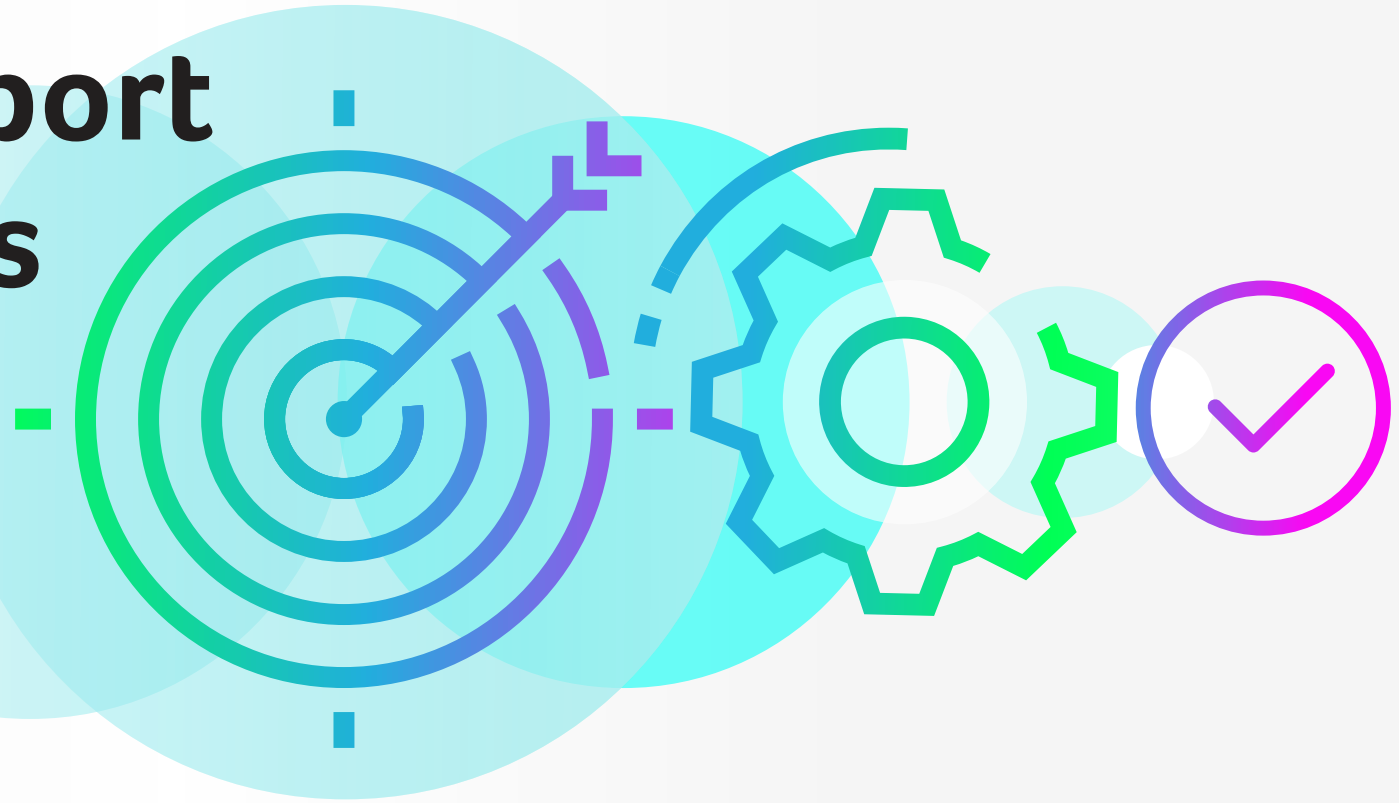


# IDA Ireland Annual Report & Accounts 2020



Riailtas na hÉireann  
Government of Ireland

[www.idaireland.com](http://www.idaireland.com)

 **IDA** Ireland

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# Chairman & CEO Overview



# Chairman & CEO Overview

The last year has been an extraordinarily challenging one for the country and its citizens as the Covid-19 pandemic claimed lives and livelihoods. Our thoughts are with all those who have been affected. We acknowledge those who have been on the frontline of the public health response and those who have provided essential services to keep the country functioning and in motion at a time of unprecedented disruption and adversity.

During this period of dual health and economic crises, IDA Ireland has strived to support the country and our client companies. The Agency has partnered with client companies to safeguard employment within our existing base, while also seeking to identify and win new investment opportunities. Remarkably, employment among IDA client companies grew in 2020 despite the steepest global downturn in a generation. This was the result of resilience in many of our key sectors of focus and the availability of unprecedented Government support for companies that were negatively affected by the crisis. Throughout the year, IDA worked constructively and successfully with the Department of Enterprise, Trade and Employment (DETE) and across Government on the national response to Covid-19 including efforts to secure vital supplies for the Health Service Executive (HSE) at the outset of the crisis in 2020. More recently, IDA supported the Government's High-Level Task Force on Covid-19 Vaccination.

As we look forward to better days on the horizon as vaccine deployment accelerates and restrictions gradually begin to ease, IDA remains steadfast in its determination to partner with multinational companies (MNCs) to drive economic recovery and sustainable growth in the coming years. Our new strategy, Driving Recovery and Sustainable Growth sets a target for the Agency to win 800 investments in total, to deliver half of these investments to the regions and to support job creation of 50,000 over the next four years. We are also renewing our focus on investment in training and upskilling and environmental sustainability to support the FDI base, and the wider economy,

amid accelerating technological and green transformations. The implementation of IDA's 2021-24 strategy, which will support key objectives of the recently published Economic Recovery Plan, is now underway.

While the outlook is an uncertain one, we are encouraged by the strong investment performance recorded over the first half of the year, which is testament to the resilience of companies in IDA's core sectors of focus and to the tireless work of the Agency's teams in Ireland and overseas despite the personal and professional challenges of the pandemic.

With the ongoing support of our parent Department, Government, key stakeholders and IDA client companies and notwithstanding the challenges and uncertainties on the path ahead, FDI is well placed to remain a vital contributor to Ireland's prosperity and future success.

## **IDA response to Covid-19**

In reacting rapidly to Covid-19 in early 2020, IDA's priorities were to provide a continuity of service to client companies and to ensure the safety and well-being of the IDA team in Ireland and overseas. The Agency successfully moved to a virtual working environment in March 2020 and, in adverse circumstances, proved resilient and flexible in continuing to deliver on our mission to win and develop FDI as we adopted a 'virtual first' approach to client engagement.

IDA carried out a structured client engagement process to understand how existing companies were coping at the outset of the crisis and to identify emerging issues for our policy team to address and where appropriate feed back into the Government system. The majority of companies within IDA's portfolio successfully implemented business continuity plans and adapted well to difficult circumstances. Client companies embraced remote working

## Chairman & CEO Overview (continued)

where possible, while those carrying out essential activities on-site implemented various health and safety measures. When the Annual Employment Survey (AES) was carried out at the end of third quarter of 2020, 52% of employees in IDA client companies were working remotely.

IDA client companies adversely affected by the crisis availed of the unprecedented supports introduced by the Government, most notably the Wage Subsidy Scheme and its successor the Employment Wage Subsidy Scheme. IDA also marketed the Covid-19 Products Scheme to client companies throughout the year. The scheme, which is open to both MNCs and SMEs, is designed to support the acceleration and upscaling of RD&I, infrastructure and production capacity for Covid-19 relevant products. IDA collaborated with DETE and Enterprise Ireland on developing the scheme and on securing its approval under the European Commission's Temporary State Aid Framework. Such collaboration between IDA and a variety of partners and stakeholders proved a common theme over the course of the year and was central to our response.

To enable impactful conversations with client companies on their growth agendas, IDA availed of a number of digital technologies, many of which were put in place prior to the move to our new global HQ at Three Park Place in September 2019. Remote site visits were facilitated to support the investment pipeline and our regional development agenda. The building of IDA's project pipeline for 2021 was further supported by a world class, C-suite focused marketing campaign, which the Agency was able



**Frank Ryan**  
Chairman

**Martin Shanahan**  
Chief Executive Officer

# Chairman & CEO Overview (continued)

to develop due to additional promotional and marketing funding provided by the Government under the July Stimulus and Budget 2021. IDA also held a number of high-profile client events with senior Government representatives including the Taoiseach, the Tánaiste, and the Minister for Finance, focused on Ireland's response to the crisis and plans for recovery.

Beyond our core mandate, IDA also sought to support the country's response to the pandemic in any way possible. IDA provided significant support for the HSE in its immediate response to the public health crisis from March 2020. Leveraging our international network, IDA assisted the HSE to source personal protective equipment (PPE) and other critical care products in a challenging global market characterised by unprecedented demand for these essential goods. The Agency put our portfolio of properties at the disposal of the HSE in the event they were required and fielded numerous offers of support from IDA client companies to assist with the national response to Covid-19.

## Resilient FDI performance in 2020

At a time of significant challenge for domestic market facing parts of the economy, the primarily export facing activities of FDI in Ireland proved remarkably resilient during 2020. Total direct employment in IDA client companies grew by 3.6% to reach a record 257,394<sup>1</sup>. An increase in employment was recorded across most sectors, driven by Life Sciences and Technology companies as demand for healthcare products remained robust and demand for the technologies and services that enable remote working and the digital economy increased.

Job gains of 20,123 were slightly lower and job losses of 11,179 slightly higher than in recent years, resulting in a net change in employment of 8,944 in 2020 compared to 14,847 in 2019. There was significant churn within our

Content, Consumer and Business Services segment of companies with some actively growing, such as online retail, while those with activities related to affected sectors such as tourism and travel experienced a much more challenging year. Other manufacturing recorded a decrease in employment, reflecting difficulties in sectors such as automotive sub-supply related to Covid-19 and accelerating trends such as automation.

IDA won a total of 246 investments in 2020, a slight decline on the previous year but ahead of our expectations considering the sharp decline in global FDI as a result of the pandemic. The 246 investments won consisted of 73 expansion investments by existing clients, 95 new name investments, 46 RD&I investments, 28 training investments and 4 environmental sustainability investments. 128 investments – 52% of the total – were to locations outside of Dublin. The share of investment projects from North America at 67% in 2020 was higher than in recent years in part reflecting our focus during the crisis to win investment from existing companies, the majority of which are North American in origin.

## Impact of FDI

The strength of Ireland's FDI base is a core national asset that has a sizeable impact on the Irish economy and on society more broadly. In each corner of the country, companies supported by IDA provide good jobs, support other jobs indirectly, enable labour mobility, purchase Irish goods and services and promote innovation.

IDA client companies directly account for 12.4% of national employment, while the combined direct and indirect employment associated with IDA client companies amounts to 463,309. Direct Irish economy expenditure by IDA clients totalled €25.2bn in 2019, including €15.1bn on payroll, €7.4bn on

1 DE TE, Annual Employment Survey 2020

# Chairman & CEO Overview (continued)

Irish services and €2.7bn on Irish materials. IDA clients spent a further €2.6bn on in-house R&D and €7.4bn on capital investment projects<sup>2</sup>.

IDA client exports of €255.3bn accounted for 68% of total national exports in 2019<sup>3</sup>. The continued strength of multinational dominated sectors such as Life Sciences and Technology saw Ireland's exports, and as a result our GDP, outperform most other advanced economies in 2020. The resiliency of FDI in the past year has also supported the Exchequer, with IDA client companies accounting for an estimated two-thirds of corporation tax receipts<sup>4</sup>.

Behind these large numbers are over 1,600 client operations that are diverse in their size, their sector and their country of origin but which collectively have chosen Ireland as a place to grow and succeed. Their contribution to Ireland is tangible, substantive and something IDA does not take for granted.

