



We are  
Ireland online

Enabling Ireland to

**THRIVE**  
**ONLINE**

IE Domain Registry CLG t/a .IE  
Annual Report & Review 2020

# Key Figures 2020

Members' funds

**€4.6m**

Renewal rate

**86.9%**

Database of .ie domains

**309,853**

New .ie registrations

**65,113**

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# Purpose and Strategic Priorities

## Purpose

Our purpose is to enable and empower people, communities and businesses across Ireland to thrive online.

## Vision

Our vision is that .IE becomes the trusted standard bearer in terms of online security, standards and innovation thereby evolving in its vital role in Ireland's digital journey.

## Themes

Our strategic priorities are formulated at a time of significant change in the global regulatory environment impacting cyber security and data protection, combined with dramatic commercial evolution of the domain name industry, which is experiencing global consolidation at the registry level and regional consolidation at the Registrar level.

As a trusted, independent entity with a profit-for-good business philosophy we have a convening authority which we can and should use to engage and empower people, communities and businesses across Ireland to thrive online.

## Strategic Priorities

- ▶ To **protect** the integrity, confidentiality, availability and reliability of the registry's mission critical systems and processes.
- ▶ To **grow** the registration base, by generating new registration growth greater than our competitors and maximise .ie renewal rates. We will incentivise, grow and develop our channel partners and we will create demand for .ie with indirect marketing and content marketing through our programmes and publications. Through our initiatives, we will ensure that the brand equity always flows back to .IE.
- ▶ To **create** a centre of excellence in three areas; providing data metrics and data visualisation; providing online self-assessment security tools; and supporting undergraduate applied research on internet-related topics.
- ▶ To **develop** a people-centered culture in a digital age – an inclusive working environment, where our people are fully engaged and where continuous personal and professional development is a strategic priority for all. Specifically, to develop, by 2024, new internal skill sets with an innovative mindset.



# Performance Highlights 2020

Extract from the audited Financial Statements (financial figures only)

## Profit and Loss

	Year to 31 Dec 2020 €	Year to 31 Dec 2019 €
<b>Registration Revenue</b>	<b>3,773,326</b>	<b>3,605,404</b>
Administration Expenses	(1,467,745)	(1,762,966)
Employment Costs	(1,842,939)	(1,631,745)
Depreciation/Amortisation	(130,322)	(125,897)
<b>Operating profit</b>	<b>332,320</b>	<b>84,796</b>
Unrealised gains on financial investment	167,468	193,974
Loss on sale of financial investment	(79,774)	0
Interest income	11,392	14,211
Other Income	80,107	0
Taxation	(92,098)	(61,543)
<b>Profit after taxation</b>	<b>419,415</b>	<b>231,438</b>

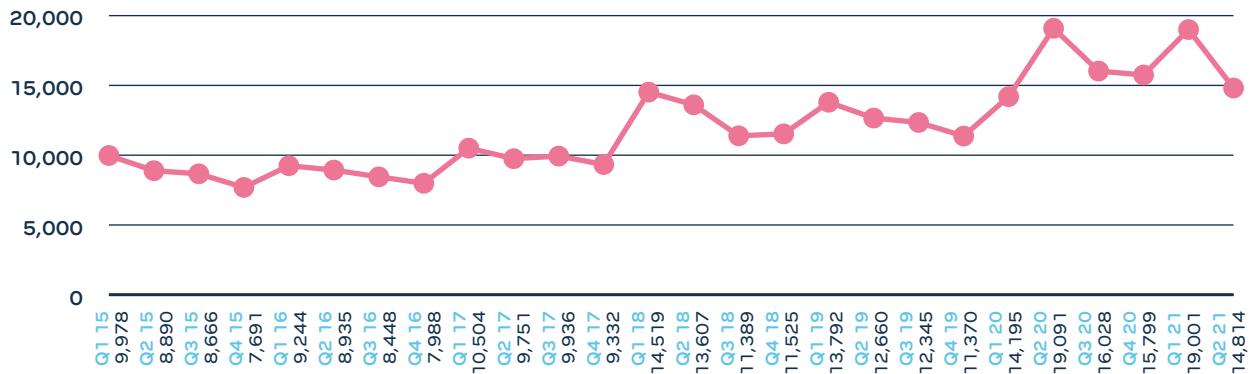
## Balance Sheet

	At 31 Dec 2020 €	At 31 Dec 2019 €
Fixed Assets	273,212	77,230
Investments	4,466,299	4,378,689
Current Assets	3,628,342	3,367,858
Creditors <1 year, excluding Deferred Income	(893,648)	(1,099,400)
Deferred Income	(2,795,123)	(2,506,577)
Creditors >1 year	(114,059)	(72,192)
Members' Funds	4,565,023	4,145,608

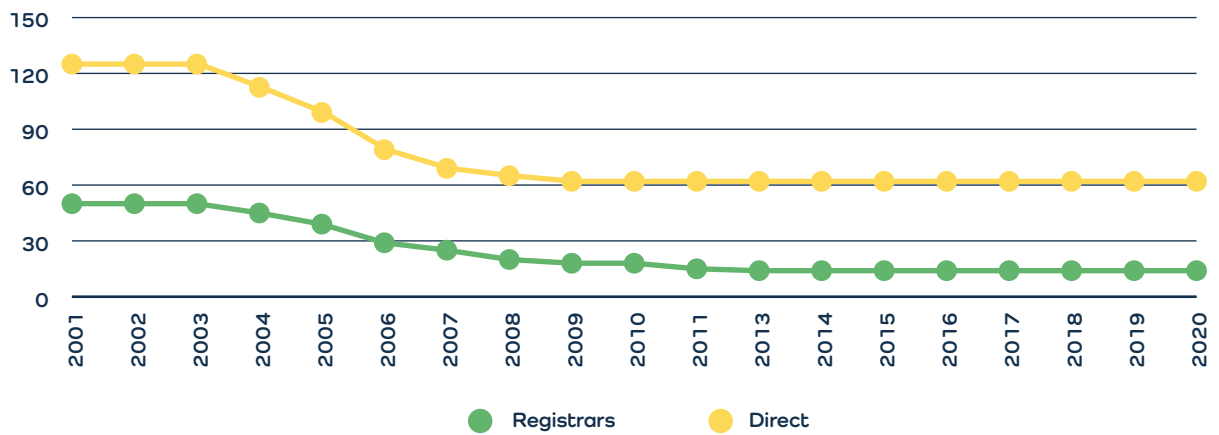
## Cash Flow

	Year to 31 Dec 2020 €	Year to 31 Dec 2019 €
Net cash inflow from operating activities	518,823	505,385
Increase in cash in the year	283,574	419,722

### Number of new .ie registrations – quarterly growth



### Prices of a .ie domain (€)





## Chair's Statement

The onset of the Covid-19 pandemic created unprecedented challenges for businesses, communities and citizens. Keeping the .ie namespace safe and secure for our internet users and for Irish business is a critical priority for the Board and I am pleased that the registry maintained its excellent track record for the safety, reliability and resilience of its services particularly given the circumstances we were operating in.

Our immediate response to the pandemic was to work actively with our Registrar channel to ensure continuity of service for domain holders. The .IE team moved seamlessly to a work from home environment. I would like to pay tribute to the resilience shown by the .IE team and Registrars for the high levels of productivity under difficult circumstances.

As a company limited by guarantee, .IE's financial reserves are its only source of capital and it is therefore critically important that we maintain a capital base fully adequate to meet current and prospective business requirements. In recording an after-tax surplus of €419k we improved our financial strength in 2020. Net liquid funds totalled €3.4m at year end. The Company's financial position remains strong and in line with our financial objectives. We assure our stakeholders of our continued commitment to this objective into the future.

2020 was another successful year for .IE, with an increase of 29.8% in new domain registrations. The proportion of .ie domains with active websites or email continues to increase. In an extremely competitive environment we improved our market share compared to .com, to over 51% of Ireland's hosted domains.

Our database at the end of 2020 was 309,853 .ie domains, a net increase of 59.1% over 2019's net change. European country registries also experienced increased growth and the .ie domain showed the second highest level of growth at 10.3%.

A number of important projects were completed in 2020, despite the constraints imposed by the lockdowns. The Board was pleased to support and authorise a significant investment in licensing a state-of-the-art domain registry management system, which was customised for the .ie namespace. We are confident that our Registrars and channel partners will be able to use this industry-standard system to drive their own growth and expansion during the coming years.

We were very pleased to announce our new company name during 2020 – .IE, which builds on our already well-established brand. The company undertook the rebranding exercise in order to reflect our expanded role beyond just that of being the national registry and to reflect our profit-for-good strategic objectives. Our purpose is to enable and empower people, communities and businesses across Ireland to thrive online, and this purpose underpins all of our activities. Our values are Equality – Excellence – Endeavour.

The Board approved a significant investment of €1 million in the .IE Digital Town programme. The programme has been developed to foster digital enhancement and adoption in Ireland; helping businesses, citizens and communities to harness the benefits of the internet and to thrive online; to support remote working, tackling the digital divide; to encourage sustainability through an enhanced digital economy; to advocate for a strong internet ecosystem to enable a better Ireland online.

I would like to acknowledge the continued dedication and diligence of our Policy Advisory Committee (PAC) which was established in 2015 to advise the Board on policy matters. Representative of a broad range of stakeholders, the PAC continued in 2020 to play an important role in assisting us to develop our policies in line with the changing internet environment, while also assisting the Board in balancing the rights, responsibilities and obligations of all parties. On behalf of the Board, I would like to thank the members for their contribution to the ongoing policy development process at the registry.

On behalf of the Board, I would like to thank our Chief Executive, the executive team and all our staff for their continued dedication and commitment in 2020. In particular, the Board appreciates the team's commitment to building a resilient technical infrastructure and to meeting the high standards expected by the Company's customers and stakeholders, particularly given the challenging circumstances of the pandemic.

To deliver on our ambitious plans, it is vital to continue to attract, nurture and retain talent. There is intense competition for talent in the digital economy, but .IE is viewed as a trustworthy organisation with a purpose and values which are attractive for highly motivated individuals who want to make a positive contribution to the internet community.

## Outlook

The outlook for the digital economy is extremely positive, with the acceleration of digital transformation, enforced by the pandemic restrictions. The challenge will be to ensure that Ireland's towns and micro businesses can leverage long-term benefits from new levels of e-commerce and remote working. We expect that .ie domain growth will taper-off from the levels experienced during the first lockdown.

We are actively engaged in developing responses to the imminent expansion of the EU regulatory environment. Although we welcome the focus on cyber security and ongoing data protection regulations, we are aware of the potential for disruption and the challenges and implications for the future cost base for our channel, and for SMEs broadly.

We are confident that the .IE team will continue to serve the citizens and businesses of Ireland and help them thrive online.

**Louise English**  
Chair

**31 July 2021**



## Chief Executive's Report

2020 was a year of major challenges and achievements for .IE; we coped with Covid restrictions; we rebranded to “.IE”; we licensed and customised a new registration system; we seamlessly exited the direct B2C retail customer market; we benefitted from accelerated digital transformation which boosted demand for SME’s online presence; and by year end the EU agenda for significant cyber security regulation became apparent. What a way to mark our 20th year in business.

The sad impact of Covid-19 on society, citizens and the economy nevertheless accelerated digital adoption for business, consumers and social activity. The .ie database’s strong growth in 2020 can be largely attributed to the Covid-19 pandemic and lockdowns that closed physical premises and restricted travel and social gatherings, which forced small business owners to pivot online, many for the first time.

Like many other companies, .IE responded speedily and efficiently to the Government's work from home order in March 2020. IT systems were deployed to ensure safe, secure communications and work practices, as well as adopting new technologies to support virtual meetings. Staff were given support to ensure their home working environment was safe and comfortable. I would like to pay tribute to the .IE team for their flexibility and high levels of productivity while working remotely.

### Operational review

At the end of 2020, there were 309,853 .ie domains on the database. There were 65,113 new registrations in the year, the highest annual figure ever recorded and a 29.8% increase on 2019. These registrations were offset by 36,446 non-renewals/deletions which were up 13% over 2019 (32,151 domains), giving a net increase of 28,667 which compares favourably to the net increase in 2019 (18,016 domains). We continue to gain market share against .com with .ie at 51% of hosted domains.



This exceptional level of new growth was primarily the result of businesses getting online as a result of Covid-19, generous government supports including the Trading Online Voucher scheme and also to the marketing activities of our accredited Registrar community. Businesses invested in a trusted .ie web address, to continue communicating with their customers and to sell their products and services via the internet. The .IE Marketing and Communications team refocused our research and reports in 2020 to provide useful and relevant insights to policymakers and to provide helpful business advice to SMEs via webinars and case studies.

