



IRELAND'S  
DOMAIN  
REGISTRY

we are .ie



# I am .ie

Marcus MacInnes, Founder and CEO, [www.pix.ie](http://www.pix.ie)

"Pix.ie is an Irish photo sharing site with registered users from over 190 countries. We wanted a domain-based brand name that worked both in Ireland and internationally and with Pix.ie ("Pixie") we managed to find a perfect balance which allowed us to hold on to our Irish roots while achieving our objective of a short, unique and memorable domain for what has now become one of the top Irish social media sites."

[pix.ie](http://pix.ie)



# she is .ie

Aisling O'Donoghue, MD, [www.babytravelshop.ie](http://www.babytravelshop.ie)

"As we are an online retail shop based in Dublin, we registered Baby Travel Shop with a .ie domain name. Feedback from our customers has assured us that it informs them that we are Irish and as such gives them peace of mind, I feel it gives us credibility in an uncertain marketplace."

[babytravelshop.ie](http://babytravelshop.ie)

# he is .ie

Brian Quinn, MD, [www.ebuilders.ie](http://www.ebuilders.ie)

"We are an Irish online business, dedicated to helping you to search the web to find the best builders and tradesmen in Ireland. Building, plumbing, carpentry, electrical, decoration – whatever your home, business, commercial or industrial needs may be, you will find people who are the best at what they do on [ebuilders.ie](http://ebuilders.ie)."

[ebuilders.ie](http://ebuilders.ie)





# we are all .ie

William Despard, Bretzel.ie

"We are a Dublin Bakery, selling the best bread to local customers. Our .ie domain website gives us a local identity while helping us to stay connected to a broader customer base."

Bretzel.ie

Colm O'Broin, Insideireland.ie

"We chose the .ie domain as we are an all-Ireland website and cover business issues across the country. Having a .ie domain is therefore crucial to our brand as an up and coming Irish news site."

Insideireland.ie



**Caroline Hick, Hick's of Dun Laoghaire, Hicks.ie**

"Hick's of Dun Laoghaire is a family business, a local business and a .ie domain name serves that market. All of our main customers are Irish so our use of the web involves local restaurateurs and producers. We only use the very best in our produce and the Internet is a great way to find and do business with like-minded companies. It's nice to have the world at your doorstep, but it's also nice to know your neighbours."

**Hicks.ie**

**Eamonn Grant, Flowersmadeeasy.ie**

"We chose to use a .ie domain name for our site so as to allow potential international customers to clearly see that we are an Irish based company supplying flowers and gifts throughout Ireland, not just an agent handling the order. We felt that a .ie gets that message across and at the same time provides the customer with an added assurance as to the fact that they are dealing with a real company, online. Less than 3 years on, Flowersmadeeasy.ie is now Ireland's leading online florist."

**Flowersmadeeasy.ie**



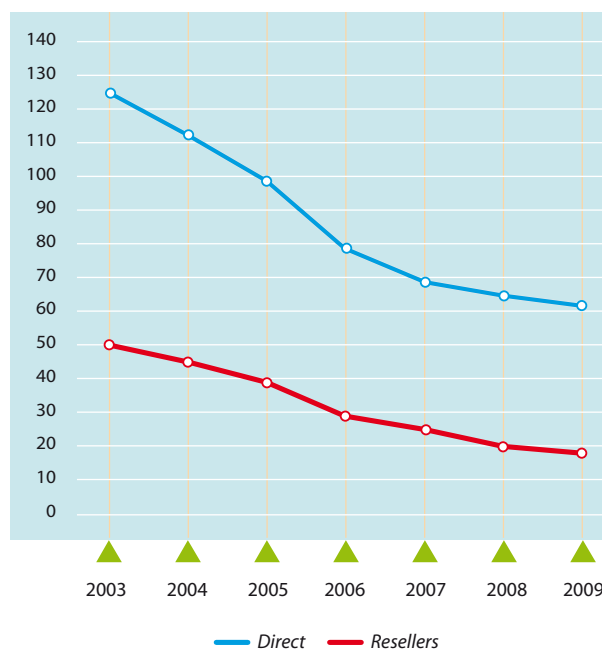
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# Performance Highlights 2008

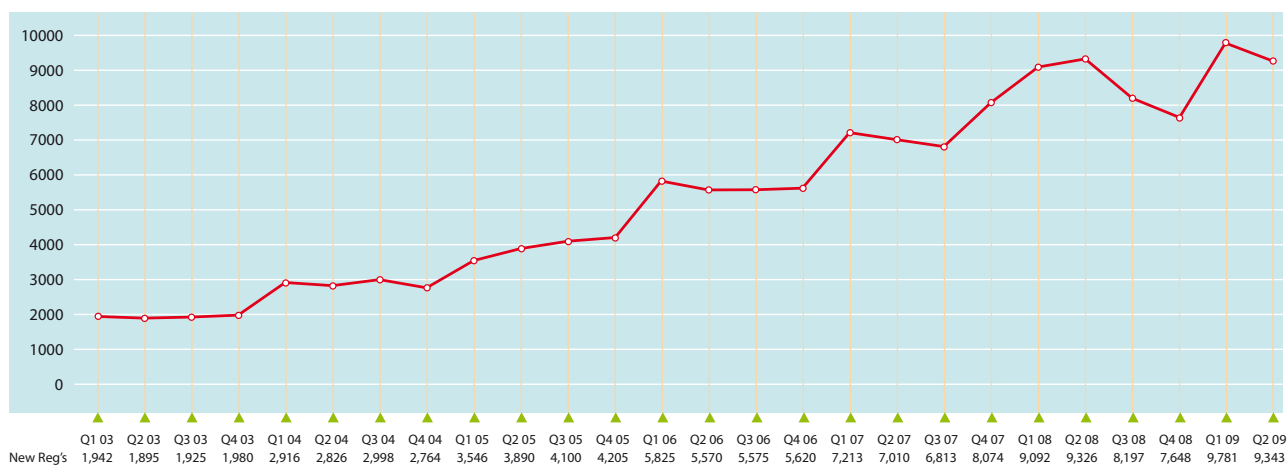
<b>Profit and Loss</b>	Year to 31 Dec 2008 €	Year to 31 Dec 2007 €
<b>Registration Revenue</b>	<b>2,516,880</b>	2,343,111
Administrative Expenses	<b>(1,054,642)</b>	(765,293)
Employment Costs	<b>(871,581)</b>	(830,778)
Depreciation	<b>(156,717)</b>	(75,226)
Regulatory Costs	<b>(60,000)</b>	(85,000)
<b>Operating profit</b>	<b>373,940</b>	586,814
Financial investment impairment	<b>(584,707)</b>	0
Interest income	<b>59,907</b>	20,107
Interest payable	<b>0</b>	0
Taxation	<b>(71,633)</b>	(83,212)
<b>(Loss)/Profit after taxation</b>	<b>(222,493)</b>	523,709

Prices of a .ie domain on 1 January each year



<b>Balance Sheet</b>	At 31 Dec 2008 €	At 31 Dec 2007 €
Fixed Assets	<b>215,196</b>	104,346
Investments	<b>1,465,363</b>	2,050,070
Current Assets	<b>1,912,340</b>	1,336,854
Creditors <1 year, excluding Deferred Income	<b>(578,513)</b>	(306,245)
Deferred Income	<b>(1,175,530)</b>	(1,123,676)
Members' Funds	<b>1,838,856</b>	2,061,349

## New .ie Registrations - quarterly





# Chairman's Statement



Professor J.O. Scanlan

I am pleased to report that the operational progress of IE Domain Registry in recent years was maintained in 2008, with continued significant growth in customer numbers, an improved, cheaper service and further investment in the technical infrastructure. Net income increased by 7%, a very satisfactory outcome considering the 20% price reductions implemented from 1 January 2008.

The financial out-turn was adversely affected by the economic environment. The Company achieved an operating profit of €373,940, but stock market declines resulted in a fall of €584,707 in the market value of our financial investments. While the loss is unrealised, a write down was taken in line with Company accounting policy. This resulted in a reported loss after taxation for 2008 of €222,493. Despite the write-down, Members' Funds at 31 December 2008 totalled €1.8m.

Service continuity is essential for Irish business and commerce, and IEDR continues to work closely with its partners across the industry to achieve its objectives. IEDR plays an important role in balancing stakeholders' rights, responsibilities and obligations and IEDR's policy development continues to reflect this balance. The board has agreed terms of reference for a Policy Advisory Committee (PAC) to advise it on .ie namespace policy matters, the membership to be representative of relevant Internet stakeholder organisations.

