INVESTING IN TALENT. DELIVERING RESULTS.

ANNUAL REPORT 2013-2014
OUR VISION:
TO BECOME AN INTERNATIONAL LEADER IN EARLY STAGE INVESTMENT
‘I’m a pharmacist and I spotted a problem in the industry that needed to be solved. I worked on it in my spare time first and then applied to NDRC where everything changed. Before NDRC, I knew very little about the startup scene. I knew the product was needed but NDRC helped us work through our route to market. NDRC helps you identify a business building formula and how to apply it.’
Turning game changing ideas into market leading solutions is what gets us up in the morning. It’s this attitude that drives us as a team of people with a shared vision to spot opportunities that others haven’t and transform these opportunities into valuable commercial ventures.
‘NDRC’s reputation opened so many doors for me. NDRC is known for spotting credible business opportunities and helping people turn ideas into viable commercial businesses. As soon as I could say NDRC were investing in me, other investors followed and everything snowballed from there.’
I am delighted to introduce NDRC’s Annual Report 2013-2014, incorporating financial statements for 2013. The organisation has achieved a huge amount in its short history, and as Chairman of the Board I congratulate the team under the leadership of Ben Hurley on their professionalism, hard work, and success in effecting valuable change in the innovation ecosystem in Ireland and beyond.

Established in 2007, the original aspiration for NDRC was to be a place where research in the digital sphere could be explored and further developed to meet industry challenges. Early in our history NDRC became a place where the voices of the different stakeholders involved in this aspiration were heard: university researchers and administrators, multi-national and national corporations, venture investors, policy makers, and experienced business builders. These voices shaped the mission that NDRC pursues today, to create high-impact ventures. We work towards this mission because we believe that we fill a gap that exists and we are filling this gap with a unique offering.

NDRC is committed to bridging the gap between commercial concepts that are digital at their core and those concepts becoming successful high-growth tech companies. In the last five years, we have evolved our approach in response to learnings on the ground and to meet the conditions of the economic environment, and we have sought to contribute to ongoing and sustainable economic recovery. 2013 saw NDRC secure a second fund from the Irish Government’s Department of Communications, Energy and Natural Resources, renewing their commitment to the company with a further multi-year fund agreement. This second fund is based on the results that the organisation has produced to date and is a significant milestone in our history. Not only does this recognise a job well done, it also establishes a commitment to our future development and growth.

The space that NDRC occupies - the gap between great ideas, technologies and innovations, and their adoption in the market - is a space that requires strong supports. It needs dedicated expertise and resources. And due to the high risk stage of development at which NDRC and our partner ventures are working, it needs public investment.

Large companies such as Microsoft, State Street and Accenture who have eagerly partnered with us recognise that their innovation advantage may come from new entrants into the market. They are uniquely positioned to support new entrants through an open innovation model, and they are therefore partnering with NDRC to do just this.

The new breed of venture capital investors recognise that their business model is predicated on a strong pipeline of early stage but validated startup ideas, and they are increasingly looking to NDRC to provide a pipeline and increase it to meet their ambitions.

We welcome the Government’s recognition through the Action Plan for jobs 2014 that attention needs to be focused on the early stage of translating research outputs into economic impact and generating a strong indigenous technology base. For Ireland to build a sustainable economy in this time of technological advancement, we need to recognise that now is our opportunity to compete on the global stage as a country with global technology ambitions. To capitalise on this opportunity, public policy needs to be targeted directly at practical initiatives in this space that are proven to deliver results.

The Board of NDRC carries out its duties with diligence. Individually, we carry our roles as directors of the company with vigour and care and we also take on our roles as stewards of public sourced funding seriously. We have put in place structures to manage corporate and investment risk and ensure transparency. And we guide NDRC to be a trusted partner for all of our stakeholders; our investees, our member institutions and our Government funding partner.

I would like to take this opportunity to thank my fellow Board members, all of whom fulfil their duties on a pro-bono basis, contributing considerable time to govern, guide and assist in the development of this enterprise. I wish to express the Board’s appreciation to the Department of Communications, Energy and Natural Resources for their renewed confidence in the vision and work of NDRC. The Department provides essential support both at ministerial and senior management levels, and we look forward to this new phase of our shared development of NDRC.
We make ventures happen. As an early stage investor in technology innovation, we identify disruptive potential, form teams, and transform tech opportunities from sound concept to seed investable ventures. With two funds under our belt, we have invested at pre-seed stage in over 150 ventures. We have a track record of building investable opportunities, with our ventures having secured over €40m in cumulative follow-on investment, and the collective value of ventures in our portfolio being over €120m.
PROVEN INNOVATOR IN EARLY STAGE INVESTMENT

BEN HURLEY CEO

NDRC works with two key partner groupings. The first comprises people who are creating digitally-enabled ventures, either through a disruptive business model, or through a deep scientific or technology advance. We enable these people to transform their ventures from compelling, well thought-out ideas into attractive commercial seed investment propositions.

The second grouping is the venture investor community of business angels, seed investors, and venture capital companies. We provide these next-stage investors with a pipeline of risk-reduced venture investment opportunities, each of which is an investable business with a validated offering targeted at a sizeable market.

Our pre-seed investment funds are hybrid in nature, and serve a dual purpose similar to a public-private partnership, delivering a blend of commercial profit and public good. We provide value by bringing an expertise informed by experience, and a dependency founded on a vision aligned with a long-term perspective.

Our vision is to become an international leader in early stage innovation investment, and we’re well on the way on that journey, having been recognised as the number one university business incubator in the world for IT during 2013, and ranking in the top 2.5% business incubators in the world in 2014.

