

IEDR ANNUAL REPORT & REVIEW 2015



Identifiably Irish
Ireland's Domain Registry



Recognised globally as identifiably Irish

IEDR 2015 Key Figures

208,928

Database of .ie
domains

35,225

New .ie
Registrations

88.6%

Renewal
rates

€3.7m

Members'
Funds

Contents

- 2 Performance Highlights 2015
- 3 Strategic Priorities
- 4 Chairman's Statement
- 6 Chief Executive's Report

Corporate Governance

- 10 Board of Directors and Management
- 12 Corporate Governance
- 13 The Audit Committee
- 14 Internet Governance
- 16 Policy Development
- 17 Corporate Social Responsibility (CSR)

Business and Market Review

- 20 Frontline Customer Services
- 28 Technical Services Review
- 32 Outreach and Promotion Review
- 36 Five Year Summary
- 58 Glossary of Terms

Financial Statements

- 38 Company Information
- 38 Directors' Report
- 41 Independent Auditors' Report
- 42 Profit and Loss Account
- 43 Balance Sheet
- 44 Statement of Cash Flows
- 45 Notes to the Financial Statements



.ie

IEDR works on behalf
of the Irish community
to promote the Internet
as a strategic national
resource.

Performance Highlights 2015

Extract from the audited Financial Statements (financial figures only)

Profit and Loss

	Year to 31 Dec 2015 €	Year to 31 Dec 2014 €
Registration Revenue	2,859,722	2,723,983
Administration expenses	(1,706,923)	(1,204,141)
Employment costs	(1,462,973)	(1,334,870)
Depreciation	(206,908)	(175,108)
Operating (loss)/profit	(517,082)	9,864
Unrealised gains on financial investment	80,941	83,078
Profit on sale of financial investment	-	132,358
Interest income	21,444	30,741
Taxation	25,386	(60,000)
(Loss)/profit after taxation	(389,311)	196,041

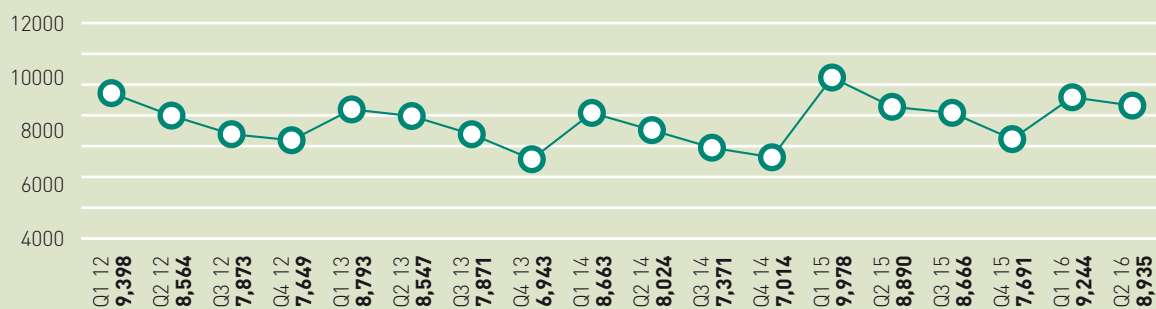
Balance Sheet

	At 31 Dec 2015 €	At 31 Dec 2014 €
Fixed Assets	163,762	181,141
Investments	3,159,815	3,078,874
Current Assets	2,801,697	3,272,788
Creditors <1 year, excluding Deferred Income	(437,514)	(592,383)
Deferred Income	(1,970,724)	(1,834,073)
Members' Funds	3,717,036	4,106,347

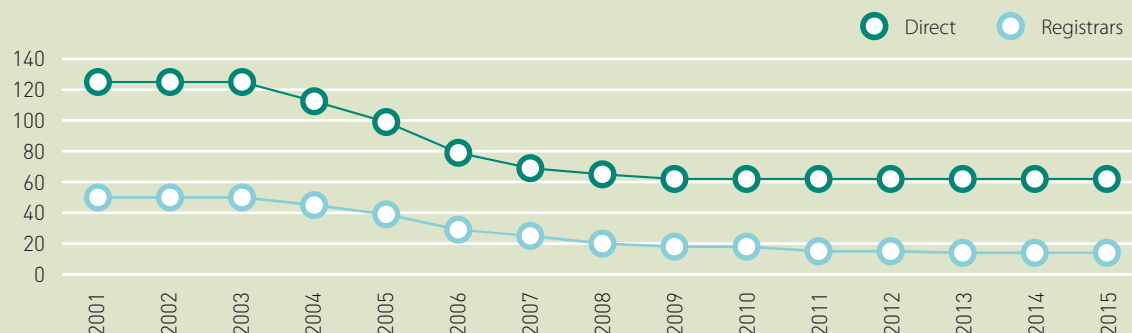
Cash Flow

	Year to 31 Dec 2015 €	Year to 31 Dec 2014 €
Net cash (outflow)/inflow from operating activities	(316,615)	200,141
Decrease in cash in the year	(476,505)	(822,122)

Number of new .ie registrations – quarterly growth



Prices of a .ie domain (€)



Our Strategic Priorities

To focus on the needs and requirements of customers in continuously improving existing services and infrastructure.



To achieve annual new growth rates greater than our competitors (.com/new TLDs) with .ie retention rates comparable to similar ccTLDs.



To maintain profitability and balance sheet integrity to ensure the company's ability to enhance .ie stability, safety and resilience through re-investment.



To contribute to the development of Internet usage and uptake through active involvement and engagement with the community.



To deliver on our customer service, technical, statutory and other obligations as the active Registry Operator for the .ie namespace in Ireland.



Chairman's Statement



IE Domain Registry (IEDR) had another successful year in 2015. The installed base of .ie domains increased by 12,929 domains, net of deletions, or 6.6% over the year, to a total 208,928 at year end.

We continued our emphasis on improving customer service and on upgrading and integrating our technical infrastructure. I am glad to report that we maintained our position in an increasingly competitive marketplace and that IEDR again had no material unplanned outages in 2015.

I said in my Statement last year that, arising from a strategic review in 2014, we had concluded that IEDR should take advantage of its strong financial position by establishing a special Strategic Development Fund to be expended in 2015 on a range of projects designed to deepen Internet awareness and use in Ireland. While we operate on a strictly commercial basis, we are a not-for-profit company with a general responsibility for promoting the use of the Internet in Ireland, particularly in the business sphere. Therefore, we deemed it appropriate to expend some of our accumulated funds in 2015 for this purpose, over and above our normal promotional activities.

Elsewhere in this Report there are details of projects financed from the Strategic Development Fund. We are satisfied that they have enabled significant progress to be made in advancing IEDR's strategic objective of raising the profile of the Internet as an essential business tool. I would mention here our Domain Profile Report and Digital Health Index, both of which received considerable media attention, and the National Internet Day organised by the IEDR in October, 2015. Not all the projects planned were fully completed in the year and, in light of its success in 2015, we propose to continue with a somewhat curtailed programme in 2016.

While moderate progress is being made, both in extending the broadband infrastructure and in getting businesses connected to the Internet, it is generally accepted that Irish SMEs have been relatively slow in taking advantage of the exponential growth of business done online. The result is loss of business opportunities as well as loss of business to overseas competitors. The IEDR's OPTIMISE programme, which will be in its sixth year in 2016, provides practical assistance to firms in the SME sector in exploiting the Internet to e-commerce enable their businesses. It has already achieved much in this area, as have initiatives undertaken by the Department of Communications, Energy and Natural Resources. We hope that our Strategic Development Fund projects will make a further substantial contribution in this area.

As expected, we recorded an after-tax deficit of €390k in 2015 as a result of financing the Strategic Development Fund and, for the same reason, we are planning for a loss in 2016, although at a much lower level. However, as a result of prudent financial management over the years, the Company's overall financial position remains fully protected. Members' Funds at end 2015 stand at €3.7 million, or 130% of 2015 annual revenue. Our primary financial objective has always been to accumulate and maintain a fully adequate capital base to meet business requirements and I can assure our stakeholders that this will continue to be the case into the future. We expect to return to a positive financial outturn in 2017.

The year was particularly noteworthy for the activities of the Policy Advisory Committee (PAC) with a broad brief to advise the Board on policy developments affecting the Company. In its management of the .ie national resource the Company has a key responsibility for balancing the rights, responsibilities and obligations of our stakeholders. The establishment of the PAC, representative as it is of a broad range of stakeholders, plays a key role in achieving that goal. We had an excellent response from stakeholders in nominating representatives to participate in the Committee and I would like again to record the Board's sincere thanks to everyone involved for their participation. I also thank the Independent Chairman to the Committee, Mr A.R. Shaw. The PAC has already made a substantial contribution in 2015 in considering new initiatives and in advising the Board on their introduction. The Chief Executive's report gives further detail on this, from which it will be abundantly clear that the commitment of the members of the Committee has been exemplary.

Of particular importance to the IEDR's success is our partnership with our accredited Registrars, who are central to the marketing and promotion of .ie and to our growth initiatives. I am happy to record our thanks to Registrars as a group for their support of .ie and for their ready participation, including through the Policy Advisory Committee, in our efforts to develop the national domain name in the interests of the Internet community. I also thank the industry associations, with which we have always had a close relationship, for their assistance, particularly in relation to service improvements and technical developments.

On behalf of the Board, I am pleased to thank our Chief Executive, David Curtin, his executive team and all our staff for their work during the year, in particular for their commitment to maintaining and improving service to our customers. I am personally indebted to my fellow Directors for their assistance in policy development and operational oversight and in monitoring our governance to ensure that it conforms to best practice. We also appreciate the assistance of the industry regulator, ComReg and the Minister and Department of Communications, Energy and Natural Resources during the year.

Developments in the fast changing world of Internet, e-commerce and digital communications will continue to present new competitive challenges but I am satisfied that IEDR remains well placed to meet them. As much as anything, our performance in 2015 and our record now over many years leave me very confident in our future.

Professor J. O. Scanlan

Chairman of the Board

27 May 2016

Chief Executive's Report



The registry for the .ie namespace performed exceptionally well in 2015. Loyalty to the 'Identifiably Irish' .ie brand contributed to improved renewal rates for existing customers, while .ie continued to be the domain of choice for new customers registering domains for new websites or promotional campaigns.

With ongoing emphasis in 2015 on strategic execution, the management team was particularly successful in achieving expansion of .ie in terms of net growth: continuous improvement in customer services; and contributing to the development of SME Internet usage and uptake in Ireland. IEDR ended the year in a very strong financial position, with €3.7m in Members' Funds and €5.75m in liquid funds and investments.

The operating loss during the year ended 31 December 2015 arises principally as a result of expenditure of €508,000 on Strategic Development Fund activities. The company established the Fund with a dedicated budget of €618,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. In 2015, this fund financed inter alia; an integrated radio and digital campaign promoting the .ie domain as 'Identifiably Irish'; an extension of the successful OPTIMISE programme; publications backed by robust independent research; new services for customers and the inaugural Ireland Internet Day. While it is difficult to calculate the quantitative return on marketing investment, the company is pleased with the 48.1% year-on-year increase in net new registrations.

The Policy Advisory Committee (PAC) met on five occasions during 2015 and, applying the long-standing 10-step policy development process which uses a bottom-up approach to policy changes and consensus building, dealt successfully with a range of policy changes. The company proposed three policy changes, viz; to allow 1 and 2 letter domain names (previously

blocked due to historic technical reasons, no longer valid); to allow domain names with fadas on the vowels (previously restricted because email systems and Internet browsers could not cope with non-Latin characters, again no longer an issue); to allow a secondary market in .ie domain names (originally prohibited to deter cyber squatters and large-scale foreign domainers). The latter policy change will unlock the intrinsic value of a registrant's .ie domain name, by permitting an aftermarket to allow domain holders to sell the right to use their .ie domain. The Corporate Governance section of this report provides additional information.

Operational review

New registrations of 35,225 in 2015 increased by 13.4% when compared to the same period in 2014 (31,072). This growth was offset by 22,296 non-renewals or deletions which were in line with 2014 (22,342 domains), giving a net increase of 12,929 which was 48.1% better than the net increase in 2014 (8,730 domains). This growth, generated almost totally by the continuous efforts of IEDR's accredited Registrar community, reflects external factors such as the improving macro-economic environment and consumer confidence leading to increased use of websites for new online businesses, products or services. It is offset somewhat by the use of mobile and social media for small businesses' promotions. The Company continued its work in 2015 to promote excellence in SME's website functionality, design and e-commerce through sponsorships and direct funding.

The growth curve on page 2 illustrates the extent of the improvement in 2015 with a stellar Q1 2015 setting the tone for the year. The 11.4% level of non-renewals/deletions is in line with 2014 (11.9%) and this level of .ie non-renewals is very low by international standards where non-renewal rates can be over 30% – reflecting the shorter domain life-cycles, as domains are increasingly used for the promotion of one-off events and campaigns.

During 2015, the Company continued to implement the agreed reporting framework with the submission of quarterly reports to ComReg. There was no progress in 2015 on the Company's application to ICANN for the transfer from UCD of 'active registry operator' status to IEDR, which was submitted to ICANN in February 2011, accompanied by letters of support from stakeholders in the local Internet community. In order to complete the transfer request ICANN will need a letter of support from the Irish government. The Department of Communications, Energy and Natural Resources is still considering the matter.

Financial review

Turnover, representing the deferred income released in 2015, increased by 5% to €2.86 million (2014 – €2.72 million). While the invoiced value of registration fees increased, reflecting new growth in 2015, an increasing proportion is accounted for by multiyear registrations and renewals. Accordingly, the deferred revenue on the balance sheet increased by 7.5% in 2015, to €1.97 million (2014 – €1.83 million).

Administrative expenses increased by 24.7% from €2.71 million to €3.38 million. Promotion, sponsorship, and advertising costs more than doubled in 2015 as the company launched its Strategic Development Fund and continued its sponsorship of industry events, continued its joint promotion with Registrars of the .ie namespace and continued the OPTIMISE Fund, which assists SMEs and micro-businesses to develop and e-commerce enable their .ie websites. Employment costs increased by 9.6% in 2015 to €1.46 million reflecting staff turnover, maternity cover and cost of living increases. Depreciation increased by 17.7% to €0.2 million reflecting the company's investments in mission critical applications and services for customers.

The company changed its accounting policy in relation to financial assets in 2015 and now records the financial investments on a Mark to Market basis of valuation. The financial investments market value at 31 December 2015 is €3,109,715 (2014 – €3,028,774). Accordingly, this uplift in the capital markets yielded a net unrealised gain of €80,941 for the year.

The financial position of the Company at 31 December 2015 is solid. Reflecting the very significant investments in 2015 in the Strategic Development Fund, Members' Funds decreased by 9.4% from €4.1 million at December 2014 to €3.7 million by the end of December 2015. Similarly, cash and cash equivalents decreased to €5.75 million (2014 – €6.15 million) including €3.1 million invested with multiple investment managers.