As a result of the Communications Regulation (Amendment) Act, 2007, regulation of the .ie namespace passed from the Minister for Communications, Energy and Natural Resources to ComReg, which is empowered, subject to consultation with the relevant Ministers and the approval of the Oireachtas, to issue regulations over a range of operational and other matters in relation to .ie. As part of the process of developing a regulatory framework for .ie, ComReg engaged in a public consultation process during 2008 and published a report on this in January 2009. It concluded that IEDR should be formally appointed as the Registration Authority for .ie when a number of formalities have been attended to. We look forward to a continuing effective working relationship with ComReg.

I would like to recognise the contribution of other industry stakeholders to the development of the Internet in Ireland, including .ie. I would mention in particular the Internet hosting service providers, who market and promote .ie, and the industry associations, which

have been unfailingly supportive of technical and operational initiatives designed to improve .ie services.

I would also like to express my appreciation of my board colleagues, of the Chief Executive, David Curtin, and of all the staff of the Company for their contribution to the Company's achievements in 2008. Despite current difficult economic conditions, I have every confidence in the Company's future prospects. Our strategic and operational plans envisage continued development of the .ie namespace to meet the needs of the Irish economy.

**Professor J.O. Scanlan**

Chairman

30 June 2009

# Directors and Management

## we are the board



### **Professor J.O. Scanlan**

Sean Scanlan is Emeritus Professor of Electronic Engineering UCD and Head of the UCD Department of Electronic and Electrical Engineering (1973-2005). He is a Life Fellow of the IEEE (Institute of Electronics and Electrical Engineering, USA) and a Fellow of the Institute of Mathematics & its Applications. He was President, Royal Irish Academy (1993-1996). Professor Scanlan has been Editor of the International Journal of Circuit Theory and Applications. He is a member of the Editorial Advisory Board, Transactions on Fundamentals of Electronics, Communications and Computer Sciences (Japan). He is President (Honoris Causa) and Founding President, European Circuits Society. He was Board Member (1979-1996), Deputy Chairman (1992-1996) and Acting Chairman (1992) of Telecom Éireann. He was awarded the Golden Jubilee Medal from the IEEE Circuits and Systems Society in 2000.



### **Dr. Pat Frain**

Pat Frain is Director of NovaUCD, the innovation and technology transfer centre at University College Dublin (UCD). He was responsible for the planning and development of this new Centre, which was established in 2003 with the support of a public/private partnership involving the University, Enterprise Ireland and six private sector organisations. He had been Director of the University Industry Programme (UIP) at UCD since 1988. Pat is also involved in a range of national and international organisations and initiatives aimed at promoting innovation and technology transfer. He is the current Chair of ProTon Europe, and a member of the Board of the London-based Institute for Knowledge Transfer. He is a physicist by qualification and an alumnus of the EU-Japan Centre for Industrial Co-operation.



### **Dr. Canice Lambe**

Canice Lambe is currently the Chief Technology Officer with PixAlert, an Irish software company that specialises in the detection of illicit content on corporate networks. He was a founder and CTO of Cunav (later New World Commerce) which merged with a US CRM company IQ to become New World IQ. Canice has also consulted to early-stage technology companies in the area of product development and positioning. Canice received his degree and PhD in Computer Science from Trinity College Dublin.

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## Chief Executive Officer



### **David Curtin**

David Curtin joined the Company in November 2002, and was appointed interim Chief Executive in October 2003 and Chief Executive in January 2004. David worked for eight years in Dublin and Paris with the Jefferson Smurfit Group plc. He was Chief Executive of Smurfit Software Services, project manager for the Smurfit Group's Hyperion systems implementation, and internal auditor of Smurfit Ireland. Prior to this he worked for KPMG in Dublin and Philadelphia, USA. David is a graduate of UCD, a Fellow of the Institute of Chartered Accountants and holds a first class honours MBA from The Michael Smurfit Graduate School of Business.





### **Frances Buggy**

Frances Buggy is a technology/business analyst and public policy consultant with marketing and project management experience across a range of internationally tradable services sectors. She has been active in the execution of strategic technology projects since 1994, has managed significant strategic initiatives for regional government and was engaged in the management of a European IST FP6 project and proposal development for FP7. She is a founding member and former Chairperson of the Irish Internet Association (IIA). Frances is a graduate of Trinity College Dublin and the College of Marketing and Design. She has an honours degree in Technology & Innovation Management and her postgraduate qualifications include the international MBA from the DCU Graduate Business School.



### **Kevin McCarthy**

Kevin McCarthy has worked with IDA Ireland since 1970, currently as Area Director for the Midlands and East Regions while holding a brief on a national level for telecoms infrastructure. He has performed a range of executive and management functions within the IDA, involving SMEs, regional promotion, R&D capability and project management. He was seconded as Chief Executive to the Tallaght Task Force in 1996 in the aftermath of the Packard Electric closure. Kevin also undertook a year long assignment as Enterprise Adviser to the Polish Agency for Regional Development in 1994.



### **Mark Dobbyn**

Mark Dobbyn is a former partner in the accountancy and advisory firm, KPMG, where he had client responsibility for assurance services and a number of management roles. Prior to this he was a director in the management consultancy division of the precursor firm to KPMG, specialising in performing short-term financial management assignments. He is a director of a number of commercial companies and not-for-profit organisations. Mark is a graduate of Trinity College Dublin, and is a Fellow of the Institute of Chartered Accountants in Ireland.

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## Company Secretary



### **Jim Joyce**

Jim Joyce was appointed Secretary of the Company in 2004. He is also Chairman of the Health Insurance Authority. Jim has been an actuarial consultant to the Department of Enterprise, Trade, and Employment and the Irish Financial Services Regulatory Authority (1992 to 2005). He was previously Executive Director of Telecom Éireann (1984 to 1992). Jim is a Fellow of the Society of Actuaries in Ireland and served as President of the Society for 1999/2000.



David Curtin

## Chief Executive's Review

Overall 2008 was a satisfactory year of volume growth, service enhancement and of particular importance, the further technical development of our high availability infrastructure, which has resulted in a dramatic improvement in the resilience of systems, services and our disaster recovery readiness.

The excellent first six months of operations was followed by a difficult second half of 2008 with a drop in quarterly domain growth and an increase in non-renewals. Our overall financial performance was adversely impacted by the dramatic downturn in global financial markets. However, on a positive note the registry operations were again cash-generative and the net cash inflow for 2008 was €839,467 – up 1.5% from 2007. We also maintained our market share compared to low-priced .com and .eu competitors.

### Operational review

New registrations in 2008 amounted to 34,263 domains, which is 17.7% higher than the same period in 2007. This was offset by 9,779 non-renewals or deletions giving a net increase in the database of 26.8% during 2008. This growth, generated almost totally by the efforts of IEDR's reseller community, reflects a maturing internet ecosystem, increased broadband availability and an expansion of e-commerce activities by SMEs in particular. Internal factors such as IEDR's operational improvements, price reductions and further process

automation also played an important role.

The growth curve on the performance highlights page illustrates an ongoing increase in early 2008 in new quarterly registrations of .ie domains, when the 9,000 level was reached for the first time. Although interrupted by adverse economic and other factors in Q3 and Q4 2008, the upward trend appears to have resumed in early 2009. The non-renewal rate in 2008 was 10.7% which is low for a ccTLD, by international standards.

IEDR participated fully in ComReg's review of our operations during 2008, and we submitted a comprehensive response to its formal public consultation process on a regulatory framework for the .ie namespace. The responses from industry contributors will form an input into our continuous improvements processes.

### Continuous improvements review

During 2008 IEDR staff continued to focus their efforts and financial resources on delivering improved price, choice, service and security for our registrants

and resellers in the local Internet community.

The Technical Services team continued to enhance the resilience and security of our nameserver network and infrastructure. Following a competitive tender process we selected Sabeo Technologies as technical partner in implementing our high availability project, which was delivered on-time, and within budget. This was a collective team effort internally, and the migration was successfully completed without any major interruption to normal operations and services. I am grateful to our reseller community for their support during this project.

Further refinements to our web-based console and automated interfaces (API) allowed resellers to increase their volume of registrations, without a corresponding increase in their costs. These systems provide full transparency on all transactions with IEDR. Resellers have accountability and responsibility for registrations, renewals and suspensions and have the ability to audit the completeness and accuracy of their .ie portfolios within IEDR's database.