NDRC values delivery, sound judgement, passion and determination. We adopt these values as a team, and also recognise that they are important for the ventures we partner with. Our values are things we appreciate in people that help us get the job done and accomplish our mission. By valuing things that have practical utility in respect of our mission, we aim to foster behaviours that lead to a better outcome for all involved.

With a combination of our clear sense of purpose, an ambitious vision, solid values, and productive partnerships, I am proud to report on excellent results that have practical utility in respect of our mission, and I thank them all, those that step-up in the face of uncertainty, those that pursue their vision with diligent determination, and those that connect back to share their experience through us with new ventures stepping-up for their first time.

I also wish to thank the funding partner behind our public funds, the Department of Communications, Energy and Natural Resources, for its continuing long-term commitment to NDRC. Finally, I wish to say a special word of thanks to those core people, staff members and board members alike, who have contributed to another successful year for NDRC as we continue to innovate at the forefront of early stage investment.

THE MARKET CAPITAL VALUE OF VENTURES IN OUR PORTFOLIO TREbled TO €120m BETWEEN 2012 TO 2013

The market capital value of ventures in our portfolio trebled from €12m in 2012 to €120m by end 2013, emphasising that third parties perceive real value being created in our ventures.

Moreover, looking forward to 2014, both FoI in NDRC-backed ventures and the market capital value of these ventures continues to grow. Based on performance to June 2014, preliminary projections for 2014 indicate that cumulative FoI will grow by 40% in 2013 to €60m, while market capital value is also likely to grow by 50% to €180m.

In the midst of these great outcomes, our financial efficiency continues to be strong despite a challenging environment and an even more challenging mission. We continue to maintain a highly optimised efficiency ratio of 78.22. But more importantly, we report on a new type of financial performance for the first time this year. In another watershed development for NDRC, and as a hugely significant and positive post-balance-sheet event, we note our first realisation of financial returns from our investments. While our current hybrid funds can only ever deliver a fractional financial return, the financial returns realised to June 2014 will boost our fund revenues in 2014, will deliver an aggregated three fold return, and include a highlight return of more than eight fold our investment, an important accomplishment within an early stage venture portfolio.

This new milestone achievement brings us beyond solid indicators like FoI and market capital into the realm of profitable returns that underlie our positioning and performance as an early stage investor, and introduce a new contextual element to the sustainability of early stage investment.

The consistent growth of our results has not made us complacent. Knowing that future results are founded on what we do today, we have introduced a number of new initiatives with the goal of finding better ventures, of higher potential that fit our investment remit and ability to add value. NDRC FinTech is re-inventing Financial services by enabling nascent startups to prepare themselves for a tech accelerator or seed investment.

A domain-focused initiative in partnership with Bank of Ireland, Enterprise Ireland, EY, Mediolanum International Funds and State Street, it brings together our innovation and startup acceleration expertise with the domain knowledge of the financial sector in Ireland and internationally. We’re also piloting Female Founders at NDRC, a pre-accelerator in partnership with AB and Enterprise Ireland for new technology startups with gender diversity in their founding teams. And we continue to embed new learnings within our model, with the pilot of our NDRC VentureLab SciTech accelerator now evolved into an established investment programme.

The ongoing expansion of our strategic partnerships is bringing our partnering to a new level of utility for ourselves, our partners, and most importantly, for our portfolio ventures. For example, our exclusive partnership with Microsoft Ventures in Ireland connects our portfolio ventures with the global Microsoft Ventures community, accelerators and funds, helping our ventures build locally and scale globally. Our innovation partnership with Accenture on Leaders of Tomorrow is bringing a new startup dimension to this award. These active partnerships, and those mentioned further above, are a ringing endorsement and recognition of NDRC’s added value.

With partnership being core to how we achieve results, there are many people and entities to whom thanks are owed. Indeed too many to list here. Our venture community is now expansive, and I thank them all, those that step-up in the face of uncertainty, those that pursue their vision with diligent determination, and those that connect back to share their experience through us with new ventures stepping-up for their first time. I also wish to thank the funding partner behind our public funds, the Department of Communications, Energy and Natural Resources, for its continuing long-term commitment to NDRC. Finally, I wish to say a special word of thanks to those core people, staff members and board members alike, who have contributed to another successful year for NDRC as we continue to innovate at the forefront of early stage investment.

ANOTHER WATERSHED DEVELOPMENT — OUR FIRST REALISATION OF FINANCIAL RETURNS FROM OUR INVESTMENTS — INCLUDES A HIGHLIGHT RETURN OF MORE THAN EIGHT FOLD OUR INVESTMENT. THIS UNDERLINES OUR POSITIONING AND PERFORMANCE AS AN EARLY STAGE INVESTOR.
The Formula: Investment That Delivers

There is a standard formula for early stage investing through accelerator programmes that is repeated around the world – find startup company founders, invest the right amount of capital into their ideas, and place them in an environment that empowers them. At NDRC, a number of unique attributes transform this formula into something unique that delivers real results. We work with the best and brightest researchers, technologists and entrepreneurs, and we enable them to turn great ideas into successful ventures through the deployment of these attributes.

The Team

NDRC’s team comprises people who understand what it takes to get an early stage venture off the ground. We come from backgrounds vital to new startups – venture investment, building and scaling business, product management and marketing, customer validation and customer discovery, design, operations, software and hardware engineering and sales.