There was no progress in 2020 on the Company's application to ICANN for the transfer from UCD of 'ccTLD Manager' status to IE Domain Registry, 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, Climate Action and Environment is still considering the matter.

## Financial review

Registration revenue increased by 4.7% to €3.77 million (2019 – €3.61 million). The deferred income on the balance sheet increased by 11.5% in 2020, to €2.80 million (2019 – €2.51 million). This is because the invoiced value of registration fees increased by 9.9%, reflecting renewals and new growth in 2020.

Administration expenses decreased by 16.7% to €1.47 million from €1.76 million. Promotion, sponsorship, and advertising costs decreased by 23% compared to 2019, primarily as a consequence of the Covid-19 restrictions which forced the suspension of sponsorships, customer service initiatives and unfortunately, the 2020 .IE Digital Town programme.

Employment costs increased by 12.9% in 2020 to €1.84 million reflecting additional staff recruited to support the development and customisation of the new TITAN registry management platform and cost of living salary increases.

In March 2020, the Company ceased to provide a direct registration service to the public. A fair and transparent process, which was validated by the multi-stakeholder community, was used to select an accredited Registrar to take over the management of the .ie domains. The net proceeds of this exercise are included in other income.

The Company records its financial investments on a Mark to Market basis of valuation. The financial investments market value at 31 December 2020 was

€4.5 million (2019 – €4.4 million). Accordingly, the movement in the capital markets by year end yielded net unrealised gains of €167,468 (2019 – €193,974). The deferred tax liability on the balance sheet was increased accordingly.

The financial position of the Company at 31 December 2020 is solid. Members' Funds increased by 10% from €4.15 million at December 2019 to €4.56 million by the end of December 2020. Cash and cash equivalents increased to €7.9 million (2019 – €7.5 million) including €4.5 million invested with multiple investment managers.

## A new platform for the next decade of growth

The .IE Technical Services team must be commended on its significant achievements during 2020, particularly in the context of the enforced remote working model. We partnered with the Canadian registry, to license and customise its new domain registry management platform, which uses the Extensible Provisioning Protocol (EPP standard). Codenamed TITAN, it provides our Registrars with more powerful and flexible domain management tools as well as a modern, user-friendly interface. It has greater functionality and flexibility than the pre-existing Core Registry System (CRS) which served us so well since 2013. The new system will ensure that our technical systems can support long-term growth in .ie domains. Together with the ticket handling system Deskpro, Exchequer and the reporting capability supported by the data warehouse, this standardisation of processes will future-proof systems and provide a new platform for the next decade of growth and expansion of the .ie namespace.

A consequence of Covid-19 was an increase in cyber attacks, phishing and online fraud. This has had a significant impact on businesses and citizens, with the CSO-IDG UK reporting a 40% increase in phone, text and online fraud. The technical services team continues to protect the national DNS infrastructure against ongoing and new external cyber security threats, in particular in the face of the continuing global increase in ransomware, malware and DDoS attacks, thereby contributing to the safety, security and resilience of the .ie domain.

The data escrow function continued to operate, whereby relevant data sets within 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 government, regulators and stakeholders.

## Promoting nationwide digital adoption

In 2020, the Board of Directors approved a €1 million investment in the .IE Digital Town programme over four years. The programme has three elements: – Big Data for small towns; secondly, the .IE Digital Town Awards which was developed to promote awareness, knowledge, use and understanding of the internet in Ireland by its citizens, businesses and communities. It also highlights the benefits and possibilities of the internet and celebrates the digital achievements of local towns.

The third element is the .IE Digital Town Blueprint, a digital readiness framework developed to help town leaders and policymakers embed their own digital town action plans in empirical data. .IE partnered with the Irish Institute of Digital Business at DCU to fully explore the concept and value of the “digital town” through a comprehensive research project. The resultant framework is the first of its kind in Europe and forms the basis of the Blueprint. In designing the programme, the company has leveraged its many years of experience, research and learnings with its earlier initiatives such as Optimise, Internet Day and Digital Town Gorey (2018) and Sligo (2019).

## Policy Advisory Committee (PAC)

During 2020, the substantive work of the Policy Advisory Committee focused on the formulation of a policy response to handling technical abuse or criminal abuse (illegality) which uses the .ie domain name system. A separate workstream led to a policy mandating all Registrars to provide an abuse email contact in the .ie WHOIS service. This enables the general public to submit a report of online abuse to the Registrar. It is important for Ireland to have this multi-stakeholder industry advisory body. The Policy Advisory Committee follows a 10-step framework known as the .ie Policy Development Process (PDP). The PDP is designed to be bottom-up and consensus-driven. Further information is included on the .IE website and in the Policy Development section below.

## EU Regulatory environment emerging

Cyber threats continue to grow in frequency and amplitude. The SolarWinds hack of 2020 impacted over 30,000 organisations’ systems infrastructures and is widely attributed to state intelligence services. Abuses using the domain name system (DNS) continue to grow along with virus and ransomware. During 2020 Covid-19 has accelerated the adoption of digital services by citizens, government and corporates. All businesses are increasingly dependent on third party services - from major cloud providers, through the ecosystem of software as a service (SaaS) providers and managed service providers, to a new world of data and analytics service providers.

Concerned by the level of cyber threats, EU regulatory response has intensified and continues to reach into the domain market, beyond data privacy into cyber security.

Already, GDPR was introduced in 2018, which had a significant regulatory impact on the domain industry, particularly on the nature and extent of the WHOIS lookup service for domains. In 2019, the EU issued the Directive on the Security of Network and Information Systems (NIS), which led to the designation of ccTLDs as operators of essential services (OES). In December 2020, a proposed extension to the Directive (NIS2) was published, to address perceived weaknesses in the original Directive, and DNS providers are now to be included. It is clear that increased resources and attention will be necessary to manage the disruption and cost impact of a rapidly expanding regulatory regime.

## Outlook for 2021

Nationally, new registration growth continued into 2021, as the second Covid-19 lockdown led to a renewed respect for the power of websites and digital communications. In Q1 alone, there was a 34% increase in new .ie registrations compared to the same period of 2020. The outcome for the first half of 2021 at 33,815 new .ie domains, is flat compared to the same period in 2020 (33,285 domains).

This moderation in .ie domain growth by mid-2021 is replicated in many ccTLDs across Europe. The future growth is uncertain in this regard.

The work of the .IE Policy Advisory Committee is continuing into 2021 in response to developments impacting ccTLD registries, in particular EU cyber security initiatives NIS2 and regulations impacting the Digital Single Market.

As we develop our strategy to 2024, I look forward to working with our Board of Directors and thank the members and the Board sub-committees for their ongoing support and expertise.

Our dedicated staff at .IE deserve huge credit and respect for their outstanding contribution to the continued growth of the .ie namespace, the development of our policies and services and of paramount importance, the protection of our mission-critical systems and the DNS. It is a pleasure to work with such a dedicated team of talented professionals. Together, we will ensure that .IE becomes the trusted standard bearer in terms of online security, standards and innovation thereby evolving in our vital role in Ireland’s digital journey.

**David Curtin**  
Chief Executive

31 July 2021



## .ie is the domain of choice

People and businesses in Ireland are choosing .ie over .com for their online digital identity.

# Board of Directors



## Louise English ■ ▲

Louise English is Chair of the Board of Directors. She is a non-executive director of Repak and Chair of their Audit and Investment Committee. She previously served as a non-executive director on the boards of St Vincent's Healthcare Group, An Post, Sherry Fitzgerald and Bord na Móna. She was also Chair of, or a member of their Audit Committees. Louise was an executive director of IBI Corporate Finance, one of Ireland's leading providers of independent corporate financial advice. A Chartered Accountant, she trained and qualified with PwC.

Louise holds a BComm from University College Dublin. She is a Fellow of Institute of Chartered Accountants and holds a Higher Diploma in Relationship Mentoring from UCC.

▲ until 24 April 2020



## Jennifer Chamberlaine ●

Jennifer is currently Head of Marketing and Business Development at DLA Piper, Ireland's leading global law firm. Previously she held senior marketing and communications roles driving substantial annual growth in brand value, human capital and revenue at BearingPoint, a global management and technology consultancy and before that at Ireland's national debit card (Laser Card), developing the brand from scratch to a household name.

She is passionate about entrepreneurialism and growing businesses and has enjoyed mentoring high potential start-ups with Enterprise Ireland since 2018. She has volunteered as a Non-Executive Director on the Board of Aware since 2011 and of Paralympics Ireland from 2012 to 2020. Jennifer holds a BA (Hons) Degree in Marketing from Liverpool John Moores University and qualifications from Yale School of Business, the Marketing Institute of Ireland and the Digital Marketing Institute.



## Jonathan Bate ● ▲

Jonathan Bate was previously owner and Managing Director of Hosting Ireland, where over 10 years he successfully grew the company to become one of Ireland's leading ICANN accredited domain registrars and hosting providers. The business was subsequently acquired by the Register Group.

Having over 30 years' experience in high-tech industries, including wireless telecoms and the internet, Jonathan has built a wealth of sales and marketing know-how. He has held senior management positions with Siemens, where he was latterly Vice President for Northern Europe, Samsung Electronics, Philips Consumer Communications and Motorola Inc.

Jonathan has an active interest in the development of the Irish online space and has previously been a committee member for both the Policy Advisory Committee of .IE and the Internet Service Providers Association of Ireland.

▲ from 25 April 2020



## Dan Flinter ■ ●

Dan Flinter is Chairman of the Board of The Irish Times, the PM Group and of VCIM, a venture capital company. He is a member of the Board of Dairygold Co-Op. He is also a member of the Council of the Institute of Directors in Ireland and he is a Board member of the National Gallery of Ireland. Dan is a former CEO of Enterprise Ireland and Executive Director of IDA Ireland.

He holds an MA in Economics from UCD and is an Eisenhower Fellow.



## Gareth Dunlop

Following 15 years helping businesses integrate strategic digital communications, Gareth established dedicated UX agency Fathom in 2011. Previously, he was the MD of Ionology, a leading digital strategy consultancy, headquartered in Belfast and with major clients in 15 countries. Prior to that, he was the MD of Tibus, one of the largest and most successful web development agencies in Ireland, from 2002 to 2009 when it was sold to UTV plc.

Gareth is a Board Member of Christian Aid Ireland, former Board Member of IIA, and Chairman of WeddingsOnline.ie. He writes and lectures extensively on Internet related matters, with regular columns in Silicon Republic, SyncNI and Business Eye. Gareth is a former judge of the Eir Spider Awards, the DANI Awards and the Dot IE Net Visionary Awards.



## Owen O'Connor ■ ▲

Owen O'Connor is an experienced technology and security leader, with over 20 years' experience spanning technology, biotech, financial services, and consulting. He currently serves as director of information security for a leading cloud service provider.

Owen's career has focussed on digital evidence, including investigating technology misuse and responding to security incidents. He was the founder of Cernam, a cloud-focused digital evidence firm which was acquired in 2014. He has been a regular speaker at many of the largest digital evidence conferences and has provided specialist training for police and government agencies. Owen holds an MSc in Forensic Computing from Cranfield University (Royal Military College of Science).



### Eamonn Ceannt ■▲

Eamonn Ceannt is a project consultant, working mainly in the cultural and education sectors. He is the founding Chair of the Museum of Literature Ireland (MoLI) and a Trustee of the Alfred Beit Foundation. He also works as a sculptor.

He was a Vice-President and Bursar at University College Dublin with responsibility for the capital development, regulatory and financial affairs of the university. He previously worked with Coillte – The Irish Forestry Board, KPMG and for the World Bank. He has served on the audit committees of the Royal Irish Academy and Dublin City Council, was Chair of Young Scientist & Technology Exhibition Ltd, a Trustee of the Chester Beatty Library and a board member of Concern Worldwide and Sustainable Projects Ireland EcoVillage.

Eamonn is a graduate of UCD where he studied Psychology and Computer Science and obtained an MSc in Computer Science from Trinity College Dublin. He qualified as a Chartered Accountant in 1979.



### Anne-Marie Eklund Löwinder

Anne-Marie Eklund Löwinder is the Chief Information Security Officer at The Swedish Internet Foundation. She is one of Sweden's leading experts on information and IT security. In 2013, Anne-Marie was the first Swede to be inducted into the Internet Hall of Fame.