<b>Profit and Loss</b>	<b>Year to 31 Dec 2008</b>	<b>Year to 31 Dec 2007</b>	<b>Balance Sheet</b>	<b>At 31 Dec 2008</b>	<b>At 31 Dec 2007</b>
	<b>€</b>	<b>€</b>		<b>€</b>	<b>€</b>
<b>Registration Revenue</b>	<b>2,516,880</b>	2,343,111	Fixed Assets	<b>215,196</b>	104,346
Administrative Expenses	<b>(1,054,642)</b>	(765,293)	Investments	<b>1,465,363</b>	2,050,070
Employment Costs	<b>(871,581)</b>	(830,778)	Current Assets	<b>1,912,340</b>	1,336,854
Depreciation	<b>(156,717)</b>	(75,226)	Creditors <1 year, excluding Deferred Income	<b>(578,513)</b>	(306,245)
Regulatory Costs	<b>(60,000)</b>	(85,000)	Deferred Income	<b>(1,175,530)</b>	(1,123,676)
<b>Operating profit</b>	<b>373,940</b>	586,814	Members' Funds	<b>1,838,856</b>	2,061,349
Financial investment impairment	<b>(584,707)</b>	0	<b>Cash Flow</b>	<b>2008</b>	2007
Interest income	<b>59,907</b>	20,107		<b>€</b>	<b>€</b>
Interest payable	<b>0</b>	0	Net cash inflow from operating activities	<b>839,467</b>	827,116
Taxation	<b>(71,633)</b>	(83,212)			
<b>(Loss)/Profit after taxation</b>	<b>(222,493)</b>	523,709			

## Financial review

Registration revenue increased by 7.4% compared to 2007 despite price reductions of 20% implemented on 1 January 2008. Strong new registration volume growth of 37% offset the impact of these price reductions. Operating profit before financial costs, reflecting the underlying business activities, was €373,940 which represents a 36% reduction compared to 2007.

This reduction in operating profit reflects the planned increase in IEDR's spend on technical services projects, advertising and promotional activities and events, and staff training – offset by savings and cost reductions in other areas. There were unplanned increases in legal fees and regulatory costs.

As a result, administrative expenses of €1.05 million increased by 33% compared to 2007. Employment costs including pensions amounted to €871,581 – an increase of 4.9% on 2007. Corporation tax of €71,633 represents a reduction of 14% compared to 2007.

The Company's financial investments were adversely affected by the decline in stock markets worldwide during 2008.

Accordingly, a provision amounting to €584,707 has been recorded to reduce the financial investment to its market value of €1.4 million at December 2008. This provision more than offset the operating profit of €373,940 resulting in a loss after tax of €222,493.

Members' Funds decreased by 10.8% from €2.1 million at December 2007, due to the financial investment impairment provision of €584,707. Cash and cash equivalents amounted to €3.0 million, including the €1.41 million invested with multiple investment managers. Deferred revenue, which represents the unearned portion of invoiced registration fee income, amounted to €1.17 million at year end.

The quality of the Company's financial reporting was independently acknowledged when IEDR was again shortlisted as a finalist in the 2008 Chartered Accountants Published Accounts Awards.

## Outlook for 2009

In the context of the global recession and the expected reduction in national GDP in 2009, we expect a very difficult year ahead, and for SMEs in particular.

This will undoubtedly have an adverse impact on the net growth in .ie domains. To assist our reseller community we will engage in generic promotional activities to support their sales and marketing activities, in addition to price reductions of 10%, which became effective for resellers on 1 January 2009. We will maintain our ongoing investment in the resilience and safety of our infrastructure and nameservers, while operating costs will be contained in other areas of the business.

Finally, I would like to express my gratitude to the chairman, the board of directors and in particular to our dedicated staff for their outstanding contribution to the continued growth and development of a highly regarded domain name system for Ireland.

**David Curtin**  
Chief Executive

30 June 2009

## Staff of IE Domain Registry Limited

# we are the .ie team



**From left to right** Paul Shortt, Conor Daly, Lorin Lawless, Stuart Cannon, David Curtin, Angela Butler, Liesanne Romero-Dean, Brian Taite, Robin Spiteri, Alice O'Brien, William Glynn. (not pictured – Emmanuelle Balme and Ciara Kavanagh).

### About the Company

IE Domain Registry (IEDR) was incorporated on 1 July 2000. We are a not-for-profit organisation with members instead of shareholders and we are limited by guarantee. The Company manages the .ie namespace on behalf of the Internet community. We also provide complementary Registry Services in the interest of all relevant stakeholder communities. The Company needs to be self-sufficient financially and therefore holds a modest level of reserves. The Company seeks to be cost and not profit orientated, non-discriminatory, efficient and transparent in all our dealings with our customers and stakeholders.

IEDR operates a managed registry model; this means that there are some restrictions on who can get a .ie domain name. Every .ie application is screened by our Registrations Services Team.

### Internal Operations

IEDR has a total of 13 members of staff, including the CEO, and a Board of 6 Directors, supported by a Company Secretary. Day-to-day operations are carried out by 3 teams:

**Registrations Services Team:** We have 4 staff members in our Registrations Services Team who are responsible for ensuring that all .ie applications from potential registrants have a real and

substantive connection with the island of Ireland and that they can authenticate their claim to the .ie domain name they are applying for.

**Accounting & Finance Team:** We have 3 staff members in the Accounting & Finance Team. Accounts ensure that all new and existing domain names are invoiced in an efficient and timely manner.

**Technical Services Team:** We have 5 staff members in our Technical Services Team, who are responsible for maintaining the efficiency and security of the infrastructure and for providing the mission critical services required to keep Ireland's domain holders online.



"As Ireland's largest auto part and accessory website micksgarage.ie services customers all across Ireland, so it makes sense for us to have a local internet address. Having a .ie also helps to ensure that micksgarage.ie ranks higher on search engine ratings when customers search for car parts locally."

Micksgarage.ie

From left to right Mark Leech, Ciaran Green, Michael Green.



**Micksgarage.ie**

# Registration Services Review

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The registration services team is responsible for authenticating new registrations, processing requests for transfers and deletions and ensuring the efficiency of the automated self-service systems which enable our customers – resellers and direct customers – to manage their portfolio of .ie domains.

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IEDR operates a managed registry model, whereby new registrants must authenticate their claim to a .ie domain name. This contrasts with the .com or .eu models which have no restrictions or verification checks. The ComReg report in January 2009, which followed a public consultation process during 2008, indicated broad support for the managed registry model for Ireland. An independent international survey by McAfee Security Consultants published in June 2008 reported that the .ie namespace was the 6th safest worldwide.

It is no coincidence therefore that in the .ie namespace, there are fewer intellectual property disputes about domains, less cyber crime on .ie websites, less incidence of credit card fraud on .ie websites and very little evidence of illegal, explicit or immoral content appearing on .ie websites. Other countries, without a level of traceability of who is behind such websites, continue to face the challenges of costly intellectual property disputes, long-running mediation/arbitration actions, identity theft, phishing, cyber crime and credit card fraud. Furthermore, there is no secondary market for .ie domains, which

reduces the incentive for 'domainers' to engage in cybersquatting and domain warehousing.

## Registrants of .ie names

Businesses continue to be the largest class of registrants of .ie domain names with 96,472 domains or 83.2% of the total at the end of 2008 (See chart 1). IEDR will publish a Domain Industry Report later in 2009 which will provide comprehensive market information. In the interim, statistical information is provided on the IEDR website [www.iedr.ie](http://www.iedr.ie).

## Reseller community

IEDR had 95 resellers at the end of 2008, representing over 95% of the total database of .ie domains. The top 28 had a portfolio of more than 500 .ie domains, of which only 6 had more than 5,000 domains in their portfolios. The reseller community generated almost 97% of the new registrations in the year 2008, and the top 6 accounted for over 24,000 or 72% of new registrations.

## Policy development processes

The board of IEDR in cooperation with ComReg has approved the terms

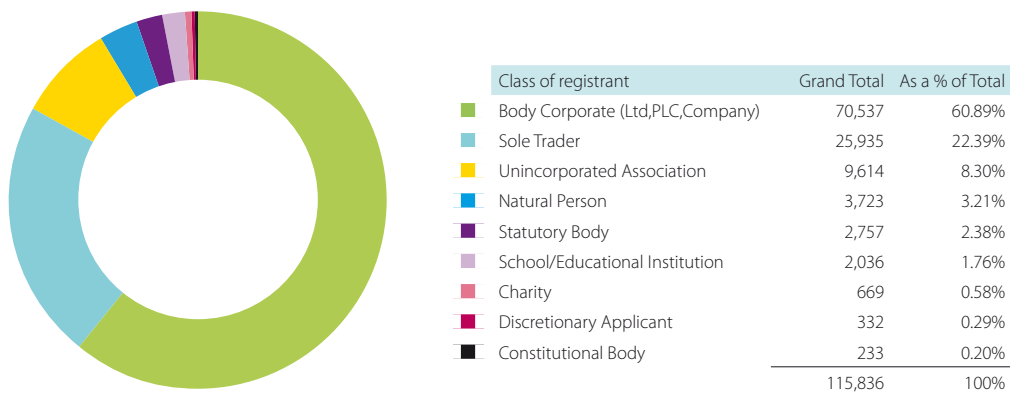
of reference for a Policy Advisory Committee (PAC), to be formed during 2009. The PAC, whose membership will be drawn from relevant stakeholders' organisations, will advise the board on matters of policy affecting the .ie namespace. We look forward to formalising our engagement with the internet community on a range of registration and naming policies during 2009.