## Regional development

The impact of FDI and the contribution of IDA client companies is most keenly felt in locations outside Dublin. As noted above, in 2020 IDA won 128 investments for locations outside of Dublin, building on the record levels of regional investment we secured over the course of our 2015-19 strategy. Direct employment by IDA clients in the regions reached 144,689 people in 2020, 56% of total IDA client employment.

Client companies in regional locations had an annual spend of €7.9bn on payroll, €2.7bn on Irish services, €2.2bn on Irish materials and €1.3bn on in-house R&D in 2019. While FDI is not the only driver of regional development, through these linkages it can and does make a major contribution to promoting vibrant regional economies. IDA continues to

partner with client companies and key stakeholders as we seek to support economic recovery and sustainable growth across each region of the country, which is central to our new organisational strategy. We will seek to win investment that helps to reduce regional economic disparities and supports regions in dealing with Brexit, the recovery from Covid-19 and a just climate transition.

## Global FDI outlook

The global FDI landscape in which IDA competes for investment was severely disrupted by the Covid-19 pandemic in 2020. Announced global greenfield investment projects fell by a third compared with the previous year, as MNCs delayed, cancelled, or held off on investment decisions amid the economic shock and elevated uncertainty<sup>5</sup>. Economic prospects have improved since the turn of the year due to accelerated vaccine deployment in advanced economies, business adaptation to containment measures, and additional fiscal support in the US. However, the scale of the economic shock in 2020 and the high level of risk to the global outlook continues to negatively impact on investor sentiment.

The sectors that proved the most resilient during 2020, such as Technology and Life Sciences, are likely to drive the recovery in global FDI. Recovery in the sectors most affected by containment measures, such as Tourism, Leisure and Hospitality related activities, will be highly dependent on the future trajectory of Covid-19.

As global FDI recovers, future trade and investment patterns will be shaped by a number of economic, technological and political trends. Established and new overseas investors will face a complex array of challenges and

2 DETE, Annual Business Survey of Economic Impact (ABSEI) 2019

3 IDA calculations based on ABSEI data and CSO external trade data

4 IDA calculations based on Revenue Corporation Tax Payments and Returns

5 FDI Intelligence, The FDI Report 2021

# Chairman & CEO Overview (continued)

opportunities related to cross sectoral drivers of change including the future of work, new and disruptive business models, environmental sustainability, and heightened geopolitical focus on global value chains.

The investment decisions made in such an environment and how they are influenced by the value proposition of different jurisdictions will determine the FDI outlook. Ireland's exceptional FDI performance in recent years and long-standing track record as a resilient, stable and innovative location in which to do business provides a strong foundation on which to build in the period ahead.

## 2021-2024 strategy

The implementation of IDA's new 2021-24 strategy is now underway following a comprehensive strategy development process during which we reviewed our previous strategy, analysed the operating environment for FDI and consulted extensively with key stakeholders.

In a changed world, IDA's Driving Recovery and Sustainable Growth strategy seeks to consolidate and build on the positive impact of FDI as Ireland pursues a jobs-led recovery that seizes on the opportunities of the green and technological transformations, as envisaged in the Programme for Government and the Economic Recovery Plan. IDA will partner with client companies to create jobs, locate in the regions, and invest in R&D, while enhancing our focus on investment in training and upskilling and environmental sustainability.

The ambition of the strategy is framed through five interlinked pillars which include the following key targets:

- **Growth:** Target 800 total investments to support job creation of 50,000 and economic activity.
- **Transformation:** Partner with clients for future growth through 170 RD&I and 130 training investments.
- **Regions:** Target 400 investments to advance regional development.
- **Sustainability:** Embrace a green recovery with 60 sustainability investments.
- **Impact:** Target a 20% increase in client expenditure in Ireland to maximise the impact of FDI.

Delivery of the strategy will be supported by a number of initiatives including IDA's Regional Property Programme to provide property and strategic site solutions to address market failures in regional locations; completion of the National Advanced Manufacturing Centre in Limerick to provide a space for companies to trial, adopt, deploy and scale digital technologies; the significant expansion of the National Institute for Bioprocessing Research and Training (NIRBT) to build capacity in Cell, Gene and Vaccine Therapies (CGVT); and the implementation of a Digital Transformation Programme to make IDA the most digitally enabled Investment Promotion Agency (IPA) in the world.



# Chairman & CEO Overview (continued)

## The path ahead – opportunities

The path ahead is one of opportunities, challenges and a considerable degree of uncertainty. The ambition of IDA's 2021-24 strategy reflects our belief that there remain significant opportunities to win investment aligned to Ireland's core strengths, despite a difficult global operating environment. Our strategy maintains a focus on the sectors propelling the modern global economy that proved resilient over the past year, while remaining attentive to and realising the opportunities associated with an era of transformation.

IDA sees potential for Ireland to win investment as the global economy digitises and decarbonises at an accelerating pace, new business models emerge, and companies consider how to respond to issues ranging from supply chain resilience to the future of work. Specific areas of opportunity include cloud computing, artificial intelligence (AI), 5G, big data, disruptive service platforms, fintech, advanced manufacturing, cell, gene and vaccine therapy, connected health, industrial automation and renewable energy.

The Agency will partner with existing client companies and target the next generation of leading-edge companies, emphasising Ireland's strengths including our young and highly educated population, frictionless access to the EU Single Market, openness to the world, transparent and consistent corporate tax rate, ease of doing business and track record in attracting FDI.

We will develop new value propositions, for example to support the positioning of Ireland as a leading location for sustainable FDI. The improvement in Ireland's performance addressing climate change envisaged under the National Climate Objective will add credibility as we engage with companies on sustainable investment opportunities. We will also develop our value proposition for remote working, with a particular focus on hybrid remote working models and on using remote working as means to promote regional development and improve economic opportunities for underrepresented groups.

## Accelerating regional economic growth

IDA's new strategy will have a positive impact on every region of Ireland. The Agency will continue to encourage and support both existing clients and first-time investors to expand or locate in regions, leveraging aforementioned key initiatives such as our Regional Property Programme and our value proposition for remote working. We will also partner with existing client companies in regional locations on transformative investments in training and RD&I to help safeguard and enhance the regional impact of FDI through increased innovation, productivity and resilience. In seeking to attract high levels of investment to each region based on their key strengths and emerging opportunities, IDA will continue to place an emphasis on strategic collaboration with key stakeholders to ensure the regions are positioned for future FDI growth.

## Competitiveness challenges

Despite the ambition of our new strategy and a strong start to 2021, it is clear that we cannot take success as certain nor become complacent about the strengths of Ireland's value proposition in a highly competitive global landscape for FDI. It is too early to assess what, if any, impact international tax reform could have on Ireland's attractiveness to investment in the medium-term. However, recent developments are a reminder that to preserve existing FDI and win new investment Ireland must remain attentive to key competitiveness issues that are within our control. This is particularly important as the global competition for investment continues to intensify. The importance of policy action focused on enhancing Ireland's competitiveness in order to retain FDI was highlighted by the IMF in its May 2021 assessment of the Irish economy, which also noted that such action could help to amplify FDI's positive contribution to the growth of Ireland's economy<sup>6</sup>.

## Chairman & CEO Overview (continued)

We face a number of competitiveness challenges that risk impacting on Ireland's ability to attract and maintain FDI. In the immediate term, the necessary public health restrictions in place for much of the first half of this year have had a significant impact on IDA client companies. International travel disruption, the introduction of mandatory hotel quarantine and delays in processing entry visas for non-EEA nationals has impeded companies' ability to access international talent pools as they seek to establish or expand in Ireland. As a result, there is a risk that this issue will have a negative impact on FDI job creation in 2021. IDA welcomes the updated Government guidance on international travel from July 2021 and the reopening of the immigration registration office in Dublin in May 2021.

As a small, open economy and as an island at the periphery of Europe, international connectivity is crucial to maintaining existing investment and realising future investment opportunities. It is imperative for Ireland to rebuild international connectivity as soon as possible. IDA has engaged extensively with client companies and worked constructively with DETE on the challenges international travel restrictions pose, while recognising and respecting the need for restrictions to reduce the risks associated with new variants and mutations of Covid-19.

Longstanding competitive issues also continue to impact on Ireland's attractiveness to FDI. As the Agency has highlighted previously, the efficiency of the planning system, and the protracted nature of the judicial review process has become an area of reputational risk and an obstacle to IDA's ability both to attract new investors and to encourage existing investors to expand. IDA fully supports the need for appropriate checks and balances in the planning process. However, avoidable delays in the delivery of our client companies own capital projects and in the provision of public infrastructure across energy, transport, telecommunications and water services creates uncertainty for investors and makes Ireland a less attractive place in which to

do business. The Government's commitment to productive capital investment and the ongoing review of the National Development Plan (NDP) is welcome and marks a notable point of contrast to the cuts in capital expenditure implemented in the wake of the Global Financial Crisis. It is now vital that the key strategic capital projects under the NDP are efficiently progressed and delivered.

Talent remains a key differentiator for Ireland in winning FDI. The quality of our education system and the skills of our people are among the top-rated operational factors in Ireland by IDA client companies. To safeguard this strength and our international competitiveness, urgently addressing the long-term sustainable funding of third level education is essential. Related to this, we must ensure the skillsets of third level graduates are aligned with the needs of the economy and that companies' contributions to the National Training Fund are used to provide demand led programmes. Further efforts are needed to realise the high-level ICT graduate target set out in Technology Skills 2022 and to improve digital skills among workers across the economy. It is also important to ensure industry-relevant lifelong learning opportunities, including through further investment in online education, are available to those already in the workforce. This is particularly important for workers in sectors experiencing structural challenges and sectors being disrupted by the digitalisation of business models.

Risks related to underinvestment in our third level education system are compounded by the gap between Ireland and a number of other advanced economies on investment in RD&I. The increase in Irish expenditure on research funding in recent years is welcome, however Ireland's remains below and is unlikely to have achieved the target set in Innovation 2020 to reach an R&D intensity ratio of 2.5% of GNP by 2020. Foreign owned enterprises account for 70% of business expenditure on RD&I in the State and RD&I is consistently the main area where IDA client companies are seeking to expand

# Chairman & CEO Overview (continued)

their mandate in Ireland<sup>7</sup>. To remain competitive, win further investment and support Ireland's ambition to be a destination for innovation, targeted measures should be introduced to increase RD&I spending in line with other countries. IDA will continue to engage with DETE and with the Department for Further and Higher Education, Research, Innovation and Science on the RD&I agenda, including inputting into the development of a renewed national strategy to succeed Innovation 2020.

The availability of high quality, competitively priced and resilient water and energy supplies is vital to enable the agency to continue to attract high levels of foreign direct investment. This would include resource intensive clients in the life sciences and technology sectors. Population growth and increasing demand from enterprise requires infrastructure providers to continuously stay ahead of demand. In this regard, it is essential that sufficient headroom is available to enable the network operators to demonstrate the agility necessary to meet the needs of international scale investments. Concerns around resilience and capacity, including those currently being expressed around the energy system, must be answered with clear plans, both short- and long-term for enhancement of networks and sources of supply.

IDA recognises and welcomes the extensive policy measures taken to address the housing crisis in recent years. However, the impact of the pandemic on construction risks delaying further progress on this issue over the duration of our new strategy. The National Competitiveness and Productivity Council has highlighted the impact of dysfunction in the housing market, which includes increased input costs. The continued speedy and successful implementation of policies designed to address this issue will be important.

In the global competition for both investment and talent, quality of life is an increasingly important determinant. To keep talented young Irish citizens and

to continue to attract international talent from around the world, the delivery of affordable, high-quality housing and rental accommodation must remain a priority. In addition, placemaking should be at the forefront of development in Ireland to promote a better quality of life for citizens. Successful placemaking can provide a competitive edge in attracting and retaining the talent and skills on which FDI is reliant. IDA therefore welcomes the provision of funding under Project Ireland 2040's Urban and Rural Regeneration and Development Funds to make Ireland's cities and towns better places to invest, work and live. Improvements made at modest expense can have a significant impact. IDA continues to urge local authorities across the country to maintain a strong focus on placemaking in their functional mandates.