Profit and Loss

	Year to 31 Dec 2015 €	Year to 31 Dec 2014 €
Registration Revenue	2,859,722	2,723,983
Administration expenses	(1,706,923)	(1,204,141)
Employment costs	(1,462,973)	(1,334,870)
Depreciation	(206,908)	(175,108)
Operating (loss)/profit	(517,082)	9,864
Financial investment impairment	80,941	83,078
Profit on sale of financial investment	–	132,358
Interest income	21,444	30,741
Taxation	25,386	(60,000)
(Loss)/profit after taxation	(389,311)	196,041

The quality of the Company's financial transparency and reporting has been independently acknowledged. IEDR was the proud winner of its category in the Chartered Accountants Ireland Leinster Society, Published Accounts Awards 2015.

Continuous improvements review

The entire team at IEDR strives for excellence in all aspects of the operation. Success in 2015 is evidenced by being shortlisted for many industry awards. Every team member is part of the continuous improvement process.

The Company continued to focus on controlling costs for the channel and for the Company. The web-based console and automated interfaces continue to provide full transparency of all transactions with IEDR. Registrars, as agents appointed by domain holders (registrants), continue to 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.

The data escrow function continued to operate, whereby relevant extracts of the .ie database are extracted, encrypted and transmitted to a third party, to be held in safekeeping and only released to the appropriate authorities in the unlikely event of a catastrophic event occurring at the Registry. This added layer of resilience, reliability and protection provides business continuity and peace of mind for registrants of .ie domain names.

The Technical Services Team updated the high availability infrastructure within the two datacentres in line with the Company's regular upgrade investment cycle. The team remains vigilant in protecting the national DNS infrastructure against ongoing and new external threats, in particular in the face of the global onslaught of DDoS and malware attacks, thereby contributing to the safety, security and resilience of the .ie domain.

Market development and SME Internet usage and uptake

Irish SMEs continue to confound the critics by remaining off-line, when their customers are online in their millions and buying online from abroad.

It is not clear why such a large cohort of small businesses in Ireland remain effectively offline. Even those SMEs who are online, with websites and other digital assets such as a Facebook presence, still cannot, or will not, sell online or take sales orders online. IEDR commissioned Ignite Research to conduct independent research. It is becoming clearer that the problem is not one of awareness. SMEs respond that they appreciate the importance of a website, in generating awareness of the business and in generating sales, yet the majority of SMEs surveyed have not e-commerce enabled their websites. They say that barriers include perceived complexity or cost and the level of time commitment required. Perhaps there is also a reluctance to engage with multiple software vendors and an implied absence of obvious business benefits. It is clear that further research is needed to guide policymakers on how to improve Internet usage and uptake in the small business community.

In response, IEDR recognises the need to provide supports and on-site assistance to SMEs to enable them to leverage the benefits of having a .ie address and being identifiably Irish online. Accordingly, in addition to the OPTIMISE fund, the Company continued in 2015 to support its Registrars in promoting their website builder services, recognising that businesses only indirectly need .ie domain names (surveys confirm that the main reason is for website and email purposes).

Outlook for 2016

On the international front, the Company continues to respond to developments impacting ccTLD registries, in particular the ongoing expansion of the global namespace, by 871 new gTLDs (with 11.2 million domains under management) by the end of 2015, with hundreds more gTLDs expected in 2016, which offer consumers a multiplicity of choice in domain extensions. While these new options will undoubtedly result in innovation and accelerated growth in the global domain name market, the potential for cybersquatters represents a challenge for brand managers, trademark and patent holders and the owners of intellectual property rights.

Nationally, new registration growth in 2016 moderated compared to quarter one 2015 when the Company ran a major integrated media campaign promoting the .ie domain as 'Identifiably Irish'. Nevertheless, in the context of market stagnation in Europe, the outcome in the first half of 2016 is very encouraging at 18,179 .ie domains, albeit a reduction of 3.7% compared to the same period in 2015 (18,868 .ie domains).

We anticipate that the work of the Policy Advisory Committee will continue in 2016 to expand the services and products we offer customers. We expect to launch a new service in the second half of 2016 which will make fadas on the vowels of domain names available, for the first time – very appropriate as an Identifiably Irish online identity. A separate policy change, when implemented, will unlock the intrinsic value of Ireland's .ie domain name, by permitting an aftermarket to allow existing domain holders to sell the right to use their .ie domain.

We are pleased to have Board approval to continue our investments in 2016 in a range of projects designed to deepen Internet awareness and uptake in Ireland. We will continue to control operating costs in other areas of the business.

I would like to express my gratitude to our Company Secretary for his ongoing support and counsel, to the Chairman, and to the Board of Directors for its support. I thank our dedicated staff for their outstanding contribution to the continued growth of the .ie namespace and the development of our policies and services to ensure that .ie remains Identifiably Irish in an ever-expanding global Internet ecosystem.

David Curtin
Chief Executive

27 May 2016



Fair, equitable, transparent

We manage the .ie namespace to the highest standards of corporate governance and pride ourselves on honesty and objectivity in our interactions with Registrars, stakeholders and civic society.

Board of Directors and Management



Professor J.O. Scanlan ●

Sean Scanlan is Professor Emeritus 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 and 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 was 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. He was awarded the Gold Medal by the Royal Irish Academy in 2011 in recognition of his outstanding contribution to the Engineering Sciences.



Dr. Pat Frain ▲●

Pat Frain was the Director of NovaUCD, the innovation and technology transfer centre at University College Dublin (UCD), until he retired in 2011. He was responsible for the planning and development of the Centre, which was established in 2003 with the support of a public-private partnership. Pat was also an Adjunct Professor at the UCD Michael Smurfit Graduate School of Business. He is also involved in a range of national and international organisations and initiatives aimed at promoting innovation and technology transfer. He is a founding member and President of the European Knowledge Transfer Society. He was Chair of the Boards of ProTon Europe and AURIL (UK and Ireland) and a fellow and Board member of the Institute for Knowledge Transfer. He is also a member of the International Advisory Board for Industry and Higher Education and of the Board of SciFest. He is a physicist by qualification and an alumnus of the EU-Japan Centre for Industrial Cooperation.



Dr. Canice Lambe

Canice Lambe is currently Chief Technology Officer with Altify, an Irish software company that helps sales professionals sell smarter and manage better, using Dealmaker intelligent software and proven sales methodology. He was a founder and CTO of Cunav Technologies (later New World Commerce) which merged with US CRM company IQ to become New World IQ. Canice has also been Chief Product Officer at Rockall Technologies and Chief Technology Officer at PixAlert. He 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.



Frances Buggy ▲

Frances Buggy is an experienced programme manager of software and systems development projects, R&D management, and strategic ICT initiatives for the European Commission, regional government, academia and international Public/Private consortia. Her private sector experience is drawn mainly from the internationally traded services sectors. She has significant start-up experience both with SMEs and large scale technology start-ups. Frances is a Prince2 certified practitioner of project management – with graduate degrees in both Marketing Management and Technology/Innovation Management and postgraduate qualifications including the International MBA. Frances also has an ongoing professional involvement in the practice of intellectual property management, NPD/Technology Transfer, and STEM policy development. She has served on several professional boards and is a founding member and former Chairperson of the Irish Internet Association.

▲ Audit committee member in 2015. ● Banking committee member in 2015.

**Kevin McCarthy**

Kevin McCarthy retired from IDA Ireland in December 2009 as Area Director for the Border, Midlands and West regions. Kevin served in IDA from 1970 and was the longest serving staff member on retirement. During his time in IDA Kevin was seconded to the post of Chief Executive to the Tallaght Task Force and also as Enterprise Advisor to the Polish Agency for Regional Development. Kevin's educational qualifications include a Diploma in Business Strategy from the IMI and an MA in International Relations from DCU.

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 financial management assignments. He is a director of a number of commercial organisations. Mark is a business and history graduate of Trinity College Dublin, and a Fellow of the Institute of Chartered Accountants in Ireland.

Fergal O'Byrne

Fergal O'Byrne is currently a Non-Executive Director of Sonru, an online video interviewing company. He is an experienced Internet industry entrepreneur who founded Interactive Return in 1998. Previous positions include the role of CEO of the Irish Internet Association. He has published four business books including; 'Online Marketing and Search Engine Essentials' and '10 Technologies Every Executive Should Know'. Fergal holds an Honours Degree in Electronic Engineering from DIT, Kevin Street, Dublin. He is, or has been, a member of the Board of Directors of 4giftsdirect.com, IGOpeople.com, WINC, CottonTreeProject and CCD Limited. In 2015 he was delighted to become an Inductee into the IIA Internet Hall of Fame "for inspiring and supporting the Internet community in Ireland".

Chief Executive**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 B.Comm 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.

Company Secretary**Jim Joyce ●**

Jim Joyce was appointed Secretary of the company in 2004. He was Chairman of the Health Insurance Authority from 2005 to 2015 and is a former Company Secretary to the National Digital Research Centre (NDRC). 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.

Corporate Governance

Corporate governance is a key focus of the Board of Directors and Management at IEDR as it directs the philosophy, practices, culture and overall success of the Company.

IE Domain Registry Limited (IEDR) is an independent, not-for-profit organisation, limited by guarantee and is therefore not required to comply with the provisions of Corporate Governance Codes. However, the IEDR Board of Directors is committed to ensuring that best practice Corporate Governance operates throughout the Company. Accordingly, the Board has adopted and applied certain provisions of the codes beyond what would normally be regarded as practical, relevant and appropriate for a company of IEDR's size and nature.

The Company's unitary Board of Directors is comprised of eight independent Non-Executive Directors, supported by two sub-committees: the Audit Committee and the Banking Committee. Directors are appointed initially to the Board for a three year term: thereafter Directors can seek re-election for a further three year term. At the end of a continuous term of six years Directors are required to retire and re-election can only be sought after a break in service of three years.

The Board of Directors meets six times per annum to consider a range of Company matters, including reviewing the management accounts, monitoring registration and non-renewal rates, discussing strategy and agreeing on the future direction of the Company. The Board also receives regular updates, between meetings if necessary, on a range of matters including business, financial, legal, regulatory and corporate affairs.

The IEDR Chairman ensures that the Non-Executive Directors are appointed to the Board from a range of different professional backgrounds. This ensures diversity of the Board which in turn means that members can effectively reach out to a broad range of stakeholder groups. Diversity of the Board also ensures a better understanding of the different requirements of various stakeholders.

The IEDR Chairman is responsible for ensuring that all Non-Executive Directors have the necessary knowledge and experience required to discharge their responsibilities. Appraisal of the Board's performance is an important control, aimed at improving effectiveness, maximising strengths and tackling weaknesses.

ComReg commissioned an independent third-party due diligence review of the Company's Corporate Governance, as an input into the process of developing a Regulatory Framework for .ie. The conclusions published in its formal Response to the Consultation Paper 08/48 were very complimentary of the high standards of Corporate Governance at IEDR.

Directors' responsibilities

The Board of Directors is the custodian of the Company's values and its long term vision. The Board also provides strategic direction and guidance for the Company.

The Directors of the Company carry out their fiduciary responsibilities in accordance with the best practice Corporate Governance codes and principles. 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 members' funds, reserves or the annual profits of the Company.

The Directors are responsible for ensuring that the financial statements have been prepared in accordance with the Companies Act 2014 and Financial Reporting Standards, collectively known as the "relevant financial reporting framework". The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Other material financial decisions reserved for Board approval include investments, capital projects and any bank borrowing facilities.

The Directors are also responsible for other tasks including monitoring the Chief Executive Officer, overseeing strategy, monitoring risks, control systems and governance, monitoring the human capital aspect of the Company (specifically, succession planning, training and remuneration) managing potential conflicts of interest and ensuring that there is effective communication throughout the Company.

The Audit Committee

The Company's Audit Committee is responsible to the Board of Directors 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 in relation to the legal integrity of the Company.

The Audit Committee operates under written terms of reference agreed by the Board which are reviewed on a regular basis. The Audit Committee is appointed by the Board from the Non-Executive Directors of the Company and consists of not less than three members, at least one of whom has the "relevant financial experience". The Chairman of the Committee is Mr Mark Dobbyn who is a Fellow of the Institute of Chartered Accountants in Ireland.

The Committee is authorised by the Board to investigate any activity within its terms of reference. It may also seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee has the authority to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.



Statement from the Audit Committee Chairman

The financial reporting framework that has been applied in the preparation of the financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable

in the UK and Republic of Ireland" (FRS102) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. These are the first financial statements that comply with FRS 102.

The role of the Audit Committee is important in reviewing the effectiveness of the Company's internal controls to provide assurance on the Company's financial reporting process and compliance with all legal and regulatory requirements. The Committee will continue to keep the risk management and internal control framework under review to ensure the integrity of the financial reporting process in a changing environment.

The duties and key responsibilities of the Committee are:

- ▶ to consider the appointment of the external auditors, to make recommendations to the Board about the audit fee and any questions of resignation or dismissal.
- ▶ to discuss with the external auditors before the statutory audit commences the nature and scope of the audit and to review the audit plan.
- ▶ to review the annual financial statements before submission to the Board and focus on:
 - ▼ critical accounting policies and decisions requiring a significant element of judgement and any changes in accounting policies and practices
 - ▼ compliance with accounting standards, legal requirements and regulations
 - ▼ major judgmental areas and major or unusual transactions and how they are disclosed
 - ▼ company policy and practice with regard to insurance and investment risk mitigation and controls
 - ▼ significant adjustments to the financial statements as a result of the external audit
 - ▼ any problems and reservations arising from the audit and any matters the auditor may wish to discuss (in the absence of management where appropriate)
- ▶ to review the external auditor's management letter and management's response.
- ▶ to keep under review the effectiveness of internal control systems and of procedures for staff raising matters in confidence.
- ▶ to report to the Board of Directors on how it has discharged its responsibilities.

It is the Committee's view that during the year it has discharged its duties and key responsibilities.

Mark Dobbyn

Chairman of the Audit Committee

27 May 2016

Internet Governance

No one person, company, organisation or government runs the Internet.

The Internet is a globally distributed computer network comprised of many voluntarily interconnected autonomous networks. As such, Internet governance involves many different stakeholders.

Who runs the Internet?

"Internet governance is conducted by a decentralized and international multi-stakeholder network of interconnected autonomous groups drawing from civil society, the private sector, governments, the academic and research communities, and national and international organizations. They work cooperatively from their respective roles to create shared policies and standards that maintain the Internet's global interoperability for the public good."

Internet Corporation for Assigned Names and Numbers (ICANN)

The infographic on the opposite page illustrates this complexity.

ICANN

ICANN was formed in 1998. Headquartered in Los Angeles, California, it is a not-for-profit partnership of people from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet's unique identifiers. ICANN does not control content on the Internet. It cannot stop spam and it doesn't deal with access to the Internet. But through its coordination role of the Internet's naming system, it does have an important impact on the expansion and evolution of the Internet. ICANN's role is to oversee the huge and complex interconnected network of unique identifiers that allow computers on the Internet to find one another.

ICANN has external as well as internal accountabilities. Externally, ICANN is an organisation incorporated under the law of the State of California in the United States, so it can be sued in Court. ICANN is also a non-profit public benefit corporation and its directors are legally responsible for upholding their duties under corporate law. Internally, ICANN is accountable to the community through its Bylaws, and the representative composition of the ICANN Board from across the globe.

