global nature of our startups. Because of the nature of these startups, the jobs entail high-quality, challenging positions with development potential for individuals and additional jobs. Moreover, these high-value jobs deliver ripple-effect benefits to the economy, resulting in multiples of further jobs in the economy.

We have invested in 286 companies to date, with nine of those companies having raised more than €1 million in follow-on monies during 2018. Indeed, cumulative follow-on investment has hit a quarter-billion euro for the first time. Overall, NDRC received more than €1 million in realisations during the year. And, as an indicator of the ongoing demand for NDRC offerings, some 500 entrepreneurs applied to be on one of our four accelerator programmes through 2018.

These are not input measurements; follow-on investment is a strong success indicator, and market capital is an economic outcome that strengthens Ireland’s economic resilience through appropriate diversification. And we are always conscious that these results reflect well on the companies we invest in as much as ourselves. Indeed, as an established, pioneer of the invest-and-accelerate model in Ireland, we have a proven track record of performance.

These results and their underpinnings are important because the development of a healthy startup ecosystem for Ireland is a long-term commitment. We welcomed the Government’s decision for its continued funding of NDRC in the difficult times some years back. Building an innovation ecosystem is a long-term investment, not a start/stop process, and Government has recognised this.

Reports from both the IVCA and TechIreland suggest that while investment levels have increased, they have involved stronger levels of investment in a smaller number of deals. This means the gap for startups to traverse en route to seed investment is becoming wider. This is the gap that we bridge for very early stage tech companies.

The gap is not a fixed thing, and throughout our lifetime, our capacity to change with the needs of the ecosystem has been crucial to our continued success. There are many drivers in the tech ecosystem and they are in constant flux. During 2018 we reviewed our investment strategy and, on foot of developments in the startup ecosystem, we are now tweaking the model again: from 2019 startups will received increased levels of capital; our acceleration activities will grow longer, and stronger.

We can ascertain from the level of international interest in our work that Ireland’s reputation as a technology hub that is conducive to startups is growing. We’ve been particularly happy in recent years at being able to bring our expertise directly to the regions by way of our accelerators run in conjunction with Waterford IT and ArcLabs in Waterford, Galway City Innovation District and PorterShed in Galway, together with the essential backing from Enterprise Ireland. These partners and more have helped NDRC perform to a level this high, and we will benefit from such relationships in future.
We save our biggest shout out for our ventures, the men and women who dare to dream to build globally scalable companies, and more importantly, back that dream with action. These are the people we try to put first. This year’s report features some of our most recent investees. It captures too on some of the great teams we’ve invested in down through the years – those that are in the process of building truly impressive businesses. Testimonials and podcasts available on ndrc.ie illustrate how we’ve interacted with these companies and what they’ve drawn from their experience at NDRC. That they continue to come back to motivate the next generation of entrepreneurs is both a reflection on what they gained from their experience, and what they’re willing to give back to help others succeed.

I also wish to thank the team at NDRC. Building risky ventures while managing a public money fund is a challenging endeavour. It could not be done without the support of a voluntary board and a dedicated team of professionals. It is my privilege to work with them and our ventures.

In conclusion, Ireland is showing effective full employment, the cost base is increasing for companies and international volatility is threatening businesses from all angles. Now is not the time to be complacent about the future prospects for our economy, nor time to be cavalier about an approach to early stage business activity that is proven to work.

2019 already promises great things, and we at NDRC look forward to the challenge to continue to deliver, economically and socially, in such an important space for our country.
Just 2 out of 5 of NDRC entrepreneurs have a background in computing.

These NDRC companies raised significant sums in 2018:

- Pharmapod €2m
- Cortechs €1.3m
- EnteraSense €3.5m

NDRC EXITS:
- ICABBI
- SOUNDWAVE
- CLEARSIGHT INNOVATIONS
- LOGENTRIES
- BOXEVER
- SENDDR SOFTWARE

Since 2008, NDRC has invested in 286 startups.

1063 Direct jobs created in NDRC portfolio.

500 Applications to NDRC’s 2018 programmes.

IRELAND, US, INDIA & ROMANIA

Most common countries of origin among founders.

Market Capital of NDRC companies

2013 €120M
2014 €220M
2015 €328M
2016 €427M
2017 €486M
2018 €508M

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OUR TIMELINE

**NDRC LAUNCHED**
- 2007: Commenced Operations with a fund of €25m from the Irish State

**ACCELERATING RESEARCH FROM IDEAS TO INCOME**
- 2008: First call for Collaborative Translational Research (CTR) Opportunities
- 2009: Ireland’s first Jointly-Owned IP commercialisation agreement launched

**GREEN SHOOTS SHOW PROMISE**
- 2010: Launch Ireland’s 1st tech accelerator, NDRC LaunchPad. NDRC Catalyser Feasibility pilot launched

**INNOVATION REALISED**
- 2011: Fol: €5.7m Market Capital (MC) value of Portfolio: €14.9m Jobs: 43

**GROWING CONFIDENCE**
- 2012: Fol: €16m MC: €39m Jobs: 250

**FOL**
Follow-on investment

**MC**
Market Capital

**NDRC INVENTORIUM**
- 2013: Launched, backed by Interreg

**NDRC SWEQUITY EXCHANGE**
- 2014: Pilot launched in co-operation with EirGrid plc, representing NDRC’s first partnership with a corporate body

**IIA AWARD 2011**
Best Open Data Initiative
UrbanFox

UrbanFox protects online merchants and payment processors from new forms of stealth fraud known as ‘synthetic fraud’. It does this by tracking minute behavioural differences that separate fraudsters from legitimate customers. Synthetic fraud is growing at six per cent per year and most fraud technology can’t identify it. But UrbanFox can and is nearly four-times better at doing it than other available technologies. NDRC invested in UrbanFox, founded by Daniel Loftus, in early 2018 - but we knew all about him and his company before that. Daniel originally came into NDRC on a pre-acceleration programme, with a different business idea. As time passed, UrbanFox emerged as his new venture and, when Daniel came in to pitch for investment, NDRC liked what it saw. “UrbanFox’s time on the NDRC Catalyser programme was excellent,” said Daniel. “It afforded us the ability to reach out and make connections with key industry experts, potential partners and to raise further funding.”

30% OF OUR STARTUPS HAVE FEMALES ON THE FOUNDING TEAM
Property Bridges

Property Bridges, founded by David Jelly, is reshaping development finance through its innovative funding model, raised via their online platform. In a dysfunctional market, Property Bridges provides funding for small to medium-sized developers, financing much-needed homes throughout Ireland. At the same time, it is opening the property market to ordinary investors by allowing them to invest in projects from as little as €500. Their experienced team minimises risk by undertaking a thorough due diligence process, taking ‘first legal charge’ security over the physical asset. Most importantly it provides investors with the yield they crave, offering returns of between seven-to-nine per cent. Since its launch in October 2018, the firm has raised €1.7m in development finance, funding three developments and amassing 1,500 lenders in the process.