## Conclusion

As we seek to realise opportunities and address challenges in the months and years ahead, IDA will continue to work closely with DETE, other Government Departments and Agencies, and with a wide range of public and private sector bodies. IDA is grateful for the support of those who, on a daily basis, help the Agency to deliver on its mission to win and develop FDI, providing jobs, economic impact and opportunity for the people of Ireland. IDA acknowledges the continued commitment and support of our client companies. We pay tribute to the resilience they demonstrated over the past year and the confidence they place in Ireland.

We wish to express a special thanks to the IDA team in Ireland and overseas for their dedication during difficult circumstances to ensure IDA provided a continuity of service despite the pandemic. The commitment, expertise and passion for performance of colleagues across the Agency drove the strong results achieved by IDA in 2020.

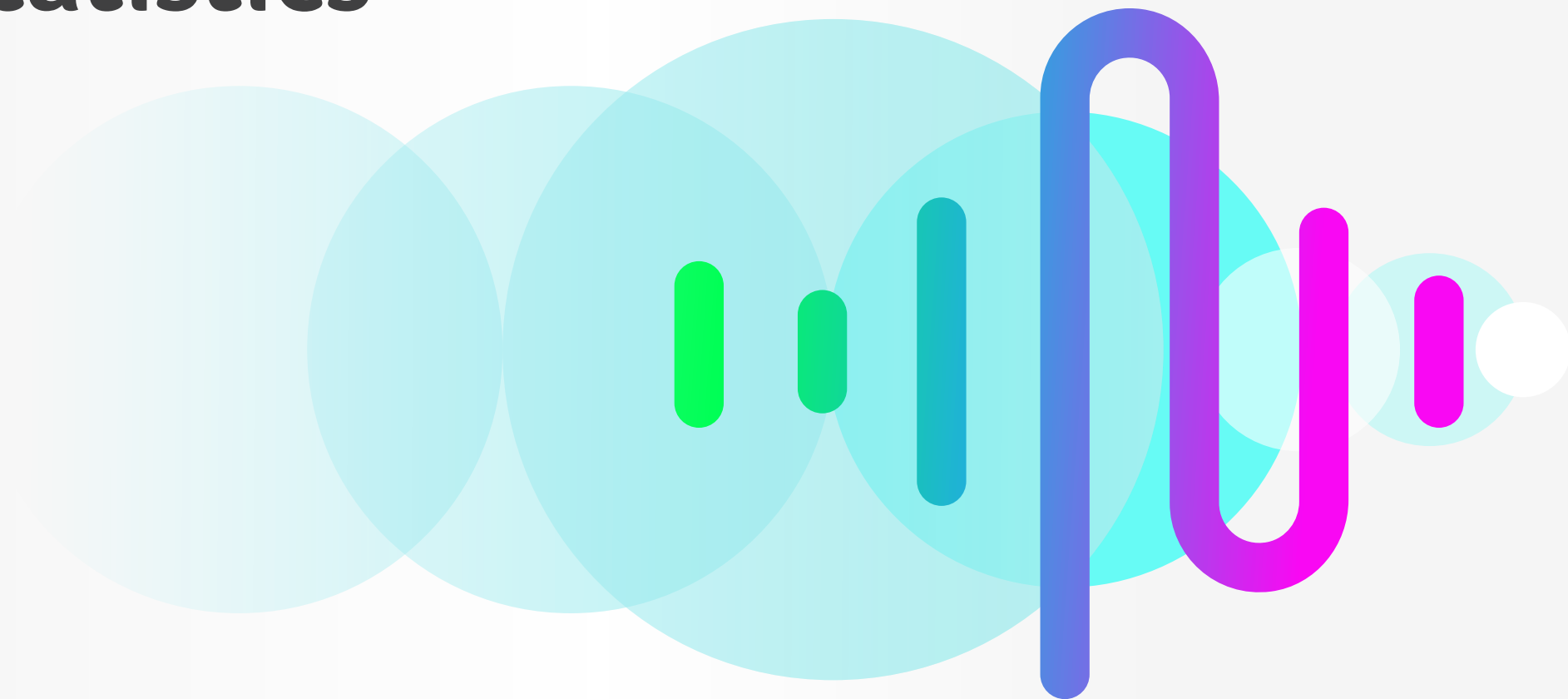


**Frank Ryan**  
Chairman



**Martin Shanahan**  
Chief Executive

# Statistics



## IDA Ireland Indicators

Indicator	2020 Value
Total of Investments Approved	246
No of New Name Investments	95
No of Expansion Investments	73
No of Research, Development and Innovation Investments	46
Investment in Research, Development and Innovation investments	€1bn
Training Investments	28
Environmental Investments	4
% of Investments Located Outside Dublin	52%
% of Jobs Approved Outside Dublin	42%
% Jobs Approved with Salaries in Excess of €35,000	95%
Average Salary in Investments	€56,100

## Origin of IDA Ireland Supported Companies 2020

Origin	Number of Companies	Total Employment
United States	861	181,141
Germany	93	14,361
United Kingdom	147	8,071
France	77	8,116
Rest of Europe	188	20,773
Rest of World	250	24,932
<b>Total</b>	<b>1,616</b>	<b>257,394</b>

Source: DETE Annual Employment Survey 2020.

Note: Includes Full-time and Part-time Employees.

# Statistics (continued)

## Employment in IDA Supported Companies

	2020
<b>Job Gains</b>	<b>20,123</b>

Source: IDA Ireland 2020

## Employment in IDA Supported Companies

	2019	2020
Total Employment	248,450	257,394
Full Time	227,164	236,544
Other	21,286	20,850
Net Change in Total Employment	14,847	8,944
<b>% Net Change in Total Employment</b>	<b>6%</b>	<b>4%</b>

Source: DETE Annual Employment Survey 2020, Time Series Data.

Note: Other employment includes part-time and short term contract employees.

## Total Employment by Region in IDA Ireland Supported Companies

IDA Region	2016	2017	2018	2019	2020	% Change 2019/2020
<b>Border</b>	7,624	7,921	8,206	8,722	8,651	-1%
<b>Dublin &amp; Mid-East</b>	101,156	107,167	115,408	125,580	131,101	4%
<b>Mid-West</b>	20,001	21,343	22,554	24,031	24,169	1%
<b>Midlands</b>	4,788	5,044	5,714	6,195	6,308	2%
<b>South-East</b>	11,911	12,573	13,324	13,096	13,461	3%
<b>South-West</b>	37,989	39,627	42,160	43,812	46,009	5%
<b>West</b>	22,271	24,154	26,237	27,014	27,695	3%
<b>Total</b>	<b>205,740</b>	<b>217,829</b>	<b>233,603</b>	<b>248,450</b>	<b>257,394</b>	<b>4%</b>

Source: DETE Annual Employment Survey 2020.

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

## Statistics (continued)

### Total Employment by Sector in IDA Ireland Supported Companies

Sector	2016	2017	2018	2019	2020	%change 2019/2020
Pharmaceuticals and Food	27,092	28,302	30,198	32,288	34,187	6
Computers, Electronics and Optical Equipment	20,531	20,173	19,928	19,901	21,050	6
Medical and Dental Instruments and Supplies	29,502	31,500	33,874	35,946	36,304	1
Other Manufacturing	19,240	19,948	21,385	21,405	20,699	-3
Financial Services	24,943	26,999	27,217	29,167	29,419	1
Information and Communication	75,406	80,595	87,618	94,105	99,357	6
Business and Other Services	9,026	10,312	13,383	15,638	16,378	5
<b>Total</b>	<b>205,740</b>	<b>217,829</b>	<b>233,603</b>	<b>248,450</b>	<b>257,394</b>	<b>4</b>

Source: DETE Annual Employment Survey 2020.

# Statistics (continued)

## Economic Impact of Foreign Direct Investment

The Department of Enterprise, Trade and Employment estimates that for every 10 jobs generated by Foreign Direct Investment (FDI) directly, another 8 are generated in the wider economy. This translates into 463,309 jobs that were supported by FDI at the end of 2020. Secondary economic benefits impact positively on the construction industry, the retail sector and the hospitality industry.

The ABSEI (Annual Business Survey of Economic Impact) survey results for 2019 (latest data available) include data for Exports, Irish Economy Expenditure, in-house R&D and capital expenditure as follows:

- IDA client exports increased by **10.7% to €255.3bn** in 2019.
- Expenditure in the Irish economy grew **14.8% to €25.2bn** in 2019. This is made up of expenditure on payroll (**€15.1bn**), Irish services (**€7.4bn**), and Irish materials (**€2.7bn**).
- In-house R&D Investment grew **17.2% to €2.6bn** in 2019.
- IDA clients invested **€7.4bn** in capital projects in 2019.

## IDA Ireland Cost per Job Sustained Constant 2020 Prices

	2007/13	2008/14	2009/15	2010/16	2011/17	2012/18	2013/19	2014/20
<b>Sustained FTJ*</b>	44,752	49,452	56,973	69,611	77,099	94,880	104,690	110,063
<b>CPJS**</b>	<b>€12,824</b>	<b>€12,057</b>	<b>€10,732</b>	<b>€9,282</b>	<b>€8,146</b>	<b>€6,622</b>	<b>€5,898</b>	<b>€5,935</b>

Source: DETE Annual Employment Survey 2020

Note: The cost per job sustained is calculated by taking into account IDA Ireland grant expenditure to all firms in the period of calculation.

Only jobs created during and sustained to the end of each seven year period are credited in the calculations.

\*FTJ = Full Time Job.

\*\*CPJS = Cost per Job Sustained



# Environmental, Social and Governance



# Environmental, Social and Governance

## Environmental, Social and Governance (ESG) performance

At a time of international climate crisis, social unrest and economic divide, IDA has renewed our commitment to attracting FDI in a way that promotes and enhances sustainable growth. The five pillars of the Agency's 2021-24 strategy align with and are guided by the UN Sustainable Development Goals; reflect the ambition of the Programme for Government to promote well-being and sustainability outcomes in parallel to economic prosperity; and reflect the increasing centrality of environmental, social and governance (ESG) factors in the corporate strategies of MNCs.

### Environmental

IDA has set a target to win 60 environmental sustainability investments in the period to 2024. We will partner with existing clients to develop Corporate Climate Action Plans (CCAPs) to provide the basis for the reduction of their carbon footprint in Ireland. At the same time, we will seek to win new discrete green economy investments in subsectors and business models closely aligned to Ireland's strengths.

The Agency will also continue to take steps to reduce our own carbon footprint and wider environmental impact. We will work towards the ambitious 2030 energy efficiency and decarbonisation targets for the public sector, target a 25% improvement in IDA's energy efficiency by 2024 and pilot biodiversity measures on a minimum of five IDA business parks. Our planned actions in the period to 2024 will build upon our progress to date, which includes a 54.4% improvement in energy efficiency recorded in 2019 relative to 2009 baseline levels and various initiatives across IDA's buildings

and infrastructure projects, such as the embedding of Leadership in Energy and Environmental Design (LEED) accreditation in our Regional Property Programme<sup>1</sup>.