Governments can participate via the Government Advisory Committee (GAC). At the ICANN 52 meeting in Singapore in February 2015, the GAC welcomed Ireland,

Kazakhstan and Mauritania as new GAC Members. Membership of this influential committee was a major milestone for Ireland Inc in 2015, given Ireland's importance as an e-commerce hub for Europe.

In order to allow the US government to step back from its role in relation to the global Internet, the National Telecommunications and Information Administration (NTIA) requested that ICANN "convene a multi-stakeholder process to develop a plan to transition the US government stewardship role" with regard to the IANA Functions and related root zone management. At the ICANN 55 meeting in Marrakech in March 2016, a plan was agreed for ICANN to end direct US government oversight control of administering the Internet and commit permanently to the model of global multi-stakeholderism. The plan includes an IANA transition proposal alongside a proposal to improve ICANN's accountability measures.

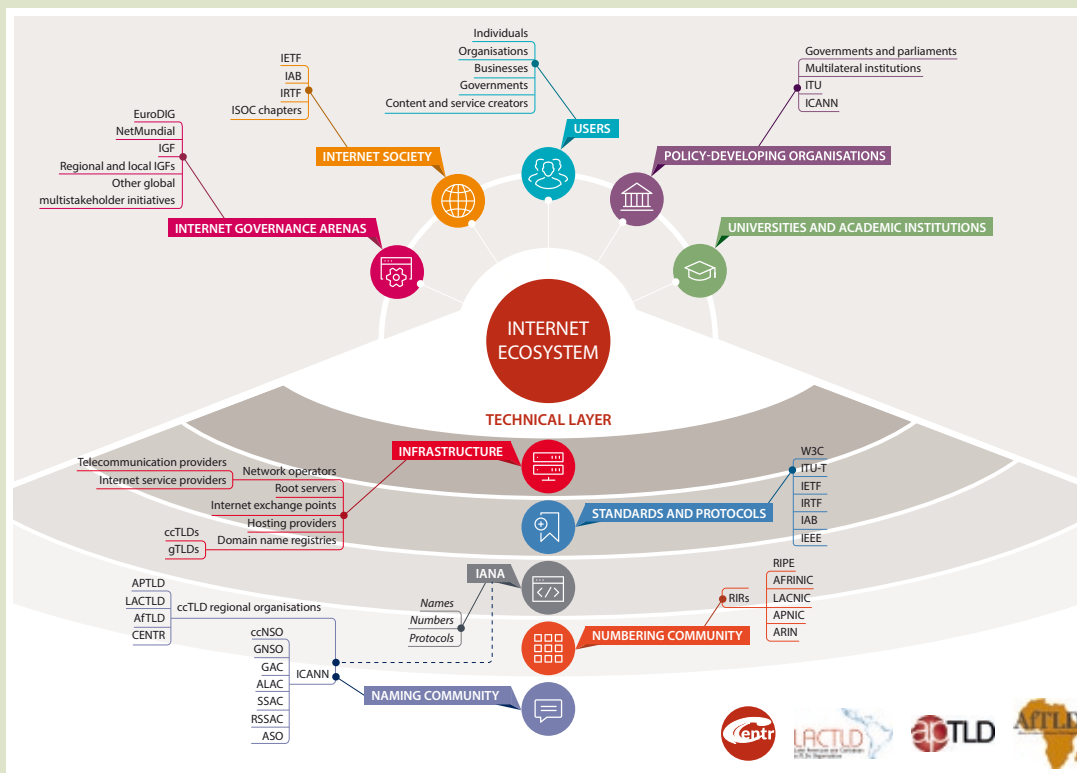
Internet stakeholders and policy development for .ie

IEDR mirrors the international multi-stakeholder philosophy and principles within its structures and has adopted a bottom-up, consensus driven, and consultative approach to all .ie namespace policy matters. The 10-step Policy Development Process (PDP) was published in May 2012 and provides for the active participation and involvement of a Policy Advisory Committee (PAC). The mandate of the PAC is to advise the Board of the IEDR on matters of policy and its implementation, as set out in the PAC Terms of Reference.

The legislative framework in Ireland

The legislative framework in Ireland is well developed. The Communications Regulation (Amendment) Act, 2007 came into force in 2007. This 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, ComReg launched a public consultation process on the .ie namespace and published its formal Response to the Consultation Paper 08/48. ComReg's 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 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.

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

Internet Governance Forum (IGF)

The Internet Governance Forum (IGF) was established by the United Nations following the World Summit on the Information Society (WSIS) in 2006. Since then, it has become the leading global multi-stakeholder forum on public policy issues related to Internet governance. Its mandate initially revolved around **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. It serves to bring people together from various stakeholder groups as equals, in discussions on public policy issues relating to the Internet. While there is no negotiated outcome, the IGF informs and inspires those with policy-making power in both the public and private sectors.

The UN’s ten-year review of World Summit on Information Society (WSIS) concluded successfully with the adoption of the WSIS+10 Resolution on 16 December 2015. While WSIS+10 reached rough consensus on development, security, and human rights issues, there was no consensus on the topic of Internet governance – as happened ten years ago at the WSIS Summit in Tunis. The main division between the inter-governmental and the multi-stakeholder approaches to Internet governance remains alive. To address this division, WSIS+10 reaffirmed three core elements of the ‘Tunis compromise’:

First, it extended the IGF mandate for 10 years and reaffirmed its underlying architecture, meaning that Internet governance is addressed under the UN umbrella, but in a multi-stakeholder manner. Second, it retained the roles and responsibilities of the stakeholders as outlined in the Tunis Agenda. Third, it maintained the element of ambiguity around an enhanced cooperation arrangement, which allows for different interpretations. A new element is the request for the strengthening of the IGF.

At the annual IGF meeting delegates discuss, exchange information and share good practices with each other. The IGF facilitates a common understanding of how to maximise Internet opportunities and address risks and challenges that arise. The main theme of the 10th annual IGF meeting in João Pessoa, Brazil in November 2015 was: ‘Evolution of Internet Governance: Empowering Sustainable Development’.

Acronyms

- AFRINIC** Internet Numbers Registry for Africa
- AFTLD** African Top Level Domain Association
- ALAC** At-Large Advisory Committee
- APNIC** Asia Pacific Internet Address Registry
- APTLD** Asia Pacific Top Level Domain Name Association
- ARIN** American Registry for Internet Numbers
- ASO** Address Supporting Organization
- ccNSO** Country Code Names Supporting Organization
- ccTLD** country code top-level domain
- CENTR** Association of European ccTLD Registries
- EuroDIG** European Dialogue on Internet Governance
- GAC** Governmental Advisory Committee
- GNSO** Generic Names Supporting Organization
- gTLD** generic top-level domain
- IAB** Internet Architecture Board
- IANA** Internet Assigned Numbers Authority
- ICANN** Internet Corporation for Assigned Names and Numbers
- IEEE** Institute of Electrical and Electronics Engineers
- IETF** Internet Engineering Task Force
- IGF** Internet Governance Forum
- IRTF** Internet Research Task Force
- ISOC** The Internet Society
- ITU** International Telecommunication Union
- ITU-T** ITU’s Telecommunication Standardization Sector
- LACNIC** Latin American and Caribbean Internet Addresses Registry
- LACTLD** Latin American and Caribbean Association of ccTLDs
- RIPE** Réseaux IP Européens
- RIRs** Regional internet registries
- RSSAC** Root Server System Advisory Committee
- SSAC** Security and Stability Advisory Committee
- W3C** World Wide Web Consortium

Policy Development

Policy development for the .ie namespace follows a bottom-up, consensus driven and consultative approach, set out in IEDR's 10-step Policy Development Process (PDP), first introduced in May 2012 and published on its website (<https://www.iedr.ie/p30/policy-development/>).

In July 2014, IEDR established a Policy Advisory Committee (PAC) to consider and provide advice to the IEDR Board of Directors on policy change requests. The PAC operates under specific Terms of Reference and follows this PDP. There is full transparency on the matters discussed and decisions reached and the minutes of the PAC meetings are published on the IEDR website (<https://www.iedr.ie/p30/policy-development/>).

The members of the PAC are stakeholders with an interest in the .ie namespace and its policies. The membership includes representatives from eligible organisations, including the .ie accredited Registrars, the Department of Communications, Enterprise Ireland, the Irish Internet Association, the Small Firms Association, the Law Society, the Internet Service Providers Association of Ireland, the Department of Enterprise, and the Association of Patent and Trademark Attorneys.

The inaugural meeting of the PAC was held in February 2015, where a number of policy change requests were considered, including the removal of long standing restrictions on:

- ▶ One and two letter .ie domain names.
- ▶ Internationalised Domain Names (IDNs).
- ▶ The re-sale of the right to use a .ie domain (secondary market).

Throughout 2015 additional policy change requests were considered in relation to:

- ▶ Permitting the registration of .ie domains that correspond to geographic place names within the island of Ireland.
- ▶ Permitting the registration of .ie domains that correspond to top-level domain extensions (TLDs).
- ▶ Permitting the unrestricted use of the term "university" in .ie domains.
- ▶ Modifying the "Personal Name" registration policy, to permit applications for abbreviated forms of an applicant's first name.

Throughout 2015, the PAC has met on a bi-monthly basis to discuss the various policy change proposals submitted for consideration and has worked diligently to build consensus. The PAC also worked to identify the most appropriate release mechanism, for consumers and the channel, when introducing changes.

Of particular note is the successful introduction of one and two letter .ie domains which were released under a phased process which began in November 2015. It was essential to have a fair process when introducing highly desirable, short names to the market for the first time. While other countries chose a 'first past the post' basis or lottery basis, the consensus in Ireland was for a three-phase release, to respect the legal rights of trademark holders and with an auction process to determine the outcome where there were multiple applicants. The three phases were; Sunrise, Landrush and then, General Availability.

The PAC is operating well and experiencing strong levels of engagement from its members to build consensus on policy changes. It is anticipated that a number of enhancements to the .ie namespace will continue to be discussed and implemented throughout 2016, in line with the IEDR's Policy Development Process.

Corporate Social Responsibility (CSR)

One of the core mandates of the IEDR is to support and serve the needs of the local Internet community. The Directors and management of IEDR strive to be transparent, accountable and to balance the rights and responsibilities of all stakeholders. IEDR understands the importance of active communication and engagement with our internal and external stakeholders.

The Company prioritises the values of fairness, equity and transparency in all dealings with our key stakeholders, including customers (Registrars), domain holders (registrants), employees of the Company and the local Internet community.

Registrars, registrants and the local Internet community

Through its memberships and sponsorship of industry awards and industry events, the Company provides a modest level of financial support to the local Internet community. In 2015 the Company sponsored the BT Young Scientist and Technology Exhibition, the Digital Media Awards (DMA), the Small Firms Association (SFA) Awards, the DANI Awards, the Smart Business Show, Digital DNA, the Web Awards, the SME Awards and was the headline sponsor of the Irish Internet Association (IIA) dot.ie Net Visionary Awards for the fifth consecutive year.

In 2011, the Company established OPTIMISE, IEDR's e-Commerce and Website Development Fund aimed at micro, small and medium indigenous enterprises. The Fund was offered again in 2015 to a further fifteen .ie website owners who benefited from practical consultation and implementation of e-commerce functions on their websites. In 2015, the Fund was extended to provide dedicated masterclasses, designed to inform and educate the SME business owner in specific areas of online marketing such as analytics, social media and advertising.

In 2012, the Company established a Co-Funded Marketing Fund aimed at providing financial assistance to our customers (Registrars) to support their efforts to promote the .ie namespace. The IEDR provides financial assistance of up to 50% of the marketing costs incurred by Registrars.

IEDR has provided free .ie domain name registrations to 5,453 registered charities, in co-operation with a number of our accredited Registrars. Domain names are provided free of charge to those organisations which are registered as charities and have a valid CHY number issued by the Revenue Commissioners.

Employees

The Company aims to be a good employer in all respects. The Company's Staff Handbook sets out the HR policies and procedures, and is provided to all new employees as part of their induction. The Staff Handbook also includes whistle-blower provisions and procedures for staff raising matters in confidence, including providing direct lines of communication to Board members. IEDR operates a pension scheme for the benefit of all full-time employees. The Company also has a Safety Statement in accordance with the relevant legislation.

Environmental awareness

IEDR continuously works to reduce its carbon footprint by adopting some of the principles of Green IT. This is apparent from the high availability initiatives in our data centre where we have 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 programme ensures that all technical hardware is recycled in an environmentally responsible manner. As part of IEDR's awareness of the need to sustain natural resources, employees implement the Company's recycling policy in the appropriate manner.

Valuing our customer

We put the needs of our customers first in everything we do.

Continuous improvement of customer service is a vital step in making .ie a domain that our customers value, appreciate and use.



Internal Operations



Identifiably Irish
Ireland's Domain Registry



Front row, L-R: Alan Finneran, Oonagh McCutcheon, Mick Begley, David Curtin, Patrick Bates. **Middle row, L-R:** Andrew Connolly, Sandra Santo, Paul Shortt, Robin Spiteri, Damian Byrne, Sarah Keegan, Melissa Nangle. **Back row, L-R:** Mario Kral, Mick Geraghty, Donal O Nuallain, Brian Taite, Jan Widel, Paul Duffy.

Based in Dun Laoghaire, Co. Dublin, IEDR has a total of 19 employees. This includes the CEO, David Curtin, who is supported by a management team of two: Customer Operations Manager, Oonagh McCutcheon and Technical Services Manager, Mick Begley.

Customer Services Teams

While we are organised for functional excellence, IEDR operates a matrix organisation structure to ensure that all teams within IEDR are focussed in the direction of the customer. IEDR believes that this approach can deliver significant benefits to the Registry and its customers, including improved customer experience, consistent engagement with customers over time, and increased end-customer loyalty.

Accounting and Finance

Three staff members make up the Finance Team (Patrick Bates – Financial Controller, Brian Taite – Customer Service Administrator and Melissa Nangle – Office Administrator). The Finance Team provides accounting services and financial support to the Company and its customers.

Registration Services

The Registration Services Team has four staff members (Paul Shortt – RS Supervisor, Sarah Keegan, Sandra Santo and Damian Byrne – RS Administrators). The RS Team is responsible for ensuring that all .ie applications from potential registrants are authenticated with a real and substantive connection with the island of Ireland and a valid claim to the name.

Outreach and Promotion

Donal O Nuallain looks after the Company's outreach initiatives and works with our accredited Registrars on marketing and promotion of the .ie namespace.

Business Development

Andrew Connolly works with our existing accredited Registrars on business development and growth opportunities. Alan Finneran looks after future business development, working on outreach and expanding the Registrar base.

Technical Services

Application Support and Development (ASD)

ASD has two staff members (Robin Spiteri and Mario Kral). ASD is responsible for the ongoing customer support of applications and tools and developing and implementing new or upgraded solutions for internal and external customers.

Network Operations Centre (NOC)

The NOC Team has three staff members (Paul Duffy, Jan Widel and Mick Geraghty). NOC manages, controls and monitors IEDR's networks and infrastructure. The overall function is to maintain optimal network operations across a variety of platforms and communications channels.

Frontline Customer Services

The Customer Services Team is responsible for authenticating the claim to the name and connection with the island of Ireland for all new .ie domain registrations. They also assist customers in managing their .ie domain portfolios by authorising domain modifications and ensuring the efficiency of IEDR's automated self-service systems. The team handled over 35,000 new registration requests during 2015.