“NDRC was the perfect platform to launch Property Bridges. Even today, a year after the program, I’m regularly leveraging the critical thinking that I was exposed to on the program.”

The Beauty Buddy

The Beauty Buddy provides and gathers data through a TripAdvisor-like app designed for beauty consumers. The data sourced directly from user activity is valuable to both brands and industry partners. Founded by Wendy Slattery and Tracy Leavy, The Beauty Buddy emerged from NDRC at PorterShed during 2018, with the company already making progress into the immense, global beauty industry. The duo dove in feet-first to the accelerator programme in Galway, relocating from Maynooth to fully immerse their business in PorterShed.

“We had completed Enterprise Ireland’s New Frontiers programme before that,” said Slattery, “and we always gave 100 per cent. So for NDRC at PorterShed, being part of the peer-to-peer environment, building relationships with others in the group, meeting other people and companies external to the NDRC group, it was fantastic. We knew that by signing up to the programme, it wasn’t just turning up for a meeting and heading back home. We can’t just wait in Maynooth. For example, we’re currently meeting with investors in Ireland, the UK and the US; if we get investment in New York, we will set up an office in New York. You have to do it. They want it, we want it. The market is there. If investors put money in, they want to know you’re committed. We’re committed.”

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PlanDomino is a productivity tool designed for the laboratory market. It boosts productivity by up to 50 per cent by automating scheduling, workflow and resource management. Founded by Greg Heaslip, PlanDomino secured the offer of follow-on funding after excelling during NDRC at PorterShed in Galway during 2018.

PlanDomino is at a critical stage of development as its pilot scheme comes to an end with a Tier 1 global pharmaceutical manufacturer and it prepares to compete against the large consulting firms for global solutions contracts. On the back of this successful pilot scheme, it is hiring more staff, and targeting more big pharma brands.

“During the initial phase of startup, PlanDomino was somewhat rudderless and we were struggling to get traction with clients. Joining the NDRC at the PorterShed accelerator program brought us back to basics and got us to focus on the problems we were solving for clients.

“This was a crucial move for us that gave us a clear direction with lazer focus on a niche within the laboratory sector. As soon as we made those changes we started to get traction and we have the NDRC to thank for that. Additionally, when you are going through the early stages you are making key decisions that will determine the success or failure of your business; having the NDRC team to bounce ideas off is great and makes the journey a lot less lonely and daunting.”
Luna Connect

Luna Connect is a technology platform for lenders that profitably delivers the digital efficiencies that borrowers expect. Founded by Brian D’Arcy, the company provides a SaaS platform to banks, credit unions and alternative lenders to allow them easily deliver online loans to customers. Borrowers apply and connect their data online, Luna Connect’s real-time algorithms analyse the data submitted, and lenders can make decisions instantly. Manual decisions are replaced with a hybrid of human and artificial intelligence reducing cost and risk for lenders, which provides a fast transparent customer experience. “There are great supports out there for startups in Ireland, they are very accessible and you need to get out there and talk to them, we have been supported by Enterprise Ireland, NDRC and The Portershed in Galway,” said Brian D’Arcy. “This has given us access to an amazing network of mentors and advisors, and we would not be where we are today without them. Working with NDRC and being located in The PorterShed has been as huge advantage for us, it’s a great environment with a mix of companies at different stages and an amazing network, whenever you need help there is always someone close by with an answer or advice.”

LiveCosts

Founded by Ken Lambe and brothers Niall and Ciaran Brennan, LiveCosts.com (formerly PaidAde) improves construction companies’ profits by analysing and managing their project costs in real time. Impressing investors at the inaugural NDRC at ArcLabs accelerator programme in Waterford, the LiveCosts.com solution uses artificial intelligence to automate the project cost control process. “I have been involved in construction all my life,” Ciaran said. “Our family have a rich tradition in construction, not only in Ireland but around the world. I set up my first company in Australia with my brother Niall. After learning some harsh lessons, we eventually managed to build, scale and sell that business. We, just like many other tradesmen, struggled with the transition from tradesmen to businessmen. Luckily, Niall had some great experience with job management software and managed to build a custom system to solve our problems. That really was a key turning point in our careers.”
Xpanse AI automatically converts unprocessed data sitting in a company’s data warehouse into the insightful variables needed to understand customers. This solves data preparation for companies, expediting Predictive Analytics so that customer insights can be attained faster. Xpanse AI’s three-strong team of Maciek Wasiak, Shane Teehan and Ger Harte team is an experienced group of data scientists who have boiled their 30 years of experience down into one tool which automates the bottlenecks in the model building process.

“NDRC brought a lot of ‘been there, done that’ expertise when it came to finding the best product-market fit. In our case – we thought that we had built a tool for data scientists but it turned out that the level of automation is considered by them as a threat rather than a help. Instead of banging our heads against that wall, NDRC pushed us to look broader and find an easier route to market.”

“Right now, we are moving forward in collaboration with a large utilities providers to build a non-technical user-friendly layer to Xpanse AI. This will enable business users to deliver self-serviced predictive analytics without engaging a data scientist.”
PRE-ACCELERATION
In addition to our core investment model, NDRC partners with other players in the ecosystem to enhance the overall quality of very early stage business. This can feed into investment decisions made by NDRC, and indeed other ecosystem players. Since 2016, teams on NDRC’s pre-acceleration activities have raised in excess of €7.5m in additional funding. To date, NDRC has had 150 teams come through various pre-acceleration activities, some of which are listed below.

DEEP TECH PRE-COMMERCIALISATION
In Spring 2018, NDRC partnered with Enterprise Ireland, NUI Maynooth, NUI Galway, Royal College of Surgeons in Ireland, Technical University of Dublin, University of Limerick and SFI Research Centres at IPIC (at the Tyndall National Institute) and Connect (head-quartered at Trinity College, Dublin), to deliver a Pre-COMMERCIALisation programme to prepare researchers to focus beyond academia, and help them to transition their research and intellectual activities into the marketplace.

The programme helps ventures to:
• Achieve a good understanding of a commercial opportunity
• Business model determination
• Completion of customer delivery and validation
• Network expansion nationally
• EU Commercialisation Funding investment readiness.

14 teams participated on the five-month programme, involving 48 researchers. In 2018, three of those teams received commercialisation grant funding, and a further seven teams secured feasibility grant funding from Enterprise Ireland of more than €1m.

THE IRELAND FUNDS – BUSINESS PLAN COMPETITION
NDRC’s partnership with the The Ireland Funds on its all-island Business Plan Competition is now in its third year. The competition involves the award of a €10,000 cash prize for the winner, following a six-week programme. In 2018, 10 teams were shortlisted for the programme stage.

