Annual Report
2015/2016

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Getting To Know NDRC

The digital economy is constantly changing and so too is NDRC. So whether you’re new to NDRC or have been following our investment decisions over the last eight years, the Q&A below will give you a good insight into our current operations.

1. What do we do at NDRC?
We make startup ventures happen. NDRC is a very early stage investor in technology innovation. We identify disruptive technology potential, form teams, and transform tech opportunities from sound concept to seed investable ventures. NDRC applies an accelerator model of investment which includes a two-pronged approach to investment – a fusion of capital and value-add.

2. Why does NDRC exist?
NDRC was established by the Irish Government in 2007. NDRC was introduced to address a gap in the market between sound concept and seed investor ready opportunities. The risk appetite from commercial, return-seeking investors at this early stage is limited so the government established NDRC to bridge this gap.

3. What does NDRC stand for?
Back when NDRC was established in 2007, it stood for National Digital Research Centre and was focused on getting emerging technologies to market. While that’s still our formal name, these days NDRC no longer carries out fundamental research, instead focusing on making ventures succeed in commercialising research, so we simply refer to ourselves as NDRC: Making Ventures Happen (i.e. NDRC is more a name than an acronym!)

4. Why don’t you do research?
When NDRC was established, it was thought the best way to fill the gap between sound concept and investor ready opportunity was to provide significant capital sums to a small number of ventures to allow them progress and to invest heavily in translational research. However, when we began operations we realised that companies in the gap didn’t need more money for research but they did need a smaller amount of capital investment accompanied by a lot of hands-on commercial expertise. We also discovered that similar opportunities existed outside of the traditional research base and we expanded our net accordingly.

We further realised that the shelf-life for many digital research discoveries was short, and that accelerating the commercial application of that research was more important than just building more research outputs. So NDRC changed its approach and made smaller capital investments (between €20k and €100k) into a much greater number of companies. This decision significantly increased the impact of NDRC’s investment in the Irish digital economy.

5. Are you an Incubator?
No. NDRC is a very early stage investor that applies an accelerator model and invests a fusion of capital and value-add. Incubators do not invest in companies – NDRC does. NDRC’s and our investees’ interests are aligned because NDRC takes a stake in the company. NDRC views its investees through an investor and customer focused lens.

6. What is the difference between The Digital Hub and NDRC?
The Digital Hub is an enterprise city quarter located near Thomas Street in Dublin’s city centre, containing a cluster of digital content and technology companies. NDRC is an anchor tenant in The Digital Hub and is based in The Digital Exchange building on Crane Street.

7. What is the difference between NDRC and an Angel Investor?
NDRC is one of the first investors a company will have. NDRC is willing to take higher risk than an angel investor in order to help promising ventures progress rather than floundering before they start. NDRC invests in sound concepts and accelerates them through a 3 or 6-month programme of activities focused on validating the commercial potential and de-risking the proposition for next stage investors. The hands-on enablement of the venture by a team of experienced mentors in a cohort environment (which facilitates peer to peer learning) makes NDRC a very different type of investor than an angel investor. Once you’ve proven that a company has commercial potential that’s the time other investors become committed.

8. How much of a stake do you take in companies?
It depends on the type of company and how much we’re investing. If we’re investing €30k then typically we’ll take less than 10%. If we’re investing €100k then we’ll likely invest through a convertible loan agreement (which allows NDRC to convert the loan to company shares in the future) because it is harder to place a valuation on the company at such an early stage.

To drive our model, the investment and stake needs to be meaningful for both the venture and NDRC. It is essential that the interests of the venture and NDRC are aligned which requires a real and substantial commitment between the parties.
9. How do you differ from Enterprise Ireland?
NDRC works closely with and complements the work of Enterprise Ireland. For example, Enterprise Ireland provides research funding to companies—many of those companies come to NDRC and accelerate the validation of their business concept. When NDRC startups prove they have commercial potential they attract seed funding from investors and typically become HPSU (High Potential Start Up) clients of Enterprise Ireland, attracting matching investment funds from Enterprise Ireland. NDRC also differs from Enterprise Ireland in that we have an in-house mentorship and investment function that directly contributes value to the ventures alongside our investment capital.

10. Does NDRC just invest money in startups?
No. NDRC also invests significant value-add to startups that goes way beyond a capital investment. NDRC is central to enabling our ventures accelerate their commercial progress.

NDRC provides in-house expertise that guides startups on their journey. NDRC provides and ensures a collaborative working environment that allows all of our investees to learn from past alumni. NDRC brings our investees through a systematic approach to key milestones to ascertain quickly if their business proposition has potential, and if so, to further accelerate the development of their business. While the NDRC capital investment is some fuel in the tank, the NDRC value-add is the turbocharger that increases venture performance and capital efficiency.

11. How have you performed to date?
NDRC has invested in over 200 companies. The total market cap of this portfolio of companies is €328m and our investee companies have secured over €125m in follow on investment. In 2015 NDRC received a record €1.5m in realisations from investee companies which were bought out.

12. How many different programmes do you have?
NDRC has three core investment programmes including NDRC LaunchPad, NDRC Catalyser and NDRC VentureLab. NDRC also partners with aligned investors such as Enterprise Ireland and Bank of Ireland for programmes such as NDRC Female Founders. NDRC runs pre-accelerators and other initiatives to tap opportunities that we see and to work in partnership with others to stimulate the emergence of quality investible concepts.