She is a member of the Royal Swedish Academy of Engineering Sciences (IVA), Section XII, Information Technology. She is also a board member of the Swedish Law and Informatics Research Institute (IRI), of the Swedish Transport Administration, of the Swedish Antitheft Association and a member of the information security council of the Swedish Civil Contingencies Agency (MSB). She is appointed by the Swedish Ministry of Infrastructure as a member of the Swedish National Digitalisation Council.

In 2010, Anne-Marie was appointed and still serves as Trusted Community Representative by ICANN, in the role of Crypto Officer, where she participates in DNSSEC key generation for the internet root zone. She is also a member of The Registry Services Technical Evaluation Panel (RSTEP), a technical team under the GNSO (Generic Name Supporting Organization).

Anne-Marie has a degree in Computer Science from the University of Stockholm.

# Management



### David Curtin – Chief Executive

David Curtin joined us 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. David is a graduate of UCD, a Fellow of the Institute of Chartered Accountants and holds a first class honours MBA from the UCD Smurfit School.



### Patrick Bates – Company Secretary

Patrick is Company Secretary and Finance & Operations Manager at .IE. He leads both the accounts and registry services teams. He was previously Managing Director of Webtrade, a leading website design agency in Ireland and also one of the .ie accredited Registrars. Patrick has more than 21 years' experience working in the online industry and brings the knowledge gained working with a registrar company to help enhance the customer experience. Patrick is a Fellow of Chartered Accountants Ireland and a member of the Institute of Taxation. He is a graduate of University College Dublin (BA in Economics, 1996).

# Corporate Governance

**The Board of Directors fulfils its fiduciary responsibilities in accordance with best practice Corporate Governance Codes and principles with the objective of ensuring accountability, fairness, responsiveness and transparency in the conduct of the business of the Company.**

.IE Domain Registry CLG, trading as .IE is an independent company limited by guarantee, defined as a small company, and is therefore not required to comply with the provisions of Corporate Governance Codes. However, the 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 our size and nature.

The Company's unitary Board of Directors is comprised of eight independent Non-Executive Directors, supported by three subcommittees: the Audit Committee; the Governance, Nomination and Remuneration Committee; and the Investment Committee. Directors are appointed to the Board for an initial term of four years: thereafter directors can seek re-election for a subsequent term of three years.

At the end of a continuous term of seven years, directors are required to retire and re-election can only be sought after a gap period 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 domain 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 business matters including .ie policy, financial, legal, regulatory or corporate affairs.

The Chair 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 Chair 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 identifying any changes necessary.

ComReg commissioned an independent third-party due diligence review of the Company's Corporate Governance, as an input into the process of developing a potential Regulatory Framework for .ie (Consultation Paper 08/48). The conclusions, published in its formal Response to Consultation 09/01, were very complimentary of the high standards of Corporate Governance at the Company.

## Directors' responsibilities

The Board of Directors is the custodian of the Company's values and of its long term vision. The Board 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 Company's Constitution, 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 Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 performance of the Chief Executive Officer, overseeing strategy, monitoring risks (including Brexit and Covid-related 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 related 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 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 relevant experts, if it considers this necessary.

## Statement from the Chair of the Audit Committee

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", issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The role of the Audit Committee is important as it reviews 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 minutes of meetings of the Investment Committee as part of the audit planning process
- ▶ to review the Risk Register on annual basis.
- ▶ 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 areas of judgement 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.

**Eamonn Ceannt**

Chair of the Audit Committee

20 April 2021

# Corporate Social Responsibility

The Company operates a profit-for-good mandate, and one of .IE's strategic priorities is to support and serve the needs of the local internet community. The directors and management strive to be fair, equitable and transparent, and to balance the rights and responsibilities of all stakeholders. We understand the importance of active communication and engagement with our internal and external stakeholders.

The Company prioritises the values of equality and excellence in all dealings with our key stakeholders, including customers (Registrars), domain holders (Registrants), employees of the Company and the local internet community. We operate with integrity and ethical values while also adhering to strict corporate governance guidelines. In supporting the local internet community, we always work with enthusiasm, dedication and pride.

## The local internet community

Through our memberships and sponsorships of industry awards and events, the Company usually provides a modest level of financial support to the local internet community. However, unfortunately a lot of planned events did not go ahead due to the Covid-19 pandemic. Nevertheless in 2020, we sponsored the BT Young Scientist and Technology Exhibition, supported Cyber Ireland by becoming members and partnered with Digital Business Ireland.

The Company has provided free .ie domain name registrations to 6,989 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.

As part of the Getting Citizens Online Scheme, an initiative of the Department of Communications, Climate Action and Environment, the Company was involved in the training of 4,700 "non-liners" to date, including 276 during the period from January to March 2020. Face to face teaching stopped in March, in line with government restrictions. The scheme provides digital skills training for citizens who have never used the internet, with a view to removing a key barrier to digital adoption. It is hoped that training will resume as soon as it is safe to do so.

## Supporting the business community during Covid-19 lockdowns

In response to the business consequences of Covid-19 restrictions, the Company invoked its Registrant Protection Fund in Q2 2020 to provide limited support to domain holders in financial difficulty. Registrars used their judgement and applied the renewal fee waiver to SME companies they felt were in genuine difficulty. The fund was capped at 2% of a Registrars' renewals in a given month.

A number of our key stakeholders turned to us for digital content for their members when the first Covid-19 lockdown took effect. The objective of our content was to outline the benefits of digital adoption and demonstrate how important a website was to a business, allowing them to pivot their offerings online. This included delivering webinars for the Small Firms Association, Guaranteed Irish and the Society of Chartered Surveyors in Ireland and also contributing to podcasts. We partnered with Guaranteed Irish on a radio advertisement showing our support for Irish businesses and developed a Business Supports webpage collating resources from various organisations.

## Employees

The Company aims to be a good employer in all respects, putting our staff's wellbeing at the forefront of our decisions. We strive to lead the way in employee well-being through our commitment to instilling and maintaining a "Best Practice Approach", ensuring a lasting and positive impact on our staff. From induction and on-boarding, through to continuous personal and professional development, we seek to support staff members in their journey with us. The Staff Handbook sets out the HR policies and procedures, and is provided to all new employees as part of their induction. It also includes whistleblower provisions and procedures for staff raising matters in confidence, including providing direct lines of communication to Board members.



The Company operates a pension scheme for the benefit of all participating full-time employees. It also has a Safety Statement in accordance with the relevant legislation. Health benefits for staff were improved in 2020 with the introduction of our .IE Health Insurance Group Plan, which includes an Employee Assistance Programme and other physical and mental health supports.

### Sustainability and environmental awareness

In 2020, work continued on green initiatives to reduce and manage our carbon emissions, managed by our Project Glás team. The vision for Project Glás was to baseline our current carbon footprint and work towards reducing it, through actions and decisions, both big and small, on a day-to-day basis. The goal is to educate and build awareness to promote sustainability. The Project Glás team is made up of staff and management volunteers.

The “Go Carbon Neutral 2020” initiative acted as a template, and from that we have worked in partnership with other companies and forestry partners. The aim of this campaign is to “fight Climate Change with Native Irish Woodland Creation”, offsetting our carbon emissions by planting trees and thereby continuously moving closer to our target of becoming carbon neutral. We are committed to achieving a positive impact on society, to being proactive in terms of our corporate social responsibility and working with leading industry figures in climate, forestry and biodiversity.



# Internet Governance

## The internet needs guardians, guides and stewards.

The internet needs guardians, guides and stewards.

We are promoting and encouraging national Internet Governance through consumer protection protocols, policies and security programmes that coordinate and shape national cyberspace, in line with international best practices.

At .IE, good Internet Governance permeates throughout our strategic priorities. We seek to protect stakeholders and to adopt policies, processes and procedures that take account of the need for balance, having regard to the respective roles and responsibilities of our registrants, Registrars and Internet users.

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We operate the Managed Registry model, validating domain holders. We check out who's behind the .ie website making it safer for children and consumers. Our locking service prevents unauthorised changes to important .ie addresses and stops web hijacking. We offer a DNSSEC service, providing a more secure DNS which reduces phishing risks.

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We welcome stakeholder dialogue and democracy through our multi-stakeholder and consensus-driven Policy Advisory Committee.

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We've established consumer protection protocols with regulators to address online illegality and to permit 'take-down' of websites under certain circumstances. We operate a Regulatory Authority Protocol for dealing with illegal content on .ie websites. The regulatory authorities who we engage with include the ODCE, the CCPC, the Central Bank, and ComReg.

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We operate Governance systems, which are transparent and professionally run to the highest standards. The quality of our financial reporting and transparency has been acknowledged by the Leinster Society of Chartered Accountants, where we were shortlisted many times in their annual awards competitions.

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We introduced an easy to use Dispute Resolution service (ADRP) "Fair play and a fair hearing". We use independent third party dispute resolution agencies – WIPO and EU Net Neutrals. We've proactively introduced Anti-Abuse measures, in cooperation with stakeholders (via our Policy Advisory Committee) and our Registrar channel.

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RFCs compliance – IETF standards and protocols – we adhere to RFCs which document the official Internet specifications, communications protocols and procedures published by the Internet Engineering Task Force, [www.ietf.org](http://www.ietf.org).

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We regard ourselves as one of the guardians of national critical internet infrastructure. Like all country-code registries across Europe, we are designated as an Operator of Essential Services (OES) under the NIS directive.

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Our programmes are dedicated to proactively fighting malware and phishing in the .ie namespace. Protecting consumers, our customers and SMEs is of the utmost importance to us and our Registrars.

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We have a 20-year track record of investing in and developing the national domain DNS infrastructure, which is robust, resilient and has operated with no downtime whatsoever.

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We have adopted a range of policies and rules to protect consumers, safeguard registrants and promote good internet governance. You can read about our range of policies on our dedicated policy page on our website, [www.weare.ie/our-policies](http://www.weare.ie/our-policies).

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## Global coordination

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 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 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 its representative composition of the ICANN Board from across the globe. On 6 January 2017, an extremely important change in the governance of the DNS took place, with the completion of the transition of the IANA stewardship to ICANN. 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, as it gives Ireland a voice on trans-national internet policy matters.

## 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 potential regulatory framework for .ie, ComReg launched a public consultation process on the .ie namespace and published its formal Response to Consultation, Document 09/01. ComReg's related press release stated that:

- ▶ ComReg will, by way of regulation, appoint .IE as the authority authorised to register .ie domain names in accordance with Section 32(4) (a) of the Act of 2007
- ▶ .IE will set up and maintain a Policy Advisory Committee representative of all stakeholders with a focus on more transparent policy development
- ▶ .IE will continue to adopt the "managed approach" to .ie registrations to ensure continued protection for .ie domain name holders and consumers. In this context, the Company looks forward to a continuing effective working relationship with ComReg.

## History of the Internet Governance Forum (IGF)

The IGF was established by the United Nations following the World Summit on the Information Society (WSIS) in 2006. The UN's ten-year review concluded successfully with the adoption of the WSIS+10 Resolution on 16 December 2015. It reaffirmed three core elements of the 'Tunis compromise': First, it extended the IGF mandate for a further 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. While there is no negotiated outcome, the IGF informs and inspires those with policy-making power in both the public and private sectors.

# Policy Development

**.IE 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 Policy Advisory Committee (PAC) was established by the Company in July 2014, to provide a forum to consider and provide advice to the .IE Board of Directors on policy change requests. The PAC operates under its specific Terms of Reference and follows the published 10-step Policy Development Process (PDP). The PAC considers all policy change requests submitted for review, and where consensus exists for a change, it also advises on the implementation of such policy change requests.

The members of the PAC are stakeholders with an interest in the .ie namespace and its policies. The membership includes representatives from eligible organisations. That list was extended in 2019, with the welcome addition of CyberSafeKids and IRISS (the Irish Reporting and Information Security Service), who joined the .ie accredited Registrars, the Department of Communications, Enterprise Ireland, the Small Firms Association (SFA), the Law Society, the Internet Service Providers Association of Ireland (ISPAI), the Department of Business, the Irish Computer Society (ICS) and the Association of Patent and Trademark Attorneys (APTMA).

## PAC – operation and modus operandi

The Committee convened over Zoom on three occasions in 2020. The PAC has maintained the strong levels of meeting attendance and engagement evident since its inaugural meeting in 2015. This has been vital to the progression of the various policy change discussions, as has the diverse expertise, experience and knowledge of the Committee members. The commitment of the PAC in adhering to the bottom-up, consensus-driven, multi stakeholder-led PDP has been invaluable in the progression of the policy changes. Entering its seventh year of operation, the PAC expects to continue to build on the achievements and milestones of previous years.