### Social

IDA client companies create good quality jobs that pay well and provide opportunity for advancement. The average salary in IDA client companies was an estimated €70,090 in 2019<sup>2</sup>. IDA continues to target investments with annual salaries above the national average and we are also working to enhance our engagement with clients on training and upskilling. Ensuring a diverse workforce that creates equal opportunities for all is a key requisite for business success. Almost 9 in 10 IDA clients are engaged with the corporate social responsibility (CSR) agenda, across areas including workplace development and diversity and inclusion – where many clients are leaders in their field. In our new strategy, IDA has committed to partnering with client companies, across Government and with key stakeholders to achieve further progress such as in closing the gender representation gap and improving employment outcomes for underrepresented groups. We continue to work, for example, with the Balance for Better Business Group which has set a target for women in senior leadership role at large MNCs in Ireland to encourage progress towards 40% representation by 2023 from a 2020 baseline level of 30%. IDA also continues to proactively engage with the OECD on their work on how to attract investment that promotes innovation, quality jobs and skills, gender equality and the low-carbon transition.

## Environmental, Social and Governance (continued)

To succeed in the global environment in which we operate, IDA must foster a supportive, diverse and inclusive culture in which our teams can work, develop and succeed. During 2020, IDA sought to provide our colleagues with the resources and support they needed at such a challenging time. This included the provision of equipment to enable remote working, regular communication on IDA's business continuity plan and the continued availability of the Employee Assistance Programme (EAP) in partnership with VHI Healthcare. IDA also developed new policies on flexible working and workplace safety in advance of a return to the office. In addition, over the past year the Agency partnered with the Irish Centre for Diversity on the development of a new Action Plan for Equality, Diversity and Inclusion. The Action Plan will aim to develop a supportive culture in IDA, building on the various diversity and inclusion initiatives we have undertaken in recent years. IDA's CSR Committee also remained active in 2020, with colleagues across the Agency raising funds and awareness for our charity partners: LauraLynn in 2019/20 and Jigsaw in 2020/21.



# Financial Statements



# Comptroller & Auditor General

## Report for presentation to the Houses of the Oireachtas

### Industrial Development Agency Ireland

#### Opinion on financial statements

I have audited the financial statements of Industrial Development Agency Ireland (IDA Ireland) for the year ended 31 December 2020 as required under the provisions of paragraph 7 of the first schedule of the Industrial Development Act 1993. The financial statements comprise

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

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of IDA Ireland at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### Basis of opinion

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

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

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

IDA Ireland has presented certain other information together with the financial statements. This comprises the annual report, including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report. I have nothing to report in that regard.



**Seamus McCarthy**

Comptroller and Auditor General  
18th June 2021

# Appendix to the report

## Responsibilities of Board members

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

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

## Responsibilities of the Comptroller and Auditor General

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

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those

risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

## Information other than the financial statements

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

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

## Reporting on other matters

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

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

I also report by exception if, in my opinion,

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

# Governance Statement and Board Members' Report (continued)

## Governance

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

While the primary source of corporate governance for IDA Ireland are the Industrial Development Acts, the Agency is also required to comply with a range of other statutory (National and EU) and administrative requirements. IDA Ireland affirms that it met its obligations in regard to all of these requirements. In particular, it has the following procedures in place to ensure compliance with specific requirements:

### 1. General Administrative and Policy Requirements

At national level, IDA Ireland works closely with officials of the Department of Enterprise, Trade and Employment and officials of other Government Departments and State Agencies in advancing its objectives and ensuring compliance with statutory, administrative and Ministerial/Government requirements. At local level, the Agency works closely with Local Authorities, Educational Establishments, other State Agencies and a wide range of Local Organisations/Public Representatives to develop the local environment necessary for attracting new investment. IDA Ireland continues to implement a policy directive issued by the Minister for Enterprise, Trade and Employment on 18 December 2006 which requires that IDA comply with all relevant Guidelines, Block Exemption Regulations, Frameworks and schemes regarding Regional Aid and in providing research and development grants.

### 2. Code of Practice for the Governance of State Bodies (2016)

#### Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in

place to ensure compliance with the Code. IDA Ireland was in full compliance with the Code of Practice for the Governance of State Bodies for 2020, subject to a waiver from the Department of Enterprise, Trade and Employment in respect of a requirement in a 2014 Circular, as noted in the Statement of Internal Control.

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

Sections 1.8 & 7.5 (iii): An effective system of internal control is maintained and operated by the Agency (Statement on Internal Control, page 28).

Section 9: Government policy on the pay of Chief Executives and State Body employees is being complied with (Governance Statement and Board Members Report 2020 pages 21-27 and Notes to the Financial Statements pages 34-45).

Sections 1.15 & 1.17: The Board approved a one year strategy for 2020 and also approved the four year IDA strategy for the years 2021-2024. In addition, the Board has established processes to ensure sound corporate planning, etc., as required by this Section (Governance Statement and Board Members Report 2020 page 21, and Statement on Internal Control page 28).

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

Section 8.47: The Chairman of the Board, in the separate letter furnished to the Minister for Enterprise Trade and Employment, confirms that the IDA has complied with its obligations under tax law.

The schemes and programmes administered by the IDA are in accordance with the legislation governing the operation of the Agency and appropriate risk management systems are in place.

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**3. Revenue Commissioners' Statement of Practice Split/1/04 on Tax Treatment of Remuneration of Members of State and State Sponsored Committees and Boards**  
IDA Ireland fully complies with this Statement of Practice.

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### 4. Guidelines for the Appraisal and Management of Capital Expenditure Proposals

IDA Ireland has well-established robust procedures in place for the Appraisal and Management of Capital Expenditure projects arising under the Capital Grants or Property programmes. These procedures comply with the principles set out in the Guidelines for the Appraisal and Management of Capital Expenditure Proposals.

### 5. Employment Equality Acts, 1998 And 2004

Equality, diversity and inclusion (EDI) is an established priority for IDA. The organisation has a progressive EDI action plan and new initiatives are developed on an ongoing basis. IDA Ireland is an equal opportunities employer and is committed to fostering an inclusive workplace which values and benefits from the diversity of our workforce. To this end, it is committed to ensuring that no team member of IDA, or applicant for employment with IDA, receives less favourable treatment than any other on grounds of gender, marital status, family status, sexual orientation, religion, age, disability, race, membership of the traveller community or on any other grounds not relevant to good employment practice. This applies to recruitment, working conditions and development opportunities.

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

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### 6. The Health, Safety and Welfare at Work Act, 2005

IDA Ireland continues to take appropriate measures to protect the safety, health and welfare of all employees and visitors within its offices to meet the provisions of this Act. This extends to the Public Health (Tobacco) Acts 2002 and 2004.

# Governance Statement and Board Members' Report (continued)

## 7. Worker Participation (State Enterprise) Act, 1988

Consultative structures are operating effectively in IDA Ireland and are a recognised feature of the organisation's communications and consultative structure. The Joint Consultative Committee is welcomed as a positive process by both management and staff. Additionally, a further partnership arrangement has been established with the Trade Unions to progress actions under the Haddington Road National Agreement.

## 8. Ethics in Public Office Act, 1995 and Standards in Public Office Act, 2001

In accordance with the above Acts, all IDA Ireland Board Members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Acts.

## 9. Freedom of Information Act 2014

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

## 10. Energy Efficiency

In compliance with the Government memorandum of June 2001, IDA Ireland, in the design, planning and construction of office and manufacturing buildings on its Business and Technology Parks, applies 'best practice' principles in all cases. The IDA's offices in the regions also conform to 'best practice' principles. IDA's new Global HQ at Three Park Place is A3 BER rated and is certified WiredScore Platinum – features include high quality building envelope insulation, thermal storage, rain water harvesting, photovoltaic panels, combined heat & power (CHP) for renewable energy generation and LED lighting.

## 11 (I). Prompt Payment of Accounts

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

## 11 (II). Prompt Payment to Supplier

IDA Ireland is committed to meeting its obligations under the 15 day Prompt Payment Rule, which came into effect on 1 July 2011.

The provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days.

IDA Ireland reports quarterly in the "Corporate Governance" section of the website on the implementation of the 15 day Prompt Payments rule.

## 12. Protected Disclosure

In line with the legal requirement under section 21 of the Protected Disclosures Act 2014, IDA Ireland has established and maintains procedures for the making of protected disclosures by workers who are or were employed by IDA Ireland and for dealing with any disclosures made. IDA Ireland has provided staff with written information relating to the protected disclosures procedures.

There were no protected disclosures made to IDA Ireland in 2020.

## Board Responsibilities

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

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

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

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



# Governance Statement and Board Members' Report (continued)

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

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

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

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of IDA Ireland by reference to the annual plan and budget was carried out quarterly with the final review taking place on 4th March 2021.

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

The Board considers that the financial statements of IDA Ireland give a true and fair view of the financial performance and the financial position of IDA Ireland at 31st December 2020.

## Board Structure

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

Board Member	Role	Date Appointed
Frank Ryan	Chairman	1st January 2014 (retired 31 December 2018. Re-appointed 1 January 2019)
Martin Shanahan	CEO	31st August 2014
Geraldine McGinty	Ordinary member	8th August 2014 (retired 31 December 2017. Re-appointed 26 January 2018)
Barry O'Sullivan	Ordinary member	4th September 2015 (retired 31 December 2018. Re-appointed 1 January 2019)
Marian Corcoran	Ordinary member	26th August 2016 (retired 31 December 2020. Re-appointed 1 January 2021)
Dermot Mulligan	Ordinary member	12th October 2016 (retired 31 December 2020. Re-appointed 14 January 2021)
Mary Mosse	Ordinary member	17th September 2017
Kevin Cooney	Ordinary member	8th June 2018
Thomas (Tony) Kennedy	Ordinary member	8th June 2018
Ann Hargaden	Ordinary member	27th November 2020
Regina Moran	Ordinary member	27th November 2020
Bill O'Connell	Ordinary member	27th November 2020

The Board carried out a Board Effectiveness and Evaluation Review in December 2020.

**Key Personnel changes** – Divisional Manager, John Conlon, resigned from his position with effect from 2nd October 2020.

# Governance Statement and Board Members' Report (continued)

## Board 2020

The Board operates to best practice corporate governance principles and in line with the guidelines set out in the 'Code of Practice for the Governance of State Bodies' as issued by the Department of Public Expenditure & Reform, both in its own activities and in its use of committees.

It is responsible for setting the broad policies of the organisation and for overseeing its operation. It performs these functions directly and through the operation of focused Board Committees. Responsibility for the implementation of policy rests with executive management.

The Board has statutory authority to approve grant aid up to the levels set out in the Industrial Development Acts and to recommend grant aid above these specified levels to Government. In accordance with the Ethics in Public Office Acts, 1995 and 2001, IDA Ireland Board Members furnish a Statement of Interests to the Secretary and to the Standards in Public Office Commission.

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

## Frank Ryan

Chairman, IDA Ireland

## Martin Shanahan

Chief Executive Officer, IDA Ireland

## Geraldine McGinty

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

## Marian Corcoran

Founder MC 2 Change Limited

## Dermot Mulligan

Asst. Secretary General  
Department of Enterprise, Trade and Employment

## Barry O'Sullivan

Vice President of Manufacturing, Johnson and Johnson  
Vision Care

## Mary Mosse

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

## Thomas (Tony) Kennedy

CEO Tawin Consulting

## Kevin Cooney

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

## Ann Hargaden

Consultant at Lisney Ireland.

## Bill O'Connell

Principal BOC Consulting Services

## Regina Moran

Vice President, Strategic Projects & Change  
Fujitsu

## John Nolan

Secretary, IDA Ireland

The Board committee structure is outlined below. It underwent change at the start of 2021 when the following committees – Property Committee, Regional Development Committee, Sectoral Development Initiatives Committee and Management Development & Remuneration Committee – were replaced by the following committees: - Regional Development & Property Committee, Innovation & Sustainable Development Committee and Organisational Development Committee.

## Audit, Finance and Risk Committee

Assists and supports the Board in discharging its legal and accounting responsibilities; communicates with external auditors and evaluates and controls the internal audit function; reviews financial planning and the system of internal financial control. It also oversees the implementation of the organisation's risk policy including the development of its risk register and monitors budgeting and banking arrangements.