THE TYPICAL PATH TO NDRC INVESTMENT

1. Our Investment Strategy Committee sets the investment strategy on an annual basis.

2. We seek investment opportunities by open and timed calls for applications.

3. Opportunities are reviewed and developed by Venture Investment Leaders.

4. A shortlist of applications are selected to present to Venture Investment Leaders and our Investment Committee.

5. Following mutual exploration and due diligence our Investment Committee decides whether to offer NDRC investment.

6. Successful applicants are notified and join NDRC’s accelerator programme.
OUR VISION: to become an international leader in early stage investment
It gives me great pleasure to present NDRC’s Annual Report for 2015-2016 in my fifth year as Chairman.

NDRC is an early stage investor in technology companies. NDRC provides capital and expertise to ventures that are worthy of commercial investment and that have the potential to become globally scalable businesses.

NDRC’s theme for this year’s annual report is that Our Model Works. This is a fitting theme given the excellent outcomes achieved by NDRC’s ventures in the last 12 months. Some companies such as ClearSight, Logentries and Soundwave have been acquired in one form or another and others have gone on to secure significant follow-on investment. With these kinds of success stories it is no surprise that entrepreneurs continue to see NDRC as the best place to start progressing their business ideas. In 2015 only 7% of applicants to NDRC were successful in securing investment and joining our accelerator programme.

Finally, NDRC’s ambitions would not be possible without the support and commitment of the Department of Communications, Climate Action and Environment. The department provides important support at ministerial and senior management level and we look forward to building further on those relationships this year and into the future.
Our Model Works
NDRC has invested in over 200 companies. The majority continue to grow and attract significant follow-on-investment. In 2015 NDRC received a record €1.5m in realisations from companies that were acquired (+300% on previous year). Some of the highlights of the last 12 months include:

Company: Logentries
NDRC investment year: 2010
Development: Sold for €63m

Company: Boxever
NDRC investment year: 2011
Development: €11m in follow-on-investment and 100 new jobs announced.

Company: Soundwave
NDRC investment year: 2012
Development: Acquired by Spotify

Company: PMD Solutions
NDRC investment year: 2013
Development: €4.2m in follow-on-funding and 10 new jobs announced.

Track Record With Substance
A track record is not created overnight. NDRC is not a landlord or an incubator; it is an early stage investor in technology companies with an unrivalled 8-year investment track record. The facts speak for themselves; the market capital of our portfolio of companies is €328m (+49% on PV), our investees have secured over €125m (+42% on PV) in follow on investment and have created over 546 full time jobs (+26% on PV). In 2015 NDRC invested €1.5m of capital and €1.5m in value add into our portfolio of companies.

The startup world in Ireland and internationally is an increasingly noisy one with some commentators arguing that it is more hype than substance—NDRC’s track record clearly demonstrates our significant and qualitative contribution to the startup world. NDRC portfolio companies now span all stages in the venture life cycle from idea to exit.

International Recognition
NDRC’s growing international reputation is evidenced by the significant number of international investees who have acquired NDRC investees, in one way or another and by the fact that over 10% of applications to NDRC come from outside Ireland. NDRC was recently recognised by UBI as Europe’s No 1 University Business Accelerator (and No. 2 in the world).

In 2015 NDRC received 301 applications, saw 226 pitches and selected 22 companies to join our cohorts. 17 joined NDRC LaunchPad, 4 joined NDRC Catalyser and 1 joined NDRC VentureLab. Being selected for NDRC investment is highly competitive with a ratio of applications to investment of 14:1. This is a clear validation of NDRC’s model—ventures understand the benefit of NDRC’s track record of enablement and endorsement and want the unique and unrivalled value add that we offer. We hope the new additions to our portfolio will follow similar journeys as Logentries and Boxever.

Opportunity
NDRC continuously reviews and monitors our performance including the breadth of our impact. This year we rolled out a new NDRC Catalyser programme which is aimed at startups and founder teams
with deep know-how and technology that addresses a significant global unmet market need or problem.

During this year to date we partnered with Enterprise Ireland and Bank of Ireland to run a Female Founders investment programme. NDRC received over 100 applications for 10 spaces on the programme—this programme began in June 2016. We also ran a successful FutureHealth preaccelerator in partnership with UCD and EY, with one idea advanced enough to join our NDRC Catalyser programme. Our 13th iteration of NDRC LaunchPad finished in June.

Next for NDRC
Our team at NDRC changed during the year. Six new people joined the team bringing with them a wealth of new experience and expertise to NDRC. Our new team establishes NDRC’s platform for the future. Our vision for NDRC is as strong as ever and this year one of core objectives is to expand our funding sources as we continually innovate and review our business model. I’m confident that we have all the right tools and experience in place to ensure we continue to play our part in shaping Ireland’s digital economy.

Funding
I wish to thank our public funds partner, the Department of Communications, Climate Action and Energy, for its continuing long-term commitment to NDRC and to the growth and success of Ireland’s digital economy.

Finally, may I thank our staff, our investee companies, and our board members for all their efforts to ensure another successful year at NDRC.
Our Model Works: 8 Years of Investing

NDRC’s primary goal is to transform tech opportunities from sound concept to investor ready ventures. During 2007/2008 we spent time working with our stakeholders to determine how NDRC’s intervention would work in practice. NDRC made its first investment in 2008/2009 and since then has invested in over 200 companies. We have selected one company per year to demonstrate the success of NDRC’s model and impact of our investment approach.

2009: CLEARSIGHT

PRE-NDRC: SOUND CONCEPT
The original inspiration for the ClearSight technology came from two Irish ophthalmic surgeons in 2009. Their research focused on the development of novel technologies to allow for more accurate measurement of the eye which would have the ability to move cataract surgery outcomes to a higher level. Cataract surgery is the most commonly performed surgery in the world with over 20 million surgeries conducted annually.