During 2020, the PAC issued advice to the Board of .IE in relation to a number of matters including: the decision to cease providing a direct registration service to direct customers; the extension of the WHOIS service to include abuse contact details for each domain; and the introduction of a defined, transparent procedure (within the existing registration and naming policy) for facilitating requests to “apply” for reserved names; and fastpass refinements to existing policies to facilitate the corporate rebranding and the new registration systems.

## Proactively tackling online abuse which uses the .ie DNS

The substantive work of the PAC during 2020 focused on developing a policy response to handling technical abuse or criminal abuse (illegality) which uses the .ie DNS. After the initial impact assessment by the PAC, the analysis phase addressed the issues in two separate work streams.

There was full consensus on the response to proactively identify online technical abuse issues, such as websites that are hosting malware, phishing or botnets. It was agreed to identify an internet services company which could provide internet security monitoring services, including cybercrime disruption, application security testing and automated vulnerability scanning. The company agreed to finance the reasonable costs of the service. The importance of engagement with and involvement of the Registrar channel was accepted by all.

The policy response to addressing criminal abuse (illegality) involved considerable and constructive engagement from PAC members. During 2020, representatives from law enforcement made a formal presentation to the PAC, informing members that there were no notable abuse concerns within the .ie namespace, and complimented channel participants, saying there was no notable friction with existing takedown and suspension procedures.

Subsequently, there was consensus that criminal abuses, when they arise, can have life-altering impacts on victims, and that there is a responsibility on all internet stakeholders to collaboratively, proactively prevent and mitigate occurrence of these crimes to minimise the number of victims. The importance of following due process was repeatedly emphasised as a critical success factor in developing an appropriate policy response.

Discussions and consensus building regarding alternative policy responses progressed into 2021, as PAC members and stakeholders continued to monitor and evaluate international developments and initiatives.



## Equality, excellence and endeavour

We strive to be fair, equitable  
and transparent in our dealings.

We operate with integrity.

We always work with enthusiasm,  
dedication and pride.

# A new brand

2020 marked 20 years of the Company in business. As the next chapter begins, the Company re-branded from IE Domain Registry to .IE, a name that aligns with our purpose to enable and empower people, communities and businesses across Ireland to thrive online.

## A new name reflecting a renewed focus

The change of name from IE Domain Registry to a masterbrand of .IE was driven by our desire to ensure that all of the brand equity accrues to the .ie namespace whenever we engage in activities that benefit Ireland Inc, whether these are:

- ▶ for SME organisations (OPTIMISE, e-books), or
- ▶ for communities (Digital Town, Internet Day), or
- ▶ for government policymakers (Digital Health Index, SME research reports, Domain Profile Reports) or
- ▶ when we commission special-purpose research (such as the Covid-19 Tipping Point research or our popular Consumer Trust surveys).

Our experience over the years was that these events, reports and initiatives were useful, appreciated, fact-based and insightful but that the .ie brand was not always credited and SMEs in particular, did not appreciate that the same organisation was behind all of these.

With our new name and a brand-new look we aim to change that, as we continue the growth and expansion of the .ie namespace. With over 51% of the hosted market in Ireland, we want to consolidate our recent gains in market share (.com is currently 32%) and maximise domain renewal rates which will also benefit Registrars immensely.

One brand creating a single powerful image, underpinned by a range of focussed value propositions, is illustrated as follows:



# Celebrating 20 years

Over the last 20 years the Company has contributed to the advancement of Ireland's internet ecosystem, working with businesses, communities and people to educate and support them on their internet journey, and to highlight the benefits of an online presence.

The careful guardianship and management has resulted in .ie becoming Ireland's most trusted domain, with 77% of Irish consumers preferring a .ie website when buying online<sup>1</sup>. The .ie domain now has 51% of the hosted market in Ireland, followed by .com with 32% market share.

The number of .ie domain registrations during that time aligns with the acceleration in internet adoption over the past 20 years, with 174,086 new domains registered between 2000 and 2009. Registrations climbed by a further 120% from 2010-2019 to 383,265 domains<sup>2</sup>. Starting the next decade, in 2020 we recorded our highest annual registrations to date – 65,113 new .ie domains.

#### Some of the key company milestones include:

- ▶ The spin out from UCD to form IE Domain Registry in 2000
- ▶ Registration of the 100,000<sup>th</sup> .ie domain by royal-hospital-kilmainham.ie in 2008
- ▶ The launch of the OPTIMISE programme, providing €100,000 in web development funds for Irish SMEs, in 2011
- ▶ The celebration of Internet Day for the first time in Ireland in October 2015
- ▶ The publication of the first .IE Digital Health Index report, charting the attitudes to digital of Irish SMEs and consumers in the period 2014 to 2016
- ▶ The introduction of IDNs in 2016, which allowed .ie domains with fadas (áéíúú) for the first time, a major technical achievement involving UTF8 encoding.
- ▶ The removal of the requirement for a 'claim to the name' for .ie domains, unlocking more opportunity for Irish citizens in March 2018
- ▶ Recognising Ireland's first 'Digital Town', Gorey, Co. Wexford, in October 2018
- ▶ Introduction of the alternative dispute resolution process (ADRP) to manage domain-related disputes in July 2019
- ▶ Celebration of the company's 20<sup>th</sup> anniversary and rebrand to .IE in 2020

#### A thank you to the .ie community

The opportunity to thank the .ie community for their support over the last 20 years and mark a significant milestone at the same time was a welcome opportunity to give back to .ie domain holders.

We held a competition with a €20,000 prize fund that all .ie domain holders could enter. The competition was designed to provide our .ie customers, including businesses, individuals or community groups, with the opportunity to win a one-off cash prize to enhance their online presence and upgrade or enable e-commerce functionality. This was particularly important during the Covid-19 pandemic, having allowed many to continue to trade and in some cases, to grow, while bricks and mortar premises were closed.

The prize fund was awarded to three .ie domain holders. First prize went to **Finlay Motor Group** who received €10,000. The other prize winners were **1 Step More**, a navigation training course operator and **Meath Springboard Family Support Services** who each received €5,000.



Pictured (L-R) are David McLoughlin, Sales Manager, Finlay Motor Group and Gary Finlay, Managing Director, Finlay Motor Group

1 .IE Consumer Trust Survey 2020

2 .IE Domain Profile Report 2019



## Protecting systems, data and infrastructure

We provide a range of vital services which underpin the .ie namespace, a critical part of Ireland's internet infrastructure.



# Technical excellence

The .IE Technical Services team provides a range of services which underpin the .ie namespace, which is a critical part of Ireland’s national internet infrastructure.

These services are important for every business, individual, community or government service which uses the .ie internet address, and includes:

- ▶ Operating an essential service – the national domain name system (DNS) for Ireland
- ▶ Managing and maintaining the database of .ie domain names
- ▶ Providing the WHOIS directory and online lookup service
- ▶ Running the zone file update process, 12 times every day
- ▶ Implementing internet security and standards
- ▶ Providing the DNSSEC infrastructure, for secure end-to-end website traffic
- ▶ Providing a domain locking technical service, to protect IP in valuable .ie brands
- ▶ Adopting policies that proactively deal with technical abuse which uses the DNS
- ▶ Working with partners who share our passion for cyber security

## .IE is an operator of an essential service

Operating the national registry for the .ie namespace requires the highest levels of security, stability and resilience of networks and infrastructure. Our Technical Services team manages and maintains the registry’s high availability systems, mission-critical services and infrastructure in accordance with international best practices.

## Managing and maintaining the database of .ie domain names

Our Technical Services team manages and maintains the national registry of .ie domain names. This database is the authoritative record of who has the “right to use” a particular .ie domain name. The database is updated, in real time, for changes requested by Registrars, acting on the instructions of Registrants. Registrars’ APIs can submit requests 24/7/365, so database uptime and resilience is of critical national importance.

During 2020 we licensed and customised a new domain registry management platform, which uses the Extensible Provisioning Protocol (EPP standard). It provides our Registrars with more powerful and flexible domain management tools as well as a modern, user-friendly interface. It has greater functionality and flexibility and will ensure that our technical systems can support long-term growth in .ie domains. This standardisation of processes will future-proof the core Registry platform. It has a Console for Registrars, a Registry Console for our staff, complete with an email communications package and a data export facility for invoicing. Deskpro has been integrated for ticket processing and provides a community hub feature for Registrars to request feature changes. These systems represent a significant financial and operational commitment by the Company to its Registrar customers.

## WHOIS directory

Technical Services operates and manages the WHOIS directory, an online lookup service which provides valuable information on every .ie domain name. This service is provided free of charge on our website, [www.weare.ie](http://www.weare.ie). It is important to note that we do not show an individual’s personal information, in accordance with GDPR principles and requirements. Access is controlled with daily limits and fair usage policies apply. During 2020, the usefulness of the WHOIS service was extended with the addition of an abuse contact facility, in the public interest.

## Zone file updates

Any changes to a .ie domain’s name server details are sent to computer servers around the globe, in a process known as the zone file update. We run this process 12 times every day, 365 days a year. This is important because it means that changes to your website can always be reached quickly from anywhere in the world.

## Internet security and standards

We adhere to RFCs which document the official Internet specifications, communications protocols and procedures published by the **Internet Engineering Task Force** (IETF), an open international community of network designers, operators, vendors, and researchers concerned with the evolution of the Internet architecture and the smooth operation of the Internet.

Internationally, hackers and bad actors launch attacks which attempt to use the DNS to infiltrate or incapacitate corporate networks and government infrastructure. In addition to Anycast, referred to below, our national .ie registry system supports Two Factor Authentication (2FA), Registry Lock and Domain Name System Security Extensions (DNSSEC) which helps reduce the risk to our .ie customers.

*DNS Security Extensions (DNSSEC)* – is important because it strengthens authentication in DNS using digital signatures based on public key cryptography. In order for DNS servers to verify that the information they receive about .ie domains is reliable, we use DNSSEC. It creates a chain of trust within the DNS infrastructure that guarantees that the response you receive has not been tampered with in any way. This provides an extra layer of trust for domain holders and their customers. If the chain of trust is broken, your browser will notify you with a pop-up warning. From a technical perspective, DNSSEC works by digitally signing records for DNS lookups, using public-key cryptography. The correct DNSKEY record is authenticated via a chain of trust, starting with a set of verified public keys for the DNS root zone, which is the trusted third party.

*Registry Lock* – To protect domain holders from any unintended or unwanted changes to their account details, such as changing the name of the domain holder, we offer the **Registry Lock** service. The service ensures that any required modifications to domain details are controlled and managed through a manual authorisation process, using pre-set user-specific pass phrases.

## The .ie Domain Name System (DNS) infrastructure explained

The Domain Name System (DNS) infrastructure for .ie includes a network of nameserver locations around the globe, illustrated in Chart 1 on page 25. 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 us by the secondary nameserver service providers. This ‘Anycast’ facility 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 localises the potential adverse effects of the DDoS attack, by preventing it spreading across the entire network. 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 our 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.