## Market size

The domain market in Ireland with 315,000 domains, although small, is very competitive and .ie performed well in 2008 compared to our lower priced competitors - .com and .eu, which benefit from huge economies of scale with 80 million and 3 million domains respectively. We estimate that .ie domains accounted for approximately 37% of Ireland's domain market at the end of 2008, almost unchanged from 2007. The number of .eu domains increased to 59,000 or 19% of the market, taking market share from .com which reduced to 88,488, or 28% of the total market.

Comparisons of Ireland with European country code top level domain registries

**Chart 1. Domains by class of registrant as at 31 December 2008**



(ccTLDs) show a low volume of domain registrations in absolute terms, particularly when compared with the Scandinavian countries. Diagram 1 (see page 12) shows the number of local domains and the per capita figures at May 2009 – excluding .com and .eu etc. It shows that, on a per capita

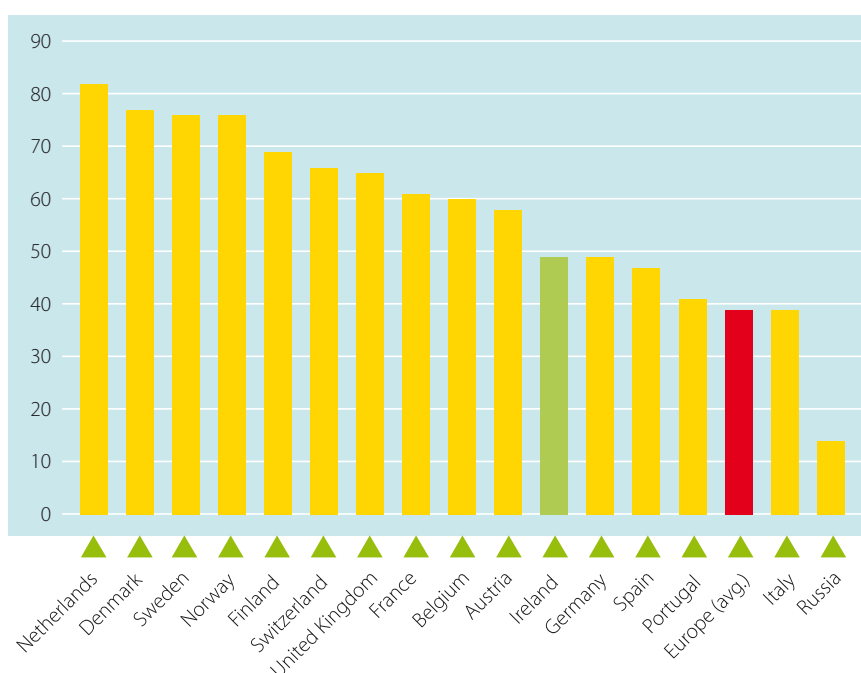
basis, at 30 local domains per 1,000 of population, Ireland's ranking improves beyond the lower quartile.

**Internet usage**

The overall domain market continues to grow as Ireland catches up with

other EU countries in terms of PC ownership, broadband take-up and on-line purchasing. ComReg's quarterly report published in September 2008 (see chart 2) shows the total internet audience and penetration rate for 16 European countries, including Ireland.

**Chart 2. Total Internet Penetration, Q2 '08 (% of population)**



Source: ComReg Quarterly Key Data Report, 10 September 2008

# Registration Services Review

continued

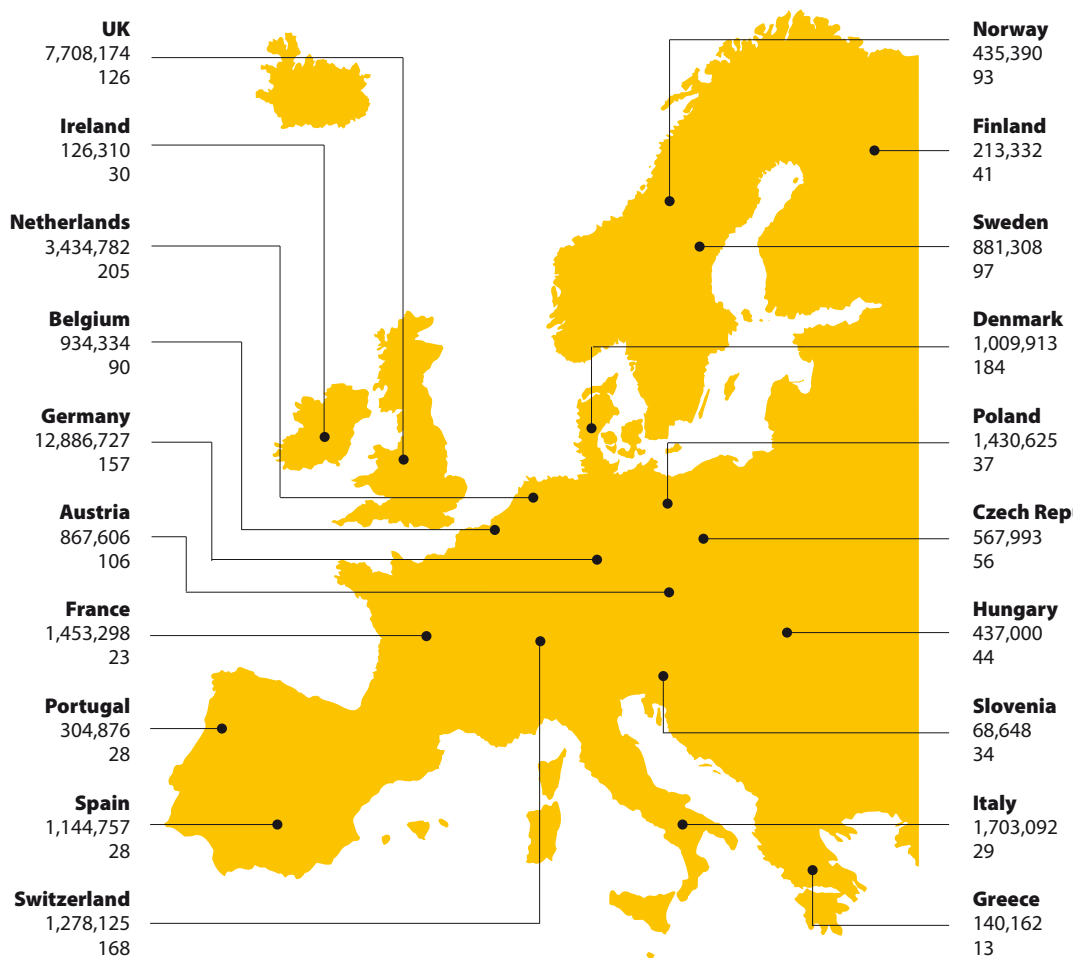
While Ireland has the smallest internet audience in absolute numbers, its internet penetration rate at 49% of the population is on a par with Germany and Spain and is above the European average. In the same report ComReg reported that on average, Irish internet users spend 60% less time online than

the European average and 95% less time online than internet users in the United Kingdom. The average number of webpages accessed, per website visitor, in Ireland is also substantially lower than the European average.

These elements of the Internet landscape must continue to improve if

SMEs are to have a vibrant local e-commerce market for their products and services. IEDR will play a role, in cooperation with stakeholders and its resellers, some of whom are listed opposite, in helping e-commerce policy-makers identify the issues and remove the barriers to growth.

**Diagram 1. ccTLD Registrations by Country May 2009  
and domains per 1,000 of population**



Source: CENTR and Company websites May 2009





# Technical Services Review

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The technical services team is responsible for the support and development of the mission critical services and systems, including software applications, nameservers and network infrastructure.

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## High availability systems and services

During 2008 we continued our focus on improving business continuity processes and disaster recovery readiness across our three sites, with the implementation of further high availability systems and a dedicated disaster recovery site. Our investment in infrastructure continued, delivering a major increase in redundancy at our primary data centre and a project to provide failover of mission critical services at our data centre to a dedicated standby facility in the event of a major disaster. This dramatically reduces our recovery times in the event of a force majeure service interruption or a data centre service outage. This service enhancement is important as it allows us to commit to formal Service Level Agreements with our stakeholders, particularly our resellers who need and demand 24/7 service commitments.