IEDR operates a managed registry model whereby all new registrants must prove a claim to their desired domain name and a connection to Ireland. This model means that only those who have a valid claim to a particular .ie domain name can register it. It also means that the Registry knows the details of who is behind each .ie domain registration and by extension each .ie website. This provides the .ie namespace with its integrity, and when combined with the requirement for every registrant to have a connection with Ireland, makes .ie an identifiably Irish domain name. These policies contrast with other gTLD registry models like .com or .eu where no claim to the domain name is required or verified during registration.

These verification checks at the point of registration mean that the .ie namespace has fewer intellectual property disputes, less cybercrime or cybersquatting and minimal incidences of credit card fraud. There is also little evidence of illegal, explicit or immoral content appearing on .ie websites. IEDR co-operates fully with law enforcement agencies, regulatory bodies and the relevant authorities in these matters, in the public interest. The Company's managed registry model ensures that such interventions are minimal.

At the end of 2015 there were 210,839 .ie domains registered in total. The published database is 208,928 when unpublished suspended domains are excluded. This was a 6.6% increase compared to the total number of registered domains at the end of 2014, and a 36.1% increase over the five year period since 2010.

This increase was fuelled by 35,225 new .ie domain registrations – a 13.4% year on year increase compared to the 2014, and the highest recorded number since 2011. Furthermore, net additions (new .ie domain registrations less non-renewed .ie domain registrations) to the .ie database were also up, with 12,929 in 2015 compared to 8,730 in 2014, a year on year increase of 48.1%. This is the highest recorded net increase since 2011.

The continued addition of newly registered domains means that more Irish people now have a .ie web address than ever before. This is also a strong indicator of Ireland's growing online population and the demand for a national namespace which provides an Irish identity in a global online environment.



The .ie domain registry broke new ground in Q1 2015, passing the milestone of 200,000 registered domains for the first time. Limerick-based action adventure camp, www.BasecampAdventurePark.ie was identified as the 200,000th registered .ie domain name.

Pictured at Basecamp Action Adventure Park in Co Limerick to celebrate the registration of the 200,000th .ie domain name are (l-r) Donal O Nuallain, Head of Promotions, PR and Marketing at IE Domain Registry (IEDR), Wayne Slattery, Owner and Managing Director at Basecamp Action Adventure Park and Eamon Rheinisch, Key Account Manager, LetsHost.

Who is registering .ie domains?

IEDR identifies the classification of all .ie registrants at the time of registration, which provides valuable information on who is registering .ie domains. At the end of 2015, almost 78.5% of domains in the .ie domain registry were registered by corporate bodies (e.g. public or private companies) or sole traders.

The .ie database records information on the different domain names being registered. All registrations are broken down into eight different registrant classes and eleven different categories of domain names. Chart 1 represents the class of registrant. Table 1 combines this data with the category of domain name registered into a matrix format and indicates that the business sector continues to be the largest class of registrant with body corporates at 54.34% (2014 – 54.53%) and sole traders at 24.09% (2014 – 24.82%). Corporate and business names account for just under half of all categories of domains names registered.

Chart 1: Total .ie domains registered at 31 December 2015 by class of registrant

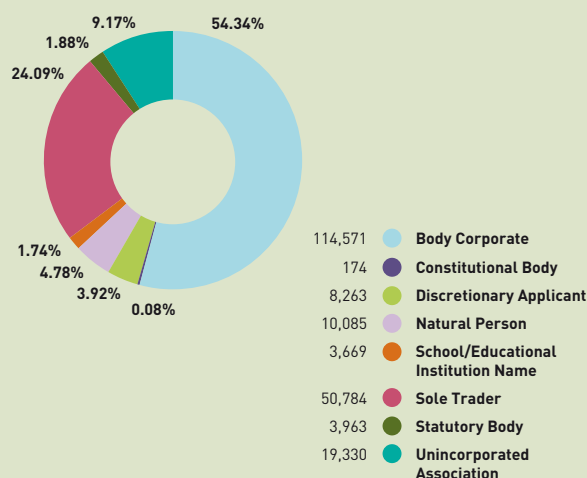


Table 1: All .ie domain names registered at 31 December 2015 analysed by class of registrant and category of .ie domain name registered

As at 31 December 2015

Class of Registrant

Category of Domain Names	Class of Registrant								Grand Total	Grand Total %
	Body Corporate (Ltd, PLC, Company)	Sole Trader	Unincorporated Association	Natural Person	Discretionary Applicant	Statutory Body	School/Educational Institution	Constitutional Body		
Discretionary Name	47,784	18,337	6,602	4,673	8,263	2,723	1,352	62	89,796	42.59%
Corporate Name	48,768		1	1					48,770	23.13%
Registered Business Name	10,912	31,185	4,153						46,250	21.94%
Unincorporated Association Name			8,444						8,444	4.01%
Registered Trade Mark Name	6,581	221	72	90		16	12	6	6,998	3.32%
Personal Name				5,090					5,090	2.41%
School/Educational Institution Name							2,280		2,280	1.08%
State Agency Name						1,148		32	1,180	0.56%
Personal Trading Name		928							928	0.44%
Publication Name	526	113	58			76	25	74	872	0.41%
Politician's Name				231					231	0.11%
Grand Total	114,571	50,784	19,330	10,085	8,263	3,963	3,669	174	210,839	100.00%
	54.34%	24.09%	9.17%	4.78%	3.92%	1.88%	1.74%	0.08%	100.00%	

Geographical analysis of the .ie database

The total number of registered .ie domains to addresses on the island of Ireland at the end of 2015 stood at 191,573 – a 6.37% increase from the total at the end of 2014, and accounting for just under 91% of all registered .ie domains.

Of those domains registered to addresses on the island of Ireland, 98.4% are to addresses in Ireland, with 1.6% registered to addresses in Northern Ireland. This is despite the fact that Northern Ireland accounts for over 28% of the island's population and could be attributed to the fact that the .co.uk extension is the dominant extension in this jurisdiction.

The total number of registered .ie domains to addresses outside of the island of Ireland at the end of 2015 stood at 19,266 – a 6.4% increase from the total at the end of 2014, and accounting for just over 9% of all registered .ie domains.

New registrations from addresses outside of Ireland numbered 2,295, a 21.9% increase in 2014's figures, and accounting for just under 7% of all new registrations.

Chart 2 provides a breakdown of the locations from which .ie domains are registered. Unsurprisingly, 90.87% of .ie domains are registered to the island of Ireland.

Chart 2: Location breakdown of the .ie database

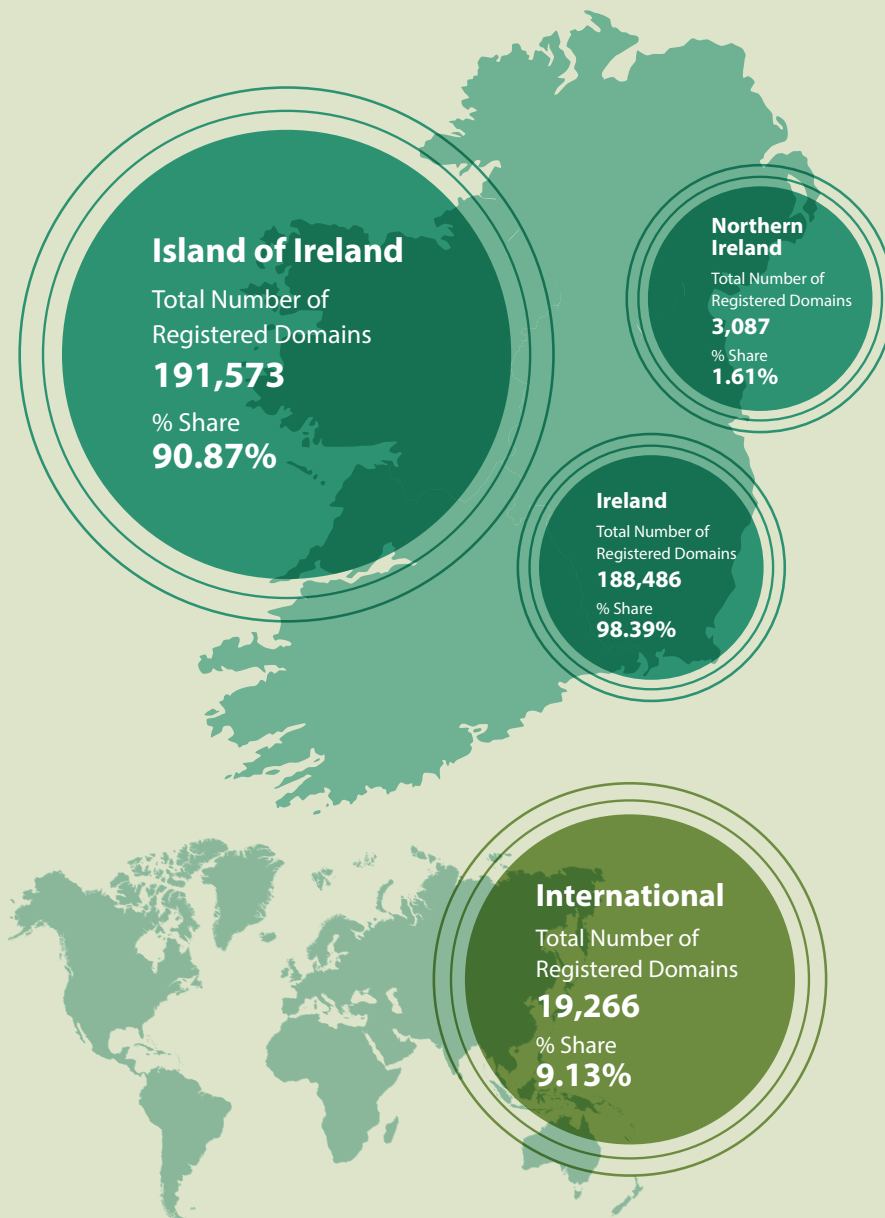


Chart 3 analyses the .ie database on a county by county basis showing the total number of domains per county, the percentage split of the total .ie database and the number of domains per 1,000 population. The Domain Profile Report published by IEDR in July 2015 provides additional analysis.

Dublin has the highest number of .ie domain registrations at 90,223, representing 47.1% of the .ie database, despite only accounting for 19.9% of the population of the island of Ireland. Cork is the second highest with 16,228 or 8.5%, which is more in line with its population, which accounts for 8.1% of the island's population. In terms of domains per 1,000 population, Dublin leads the way with 71, followed by Carlow with 52, Wicklow with 48 and Kildare with 39.

.ie accredited Registrar community

An accredited .ie Registrar is a company authorised by IEDR to act as an agent on behalf of registrants (customers) who need a .ie website and/or email address. They are usually hosting providers who operate across a number of different business sectors, offering a wide range of services to their target markets. Most accredited Registrars will offer .ie domains as part of a bundle of services (hosting, email, storage, website builder etc.) usually for an ongoing monthly fee. Links to many of our accredited .ie Registrars' websites can be found on the IEDR website at <https://www.iedr.ie/register-a-domain/accredited-registrar-list/>.

At the end of 2015, IEDR had 111 accredited Registrars, who account for 98.7% of all domain names registered in the database (Chart 4). The top 6 accredited Registrars (those with a portfolio of more than 5,000 domains) and the top 33 (those with more than 500 domains) account for 73% and 92% respectively of the entire .ie database. Direct registrants (those customers who do not register via an accredited Registrar) account for only 1.3% of the database. 35,225 new .ie domains were registered in 2015 and the Registrar community generated over 99% of these registrations with the top 5 Registrars accounting for 29,226 (83%).