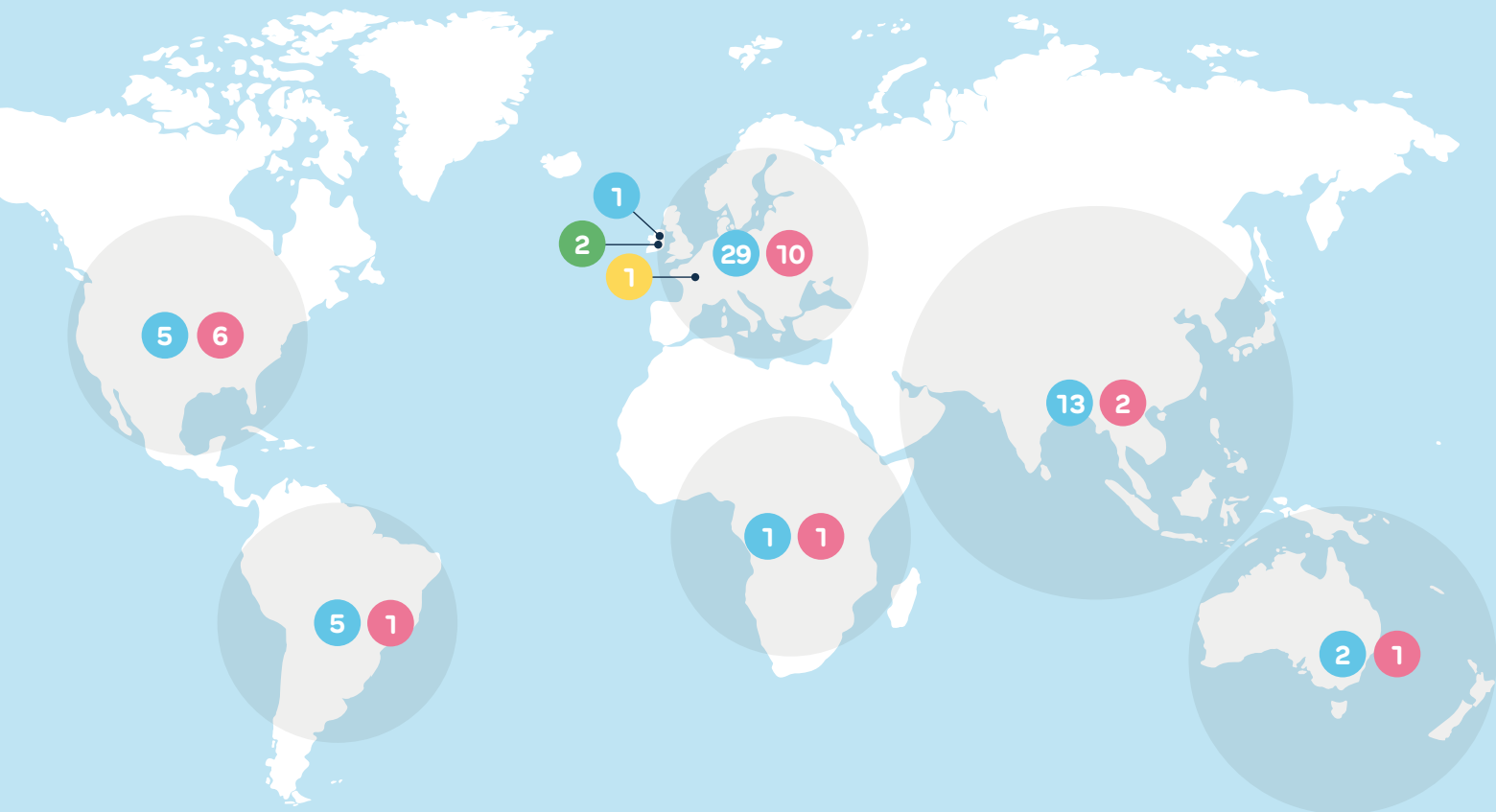


CHART 1:

## Security, stability and resilience of the .ie global nameserver network

### .IE - DUBLIN, IRELAND

a.ns.ie  
b.ns.ie

### BT - DUBLIN, IRELAND

g.ns.ie

### AFNIC - PARIS REGION, FRANCE

h.ns.ie

### NETNOD'S NETWORK

c.ns.ie  
d.ns.ie

#### SOUTH AMERICA

Porto Alegre: Brazil  
Mexico City: Mexico  
Sao Paulo: Brazil  
Montevideo: Uruguay  
Asunción: Paraguay

#### UNITED STATES

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

#### MIDDLE EAST/ASIA

Bangkok: Thailand  
Colombo: Sri Lanka  
Dubai: United Arab Emirates  
Jakarta: Indonesia  
Kathmandu: Nepal  
Kuala Lumpur: Malaysia  
Manama: Bahrain  
Singapore: Singapore  
Taipei: Taiwan  
Thimphu: Bhutan  
Tokyo: Japan  
Ulaanbaatar: Mongolia  
Hong Kong: China

#### EUROPE

Amsterdam: Netherlands [2]  
Ankara: Turkey  
Belgrade: Serbia  
Bratislava: Slovakia  
Brussels: Belgium  
Bucharest: Romania  
Frankfurt: Germany  
Helsinki: Finland  
Geneva: Switzerland  
Gothenburg: Sweden  
Kiev: Ukraine  
Ljubljana: Slovenia  
London: United Kingdom  
Luleå: Sweden  
Luxembourg: Luxembourg  
Malmö: Sweden  
Milan: Italy  
Oslo: Norway  
Paris: France  
Reykjavik: Iceland  
Riga: Latvia  
St Petersburg: Russia  
Stockholm: Sweden [3]  
Sundsvall: Sweden  
Tallinn: Estonia  
Vienna: Austria

#### AFRICA

Johannesburg: South Africa

#### OCEANIA

Perth: Australia  
Wellington: New Zealand

### IPCOM'S RCODEZERO NETWORK

i.ns.ie

#### SOUTH AMERICA

Sao Paulo: Brazil

#### UNITED STATES

Chicago: IL  
Dallas: TX  
Los Angeles: CA  
Miami: FL  
New York: NY  
Seattle: WA

#### ASIA

Singapore: Singapore  
Tokyo: Japan

#### EUROPE

Amsterdam: Netherlands  
Athens: Greece  
Berlin: Germany  
Dublin: Ireland  
Frankfurt: Germany  
London: United Kingdom  
Paris: France  
Salzburg: Austria  
Vienna: Austria  
Warsaw: Poland

#### AFRICA

Johannesburg: South Africa

#### OCEANIA

Sydney

# Partners in keeping Ireland online

.IE works closely with key stakeholders and partners in keeping Ireland online and securely connected to the global DNS infrastructure.



Commission for  
Communications Regulation



RIPE NCC  
Member



## 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 109 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 seven secure data centres in Dublin and Cork. The switches are connected by dedicated resilient fibre links.

## DNS-OARC

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

## RIPE Network Coordination Centre

RIPE is an independent, not-for-profit membership organisation which supports the infrastructure of the internet through technical coordination. It is one of five RIRs that collectively serve the global internet community. All RIRs are allocated blocks of internet resources by the Internet Corporation for Assigned Names and Numbers (ICANN). These blocks are broken down into smaller blocks and allocated to members. It's most prominent activity is to act as the Regional Internet Registry (RIR) providing global internet resources and related services (IPv4, IPv6 and AS Number resources) to members in its service region. It maintains a registry of all allocated internet number resources in its service region, the details of which can be found in the RIPE Database. This helps to maintain a well organised and efficient internet, and also helps safeguard the number resources in use.

## CENTR (Council of European National Top-Level Domain Registries)

CENTR is the association for exchange, dialogue and innovation of country code domain registries in Europe. The objectives of CENTR are to promote and participate in the development of high standards of internet Country Code Top-Level Domain Registries (ccTLDs) for the benefit of its members and the internet. The organisation has a European focus. Together with similar organisations which focus on other regions of the world, CENTR achieves its objectives through consensus building, coordination and collaboration; respecting cultural and historical variations amongst the ccTLDs and their Local Internet Communities.

# Insights – research and reports

We are committed to providing ongoing research and insights to guide government policymakers and stakeholder representative bodies in framing appropriate supports for Irish SMEs to digitise their sales and business processes.

It is imperative that government policy makers and stakeholder representative bodies have access to accurate data upon which to base their decisions. 2020 saw the publication of two key reports – the .IE Domain Profile Report and the .IE Tipping Point Report, along with new Consumer Trust research.

## .IE Domain Profile Report

The bi-annual .IE Domain Profile Report analyses the key trends and statistics in .ie domain registrations over time. It examines the entire database of .ie domains while also measuring the growth in registrations at regional and county levels.

The 2020 edition assessed the first year of the new decade. It revealed the impact of the Covid-19 pandemic on new .ie registrations and analysed the counties and countries of registered domain holders. These reports provide insights into digital adoption at a county level, and have been widely used by media outlets across the country.

## .IE Tipping Point Report

The Covid-19 crisis has been a tipping point for Ireland for many reasons. The .IE Tipping Point Report 2020: *How e-commerce can reignite Ireland's post-Covid-19 economy*, in partnership with Digital Business Ireland, assessed the attitudes and responses to the Covid-19 pandemic of 1,000 Irish consumers and 500 retail and consumer-facing professional services SMEs. This insightful research, published so early in the pandemic, was extremely useful for policymakers.

In the report, we highlighted an important swing in online retail sales to Irish SMEs, away from their historically dominant international competitors. Since the Covid-19 crisis Irish consumers estimated that they have done most of their online shopping with Irish SMEs (53%) versus international retailers (47%). Those figures were the *opposite* before the crisis (52% international vs 48% Irish).

Online usage and digital engagement soared as the pandemic encouraged consumers to look closer to home for goods and services. While perceptions of quality and trust played important roles in this, a large proportion of the consumers surveyed said that they simply wanted to support Irish businesses through a challenging period.

The research showed that those SMEs who invested in online services reaped the rewards. Almost half (46%) who said they invested since the Covid-19 crisis said they were busier than or as busy as before.

In the report, we also cautioned that Irish consumers may return to buying from international retailers, which they still regard as cheaper and better stocked, with superior online storefronts and services, once Covid-19 is more controlled. SMEs that embrace omni-channel, facilitating both an online and in-store experience, while promoting their trustworthiness and reliability will be better able to compete with international online retailers.

## Research – Consumer Trust

We commissioned our Consumer Trust research which asked 1,000 Irish consumers what makes them trust businesses when shopping online and the results were conclusive.

- ▶ Consumers are more trusting of businesses that have a website and those that have a branded email address.
- ▶ Consumers associate Irish businesses with a .ie website and prefer to shop on a .ie website.

These insights are also useful for our Registrar community when communicating with their customers. When it comes to browsing and shopping online consumer trust is vitally important.

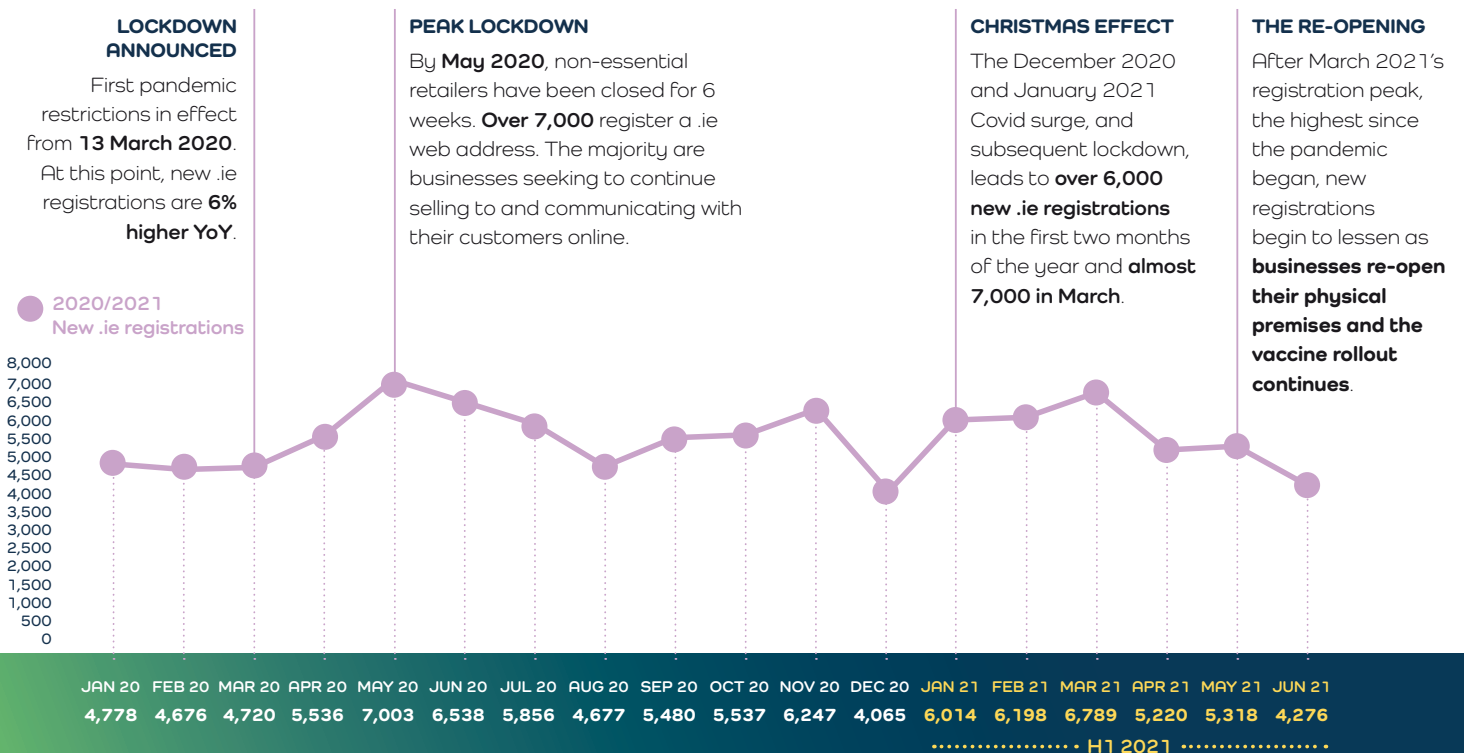
# Growth and expansion of the .ie namespace

At the end of 2020, the .ie database consisted of 309,853 domains, a net increase of 10% on 2019. This increase reflected the impact of the Covid-19 pandemic which acted as a digital accelerant.