## Registry services

In April 2008, the Technical Services team, along with our external partners, set about designing and deploying a first-class registry system which can change in response to the needs of

all stakeholders over the medium term. The Core Registry System (CRS) replaces many older systems, which have come to end-of-life, with a centralised and extensible registry system. This will leverage the inherent capacities of systems designed using the Service Oriented Architecture (SOA) methodology. The earlier phases of this undertaking are focussed on the migration of back-office services. However, in due course, most registry services will be delivered using this Core Registry System. Additional services will be possible using fewer resources in a shorter timeframe.

In tandem with this large project, the Technical Services team continues to develop and deploy new services for our customers. An example of such a new service is multi-year registrations, which were offered to customers from August 2008. This work paved the way for the provision of multi-year renewal payments services in late 2008.

## ENUM

Throughout 2008, IEDR continued its efforts in helping to develop the ENUM market and services in Ireland. Unfortunately, the “killer application” for a commercial user ENUM service has

not yet emerged from Europe or the US, and accordingly the level of ENUM registrations worldwide remains small, essentially for test application purposes. In Ireland, the IEDR's joint venture with the Austrian ccTLD registry, IENUM Limited, continues to fulfil its 2007 contractual commitments to ComReg. During 2008, IENUM Limited formed a VoIP ENUM working group, with the majority of Irish service providers represented among its membership. IENUM also hosted information awareness seminars and a VoIP security training session for the Irish community thereby bringing international speakers and experts to Ireland to share their experiences.

## DNS Infrastructure

The IEDR Domain Name System (DNS) infrastructure consists of a network of 22 nameserver locations around the globe. The lookup or resolution service for .ie domain queries is performed at all 22 nameserver locations. A critical component of this nameserver infrastructure is the use of ‘Anycast’ load balancing technology provided to IEDR by the Neustar Ultra Services Network. This ‘Anycast’ facility protects against a denial of service attack (DoS attack) by

Partners in keeping Ireland online

# we are some of the .ie stakeholders



## HEAnet

HEAnet is Ireland's National Education and Research Network, providing high quality Internet Services to Irish Universities, Institutes of Technology and the research and educational community. HEAnet provide a high-speed national network with direct connectivity for its community to other networks in Ireland, Europe, the USA and the rest of the world. Established in 1984 to promote the interchange of information electronically within third level education, HEAnet play a critical role in establishing Ireland as a global centre of excellence in Internet activity.

## INEX

INEX is a neutral, industry-owned Association, founded in 1996, that provides IP peering facilities for its members. INEX objective is to provide high-speed, reliable and resilient IP traffic exchange facilities for both Irish and International organisations, allowing them to route IP traffic efficiently thereby providing faster, more reliable and lower-latency internet access for their customers. The INEX switching centres are located in two secure data centres in Dublin. The switches are connected by dedicated resilient fibre links.

## IIA

The Irish Internet Association is the professional body for those conducting business via the internet from Ireland. It has been and remains one of the driving forces behind the adoption of the medium. Established in 1997, the IIA provides leadership to enterprises and society conducting business in Ireland. The IIA is a strong voice for its 550 plus company members which includes those using the medium for communication, marketing and commerce. The aim of the Association is to Connect, Inform and Promote.

## ISPAI

The Internet Service Providers Association of Ireland (ISPAI) has agreed with the Irish government that a self-regulatory approach to the industry has greater opportunities for success and effectiveness. As part of this, the ISPAI established the www.hotline.ie service to combat illegal content, especially child pornography, being hosted and distributed on the Internet. The Hotline has been in operation since November 1999 and receives part-funding of its operations from the EC's Safer Internet Programme. ISPs agree to adhere to a common Code of Practice when they become members of the ISPAI.

## ComReg

ComReg is the statutory body responsible for the regulation of the electronic communications sector and the postal sector. It is the national regulatory authority for these sectors in accordance with EU law which is subsequently transposed into Irish legislation. ComReg is responsible for promoting competition, for protecting consumers and for encouraging innovation. It was given the regulatory responsibility for the .ie namespace in 2007 when the Minister transferred powers he obtained under the E-Commerce Act in 2000.

# Technical Services Review

continued

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allowing the geographical distribution of .ie domain lookup requests to any available DNS resolver for redundancy to effectively distribute traffic/requests to a given location globally. For the .ie namespace, this means increased system efficiency, faster response times, reduced potential for outages, and increased resilience against deliberate, malicious attacks.

It is important to note that even if the IEDR's physical locations, staff and primary nameserver were wiped out (an unlikely scenario) and no action was taken to invoke emergency plans (an even more unlikely scenario), then service to .ie domains would continue for a minimum of 30 days. Obviously, new registrations, changes and deletions would not take place but crucially, existing domain holders' websites would still "resolve" during this time, using the secondary nameserver locations around the world.

## **Kaminsky DNS flaw**

In July 2008, researcher Dan Kaminsky discovered a flaw in the DNS that could allow attackers to compromise the DNS through nameserver software. An attacker with the ability to conduct a successful cache poisoning attack could cause a nameserver's clients to

contact the incorrect, and possibly malicious, hosts for particular services. Consequently, web traffic, email, and other important network data could be redirected to systems under the attacker's control.

In coordination with the international ccTLDs, CENTR and acting on information supplied by the US-CERT (United States Computer Emergency Response Team) the IEDR technical services team quickly implemented the changes required to address the cache poisoning risks identified by Dan Kaminsky.

This issue has reignited the interest of the internet community in deploying DNSsec. Since 2005, only five countries worldwide have a live DNSsec service. In common with their technical counterparts in other ccTLDs, IEDR continues to monitor developments as technical and commercial issues are resolved.

In 2009, the Technical Services team will continue to work proactively with resellers and other stakeholders, some of whom are listed on page 15, to deliver new or enhanced services they may require in order to better serve and protect .ie registrants.



"Having a .ie domain name is essential for NUI Maynooth. As Ireland's fastest growing university our .ie website helps us communicate with current and prospective students as well as our alumni."

**John McGinnity, Assistant Registrar, NUI Maynooth**  
*Sunday Times "University of the year 2008"*

**nuim.ie**



**NUI MAYNOOTH**

Ollscoil na hÉireann Má Nuad

# Legal and Regulatory Review

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Internationally, progress on developing a governance or regulatory framework for the Internet continued at a slow pace. The main international fora for consultation and discussion included the United Nations' IGF, the EC and ICANN. In Ireland the eCommerce Act, as amended in 2007, provided for the regulation of the .ie namespace.

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## Internet Governance Forum (IGF)

The IGF was established by the United Nations with a mandate which revolves around five issues: 1. *Critical Internet resources*, 2. *Access*, 3. *Diversity*, 4. *Openness* and 5. *Security*. It functions as an open, multi-stakeholder consultative body with an interactive and participatory structure. The 3rd annual meeting of the Internet Governance Forum was held in Hyderabad, India, on 3-6 December 2008 and focused on the overall theme of 'Internet for All'.

## Internet Corporation for Assigned Names and Numbers (ICANN)

ICANN launched a consultation process in June 2008 to give an opportunity to the international community to discuss possible changes to ICANN in the lead-up to the completion of the agreement with the US Government (JPA) in September 2009. This is an important part of ICANN's global outreach campaign. ICANN is responsible for the technical operation of the Internet, in particular for managing and coordinating the Domain Name System (DNS) to ensure that every address is unique and that all users of the Internet can find all valid addresses. ICANN's role is very

limited, and it is not responsible for many issues associated with the Internet, such as financial transactions, Internet content control, spam, Internet gambling, or data protection and privacy.

## EC Electronic Communications Framework Directive

This international effort focuses on updating the directive and developing a common regulatory framework for electronic communications networks and services across the EC.

## Communications Regulation (Amendment) Act, 2007

The 2007 Act essentially transfers the powers previously available to the Minister for Communications under the Electronic Commerce Act, 2000 (but never exercised by him) to ComReg, with some limited but important amendments and additions. As an input into the process of developing a regulatory framework for .ie, during 2008 ComReg launched a public consultation process on the .ie namespace and published its formal Response to the Consultation Paper 08/48 on 12 January 2009. Its accompanying press release stated that:

- ComReg will, by way of regulation, appoint IEDR as the authority authorised to register .ie domain names in accordance with Section 32(4)(a) of the Act of 2007
- IEDR will set up and maintain a Policy Advisory Committee (PAC) representative of all stakeholders with a focus on more transparent policy development
- IEDR will continue to adopt the "managed approach" to .ie registrations to ensure continued protection for .ie domain name holders and consumers
- ComReg will implement a monitoring framework and will participate in the PAC to keep abreast of activities in the marketplace
- Further regulatory measures may be considered in the future, as warranted.

In this context, IEDR looks forward to a continuing effective working relationship with ComReg.