Chart 3: County profile of .ie registrations

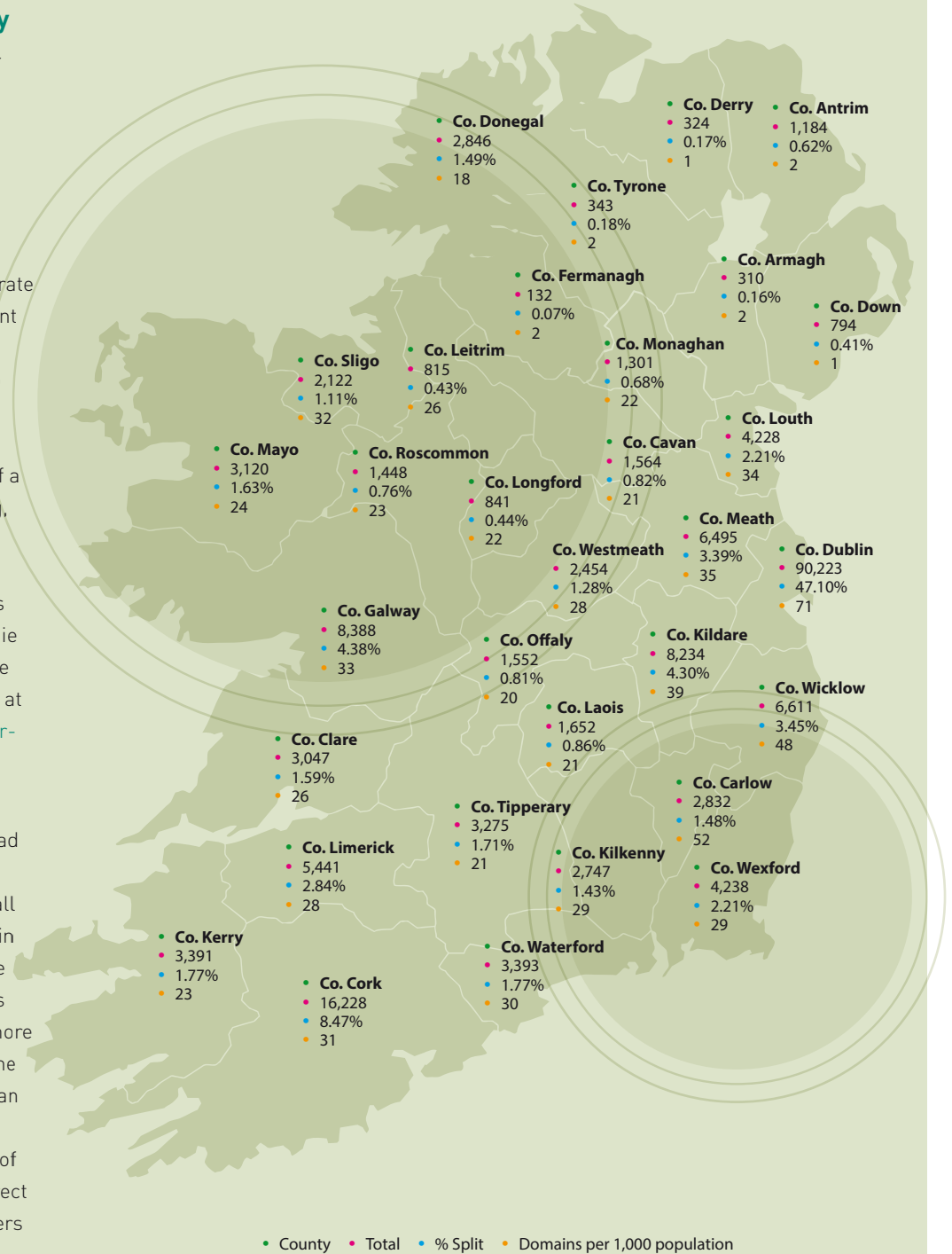


Chart 4: accredited Registrars – concentration of market share December 2015

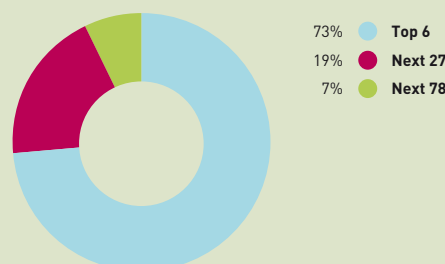
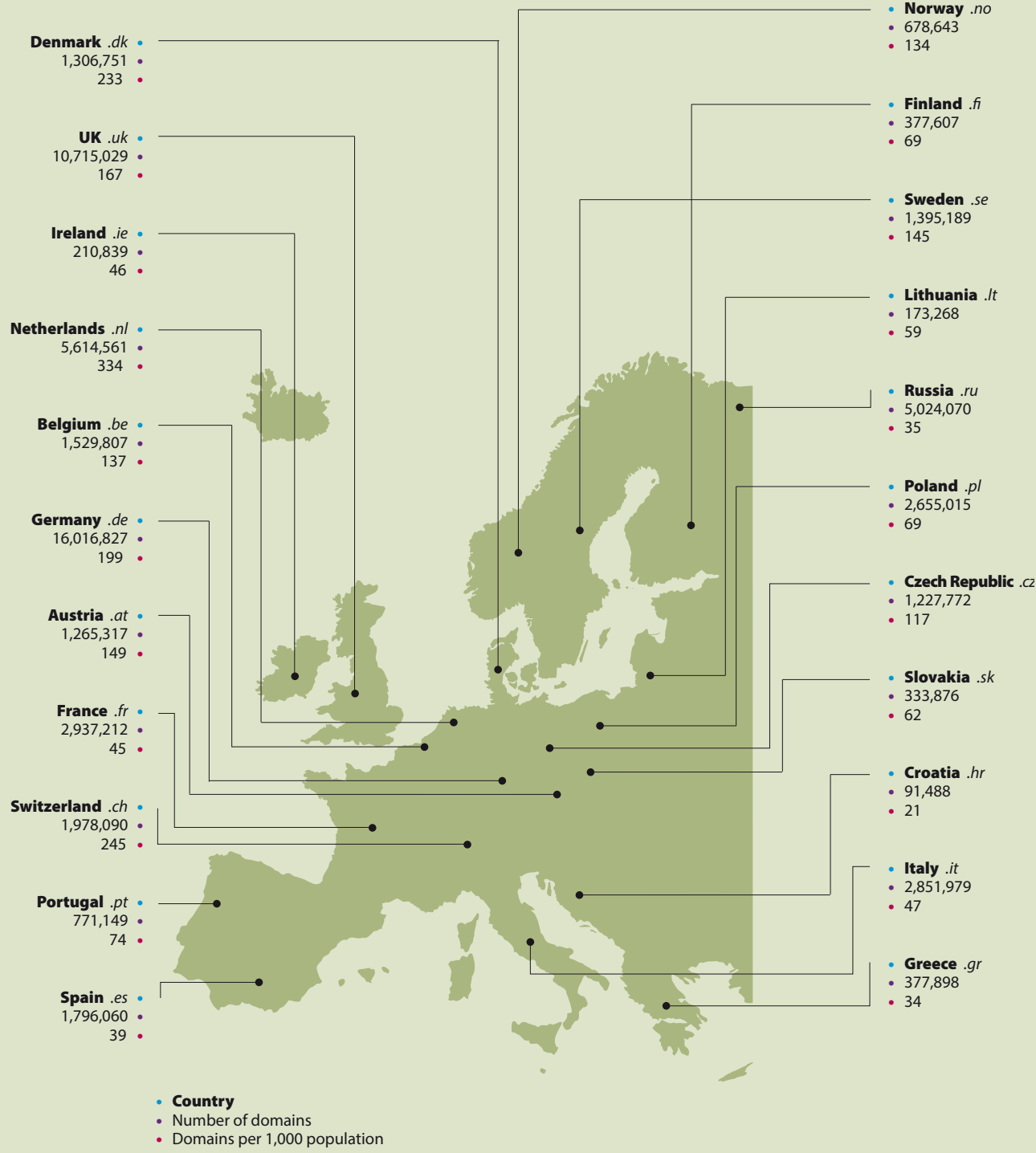


Chart 5: International ccTLD – registrations by country and domains per 1,000 population



Source: Association of European National Top Level Domain Registries (www.centr.org)

International Market Review

There are more than 240 country code top-level domain extensions (ccTLDs) globally. Compared to our EU neighbours, the level of ccTLD registrations per capita in Ireland, at 46 domains per 1,000 of population, is

greater than Spain (39 per 1,000) and Croatia (21) and in line with France (45) and Italy (47). However, Ireland is significantly behind a number of EU countries such as the UK (167), Denmark (233) and The Netherlands (334).

Accredited Registrars

Accredited Registrars are a key part of the service delivery process.

101 Domain GRS Limited	Future Business	Priority Computer Services Ltd
1API Gmbh	Intercommunications	Progress Systems
4 Unlimited Hosting	Global Village	Red Rhino Web Design
AB Name ISP	HEAnet	Register.it
ABU Internet Ltd	Host Ireland	Reid Networks
Active Online Ltd	Hosting Ireland	Rivertower
Advance Internet Marketing	ICCM Hosting	Safenames Limited
Always Amber	IE Internet	Secure Host
Anu Internet Services Ltd	Insight Multimedia	Seek Internet Solutions
Ascio Technologies Inc	Instra Corporation Pty Ltd	Silk Web Design
Aura Internet	Interfusion Networks Limited	Spiral Hosting
Baker Consultants	InternetX GmbH	Storm Web Development
BB Online Ltd	Interpoint Technologies Ltd	Success Online
Beecher Networks	Iomart Group PLC	Techstore
Biznet IIS Ltd	iPLANiT Ltd.	TecSupport Hosting
Blacknight Internet Solutions Ltd	Irish Broadband	The Design Pool
BT Ireland	Irish Domains	The Net
Com Laude	Isobar (fka Lucidity)	Tibus
Connect.ie	Jenerate Limited	Topsec Technology
CSC Domains Inc	Just Perfect IT	TSG
DB Alliance	Kerna Communications	United-Domains AG
Deep Blue Internet Services	Key-Systems GmbH	VC Computers
Department of Public Expenditure and Reform	Kildare Web Services	Web Cloud ICT
Diacom	LetsHost	Web solutions ApS
Digihost (fka Digiweb)	Lexsynergy	Web World
Dmac Media	LGMA (fka LGCSB)	Webfactory
Domaininfo AB	Magnet Business	Webhost.ie
DomainNameShop	Marcaria.com	Weblink
DonDominio	Melbourne IT	WebTrade Limited
Eir	Mister.ie	Webworks.ie
Electriclinks	Modata	WebZone
Elive	Myhost.ie	
eMarkmonitor Inc	Namesco Ireland/Register 365	
Equinox eBusiness Solutions	Nameshield	
eTailor	NETIM	
EuroDNS	Nuasoft Web Services Hosting & Marketing	
FCR Media	OVH Ireland	
Fusio Ltd		



Supporting Irish SMEs

SMEs are the backbone of the Irish economy.

We provide them with a stable and secure domain name which acts as the identifiably Irish springboard for their digital business.



Partners in Keeping Ireland Online

IEDR works closely with key stakeholders and partners in keeping Ireland online



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 provides 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 plays a critical role in establishing Ireland as a global centre of excellence in Internet activity.

INEX

Founded in 1996, INEX is a neutral, industry-owned association that provides IP peering facilities for its members. INEX's 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 five 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 conducting business in Ireland. The IIA is a strong voice for its 300 plus company members which includes those using the medium for communication, marketing and commerce. The aim of the IIA is "to connect, inform and promote".

DNS-OARC

The DNS Operations, Analysis, and Research Center (DNS-OARC) brings together key operators, implementers, and researchers on a trusted platform so they can coordinate responses to attacks and other concerns, share information and learn together. DNS-OARC has five key functions: information sharing, operational characterisation, holding workshops, analysis, and providing tools and DNS services. DNS-OARC members include TLD operators, implementers such as ISC (BIND), NL NetLabs, researchers and security organisations.

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, protecting consumers and encouraging innovation. It was given regulatory responsibility for the .ie namespace in 2007 when the Oireachtas transferred powers which the Minister for Communications had previously obtained under the E-Commerce Act in 2000.

Technical Services Review

The main focus for the Technical Services Team in 2015 was to update the network infrastructure within our datacentres. The Core Registry System (CRS), which is the backbone of our service, was also extended to include several new products. We participated in ICANN, RIPE, CENTR meetings and grew our R&D capability in collaboration with Trinity College Dublin.

Facing up to security and stability challenges in 2015

There was an increase in global DDoS attacks and an escalation in reported hacking incidents worldwide during 2015. The threat for a registrar, or a registry such as IEDR, is that hackers may attempt to use it as a conduit to repoint the DNS of an established brand's website at a hacked site, to cause malicious, financial or reputational damage to the brand.

There were also increases in global phishing attacks during 2015. A phishing attack can take the shape of an email, website or a phone call with malicious intent, to acquire sensitive information including financial information. A user may receive an email that looks similar to their bank or credit card company emails. The user is asked to send certain sensitive information or directed to a site that mimics a bank's site and asked to log in, thereby capturing its access passwords. There has also been an increase in fake phone calls whereby users are asked to install a piece of computer software by a caller claiming to be from a reputable company.

Ransomware increased in 2015. Ransomware is a type of malicious software that is typically sent hidden in an email. When opened, the user's system will be encrypted preventing access to information on the computer. The only way to retrieve information is to pay a fee to have the system decrypted.

IEDR works with fellow ccTLDs and security professionals in our network to ensure that we are maintaining best practice tools to protect our network of .ie websites from such attacks. We also work to keep our customers informed of any new attack vectors that we encounter. Because IEDR has strict verification procedures in place to register domains, the risk of abuse of domain technology is reduced. We also work closely with our CENTR partners who monitor for bots that are part of ransomware or DDoS attack vectors.

We conduct security surveys with our service providers to ensure hardware, network and software systems are optimised to ensure stability and security. We regularly commission independent reviews by external industry experts to benchmark these systems with international best practice.

IEDR's two factor authentication system (2FA) controls access to our web-based console to ensure better protection for customers. A two-factor system requires a PIN as well as a login password, similar to that used by many online banking systems. While the 2FA service is enabled by default, not all customers choose to use this, and many opt-out, believing that the security benefits do not outweigh the perceived inconvenience.

One of the key objectives for the Company's Technical Services Team is to align our systems, controls and procedures with those of the ISO27001 standard. This alignment ensures that the Company adopts best practice methodologies and provides an effective management system that will enhance stakeholder confidence when assessing the Company's ability to adequately protect its information assets. We continued with this work through 2015.

Future challenges for the international Internet technical community

New data protection regulations were issued in 2015 by the Council of the European Union. Companies must now report personal information breaches within 72 hours to their local data protection authority. Companies also must adhere to strict guidelines for the use of personal data for advertising. The EU's Article 29 Working Party (A29WP) was set up to review data protection across the EU and make recommendations. The body is made up of national data protection authorities from across the EU, with a mandate to harmonise EU data protection rules and implementation. This will mean that companies deal with their local data protection agency and not multiple offices in other member countries.

The Safe Harbour agreement, a transatlantic data agreement which allows European citizen's data to be transferred to the US, was declared invalid by the European Court of Justice. This will have a knock-on effect on cloud services and/or social networks which currently send customer data back to servers in the US. Discussions between the EU and the US continued through 2015 to identify alternative solutions.

High availability .ie systems and services

The Technical Services Team manages and maintains the company's high availability systems and infrastructure, spread across four sites; two data centres (Interxion and Teecity Group), a business continuity recovery site and the company's headquarters in Dublin. We completed a project during 2015 to optimise our network across our datacentres. We significantly improved our resilience and future proofed our network systems as part of this project.

We are continually improving our systems and through 2015 we completed three major releases to deliver new features/products and bug fixes. Each release was planned with our customers and each was executed within agreed downtime parameters. We also completed our quarterly software patching routines with no downtime.

Our API customer base grew by four in 2015 to 23 accredited Registrar customers who now use our API to automate their experience with the IE Domain Registry systems.

New products and services

In 2015, a large project to review and improve the speed and efficiency of our database system commenced. The project, known as Database Normalisation, reviewed each table and field in the database and aligned the structure and format with best practises. The team started this process by enabling UTF8 within the database. UTF8 is a Unicode based character system that is a computing standard. It allows use of multiple languages within the system, for example, Chinese, Polish and Irish characters for names and addresses, and underpins work on IDNs. IDNs or Internationalised Domain Names, is a new product built in 2015, following the recommendation of the PAC for acceptance of the policy change-request and its subsequent approval by the Board of the IEDR. This will allow Irish fadas within the domain name for the first time – for example, www.éire.ie, which is depicted in the database as xn--ire-9la.ie.

Work was completed on 1 and 2 letter domain names to facilitate the implementation of the policy change. A portal was built to allow customers to register interest in these domain names. There was a Sunrise and Landrush process in 2015 with auctions planned for early 2016. General Availability of the remaining 1 and 2 letter domains is scheduled for May 2016.

To combat DNS Poisoning (whereby a hacker re-points a website at a fraudulent site) a Registry Lock product was introduced in 2015. This allows a website owner to lock-down changes to their domain. Registry Lock prevents unauthorised or unintended DNS updates, account information updates or transfers. A user-specific passphrase, from an authorised user, must be provided by phone, in order to give effect to intended changes.

We also are continuing to support DNSSEC across our customer base. This is an extra level of DNS security that creates a "chain of trust" between zones to ensure that a customer is actually going to the website they want. DNSSEC therefore prevents "man in the middle" attacks.

Research and development

During 2015, we started work on a new tool called "iEncrypt". This tool will allow a technician to setup a new website with automated inclusion of ssl certification and dnssec, thereby reducing complexity and speeding up the secure registration. In collaboration with a team at Trinity College Dublin, we designed the tool and presented a working demo at the ICANN event in Dublin. In 2016, the plan is to build on this to improve the adoption rates of secure technologies.

In 2015, IEDR co-sponsored an Irish member of the IETF. The Internet Engineering Task Force, a standards development group under the auspices of the Internet Society, is an international membership-based non-profit organisation.

Thanks to the efforts of our colleagues in the INEX, the 52nd ICANN event was hosted in Dublin in 2015. This was a highlight in the IE Domain Registry calendar and we were delighted to co-sponsor the event and proud to introduce our international colleagues to our city, during 'That Night in Dublin'.

IEDR is committed to the development and adoption of DNSSEC. In 2015, we added an extra test environment to test DNSSEC enabled zone files before publishing them and completed several upgrades on our Hardware Security Module (HSM) infrastructure. DNSSEC workshops for 2016 are planned, which will help to increase the awareness and adoption of DNSSEC and help users to digitally sign their domains.