The 2018 top prize was awarded to Kids Speech Labs, the first female-founder led team to win the competition. RecEasy and Safeclity placed second and third, respectively. A special Innovation Award was presented to Machine Eye.

Over the last two years teams have gone on to raise more than €3.8m in post programme funding.

OMAN UPGRADE COMPETITION
In addition to NDRC’s acceleration activity with the Oman Technology Fund via its Muscat-based Techween programme, NDRC now provides pre-acceleration supports via Upgrade, a second partnership between the two organisations. The Upgrade Competition’s mission is to transform the best graduation projects into successful ICT startups and bring socio-economic benefit to Oman. While in Dublin, the ventures received mentoring, market testing and business strategy supports with a view to validating their business ideas. Two teams were then selected to participate on the Techween investment programme.
NEW ADDITIONS TO OUR PORTFOLIO IN 2018

**EVOPASS**
Evopass develops mobile-first ticketing software to control how tickets for live events are resold, to reduce ticket touting and fraud.

**SPARROWATCH**
SparroWatch is developing low-powered smart camera systems that can be deployed cost-effectively in any location.

**DEPUBLISH**
Depublish combines technology with legislation to quickly determine if content is wrongly published, and builds highly targeted products around that core function to limit harm caused by cyberbullying, online defamation and hostile campaigns.

**SKMMP**
SKMMP is a showroom for fashion collections, providing a platform for ambitious luxury and medium-priced fashion brands that want to scale their business dually with wholesale and a ‘see now, buy now’ distribution model.

**GENUID**
Genuid’s platform provides unique identification (UID) tagging and track-and-trace solutions, allowing customers to bind UIDs to various apps and have visibility over their global supply chains.

**POINTCHECK**
PointCheck is transforming facilities management from data capture to analytics and workflow improvement, protecting businesses and creating efficiencies for their second-largest cost.

**DIGXCEL**
DigXcel is a platform that automates personal data management processes by putting control of personal data back into the hands of its owners.

**CEREBREON**
Cerebreon Technologies is a data analytics company, providing insolvency firms with better tools to manage their cases and drive profitability.

**ADVANCED RADIO MAPPING**
Advanced Radio Mapping is Google Analytics for the physical world, using sensor tech and machine learning to help customers track event performance and effectiveness of spend at events. It says it is working with customers to analyse two million attendees at 25 events in 15 countries in 2018.

**URBANFOX**
UrbanFox protects retailers and reduces online payment fraud by analysing fraudulent behaviour.

**EVIDENTIAL**
Evidential.tech bridges the gap between the new and exciting world of blockchain and the demanding requirements of enterprise business systems.

**INVIZBOX**
InvizBox is a world leader in highly configurable, yet easy-to-use privacy devices. The company has a range of devices that offer clever hardware VPN protection for home, office and mobile use.

**XPANSE AI**
Xpanse AI gives direct marketers the ability to quickly and easily self-serve predictive models, transforming how they manage customer retention and maximise the value of their customer base.

**RECEASY**
RecEasy is the next generation in accounting compliance software, automating tedious month-end reconciliations and saving enterprises thousands in resource hours, and millions in associated costs.

**CATION**
Cation is automating 80 per cent of customer interactions across hundreds of thousands of conversations every month. Cation’s multilingual multichannel AI is live with one of the world’s largest airlines turning long wait times into sub-second responses.

**SENOPTICA**
Senoptica is improving safety and trust in the global food chain through its patent-pending sensor technology.
CORRIBPOINT
CorribPoint has developed Akula, a fully automated cloud-based solution enabling credit unions and smaller financial institutions to meet anti-money laundering obligations under legislation efficiently, consistently and cost-effectively.

LUNA CONNECT
LunaConnect transforms SME lending by creating higher returns from lending to SMEs. Lending to SMEs has traditionally been high-risk and high-cost. For example, a loan of €100,000 can cost as much as €6,000 to set up and maintain, leaving thin margins for lenders, and small value loans unprofitable.

THE BEAUTY BUDDY
The Beauty Buddy is a software solution that allows beauty and cosmetic brands to easily connect with their end users, enabling customers to make an informed purchasing decision. Customers scan items through The Beauty Buddy app, providing them with information on product benefits, reviews, feedback and more.

PLAN DOMINO
PlanDomino is a digital lean laboratory platform that automates grouping of samples, scheduling, workflows and resource management. The aim is for this platform to make labs more efficient by ramping up productivity and capacity.

METAFACT
Metafact supports newsrooms and media agencies by authenticating stories and removing ‘fake news’. By tracking and tracing the origins and supporting references of stories, Metafact aids good-quality journalism, helping to eliminate the negative effect of artificial stories.

TRIBAL
Tribal helps companies measure performance and implement changes to avoid issues like underperformance and employee churn. High-performance teams need to be supported to balance their skills and challenge in the workplace.

MATCHDAY TECHNOLOGIES
MatchDay is a live sports game that lets fans compete against each other in real time as they watch live sport.

REFERRAL.WORKS TECHNOLOGIES
Referral.Works is a recruitment platform that helps recruiting management get high quality, skilled talent 23 per cent faster, that are retained up to 50 per cent longer through crowd-sourced, data driven referrals.

SIPARIO
Sipario re-defines how a concert venue books talent. Sipario alleviates the mundane tasks, allows staff focus on higher value work saving time and money. Sipario leverages data to increase revenue via multiple commercialisation opportunities.

PROPERTY BRIDGES
Property Bridges is an online marketplace for property finance. It helps construction professionals raise finance fast and investors access to secured property loans.

TURNEDSEE
TurnedSee is a log-in only, modern platform allowing hotels and venues to showcase their MICE offering in 360° technology for the better presentation of their spaces. The pre-qualified planners can view the facilities and instantly connect to the right person at the venue. No commission model and direct relationship building allows better cooperation between the end client and the venue/hotel.

HERDSY
Herdsy is a disruptive Agritech tracking company, that can be used on any animal. Herdsy is built for farmers of all sizes who care about increasing the profitability of their herds.

KRAKEN ANALYTICS
With an evergrowing number of integrations and a powerful brain, Kraken Analytics allows e-commerce digital agencies to be effortlessly data driven and keep clients happier for longer by delivering maximum results.

LIVECOST
Formerly PaidAde, LiveCosts keeps small trade business owners in business by enabling them to get paid and operate their business on the go.

BLUCOUP
BluCoup is a marketing platform that enables retailers to engage with consumers in real time as they shop. Our technology then tracks the consumer’s behaviour from offer engagement through to redemption. This allows the platform to deliver bespoke offers to the individual in the future.