## Members 2020

Geraldine McGinty (Chair)  
Dermot Mulligan  
Mary Mosse  
Tony Kennedy  
Liam Rattigan  
(External Committee Member)

## Members 2021

Geraldine McGinty (Chair)  
Dermot Mulligan  
Tony Kennedy  
Ann Hargaden  
Regina Moran  
Liam Rattigan (retired 31st March 2021)  
(External Committee Member)

# Governance Statement and Board Members' Report (continued)

## Property Committee (2020)

Reviewed policy with regard to the financing, provision, maintenance and disposal of property, approved procedures with regard to tendering and awarding of contracts and approved expenditure/sales of up to €12million.

### Members 2020

Marian Corcoran (Chair)  
Mary Mosse  
Martin Shanahan  
Dermot Mulligan  
Kevin Cooney

## Regional Development Committee (2020)

Provided guidance on the implementation of the regional development aspects of IDA's Strategy. Reviewed and monitored IDA's annual and cumulative regional targets and its involvement in national and regional strategy development.

### Members 2020

Barry O'Sullivan (Chair)  
Dermot Mulligan  
Mary Mosse  
Tony Kennedy  
Mary Buckley

## Sectoral Development Initiatives Committee (2020)

The Sectoral Development Initiatives Committee reviewed and recommended sectoral initiatives/investments to the Board. Monitored progress on sectoral initiatives and ensured the infrastructure existed to support the initiatives.

Reviewed progress on the National Institute for Bioprocessing Research and Training (NIBRT) investment project to ensure that it was delivering in accordance with the objectives and conditions approved by the IDA Board.

### Members 2020

Geraldine McGinty (Chair)  
Barry O'Sullivan  
Marian Corcoran  
Tony Kennedy  
Kevin Cooney

## Management Development and Remuneration Committee (2020)

Reviewed the performance of the senior management team and plans for management development and succession. The Committee also reviewed remuneration of senior management in the context of Government guidelines.

### Members 2020

Frank Ryan (Chair)  
Marian Corcoran  
Martin Shanahan  
Kevin Cooney

## Regional Development and Property Committee (2021)

Provides guidance on the implementation of the regional development aspects of IDA's Strategy. Reviews and monitors IDA's annual and cumulative regional targets and its involvement in national and regional strategy development. Reviews policy with regard to the financing, provision, maintenance and disposal of property, approves procedures with regard to tendering and awarding of contracts and approves expenditure/sales of up to €12million.

### Members 2021

Marian Corcoran (Chair)  
Dermot Mulligan  
Mary Mosse  
Barry O'Sullivan  
Geraldine McGinty  
Bill O'Connell  
Ann Hargaden  
Martin Shanahan

## Innovation and Sustainability Committee (2021)

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

## Members 2021

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

## Organisational Development Committee (2021)

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

### Members 2021

Frank Ryan (Chair)  
Marian Corcoran  
Martin Shanahan  
Kevin Cooney

## Management Investment Committee

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

### Members 2020

Martin Shanahan (Chair)  
Mary Buckley  
Eileen Sharpe  
Regina Gannon  
Leo Clancy

### Members 2021

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

# Governance Statement and Board Members' Report (continued)

## Board Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out below including the fees and expenses received by each member.

	Board	Audit Finance & Risk Committee	Property Committee of the Board	Regional Development Committee	Management Development & Remuneration Committee	Sectoral Development Initiative Committee	Fees 2020 €	Expenses 2020 €
Number of Meetings	10	5	10	4	6	4		
Frank Ryan (Chairman)	10	-	-	-	6	-	20,520	286
Martin Shanahan (Chief Executive)	9	-	9	-	6	-	-	-
Kevin Cooney	10	-	9	-	6	4	11,970	-
Marian Corcoran	10	-	10	-	6	4	11,970	-
Ann Hargaden	1	-	-	-	-	-	-	-
Tony Kennedy	10	5	-	4	-	3	11,970	2,903
Geraldine McGinty	9	5	-	-	-	4	11,970	2,524
Regina Moran	1	-	-	-	-	-	-	-
Mary Mosse	9	5	9	4	-	-	11,970	-
Dermot Mulligan	9	4	9	1	-	-	-	-
Bill O'Connell	1	-	-	-	-	-	-	-
Barry O'Sullivan	10	-	-	4	-	4	11,970	199
							<b>92,340</b>	<b>5,912</b>

Board Members expenses in 2020 amounted to €5,912 broken down €874 accommodation and €5,038 other travel, subsistence and vouched food expenses. There were no Regional or Overseas Board meetings in 2020.

# Governance Statement and Board Members' Report (continued)

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

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

### Permanent Salary Breakdown

Employee Benefits	Number of Employees (WTE)	
	2020	2019
€60,000 to €70,000	34	43
€70,001 to €80,000	35	32
€80,001 to €90,000	28	31
€90,001 to €100,000	33	20
€100,001 to €110,000	11	9
€110,001 to €120,000	5	1
€120,001 to €130,000	1	2
€130,001 to €140,000	-	1
€140,001 to €150,000	2	5
€150,001 to €160,000	9	10
€160,001 to €170,000	3	1
€170,001 to €180,000	1	-
€180,001 to €190,000	1	1

### Consultancy Costs

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

	2020 €'000	2019 €'000
Legal Advice	763	583
Commercial & Technical Evaluation and Studies	187	217
Financial / Actuarial Advice	34	-
Human Resources	93	52
Business Improvement	2	9
Other	83	17
	<b>1,162</b>	<b>878</b>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	1,162	878
	<b>1,162</b>	<b>878</b>

## Legal Costs and Settlements

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

	2020 €'000	2019 €'000
Legal Fees - Legal Proceedings	625	435
Conciliation and arbitration payments	-	-
Settlements	-	-
	<b>625</b>	<b>435</b>

Legal Costs relate to an ongoing matter involving IDA.

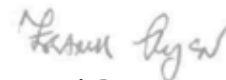
### Travel and Subsistence Expenditure

	2020 €'000	2019 €'000
Travel and subsistence expenditure is categorised as follows:		
Domestic		
- Board	4	14
- Employees	404	1,635
International		
- Board	2	7
- Employees	355	1,668
	<b>765</b>	<b>3,324</b>

### Hospitality Expenditure

	2020 €'000	2019 €'000
The Income and Expenditure Account includes the following hospitality expenditure:		
Domestic		
- Board	-	-
- Employees	-	9
International		
- Board	-	-
- Employees	-	9
	<b>-</b>	<b>9</b>

Date: 17th June 2021



**Frank Ryan**  
Chairman



**Martin Shanahan**  
Chief Executive

# Statement on Internal Control

## Scope of Responsibility

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

## Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in IDA for the year ended 31 December 2020 and up to the date of approval of the financial statements.

## Waiver from Department of Public Expenditure and Reform Circular

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

## Capacity to Handle Risk

IDA has an Audit, Finance and Risk Committee (AFRC) comprising four Board members and one external member, with financial and audit expertise, one of whom is the Chair. The AFRC met five times in 2020.

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

The AFRC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has

been issued to all staff who are expected to work within IDA's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

## Risk and Control Framework

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

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

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

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

## Impact of COVID-19 on the Risk and Control Framework

IDA has continuously assessed its control framework following the outbreak of Covid-19 and the move to remote working for all staff. Existing secure technology platforms were extended to all staff to facilitate remote working and enhanced cyber security measures including training and testing were implemented. The impact of risks arising from COVID-19 are assessed as part of the agency's risk

management process and IDA will continue to take all necessary actions to mitigate all material risks identified.

## Increased Promotions and Advertising Expenditure in Response to COVID-19 Economic Impacts

In July 2020, the Government introduced a set of measures referred to as the 'July Jobs Stimulus' which aimed to 'get people back on their feet and get as many people as possible back to work quickly'. A key element of the stimulus package was '€10 million to support IDA promotional and marketing initiatives targeting job-rich FDI projects that will be an essential part of our economic recovery'.

IDA's annual promotion and advertising budget is in the region of €5m and IDA Board approved the 2020 Promotions and Advertising plan in March 2020. IDA responded quickly to put in place the necessary arrangements to execute on the important €10m promotional and marketing initiative, outlined above. In September 2020 IDA Board approved a supplementary Promotions and Advertising plan for the additional €10m expenditure and written confirmation of the funding was received in September 2020 from Department of Public Expenditure and Reform. On 8th October 2020 the Board approved an extension of a contract with a media planning and buying agency, in accordance with procurement rules, up to a maximum value of €5m. In parallel to the extension of the contract, a tender process was in progress for the appointment of a media planning and buying agency for a period of four years. A robust procurement process took place and on 8th November 2020 the Board approved the appointment of the successful tenderer for a four year period. The contract with the successful tenderer was signed on 4th December 2020.

In October / November 2020 IDA entered into partnerships with global media outlets through our media planning and buying agency incl. CNBC, Bloomberg, Nikkei and Business Insider and incurred the associated expenditure of €5m under the extended contract. A total of €10.47m was incurred, December 2020 (€8.47m) / January 2021 (€2m), under the new four year contract, referenced above, to progress efforts to increase awareness and engagement with Ireland's FDI proposition including a dedicated St. Patrick's Day 2021 marketing campaign and a digital campaign which would support and amplify IDA's message to investors on Ireland with the ultimate aim of continuing the flow of high value investments to Ireland. Partnerships with the Harvard Business Review, Financial Times, CNBC, Bloomberg, Wall Street Journal and Economist were also entered into. In line with industry practice, these partnerships were negotiated and secured in advance in order to allow time for content creation and secure best

# Statement on Internal Control (continued)

value for money for IDA Ireland. The partnerships included content creation, advertising placement on TV, print and social, webinar sponsorships and additional social media amplification that put the IDA Ireland brand in front of the target senior corporate executives worldwide. The €8.47m has been accounted for as prepayments in the 2020 Financial Statements, as the associated marketing services will be finalised in 2021. IDA has established monitoring procedures to confirm the effective use of IDA marketing and promotional expenditure and the value to Ireland.

## Ongoing Monitoring and Review

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

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

## Procurement

I confirm that IDA has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2020 IDA complied with those procedures.

## Review of Effectiveness

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

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2020.

## Internal Control Issues

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

Signed on behalf of the Board



**Frank Ryan**

Chairman

17th June 2021

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# Statement of Income & Expenditure & Retained Revenue Reserves

For Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
<b>Income</b>			
Oireachtas Grants	2	197,109	198,518
National Training Fund	3	3,000	3,000
Grant Refunds	4	917	1,682
Rental Income		3,545	2,565
Other Income	5	732	2,246
Profit / (Loss) on Disposal of Assets	6	5,767	(56)
Net Deferred Pension Funding	19 (f)	6,880	7,124
		<b>217,950</b>	<b>215,079</b>
<b>Expenditure</b>			
Grants Payable	7	106,446	100,648
Promotion, Administration and General Expenses	8	53,480	56,961
Industrial Building Charges	9	8,288	10,902
Depreciation Charges	10	18,490	14,364
Impairment (Reversals) / Charges	10	(865)	846
Pension Costs	19 (c)	8,070	8,165
		<b>193,909</b>	<b>191,886</b>
<b>Surplus for the Year before Appropriations</b>		<b>24,041</b>	<b>23,193</b>
Contribution to the Exchequer	11	-	-
Transfer (to) Capital	12	(10,402)	(23,768)
<b>Surplus / (Deficit) for the year after Appropriations</b>		<b>13,639</b>	<b>(575)</b>
Balance Brought Forward at 1 January		19,993	20,568
<b>Balance Carried Forward at 31st December 2020</b>		<b>33,632</b>	<b>19,993</b>

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

The Statement of Cashflows and notes 1 to 25 form part of these Financial Statements.