“When we set up our first website [www.kennys.ie](http://www.kennys.ie) in 1994 with 30,000 books online, having a .ie address was a no brainer! We never stop selling Kennys, Galway and Ireland both at home and abroad so .ie was very natural to us. Whether we are in the US, Japan or China we are proud to have .ie on our marketing material!”

**Tom Kenny, [kennys.ie](http://kennys.ie)**

“When Kennys set up a separate website for art, we didn’t consider any other domain - [www.thekennygallery.ie](http://www.thekennygallery.ie) is now an extensive art site with details on over 200 artists, thousands of artworks, exhibition archives, exhibition opening speeches and much more. For the two sites, the .ie domain conveys our Irishness, our culture, our heritage and our personal approach to business.”

**Tom Kenny, [thekennygallery.ie](http://thekennygallery.ie)**

**[kennys.ie](http://kennys.ie)**

**[thekennygallery.ie](http://thekennygallery.ie)**

## Corporate Social Responsibility (CSR)

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One of the core mandates of IE Domain Registry Limited is to serve the needs of the Local Internet Community. The directors and management take this responsibility very seriously.

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The directors of the Company carry out their fiduciary responsibilities in accordance with the best Corporate Governance principles and practices. All of the directors are independent and non-executive. In accordance with the Memorandum and Articles of Association of the Company the directors do not have a beneficial interest in the shareholding, reserves or the annual profits of the Company.

The Audit Committee comprises three non-executive directors of the Company and meets at least twice a year. The Audit Committee is responsible to the board for the co-ordination and oversight of the financial reporting process, the external audit function, the system of internal financial controls, regulatory compliance and all matters relating to the legal integrity of the Company, with specific reference to:

- the Company's financial statements,
- the maintenance of proper financial records and of financial and operational controls, and
- the Company's compliance with all legal and regulatory requirements.

The Company's Banking Committee comprises the Company's chairman, secretary and one other director.

ComReg commissioned an independent third party due diligence review of our Corporate Governance, as an input into the process of developing a Regulatory Framework for .ie, and the conclusions were very complimentary of the high standards of Corporate Governance at IE Domain Registry.

Through its membership and sponsorship of industry awards and industry events, the Company provides a modest level of financial support to the Local Internet Community. In 2008 the company again sponsored the Irish Internet Association (IIA) Net Visionary Awards.

The Company provides free .ie domain names for registered charities. In co-operation with a number of its resellers (see [www.domainregistry.ie/CharityRegs.php](http://www.domainregistry.ie/CharityRegs.php)), domains are provided free of charge to those organisations which are registered as charities with the Revenue Commissioners. The Company also provides free .ie domains for two years to those resellers providing new broadband connections to Ireland's schools and educational institutions.

IEDR strives to reduce its carbon footprint by adopting some of the principles of Green IT. This is apparent from our recent high availability initiatives in our data centre whereby we invested in energy-efficient hardware and software (VMware), which has reduced our energy consumption through rationalisation of our services and servers.

Furthermore, our back-office recycling program ensures that all technical hardware is recycled in an environmentally responsible manner. Our dependence on paper archives was reduced significantly in 2008 through our adoption of eFax services in support of domain name registrations. eFax services coupled with our digital archiving of supporting documentation assists in reducing our dependency on traditional paper-based archival.

The Company endeavours to be a good employer in all respects. The Company's Staff Handbook sets out the HR policies and procedures, and includes whistleblower provisions. The Company operates a pension scheme for the benefit of all qualifying employees, and has a Safety Statement in accordance with the relevant legislation.



“As daft.ie is Ireland’s biggest property website, it makes sense for us to have a local internet address for Irish people to find properties available to buy and rent in Ireland”

Eamonn and Brian Fallon, daft.ie



**daft.ie**

# Five Year Summary

Extract from the audited Financial Statements

## Profit and Loss

	Year to 31 Dec 2008 €	Year to 31 Dec 2007 €	Year to 31 Dec 2006 €	Year to 31 Dec 2005 €	Year to 31 Dec 2004 €
Registration Revenue	2,516,880	2,343,111	2,309,332	2,356,064	2,222,997
Administrative Expenses	(1,054,642)	(765,293)	(671,849)	(717,154)	(619,423)
Employment Costs	(871,581)	(830,778)	(779,449)	(597,905)	(568,836)
Depreciation	(156,717)	(75,226)	(53,491)	(65,724)	(123,629)
Regulatory Costs	(60,000)	(85,000)	-	-	-
Operating profit	373,940	586,814	804,543	975,281	911,109
Financial investment impairment	(584,707)	-	-	-	-
Interest income	59,907	20,107	17,769	13,719	5,945
Interest payable	-	-	(526)	(7,210)	(21,594)
Taxation	(71,633)	(83,212)	(87,728)	(116,944)	(15,265)
(Loss)/Profit after taxation	(222,493)	523,709	734,058	864,846	880,195

## Balance Sheet

	At 31 December 2008 €	At 31 December 2007 €	At 31 December 2006 €	At 31 December 2005 €	At 31 December 2004 €
Fixed Assets	215,196	104,346	79,876	24,316	76,440
Investments	1,465,363	2,050,070	2,000,070	1,000,000	-
Current Assets	1,912,340	1,336,854	666,257	1,260,985	1,289,962
Creditors <1 year, excluding Deferred Income	(578,513)	(306,245)	(193,908)	(372,247)	(349,711)
Deferred Income	(1,175,530)	(1,123,676)	(1,014,655)	(1,109,472)	(1,050,296)
Creditors >1 year	-	-	-	-	(27,659)
Members' Funds	1,838,856	2,061,349	1,537,640	803,582	(61,264)

## Registration Growth

	Year to 31 Dec 2008	Year to 31 Dec 2007	Year to 31 Dec 2006	Year to 31 Dec 2005	Year to 31 Dec 2004
At 1 January	91,352	70,778	54,684	43,253	35,426
New Registrations	34,263	29,110	22,590	15,741	11,504
Less: Deletions / Non-renewals	(9,779)	(8,536)	(6,496)	(4,310)	(3,677)
Net Additions	24,484	20,574	16,094	11,431	7,827
At 31 December	115,836	91,352	70,778	54,684	43,253
Net Growth in year	26.8%	29.1%	29.4%	26.4%	22.1%



## Company Information

<b>Directors</b>	Professor J.O. Scanlan ( <i>Chairman</i> ) Ms. Frances M. Buggy Mr. Mark Dobbyn Dr. Patrick Frain Dr. Canice Lambe Mr. Kevin McCarthy
<b>Secretary</b>	Mr. Jim Joyce
<b>Company Number</b>	315315
<b>Registered Office</b>	14 Windsor Terrace Sandycove Co. Dublin
<b>Auditors</b>	Duignan Carthy O'Neill 84 Northumberland Road Ballsbridge Dublin 4
<b>Bankers</b>	Bank of Ireland Montrose Co. Dublin
<b>Solicitors</b>	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2  McKeever Rowan 5 Harbourmaster Place IFSC Dublin 1

## Directors' Report

for the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

### Principal Activity

The company was incorporated on 16th November 1999 and commenced to trade on 1 July 2000. The principal activity of the company is the registry for .ie Internet domain names.

### Results and Dividends

The loss for the year, after providing for depreciation, taxation and the financial investment impairment amounted to €222,493 (2007 – profit of €523,709).

### Fair Review

From an operational perspective, the year 2008 was a satisfactory year of development and growth for the company. The company delivered significant price reductions of 20% to its customers. It invested resources in staff and facilities, in particular in the installation of high availability infrastructure in a third party data centre and standby facility. Volume growth in domains was strong again in 2008, and largely offset the price reductions, resulting in an increase in turnover of 7.4%. The financial position of the company at 31 December 2008 is solid with adequate liquid resources, and Members' Funds of €1.84 million.

In line with industry norms, the company faces a number of risks in relation to reliance on key computer systems and key staff. The company's business continuity plans and disaster recovery procedures address the risks associated with reliance on key computer systems. Staff training, cross skilling and key process documentation mitigate the potential exposure arising from the loss of key staff members.

The company's financial investments were adversely affected by the decline in stock markets worldwide during 2008. Although the reduction is unrealized in accounting terms, the directors consider it prudent to make an impairment provision in the light of the current economic conditions. Accordingly a provision amounting to €584,707 has been recorded to reduce the financial investment to its market value of €1,415,293 at 31 December 2008, notwithstanding that the investments are for the long term, are in conservative managed funds and are diversified across three Irish Investment Managers.



## Directors

At the Annual General Meeting in every third year, a third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one third shall retire from office. Accordingly, no directors are required to retire in accordance with the Articles of Association.

## Post Balance Sheet Events

The financial investments declined by a further €135,537 in the period to 31 March 2009.