NDRC: ACCELERATING SUCCESS
NDRC made an early investment into the ClearSight technology. NDRC entered into an agreement with the Applied Optics Group at NUI Galway to allow a feasibility study and benchtesting of the technology. ClearSight Innovations Ltd. was formed as a standalone company in 2013 to progress the technology, led by CEO Ronan Byrne, CTO Michael Mrochen and Ophthalmic Surgeon, Arthur Cummings. NDRC played a key role in bringing these three individuals together. Ronan Byrne, CEO commented “Commercialisation of research is notoriously difficult. We were fortunate to build on firm foundations and had an excellent team to allow us move forward with our technologies. Our work over the last few years primarily focused on advanced R&D and development of focused, relevant clinical trials around the technology”.

POST-NDRC
After spinning out from NDRC, the company sought venture funding to build out their team of clinical, technical and scientific experts and set up operations in both Dublin and Zurich. In 2013 the company announced they closed a multi-million euro deal with a global ophthalmic company.

In 2015 ClearSight completed its acquisition by an industry leader for an undisclosed sum. The original team behind ClearSight Innovations is committed to further innovations in ophthalmics and is currently assessing new ideas and projects.

“WHEN THE TEAM BEHIND CLEARSIGHT FIRST APPROACHED NDRC, THEY HAD THE POTENTIAL FOR A THRIVING BUSINESS. THROUGH NDRC’S CATALYSER, THEY FORMED THEIR BUSINESS PLAN AND DEVELOPED THEIR PRODUCTS AND THIS WAS FOLLOWED BY AN INTENSIVE COMMERCIALISATION PHASE THAT SECURED INVESTMENT.”

BEN HURLEY, CEO, NDRC
2010: LOGENTRIES

PRE-NDRC: SOUND CONCEPT
Logentries was established in 2009 following a decade of joint research with IBM at UCD’s Performance Engineering Laboratory. The original company name was JLizard with “Logentries” being the first product to market.

Logentries provides a cloud-based solution for collecting, searching, visualising and analysing machine data and logs. The architecture enables users to store and search data in real time.

Traditionally, log management and analytics solutions require advanced technical skills to use or are costly to set up, but Logentries’ SaaS-based log management service simplifies this process, unlocking huge quantities of log event data so it can be used to improve IT and business operations.

NDRC: ACCELERATING SUCCESS
In 2010, JLizard founders Trevor Parsons and Viliam Holub were one of the first companies to be accepted onto NDRC LaunchPad where they refined their market strategy and were connected to its first follow-on-investment.

Upon completing NDRC’s accelerator programme, Trevor Parsons stated “NDRC’s LaunchPad programme served as an invaluable platform for JLizard (original company name) during our startup phase, providing guidance and mentoring which allowed us to progress Logentries to market-launch status. We now aim to launch “Logentries” to the Irish market in the coming weeks with a view to launching to the international market within year two of operation”.

POST-NDRC
In 2013 Logentries announced a US$10m Series A funding, at the time one of Europe’s largest A rounds, led by Polaris Ventures, along with Frontline Ventures, Floodgate and RRE Ventures. The company then opened their new headquarters in Boston and an R&D lab in Prague, keeping their development in Dublin. At this time, Logentries was serving more than 3,000 customers in over 65 countries across a diverse set of industries and employed approximately 70 people.

In October 2015 Logentries was acquired by Rapid7, a Nasdaq listed US internet security firm for €63 million ($68 million). NDRC made a very significant return on its investment.
“NDRC LAUNCHPAD IS SUPPORTIVE WHILE FOSTERING A COMPETITIVE SPIRIT. IT’S INSPIRING TO BE AROUND SO MANY NEW IDEAS.”

DAVID O’FLANAGAN, CEO, BOXEVER

2011: BOXEVER

PRE-NDRC: SOUND CONCEPT
Boxever is a customer intelligence and predictive marketing platform. This means that it provides a cloud-based solution that combines master data management, CRM, decision making and analytics into a tightly integrated, travel-centric marketing platform that enables retailers to capture, analyse and act on large volumes of customer data in real-time. This was a big challenge and the issue was where to start which is where NDRC came in.

NDRC: ACCELERATING SUCCESS
NDRC invested in Boxever in 2011. This investment comprised a €20,000 capital investment and participation in our full-time in-house three-month accelerator programme. One of NDRC’s key contributions to Boxever was helping them to validate what their starting proposition should be.

POST-NDRC
By end of 2012 Boxever received over €800k of follow-on investment from Bloom Equity, Delta Partners and Enterprise Ireland and employed 5 people. In January 2016 Boxever announced that it had raised $12m in a funding round, bringing the total investment in Boxever to date to $22m. It also announced that it intended to double its 80 strong work-force over the next 12 months. Other Boxever investors include Polaris Partners, Frontline Ventures, Delta Partners and Silicon Valley Bank.
2012: SOUNDWAVE

PRE-NDRC: SOUND CONCEPT
Soundwave is a ground breaking app that fuses music enjoyment and social media, offering users the ability to share the songs they are listening to on their phones while discovering what friends and celebrities are enjoying on theirs.

One of the app’s most unique features is the facility to allow users to draw their fingers over any area of interest on the Soundwave music map (country, city, street, building) and instantly see the top played and most recently played songs there. Soundwave aims to take the mystery out of music discovery by staying agnostic to the source and surveying the entire music scene to offer a unified music feed. Soundwave’s platform is unique in that it is ad-free with the service monetised by leveraging its valuable back-end data to the music industry.