On behalf of the Board of IDA:

Date: 17th June 2021



**Frank Ryan**  
Chairman



**Martin Shanahan**  
Chief Executive



**Geraldine McGinty**  
Chairperson  
Audit, Finance & Risk Committee



# Statement of Comprehensive Income

For Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Surplus before Appropriations		<b>24,041</b>	23,193
Experience (loss) / gain on retirement benefit obligations	19 (d)	<b>(7,344)</b>	344
Change in assumptions underlying the present value of retirement benefit obligations	19 (d)	<b>(19,124)</b>	(16,060)
Total actuarial (loss) in the year		<b>(26,468)</b>	(15,716)
Adjustment to deferred retirement benefits funding		<b>26,468</b>	15,716
Other Comprehensive Income for the year		<b>24,041</b>	23,193

The Statement of Cashflows and notes 1 to 25 form part of these Financial Statements.

On behalf of the Board of IDA:

Date: 17th June 2021



**Frank Ryan**  
Chairman



**Martin Shanahan**  
Chief Executive



**Geraldine McGinty**  
Chairperson  
Audit, Finance & Risk Committee

# Statement of Financial Position

As at 31 December 2020

	Notes	2020 €'000	2019 €'000
<b>Tangible Fixed Assets</b>			
Industrial Property	13	235,438	221,570
Other Fixed Assets	14	10,470	13,936
		<b>245,908</b>	235,506
<b>Intangible Assets</b>			
Telecommunication Assets	15	-	-
<b>Total Tangible and Intangible Assets</b>		<b>245,908</b>	235,506
<b>Current Assets</b>			
Receivables	16	36,121	22,603
Cash and Cash Equivalents		4,486	5,281
		<b>40,607</b>	27,884
<b>Current Liabilities</b>			
Payables	17	(6,913)	(6,168)
<b>Net Current Assets</b>		<b>33,694</b>	21,716
<b>Long Term Receivables</b>			
Receivables: amounts falling due after more than one year	16	288	603
<b>Provisions</b>			
Provisions for Liabilities and Charges	18	(350)	(2,326)
<b>Pensions</b>			
Deferred Pension Funding Asset	19 (f)	210,130	176,782
Pension Liability	19 (e)	(210,130)	(176,782)
<b>Total Net Assets</b>		<b>279,540</b>	255,499
<b>Representing:</b>			
<b>Capital Account</b>	12	<b>245,908</b>	235,506
<b>Retained Revenue Reserves</b>		<b>33,632</b>	19,993
		<b>279,540</b>	255,499

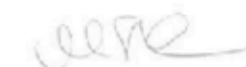
The Statement of Cashflows and notes 1 to 25 form part of these Financial Statements.

On behalf of the Board of IDA:

Date: 17th June 2021



**Frank Ryan**  
Chairman



**Martin Shanahan**  
Chief Executive



**Geraldine McGinty**  
Chairperson  
Audit, Finance & Risk Committee

# Statement of Cash Flow

For Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
<b>Net Cash Flows From Operating Activities</b>			
Excess Income over Expenditure		24,041	23,193
Reduction in Value of Fixed Assets			
- Industrial Property	10	12,971	10,782
- Other Fixed Assets & Telecommunication Assets	10	4,654	4,428
Expenditure Capitalised	8 (a)	(590)	(772)
(Profit) / Loss on Disposal of Assets	6	(5,767)	56
Bank Interest	5	-	(1)
Contribution to the Exchequer	11	-	-
(Increase) / Decrease in Receivables amounts falling due within one year	16	(13,518)	353
Increase / (Decrease) in Payables amounts falling due within one year	17	745	(26)
(Decrease) in Provisions and Charges	18	(1,976)	(297)
Decrease / (Increase) in Receivables amounts falling due after more than one year	16	315	(603)
<b>Net Cash Inflow from Operating Activities</b>		<b>20,875</b>	<b>37,113</b>
<b>Cash Flows from Investing Activities</b>			
Acquisitions		(37,213)	(63,558)
Disposals		15,543	25,296
<b>Net Cash Flows from Investing Activities</b>		<b>(21,670)</b>	<b>(38,262)</b>
<b>Cash Flows From Financing Activities</b>			
Bank Interest Received		-	1
<b>Net Cash Flows from Financing Activities</b>		<b>-</b>	<b>1</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>			
		<b>(795)</b>	<b>(1,148)</b>
Cash and cash equivalents at 1 January		5,281	6,429
<b>Cash and Cash Equivalents at 31 December</b>		<b>4,486</b>	<b>5,281</b>

## 1 Accounting Policies

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

### (a) General Information

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

IDA Ireland's primary objective as set out in Part II S8 of the Industrial Development (IDA Ireland) Act 1993 is:

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

### (b) Statement of Compliance and Basis of Preparation

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

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

### (c) Revenue Oireachtas Grants

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

#### Refunds of Grants Paid

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

#### Interest Income

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

#### Rental Income

Rents comprise amounts due under the terms of lease agreements for periods of up to 35 years entered into between the Agency and tenants, charges for the use of undeveloped lands and estate maintenance charges billed to tenants and are accounted for on an accruals basis.

#### Other Revenue

Other revenue is recognised on an accruals basis.

### (d) Grants Payable

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

### (e) Tangible Fixed Assets

Tangible Fixed Assets comprise :

- (i) Land which is held for the purposes of industrial development.
- (ii) Site development works.
- (iii) Industrial buildings leased to tenants including buildings in the course of sale where title had not passed at the year end.
- (iv) Vacant property available for industrial promotion or in the course of sale where title had not passed at the year end.
- (v) Other Fixed Assets including computer and office equipment and fixtures and fittings.

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

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

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

#### Impairment of Property, Plant and Equipment

Provisions for impairments may be made following reviews of fixed assets and telecommunication assets carried out by officers of IDA or independent valuers, as appropriate, if events or changes in circumstances or economic conditions indicate that the carrying amount of the assets may not be fully recoverable. Any such provisions will be recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year in which they are made. Where a subsequent review indicates that the circumstances which gave rise to a provision for impairment no longer exists or have changed materially the accumulated provision for impairment will be reduced accordingly.

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

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

## (f) Industrial Property

Industrial Property included in tangible fixed assets has been acquired, developed or constructed for the purposes of assisting in the promotion and development of industry and is not considered to be investment property but normal fixed assets.

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

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

## (g) Intangible Fixed Assets:

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

## (h) Receivables

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

- (i) Properties sold on a deferred basis. Interest is charged on these amounts at the Exchequer Lending Rates advised by the Department of Finance or the EU Discount Reference Rate as applicable.
- (ii) Rents due under the terms of lease agreements, for periods of up to 35 years, entered into between the Agency and tenants, charges for the use of undeveloped lands and estate maintenance charges billed to tenants.
- (iii) Fees from purchase options given on IDA property, deposits paid by IDA for the purchase of property where title had not passed to the Agency at 31 December, and the provision of other services.
- (iv) Amounts due in respect of the disposal or leasing of telecommunication assets.

- (v) Amounts due in respect of joint arrangements.
- (vi) Amounts due in respect of loans advanced and interest thereon.

## (i) Payables comprise amounts payable in respect of:

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

## (j) Provisions for liabilities and charges comprise:

- (i) Amounts provided in respect of potential costs associated with the dilapidations provision of operating leases.
- (ii) Amounts provided where the future costs arising under operating leases are estimated to exceed the amounts recoverable from sub lessees.

## (k) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Statement of Financial Position date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves.

## (l) Leases

The rentals under operating leases are dealt with in the Financial Statements as they fall due. In the case of industrial property available for promotion a provision is made, where applicable, for future rental payments by the Agency.

## (m) Employee Benefits Short-term Benefits

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

## Retirement Benefits

The Industrial Development (Forfás Dissolution) Act 2014 (No 13 of 2014) which was passed into law on 16th July 2014

made provision for the dissolution of Forfás and provided for: the establishment of IDA Ireland, Enterprise Ireland and Science Foundation Ireland as separate legal employers; each agency developing its own pension scheme noting that staff who are/were members of the Forfás Pension Scheme join the new Agency Schemes on superannuation terms no less favourable than those they enjoyed under the Forfás Scheme immediately before the date of transfer, agencies' own staff becoming members of these schemes; and these agencies accounting for the associated Pension Liabilities under FRS102. The Department of Enterprise, Trade and Employment assumes legal responsibility for the existing Forfás pension schemes, pensioners and former staff with preserved benefits.

Under the Public Service Pensions (Single Scheme and other provisions) Act 2012 new entrants to the Public Service on or after 1 January 2013 become members of the Single Public Service Pension Scheme.

IDA has the full legal responsibility for its employees as their legal employer. This includes responsibility for the pensions of current employees who retire after 16th July 2014. The Financial Statements also reflect the pension costs of IDA staff covered by the Single Public Service Pension Scheme.

IDA's pension costs reflect unfunded defined benefit pension schemes, which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Enterprise, Trade and Employment and from certain contributions deducted from staff salaries.

Pension costs reflect pension benefits earned by employees in the period and are shown net of retained staff pension contributions. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

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

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

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

## (n) Critical Judgements, Estimates and Assumptions

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

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

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

### Residual values and depreciation of assets

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

### Impairment reviews of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

### Retirement benefit obligation

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

The assumptions can be affected by:

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

### Provisions

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

# Notes to the Financial Statements (continued)

For Year Ended 31 December 2020

## 2 Oireachtas Grants

The Oireachtas Grants are provided under section 35 of the Industrial Development (Science Foundation Ireland) Act 2003.

The Oireachtas Grants as shown in the Financial Statements consist of the following sums paid from Vote 32 - Enterprise, Trade and Employment:

	2020	2019
	€'000	€'000
Grant for Promotion and Administration Expenditure	Vote 32 - Subhead A5 (i) <b>62,109</b>	52,718
Grant for Industry	Vote 32 - Subhead A5 (ii) <b>96,000</b>	96,745
Grant for Industrial Property	Vote 32 - Subhead A5 (iii) <b>39,000</b>	49,055
	<b>197,109</b>	198,518

The Grant for Promotion and Administration Expenditure of €62.109m:  
 - includes an additional allocation of €10m to support IDA promotional and marketing initiatives announced as part of the July stimulus package  
 - is stated net of employee pension contributions of €1,068,494 (€951,808 - 2019) remitted to the Exchequer.

## 3 National Training Fund

Included in the training grant payments of €12.736m (see note 7) are training grant payments of €3m (€3m in 2019) which were met with funds received through the Department of Enterprise Trade and Employment from the National Training Fund, which is administered through the Department of Education & Skills. Payments made are in compliance with the statutory requirements of the Fund as provided for in section 7 of the National Training Fund Act, 2000.

## 4 Grant Refunds

When the conditions of a grant agreement are breached by a client company, the grant is recoverable. During the year the Agency recovered €0.917m (€1.682m in 2019) relating to grant refunds.

## 5 Other Income

	2020	2019
	€'000	€'000
Private sector sublets of Leased Office Accommodation	<b>(9)</b>	1,469
Bank Interest	-	1
Fee Income in respect of Undeveloped Lands	<b>440</b>	698
Interest on Industrial Property Transactions	<b>231</b>	3
Sundry Income	<b>70</b>	75
	<b>732</b>	2,246

## 6 Profit on Disposal of Assets

	2020	2019
	€'000	€'000
Consideration (net of fees and direct expenses)	<b>15,543</b>	25,296
Historical Costs	<b>(17,640)</b>	(63,517)
Write back of provision for impairment	<b>21</b>	10,626
Write back of provision for depreciation	<b>7,843</b>	27,539
	<b>5,767</b>	(56)

The profit on disposal comprises of profits of €6.372m, losses of €0.605m resulting in net profit on disposal of €5.767m.