MACHINE LEARNING PROGRAMS
Machine Learning Programs uses machine learning and statistical models to improve performance and returns for the insurance industry. It does this by predicting the likelihood of people making claims.
PORTFOLIO RAISERS IN 2018

appraisee™
ARTOMATIX
aimsteady
ASSUREHEDGE

CHASINGRETURNS
CORTECHS
ENTERA SENSE
EXCEEDENCE

HORUS
intouch.com
LiveCosts.com

NURITAS
Life-changing Discoveries
Oathello
opening.io
PEWTER GAMES

PMD solutions
Popdeem
PROPERTY BRIDGES
rooi

stride
Think Biosolution
TravaPlan
Transportzor
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BOARD OF DIRECTORS

Sean Baker (Chair)
Orla Feely
Ben Hurley
Aengus Hugh McClean
Nicola McClafferty (Appointed 25 October 2018)
Niall McEvoy (Appointed 6 September 2018)
Gearoid Mooney (Resigned 21 June 2018)
Diarmuid O’Brien
Stjohn O’Connor
Mark O’Donovan (Resigned 18 May 2018)
Philip Sharpe

SOLICITORS

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Royalwell Limited
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D02 NY19

REGISTERED NUMBER

398458

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Dublin 8
D08 HKR9

BANKERS

Bank of Ireland
85 James Street
Dublin 8
D08 C2PR

AUDITORS

Mazars
Chartered Accountants and Statutory Firm
Harcourt Centre, Block 3
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Dublin 2
D02 A339
DIRECTORS’ REPORT

The directors present their annual report and audited financial statements for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

NDRC’s mission is to deliver a sustainable supply of globally scalable Irish digital startups to the next stage venture investor community. It does this by sourcing and building young digital companies that it then invests in and works with to advance their commercial potential.

NDRC has a commercial mandate from the Department of Communications, Climate Action and Environment to make these investments, ensuring Ireland has a vibrant and growing culture of digital entrepreneurship. With its digital focus, NDRC is uniquely positioned at the centre of multiple players in the innovation and investment space – from third level institutions, to Enterprise Ireland, industry players, commercial partners and investors.

NDRC operates at a stage when the risk is prohibitive to venture capital. It targets both financial and impact returns through its fund and provides a pipeline of risk reduced venture investment opportunities to the economy.

The directors report a strong set of results for 2018.

The key business performance indicator for the company is third party follow on investment (FOI) that is secured by ventures in the company’s portfolio. Cumulative follow on investment increased by 30% year on year, from €192m in 2017 to €250m in 2018. The cumulative enterprise value of the portfolio exceeded half a billion for the first time. It increased by 25% from €486m in 2017 to €608m in 2018. These growth outcomes (see results for the year below) are a consequence of a continued flow of investments and ventures through NDRC, and increasing maturity of the NDRC portfolio ventures that have proven their viability since emerging in previous years.

In order to expand the reach of NDRC’s investment model, the company partnered with Enterprise Ireland and regional stakeholders to deliver regional accelerators in the west and southeast in 2017. NDRC continued this partnership in 2018 and operated NDRC at PorterShed accelerator in Galway and NDRC at Arclabs accelerator in Waterford. These accelerators enable NDRC to support ventures around the country that currently cannot avail of the residential investment programmes operated from NDRC’s Dublin-based offices, thereby further fulfilling NDRC’s national remit.

NDRC proved its model internationally by being selected by the Oman Technology Fund (OTF) to run a pre-seed accelerator in Oman. NDRC delivered two programmes in 2018 and continues to partner with OTF. This further validates and gives international recognition to our core capability of delivering impactful, pre-seed acceleration.

NDRC realised further financial returns in 2018 on some of its investments. During the year, NDRC received returns amounting to €1,025,906 on its equity stake in a number of companies following the sale or majority acquisition of those companies. The majority of the investment costs for these holdings was expensed to the Income and Expenditure account over a number of previous financial years in line with the company’s accounting policy. While the company’s current hybrid funds can only ever deliver a fractional financial return, these realisations, building on the first such return in 2014 and the highest in any one year to date, underlines the company’s positioning and performance as a very early stage investor, substantiating its investment reputation and validating its business model.

NDRC also reports a surplus of €156,122 on third party generated income.

A reserves policy has been agreed by the Board for investment realisations and commercial surplus, and is detailed in the financial statements. NDRC decided to hold reserves of €2,177,324 at year-end, which comprises proceeds from realisations less the usage agreed in previous years and the surplus from commercial activities.

Other reserves are held to enable NDRC to fund investments that may fall outside of the current programmes operated and to ensure that the organisation has the flexibility and financial security to do so; to fund working capital where it might be necessary during the course of an accounting period; to enable NDRC to apply the funds in the pursuit of strategic goals and expansion activities; to fund strategic purposes not ordinarily funded by government subvention, and to cover any potential requirement for cost coverage or unforeseen events/liabilities.

RESULTS AND DIVIDENDS

The statement of comprehensive income for the year ended 31 December 2018 and the statement of financial position at that
date are set out in this report. The total surplus for the financial year was €1,182,028 (2017: deficit of €263,858); this is made up of investment realisations and surplus on third party generated income. The company is exempt from corporation taxation. Results in the form of third party follow on investments in NDRC ventures continue to be strong for the year. Building on results in the previous year, the company reports a cumulative €250m (2017: €192m) of follow on investment secured by new enterprises emerging or developing from the company’s investment programmes. The amount of equity released in, or valuations placed on, these new enterprises to secure the follow on investment indicates a year-end cumulative enterprise value of these enterprises of €608m (2017: €486m).

DIRECTORS
The directors who served during the financial year were:

Sean Baker (Chair)
Orla Feely
Ben Hurley
Aengus McClean
Nicola McClafferty (appointed 25 October 2018)
Niall McEvoy (appointed 6 September 2018)
Gearoid Mooney (resigned 21 June 2018)
Diarmuid O’Brien
Stjohn O’Connor
Mark O’Donovan (resigned 18 May 2018)
Philip Sharpe

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 DEVELOPMENTS
The company will continue to operate to its main objective in 2019.

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 CONTRIBUTIONS
The company made no political or charitable contributions during the year.

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

TAX STATUS
The company is recognised by the Revenue Commissioners as having registered charity status registration number CHY 17664.

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, Climate Action and Environment for short, medium and long term funding. The Department has confirmed funding for NDRC through to the end of 2019, and a tender process is imminently anticipated to agree funding beyond then. NDRC is strongly positioned due to the Company’s track record of high performance and delivery against objectives, but future funding is subject to the tender outcome decision. While it is not possible to be certain about a future decision, the Directors are satisfied that NDRC has adequate resources to meet all of its liabilities as they fall due. For this reason, the directors are satisfied that the financial statements can be prepared on a going concern basis.