NDRC: ACCELERATING SUCCESS
Despite having a very strong entrepreneurial team from the outset, Soundwave’s first application to NDRC was unsuccessful. At the time, NDRC provided detailed feedback to Soundwave which they took on board and secured NDRC investment in 2012 when founders Brendan O’Driscoll and Aidan Sliney joined NDRC LaunchPad. Brendan is an engineering graduate of University College Dublin and Aidan is a computer science graduate from University College Cork. On completing the programme Brendan O’Driscoll said “By working with NDRC we got access to a network of mentors, micro-seed funding, office space and structured supports. It really helped us to focus on the idea and the product and takes away the “unknowns” of how to actually create a company”.

POST-NDRC
By end of 2013 Soundwave received over €700k of follow-on-investment and by January 2016 Soundwave had raised over €2.9m in follow-on-investment from venture capitalists including ACT Venture Capital and Mark Cuban’s Radical Investments.

In January 2016, Soundwave was acquired by Spotify for an undisclosed sum.

“BY WORKING WITH NDRC WE GOT ACCESS TO A NETWORK OF MENTORS, MICRO-SEED FUNDING, OFFICE SPACE AND STRUCTURED SUPPORTS. IT REALLY HELPED US TO FOCUS ON THE IDEA AND THE PRODUCT AND TAKES AWAY THE “UNKNOWNNS” OF HOW TO ACTUALLY CREATE A COMPANY.”

BRENDAN O’DRISCOLL, CEO, SOUNDWAVE
2013: PMD SOLUTIONS

PRE-NDRC: SOUND CONCEPT
PMD Solutions was founded in 2011 by Myles Murray and is developing innovative and patient friendly technologies to support a health providers’ early prevention model of patient care. Its mission is to establish RespiraSense as the industry standard respiratory monitor to enable the early detection of in-hospital respiratory compromise by 2020. RespiraSense began its life as Myles’ final year college project. The technology uses sensors that measures a patient’s breathing to help medical staff diagnose the earliest signs of possible patient deterioration. For example increasing severity of sepsis, worsening pneumonia or oncoming heart-attacks.

NDRC: ACCELERATING SUCCESS
NDRC invested in PMD Solutions in 2013. PMD Solutions was the first participant in our 6-month NDRC VentureLab investment programme with an investment of €100,000. This programme is dedicated to commercialising innovative advances in the scientific, technology and deep intellectual property fields. In advance of the programme Myles said he was “looking forward to accelerating our market validation with the support of the NDRC team”.

In 2014 PMD Solutions received HPSU funding from Enterprise Ireland and by end of 2015 PMD Solutions received over €800,000 in follow-on-investment. In 2016 PMD Solutions announced they received €4.2m in EU Horizon 2020 SME funding.

POST-NDRC
The device is about to enter into use in Ireland at Galway and Cork university hospitals with plans to be in 10 other hospitals, including Germany and Hong Kong, by end of 2016. PMD Solutions plans to double its 10 strong team to 20 within the next 12 months.
2014: NURITAS

PRE-NDRC: SOUND CONCEPT
Nuritas was founded by mathematician and bioinformatics expert Dr. Nora Khaldi in 2014. Nuritas uses big data techniques to sieve through large amounts of data to discover peptides from food and food by-products which provide unique solutions for the maintenance of health and wellness. These benefits include: anti-inflammatory activity, antimicrobial activity, muscle recovery enhancement, anti-aging solutions, and the potential management of blood sugar levels for type 2 diabetics and other glucose transportation related areas.

NDRC: ACCELERATING SUCCESS
Nuritas joined our second NDRC VentureLab cohort and during the acceleration programme, the company expanded its team to include Emmet Browne, former regional president of Pfizer, as CEO.

Upon completing the accelerator programme at NDRC Nora Khaldi said “NDRC helped bridge the gap between academia and industry. It was a great support and that’s what I needed in the first six months of jumping into entrepreneurship”.

POST-NDRC
High-profile Silicon Valley investor Ali Partovi, who previously invested in Facebook and Dropbox, was part of their €5m seed funding round completed in the first quarter of 2016. The Dublin-based company has received numerous global awards such as the 2015 SVG Thrive Accelerator Award at the “Forbes Reinventing America Summit” and has presented at cutting-edge events such as The Future Food-Tech Summit in New York in 2016.

“NDRC HELPED BRIDGE THE GAP BETWEEN ACADEMIA AND INDUSTRY. IT WAS A GREAT SUPPORT AND THAT’S WHAT I NEEDED IN THE FIRST SIX MONTHS OF JUMPING INTO ENTREPRENEURSHIP”

DR. NORA KHALDI, CSO, NURITAS
**2015: SKYTANGO**

**PRE-NDRC: SOUND CONCEPT**
SkyTango is the world’s first marketplace for drone operators, their clients, and the landowners they fly over, to do business in a more secure and profitable way. The company’s technology is built on a software-as-a-service platform to help take the risk out of purchasing aerial content by buying from licensed drone operators.

SkyTango was founded by Steven Flynn and Susan Talbot, both Emmy Award winning filmmakers. The couple set up Aerial Filming Ireland in 2012 to capture images using drone camera platforms and consistently faced issues with unlicensed operators (for example being undercut for paid jobs). In retaliation to this, and also the security and safety issues these unlicensed operators posed, they set out to create a library of aerial material that both broadcasters and corporate clients alike could access and also allowed their clients get legally obtained footage within their budget.

**NDRC: ACCELERATING SUCCESS**
NDRC invested in SkyTango in Autumn 2015 and they quickly leveraged NDRC’s vast mentor network and staff expertise and credit the advice they received on programme with helping them develop a great idea into a solid business. SkyTango won NDRC’s autumn 2015 investor day investment offer.