IEDR continued its collaboration efforts with various Internet stakeholders through the membership of organisations such as the DNS-OARC (DNS Operations, Analysis and Research Centre) group. This group brings together members from the major Internet DNS operators, including ICANN and Verisign, implementers and researchers in order to coordinate responses to attacks, share critical information and engage in discussion and analysis. Staff are also actively engaged with the Irish Reporting and Information Security Service (IRISS), the Irish Neutral Internet Exchange (INEX), RIPE, CENTR and others. The team actively participated in international industry events such as CENTR meetings (Technical, Security and R&D) RIPE and ICANN during the year.

Internet of Things, and the need for IPv6

The Internet of Things (IoT) continued to grow in 2015. Wearables such as fitness trackers, smart watches, smart homes and smart cars continued to capture the imagination at events such as the Consumer Electronics Show (CES) in Las Vegas.

Almost everything can be connected to the Internet – lights, fridges, TVs are all connected. Gartner* predicts that the IoT will grow to 20.8 billion units by 2020. It is a trend that will ensure continued Internet growth into the future.

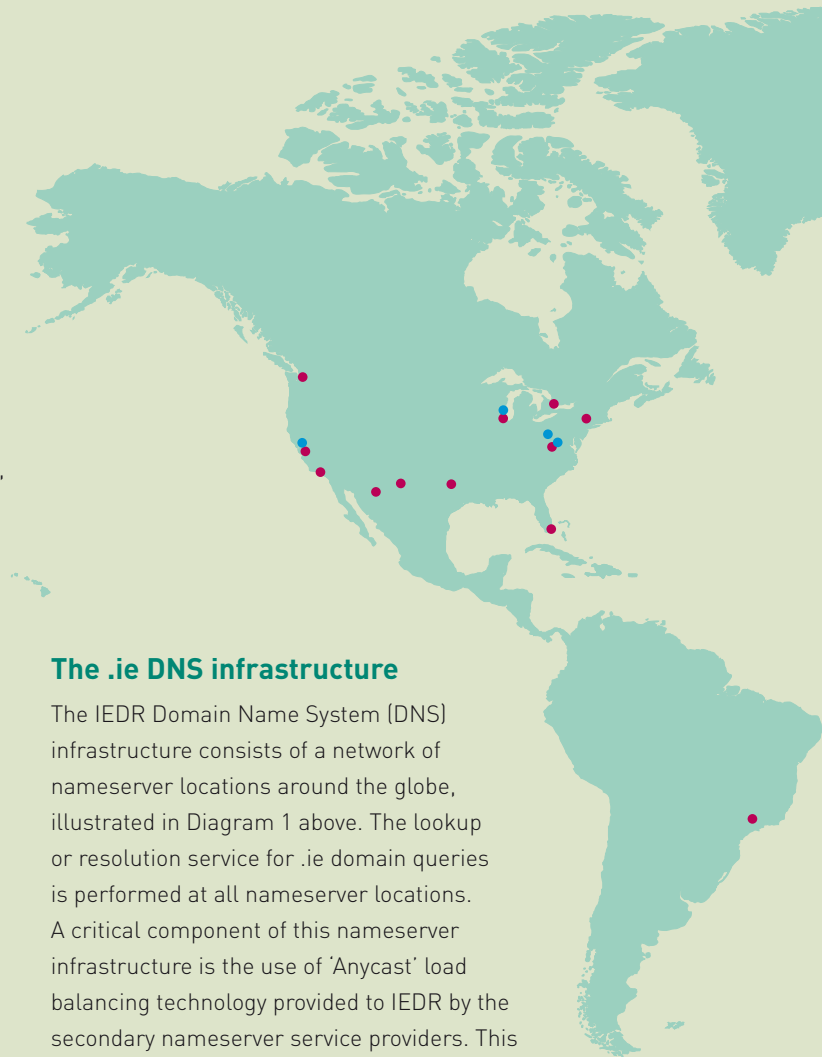
Looking forward to 2016, Virtual Reality (VR) and Robotics appear to be significant growth markets. The inaugural IEDR Internet Day in 2015 featured a keynote speaker Rudy de Waele, who gave us real insights into the future of the Internet. Robotics and smart offices are key trends to watch.

In order to be “found” on the Internet, all of these “things” require an IP address. Billions of additional IP addresses were made available to the global Internet community, following the protracted introduction of IPv6 as a successor, essential, given the depleted stock of IPv4 addresses. IEDR extended its automated systems in 2015 to facilitate .ie domains with IPv6 addresses.

* Gartner ‘Predicts 2016: Unexpected Implications Arising From the Internet of Things’

Diagram 1: Security and stability

Nameserver network



The .ie DNS infrastructure

The IEDR Domain Name System (DNS) infrastructure consists of a network of nameserver locations around the globe, illustrated in Diagram 1 above. The lookup or resolution service for .ie domain queries is performed at all nameserver locations. A critical component of this nameserver infrastructure is the use of ‘Anycast’ load balancing technology provided to IEDR by the secondary nameserver service providers. This ‘Anycast’ facility (illustrated in red/blue text, in Diagram 1) protects against a Denial of Service attack (DDoS attack) by allowing the geographical distribution of .ie domain lookup requests to any available DNS resolver for redundancy. This effectively distributes requests to a given location locally. For the .ie namespace, this means increased system efficiency, faster response times, reduced potential for outages, and increased resilience against deliberate or malicious attacks.

It is important to note that even if 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 without any intervention. Obviously, new registrations, changes and deletions would not take place but crucially, existing domain holders’ websites and email would continue to function normally during this time, using the secondary nameserver locations around the world.



DUBLIN, IRELAND

g.ns.ie
BT

DUBLIN, IRELAND

a.ns.ie
b.ns.ie
IEDR

FRANCE

h.ns.ie
Afnic
Saint-Quentin-
en-Yvelines

NETNOD'S NETWORK

c.ns.ie
d.ns.ie

South America

Porto Alegre: Brazil

United States

Ashburn: VA
Chicago: IL
San Francisco: CA
Washington DC: VA

Europe

Amsterdam: Netherlands [2]
Ankara: Turkey
Belgrade: Serbia
Brussels: Belgium
Bucharest: Romania
Frankfurt: Germany
Helsinki: Finland
Geneva: Switzerland
Kiev: Ukraine
London: United Kingdom
Luleå: Sweden
Luxembourg: Luxembourg
Malmo: Sweden
Milan: Italy
Oslo: Norway
Paris: France

St Petersburg: Russia
Stockholm: Sweden [3]
Tallinn: Estonia

Middle East/Asia

Manama: Bahrain
Bangkok: Thailand
Doha: Qatar
Dubai: United Arab Emirates
Hong Kong: China
Jakarta: Indonesia
Kathmandu: Nepal
Karachi: Pakistan
Kuala Lumpur: Malaysia
Mumbai: India
Singapore: Singapore
Taipei: Taiwan
Thimphu: Bhutan
Tokyo: Japan
Ulaanbaatar: Mongolia
Vienna: Austria
Yerevan: Armenia

Africa

Johannesburg: South Africa

Oceania

Perth: Australia
Wellington: New Zealand

DYN'S NETWORK

e.ns.ie
f.ns.ie

Canada

Toronto: Canada

South America

El Paso: Mexico
Sao Paulo: Brazil

United States

Chicago: IL
Seattle: WA
Los Angeles: CA
Nogales: AZ
North Bergen: NJ
Dallas: TX
Miami: FL
Sunnyvale: CA
Washington DC: VA

Europe

Amsterdam: Netherlands
Frankfurt: Germany
London: United Kingdom

Africa

Tanzania: Tanzania

Oceania

Sydney: Australia

Middle East/Asia

Hong Kong: China
Singapore: Singapore

Outreach and Promotion Review

IEDR's Outreach and Promotions programme continued to support its stakeholders and the Internet community in Ireland throughout 2015. A range of initiatives and sponsorships were specifically designed to promote the benefits of the .ie namespace and encourage Internet usage and uptake.

OPTIMISE – the IEDR e-Commerce Website Development Fund

Research undertaken by IEDR into Irish Small and Medium Enterprises (SMEs) and micro-enterprises online presence and e-commerce capabilities found that the vast majority of companies are not fully utilising the Internet or online sales opportunities to drive growth in their businesses. Some of the key issues facing Irish SMEs and micro enterprises are a lack of resources and a deficiency of knowledge about using online methods to help grow their business.

In response, IEDR set up OPTIMISE – the IEDR e-Commerce Website Development Fund in 2011. The Fund was created to provide Irish SMEs and micro enterprises with professional consultation, practical training and e-commerce tool development services. To date, OPTIMISE has worked shoulder-to-shoulder with 75 companies to enable them to make greater use of existing web technologies to use e-commerce enabled websites to grow their existing business via the Internet.

In 2015, the Fund was awarded to 15 Irish SMEs and micro enterprises. The independent judging panel selected a shortlist of 30 companies and from this 10 winners were chosen by a public vote with the remaining five winners being selected by the judges. The 15 winners each received a tailored programme of consultancy, training and web development services which provided them with the e-tools and know-how to 'optimise' their online presence, hence positioning them for future growth via online sales. In 2015, OPTIMISE was extended to provide the winners with a series of masterclasses focussed on areas such as mobile marketing, online advertising, online purchasing behaviour and website optimisation.

IEDR worked closely with its selected partners (Matrix Internet, a leading online strategy development and implementation company, and Software Design, a company dedicated to the provision of professional software and development services) who administer and implement the service requirements of the OPTIMISE Fund on behalf of IEDR. For more information on the OPTIMISE Fund please visit www.iedr.ie/optimise/.



Pictured at the launch of the IEDR's OPTIMISE Fund 2015, former Fund winner Suzanne Kingston (Puddleducks.ie) with Alex and Holly Murphy and OPTIMISE Ambassador Francis Brennan (The Park Hotel and RTÉ's At Your Service) and IEDR CEO David Curtin.



Pictured at the closing ceremony of IEDR's OPTIMISE Fund 2015, Fund winners from DayToursUnplugged.ie, AdventureHolidays.ie, TheOldMillstores.ie, CleanFreaks.ie, TheGaiety.ie, PhysioExtra.ie, GPMI.ie and Olytico.ie with IEDR CEO David Curtin and OPTIMISE Ambassador Domini Kemp, founder/owner of Alchemy and Itsa.

Tell the world you're Irish.

Anne Chapman,
Jeweller.
StonechatJewellers .ie

Register your business as .ie
Ireland's official web address.

Tell the world your business is Irish,
and tell Irish people your business is local.

- Guaranteed Irish - Proves true connection to Ireland
- Safety - One of the world's safest web addresses

visit www.iedr.ie

Identifiably Irish
Ireland's Domain Registry

Tell the world you're Irish.

Tom O'Rahilly,
Museum Director.
LeprechaunMuseum .ie

Register your business as .ie
Ireland's official web address.

Tell the world your business is Irish,
and tell Irish people your business is local.

- Guaranteed Irish - Proves true connection to Ireland
- Safety - One of the world's safest web addresses

visit www.iedr.ie

Identifiably Irish
Ireland's Domain Registry

Tell the world you're Irish.

Nicholas Dunne,
Killowen Farm Owner.
Killowen .ie

Register your business as .ie
Ireland's official web address.

Tell the world your business is Irish,
and tell Irish people your business is local.

- Guaranteed Irish - Proves true connection to Ireland
- Safety - One of the world's safest web addresses

visit www.iedr.ie

Identifiably Irish
Ireland's Domain Registry

.ie Awareness integrated media campaign

In order to achieve our key strategic objective of raising brand awareness of .ie domain names amongst small and micro Irish businesses, IEDR ran an extensive integrated media advertising campaign in the first quarter of 2015. The campaign had three main objectives:

- ▶ To create awareness of the .ie brand amongst SMEs and micro businesses and position .ie as the domain of choice for Irish business and consumers.
- ▶ To articulate the value of .ie domains to influencers in the domain decision process.
- ▶ To demonstrate the value of .ie domains to Registrars of .ie domains and their resellers.

Registrars were invited to participate in the campaign and those that signed up to take part were listed on our dedicated landing page at www.iedr.ie. All traffic generated by the campaign was directed to register a .ie domain with one of these supporting Registrars, as opposed to being directed to a more generic listing of .ie accredited Registrars. The campaign proved to be very successful and helped to increase the net growth of .ie domain registrations while also driving large volumes of traffic to Registrar websites.

IEDR Co-Funded Marketing Programme

In 2012, IEDR established a Co-Funded Marketing Programme (CFMP) for our .ie accredited Registrars. The purpose of the Programme is to promote awareness, stimulate registration growth and encourage renewals of .ie domain names. The CFMP, in partnership with our Registrars, supports one of IEDR's key strategic objectives of raising awareness about the importance of having an identifiably Irish online presence.

IEDR continued to offer the CFMP throughout 2015. The programme supported a wide range of Registrar marketing initiatives including radio commercials, printed advertisements, direct mail campaigns, Google AdWords, social media advertising and industry events. Non-participating Registrars also received some benefit from this increased .ie exposure, leading to additional growth and retention rates. Registrars who participated in the 2015 Programme reported positive results with increased traffic directed to their websites and an increase in their .ie registrations and renewal rates.

As part of the CFMP, a Co-Funded TV Advertising Campaign initiative was established in 2012 and was offered again in 2015. The purpose was to share the costs with those Registrars who intended to use TV in an effort to reach Irish businesses that still remain offline. In 2015, one TV campaign was supported by the IEDR which focussed on the theme of "changing your story" by taking your ideas online and opening a whole new range of opportunities.

Supporting the Internet community in Ireland

Throughout 2015, IEDR continued to support the Internet community in Ireland through a range of initiatives and sponsorships designed to promote the .ie domain name and to encourage Internet usage.

IEDR was the headline sponsor of the Irish Internet Association's 2015 dot ie Net Visionary Awards and contributed to other industry events, including the BT Young Scientist and Technology Exhibition, Digital Media Awards, Small Firms Association (SFA) Awards, Web Awards, SME Awards, StartUp Awards and Digital DNA.

Additionally, IEDR continued to build and strengthen relationships with key SME and micro-enterprise representative bodies such as the Local Enterprise Offices, Chambers Ireland, the SFA and Startup Ireland.

By working with these groups IEDR can engage with their networks to promote the usage and uptake of .ie domains amongst their members.

2015 also saw the publication of two key reports by the IEDR, the dot ie Digital Health Index and the Domain Profile Report. The Digital Health Index is calculated from research data collected from multiple surveys of Irish SMEs and micro enterprises and investigates and analyses the digital assets owned and used by Irish businesses. The Domain Profile Report illustrates the key trends and statistics in .ie domain registrations over time and examines the entire database of .ie domains while also measuring the growth in registrations at regional and county levels over time.



Gabriel Drablik and Gary Sheridan, BT Young Scientist special award winners from Moyne Community School, Co. Longford pictured with David Curtin, IEDR.



2015 overall dot ie Net Visionary Winner Colm Lyon, founder of Realex Payments and Joan Mulvihill, CEO, IIA with David Curtin, IEDR.