The company has controls in place to limit potential exposures and management and the directors regularly review, reassess and proactively limit the associated risks.

ACCOUNTING RECORDS
The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company’s accounting records are maintained at the company’s registered office at Digital Exchange, Crane Street, The Digital Hub, Dublin 8, D08 HKR9.

STATEMENT ON RELEVANT AUDIT INFORMATION
Each of the persons who are directors at the time when this Directors’ Report is approved has confirmed that:

• so far as the director is aware, there is no relevant audit information of which the company’s auditors are unaware; and

• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

POST BALANCE SHEET EVENTS
NDRC regularly monitors investments in financial assets for indicators of impairment. Events may arise after the end of the reporting period which indicate an impairment of certain
investments after the end of the reporting period, however the extent of the financial effect of such events is generally only determinable at the end of the next reporting period.

**AUDITORS**
The auditors, Mazars, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Approved by the board of Directors and signed on behalf of the board by:

[Signatures]

Stjohn O'Connor  Niall McEvoy

*Date: 13 June 2019*
DIRECTORS’ RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors’ Report and the financial statements in accordance with Irish law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company for the financial year and otherwise comply with the Companies Act 2014. 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the Company’s transactions and which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2014. 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board of Directors and signed on behalf of the board by:

Stjohn O'Connor    Niall McEvoy

Date: 13 June 2019
As Chairperson and on behalf of the Board of NDRC, I am happy to acknowledge the Board’s responsibility for ensuring that an effective system of internal control is maintained and operated by NDRC. This complies with the SLA under which NDRC operates, which provides for adherence to the Code of Practice for the Governance of State Bodies (2016) ("the Code"), although NDRC is not a State Body. As a small organisation, with 18 employees, NDRC’s systems are appropriate to the size and operation of the organisation.

The CEO has delegated responsibility from Board of NDRC to deal with management and operational issues and to report to the Board regularly. The systems in place manage risk to a tolerable level and 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 manner.

The system of internal control described in this Statement, which accords with the guidance issued by the Department of Public Expenditure and Reform, has been in place in NDRC for the year ending 31 December 2018 and is ongoing up to the date of the approval of the financial statements.

**CONTROL ENVIRONMENT**

The following steps have been taken to ensure an appropriate control environment:

- regular updated reports of expenditure at each Board meeting
- proper assignment of Management responsibilities and corresponding accountability.
- monthly Management accounts, reported upon to the Audit & Risk Committee and the Board at each meeting.
- an ongoing system of reporting which indicates financial performance against budget.
- regular Leadership Team meetings with full reports on expenditure and operations.
- clearly defined investment control procedures with oversight by established Investment Committees and regular reports to the Board.
- an effective Audit & Risk Committee, with appropriate Terms of Reference which include ensuring systems that guarantee internal financial control. The Committee reports to the Board after each of its meetings.
- a properly constituted Remuneration & Nominations Committee, which reports to the Board.
- systems to ensure the security of the information and communication technology systems in use in NDRC.
- a Financial Policies and Procedures Manual (FPPM) for all aspects of financial controls, procedures and management, which is reviewed and revised annually.

**RISK MANAGEMENT**

NDRC has established processes to

- Identifying the nature and extent of financial risks and business risks facing it.
- Assessing the likelihood of identified risks occurring.
- Assessing its ability to manage and mitigate the risks that do occur.

**CONTROL MECHANISM**

The system of internal control is based on regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability.

The procedures include:

1. an appropriate and comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board.
2. regular review by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
3. regular senior management team meetings.
4. a robust Risk Management Plan and Corporate Risk Register, which is informed by an appropriate system for all key business operations, which is reviewed and updated quarterly by the Leadership Team and reported on to the Audit & Risk Committee on an ongoing basis.
5. a standing item relating to risk on the agenda for both the Audit & Risk Committee and the Board.
6. an internal auditor who reports to the Audit and Risk Committee. Monitoring and review of effectiveness of internal control is informed by the work of the outsourced internal auditor and the Audit and Risk Committee.

The following audits were carried out in 2018:

- An investment process audit
- A Procurement audit
- A full audit of internal controls
- adequate mechanisms for ensuring the security of the Information and Communication Technology (ICT) systems
The final Internal Controls audit noted the following:

• a number of key control strengths in terms of culture, segregation of duties, books of account, financial controls, data protection and risk management
• an overall positive result such that significant assurance can be placed on the sufficiency and operation of internal controls to mitigate and/or manage key inherent risks.
• there are policies and procedures in place for all key components of internal controls.
• There were no Whistleblowing, Data Protection or Risk incidents to report in 2017.
• There were no high risk findings that may result in a material financial loss or operational disruption to the NDRC.

INTERNAL CONTROLS

Derogations
NDRC is not a State body but in accordance with its SLA, complies with the Code of Practice for the Governance of State Bodies 2016. Because of its size and the nature and scale of its activities, some of the Code requirements are disproportionate to or not applicable to NDRC.

A request for derogation made during the year was accepted and agreed to by the Department of Communications, Climate Action and the Environment.

Procurement Plan
NDRC developed a Procurement Plan during the year to complement the procurement policy set out in the FPPM. The plan sets out a detailed action plan to address any outstanding legacy issues, as identified by the Procurement Internal Audit. The audit identified a small number of contracts that had been awarded to suppliers which did not strictly adhere to the procurement policy. Management is fully aware of this and is committed to implementing the remedial actions in the plan.

Risk Management Policy
A formal Risk Management Policy was introduced during 2018 also and is now part of the control system.

Protected Disclosures Policy
NDRC updated its Protected Disclosures policy during the year and all staff were trained in accordance with it.

Approval by the Board
I confirm that the Board conducted a review of the effectiveness of the system of internal control for 2018 and the status of any outstanding actions needed.

This Statement on the System of Internal Controls was reviewed by the Audit and Risk Committee and the Board to ensure that it accurately reflects the control system in operation during the reporting period, 1 January to 31 December 2018.

I confirm that the Board is reasonably assured that the systems of internal control instituted and implemented in 2018 for the financial year ended 31 December 2018 are effective.

Sean Baker
Chairperson

Date: 13 June 2019
INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF NATIONAL DIGITAL RESEARCH CENTRE

Report on the audit of the financial statements

OPINION
We have audited the financial statements of National Digital Research Centre (the “Company”) for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:
• give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its surplus for the year then ended; and
• have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
• have been properly prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION
We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN
We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you were:

• the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OTHER INFORMATION
The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.
OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

Based solely on the work undertaken in the course of the audit, we report that:

• in our opinion, the information given in the directors’ report is consistent with the financial statements; and
• in our opinion, the directors’ report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and financial statements are in agreement with the accounting records.

CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES (THE “CODE’)

Under the Code of Practice for the Governance of State Bodies (the ‘Code’) we are required to report to you if the statement regarding the system of internal control included in the Annual Report does not reflect the company’s compliance with paragraph 1.9(iv) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in respect of this responsibility.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

RESPECTIVE RESPONSIBILITIES

Responsibilities of directors for the financial statements
As explained more fully in the directors’ responsibilities statement set on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for 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.

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA’s website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc3c3a/Description of auditors responsibilities for audit.pdf.

This description forms part of our auditor’s report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company’s members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Tommy Doherty

For and on behalf of
Mazars
Chartered Accountants
& Registered Auditors
Block 3, Harcourt Centre
Harcourt Road
Dublin 2

Date: 13 June 2019
# STATEMENT OF COMPREHENSIVE INCOME

**FINANCIAL YEAR ENDED 31 DECEMBER 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NOTES</strong></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Government subvention</td>
<td>3,912,106</td>
<td>4,184,136</td>
</tr>
<tr>
<td>Other income</td>
<td>1,019,039</td>
<td>516,045</td>
</tr>
<tr>
<td>Realisations on investments</td>
<td>1,025,906</td>
<td>19,924</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>5,957,051</td>
<td>4,720,105</td>
</tr>
<tr>
<td>Research investment and fund management</td>
<td>(3,890,667)</td>
<td>(3,704,720)</td>
</tr>
<tr>
<td>General overheads and fund administration</td>
<td>(712,431)</td>
<td>(1,002,721)</td>
</tr>
<tr>
<td>Fair value movements on investments</td>
<td>(171,925)</td>
<td>(276,522)</td>
</tr>
<tr>
<td><strong>Surplus / (deficit) on ordinary activities before tax</strong></td>
<td>1,182,028</td>
<td>(263,858)</td>
</tr>
<tr>
<td>Tax on (deficit)/surplus on ordinary activities</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Surplus / (deficit) for the financial year</strong></td>
<td>1,182,028</td>
<td>(263,858)</td>
</tr>
<tr>
<td>Other comprehensive income for the financial year net of tax</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the financial year</strong></td>
<td>1,182,028</td>
<td>(263,858)</td>
</tr>
<tr>
<td>Addition to Board approved designated reserves</td>
<td>1,182,028</td>
<td>19,924</td>
</tr>
<tr>
<td>Use of Board approved designated reserves</td>
<td>–</td>
<td>(283,782)</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>1,182,028</td>
<td>263,858</td>
</tr>
</tbody>
</table>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 35 to 45 form part of these financial statements.
# STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2018**

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible assets</td>
<td>€33,559</td>
<td>€34,994</td>
</tr>
<tr>
<td>Financial assets</td>
<td>€722,793</td>
<td>€967,719</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>€366,835</td>
<td>€186,290</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>€2,909,283</td>
<td>€1,942,053</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creditors</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(amounts falling due within one year)</td>
<td>€(1,124,251)</td>
<td>€(1,404,865)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net current assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€2,151,867</td>
<td>€723,478</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total assets less current liabilities</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€2,908,219</td>
<td>€1,726,191</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€2,908,219</td>
<td>€1,726,191</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital and reserves</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other reserves</td>
<td>€2,177,324</td>
<td>€995,296</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>€730,895</td>
<td>€730,895</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total capital &amp; reserves</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€2,908,219</td>
<td>€1,726,191</td>
</tr>
</tbody>
</table>

---

On behalf of the board:

Stjohn O’Connor  Niall McEvoy

*Date: 13 June 2019*

The notes on pages 35 to 45 form part of these financial statements.
## STATEMENT OF CHANGES IN EQUITY

**FINANCIAL YEAR ENDED 31 DECEMBER 2018**

<table>
<thead>
<tr>
<th></th>
<th>Other reserves €</th>
<th>Profit and loss account €</th>
<th>Total equity €</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 January 2018</strong></td>
<td>995,296</td>
<td>730,895</td>
<td>1,726,191</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the financial year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the financial year</td>
<td>–</td>
<td>1,182,028</td>
<td>1,182,028</td>
</tr>
<tr>
<td>Utilisation of designated reserves</td>
<td>1,182,028</td>
<td>(1,182,028)</td>
<td>–</td>
</tr>
<tr>
<td><strong>At 31 December 2018</strong></td>
<td>2,177,324</td>
<td>730,895</td>
<td>2,908,219</td>
</tr>
<tr>
<td><strong>At 1 January 2017</strong></td>
<td>1,259,154</td>
<td>730,895</td>
<td>1,990,049</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the financial year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit for the financial year</td>
<td>–</td>
<td>(263,858)</td>
<td>(263,858)</td>
</tr>
<tr>
<td>Utilisation of designated reserves</td>
<td>(263,858)</td>
<td>263,858</td>
<td>–</td>
</tr>
<tr>
<td><strong>At 31 December 2017</strong></td>
<td>995,296</td>
<td>730,895</td>
<td>1,726,191</td>
</tr>
</tbody>
</table>

The notes on pages 35 to 45 form part of these financial statements.
## STATEMENT OF CASH FLOWS

**AS AT 31 DECEMBER 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus / (deficit) for the financial year</td>
<td>1,182,028</td>
<td>(263,858)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of tangible assets</td>
<td>14,388</td>
<td>9,671</td>
</tr>
<tr>
<td>Net profit on disposal of investments</td>
<td>(55,328)</td>
<td>-</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>(180,545)</td>
<td>(178,312)</td>
</tr>
<tr>
<td>Decrease in creditors</td>
<td>(280,614)</td>
<td>(216,694)</td>
</tr>
<tr>
<td>Fair value movement on investments</td>
<td>137,500</td>
<td>276,522</td>
</tr>
<tr>
<td><strong>Net cash generated from / (used in) operating activities</strong></td>
<td>817,429</td>
<td>(372,671)</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |        |        |
| Purchase of tangible fixed assets    | (12,953) | (30,445) |
| Proceeds from derecognition of investments | 239,774 | -     |
| Purchase of financial assets         | (77,020) | (139,300) |
| **Net cash generated from / (used in) operating activities** | 149,801 | (169,745) |

| Net increase/ (decrease) in cash and cash equivalents | 967,230 | (542,416) |
| Cash and cash equivalents at beginning of financial year | 1,942,053 | 2,484,469 |

| **Cash and cash equivalents at the end of financial year** | 2,909,283 | 1,942,053 |

**Cash and cash equivalents at the end of financial year comprise:**

| Cash at bank and in hand | 2,909,283 | 1,942,053 |
NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION
National Digital Research Centre is a company limited by guarantee and incorporated in Ireland. Its registered office is at Digital Exchange, Crane Street, The Digital Hub, Dublin 8, D08 HKR9. 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 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements
The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of entity financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company’s accounting policies (see note 3).