On completing the programme Susan Talbot stated: 
“the startup culture was new to us, and what we didn’t realise was just how well NDRC was regarded by other institutions. It quickly became obvious that if NDRC thought you were worth a punt, then you were worth meeting; huge validation for a business in its infancy that opened a lot of doors for us early on.”

**POST NDRC**
SkyTango is currently in discussion with a number of Irish and international investors. SkyTango were European Finalists in 1776 Challenge Cup Competition 2016 beating over 300 other companies to pitch in Washington D.C.

“THE STARTUP CULTURE WAS NEW TO US, AND WHAT WE DIDN’T REALISE WAS JUST HOW WELL NDRC WAS REGARDED BY OTHER INSTITUTIONS. IT QUICKLY BECAME OBVIOUS THAT IF NDRC THOUGHT YOU WERE WORTH A PUNT, THEN YOU WERE WORTH MEETING: HUGE VALIDATION FOR A BUSINESS IN ITS INFANCY THAT OPENED A LOT OF DOORS FOR US EARLY ON.”

SUSAN TALBOT, CEO, SKYTANGO
2016: WIA

PRE-NDRC: SOUND CONCEPT
Conall Laverty founded Wia after working as a consultant for a creative technologies company and noticing how he spent the majority of his time building the cloud infrastructure aspect when building his own hardware.

Wia provides a platform for developers who are building Internet of Things applications. When developing any hardware product that includes sensors or location trackers, instead of spending months building that infrastructure, developers can instead plug directly into Wia and build on top of that.

NDRC: ACCELERATING SUCCESS
By 2020, more than 250 ‘things’ will connect to the internet every second. Seeing this potential market size, Conall relocated from Belfast to Dublin with the aim of scaling his company and applied to NDRC. Conall felt that NDRC would plug him quickly into the startup network in Dublin.

Conall said that “NDRC has been invaluable to me in terms of mentorship and also introducing me to the vast network of assistance and investors that are available in Dublin.”

Conall also credits NDRC mentorship with helping him develop from a product focused mind-set to an overall company mind-set, something he feels would not be attainable had he attempted to build the company on his own which can be a traditional pitfall of founders coming from a purely technical background.

POST NDRC
Wia won the spring investor day investment offer and is now focusing on expanding its team in terms of development and sales and marketing. Today Wia is being used by developers in 55 countries and has partnerships with leading technology companies including Ubuntu and Sigfox.
New Additions To Our Portfolio
Autumn 2015 - Spring 2016

AUTUMN 2015

BioPharmawatch
A project management tool focused on the specific requirements of the process industry for project control and validation throughout the build and development period.

Bioscreen Health
Bioscreen Health’s connected platform provides cloud based services for healthcare providers, hospitals and clinicians.

Dynamic Reservation
Dynamic Res are designing a technology platform that will transform the way travel agents sell.

Express Empire
Express Empire is an innovative publishing platform for digital content creators, empowering them to grow their audience, increase their revenue and own their relationship with their followers.

Gramma Music
Gramma Music is the first mobile music discovery and recommendation service which leverages smartphone sensory technology to get a snapshot of how you feel, what you’re doing, where you’re going and the world around you in order to find the perfect song for that moment in time, based on your tastes in music.

Groopeze
Groopeze is reinventing the way online group bookings are made, managed and paid for.

Plynk
Plynk is a money messenger; an app that lets you send money to friends instantly inside a social media user interface.

Recipe Guru
Recipe Guru is a new, magazine style freemium website for foodies, home cooks, recipe junkies and amateur chefs.

Rook
Rook is a smartphone app where users can discover and read eBooks for free in specific locations.

Seen on Set
Seen on Set is the best place to find and buy furniture, decor and lighting seen on the set of your favourite movies and TV shows.

SwitchMetrics
SwitchMetrics is the Google analytics for telephone calls—providing operational insights into phone call activity, enabling small and medium firms make decisions that grow their revenue.
SPRING 2016

AssureHEDGE
AssureHEDGE is a web based platform that allows individuals and businesses to hedge currency risks.

Cortechs
Cortechs create brain-powered play in science-backed games which allow you to use your brainwaves to monitor, improve and track your focus.

Creva Club
Creva Club is the only secure Ireland-to-China ecommerce platform that guarantees safe Irish sourced infant milk formula. Creva Club deliver directly to the Chinese family home, bringing a new level of service, trust, information and reassurance.

Exceedence
Exceedence has developed a purpose-built financial and technical software tool that makes it easy to model and optimise projects in the renewable energy sector and assess whether they will make or lose money.

Gamex
Gamex is a cross platform, search and recommendation engine tailored for the gaming industry.

HouseMyDog
HouseMyDog is an online service that connects dog owners with vetted dog sitters across Ireland and the UK.

Intouch
Intouch is building the world’s first cloud-based contact management platform that allows you to easily share and update your personal information with the people, businesses and services you interact with.

PayZorb
PayZorb is a payment gateway for energy, waste, water and telecoms utilities that enables a single point of integration for all social media platforms.

Popertee
Popertee is an online marketplace connecting property owners who have spare space with businesses who are looking to rent retail spaces on a short-term or “pop-up” basis.

Trawlur
Trawlur aims to put the consumers back at the heart of the used car industry and create a platform built around the needs of the private seller and buyer.