Our .IE research and reports for 2020 provide empirical evidence of an unprecedented mass mobilisation of digital across every part of Irish society and economy. Businesses migrated online, many for the first time, in direct response to the lockdowns. In our surveys, businesses said they realised that having an online presence, and in many cases e-commerce capabilities, would at the very least minimise the damage of reduced or non-existent footfall but also open new markets and create new ways to interact with customers. Encouragingly, new .ie registration growth was strong across the entire country, not just in urban centres. For the first time ever, annual .ie domain registrations increased in every county on the island of Ireland.

## New registrations

65,113 new .ie domains were registered in 2020, the highest ever figure and an almost 30% increase on 2019. Peaks and troughs in new .ie registrations generally followed the Government’s Covid-19 restrictions on travel and business. The highest peak occurred in May, when 7,003 new .ie domains were registered, the highest number ever registered in a single month. This occurred approximately 6 weeks after the closure of non-essential retail. This peak began to drop off from June, as restrictions eased, but moved up sharply in October, peaking again in November corresponding to the announcement of the second national lockdown.



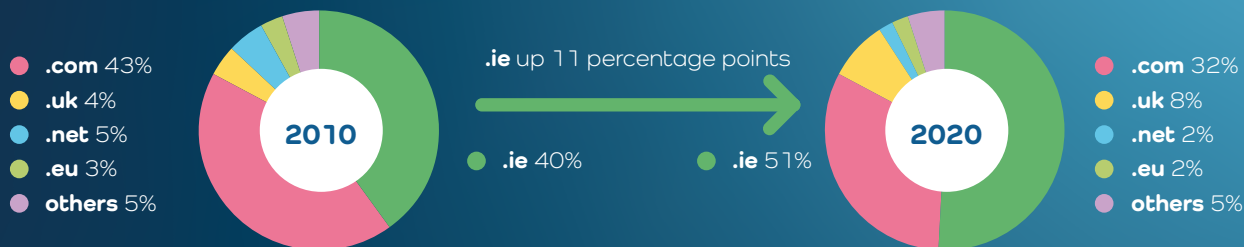


## Recognised globally as uniquely Irish

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.

CHART 2: TOP 5 – MARKET SHARE OF IRELAND’S HOSTED DOMAINS (BY TOP LEVEL DOMAIN)

### Top 5 – market share of Ireland’s hosted domains (by top level domain)



Source: www.hosterstats.com

The Central Bank recognises new .ie registrations as a forward indicator of economic health. On this metric it was clear that Irish businesses and services have indicated their digital intent in 2020. Although CRO data on new company start-ups showed a fall in 2020 because of the pandemic, our data indicates that entrepreneurs and new businesses are taking a ‘digital-first’ approach and ensuring that they secure their preferred online identity with a .ie domain name, before they register their company as a legal entity.

Although most registries across the world experienced growth in 2020, attributable to the pandemic, statistics produced by CENTR showed that Ireland had the second highest domain registration growth in Europe – 10.3% versus 11% for Portugal.

#### Market share

The database has grown 46.9% on the same period five years ago (2015).

The .ie domain now accounts for 51% of all domains hosted in Ireland, followed by .com (32%) and .uk (8%).

Over the last decade, .ie gained 11 percentage points in market share of Ireland’s hosted domains from .com, indicating that .ie is the domain-of-choice for Irish business and citizens. The impact of the Covid-19 pandemic engendered a spirit of solidarity, with consumers wanting to support local and Irish through the trusted .ie brand. Because every applicant is validated, .ie domains are the best way for Irish businesses to demonstrate their trustworthiness to customers.

#### Geographical analysis of the database

The geographical analysis of the .ie database at the end of December 2020 indicated that registrants were from: the Republic of Ireland – 278,042; Northern Ireland – 4,532; and International – 27,279.

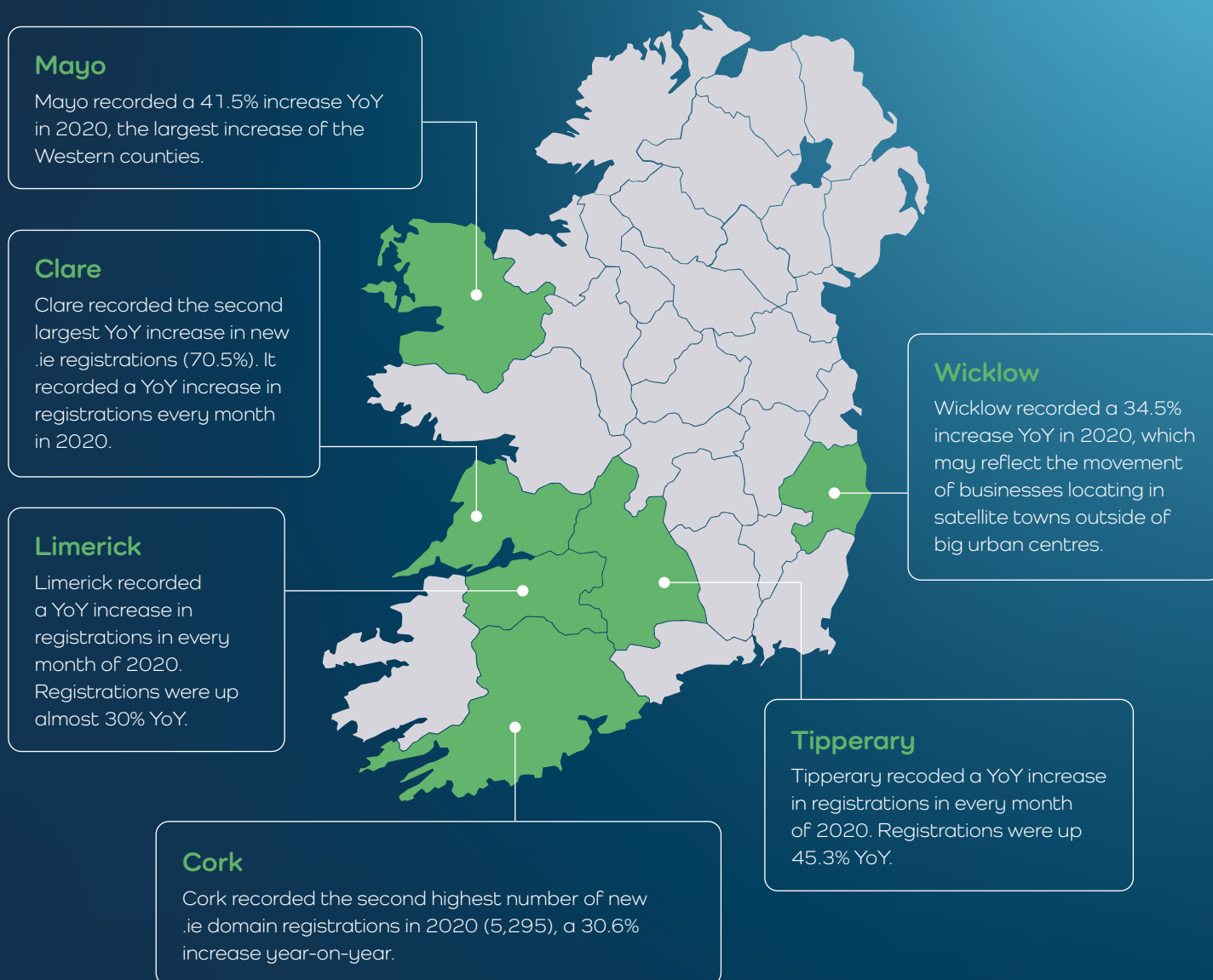
Registrants with addresses in Great Britain comprises the majority of internationally registered .ie domains. New registrations increased by 20.1% year-on-year in 2020, from 1,313 to 1,578. Bulgaria registered the second-highest number of new .ie domains in 2020 (941, +72.3%), followed by the United States (350, -26.8%) and Germany (178, -17.6%).

As part of the .ie registration process, applicants for .ie domains in foreign countries will have provided evidence of a proven connection to Ireland and so the registered owner is always traceable, an important issue for consumers and authorities. They either have customers in Ireland or have provided evidence of another type of professional or personal connection to Ireland.





CHART 3: HIGHLIGHTS - .IE DOMAINS BY COUNTY



## International review

There are more than 240 country code top-level domain extensions (ccTLDs) worldwide, including .ie. Compared to twenty-three other European countries, Ireland ranks 18th, with 63 country code domains per 1,000 of population. Using this metric, Ireland ranks ahead of or is comparable to, European countries with larger populations, including France (56 .fr domains per 1,000), Spain (42 .es domains per 1,000), Russia (35 .ru domains per 1,000). However, Ireland also ranks behind several European countries with smaller or similar populations, including Denmark (233 .dk domains) and Norway (154 .no domains). Our nearest neighbours in the UK have 165 .uk domains per 1,000 of population. Commentators attribute this to Ireland's slow start in building out early internet infrastructure, compared to European neighbours, which had many competing internet service providers and cable operators.

## .ie accredited Registrar community

An accredited Registrar is a company authorised to act as an agent on behalf of Registrants (customers) who need .ie websites and/or .ie email addresses. 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, security products etc.) usually for an ongoing monthly fee. Links to many of our accredited Registrars' websites can be found on our website at [www.weare.ie/accredited-registrar-list](http://www.weare.ie/accredited-registrar-list). At the end of 2020, the channel comprised 125 accredited Registrars.

## Growth initiatives

The Company does not actively advertise .ie directly to the end consumer. Instead, the Company operates a Co-Funded Marketing Programme (CFMP) for our .ie accredited Registrar channel. 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 the Company's key objectives of raising SMEs' awareness about the importance of having an identifiably Irish online presence. We continued to offer the CFMP throughout 2020. Although somewhat restricted by Covid-19 lockdowns, the programme supported a range of Registrar marketing initiatives including radio commercials, social media advertising and direct marketing. This resulted in increased sales growth, promotion of .ie domain activation, with an email address or a website and resulted in up-selling products such as website builders and security products. Registrars who participated in the 2020 programme reported positive results with increased traffic to their websites and an increase in their .ie registrations.

## Supporting the business community

Throughout 2020, we continued to support the business community in Ireland with a range of initiatives and sponsorships. Our objective is to help them celebrate excellence in digital processes, e-commerce and digital marketing. Indirectly, this helps to promote the .ie domain name and to encourage internet usage. We sponsored the Small Firms Association (SFA) National Small Business Awards. These awards celebrate the achievements of small business in Ireland and recognise the vital contribution of the small business community to the Irish economy.



Launch of SFA National Small Business Awards 2020-2021 with Taoiseach Micheál Martin TD.



Right (L-R) Taoiseach Micheál Martin TD and David Curtin, CEO .IE

Additionally, by providing useful, relevant and informative digital content, we continued to build and strengthen relationships with key SME and micro-enterprise representative bodies such as the Local Enterprise Offices, Retail Excellence, Digital Business Ireland, Guaranteed Irish, Restaurants Association of Ireland, eCommerce Association of Ireland and the All Ireland Business Foundation. By working with these groups, we engage with their networks to promote the benefits of digital adoption and e-commerce.

# Accredited Registrars

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



Irish consumers and businesses can choose from over one hundred accredited Registrars, many of whom are listed on [www.weare.ie](http://www.weare.ie).