David Clarke of El Zororro Films, 2015 Digital Media Award winner for Best Website/Microsite for their website 'Man on Bridge', pictured with Donal O Nuallain, IEDR.



From left to right: AJ Noonan, Chairman, SFA, Richard Bruton TD, Minister for Jobs, Enterprise and Innovation, Stephen Dowling from Dunmasc, Emerging New Business Winner, with David Curtin, IEDR.



Our flagship research

In order to assist decision and policy makers in Ireland's Internet community we produced the dot ie Digital Health Index to better understand how Irish businesses engage with and use the Internet.

Five Year Summary

Extract from the audited Financial Statements (financial figures only)

Profit and Loss	Year to 31 Dec 2015 €	Year to 31 Dec 2014 €	Year to 31 Dec 2013 €	Year to 31 Dec 2012 €	Year to 31 Dec 2011 €
Registration Revenue	2,859,722	2,723,983	2,587,526	2,603,799	2,661,821
Administration expenses	(1,706,923)	(1,204,141)	(991,860)	(1,243,677)	(1,037,485)
Employment costs	(1,462,973)	(1,334,870)	(1,274,261)	(1,199,101)	(1,199,603)
Depreciation	(206,908)	(175,108)	(190,406)	(89,683)	(66,766)
Operating profit	(517,082)	9,864	130,999	71,338	357,967
Financial investment uplift/impairment	80,941	83,078	144,504	142,984	(33,933)
Profit on sale of financial investment	-	132,358	-	-	-
Interest income	21,444	30,741	59,674	106,384	96,793
Taxation	25,386	(60,000)	(36,000)	(38,000)	(71,824)
(Loss)/profit after taxation	(389,311)	196,041	299,177	282,706	349,003

Balance Sheet	At 31 Dec 2015 €	At 31 Dec 2014 €	At 31 Dec 2013 €	At 31 Dec 2012 €	At 31 Dec 2011 €
Fixed Assets	163,762	181,141	199,451	148,043	93,490
Investments	3,159,815	3,078,874	1,940,089	1,795,585	1,652,601
Current Assets	2,801,697	3,272,788	4,077,512	3,689,614	3,355,304
Creditors <1 year, excluding Deferred Income	(437,514)	(592,383)	(645,586)	(629,491)	(361,843)
Deferred Income	(1,970,724)	(1,834,073)	(1,661,160)	(1,392,622)	(1,411,129)
Members' Funds	3,717,036	4,106,347	3,910,306	3,611,129	3,328,423

5 Year Summary – Registration Growth	Year to 31 Dec 2015	Year to 31 Dec 2014	Year to 31 Dec 2013	Year to 31 Dec 2012	Year to 31 Dec 2011
At 1 January	195,999	187,269	182,284	173,145	153,419
New Registrations	35,225	31,072	32,154	33,484	39,398
Less: Deletions/Non-renewals	(22,296)	(22,342)	(27,169)	(24,345)	(19,672)
Net Additions	12,929	8,730	4,985	9,139	19,726
At 31 December	208,928	195,999	187,269	182,284	173,145
Net Growth in year	6.6%	4.7%	2.7%	5.3%	12.9%
New Reg Growth	18.0%	16.6%	17.6%	19.3%	25.7%
Deletion rate	(11.4%)	(11.9%)	(14.9%)	(14.1%)	(12.8%)

Financial Statements

for the financial year ended 31 December 2015

38	Company Information
38	Directors' Report
41	Independent Auditors' Report
42	Profit and Loss Account
43	Balance Sheet
44	Statement of Cash Flows
45	Notes to the Financial Statements

Company Information

Directors

Professor J.O. Scanlan (Chairman)
Ms. Frances M. Buggy
Mr. Mark Dobbyn
Dr. Patrick Frain
Mr. Jim Joyce (appointed 1 January 2016)
Dr. Canice Lambe
Mr. Kevin McCarthy
Mr. Fergal O'Byrne

Secretary

Mr. Jim Joyce

Company Number

315315

Registered Office

4th Floor, Harbour Square
Dun Laoghaire
Co. Dublin

Auditors

BDO

Beaux Lane House
Mercer Street Lower
Dublin 2

Bankers

Bank of Ireland

Montrose
Dublin 4

KBC Bank

Sandwith Street
Dublin 2

Solicitors

Arthur Cox

Earlsfort Centre
Earlsfort Terrace
Dublin 2

McKeever Rowan

5 Harbourmaster Place
IFSC, Dublin 1

Directors' Report

for the financial year ended 31 December 2015

The directors present their report and the financial statements for the financial year ended 31 December 2015.

Principal Activity

The company was incorporated on 16 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 unrealised gains on financial investment amounted to €389,311 (2014 profit – €196,041).

Fair Review

From an operational perspective, 2015 was a satisfactory year of development and growth. The company established a 2015 Strategic Development Fund with a dedicated budget of €618,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. This fund financed an integrated radio and digital awareness campaign, an extension of the successful SME ecommerce fund OPTIMISE program, publications backed by robust independent research, new services for customers and the inaugural Ireland Internet Day.

Turnover, representing the deferred income release in 2015, increased by 5% to €2.86 million (2014 – €2.72 million). While the invoiced value of registration fees increased, reflecting new growth in 2015, an increasing proportion is accounted for by multiyear registrations and renewals. Accordingly, the deferred revenue on the balance sheet increased by 7.5% in 2015, to €1.97 million (2014 – €1.83 million). Volume growth in domains was again strong in 2015, with year on year growth at 13.4%. When non-renewals are considered, the net growth in the .ie namespace was 48.1%, which is satisfactory, considering the difficult trading conditions which continued to affect small and medium-sized companies in 2015. The volume growth is generated by the registrar sales channel, which accounts for over 99% of all new registrations.

Administrative expenses increased by 24.7% from €2.71 million to €3.38 million. Employment costs increased by 9.6% in 2015 to €1.46 million reflecting staff turnover and maternity cover. Depreciation increased by 17.7% to €0.2 million reflecting the company's investments in mission critical applications and services for customers. Promotion, sponsorship, and advertising costs more than doubled in 2015 as the company launched its Strategic Development Fund and continued its sponsorship of industry events, continued its joint promotion with registrars of the .ie namespace and continued the OPTIMISE Fund, which assists SMEs and micro-businesses to develop and e-commerce enable their .ie websites.

The financial position of the company at 31 December 2015 is solid with adequate net cash funds of €2.6 million and Members' Funds of €3.7 million.

The company changed its accounting policy in relation to financial assets in 2015 and now records the financial investments at a Mark to Market basis of valuation. The financial investments market value at 31 December 2015 is €3,109,715 (2014 – €3,028,774).

Principal Risks and Uncertainties

In common with other small and medium-sized enterprises, the company's performance is impacted by the emerging recovery in the macro-economic environment in Ireland. There is some exposure to residual macro-economic risks posed by the after effects of the recession, and in particular the risk of non-payment by customers. These risks continue to be managed prudently by the company. In line with internet industry norms, the company faces a number of risks in relation to product and services disruption and innovation and 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.

Future Developments

The company continues to monitor international developments impacting ccTLD registries, in particular the international expansion in, and the number of, top-level domains. While these developments will result in accelerated growth in the global domain name market, they represent a challenge for trademark and patents holders, brand managers and the owners of intellectual property rights.

The company's operational plans and budgets incorporate a 2016 Strategic Development Fund to finance the strategic objectives and priorities for 2016.

In technical terms, the company remains ready to implement technologies and products such as IDN when the policy changes are approved, and has taken a leadership role in providing secure DNS, with the launch of DNSSEC in 2014 and the provision of a DNSSEC test infrastructure for interested stakeholders to test new customer services.

Directors

At an EGM in 2013, the Board of Directors approved an amendment to the company's Articles of Association in respect of directors' terms of service. Directors may serve a maximum of two Terms, whereby a Term is a three-year period. All of the directors, having served a Term, are due to retire at the AGM in 2016, and, being eligible, offer themselves for re-election in accordance with the Articles of Association. Mr Jim Joyce was appointed as a director post year end on 1 January 2016.

Post Balance Sheet Events

On 11 February 2016, the company placed its dormant subsidiaries .IE Registry Limited Ireland, Domain Registry IE Limited, IEDR Limited and The Irish National Domain Registry Limited in voluntary strike off. All of these subsidiaries had been non-trading and their values had been written down to €Nil at 31 December 2015. There are no other material post balance sheet events.

Directors' Report *continued*

Directors and their Interests

In accordance with the Articles of Association, the directors have no financial interest in the Members' 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

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and accounting estimates that are reasonable and prudent; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of proper accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 4th Floor, Harbour Square, Dun Laoghaire, Co. Dublin.

Auditors

In accordance with section 383(2) of the Companies Act 2014, the auditors, BDO, will continue in office.

On behalf of the Board

Director

Professor J.O. Scanlan

Director

Mr. Mark Dobbyn

Date

29 April 2016

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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2015 and of its loss for the year then ended; and
- ▶ have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- ▶ We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- ▶ In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- ▶ The financial statements are in agreement with the accounting records.
- ▶ In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Teresa Morahan

*For and on behalf of BDO, Dublin
Statutory Audit Firm, AI223876*

Date

29 April 2016

Profit and Loss Account

for the financial year ended 31 December 2015

		Continuing Operations	
	Notes	2015 €	2014 €
Turnover	3	2,859,722	2,723,983
Administrative expenses		(3,376,804)	(2,714,119)
Operating (loss)/profit	4	(517,082)	9,864
Profit on sale of financial investment		-	132,358
Unrealised gains on financial investment		80,941	83,078
Interest income		21,444	30,741
(Loss)/profit on ordinary activities before taxation		(414,697)	256,041
Tax on (loss)/profit on ordinary activities	7	25,386	(60,000)
(Loss)/profit retained for the year		(389,311)	196,041
Statement of income and retained earnings			
Accumulated profit brought forward		4,106,347	3,910,306
Total recognised (losses)/gains relating to the year		(389,311)	196,041
Accumulated profit carried forward		3,717,036	4,106,347

The financial statements were approved by the Board on 29 April 2016 and signed on its behalf by:

Director
Professor J.O. Scanlan

Director
Mr. Mark Dobbyn

Balance Sheet

as at 31 December 2015

	Notes	2015 €	2014 €
Fixed Assets			
Tangible assets	8	163,762	181,141
Financial assets	9	3,159,815	3,078,874
Current Assets			
Debtors	10	204,106	198,692
Cash at bank and in hand		2,597,591	3,074,096
		2,801,697	3,272,788
Creditors: amounts falling due within one year	11	(2,408,238)	(2,426,456)
Net Current Assets		393,459	846,332
Total Assets less Current Liabilities		3,717,036	4,106,347
Capital and Reserves			
Profit and loss account		3,717,036	4,106,347
Members' Funds		3,717,036	4,106,347

The financial statements were approved by the Board on 29 April 2016 and signed on its behalf by:

Director
Professor J.O. Scanlan

Director
Mr. Mark Dobbyn

Statement of Cash Flows

for the financial year ended 31 December 2015

	Notes	2015 €	2014 €
Cash flows from operating activities			
(Loss)/profit for the financial year		(389,311)	196,041
Adjustments for:			
Depreciation		206,908	175,108
Profit of sale of financial investment		-	(132,358)
Unrealised gains on financial investment		(80,941)	(83,078)
Interest income		(21,444)	(30,741)
Tax on operating activities		(25,386)	60,000
Decrease/(Increase) in debtors		31,504	(52,626)
(Decrease)/Increase in creditors		(25,683)	111,156
Corporation tax paid		(12,262)	(43,361)
Net cash (outflow)/inflow from operating activities		(316,615)	200,141
Cash flows from investing activities			
Asset disposal		596	-
Investment disposal		-	132,358
Purchase of tangible fixed assets		(190,125)	(156,798)
Investment acquisitions		-	(1,055,707)
Net cash from investing activities		(189,529)	(1,080,147)
Cash flows from financing activities			
Interest income received		29,639	57,884
Net cash used in financing activities		29,639	57,884
Net decrease in cash and cash equivalents	14	(476,505)	(822,122)
Cash at beginning of year		3,074,096	3,896,218
Cash at end of year		2,597,591	3,074,096
Cash at bank	14	2,597,591	3,074,096

Notes to the Financial Statements

for the financial year ended 31 December 2015

1. General Information

These financial statements comprising the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 22 constitute the individual financial statements of IE Domain Registry Limited for the financial year ended 31 December 2015.

IE Domain Registry Limited is a private company limited by guarantee and does not have a share capital (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is 4th Floor, Harbour Square, Dun Laoghaire, Co. Dublin, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report on pages 38 to 40.

The company transitioned from previously extant Irish GAAP to FRS 102 as at 1 January 2015. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.1 Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). These are the first financial statements that comply with FRS 102.

1.2 Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Accounting Policies

2.1. Accounting convention

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

2.2 Consolidation

The company and its subsidiary 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 Section 297 of the Companies Act 2014. Consequently, these financial statements deal with the results of the company as a single entity.

2.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales for the financial year ended 31 December 2015. The company's policy of deferring revenue results 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 2015. All turnover derives from activities in the Republic of Ireland.

Notes to the Financial Statements *continued*

2. Accounting Policies *continued*

2.4. 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:

Leasehold Improvements	–	over the life of the underlying lease
Fixtures and Fittings	–	25% Straight Line
Computer Equipment	–	33% Straight Line

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

2.5. 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.

2.6. 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.

2.7. 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.

2.8. Financial Instruments

Unlisted Investments

The company holds investments in unlisted non-puttable equity shares of a number of entities. It is considered by the directors that the fair value of these shares can be measured reliably. The accounting policy changed during 2015 to record investments at mark to market.

Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets

Other financial assets including trade debtors for goods sold to customers on short-term credit, are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

2. Accounting Policies *continued*

Loans and borrowings

All loans and borrowings, both assets and liabilities are initially recorded at the present value of cash payable to the lender in settlement of the liability discounted at the market interest rate. Subsequently loans and borrowings are stated at amortised cost using the effective interest rate method. The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including unlisted investments, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Profit and Loss account in that financial year.

2.9 Judgments and key sources of estimation uncertainty

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

Going Concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Useful Lives of Tangible and Intangible Fixed Assets

Long-lived assets comprising primarily of property, plant and machinery and intangible assets do not represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of tangible Fixed Assets subject to depreciation at the financial year end date was €163,762 (2014 – €181,141).

Notes to the Financial Statements *continued*

3. Turnover

	2015 €	2014 €
Turnover	2,859,722	2,723,983
Analysis of turnover by country of destination:		
Republic of Ireland	2,453,916	2,326,617
Europe	196,117	192,109
North America	109,571	92,491
United Kingdom	85,344	99,984
Rest of the World	14,774	12,782
	2,859,722	2,723,983

4. Operating (loss)/profit

	2015 €	2014 €
The operating (loss)/profit is arrived at after charging:		
Depreciation and write-off of tangible assets	206,908	175,108
Auditors' remuneration – Audit	13,230	14,175
– Tax advisory services	2,362	4,342
Directors' remuneration	75,000	75,000
Secretarial fees	39,000	39,000

The operating (loss)/profit reflects expenditure of €508,000 during the year ended 31 December 2015. The company established a 2015 Strategic Development Fund with a dedicated budget of €618,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. This fund financed an integrated radio and digital awareness campaign, an extension of the successful OPTIMISE program, publications backed by robust independent research, new services for customers and the inaugural Ireland Internet Day.