The following principal accounting policies have been applied:

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

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

Other sources of income are accounted for in the period to which they relate.

2.3 Employee benefits
Short term employee benefits
Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.4 Tangible fixed assets
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes the original purchase price and expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

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

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected.

2.5 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.

2.6 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 is 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.

2.7 Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.9 Financial instruments
The company has chosen to apply the provisions of Section 11 and 12 of FRS 102 to account for all of its financial instruments.

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 statement of financial position at cost, less allowance for impairment losses unless the fair value of investments can be measured reliably.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.
2.10 Creditors
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Pensions
**Defined contribution pension plan**
The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

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

2.14 Other reserves
**Designated reserves**
The company transfers other income received as a result of realisations and other recoupment on investments to a designated reserves fund. The reserves are released to the income and expenditure account when a decision has been made by the Board to utilise part or all of the fund for a specific agreed purpose or significant event. The level of reserves is reviewed annually to ensure that they are meeting the organisation’s needs.

**Commercial reserves**
Commercial reserves are generated from third party generated profits on any commercial activity not supported by government subvention. The reserves are used for NDRC determined strategic purposes, not ordinarily funded by government subvention income.

3 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Critical management judgement in applying accounting policies
Significant management judgements in applying the accounting policies of the company that have the most significant effect on the financial statements is as follows:

(i) **Recognition of provisions and contingencies**
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) **Subsequent measurement of financial assets**
Judgement is exercised by management in determining that follow on investment in the shares of companies that are commercialising intellectual property generated by the company’s research investment activities, which are not publicly traded, are subsequently measured at cost less impairment as fair values cannot be measured reliably.

3.2 Key sources of estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) **Estimating useful lives of tangible fixed assets**
The company estimates the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of tangible fixed assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(ii) **Impairment of investments and fair value movements on investments**
Allowance is made for valuations of investments where objective evidence of impairment exists. The company evaluates the amount of allowance for impairment based on available facts and circumstances surrounding the fair value of investments and also relies on the share price recorded at the reporting date and subsequent funding rounds for investments that are not publicly traded and whose fair value cannot be reliably measured.
4 INCOME 2018 2017
€       €

An analysis of income by class is as follows:

Government subvention 3,912,106 4,184,136
Other income 1,019,039 516,045
Realisations on investments 1,025,906 19,924

5,957,051 4,720,105

Analysis of income by geographical market:

Ireland 5,456,108 4,677,495
Rest of world 507,943 42,610

5,957,051 4,720,105

5 OTHER INCOME 2018 2017
€       €

Other income – foreign 507,943 42,610
Other income - domestic 511,096 473,435

1,019,039 516,045

Foreign income was made up of income in relation to the Omani accelerator and the sale of listed shares. Domestic income was received for the operation of the regional accelerators and pre-acceleration activity.

6 REALISATIONS ON INVESTMENTS 2018 2017
€       €

Realisations on investments 1,025,906 19,924

During the year, the company realised €1,025,906 (2017: €19,924) from its investment in Senddr Software Limited, Coolnagour Ltd., and Soundwave Analytics Ltd.

7 SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX 2018 2017
€       €

The surplus / (deficit) for the year is stated after charging:

Depreciation of tangible fixed assets 14,388 9,671
Defined contribution pension cost 108,022 61,619
8 EMPLOYEES

Staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>€1,988,356</td>
<td>€1,626,212</td>
</tr>
<tr>
<td>Social insurance costs</td>
<td>€290,886</td>
<td>€243,441</td>
</tr>
<tr>
<td>Cost of defined contribution scheme</td>
<td>€108,022</td>
<td>€61,619</td>
</tr>
</tbody>
</table>

Total: €2,387,264 (2017: €1,931,272)

Capitalised employee costs during the financial year amounted to €nil (2017: €nil).

The average monthly number of employees, including the directors, during the financial year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>18</td>
<td>17</td>
</tr>
</tbody>
</table>

9 KEY MANAGEMENT COMPENSATION

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and other short-term benefits</td>
<td>€979,320</td>
<td>€849,361</td>
</tr>
<tr>
<td>Total key management compensation</td>
<td>€979,320</td>
<td>€849,361</td>
</tr>
</tbody>
</table>

10 DIRECTORS’ REMUNERATION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ emoluments</td>
<td>€253,873</td>
<td>€164,197</td>
</tr>
<tr>
<td>Company contributions to defined contribution pension schemes</td>
<td>€51,735</td>
<td>€24,008</td>
</tr>
<tr>
<td></td>
<td>€305,608</td>
<td>€188,205</td>
</tr>
</tbody>
</table>

Retirement benefits are accruing to one director under a defined contribution scheme.

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.
11 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.

12 TANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Industrial equipment</th>
<th>Fixtures and fittings</th>
<th>Computer equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or Valuation</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At 31 December 2017</td>
<td>69,830</td>
<td>86,466</td>
<td>250,123</td>
<td>406,419</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>10,013</td>
<td>2,940</td>
<td>12,953</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>69,830</td>
<td>96,479</td>
<td>253,063</td>
<td>419,372</td>
</tr>
</tbody>
</table>

Depreciation

<table>
<thead>
<tr>
<th></th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2017</td>
<td>69,830</td>
<td>68,166</td>
<td>233,429</td>
<td>371,425</td>
</tr>
<tr>
<td>Charge for the period on owned assets</td>
<td>-</td>
<td>4,801</td>
<td>9,587</td>
<td>14,388</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>69,830</td>
<td>72,967</td>
<td>243,016</td>
<td>385,813</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th></th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2018</td>
<td>-</td>
<td>23,512</td>
<td>10,047</td>
<td>33,559</td>
</tr>
<tr>
<td>At 31 December 2017</td>
<td>-</td>
<td>18,300</td>
<td>16,694</td>
<td>34,994</td>
</tr>
</tbody>
</table>
### 13 FINANCIAL ASSETS

#### Listed investments

<table>
<thead>
<tr>
<th>Fair value</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>121,908</td>
<td>845,811</td>
<td>967,719</td>
</tr>
<tr>
<td>(121,908)</td>
<td>(62,538)</td>
<td>(184,446)</td>
</tr>
<tr>
<td>(137,500)</td>
<td>(137,500)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>722,793</td>
<td>722,793</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Unlisted investments

<table>
<thead>
<tr>
<th>Fair value</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>845,811</td>
<td>77,020</td>
<td>922,831</td>
</tr>
<tr>
<td>(62,538)</td>
<td>(137,500)</td>
<td>-</td>
</tr>
<tr>
<td>722,793</td>
<td>722,793</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>77,020</td>
<td>77,020</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Cost or valuation

- **At 1 January 2018**
  - Additions
  - Disposals
  - **Fair value movement**
  - **At 31 December 2018**
  - **Net book value**

During the year as part of research commercialisation, the company made a number of follow on investments in spinouts created for the commercial exploitation of intellectual property developed.