# Five Year Summary

Extract from the audited Financial Statements (financial figures only)

<b>Profit and Loss</b>		<b>Year to 31 Dec 2020</b>	<b>Year to 31 Dec 2019</b>	<b>Year to 31 Dec 2018</b>	<b>Year to 31 Dec 2017</b>	<b>Year to 31 Dec 2016</b>	
		€	€	€	€	€	
<b>Registration Revenue</b>		3,773,326	3,605,404	3,317,336	3,062,232	2,989,751	
Administration Expenses		(1,467,745)	(1,762,966)	(1,608,796)	(1,331,566)	(1,687,344)	
Employment Costs		(1,842,939)	(1,631,745)	(1,449,246)	(1,404,097)	(1,344,439)	
Depreciation & Amortisation		(130,322)	(125,897)	(111,736)	(140,363)	(157,282)	
<b>Operating profit/(loss)</b>		332,320	84,796	147,558	186,206	(199,314)	
Unrealised gains/(losses) on financial investment		167,468	193,974	(122,033)	83,793	85,274	
(Loss)/profit on sale of financial investment		(79,774)	-	9,411	-	-	
Interest income		11,392	14,211	9,307	7,229	10,709	
Other income		80,107	-	-	-	-	
Taxation		(92,098)	(61,543)	24,158	(21,976)	(23,188)	
<b>Profit/(loss) after taxation</b>		419,415	231,438	68,401	255,252	(126,519)	
<b>Balance Sheet</b>		<b>At 31 Dec 2020</b>	<b>At 31 Dec 2019</b>	<b>At 31 Dec 2018</b>	<b>At 31 Dec 2017</b>	<b>At 31 Dec 2016</b>	
		€	€	€	€	€	
Fixed Assets		273,212	77,230	101,008	102,641	164,039	
Investments		4,466,299	4,378,689	4,184,715	3,328,882	3,245,089	
Current Assets		3,628,342	3,367,858	2,910,556	3,474,662	3,139,923	
Creditors < 1 year, excluding Deferred Income		(893,648)	(1,099,400)	(866,391)	(836,023)	(874,362)	
Deferred Income		(2,795,123)	(2,506,577)	(2,390,458)	(2,169,542)	(2,049,351)	
Creditors > 1 year		(114,059)	(72,192)	(25,260)	(54,851)	(34,821)	
<b>Members' Funds</b>		4,565,023	4,145,608	3,914,170	3,845,769	3,590,517	
<b>5 Year Summary – Registration Growth</b>		<b>YoY % change</b>	<b>Year to 31 Dec 2020</b>	<b>Year to 31 Dec 2019</b>	<b>Year to 31 Dec 2018</b>	<b>Year to 31 Dec 2017</b>	<b>Year to 31 Dec 2016</b>
<b>At 1 January*</b>			277,831	259,815	235,200	219,858	208,928
New Registrations	29.8%		65,113	50,167	51,040	39,523	34,615
Less: Deletions/ Non-renewals	13.4%		(36,446)	(32,151)	(26,425)	(24,181)	(23,685)
<b>Net Additions</b>	59.1%		28,667	18,016	24,615	15,342	10,930
<b>At 31 December*</b>			306,498	277,831	259,815	235,200	219,858
Net – growth in year			10.3%	6.9%	10.5%	7.0%	5.2%
New Reg – growth in year			23.4%	19.3%	21.7%	18.0%	16.6%
Deletion rate			(13.1%)	(12.4%)	(11.2%)	(11.0%)	(11.3%)

\* Zone File data – excludes suspended domains

# Financial Statements

For the financial year ended 31 December 2020

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# Company Information

## Directors

Ms. Louise English (Chairman)  
Mr. Eamonn Ceannt  
Mr. Gareth Dunlop  
Ms. Anne-Marie Eklund Löwinder  
Ms. Jennifer Chamberlaine (appointed 1 July 2020)  
Mr. Dan Flinter  
Mr. Owen O'Connor  
Mr. Jonathan Bate (appointed 1 July 2020)  
Mr. Jim Joyce (retired 24 April 2020)

## Secretary

Mr. Patrick Bates (appointed 24 April 2020)  
Mr. Jim Joyce (retired 24 April 2020)

## Company Number

315315

## Registered Office

4th Floor  
Harbour Square  
Dun Laoghaire  
Co. Dublin

## Independent Auditor

Grant Thornton  
13-18 City Quay  
Dublin 2

## Bankers

Bank of Ireland	KBC Bank
Montrose	Sandwith Street
Dublin 4	Dublin 2

## Solicitors

Arthur Cox	Eversheds Sutherland
Earlsfort Centre	One Earlsfort Centre
Earlsfort Terrace	Earlsfort Terrace
Dublin 2	Dublin 2

# Directors' Report

## for the financial year ended 31 December 2020

The directors present their report and the financial statements for the financial year ended 31 December 2020.

### 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 profit for the financial year, after providing for depreciation, taxation and the unrealised gains on financial investment amounted to €419,415 (2019 – €231,438). No dividends are payable as the company is limited by guarantee and does not have a share capital.

### Business Review

Turnover increased by 4.7% to €3.77 million (2019 – €3.61 million). Volume growth in domains was again very strong in 2020, with year-on-year new registration growth increasing by 29.8%. This growth is attributed to the digital transformation accelerated by the Covid-19 pandemic, as consumers shifted their spending to digital platforms and businesses pivoted quickly to provide online services to their customers. The volume growth was processed by the company's contracted accredited registrars who are selected by individual domain holders to manage .ie domains on their behalf, and provide other services such as hosting and email management. When non-renewals are considered, the net growth of the .ie namespace was 59.1% higher than the net growth in 2019.

Administrative expenses decreased by 2.3% from €3.52 million to €3.44 million. As a consequence of the Covid-19 restrictions the company was forced to suspend a series of promotion, marketing and customer service initiatives, including its Digital Town programme. These initiatives were designed to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. As a result, marketing and promotion expenditures decreased by 23% compared to 2019 – when its strategic development fund financed the successful e-commerce website OPTIMISE program for SMEs, financed publications backed by robust independent research, and financed the celebration of Ireland's Digital Town, Gorey, Co. Wexford, in recognition of Ireland's Internet Day. These reductions were offset by the cost of a .IE

rebranding project. In 2020, the company continued to support its registrars with its joint promotion initiatives to grow and develop the .ie namespace.

Employment costs increased by 12.9% in 2020 to €1.84 million reflecting cost of living salary increases and additional staff recruited in 2020 to support the development and customisation of the new TITAN registry management platform.

In March 2020, the company ceased to provide a direct registration service to the public. A fair and transparent process, which was validated by its multi-stakeholder community, was used to select an accredited registrar to take over the management of the .ie domains. The proceeds of this exercise are included in other income.

In 2020, the company signed a licence agreement to use a domain registry management platform developed and used by .ca, the Canadian Internet Registration Authority. The platform was customised to meet the needs of the .ie managed registry, GDPR requirements and 'Connection to Ireland' processes. The customisation costs incurred on the TITAN registry management platform were capitalised as intangible assets and will be amortised over the term of the license agreement. As part of the implementation project, the company refined its operational processes to align more closely with industry-standard technical operations in other internet namespaces, including protocols such as EPP and domain lifecycle.

This investment, together with the related infrastructure investments, were timely as .IE continues to experience sustained growth following the liberalisation policy initiative in 2018, which made it easier and faster for individuals and organisations to register a .ie domain. This move to the modern and powerful registry management platform, TITAN, which has greater functionality and flexibility, will ensure that our technical systems can support .IE's long-term growth. The new .IE registry platform is an investment in the next decade.

The deferred revenue on the balance sheet increased by 11.5% in 2020, to €2.80 million (2019 – €2.51 million). This is because the invoiced value of registration fees increased by 9.9%, reflecting renewals and new growth in 2020.

The financial position of the company at 31 December 2020 is solid with Members' Funds of €4.56 million. The market value of financial investments at 31 December 2020 is €4.42 million (2019 – €4.33 million), up by €0.09 million in 2020.

## Directors' Report (continued)

### Future Developments

The company continues to monitor international developments impacting ccTLD registries, in particular the consequences of Covid-19 pandemic in a post-vaccine phase, new EC cyber security regulations and the draft ICANN proposals for ongoing international expansion in, and the number of, top-level domains. These developments may result in some disruption in the global domain name market, and will represent a challenge for data protection managers, trademark and patents holders, brand managers and the owners of intellectual property rights.

In technical terms, the company's infrastructure and services portfolio is up-to-date, matching the top ccTLD's in the EU. Heretofore, the company has taken a national leadership role by introducing registry lock, secure DNS, secondary market, IDN's, rule relaxations for geographic and place names, and the liberalisation of rules for new .ie domains.

### Principal Risks and Uncertainties

The company is exposed to risk and uncertainty arising from market fluctuations in its financial investments. These risks are managed by a combination of appropriate investment principles, advice from independent investment advisors and oversight by a Board subcommittee. The company's financial investments are for the long-term in conservative managed funds diversified across multiple investment managers.

In common with other small and medium-sized enterprises, the company's performance is impacted by macro-economic risks posed by weak SME balance sheets, and the ongoing uncertainty arising from the Brexit referendum in the UK – the largest market for Irish SME exporters. These risks continue to be managed prudently by the company. The impact of new regulations remains uncertain, as the EU continues its initiatives: address cyber security threats, complete the Digital Single Market and implement ePrivacy initiatives.

In common with internet service providers, the company faces risks in relation to digital disruption and innovations from internet global giants, which offer new apps and free services, financed by advertising revenues. The company faces risks in relation to the ever-increasing range and sophistication of cyber-attacks on internet infrastructure and on businesses. The company also faces risks in relation to reliance on key computer systems and key staff. The company's cyber security controls, business continuity plans and disaster recovery procedures address the risks associated with cyber threats, technical abuse using

the DNS and reliance on key computer systems. The multi-stakeholder Policy Advisory Committee (PAC) continues to assist by providing advice and recommendations to the board on a range of policy responses for the .ie namespace. Staff training, cross-skilling and key process documentation mitigate the potential exposure arising from the loss of key staff members.

The Covid-19 pandemic continues to represent a considerable risk to public health, in particular to those citizens with underlying health conditions. In response, governments across the globe continue to order a series of lockdowns, including the closure of non-essential businesses and services. The company has followed the advice of Ireland's national health and safety authorities and accordingly, since March 2020, company employees are working from home, to protect the health and welfare of staff and their families. The company's mission-critical systems and services remain fully operational. The management team is closely monitoring the consequences of Covid-19 and is reporting regularly to the board. The directors' current assessment, based on three criteria indicates benign business consequences for the company, thus far: 1. operations are carried out according to plan, statutory and other requirements are met. 2. available resources are sufficient, and 3. the burden on staff or functions or activities is not excessive.

### Post Balance Sheet Events

Apart from the ongoing effects of Covid-19 and its macro impact (as noted within the principal risks and uncertainties paragraph above), there are no material post balance sheet events.

### Directors

In accordance with the Articles of Association directors may serve a maximum of two Terms, whereby an initial term is a four-year period and a subsequent term is for a three-year period. On 24 April 2020, Mr. Jim Joyce retired as company secretary and director in accordance with the Articles of Association. Mr. Patrick Bates was appointed as company secretary on 24 April 2020. On 1 July 2020, Ms Jennifer Chamberlaine and Mr. Jonathan Bate were appointed as directors.

Mr Eamonn Ceannt, Mr Gareth Dunlop, Ms Louise English, Ms Anne-Marie Eklund Löwinder, Mr Dan Flinter and Mr Owen O'Connor continued as directors in 2020.

### 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. Members are liable for payment of debts and liabilities of the company contracted before ceasing to be a member, and for the costs, charges and expenses of winding up, 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 ("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;
- ▶ state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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.

## Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of Companies Act 2014:

- (a) So far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

## Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, Grant Thornton, will continue in office.

Signed on behalf of the Board

**Director**  
Ms. Louise English

**Director**  
Mr. Eamonn Ceannt

**Date**  
20 April 2021

# Independent Auditor's Report to the Members of IE Domain Registry CLG

## Opinion

We have audited the financial statements of IE Domain Registry CLG ("the Company"), which comprise the Statement of income and retained earnings, the Balance sheet, Statement of cash flows for the financial year ended 31 December 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is Irish law and FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, IE Domain Registry CLG's financial statements:

- ▶ give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance and cash flows for the financial year then ended; and
- ▶ have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

## Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

## Responsibilities of the management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.

*Independent Auditor's Report (continued)*

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

### The purpose of our audit work and to whom we owe our responsibilities

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.