All members of our team take a hands-on approach to enabling the ventures we invest in. NDRC invests at an earlier stage than other commercial investors making it imperative that the team is able to spot credible potential well before a business is put in place. Our knowledge and experience mean that we know what to look for and we understand what needs to happen in order for a startup to progress to commercial success.

The Experience

NDRC’s team has created programmes tailored to the specific needs of the different types of venture and the different experiences of the people that come to us. Our two residential investment programmes – NDRC LaunchPad and NDRC VentureLab – are designed to provide a cohort experience for participating ventures, and each is tailored to the specific needs of the types of company taking part. Through this programmatic approach, we offer people the opportunity to work alongside others going through similar challenges. In addition to the investment programmes, we house selected alumni ventures in NDRC as well as running hands-on programmes to bring in new people who have an idea but need to spend some time preparing to get their startup off the ground.

The Environment

NDRC provides an environment in which new ventures can thrive. This is not about interior decoration. It’s about the energy within the building. It’s about placing people who share a common vision in a space where they can help each other. It’s about creating interactions that provide value and support. It’s a place where people are encouraged to flex in response to lessons learned. And it’s about NDRC fostering a culture where the most pressing concerns of an early stage company are understood. As an organisation, we are constantly evolving to ensure our investees and their ventures can succeed and prepare for the future.

The Capital

A startup without capital is a car with an empty tank. At NDRC, we manage investment funds as the fuel that supports brilliant concepts and technologies at the earliest stages of development. But this investment is never just cash only support. Early stage companies need more than just money, and so we seek to maximise startup potential through a combination of monetary investment and hands-on investment from the NDRC team. Through the fusion of capital and high-touch support from the team, NDRC accelerates the startup process so that early stage ventures can assess their weaknesses and strengths earlier than they might otherwise. This means we can help people to determine quickly the viability of their venture and to make an informed decision about the value of continuing or going back to the drawing board. In that way, paradoxically, we enable ventures to fail fast when they need to but ultimately succeed through iterating. There are many advantages to this – capital investment is not wasted, people are empowered to succeed without going too far down the wrong road, and they’re armed with the knowledge they need to apply to their next venture.
SUCCESS: OUR PORTFOLIO

We have worked in partnership with over 150 early stage ventures, all of which have digital technology at their core. We’ve worked with first time and experienced entrepreneurs; technologists; domain experts; people building solutions for healthcare, education, the environment, and enterprise; people targeting data analytics, ecommerce, mobile and search. All of them bring passion, ambition and determination, and together, we seek to build the global companies of the future.

ACHMAN TUBETT

I got accepted into the best accelerator in Ireland and literally I had no reason not to move here and build my company.

Achman and his company Tubett are creating a social gaming platform based on viral video. Achman made the move from Mumbai with the ambition of entering an accelerator programme in either London, Berlin or Dublin. ‘If you’re in tech startup and you want to be in Europe these are the places you should be. I believe as long as you are in the best accelerator in any city, you get the exposure you need.’ He chose Dublin and NDRC LaunchPad because, ‘being in NDRC gives you recognition and for me, speed of execution is everything – getting into the right accelerator asap was critical.’

The mentors continuously support the team to identify relevant opportunities and provide guidance on how to manage the strategic growth of a startup in a sustainable, focused way that will deliver on objectives that need to be hit at each stage of the process. ‘The NDRC mentors go out of their way to help you. It goes beyond letting us talk with them outside office hours. They take a genuine interest in your business and empathise with you, while working to make your product better.’
Fionnuala & Tony created Gotcha Ninjas as a classroom social learning rewards platform. The platform encourages positive behaviour, motivates students, and engages parents. The pair met while participating in NDRC’s Swequity programme. They joined forces and went on to receive investment through NDRC LaunchPad.

Fionnuala was an engineer working in a service based company with a desire to create a product focused startup company. ‘NDRC has a really good reputation, and I met Tony here. He had a really compelling story behind his concept. I recognised that I could bring real value based on my experience, and so we joined up. The team at NDRC helps you to focus on the reality of what you’re facing. NDRC is very open. You know they’ll give you the best advice they can and they’re not just fobbing you off.’

Fionnuala & Tony believe the NDRC community of early stage ventures was one of the key elements that allowed them to access the right people for their particular needs. ‘Through the alumni network you get access to others who have experienced similar challenges and understand what you’re facing. Leveraging this network means you get to learn at a low cost of time and effort. Everyone here is at different stages of the process – people who’ve just got an idea, people who’ve gotten investment and are scaling, people who got investment, failed and learnt from the failure and went back to do it again and succeed second time round; people who know the pitfalls.’

Established companies in NDRC’s portfolio continue to grow and scale, with the following making significant progress in 2013:

- **ClearSight Innovations**: Closed multi-million euro investment with a major industry player in 2013.
- **Fieldware**: Closed investment round of $12m in 2013.
- **Logentries**: Closed investment round of $10m in 2013.
- **NewsWhip**: Closed investment round of $1.1m in 2013.
- **SilverCloud Health**: Announced several key international partnerships in 2013. Closed investment round of €1.5m.
- **SoundWaves**: Closed investment round of $700k in 2013. EY Entrepreneur of the Year in the Emerging category.

**NDRC UNDERSTANDS THE LANDSCAPE OF INVENTORS AND HOW TO TAKE SCIENTIFIC BREAKTHROUGHS AND TURN THEM INTO COMMERCIAL VENTURES**

Pearse is CEO of NVMdurance, an NDRC portfolio company that has developed technology that makes flash memory last 10x longer. In 2013, NVMdurance won ‘Most Innovative Technology’ at the Flash Memory Summit 2013 in California.