## 7 Grants Payable

	2020	2019
	€'000	€'000
Capital	<b>18,680</b>	23,030
Employment	<b>6,359</b>	6,887
R&D	<b>68,309</b>	59,583
Training	<b>12,736</b>	10,848
Other Grants	<b>362</b>	300
	<b>106,446</b>	100,648

In 2020 €1.34m was paid under a Medicinal Products for Covid 19 scheme and €76k was paid under a Covid 19 Business Continuity Scheme.

## 8 Promotion, Administration and General Expenses (a)

	2020	2019
	€'000	€'000
Board members' fees, expenses and CEO remuneration	<b>287</b>	322
Other remuneration costs - see 8 (b)	<b>29,843</b>	28,389
Marketing, consultancy, promotions and advertising	<b>10,446</b>	12,520
General administration	<b>13,461</b>	16,462
Audit fee	<b>62</b>	58
Provision for doubtful debts	<b>(29)</b>	(18)
Less: Capitalisation of expenditure associated with industrial property development	<b>(590)</b>	(772)
	<b>53,480</b>	56,961

# Notes to the Financial Statements (continued)

For Year Ended 31 December 2020

8 (b)	2020	2019
	€'000	€'000
<b>Other remuneration costs comprise:</b>		
Staff short-term benefits	27,935	26,615
Employers contribution to social welfare	1,904	1,771
Termination Benefits	-	-
Retirement benefit costs	4	3
	<b>29,843</b>	<b>28,389</b>

The total number of staff employed (WTE) at year end was 324 (2019 : 322)

8 (c)	2020	2019
	€'000	€'000
<b>Staff Short Term Benefits</b>		
Basic Pay	27,933	26,583
Overtime	2	32
Allowances	-	-
	<b>27,935</b>	<b>26,615</b>

In 2020 €767k of Additional Superannuation Contribution has been deducted and paid over to the Department of Enterprise, Trade and Employment.

## 8 (d) Permanent Salary Breakdown

Employee Benefits	2020	2019
€60,000 to €70,000	34	43
€70,001 to €80,000	35	32
€80,001 to €90,000	28	31
€90,001 to €100,000	33	20
€100,001 to €110,000	11	9
€110,001 to €120,000	5	1
€120,001 to €130,000	1	2
€130,001 to €140,000	-	1
€140,001 to €150,000	2	5
€150,001 to €160,000	9	10
€160,001 to €170,000	3	1
€170,001 to €180,000	1	-
€180,001 to €190,000	1	1

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

	2020	2019
	€'000	€'000
Basic Pay	1,368	1,371
Allowances	-	-
Termination benefits	-	-
Health Insurance	-	-
	<b>1,368</b>	<b>1,371</b>

8 (f)	2020	2019
	€	€
<b>Chief Executive Remuneration</b>		
Mr Martin Shanahan	188,808	184,536
<b>Total</b>	<b>188,808</b>	<b>184,536</b>

The Chief Executive Officer (CEO) receives an annual salary of €191,626 effective from 1st October 2020. The CEO's pension entitlement does not extend beyond the standard public sector pension arrangements.

8 (g) Annual Rent Payable in respect of Leased Office Accommodation	Number of Offices	Lease Expiry Date	Gross Rent Payable	Net Rent Payable
			€'000	€'000
Head Office	1	2043	7,769	3,924
Regional Offices	4	2021-2028	330	330
Overseas Offices	19	2021-2029	2,347	2,347
			<b>10,446</b>	<b>6,601</b>

- (i) In the case of Head Office and ten overseas offices, accommodation is co-located with other State Agencies and / or the Irish Government Missions. Net rent payable takes account of amounts received from other State bodies and private tenants that occupy part of the office buildings concerned.
- (ii) The IDA renewed 4 overseas leases in 2020.
- (iii) Two overseas office leases contain a break clause in 2024.
- (iv) The Agency does not own any property which is used or available for the accommodation of its staff.



## 8 (h)

### Commitments under Operating Leases

At 31 December the commitment under operating leases is €184.361m.

These leases will expire as follows:

	2020 €'000	Industrial Property Occupied under leases	Industrial Property Available for Promotion	2019 €'000	Non-Industrial Property	Industrial Property Occupied under leases	Industrial Property Available for Promotion
within one year	10,446	-	-	10,431		6	-
in the second to fifth years inclusive	37,420	-	-	38,116		-	-
more than 5 years	136,495	-	-	147,153		-	-
	<b>184,361</b>	-	-	<b>195,700</b>		<b>6</b>	-

## 9 Industrial Building Charges

These charges include the net costs associated with industrial buildings provided by the private sector and maintenance costs in respect of all promotable industrial buildings held by IDA. Costs comprise: professional, legal and consultancy costs €2.445m [2019 €2.607m], net operating lease costs €0.004m [2019 €0.223m] and business park maintenance costs €7.815m [2019 €8.369m], reduced by the net movement on provisions in respect of operating leases (as set out in note 18) €1.976m [2019 €0.297m].

## 10 Reduction in Value of Fixed Assets

	Notes	2020 €'000	2019 €'000
<b>Depreciation Charges</b>			
- Industrial Property	13	13,836	9,936
- Other Fixed Assets	14	4,654	4,428
<b>Impairment Charges / (Reversals)</b>			
- Industrial Property	13	(865)	846
		<b>17,625</b>	<b>15,210</b>

Depreciation is calculated in order to write off the cost of assets less, where applicable, any impairment provision over their estimated remaining useful lives. No provision for depreciation is made in respect of land or investments.

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

## 11 Contribution to the Exchequer

During 2020 and 2019 IDA Ireland received sanction from DETE to retain Own Resource Income generated. Excess own resource Income above this level and any unused Own Resource Income was refundable to DETE, as a contribution to the Exchequer. In 2020, IDA Ireland received sanction from DETE to retain the €0.725m unused Own Resource Income in 2019. In 2021, IDA Ireland received sanction from DETE to retain €0.659m unused Own Resource Income in 2020, resulting in nil contributions paid to the Exchequer in 2020 and 2019.

## 12 Capital

	Notes	2020 €'000	2019 €'000
At 1 January		235,506	211,738
<b>Net Movements on:</b>			
- Industrial Property	13	13,868	13,004
- Other Fixed Assets	14	(3,466)	10,764
<b>Transfer from Statement of Income and Expenditure</b>		<b>10,402</b>	<b>23,768</b>
At 31 December		<b>245,908</b>	<b>235,506</b>

# Notes to the Financial Statements (continued)

For Year Ended 31 December 2020

## 13 Tangible Fixed Assets - Industrial Property

	2020					2019				
	Land	Site Development	Industrial Property Occupied under Leases	Industrial Property Available for Promotion	Total	Land	Site Development	Industrial Property Occupied under Leases	Industrial Property Available for Promotion	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>										
At 1 January	257,784	149,872	34,043	40,248	481,947	272,060	159,003	23,204	35,188	489,455
Additions	8,759	12,230	-	15,626	36,615	12,874	10,776	-	25,348	48,998
Transfers	-	-	8,197	(8,197)	-	-	-	10,839	(10,839)	-
Disposals	(7,072)	(9,790)	-	(778)	(17,640)	(27,150)	(19,907)	-	(9,449)	(56,506)
At 31 December	259,471	152,312	42,240	46,899	500,922	257,784	149,872	34,043	40,248	481,947
<b>Provision for Impairment</b>										
At 1 January	105,803	195	977	2,289	109,264	113,824	198	977	4,045	119,044
Charge / (Reversal) for Year	(865)	-	-	-	(865)	846	-	-	-	846
Transfers	-	-	-	-	-	-	-	-	-	-
Disposals	-	(21)	-	-	(21)	(8,867)	(3)	-	(1,756)	(10,626)
At 31 December	104,938	174	977	2,289	108,378	105,803	195	977	2,289	109,264
<b>Provision for Depreciation</b>										
At 1 January	-	137,434	10,575	3,104	151,113	-	147,270	9,431	5,144	161,845
Charge for Year	-	11,347	852	1,637	13,836	-	7,818	606	1,512	9,936
Transfers	-	-	745	(745)	-	-	-	538	(538)	-
Write back on depreciation of Disposals	-	(7,796)	-	(47)	(7,843)	-	(17,654)	-	(3,014)	(20,668)
At 31 December	-	140,985	12,172	3,949	157,106	-	137,434	10,575	3,104	151,113
<b>Net Book Amount</b>										
At 31 December	154,533	11,153	29,091	40,661	235,438	151,981	12,243	22,491	34,855	221,570
At 1 January	151,981	12,243	22,491	34,855	221,570	158,236	11,535	12,796	25,999	208,566
<b>Net Movement for Year</b>					13,868					13,004

- (a) Included in the table above is an amount relating to a joint arrangement entered into in 2004 by the Agency with Fingal County Council to develop lands in Blanchardstown Dublin in the ownership of the Council, for subsequent sale to industrial undertakings. Under the terms of the arrangement, IDA is responsible for making infrastructural improvements to the lands. The Agency bears the full costs of this work and is entitled to receive half of the proceeds of any sales. The net book amount included above in relation to this arrangement is €Nil.

# Notes to the Financial Statements (continued)

For Year Ended 31 December 2020

14 Other Fixed Assets	2020		2019	
	Office and Computer Equipment, Fixtures & Fittings	Total	Office and Computer Equipment, Fixtures & Fittings	Total
<b>Cost</b>	€'000	€'000	€'000	€'000
At 1 January	22,165	22,165	13,844	13,844
Additions	1,188	1,188	15,332	15,332
Disposals	-	-	(7,011)	(7,011)
At 31 December	23,353	23,353	22,165	22,165
<b>Provision for Depreciation</b>				
At 1 January	8,229	8,229	10,672	10,672
Charge for Year	4,654	4,654	4,428	4,428
Disposals	-	-	(6,871)	(6,871)
At 31 December	12,883	12,883	8,229	8,229
<b>Net Book Amount</b>				
At 31 December	10,470	10,470	13,936	13,936
At 1 January	13,936	13,936	3,172	3,172
<b>Net Movement for Year</b>	(3,466)	(3,466)	10,764	10,764

## 15 Telecommunication Assets

Acting pursuant to a Government decision IDA Ireland, in conjunction with the Department of Public Enterprise (now the Department of Communications, Energy and Natural Resources), entered into contracts in 1999 for the purchase of telecommunication assets in the form of an indefeasible right of use of a designated portion of a global telecommunications network for a period of 25 years from 2000. A portion of the capacity purchased by IDA was sold to a number of service providers. The remaining assets have an historical cost of €38.85m, which amount has been written off by way of an impairment charge of €21m in 2002 and aggregate depreciation of €17.85m over 8 years from 2000, resulting in a net book value of €Nil.

16 Receivables	2020	2020	2019	2019
Amounts falling due within one year:	€'000	€'000	€'000	€'000
Accounts Receivable and Prepayments	36,792		23,422	
Provision for Doubtful debts	(671)		(819)	
		36,121		22,603
		36,121		22,603
<b>Amounts falling due after more than one year:</b>				
Amount due from sub lessee in relation to fit out costs	288		603	
		288		603
		36,409		23,206

(i) Included in receivables and prepayments are amounts of €24.568m in down payments on property transactions, mainly reflecting payments to solicitors' escrow accounts on property purchases, three transactions are expected to complete by Q2 2021 and it is anticipated that the other transactions will complete by Q4 2021.

(ii) The long term Debtor of €288,000 represents monies due from SEAI in relation to the fit out costs of the new Global Headquarters occupied by IDA and other agencies. In 2019 the parties agreed a 3 year repayment schedule.