The following categories of investment were made during the year:

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Enterprise software</th>
<th>Energy &amp; Environment</th>
<th>Semi-conductor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Number of investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 2017       |                     |                      |                | 3     |
| Number of investments |
| Amounts    |

#### 14 DEBTORS

- **Trade debtors**
- **Prepayments and accrued income**

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>6,033</td>
<td>135,636</td>
</tr>
<tr>
<td>360,802</td>
<td>50,654</td>
</tr>
<tr>
<td>366,835</td>
<td>186,290</td>
</tr>
</tbody>
</table>

#### 15 CASH AT BANK AND IN HAND

- **Cash at bank and in hand**

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>2,909,283</td>
<td>1,942,053</td>
</tr>
</tbody>
</table>
### 16 Creditors

( Amounts falling due within one year)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>72,325</td>
<td>50,891</td>
</tr>
<tr>
<td>Taxation and social insurance</td>
<td>73,176</td>
<td>124,459</td>
</tr>
<tr>
<td>Pension and VHI</td>
<td>9,510</td>
<td>14,068</td>
</tr>
<tr>
<td>Accruals</td>
<td>947,640</td>
<td>840,939</td>
</tr>
<tr>
<td>Deferred income/government subvention (note 21)</td>
<td>–</td>
<td>293,366</td>
</tr>
<tr>
<td>Deferred services income (note 21)</td>
<td>21,600</td>
<td>81,142</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,124,251</td>
<td>1,404,865</td>
</tr>
</tbody>
</table>

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers’ usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

### 17 Financial Instruments

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other taxation and social insurance:</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Income tax deducted under PAYE</td>
<td>40,465</td>
<td>46,351</td>
</tr>
<tr>
<td>VAT</td>
<td>12,958</td>
<td>56,932</td>
</tr>
<tr>
<td>Pay related social insurance</td>
<td>19,753</td>
<td>21,176</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>73,176</td>
<td>124,459</td>
</tr>
</tbody>
</table>

### 17 Financial Instruments

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets measured at fair value through profit or loss</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Financial assets - listed investments</td>
<td>–</td>
<td>121,908</td>
</tr>
</tbody>
</table>

### Financial assets that are debt instruments measured at amortised cost

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>6,033</td>
<td>135,636</td>
</tr>
<tr>
<td>Bank and cash balances</td>
<td>2,909,283</td>
<td>1,942,053</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,915,316</td>
<td>2,077,689</td>
</tr>
</tbody>
</table>

### Financial assets that are equity instruments measured at cost less impairment

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets - unlisted investments</td>
<td>722,793</td>
<td>845,811</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>722,793</td>
<td>845,811</td>
</tr>
</tbody>
</table>
Financial liabilities measured at amortised cost

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>72,325</td>
<td>50,891</td>
</tr>
<tr>
<td>Other creditors</td>
<td>9,510</td>
<td>14,068</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>81,835</td>
<td>64,959</td>
</tr>
</tbody>
</table>

Fixed financial assets comprise unlisted investments measured at cost less impairment and listed investments measured at fair value determined by a quoted market price in an active market.

### 18 CAPITAL AND RESERVES

**(a) Other reserves**

**Designated reserves**
Designated reserves of €2,021,202 (2017: €995,296) are held to enable NDRC to fund investments that may fall outside of the current programmes operated and to ensure that the organisation has the flexibility and financial security to do so; to fund working capital where it might be necessary during the course of an accounting period; to enable NDRC to apply the funds in the pursuit of strategic goals and expansion activities and to cover any potential requirement for cost coverage or unforeseen events/liabilities.

**Commercial reserves**
Commercial reserves of €156,122 (2017: €nil) are generated from third party generated profits on any commercial activity not supported by government subvention. The reserves are used for NDRC determined strategic purposes, not ordinarily funded by government subvention income.

**(b) Profit and loss account**
The profit and loss account of €730,895 (2017: €730,895) includes all retained surplus for current and prior periods.

### 19 COMPANY STATUS
The company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding €5 towards the assets of the company in the event of liquidation.

### 20 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 €108,022 (2017: €61,619).
Contributions payable to the fund at the year end have been included in accruals and amount to €12,363 (2017: €9,949).

21 OTHER FINANCIAL COMMITMENTS
The company has entered into a renewed management operation and maintenance agreement (Concession Agreement MKII) with the Department of Communications, Climate Action and Environment in August 2013 which provides for additional funding of €17.5m over a multi-year period from 1 July 13, bringing the cumulative total to €43.5m under these agreements. The renewed agreement, approved in August 2013, is governed by a contractual commitment of €17.5m funding with the expectation that the funding be fully drawn down within five years from 1 July 2013. At 31 December 2018, cumulative funding of €24.4 million had been received under the original agreement (2017: €24.4 million and €19.1m (2017: €15.6m) under the renewal agreement. The funds are used in order to achieve the purpose of the fund as outlined in the Concession Agreement.

The purpose of this grant is service provision. In line with the Concession Agreement, the mission of the fund is to create high impact ventures out of opportunities in the research base. The national benefit targeted is high value jobs, and the advancement of Ireland’s capability in digital entrepreneurship and science and technology commercialisation.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening deferred income</td>
<td>293,365</td>
<td>544,502</td>
</tr>
<tr>
<td>Adjustment following sale of shares</td>
<td>(211,661)</td>
<td>-</td>
</tr>
<tr>
<td>Cash received in the period</td>
<td>3,500,000</td>
<td>3,932,999</td>
</tr>
<tr>
<td>Grant taken to income in the period</td>
<td>(3,912,106)</td>
<td>(4,184,136)</td>
</tr>
<tr>
<td>Closing (accrued) / deferred income at the end of the period</td>
<td>(330,402)</td>
<td>293,365</td>
</tr>
</tbody>
</table>

22 RELATED PARTY TRANSACTIONS
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 €4,000 (2017: €3,550), of which €2,700 (2017: €3,350) was outstanding at 31 December 2018.

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 €2,800 (2017: €5,300), of which €2,800 (2017: €5,300) was outstanding at 31 December 2018.
23 POST BALANCE SHEET EVENTS
NDRC regularly monitors investments in financial assets for indicators of impairment. Events may arise after the end of the reporting period which indicate an impairment of certain investments after the end of the reporting period, however the extent of the financial effect of such events is generally only determinable at the end of the next reporting period.

24 APPROVAL OF FINANCIAL STATEMENTS
The board of directors approved these financial statements for issue on 13 June 2019.