NDRC identified the benefits that Pearse’s experience could bring to the idea, and introduced him to the two academic inventors of the technology, with whom he formed the NVMdurance team. ‘NDRC backed our inventors when they didn’t have a commercial company, a chief executive or even a business plan. The inventors came to NDRC with an invention and the bones of a description of a commercial opportunity. If you want to get access to great scientific breakthrough stuff, you have to have an appetite for the ventures who will tell you all about the science and you’ll have a real struggle getting them on to a commercial track. NDRC does have that appetite. They really understand the landscape of inventors.’

**NDRC HELPS YOU TO FOCUS ON THE REALITY OF WHAT YOU’RE FACING**
Gerard has a restaurant background and with his company Bizimply has developed a platform that supports the daily running and supply chain management of a food service business. Gerard’s participation in NDRC LaunchPad has enabled Bizimply to raise investment. Bizimply is now successfully selling around the world.

‘We came to NDRC two years ago without having any real insight into the world of tech. We were going to all of these tech meetups and half the time ended up feeling awkward and discreetly positioned at the back so we didn’t expose our ignorance. Eventually we met people at these events who suggested we check out NDRC.’

NDRC provides a beneficial environment and culture for Gerard and his team to motivate and allow them access to people who share the same attitude. ‘NDRC is an environment where people want to come to work and be surrounded by people who share the same attitude.’

Nora and her company Nuritas identify natural food peptides which can be manufactured and sold into the food ingredients and cosmetics sectors. The company uses state of the art bio-informatics software created by Nora to identify valuable peptides. The Nuritas team is taking part in NDRC VentureLab as they prepare to enter the market.

‘I’m a scientist and this is my first commercial venture. It’s been a really exciting journey and unlike working in a university. Now I’m translating my research for an international market. NDRC’s support network and mentors have been instrumental. The team here is very knowledgeable and supportive and have opened up a huge network of contacts for Nuritas.’

One of the main challenges that NDRC has helped Nora to manage is addressing the experience gap that exists for those without a commercial background. ‘NDRC has helped me to understand the process I need to apply to manage the journey of my business in a sustainable and focused way. This has not only helped close gaps and build my confidence, it is also helping me to achieve my goals. You can go on a number of different tangents, everything seems like a priority. NDRC helped bring clear focus to the process.’

NDRC helps bridge the experience gap that exists for those without a commercial background.
THE FORMULA: HOW WE DO IT AT NDRC

The biggest challenge facing people who seek to create innovation intensive companies is the gap between ideation and commercial execution. NDRC enables new technology companies to emerge, launch and grow ahead of competitors in a sustainable way. We bridge that gap between great ideas and their adoption in the market by investing earlier than other commercial investors. In this way, NDRC is effecting valuable change in the innovation ecosystem.

NDRC provides two residential investment programmes, NDRC LaunchPad and NDRC VentureLab. Along with capital investment, we devote time and attention to each of our portfolio companies and provide them with a base of operations at NDRC where they can flourish in an environment of peers to optimise their chances of success.

NDRC LaunchPad was Ireland’s first and is the leading digital accelerator, having developed a model that is now followed by many other accelerator programmes in Europe. NDRC LaunchPad is designed to enable entrepreneurial teams to transform credible ideas into commercially viable businesses. The focus of NDRC LaunchPad is on digital startups that are innovating on existing business models and addressing unmet needs.

Through NDRC LaunchPad, we immerse startup cohorts in an intensive and supportive environment of mentoring, guidance, and peer support, all geared towards testing an innovative idea in a target market in the most direct manner.

NDRC VentureLab is Europe’s first startup accelerator dedicated to commercialising intellectual property from the domain of SciTech. Launched in 2013, NDRC VentureLab is based on years of hands-on experience and market research into what it takes to get high-tech companies off the ground.

Through NDRC VentureLab, NDRC’s team spends time working with intellectual property creators to understand the potential of their technology innovations within market sectors. We work with the creators to delve into the commercial potential of their IP, test the technology, identify the challenges, and – critically – build out the founding team.

Through this tailored science and technology investment programme, NDRC is enabling great science inspired businesses based on the passion of visionary researchers, technologists and science-based entrepreneurs.

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NDRC SANDBOX

Through NDRC Sandbox, NDRC partners with others to develop initiatives that address challenges encountered by future digital entrepreneurs. NDRC Sandbox provides a platform for existing companies who wish to explore better ways of innovating. The focus of this activity is to prepare innovators for the possible bumps in the road at a point where founders have just begun their startup journey.

Under NDRC’s SandBox umbrella the NDRC team is working on the following initiatives:

- NDRC FinTech in conjunction with Bank of Ireland, Enterprise Ireland, EY, Mediolanum International Funds and State Street
- NDRC in partnership with Microsoft Ventures
- Female Founders at NDRC in partnership with AIB and Enterprise Ireland
- Innovation Partner in Accenture’s Leaders of Tomorrow award
- Smart Grid Innovation Hub in partnership with EirGrid Group
WINNING: PARTNERSHIPS AT NDRC

Our reputation and consistent results continue to bring us to the attention of a growing number of global companies. These companies are uniquely positioned to support new entrants and they recognise the potential that partnering with NDRC unlocks for them. NDRC leverages these partnerships to create a virtuous circle of innovation — existing players expand their capabilities while new ventures gain deeper insight into their target markets.

Facilitating deeper engagement: we created two platforms to foster deeper engagement with innovation potential this year.