17 Payables	2020	2019
Amounts falling due within one year:	€'000	€'000
Accounts Payable and Accruals	5,989	5,451
Amount due on Uncompleted Sales	924	717
	6,913	6,168

## 18 Provision for Liabilities and Charges

Operating Leases Provision	2020	2019
	€'000	€'000
At 1st January	2,326	2,623
Net (reduction) for the year	(1,976)	(297)
<b>Total at 31st December</b>	<b>350</b>	<b>2,326</b>

The Operating Leases Provision comprises:

- Potential building reinstatement costs associated with obligations under operating leases.
- Future costs arising under operating leases estimated to exceed the amounts recoverable from sub lessees (2019). There will be no future costs arising post 2020, due to the expiry of all leases.

## 19 Pensions

### (a)

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

### Staff Covered

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

Each of the Schemes include Spouses and Children's schemes.

# Notes to the Financial Statements (continued)

For Year Ended 31 December 2020

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

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

Under the Financial Measures (Miscellaneous Provisions) Act 2009 the assets of the Former Industrial Development Authority were transferred to the National Pension Reserve Fund on 31 December 2009. The pension schemes associated with these two funds continue in force for existing members with no impact on benefits or associated provision for members. IDA Ireland remits employee contributions to the Exchequer. Total employee contributions of €1.069m for these schemes were remitted by IDA to the Exchequer in 2020 and pension costs at retirement are paid by Oireachtas Grant Vote No 32 subhead A5 (i).

## (b) Pension Disclosure under FRS102

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

	<b>2020</b>	2019
	<b>€’000</b>	€’000
<b>(c) Analysis of Total Pension Charge</b>		
Service costs	<b>7,031</b>	6,207
Interest on Pension Scheme Liabilities	<b>2,108</b>	2,910
Employee Contributions utilised in payment of Pensions	<b>(1,069)</b>	(952)
	<b>8,070</b>	8,165
<b>(d) Analysis of amount recognised in Statement of Comprehensive Income</b>	<b>2020</b>	2019
	<b>€’000</b>	€’000
Experience (Losses) / Gains	<b>(7,344)</b>	344
Changes in assumptions (Losses)	<b>(19,124)</b>	(16,060)
<b>Actuarial Gain / (Loss)</b>	<b>(26,468)</b>	(15,716)
<b>(e) Pension Liability</b>	<b>2020</b>	2019
<b>Change in Pension Schemes’ Liabilities</b>	<b>€’000</b>	€’000
Opening Balance	<b>176,782</b>	153,942
Current Service Cost	<b>7,031</b>	6,207
Interest Costs	<b>2,108</b>	2,910
Payments to Pensioners	<b>(2,259)</b>	(1,993)
Actuarial Loss	<b>26,468</b>	15,716
<b>Present Value of Schemes’ Obligations at 31 December</b>	<b>210,130</b>	176,782
<b>(f) Net Deferred Funding for Pensions in Year</b>	<b>2020</b>	2019
	<b>€’000</b>	€’000
Funding Recoverable in respect of Current Year pension costs	<b>9,139</b>	9,117
Funding to pay Pensions	<b>(2,259)</b>	(1,993)
	<b>6,880</b>	7,124

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

The deferred funding asset for pensions at 31 December 2020 amounted to €210.130m (2019 - €176.782m). The quantification of the liability is based on the financial assumptions set out in note 19(g). The assumptions used, which are based on actuarial advice, are advised to the Department of Enterprise Trade and Employment.

## (g) Valuation

The valuation used for FRS102 disclosures has been based on a full actuarial valuation at 31 December 2020. The financial assumptions used to calculate scheme liabilities under FRS102 as at 31 December were as follows;

### Valuation method -

Projected Unit	2020	2019	2018	2017	2016
Discount rate	0.8% p.a.	1.20% p.a.	1.90% p.a.	1.95% p.a.	1.90% p.a.
Future salary increases	3.00% p.a.	3.00% p.a.	3.30% p.a.	3.40% p.a.	3.35% p.a.
Future state pension increases	3.00% p.a.	3.00% p.a.	3.30% p.a.	3.40% p.a.	3.35% p.a.
Future pension increases	2.50% p.a.	2.50% p.a.	2.80% p.a.	2.90% p.a.	2.85% p.a.
Future Inflation	1.50% p.a.	1.50% p.a.	1.80% p.a.	1.90% p.a.	1.85% p.a.

Year of attaining age 65	2020	2040
Life expectancy - male	21.5	23.9
Life expectancy - female	24.0	26.0

## (h) History of defined Benefit Obligations - Commenced 2014

Year Ending 31 December	2020 €'000	2019 €'000	2018 €'000	2017 €'000	2016 €'000
Defined Benefit Obligation	210,130	176,782	153,942	151,667	139,918

### Experience gains / (losses) on Scheme Liabilities:

Amount	(7,344)	344	3,954	19	117
Percentage of Scheme Liabilities	(3.5%)	0.2%	2.6%	0.0%	0.1%

### Total (loss) / gain recognised in Statement of Comprehensive Income:

Amount	(26,468)	(15,716)	5,660	(4,095)	(27,647)
Percentage of Scheme Liabilities	(12.6%)	(8.9%)	3.7%	(2.7%)	(19.8%)

## 20 Commitments

It is estimated that future payments likely to arise from Grant Commitments amounted to €386m as at 31 December 2020, estimates payable as follows; 2021 €105m, 2022 €89m, 2023 €76m, 2024 €56m, 2025 €35m, 2026 €17m, 2027 €8m. (At 31 December 2019 the estimate was €364m, estimates payable as follows; 2020 €104m, 2021 €94m, 2022 €75m, 2023 €44m, 2024 €31m, 2025 €13m, 2026 €3m). Capital Commitments outstanding at 31 December 2020 on contracts for the acquisition and development of Industrial Property amounted to €48m (2019 : €44m).

## 21 Taxation

Section 227 of the Taxes Consolidation Act, 1997, provides an exemption from tax for income of non-commercial state bodies. This exemption does not apply to deposit interest. Where interest receivable is subject to tax at source (e.g. DIRT), the net receivable amount is credited to the Operating Account.

In some countries in which the Agency operates, an exemption from local taxation has been availed of under the Governmental Services article of the relevant double taxation agreement. This position continues to be under review by the Agency which is actively seeking clarification to determine whether overseas employment taxes arise in any of the jurisdictions where this exemption has been availed of. The review could result in a liability to taxes but in view of the uncertainty in relation to the amount, if any, of such possible contingent liability no provision has been made in the financial statements for the year ended 31 December 2020.

## 22 Industrial Property Income and Expenditure

	Notes	2020 €'000	2019 €'000
<b>Income:</b>			
Oireachtas Grant		<b>39,000</b>	49,055
Rental Income IDA Ireland Client Companies		<b>3,545</b>	2,565
Fee Income in respect of Undeveloped Lands	5	<b>440</b>	698
Interest on Industrial Property Transactions	5	<b>231</b>	3
Profit on Disposal of Industrial Property		<b>5,754</b>	84
		<b>48,970</b>	52,405
<b>Expenditure:</b>			
Promotion, Administration and General Expenses		<b>1,590</b>	1,584
Industrial Building Charges	9	<b>8,288</b>	10,902
Depreciation Charges and Provisions	10	<b>12,971</b>	10,782
		<b>22,849</b>	23,268
Net Movement for Year		<b>26,121</b>	29,137
Transfer (to) Capital	12	<b>(13,868)</b>	(13,004)
Contribution to Promotion and Administration activities		<b>12,253</b>	16,133

## 23 Related Party Disclosures

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

In the normal course of business the Agency may approve grants and may also enter into other contractual arrangements with undertakings in which IDA Board members are employed or otherwise interested.

The Agency adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members and these procedures have been adhered to by the Board members and the Agency. During 2020 two transactions required disclosure being income received of €7.095m and expenditure of €447k as they relate to companies in which relevant Board members are employed.

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

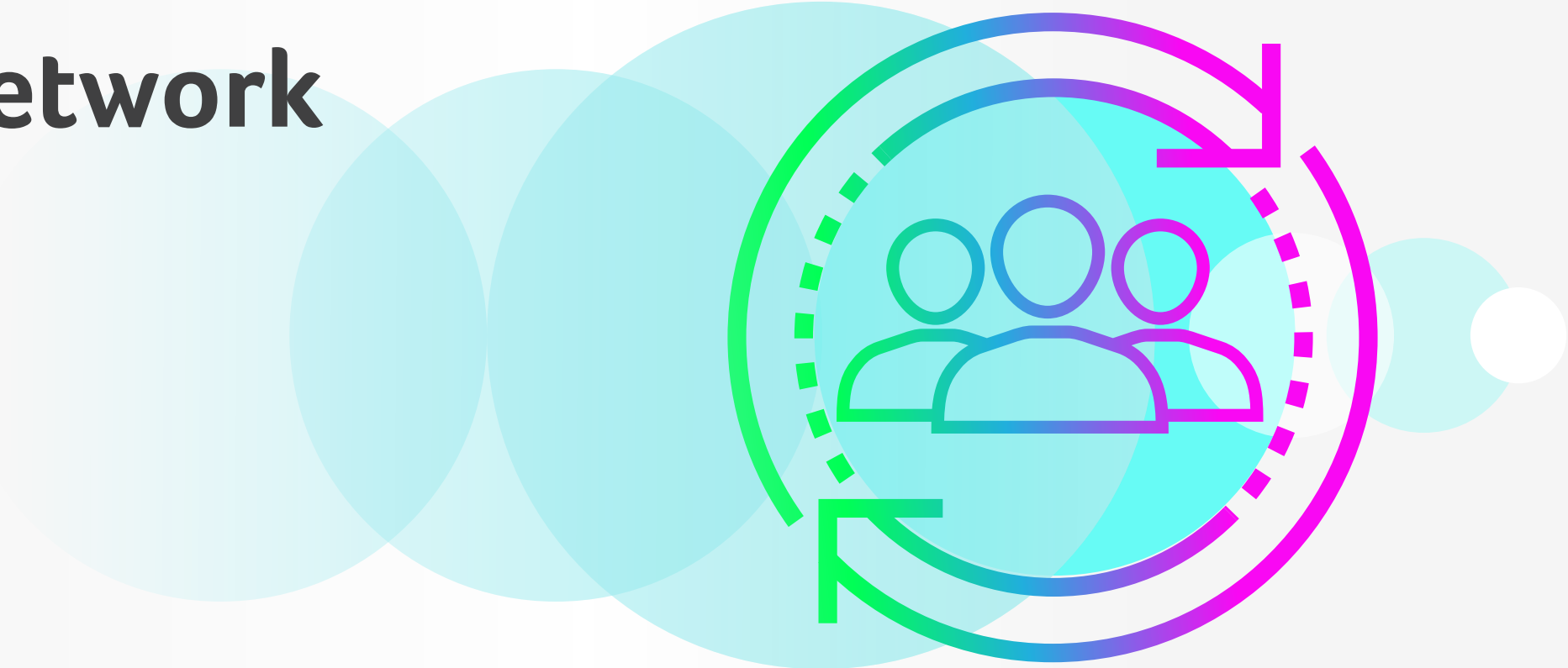
## 24 Contingent Liability

IDA entered into an agreement with a service provider with the objective of winning foreign direct investments, primarily in small and medium sized enterprises, resulting in the creation of sustainable jobs. On 25th March 2016 the agreement was extended for a period of one year to enable the orderly wind down of the contract. In accordance with the contractual obligation in the agreement, IDA made a payment to the service provider in 2017. The payment, which was provided for in the 2016 Financial Statements, was calculated by reference to potential future job creation. As the number of jobs which were subsequently created and verified is less than the number of jobs provided for in that payment, a partial refund of this payment has been sought. The service provider disputes IDA's claim and the matter is now the subject of arbitration proceedings between the parties.

## 25 Approval of Financial Statements

The Financial Statements were approved by the Board on 13th May 2021.

# Global Office Network





# Global Office Network