Wia
Wia provides developers with a platform to build Internet of Things applications. Instead of spending months writing code, Wia brings ideas to life in minutes.
Financial Statements

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DIRECTORS AND OTHER INFORMATION

Board of Directors
S Baker (Chairman)
B Cremen (alternate, appointed 01/04/2015)
C Dillon (resigned 08/06/2015)
A Doona (resigned 30/04/2015)
O Feely (appointed 30/04/2015)
E Hazelkorn (resigned 08/06/2015)
B Hurley
E Kennedy (resigned 01/04/2015)
G Lacey (appointed 01/04/2015)
A McClean
D McGonagle (resigned 08/06/2015)
G Mooney
S O’Connor (appointed 11/06/2015)
M O’Donovan
P Sharpe

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Venture Legal Services
77 Sir John Rogerson’s Quay
Dublin 2
D02 T804

Secretary
Royalwell Limited
24–26 City Quay
Dublin 2
D02 NY19

Registered Office
Digital Exchange Building
Crane Street
The Digital Hub
Dublin 8
D08 HKR9

Bankers
Bank of Ireland
85 James Street
Dublin 8
D08 C2PR

Auditors
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
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Registered Number: 398458
PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

NDRC is an early stage investor focussed 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 the 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 that is secured by ventures emerging or developing from the company’s portfolio. Cumulative follow-on investment increased by almost 42% year on year, from €88m by 2014 to €125m by 2015. The cumulative enterprise value of ventures emerging from NDRC also increased by 49% year on year, from €220m by 2014 to €328m by end 2015. These growth outcomes are a consequence of a continued flow of investments and ventures through NDRC, and increasing maturity of NDRC ventures that have proven their viability since emerging in previous years.

As continued validation of the development of the company, the company once again achieved realisations of financial returns from its investments. During the year the company received a return on its equity stake following the sale of a number of entities, for which the investment cost was expensed to the Income and Expenditure account over a number of previous financial years. A reserves policy has been agreed by the Board following these significant returns. NDRC has decided to hold reserves of €799k which is the gross proceeds from these realisations which is detailed in the ‘Designated Reserves’ note to the financial statements. Designated reserves are held to enable NDRC to deploy funds to seed 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. While the company’s current hybrid funds can only ever deliver a fractional financial return, this financial performance boosted our investment funds and brings the company into the realm of profitable returns. These realisations, building on the first such return in 2014, underline the company’s positioning and performance as an early stage investor, substantiating its investment reputation, and validating its investment reputation, and validating its

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2015

The income and expenditure account for the year ended 31 December 2015 and the balance sheet at that date are set out on page 24 and 25. The surplus for the year amounted to €799,470 (2014: €nil). 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 €125m (2014: €88m) of follow-on investment secured by new enterprises emerging or developing from the company’s investment programmes. The amount of equity released in these new enterprises to secure the follow-on investment indicates a year-end cumulative enterprise value of these enterprises of €328m (2014: €220m).

DIRECTORS

The current directors are as listed on page 18 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 2016.

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.
Directors’ Report Continued

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 Communications, Climate Action and Environment 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 for the period from mid-2008 to mid-2018.

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.

ACCOUNTING RECORDS
The measures taken by the directors to secure compliance with the company’s obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept 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.

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company’s assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company’s assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

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 the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to 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:

• correctly record and explain the transactions of the company;

• enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and

• enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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 Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that they have adequate financial control systems in place to manage grant funds.

AUDITORS
The Auditor, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.
Independent Auditors’ Report To NDRC

OUR OPINION
In our opinion, National Digital Research Centre Limited’s financial statements (the “financial statements”):

• give a true and fair view of the company’s assets, liabilities and financial position as at 31 December 2015 and of its surplus for the year then ended;

• have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities; and

• have been properly prepared in accordance with the requirements of the Companies Act 2014.

WHAT WE HAVE AUDITED
The financial statements comprise:

• the Balance Sheet as at 31 December 2015;

• the Income and Expenditure Account for the year then ended;

• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY 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.

• The financial statements are in agreement with the accounting records.

• In our opinion the information given in the Directors’ Report is consistent with the financial statements.

MATTER ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

DIRECTORS’ REMUNERATION AND TRANSACTIONS

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors’ remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors’ Responsibilities Statement set out on pages 19 and 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give 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 391 of the Companies Act 2014 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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.

Paul O'Connor
for and on behalf of
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
# Income And Expenditure Account

**FOR FINANCIAL YEAR ENDED 31 DECEMBER 2015**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government subvention</td>
<td>2, 15</td>
<td>3,049,606</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>262,439</td>
</tr>
<tr>
<td>Realisation on investments</td>
<td>4</td>
<td>799,470</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td></td>
<td>4,111,515</td>
</tr>
<tr>
<td>Research investment &amp; fund management</td>
<td></td>
<td>(2,417,257)</td>
</tr>
<tr>
<td>General overheads and fund administration</td>
<td></td>
<td>(894,788)</td>
</tr>
<tr>
<td><strong>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX</strong></td>
<td>6</td>
<td>799,470</td>
</tr>
<tr>
<td>Tax on surplus on ordinary activities</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>SURPLUS FOR THE FINANCIAL YEAR</strong></td>
<td></td>
<td>799,470</td>
</tr>
</tbody>
</table>

There are no gains or losses in either year other than the surplus for the financial year and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the surplus for the financial year stated above and its historical cost equivalent.

The above results derive from continuing operations.
## Balance Sheet

**AS AT 31 DECEMBER 2015**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 €</th>
<th>2014 €</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>8</td>
<td>790,038</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>9</td>
<td>2,412</td>
</tr>
<tr>
<td></td>
<td></td>
<td>792,450</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>81,080</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>3,938,244</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,019,324</td>
</tr>
<tr>
<td><strong>CREDITORS</strong> (amounts falling due within one year)</td>
<td>11</td>
<td>(3,281,409)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td></td>
<td>737,915</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td></td>
<td>1,530,365</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>13</td>
<td>730,895</td>
</tr>
<tr>
<td>Designated reserves</td>
<td>13</td>
<td>799,470</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVE FUNDS</strong></td>
<td></td>
<td>1,530,365</td>
</tr>
</tbody>
</table>

**SIGNED ON BEHALF OF THE BOARD**

Gearoid Mooney  
Director

Stjohn O’Connor  
Director
Notes To The Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

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.