MICROSOFT VENTURES

In 2014 NDRC partnered with Microsoft Ventures as their sole partner in Ireland and one of only 26 worldwide. The key objective of this partnership is to increase global awareness of NDRC portfolio ventures, with the potential to attract early stage funds and attract further investment into promising tech startups. In conjunction with NDRC’s acceleration programmes, the partnership with Microsoft Ventures will provide NDRC startup ventures with additional expert mentoring, tech support and access to top technical and business talent, as well as access to a global investor network helping them to build local and scale global.

FEMALE FOUNDERS IN PARTNERSHIP WITH AIB & ENTERPRISE IRELAND

The Female Founders initiative is a platform we have developed with AIB and Enterprise Ireland to encourage diversity in startup founding teams. Research shows startups with female founding team members generate higher revenues per dollar of invested capital and have lower failure rates than those led solely by men. Our philosophy as an organisation is to enable ventures to succeed and this platform is a tool through which we can reach the relatively untapped resource potential of women’s contribution to innovation and technology.

Targeting specific industry verticals: this year saw us launch two new programmes of work with partners which target specific verticals.

GAMEPAD

GamePad, in conjunction with Games Ireland and Enterprise Ireland, ran as a dedicated accelerator programme for five startup teams. The gaming sector is one of the fastest growing segments of the broader entertainment and media landscape. The business models for new companies in the gaming space – particularly new gaming studios – are somewhat different to other types of tech startup which GamePad has been able to address as a dedicated gaming programme.

NDRC FINTECH

NDRC FinTech is a new initiative run in association with blue chip firms and financial services enablers – Bank of Ireland, Enterprise Ireland, EY, Mediolanum International Funds, and State Street. The core objective of NDRC FinTech is to bridge the gap that exists between the technology startup community and the established international financial services sector to surface new startups in the FinTech domain. NDRC FinTech provides a model that has the potential to reinvent financial services.

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NDRC PARTNERSHIPS INCLUDE ACCENTURE, AIB, BANK OF IRELAND, EIRGRID, EY, MEDIOLANUM INTERNATIONAL FUNDS, MICROSOFT VENTURES, STATE STREET, AND THE IRISH TIMES. WE PARTNER TO PURSUE A SHARED GOAL – TO BUILD BETTER VENTURES WITH GREATER POTENTIAL.
In 2014 NDRC signed an agreement to partner with Microsoft Ventures and become part of their global community. Microsoft Ventures is a strategic partner for promising startups around the world, and focuses on business growth and development, industrial strength technologies, and beautiful usable products. ‘NDRC is a prime example of the type of accelerator that our Microsoft Ventures team seek to partner with because of what they bring to the table — expertise, experience and insights which deliver results that mean something on a global playing field. The partnership between NDRC and Microsoft Ventures is closely aligned to Microsoft’s vision of fostering world-class innovation and investment opportunities which create long-term economic value. NDRC’s network provides Microsoft Ventures with an on-the-ground insight into hot technologies coming out of Ireland, and our recent success with NDRC portfolio venture Von Bismark (who took part in the London Microsoft Ventures programme) demonstrates that the pipe is already flowing.’

State Street is a large international financial services company. They have partnered with NDRC through the NDRC FinTech programme. The NDRC FinTech model is designed to provide nascent startups with hands-on mentoring from NDRC along with introductions to some of the largest financial services players in the world. The overall aim is to create the right conditions for these startups to develop compelling business models that truly disrupt the world of financial services.

‘Innovation is the lifeblood of what we do at State Street. When I saw what was happening at NDRC I knew this was something that hit the spot for us. We know we’ve got very creative and innovative thinkers in State Street – what made this initiative so attractive is that it provided employees in our organisation with a platform to test some of their own ideas.’

State Street

Partnersing with NDRC’s FinTech Pre-Accelerator gives State Street the ability not only to advise early stage startups but also gives our staff a chance to test their own ideas and expand their thinking outside the walls of our organisation.

Declan State Street

Microsoft Ventures and NDRC have a shared ambition, to find the best early stage tech startups and support them to become global players of scale.

Clare Microsoft
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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

SOLICITORS
Mason, Hayes & Curran
South Bank House
Barrow Street
Dublin 4
Venture Legal Services
78 Sir John Rogerson’s Quay
Dublin 2

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

AUDITORS
PricewaterhouseCoopers
Chartered Accountants
and Statutory Audit Firm
One Spencer Dock
North Wall Quay, Dublin 1

BANKERS
Bank of Ireland
85 James Street
Dublin 8

REGISTERED NUMBER
396458

DIRECTORS’ REPORT
The directors present herewith their report and audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS
NDRC is an early stage investor focused on pre-seed investment in digital innovation. We identify disruptive potential, form teams, and transform tech opportunities from sound concept to seed investable ventures. We originate investments from the entrepreneurial community and leverage Irish state investment in ICT research by being particularly connected with the research sector.

Pre-seed investment is the earliest phase of commercial investment in venture capital/private equity. The risk assumed is considerable, and indeed prohibitive to regular venture capital. To mitigate the risk, NDRC operates a hybrid fund and a partnership model. Our hybrid fund approach targets a blend of financial and impact returns. Our partnership model entails a fully-integrated financial and human capital investment in our investees, which we expect our investees to apply in a dedicated, expert, and entrepreneurial manner.

Together, we provide the next stage venture investor community of business angels, seed investors, and venture capital investors with a pipeline of risk-reduced venture investment opportunities, each being a business with a validated offering targeted at a sizable market.