5. Directors' remuneration and transactions

5(a). Directors' remuneration

Included in employment costs are the following in respect of directors and key management personnel of the company:

	2015 €	2014 €
Emoluments in respect of qualifying services	598,596	500,802
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution benefit retirement scheme	32,484	32,353
	631,080	533,155

The number of directors and management to whom retirement benefits are accruing under Pension Scheme Fund in respect of qualifying services is 3 (2014 – 3).

Other than as shown above any further required disclosures in sections 305 and 306 of the Companies Act 2014 are €NIL for both financial years.

5(b). Transactions with directors and officers

Loans to directors

There were no loans made to directors during the financial year.

5(c). Material interests of directors in contracts with the company

There were no material interests of directors in any contracts with the company.

5(d). Employees

Number of employees

The average monthly numbers of employees during the year were:

	2015 Number	2014 Number
Administration	19	20

Employment costs

	2015 €	2014 €
Wages and salaries	1,305,449	1,180,980
Social security costs	116,865	112,862
Other pension costs	40,659	41,028
	1,462,973	1,334,870

Notes to the Financial Statements *continued*

6. 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 other pension costs charge represents contributions payable by the company to the fund and amounted to €40,659 (2014 – €41,028).

7. Taxation

7(a). Current year taxation

	2015 €	2014 €
Current year taxation		
Corporation tax on the (loss)/profit for the year on Ordinary activities	-	61,101
Adjustment in respect of previous financial year	(25,386)	(1,101)
	(25,386)	60,000

7(b). Factors affecting tax charge for year

	2015 €	2014 €
(Loss)/profit on ordinary activities before tax	(414,697)	256,041
(Loss)/profit on ordinary activities multiplied by Standard rate of Corporation Tax in Ireland of 12.5%	(51,837)	32,005
Effects of:		
Expenses not allowable for tax purposes	124	125
Capital allowances for period (greater than)/less than depreciation	7,793	4,824
Deposit interest at higher rates of taxation	4,649	12,161
Profit on sale of investments at higher rates of taxation	-	21,890
General provisions not allowed for tax purposes	150	158
Movement in financial investment valuation unrealised – so not chargeable for tax purposes	(10,118)	(10,062)
Losses used against current year and preceding year profits plus losses available for future use	49,239	-
Adjustments in respect of previous financial year	(25,386)	(1,101)
Current tax charge for year (Note 7(a))	(25,386)	60,000

8. Tangible assets

Current Financial Year	Leasehold Improvements	Computer Equipment	Fixtures and Fittings	Total
	€	€	€	€
Cost:				
At 1 January 2015	53,354	1,090,672	18,329	1,162,355
Additions	–	188,101	2,024	190,125
Write-out of retired assets	–	(3,432)	–	(3,432)
At 31 December 2015	53,354	1,275,341	20,353	1,349,048
Depreciation:				
At 1 January 2015	42,684	922,663	15,867	981,214
Charge for the year	10,670	194,977	1,261	206,908
Write-out of retired assets	–	(2,836)	–	(2,836)
At 31 December 2015	53,354	1,114,804	17,128	1,185,286
Net book values				
At 31 December 2015	–	160,537	3,225	163,762
At 1 January 2015	10,670	168,009	2,462	181,141
Prior Financial Year	Leasehold Improvements	Computer Equipment	Fixtures and Fittings	Total
	€	€	€	€
Cost:				
At 1 January 2014	53,354	966,069	18,688	1,038,111
Additions	–	156,798	–	156,798
Write-out of retired assets	–	(32,195)	(359)	(32,554)
At 31 December 2014	53,354	1,090,672	18,329	1,162,355
Depreciation:				
At 1 January 2014	32,013	793,985	12,662	838,660
Charge for the year	10,671	160,873	3,564	175,108
Write-out of retired assets	–	(32,195)	(359)	(32,554)
At 31 December 2014	42,684	922,663	15,867	981,214
Net book values				
At 31 December 2014	10,670	168,009	2,462	181,141
At 1 January 2014	21,341	172,084	6,026	199,451

The accounting policy for the depreciation of tangible assets is outlined in Note 2.4. There are no assets held under finance leases or hire purchase contracts at 31 December 2015 (2014 – €NIL).

Notes to the Financial Statements *continued*

9. Financial assets

Financial assets

	Note	2015 €	2014 €
Financial Investments at Fair Value through Profit or Loss	(a)	3,109,715	3,028,774
Shares in subsidiary undertakings	(b)	50,100	50,100
		3,159,815	3,078,874

9(a). Financial investments

	Unlisted 2015 €
As previously reported:	
At 1 January 2014	
Cost	3,055,707
Impairment Provision	(29,512)
	3,026,195
Prior Year Adjustment	2,579
As Restated at Mark to Market 31 December 2014	3,028,774
Unrealised gains arising in 2015	80,941
At 31 December 2015	3,109,715
Mark to Market Value:	
At 31 December 2015	3,109,715
At 31 December 2014	3,028,774

Other financial investments represent the investment for the long term in conservative managed funds, diversified across three Irish investment managers. In 2015 the accounting policy for other financial investments changed to a Mark to Market valuation basis as outlined in Note 2.8. A previous provision for impairment amounting to €29,512 has been released to the profit and loss account.

The market value of the financial investments at 31 December 2015 was €3,109,715 (2014 – €3,028,774). In accordance with the change in accounting policy for other financial investments outlined in Note 2.8 the value of other financial investments is recorded at the market value.

9. Financial assets *continued*

9(b). Shares in subsidiary undertakings

The company holds 100% of the share capital of the following companies:

Name of subsidiary	Country of Registration or incorporation	Shares held class	Principal Activity
IENUM Limited	Ireland	Ordinary and Preference	ENUM Registry
.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

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2015 were as follows:

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

Four of the subsidiaries were placed in voluntary strike off in 2016, as disclosed in note 15, post balance sheet events.

10. Debtors: amounts falling due within one year

	2015 €	2014 €
Corporation tax recoverable	29,094	–
Prepayments and accrued income	175,012	198,692
	204,106	198,692

Notes to the Financial Statements *continued*

11. Creditors: amounts falling due within one year

	Note	2015 €	2014 €
Trade creditors	(a)	90,717	83,528
Other creditors		217,340	246,049
Corporation tax payable		-	8,554
Other taxes and social security costs		1,881	37,510
Accruals	(b)	127,576	216,742
Deferred income	(c)	1,970,724	1,834,073
		2,408,238	2,426,456

Other taxes and social security costs include:

	€	€
VAT	1,881	37,510
	1,881	37,510

11(a). The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors. Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment at the rate of 0.0322% for each day or part of a day for which payment is overdue. No interest was due at the financial year end date.

11(b). The terms of the accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

11(c). The accounting policy for deferred income is outlined in Note 2.3.

12. Guarantee

Parent Company Guarantee

On 18 December 2006, the company's subsidiary IENUM Limited signed an agreement with the Commission for Communications Regulation (ComReg) to provide the national ENUM registry service for Ireland. At 31 December 2015, the company is the sole Guarantor of the obligations of its subsidiary IENUM Limited.

13. Commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Premises 2015 €	Premises 2014 €
Expiring:		
Within one year	41,823	83,645
Between two and five years	-	41,823
More than five years	-	-
	41,823	125,468

Capital commitments

The company has no capital commitments at 31 December 2015 (2014 – €NIL).

14. Analysis of changes in cash at bank

	Opening balance €	Cash flow €	Closing balance €
Cash at bank and in hand	644,335	(463,525)	180,810
Deposit accounts	2,429,761	(12,980)	2,416,781
Net funds	3,074,096	(476,505)	2,597,591

15. Post balance sheet events

On 11 February 2016, the company placed its dormant subsidiaries .IE Registry Limited Ireland, Domain Registry IE Limited, IEDR Limited and The Irish National Domain Registry Limited in voluntary strike off. All of these subsidiaries had been non-trading and their values had been written down to €Nil at 31 December 2015. There are no other material post balance sheet events.

16. Contingent liabilities

There are no contingent liabilities at 31 December 2015.

17. Company structure

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

Notes to the Financial Statements *continued*

18. Controlling parties

The company is controlled by its members. At 31 December 2015 the seven directors and the Company Secretary are the members.

19. Comparative figures

Certain comparative figures have been restated for consistent presentation with current year figures.

20. Financial instruments

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2015 €	2014 €
Financial assets at fair value through profit or loss		
Financial investments	3,159,815	3,078,874
Financial assets that are debt instruments measured at amortised cost		
Cash at bank and in hand	2,597,591	3,074,096
Financial liabilities measured at amortised cost		
Trade creditors	90,717	83,528

21. Transition to FRS 102

Reconciliation of capital and reserves

	1 Jan 2014 €	31 Dec 2014 €
Capital and reserves (as previously stated)	3,910,306	4,103,768
Investments at Mark to Market Value	-	2,579
Capital and reserves as restated	3,910,306	4,106,347

21. Transition to FRS 102 *continued*

Reconciliation of profit and loss

	Financial Year Ended 31 Dec 2014
Profit for the financial year (as previously stated)	193,462
Effect of transition:	
Switch to Mark to Market valuation of investments	2,579
<hr/>	
Profit for the financial year (as re-stated under FRS 102)	196,041
<hr/>	

In 2015 the accounting policy for other financial investments changed to Mark to Market valuation basis as outlined in Note 2.8.

In accordance with the change in accounting policy for other financial investments, the financial investment figure for the financial year ended 31 December 2014 has been re-stated to reflect the market value at 31 December 2014.

22. Approval of financial statements

The financial statements were approved by the Board on 29 April 2016 and signed on its behalf by:

Director

Professor J.O. Scanlan

Director

Mr. Mark Dobbyn

Date:

29 April 2016

Glossary of Terms

.ie accredited Registrar

An .ie accredited Registrar is a company authorised by the IEDR to act as agent for registrants who require a .ie web address. .ie accredited Registrars include HSPs, ISPs and web development companies. The full list of .ie accredited Registrars can be found at <https://www.iedr.ie/register-a-domain/accredited-registrar-list/>.

Anycast

Anycast is a methodology for addressing multiple servers with the same IP address. Data is transmitted to the closest or best receiver in line with predetermined criteria. One benefit is that a denial of service attack can be “localised” and therefore contained.

ccTLD

National top-level domains, country code top-level domains (ccTLD), are based on the International Organisation for Standardisation’s (ISO) country codes. National top-level domains comprise two letters, for example .ie for Ireland or .de for Germany.

CENTR

CENTR (Association of European National Top-Level Registries). CENTR is a not-for-profit organisation dedicated to supporting the interests of country code TLD managers. The objectives of CENTR are to promote and participate in the development of high standards and best practices among ccTLD Registries. www.centri.org.

Class and category

The .ie database records information on the class of registrant and the different categories of domain names being registered. This is represented by eight different classes of registrant and eleven different categories of domain name being registered.

ComReg

The Commission for Communications Regulation (ComReg) is the general communications regulator for Ireland, with responsibility for mobile, fixed line and postal services.

CRS

IEDR’s automated Core Registry System, which deals with all registrations, transfers, modifications, billing and non-renewal of .ie domain names.

DNS

The Domain Name System (DNS) is an international hierarchical distributed database used to translate domain names, such as iedr.ie to IP addresses (77.72.74.147) to locate information about resources on the Internet.

DNSSEC

DNSSEC (DNS Security Extension) is a supplementary service to domain names that makes it possible to check that the DNS information stems from the correct sender and has not been altered during its transmission. When DNSSEC is in use, the computer submitting a query (e.g. an Internet browser) is able to determine whether the reply provided for an Internet address in the DNS actually comes from the server that is registered with IEDR as being the authoritative server.

Domain name

A domain name is a unique name, which is often linked to a website or e-mail. The domain name is translated in the DNS to an IP address before any Internet communication can occur. A registered domain name is a domain name held by a specific registrant following an application process.

GAC

ICANN receives input from governments through the Governmental Advisory Committee (GAC). The GAC’s key role is to provide advice to ICANN on issues of public policy and especially where there may be an interaction between ICANN’s activities or policies and national laws or international agreements.

gTLD

Generic top-level domains (gTLDs), such as .com, .net and .org are top-level domains that are not tied to a country or geographic territory.

IANA

IANA (Internet Assigned Numbers Authority) is responsible for the global coordination of the DNS Root, IP addressing, and other Internet protocol resources.

ICANN

ICANN (Internet Corporation for Assigned Names and Numbers). An international not-for-profit, private sector organisation created to co-ordinate four key functions of the Internet: managing the domain names system, allocating IP addresses, assigning protocol parameters and managing the root server system.

IDN

Internationalised Domain Names (IDN). Until recently, the Root Zone was limited to a set of characters conforming to US-ASCII (American Standard Code for Information Interchange) or "Latin" alphabets. This changed with the introduction of Internationalised Domain Names (IDNs), which introduced top-level domains (TLDs) in different scripts and enabled Internet users to access domain names in their own language.

IGF

The Internet Governance Forum (IGF) was established in 2006 by the United Nations to create a forum for Internet governance policy issues. Stakeholders represent countries, commerce and society in general.

IPv4

Internet Protocol version 4 (IPv4) is the fourth version in the development of the Internet Protocol (IP) and routes most traffic on the Internet. However, a successor protocol, IPv6, has been defined and is at an advanced stage of production deployment.

IPv6

Internet Protocol version 6 (IPv6) is the latest version of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet.

Nameserver

Nameservers are computers with software that stores and/or distributes domains (zones) and which accept and answer domain name questions. When a user wishes to surf to www.iedr.ie for example, the user's computer sends a question to a nameserver on which information regarding iedr.ie is located.

PAC

The Board of the IEDR established a Policy Advisory Committee (PAC) in 2014 to consider and provide advice on policy issues concerning Ireland's Internet top-level domain, .ie. The Policy Advisory Committee operates in line with the Policy Development Process (PDP).

PDP

IEDR's 10 Step Policy Development Process (PDP) for the .ie namespace. The PDP is a formal process which is consensus driven, transparent and allows for bottom-up proposals from the wider Internet community.

<https://www.iedr.ie/p30/policy-development/>

Registrant

The individual or legal entity registered with the right to use the .ie domain name.

Registry

A registry is a company or organisation responsible for the administration and operation of a top-level domain. IEDR is the active registry operator responsible for administration and technical operation of the .ie domain and ensures that all registered .ie domains are accessible via the Internet.

VMware

VMware is a provider of virtualisation software. It is a US based company which is majority owned by EMC. VMware software provides a completely virtualised set of hardware. One large server can replace dozens of smaller specific-purpose servers.

Zone and zone file

A zone is the delimitation of the administrative responsibility for a domain tree. A zone file is a data file comprising the necessary zone information to enable the use of DNS addressing. The zone files are stored on authoritative nameservers that are distributed throughout the Internet.

**Recognised globally
as identifiably Irish.**





A .ie domain name makes you or your company instantly recognisable as Irish.



It tells the global community you are Irish and tells the Irish community you are local.



Identifiably Irish

Ireland's Domain Registry

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