BASIS OF PREPARATION
The entity financial statements have been prepared on the going concern basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014.

The entity financial statements have been prepared under the historical cost convention.

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.

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

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

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.

FINANCIAL FIXED ASSETS
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.

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 financial 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.

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 organisations’ needs.
2. INCOME

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government subvention income</td>
<td>3,049,606</td>
<td>2,941,601</td>
</tr>
</tbody>
</table>

3. OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service income</td>
<td>107,189</td>
<td>218,837</td>
</tr>
<tr>
<td>Proceeds on sale of interest</td>
<td>155,250</td>
<td>175,194</td>
</tr>
<tr>
<td></td>
<td>262,439</td>
<td>394,031</td>
</tr>
</tbody>
</table>

4. REALISATIONS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realisation on investments</td>
<td>799,470</td>
<td>-</td>
</tr>
</tbody>
</table>

During the year the company realised €617,469 from its investment in ClearSight Innovations Limited and €182,001 from Revelops Ireland Limited.

5. PARTICULARS OF STAFF

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

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Management</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Administration</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

The staff costs (including executive directors) comprise:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Salaries</td>
<td>876,586</td>
<td>902,760</td>
</tr>
<tr>
<td>Social insurance costs</td>
<td>92,975</td>
<td>96,738</td>
</tr>
<tr>
<td>Other retirement benefit costs</td>
<td>66,992</td>
<td>69,040</td>
</tr>
<tr>
<td></td>
<td>1,036,553</td>
<td>1,068,538</td>
</tr>
</tbody>
</table>
6. OPERATING SURPLUS FOR YEAR

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit remuneration – audit services</td>
<td>13,500</td>
<td>13,500</td>
</tr>
<tr>
<td>Audit remuneration – other services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>69</td>
<td>8,754</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>164,213</td>
<td>160,050</td>
</tr>
<tr>
<td>- contribution to retirement benefit schemes – defined contribution</td>
<td>24,008</td>
<td>28,531</td>
</tr>
</tbody>
</table>

Retirement benefits are accruing to 1 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.

7. 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.
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COST</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>477,288</td>
<td>343,775</td>
</tr>
<tr>
<td>Additions during year</td>
<td>427,750</td>
<td>133,513</td>
</tr>
<tr>
<td>At 31 December</td>
<td>905,038</td>
<td>477,288</td>
</tr>
<tr>
<td><strong>IMPAIRMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>115,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Charge in year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December</td>
<td>115,000</td>
<td>115,000</td>
</tr>
<tr>
<td><strong>NET BOOK AMOUNTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December</td>
<td>790,038</td>
<td>362,288</td>
</tr>
</tbody>
</table>

The company holds a proprietary beneficial interest of 16% in Silvercloud Health Limited, 14.5% in NVMduration and less than 1% in Glidesys Technologies.

During the year, as part of a research commercialisation investment, the company invested €100,000 (2014: €nil) in Silvercloud Health Limited, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €100,000 (2014: €100,000) in NVMduration, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €22,500 (2014: €25,000) in PharmaPod Limited, a spinout created for the commercial exploitation of intellectual property developed.

During the year, as part of a research commercialisation investment, the company invested €50,000 (2014: €nil) in Chasing Returns Limited, a spinout created for the commercial exploitation of intellectual property developed.

During the year, the company received €155,250 in the form of shares in the acquiring company as part of the realisation of an investment.
## 9. TANGIBLE ASSETS

### COST

<table>
<thead>
<tr>
<th></th>
<th>Industrial equipment</th>
<th>Computer equipment</th>
<th>Fixtures and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2015</td>
<td>69,830</td>
<td>223,604</td>
<td>65,863</td>
<td>359,297</td>
</tr>
<tr>
<td>Additions during year</td>
<td>-</td>
<td>2,481</td>
<td>-</td>
<td>2,481</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>69,830</td>
<td>226,085</td>
<td>65,863</td>
<td>361,778</td>
</tr>
</tbody>
</table>

### DEPRECIATION

<table>
<thead>
<tr>
<th></th>
<th>Industrial equipment</th>
<th>Computer equipment</th>
<th>Fixtures and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2015</td>
<td>69,830</td>
<td>223,604</td>
<td>65,863</td>
<td>359,297</td>
</tr>
<tr>
<td>Charge in year</td>
<td>-</td>
<td>69</td>
<td>-</td>
<td>69</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>69,830</td>
<td>223,673</td>
<td>65,863</td>
<td>359,366</td>
</tr>
</tbody>
</table>

### NET BOOK AMOUNTS

<table>
<thead>
<tr>
<th></th>
<th>Industrial equipment</th>
<th>Computer equipment</th>
<th>Fixtures and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2015</td>
<td>-</td>
<td>2,412</td>
<td>-</td>
<td>2,412</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
10. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>25,730</td>
<td>35,040</td>
</tr>
<tr>
<td>Other debtors</td>
<td>55,350</td>
<td>277,441</td>
</tr>
<tr>
<td></td>
<td>81,080</td>
<td>312,481</td>
</tr>
</tbody>
</table>