The key business performance indicator for the company is third party follow-on investment (FOI) that is secured by ventures emerging or developing from the company’s portfolio. Cumulative follow-on investment more than doubled year-on-year; from €16m by 2012 to €40m by 2013. This continued growth indicates progress towards the goal of returns being generated from the company’s investment activities (cf. note 16). The cumulative enterprise value of ventures emerging from NDRC trebled year-on-year from €39m by 2012 to €120m by end 2013. These growth outcomes (cf. results for the year below) are a consequence of a continued flow of investments and ventures through NDRC, and increasing maturity of NDRC ventures that have proven their viability since emerging in previous years.

NDRC further developed its business during the period to introduce a number of sector-specific initiatives, and also by becoming innovation partner to a number of blue chip companies.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2013
The income and expenditure account for the year ended 31 December 2013 and the balance sheet at that date are set out on pages 35 and 36. The surplus for the year amounted to €1,505 (2012: surplus of €8,456). The company is exempt from taxation.

Results in the form of third party follow-on investments in the outputs of the company’s collaborations are exceptionally strong for the year. Building on very strong results in the previous year, the company reports €40m (2012: €16m) of follow-on investment secured by enterprises emerging or developing from the company’s investment programmes. The amount of equity released in these new enterprises to secure the follow-on investment indicates a year-end cumulative enterprise value of these enterprises of €120m (2012: €39m).
DIRECTORS’ REPORT
continued

DIRECTORS
The current directors are as listed on page 30 and unless otherwise indicated have served throughout the period.

DIRECTORS’ AND SECRETARY’S INTEREST IN SHARES
The company is limited by guarantee, does not have a share capital and in the event of a winding up, the members have agreed to pay €5 each to the debts of the company.

FUTURE DEVELOPMENT IN THE BUSINESS
The company will continue to operate to its main objective in 2014.

HEALTH AND SAFETY OF EMPLOYEES
The Safety, Health and Welfare at Work Act, 2005 imposes certain obligations on employers and the directors are satisfied that the company has taken the necessary action to ensure compliance with the Act.

CHARITABLE AND POLITICAL DONATIONS
The company made no political or charitable contributions during the year.

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

PRINCIPAL RISKS AND UNCERTAINTIES
The directors consider that the following is the principal risk factor that could materially and adversely affect the company’s operation:

- There is a dependence on the Department of Communication, Energy and Natural Resources for short, medium and long term funding. There is a reasonable expectation that short term funding is available as there are formal agreements in place that govern cumulative funding of €42.5m.

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

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

BOOKS AND ACCOUNTING RECORDS
The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the company. To achieve this, the directors have appointed an experienced bookkeeper who reports to the directors and ensures that the requirements of Section 202 of the Companies Act, 1990, are complied with. These books and accounting records are maintained at the company’s registered office, which is Digital Exchange, Crane Street, The Digital Hub, Dublin 8.

DIRECTORS’ RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Directors’ report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law). In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm they have complied with the above requirements in preparing the financial statements.

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

On behalf of the board

Ellen Hazelkorn
Board member

Gearoid Mooney
Board member

continued
INDEPENDENT AUDITORS’ REPORT:
TO THE MEMBERS OF NDRC

We have audited the financial statements of National Digital Research Centre Limited for the year ended 31 December 2013 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors’ Responsibilities Statement set out on page 33, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors’ Report to identify material inconsistencies with the audited financial statements 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company’s affairs as at 31 December 2013 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT

By the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors’ Report is consistent with the financial statements.

On behalf of the board

Ellen Hazelkorn
Board member

Gearoid Mooney
Board member

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Subvention</td>
<td>2</td>
<td>€3,488,526</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>3</td>
<td>€350,428</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research investment &amp; fund management</td>
<td></td>
<td>€4,838,954</td>
</tr>
<tr>
<td>General overheads and fund administration</td>
<td></td>
<td>(€3,041,285)</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS FOR YEAR</strong></td>
<td></td>
<td>€1,505</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>5</td>
<td>–</td>
</tr>
<tr>
<td><strong>SURPLUS FOR YEAR</strong></td>
<td></td>
<td>€1,505</td>
</tr>
</tbody>
</table>

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

On behalf of the board

Herbert Graham
for and on behalf of PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm Dublin. 23 June 2014

Ellen Hazelkorn
Board member

Gearoid Mooney
Board member
BALANCE SHEET  
as at 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial fixed assets</td>
<td>7</td>
<td>€228,775</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>8</td>
<td>€8,754</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€237,529</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>9</td>
<td>€530,840</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>€844,847</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€1,375,687</td>
</tr>
<tr>
<td>CREDITORS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Amount falling due within one year)</td>
<td>10</td>
<td>(€882,321)</td>
</tr>
<tr>
<td>NET CURRENT ASSETS</td>
<td></td>
<td>€493,366</td>
</tr>
<tr>
<td>TOTAL ASSETS LESS CURRENT LIABILITIES</td>
<td></td>
<td>€730,895</td>
</tr>
<tr>
<td>FINANCED BY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>12</td>
<td>€730,895</td>
</tr>
</tbody>
</table>

On behalf of the board
Ellen Hazelkorn  
Board member  
Gearoid Mooney  
Board member

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION AND BASIS OF PREPARATION
The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in Ireland. Certain prior year amounts have been reclassified to conform with current year presentation.

INCOME
Income from the Department of Communication, Energy and Natural Resources is recognised when costs are incurred. Grant income from EU sources is recognised when costs are incurred. Other sources of income are accounted for on a cash receipts basis.