## Directors and their Interests

In accordance with the Article of Association, the directors have no financial interest in the Member's Funds of the company.

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while remaining a member, or within one year afterwards, for payment of debts and liabilities of the company contracted before ceasing to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding €1.27 cash.

## Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are 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 the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2006 and all Regulations to be construed as one with those Acts. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at Windsor House, 14 Windsor Terrace, Sandycove, Co. Dublin.

## Auditors

The auditors, Duignan Carthy O'Neill, Chartered Accountants have indicated their willingness to continue in office in accordance with the provisions of Section 160 (2) of the Companies Act, 1963.

On behalf of the Board

**Professor J. O. Scanlan**

Director

**Mr. Mark Dobbyn**

Director

17 April 2009

# Independent Auditors' Report to the Members of IE Domain Registry Limited

We have audited the financial statements of IE Domain Registry Limited for the year ended 31 December 2008, which comprise the Profit & Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

## Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to the members our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Companies Acts, 1963 to 2006. We also report to the members whether in our opinion: proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable,

include such information in our report. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 24 and 25 is consistent with the financial statements.

## Duignan Carthy O'Neill

Chartered Accountants and Registered Auditors

17 April 2009

# Profit and Loss Account

for the year ended 31 December 2008

				Continuing Operations	
	Notes	Year ended 31 December 2008	Year ended 31 December 2007		
		€			
<b>Turnover</b>		<b>2,516,880</b>	2,343,111		
Administrative expenses		<b>(2,142,940)</b>	(1,756,297)		
<b>Operating profit</b>	2	<b>373,940</b>	586,814		
Provision for financial investment impairment	8	<b>(584,707)</b>	-		
Interest income		<b>59,907</b>	20,107		
Interest payable and similar charges	3	-	-		
<b>(Loss) / Profit on ordinary activities before taxation</b>		<b>(150,860)</b>	606,921		
Tax on (loss) / profit on ordinary activities	6	<b>(71,633)</b>	(83,212)		
<b>(Loss) / Profit retained for the year</b>		<b>(222,493)</b>	523,709		
<b>Profit and loss account at beginning of year</b>					
Accumulated profit brought forward		<b>2,061,349</b>	1,537,640		
Accumulated profit carried forward		<b>1,838,856</b>	2,061,349		
<b>Statement of total recognized gains and losses</b>					
Total recognised (losses)/gains relating to the year		<b>(222,493)</b>	523,709		
<b>Total recognised (losses)/gains since last annual report</b>		<b>(222,493)</b>	523,709		

The financial statements were approved by the Board on 17 April 2009 and signed on its behalf by:

**Professor J.O. Scanlan** Director    **Mr. Mark Dobbyn** Director

# Balance Sheet

as at 31 December 2008

	Notes	2008 €	2007 €
<b>Fixed Assets</b>			
Tangible assets	7	215,196	104,346
Financial fixed assets	8	1,465,363	2,050,070
<b>Current Assets</b>			
Debtors	9	326,592	311,411
Cash at bank and in hand		1,585,748	1,025,443
		1,912,340	1,336,854
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,754,043)</b>	<b>(1,429,921)</b>
<b>Net Current Assets / (Liabilities)</b>		<b>158,297</b>	<b>(93,067)</b>
<b>Total Assets less Current Liabilities</b>		<b>1,838,856</b>	<b>2,061,349</b>
<b>Capital and Reserves</b>			
Profit and loss account	11	1,838,856	2,061,349
<b>Members' Funds</b>	12	<b>1,838,856</b>	<b>2,061,349</b>

The financial statements were approved by the Board on 17 April 2009 and signed on its behalf by:

**Professor J.O. Scanlan** Director    **Mr. Mark Dobbyn** Director



# Cash Flow Statement

for the year ended 31 December 2008

	Notes	2008 €	2007 €
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		373,940	586,814
Depreciation		156,717	75,226
Increase in debtors		(15,312)	(56,400)
Increase in creditors		324,122	221,476
<b>Net cash inflow from operating activities</b>		<b>839,467</b>	<b>827,116</b>
<b>Cash Flow Statement</b>			
<b>Net cash inflow from operating activities</b>		<b>839,467</b>	<b>827,116</b>
Returns on investments and servicing of finance	15	59,907	20,107
Taxation		(71,502)	(94,604)
Capital expenditure	15	(267,567)	(149,696)
		<b>560,305</b>	<b>602,923</b>
Financing	15	-	-
<b>Increase in cash in the year</b>		<b>560,305</b>	<b>602,923</b>
<b>Reconciliation of net cash flow to movement in net funds 16</b>			
<b>Increase in cash in the year</b>		<b>560,305</b>	<b>602,923</b>
<b>Net funds at 1 January</b>		<b>1,025,443</b>	<b>422,520</b>
<b>Net funds at 31 December</b>		<b>1,585,748</b>	<b>1,025,443</b>

# Notes to the Financial Statements

for the year ended 31 December 2008

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## 1. Accounting Policies

### 1.1. Accounting convention

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

### 1.2 Consolidation

The company and its subsidiaries combined, meet the exemption criteria for a group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of Regulation 7 of the European Communities (Companies: Group Accounts) Regulations, 1992. Consequently, these financial statements deal with the results of the company as a single entity.

### 1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales for the year ended 31 December 2008. The company adopted a policy of deferring revenue for the first time in the year ended 31 December 2002. This will result in income being recorded in the period to which the fee invoice relates, rather than the period in which the fee invoice was raised. This policy has been maintained during the year ended 31 December 2008.

All turnover derives from activities in the Republic of Ireland.

### 1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The charge for depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life from date of acquisition as follows:

Computer Equipment – 33% Straight Line

Fixtures and Fittings – 25% Straight Line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### 1.5. Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year to a defined contribution pension scheme for the benefit of all eligible employees.

### 1.6. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

### 1.7. Taxation

The charge for taxation is based on the profit for the year.

Full provision for deferred tax is provided at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation.

## 1.8. Financial fixed assets

### *Investments in subsidiary undertakings*

Investments in subsidiary undertakings are shown at cost less provisions for impairments in value.

### *Other financial investments*

Other financial investments are shown at cost less provisions for impairments in value. Income from other financial fixed asset investments, together with any related withholding tax, is recognized in the profit and loss account in the year in which it is receivable.

## 2. Operating profit

The operating profit is arrived at after charging:

	Year ended 31 December 2008 €	Year ended 31 December 2007 €
Depreciation and write-off of tangible assets	156,717	75,226
Auditors' remuneration	15,500	15,500
Directors' remuneration	65,000	65,000
Secretarial fees	30,000	30,000
Regulatory costs (ComReg)	60,000	85,000

## 3. Interest payable and similar charges

On bank loans, overdrafts and other loans wholly repayable within five years

	Year ended 31 December 2008 €	Year ended 31 December 2007 €
	-	-
	-	-

## 4. Employees

### Number of employees

The average monthly numbers of employees during the year were:

	Year ended 31 December 2008 Number	Year ended 31 December 2007 Number
Administration	12	12

# Notes to the Financial Statements

for the year ended 31 December 2008

## 4. Employees (continued)

<b>Employment costs</b>	<b>Year ended 31 December 2008</b>	<b>Year ended 31 December 2007</b>
	€	€
Wages and salaries	772,035	717,556
Social welfare costs	63,672	58,678
Other pension costs	35,874	54,544
	<b>871,581</b>	<b>830,778</b>

## 5. Pension costs

The company operates a defined contribution pension scheme for the benefit of all eligible employees. The assets of the scheme are vested in independent trustees for the sole benefit of those eligible employees. The pension costs charge represents contributions payable by the company to the fund and amounted to €35,874 (2007 - €54,544).

## 6. Taxation

### (a) Taxation

<b>Current year taxation</b>	<b>Year ended 31 December 2008</b>	<b>Year ended 31 December 2007</b>
	€	€
Corporation Tax on the profit for the year on Ordinary activities	71,633	83,212
Overestimated in prior year	-	-
	<b>71,633</b>	<b>83,212</b>

### (b) Factors affecting tax charge for year

	<b>Year ended 31 December 2008</b>	<b>Year ended 31 December 2007</b>
	€	€
(Loss) / Profit on ordinary activities before tax	(150,860)	606,921
(Loss) / Profit on ordinary activities multiplied by Standard rate of Corporation Tax in Ireland of 12.5%	(18,858)	75,865
Effects of:		
Expenses not allowable for tax purposes	238	242
Capital allowances for period less than/(in excess of) Depreciation	9,830	3,353
Deposit Interest at higher rates of Taxation	7,334	3,752
Provision for financial investment impairment unrealized, so not allowable for tax purposes	73,089	-
Current tax charge for year (Note 6(a))	<b>71,633</b>	<b>83,212</b>



## 7. Tangible assets

	Land and buildings leasehold	Computer Equipment	Fixtures and Fittings	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2008	3,809	660,266	77,411	741,486
Additions	-	264,287	3,280	267,567
Disposals	-	-	-	-
At 31 December 2008	3,809	924,553	80,691	1,009,053
<b>Depreciation</b>				
At 1 January 2008	3,809	558,668	74,663	637,140
On disposals	-	-	-	-
Charge for the year	-	155,494	1,223	156,717
At 31 December 2008	3,809	714,162	75,886	793,857
<b>Net book values</b>				
At 31 December 2008	-	210,391	4,805	215,196
At 31 December 2007	-	101,598	2,748	104,346

The accounting policy for the depreciation of tangible assets is outlined in Note 1.4.