11. CREDITORS (amounts falling due within one year)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>168,605</td>
<td>105,835</td>
</tr>
<tr>
<td>Deferred income</td>
<td>1,236,696</td>
<td>864,916</td>
</tr>
<tr>
<td>Accruals</td>
<td>1,840,663</td>
<td>525,481</td>
</tr>
<tr>
<td>Other creditors including tax and social insurance</td>
<td>29,780</td>
<td>24,259</td>
</tr>
<tr>
<td>Pension and VHI</td>
<td>5,665</td>
<td>12,589</td>
</tr>
<tr>
<td></td>
<td>3,281,409</td>
<td>1,533,080</td>
</tr>
</tbody>
</table>

Other creditors including tax and social insurance comprise

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax deducted under PAYE</td>
<td>14,436</td>
<td>14,368</td>
</tr>
<tr>
<td>Pay related social insurance</td>
<td>15,344</td>
<td>9,891</td>
</tr>
<tr>
<td></td>
<td>29,780</td>
<td>24,259</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.

12. 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 €66,992 (2014: €69,040).

Contributions payable to the fund at the year-end have been included in accruals and amount to €5,665 (2014: €9,871).
13. RESERVES

<table>
<thead>
<tr>
<th>Income and Expenditure account</th>
<th>Designated reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>€730,895</td>
<td></td>
</tr>
<tr>
<td>Surplus for year</td>
<td>€799,470</td>
<td></td>
</tr>
<tr>
<td>Transfer to designated reserve</td>
<td>(€799,470)</td>
<td>799,470</td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>€730,895</td>
<td>799,470</td>
</tr>
<tr>
<td>Balance at 1 January 2014</td>
<td>€730,895</td>
<td></td>
</tr>
<tr>
<td>Surplus for year</td>
<td>-</td>
<td>€730,895</td>
</tr>
<tr>
<td>Balance at 31 December 2014</td>
<td>€730,895</td>
<td></td>
</tr>
</tbody>
</table>

Designated reserves are held to enable NDRC to deploy funds to seed 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.

14. 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 €1,646 (2014: €12,282), of which €1,646 (2014: €8,736) was outstanding at 31 December 2015.

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 €9,121 (2014: €15,637), of which €9,121 (2014: €15,637) was outstanding at 31 December.

15. COMMITMENTS AND RELATED FUNDING

The company has entered into a renewed management operation and maintenance agreement (the Concession 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 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 2015, cumulative funding of €24.4 million had been received under the original agreement (2014: €24.4 million) and €8.8m (2014: €5.3m) 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 science and technology commercialisation and digital entrepreneurship.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received in the period</td>
<td>3,421,385</td>
<td>3,499,982</td>
</tr>
<tr>
<td>Grant taken to income in the period</td>
<td>3,049,606</td>
<td>2,941,601</td>
</tr>
<tr>
<td>Grant deferred at the end of the period</td>
<td>371,779</td>
<td>558,381</td>
</tr>
</tbody>
</table>

16. EVENTS AFTER THE BALANCE SHEET DATE
Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or 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.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 1st September 2016.
NDRC In Numbers

IN 2015 WE HAD:

301 APPLICATIONS

FOLLOW-ON-INVESTMENT (CUMULATIVE)

IN 2015 WE CONSIDERED:

225 PITCHES

IN 2015 22 COMPANIES JOINED NDRC’S INVESTMENT PORTFOLIO

COMPANIES THAT NDRC HAS INVESTED IN TOTAL SINCE 2008:

17 LAUNCHPAD

4 CATALYSER

1 VENTURE LAB

200+
MARKET CAPITAL (CUMULATIVE)

- 2011: €15M
- 2012: €39M
- 2013: €120M
- 2014: €220M
- 2015: €328M

IN 2015:

- 38% OF COMPANIES HAD A FEMALE IN THEIR FOUNDING TEAM

WHERE OUR COMPANY FOUNDERS COME FROM IN 2015:

- 38% DUBLIN
- 14% CORK
- 9% GALWAY
- 24% INTERNATIONAL
- OTHER

JOBS CREATED BY NDRC PORTFOLIO COMPANIES SINCE 2008:

- 546
What’s Coming Up At NDRC...

NDRC – EXPANDING OUR REACH
38% of NDRC investee companies have founders from outside Dublin. As our venture investment team travel around Ireland and meet stakeholders in the digital economy, including researchers in universities in UCC, UCG and UL, they see many opportunities for acceleration but for a variety of reasons individuals are not able to commit to a full-time acceleration programme in Dublin. Over the next 12 months, NDRC will explore ways to address this problem and to see if there are alternative ways we can deliver our internationally recognised acceleration programmes outside of Dublin.

NDRC PRE-ACCELERATORS
NDRC use pre-accelerators as a means to identify possible investment opportunities. Typically, we focus on a particular sector and partner with industry experts to deliver the pre-accelerator. In September, NDRC HealthTech will take place in partnership with e-Health Ireland. In October, NDRC FinTech will take place in partnership with Bank of Ireland. NDRC pre-accelerators play an important role in the Irish ecosystem as they encourage and facilitate innovation.

NDRC INVESTMENT OPPORTUNITIES
The next call for NDRC LaunchPad will take place in November but our NDRC Catalyser and NDRC VentureLab programmes are open to investment opportunities all year round.

So if you’ve think you’ve an idea that suits either of these two programmes then please get in touch with our venture investment team to arrange a call today at info@ndrc.ie or by phone on +353-1-480-6252.

NDRC Founder Member Institutions
DCU
IADT
NCAD
TCD
UCD

NDRC Funding Partner
Roínn Cumarsáide, Gníomhaíthe ar son na hAeráide agus Comhshaoil
Department of Communications, Climate Action and Environment