DEPRECIATION
Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:
- Industrial equipment 4 years straight line
- Computer equipment 3 years straight line
- Fixtures and fittings 5 years straight line

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

INVESTMENT IN RESEARCH ACTIVITIES
The company invests in the early stages of research-driven technology development and commercialisation through partnerships, new ventures, and continuous assessment projects. Investment in these projects 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. As part of the investment portfolio of the company follow-on investment by the company in the shares of companies that are commercialising intellectual property generated by the company’s research investment activities is recognised on the balance sheet at cost. Less allowance for impairment losses. This treatment is in accordance with Financial Reporting Standard 9 – Associates and Joint Ventures.

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

PENSION SCHEMES
The company operates an employer sponsored defined contribution pension scheme. The company’s annual contributions are charged to the Income and Expenditure account in the year to which they relate.

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

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

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government subvention income</td>
<td>€3,488,526</td>
<td>€4,311,650</td>
</tr>
</tbody>
</table>

## 3 Miscellaneous Income

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment cost recoupment</td>
<td>€55,170</td>
<td>-</td>
</tr>
<tr>
<td>Service income</td>
<td>1,744</td>
<td>-</td>
</tr>
<tr>
<td>Syndicated investment income</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>EU Grant income</td>
<td>292,514</td>
<td>325,319</td>
</tr>
<tr>
<td></td>
<td>350,428</td>
<td>335,319</td>
</tr>
</tbody>
</table>

## 4 Employees

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

<table>
<thead>
<tr>
<th>Division</th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Management</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Administration</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

The staff costs (excluding executive director) comprise:

<table>
<thead>
<tr>
<th>Category</th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,195,019</td>
<td>1,540,960</td>
</tr>
<tr>
<td>Social welfare costs</td>
<td>112,716</td>
<td>164,385</td>
</tr>
<tr>
<td>Pension</td>
<td>60,542</td>
<td>87,610</td>
</tr>
<tr>
<td>Total</td>
<td>1,368,277</td>
<td>1,792,955</td>
</tr>
</tbody>
</table>

## 5 Operating Surplus for Year

The surplus for the year is stated after charging the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Year ended 31 December 2013</th>
<th>Year ended 31 December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit remuneration — audit services</td>
<td>13,500</td>
<td>15,000</td>
</tr>
<tr>
<td>Audit remuneration — other services</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>22,014</td>
<td>53,361</td>
</tr>
<tr>
<td>Director emoluments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- services as director</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- management services</td>
<td>160,050</td>
<td>140,844</td>
</tr>
<tr>
<td>- pension and other benefits</td>
<td>28,531</td>
<td>28,461</td>
</tr>
<tr>
<td>Impairment charge</td>
<td>115,000</td>
<td>-</td>
</tr>
</tbody>
</table>

## 6 Taxation

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

## 7 Financial Fixed Assets

The company holds a proprietary beneficial interest of 29.2% in LingleOnline Limited and 16% in Silvercloud Health Limited. An impairment charge for the full holding value of LingleOnline Limited has been reflected in the Income and Expenditure account.

### Notes to the Financial Statements – continued

- At 1 January: €226,829
- Additions: €116,946
- Impairment: (€115,000)
- At 31 December: €228,775

The company holds a proprietary beneficial interest of 29.2% in LingleOnline Limited and 16% in Silvercloud Health Limited. An impairment charge for the full holding value of LingleOnline Limited has been reflected in the Income and Expenditure account.

During the year, as part of a research commercialisation investment, the company invested €50,000 (2012: €55,000) in Good Travel Software Ltd., a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €50,000 (2012: €nil) in NVMdurance, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €16,796 (2012: €10,270) in Glidesys Holdings Limited, a spinout created for the commercial exploitation of intellectual property developed.

The company’s LaunchPad accelerator investment programme provides micro-seed investment and other support to startup projects. The company receives a financial interest in the share capital of the recipient companies. As noted in the accounting policies set out on page 39, investment in LaunchPad projects is expensed in the Income and Expenditure account. During the year €597,895 (2012: €697,923 (2011: €402,953) through this programme.
### 8 TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Industrial Equipment</th>
<th>Computer Equipment</th>
<th>Fixtures &amp; Fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td>€69,830</td>
<td>€219,031</td>
<td>€65,583</td>
<td>€354,444</td>
</tr>
<tr>
<td>Additions during year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>€69,830</td>
<td>€223,604</td>
<td>€65,863</td>
<td>€359,297</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td>€69,830</td>
<td>€201,662</td>
<td>€57,037</td>
<td>€328,529</td>
</tr>
<tr>
<td>Charges in year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>€69,830</td>
<td>€219,031</td>
<td>€65,863</td>
<td>€354,444</td>
</tr>
<tr>
<td>Net book amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>-</td>
<td>€4,606</td>
<td>€8,754</td>
<td>€13,360</td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td>-</td>
<td>€17,369</td>
<td>€8,546</td>
<td>€25,915</td>
</tr>
</tbody>
</table>

### 9 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>€17,281</td>
<td>€70,151</td>
</tr>
<tr>
<td>Other debtors</td>
<td>€446,540</td>
<td>€376,013</td>
</tr>
<tr>
<td>VAT recoverable</td>
<td>€47,019</td>
<td>€75,117</td>
</tr>
<tr>
<td></td>
<td>€530,840</td>
<td>€481,281</td>
</tr>
</tbody>
</table>

### 10 CREDITOR(S) (AMOUNTS FALLING DUE WITHIN ONE YEAR)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>€106,614</td>
<td>€121,246</td>
</tr>
<tr>
<td>Deferred income</td>
<td>€305,034</td>
<td>€295,237</td>
</tr>
<tr>
<td>Accruals</td>
<td>€413,752</td>
<td>€562,010</td>
</tr>
<tr>
<td>PAYE and PRSI</td>
<td>€13,200</td>
<td>€46,645</td>
</tr>
<tr>
<td>Pension and VHI</td>
<td>€23,721</td>
<td>€-</td>
</tr>
<tr>
<td></td>
<td>€882,321</td>
<td>€1,045,198</td>
</tr>
</tbody>
</table>

### 11 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €60,542 (2012: €83,830). Contributions payable to the fund at the year-end have been included in accruals and amount to €9,610 (2012: €11,559).