There are no assets held under finance leases or hire purchase contracts at 31 December 2008.

## 8. Financial fixed assets

	2008 €	2007 €
Other financial investments – at cost	2,000,000	2,000,000
Shares in subsidiary undertakings	50,070	50,070
	2,050,070	2,050,070
Less: Provision for financial investment impairment	(584,707)	-
	1,465,363	2,050,070

Other financial investments at cost represents the investment for the long term in conservative managed funds, diversified across three Irish Investment Managers. The market value of the financial investments at 31 December 2008 was €1,415,293 (2007 - €2,163,627). In accordance with the accounting policy for Other financial investments outlined in Note 1.8, a provision for impairment amounting to €584,707 has been recorded at 31 December 2008. Although the reduction is unrealized in accounting terms, the directors consider it prudent to make the impairment provision in the light of the current economic conditions.

# Notes to the Financial Statements

for the year ended 31 December 2008

## 8. Financial fixed assets (continued)

### Other financial investments

	Unlisted €	Total €
Cost		
At 1 January 2008	2,000,000	2,000,000
Purchased in year	-	-
At 31 December 2008	2,000,000	2,000,000
Less: Provision for financial investment impairment	(584,707)	-
	1,415,293	2,000,000

### Shares in subsidiary undertakings

The company holds 100% of the share capital of the following companies, except for IENUM Limited where the company holds 70% of the share capital, and 100 % of the preference share capital:-

	Country of registration or incorporation	Shares held class	Principal Activity
<b>Shares in Subsidiary undertakings</b>			
.IE Registry Limited	Ireland	Ordinary	Not trading
Domain Registry IE Limited	Ireland	Ordinary	Not trading
IEDR Limited	Ireland	Ordinary	Not trading
The Irish National Domain Registry Limited	Ireland	Ordinary	Not trading
IENUM Limited	Ireland	Ordinary and Preference	ENUM Registry

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and Reserves €	Profit for the year €
.IE Registry Limited	127	Nil
Domain Registry IE Limited	127	Nil
IEDR Limited	127	Nil
The Irish National Domain Registry Limited	127	Nil
IENUM Limited	50,100	Nil

In the opinion of the directors, the shares in the company's subsidiaries have no value and have been written down to €nil in the Balance Sheet as at 31 December 2008, except for IENUM Limited which is stated at cost.

**9. Debtors: amounts falling due within one year**

	2008	2007
	€	€
Trade debtors	184,849	208,352
Corporation tax recoverable	11,143	11,274
Prepayments and accrued income	130,600	91,785
	<b>326,592</b>	311,411

**10. Creditors: amounts falling due within one year**

	2008	2007
	€	€
Trade creditors	95,305	78,852
Other creditors	61,878	6,000
Other taxes and social security costs	7,673	50,846
Accruals	413,657	170,547
Deferred Income (a)	1,175,530	1,123,676
	<b>1,754,043</b>	1,429,921
Other taxes and social security costs include:	€	€
PAYE & PRSI	4,631	-
VAT	3,042	50,846
	<b>7,673</b>	50,846

At 31 December 2008, the company had an unused line of credit facility with Bank of Ireland amounting to €115,000.

(a) The accounting policy for deferred income is outlined in Note 1.3.

**11. Equity reserves**

	Profit and loss account	Total
	€	€
<b>At 31 December 2007</b>	2,061,349	2,061,349
Loss for the year	(222,493)	(222,493)
<b>At 31 December 2008</b>	<b>1,838,856</b>	<b>1,838,856</b>

# Notes to the Financial Statements

for the year ended 31 December 2008

## 12. Reconciliation of movements in Members' Funds

	2008	2007
	€	€
(Loss)/Profit for the year	(222,493)	523,709
At 1 January	2,061,349	1,537,640
At 31 December	<b>1,838,856</b>	2,061,349

## 13. Guarantee

Parent Company Guarantee

On 18 December 2006 the company's 70% subsidiary IENUM Limited signed an agreement with Comreg to provide the national ENUM registry service for Ireland. On the same date the company signed a Shareholder Agreement with Internet Privatstiftung Austria (IPA) which provided inter alia the terms and conditions of the joint venture between the company and IPA, and their respective responsibilities. On 18 December 2006 the company and IPA co-signed a Guarantee in favour of Comreg to guarantee, on a joint and severable basis, the performance obligations of IENUM Limited under the Comreg Agreement.

## 14. Commitments

Operating lease commitments

Annual commitments exist under non-cancelable operating leases as follows:

	2008	2007
	Premises	Premises
	€	€
Expiring:		
Within one year	-	-
Between two and five years	80,000	80,000
More than five years	-	-
	<b>80,000</b>	80,000

The rentals payable under the 5 year lease in respect of the business premises is subject to negotiation in December 2010.

Capital commitments

The company has a contractual commitment at 31 December 2008 amounting to €64,575 in respect of capital expenditure which is payable in 2009, subject to satisfactory completion of the capital project in accordance with the terms and conditions of the contract.

## 15. Gross Cash Flows

	2008 €	2007 €
<b>Returns on investments and servicing of finance</b>		
Interest received	59,907	20,107
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	267,567	99,696
Payments to acquire shares in subsidiary undertakings	-	50,000
	<b>267,567</b>	<b>149,696</b>
<b>Financing</b>	-	-

## 16. Analysis of changes in net funds

	Opening balance €	Cash Flow €	Closing balance €
Cash at bank and in hand	154,931	(145,261)	9,670
Deposit accounts	870,512	705,566	1,576,078
Net funds	1,025,443	560,305	1,585,748

## 17. Post balance sheet events

The financial investments declined by a further €135,537 in the period to 31 March 2009.

## 18. Contingent liabilities

There are no contingent liabilities at 31 December 2008.

## 19. Company structure

The company is limited by guarantee and does not have a share capital.

## 20. Controlling parties

The company is controlled by its members, who in accordance with the Articles of Association, are defined as the directors of the company.

## 21. Approval of financial statements

The financial statements were approved by the Board on 17 April 2009 and signed on its behalf by:

**Professor J.O. Scanlan** Director    **Mr. Mark Dobbyn** Director



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**Yuri Gladkenko**

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"entertainment.ie is a fantastic website. It gives all the latest updates on cinema, tv and gigs in my area. I can also get reviews on the coolest nightclubs and restaurants which helps me plan a night out with the girls"

**Louise Rodgers**

"The argos.ie website has a wide range of items from their catalogue available to select and reserve online. This means that when I go to the store I can go straight to payment and collection which saves me time"

**Aoife Delaney**

"I use facebook.ie every single day to keep in contact with my friends and to share all my photos, this is one website I have saved to my favourites"



**David Fitzpatrick**

"As a Leinster supporter, I frequently visit the leinsterrugby.ie website to keep up-to-date with latest news on the lads. I also get my season ticket and pick up the latest jerseys"

**Sue Townsend**

"I use the uci.ie to book and pay for my cinema tickets in advance so I don't have to queue. I can also view the trailer for the film I want to see before I go"

**James Dean**

"indublin.ie is a fantastic website. It keeps me informed on all the upcoming festivals, comedy shows, movies and live music performances. I can also see reviews on pubs and restaurants around Dublin – brilliant"

**Emma Mooney**

"I am a great music lover and I use ticketmaster.ie to buy tickets for all the upcoming artists visiting Ireland – I have just bagged online tickets for Britney Spears for the 14th June in the O2 arena!"



**Jenny Fitzpatrick**

"daft.ie is a very user-friendly website and really does have an extensive choice of rental properties. I use this website regularly to keep any eye on what's on offer and also to check current rental prices in my area"

**Andrew Curran**

"autotrader.ie is a great website for finding cars in my area, based on model, specification and price. When selling my own cars I also advertise on autotrader.ie"

**Susan Kennedy**

"I use superquinn.ie to do my weekly shopping online. When I log onto the website it immediately displays all the offers and specials and delivers straight to my door"