### 12 INCOME AND EXPENDITURE ACCOUNT

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>729,390</td>
<td>720,934</td>
</tr>
<tr>
<td>Surplus for year</td>
<td>1,505</td>
<td>8,456</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>730,895</td>
<td>729,390</td>
</tr>
</tbody>
</table>

### 13 COMPANIES (AMENDMENT) ACT, 1986

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

### 15 COMMITMENTS AND RELATED FUNDING

As at 31 December 2013 the company had entered into contractual research commitments with a total value of €400,000 (2012: €828,750), of which €50,000 (2012: €400,000) is due within one year and €nil (2012: €282,750) is due between two and five years. The company has entered into a renewed management operation and maintenance agreement with the Department of Communications, Energy and Natural Resources, in August 2013 which provides for additional funding of €17.5m over a multi-year period from 1 July 2013, bringing the cumulative total to €42.5m under these agreements. The renewed agreement, approved in August 2013, is governed by the contractual commitment of €17.5m funding, with the expectation that the funding be drawn down within five years from 1 July 2013. At 31 December 2013, cumulative funding of €24.4 million had been received under the original agreement (2012: €22.5 million) and €1.8m (2012: €nil) under the renewal agreement.

### 16 POST BALANCE SHEET EVENTS

Since the end of the financial year, the Directors are not aware of any other matters or circumstances not otherwise dealt with in this report or in the Financial Statements, that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years. The Company in the year 2014 has effected the sale of a number of interests it had in a number of entities, the investment cost of these having been expensed to the Income & Expenditure account over a number of previous financial years, and the financial effects of which have not been provided for in the 31 December 2013 Financial Report. The gross proceeds from these events is in the order of €180,000 and will be accounted for as ‘Other Income’ in 2014.

### 17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 5 June 2014.
COLLECTIVE AMBITION FOR THE FUTURE

The biggest challenge facing people who seek to create innovation intensive companies is the gap between ideation and commercial execution. To be competitive in today’s innovation and knowledge economy, the key is to enable new technology companies to emerge, launch and grow ahead of competitors.

2013/2014 has been a significant year for NDRC: strong results, watershed returns, innovative initiatives and partnerships, and exciting prospects and projections. Into the future we will continue to innovate during this rapidly evolving phase for venture development across the world. We will strive to lead at the forefront of early stage investing and act as a catalyst within the community of startups and investors.

As we look forward, we will continue to break new ground, enable great high potential venture ideas, and inspire others through the insights we uncover as a leading force in early stage innovation investment.
SOME OF THE COMPANIES IN WHICH NDRC HAS AN INVESTMENT INTEREST:

Adama Ltd
Adaptics Ltd
Adyaka (registered as Adaboo Ltd)
Agile Education Technologies Ltd
Akta Ventures Ltd
Artomatic Ltd
Balls.ie (registered as Ball Media Ltd)
Biterwiit
BiGfLily (registered as Catering Mentor Ltd)
Bickie Mickie (registered as Zuker Ltd)
B055 Metrics Ltd
Boosey Ltd
BragBart Ltd
Bi-0996 Ltd
Building Eye (registered as Mypp Media Ltd)
Buzziy Ltd
Cityhook (registered as Sli Virtus GRT Ltd)
Clearight Innovations Ltd
Cleartone Technologies Ltd
Cloud Dock Ltd
Cvisocal (registered as Reinvited Recruitment Ltd)
Digifya Ltd
Eventmama Ltd
Exergy Ltd
Fieldware Inc
FoodiKoud
Froknablis Ltd
3 Funnel (registered as Fannal Analytics Technologies Ltd)
Good Travel Software Ltd
Gotcha Mijde Ltd
iCaffi (registered as Gocheapour Ltd)
Informa Ltd
Isamba Ltd
Legal Shine (registered as Strike Analytics Ltd)
LogicalHorse Ltd
LogisticsNow Ltd
Low Carbon Technology Ltd
Loydpay (registered as Smart Points Ltd)
Lumark
MuscleBox Ltd
MusicalButton Ltd
Nirano Hero Ltd
Newwhip Ltd
Nunalti Ltd
NYMurance Ltd
Optrace Ltd
Pharmacis Ltd
Picture Ltd
PMD Device Solutions Ltd
PopGerm (registered as Sonum Ltd)
PвесWoo Technologies Ltd
Propertygate (registered as Primitive Six Agreements Ltd)
Ravelber Ltd
Resocco Software Ltd
Schoolspace Ltd
SendIt (registered as SendIt Software Ltd)
Shettoo Ltd
SilverCloud Health Ltd
Slate State Ltd
Sick Monster Media Ltd
Soundwave Analytics Ltd
Tapakdo Ltd
ThoughtBox Ltd
True Pivot Ltd
Tubeb
VideoElephant Ltd
Von Bismarck Ltd
VoucherLink Ltd
Vpesso Ltd
ZenDoc (registered as Comamata Ltd)
Zitra Ltd