#### **Dan Holland, FCA**

for and on behalf of  
Grant Thornton  
Chartered Accountants,  
Statutory Audit Firm  
Dublin 2

#### **Date**

27 May 2021

# Statement of Income and Retained Earnings

for the financial year ended 31 December 2020

		Continuing Operations	
	Notes	2020 €	2019 €
<b>Turnover</b>	<b>3</b>	3,773,326	3,605,404
Administrative expenses		(3,441,006)	(3,520,608)
<b>Operating profit</b>	<b>4</b>	332,320	84,796
Realised loss on financial investment		(79,774)	-
Unrealised gains on financial investment		167,468	193,974
Interest income		11,392	14,211
Other income		80,107	-
<b>Profit on ordinary activities before taxation</b>		511,513	292,981
Tax on profit on ordinary activities	<b>7</b>	(92,098)	(61,543)
<b>Profit retained for the financial year</b>		419,415	231,438
<b>Statement of income and retained earnings</b>			
Accumulated profit brought forward		4,145,608	3,914,170
Total recognised gains relating to the year		419,415	231,438
<b>Accumulated profit carried forward</b>		4,565,023	4,145,608

# Balance Sheet

as at 31 December 2020

	Notes	2020 €	2019 €
<b>Fixed Assets</b>			
Intangible assets	8	140,442	-
Tangible assets	9	132,770	77,230
Financial assets	10	4,466,299	4,378,689
		4,739,511	4,455,919
<b>Current Assets</b>			
Debtors	11	191,544	214,634
Cash at bank and in hand		3,436,798	3,153,224
		3,628,342	3,367,858
<b>Creditors: amounts falling due within one year</b>	12	(3,688,771)	(3,605,977)
<b>Net Current Liabilities</b>		(60,429)	(238,119)
<b>Creditors: amounts falling due after more than one year</b>	13	(114,059)	(72,192)
<b>Total Assets less Current Liabilities</b>		4,565,023	4,145,608
<b>Capital and Reserves</b>			
Profit and loss account		4,565,023	4,145,608
<b>Members' Funds</b>		4,565,023	4,145,608

The financial statements were approved by the Board on 20 April 2021 and signed on its behalf by:

**Director**

Ms. Louise English

**Director**

Mr. Eamonn Ceannt

# Statement of Cash Flows

for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
<b>Cash flows from operating activities</b>			
Profit for the financial year		419,415	231,438
Adjustments for:			
Amortisation of intangible assets		35,110	-
Depreciation of tangible assets		95,212	125,897
Realised loss on financial investment		79,774	-
Unrealised gain on financial investment		(167,468)	(193,974)
Other income		(80,107)	-
Interest income		(11,392)	(14,211)
Tax on operating activities		92,098	61,543
Decrease/(increase) in debtors		23,616	(39,826)
Increase in creditors		52,759	345,915
Corporation tax paid		(20,194)	(11,397)
<b>Net cash inflow from operating activities</b>		<b>518,823</b>	<b>505,385</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	<b>8</b>	(175,552)	-
Purchase of tangible assets	<b>9</b>	(150,752)	(102,119)
Purchase (net) of financial assets	<b>10 (a)</b>	84	-
Receipts from other income		80,107	-
<b>Net cash used in investing activities</b>		<b>(246,113)</b>	<b>(102,119)</b>
<b>Cash flows from financing activities</b>			
Interest income received		10,864	16,456
<b>Net cash from financing activities</b>		<b>10,864</b>	<b>16,456</b>
<b>Net increase in cash and cash equivalents</b>	<b>16</b>	<b>283,574</b>	<b>419,722</b>
<b>Cash at beginning of year</b>		<b>3,153,224</b>	<b>2,733,502</b>
<b>Cash at end of year</b>		<b>3,436,798</b>	<b>3,153,224</b>
<b>Cash at bank</b>	<b>16</b>	<b>3,436,798</b>	<b>3,153,224</b>

# Notes to the Financial Statements

for the financial year ended 31 December 2020

## 1. General Information

These financial statements comprising the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 22 constitute the individual financial statements of IE Domain Registry CLG for the financial year ended 31 December 2020.

IE Domain Registry CLG is a company limited by guarantee, under registration number 315315 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 37 to 39.

### 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).

### 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.

### 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 and rebates, of sales for the financial year ended 31 December 2020. 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 2020.

### 2.4 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Computer software - 20% Straight Line



## 2.5 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
Company Vehicles	- 20% 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.

## 2.6 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.

## 2.7 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 Statement of Income and Retained Earnings so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

## 2.8 Taxation

The charge for taxation is based on the profit or loss 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.

## 2.9 Financial Instruments

### Unlisted Investments

The company's directly held investments in the shares of its unlisted subsidiary undertakings are stated at the lower of cost and net realisable value. The company may indirectly hold unlisted investments through its financial investments in managed funds. It is considered by the directors that the fair value of these shares can be measured reliably. The accounting policy is to record investments at mark to market prices.

### 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 are recorded at mark to market prices. Other financial assets include trade debtors for services sold to customers on short-term credit, which 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.

## Notes to the Financial Statements (continued)

### 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 Statement of Income and Retained Earnings in that financial year.

## 2.10 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 €132,770 (2019 – €77,230). The net book value of intangible assets subject to amortisation at the financial year end date was €140,442 (2019 – €Nil).

## 3. Turnover

	2020 €	2019 €
Turnover	3,773,326	3,605,404
Analysis of turnover by country of destination:		
Republic of Ireland	3,401,687	3,146,642
Europe	164,981	223,351
North America	140,415	168,105
United Kingdom	52,884	50,933
Rest of the World	13,359	16,373
	3,773,326	3,605,404

## 4. Operating profit

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
The operating profit is arrived at after charging:		
Amortisation	35,110	-
Depreciation	95,212	125,897
Auditor's remuneration		
- Audit	13,850	11,500
- Tax advisory services	3,000	2,750
Directors' remuneration	78,443	77,500
Pension costs	54,822	50,411
Operating lease charges	139,856	140,202
Secretarial fees	13,000	39,000

## 5. Remuneration

### 5(a). Directors' and key management remuneration

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

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Emoluments in respect of qualifying services	630,405	548,432
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution benefit retirement scheme	37,209	32,656
	<b>667,614</b>	<b>581,088</b>

The number of management to whom retirement benefits are accruing under Pension Scheme Fund in respect of qualifying services is 4 (2019 – 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

In 2020, related party transactions included company secretarial services supplied by a Director of IE Domain Registry CLG to the company to the value of €13,000 (2019 – €39,000). The maximum amount outstanding at any time during the financial year was €7,995 (creditor balance) (2019 – €7,995 creditor balance). Nothing was outstanding at the financial year end date or the previous financial year end date.

All transactions were made at arms-length and on this company's normal commercial terms, which include a requirement to settle debts within 30 days.

*Notes to the Financial Statements (continued)***5(d). Total remuneration costs (including directors and key management)**

<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Wages and salaries	1,636,613	1,440,764
Social security costs	151,504	140,570
Other pension costs	54,822	50,411
	<b>1,842,939</b>	<b>1,631,745</b>

**5(e). Employees****Number of employees (excluding directors)**

The average monthly numbers of employees during the year were:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Administration	25	23

**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 €54,822 (2019 – €50,411).

## 7. Taxation

### 7(a). Current year taxation

	2020 €	2019 €
<b>Current year taxation</b>		
Corporation tax on the profit for the year on ordinary activities	50,231	14,611
<b>Deferred taxation</b>		
Origination/(reversal) of timing differences	41,867	46,932
	92,098	61,543

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

	2020 €	2019 €
Profit on ordinary activities before tax	511,513	292,981
Profit on ordinary activities multiplied by standard rate of Corporation Tax in Ireland of 12.5%	63,939	36,623
<i>Effects of:</i>		
Capital allowances for period greater than depreciation	(8,020)	(2,151)
Income at higher rates of taxation	2,716	2,338
Expenses not allowable for tax purposes	12,854	4,501
Movement in financial investment valuation unrealised – so not chargeable for tax purposes	(20,934)	(24,247)
Losses used against current year and preceding year profits/losses available for future use	-	(2,453)
Income tax withheld	1,100	-
Income not taxable	(1,424)	-
Other timing differences	41,867	46,932
Current tax charge for year (Note 7(a))	92,098	61,543

## Notes to the Financial Statements (continued)

## 8. Intangible assets

	Computer software €	Total €
<b>Cost:</b>		
At 1 January 2020	-	-
Additions	175,552	175,552
At 31 December 2020	175,552	175,552
<b>Amortisation:</b>		
At 1 January 2020	-	-
Charge for the year	35,110	35,110
At 31 December 2020	35,110	35,110
<b>Net book values</b>		
At 31 December 2020	140,442	140,442
At 1 January 2020	-	-

Amortisation of intangible fixed assets is included in administrative expenses. The accounting policy for the amortisation of intangible assets is outlined in Note 2.4.

## 9. Tangible assets

	Leasehold Improvements €	Computer Equipment €	Fixtures and Fittings €	Company Vehicles €	Total €
<b>Cost:</b>					
At 1 January 2020	53,354	1,517,608	27,661	-	1,598,623
Additions	-	100,673	685	49,394	150,752
Write-out of retired assets	-	(157,096)	-	-	(157,096)
At 31 December 2020	53,354	1,461,185	28,346	49,394	1,592,279
<b>Depreciation:</b>					
At 1 January 2020	53,354	1,443,853	24,186	-	1,521,393
Charge for the year	-	83,519	1,814	9,879	95,212
Write-out of retired assets	-	(157,096)	-	-	(157,096)
At 31 December 2020	53,354	1,370,276	26,000	9,879	1,459,509
<b>Net book values</b>					
At 31 December 2020	-	90,909	2,346	39,515	132,770
At 1 January 2020	-	73,755	3,475	-	77,230

The accounting policy for the depreciation of tangible assets is outlined in Note 2.5. There are no assets held under finance leases or hire purchase contracts at 31 December 2020 (2019 – €Nil).

## 10. Financial assets

### Financial assets

	Note	2020 €	2019 €
Financial investments at fair value to profit or loss	(a)	4,416,199	4,328,589
Shares in subsidiary undertakings	(b)	50,100	50,100
		4,466,299	4,378,689

### 10(a). Financial investments

	Unlisted 2020 €
At 1 January 2020	
Fair value	4,328,589
Unrealised gains arising in 2020	167,468
Realised loss on financial investment	(79,774)
Net purchase of financial asset	(84)
At 31 December 2020	4,416,199
<b>Mark to Market Value:</b>	
At 31 December 2020	4,416,199
At 31 December 2019	4,328,589
	<b>Unlisted 2019 €</b>
At 1 January 2019	
Fair value	4,134,615
Unrealised gains arising in 2019	193,974
At 31 December 2019	4,328,589
<b>Mark to Market Value:</b>	
At 31 December 2019	4,328,589
At 31 December 2018	4,134,615

Other financial investments represent the investment for the long term in conservative managed funds, diversified across multiple investment managers.

The market value of the financial investments at 31 December 2020 was €4,416,199 (2019 – €4,328,589). In accordance with the accounting policy for other financial investments outlined in Note 2.9 the value of other financial investments is recorded at the market value.

## Notes to the Financial Statements (continued)

**10(b). Shares in subsidiary undertakings**

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

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

IENUM Limited is an Irish registered company with a registered office at 4th Floor, Harbour Square, Dun Laoghaire, Co. Dublin. The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2020 were as follows:

	Capital and Reserves €	Profit for the year €
IENUM Limited	50,100	Nil

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

	2020 €	2019 €
Prepayments and accrued income	191,544	214,634
	191,544	214,634

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

	Note	2020 €	2019 €
Trade creditors	(a)	52,090	191,205
Customer deposit accounts		379,556	324,321
Other creditors		100,828	140,376
Corporation tax payable		37,729	7,691
Other taxes and social security costs		22,699	42,424
Accruals	(b)	300,746	393,383
Deferred income	(c)	2,795,123	2,506,577
		3,688,771	3,605,977
Other taxes and social security costs include:		€	€
VAT and PAYE		22,699	42,424
		22,699	42,424

**12(a).** The payment 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 0.0274% for each day or part of a day for which payment is overdue. No interest was due at the financial year end date.

**12(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.

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



### 13. Creditors: amounts falling due after more than one year

	<b>2020</b> €	<b>2019</b> €
Deferred taxation		
At 1 January 2020	72,192	25,260
Charge to profit and loss account	41,867	46,932
At 31 December 2020	<b>114,059</b>	<b>72,192</b>

The deferred tax relates to the origination/reversal of timing differences.

### 14. 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 2020, the company is the sole Guarantor of the obligations of its subsidiary IENUM Limited.

### 15. Commitments

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are calculated at €700,110 (2019 – €36,510), payable as follows:

	<b>Premises</b> <b>2020</b> €	<b>Premises</b> <b>2019</b> €
Within one year	163,076	36,510
Between two and five years	537,034	-
More than five years	-	-
	<b>700,110</b>	<b>36,510</b>

#### Capital commitments

The company has no capital commitments at 31 December 2020 (2019 – €Nil).

### 16. Analysis of changes in cash at bank

	<b>Opening</b> <b>balance</b> €	<b>Cash</b> <b>flow</b> €	<b>Closing</b> <b>balance</b> €
Current accounts	19,525	284,493	304,018
Deposit accounts	3,133,699	(919)	3,132,780
Cash at bank	<b>3,153,224</b>	<b>283,574</b>	<b>3,436,798</b>

*Notes to the Financial Statements (continued)***17. Post balance sheet events**

Apart from the Covid-19 crisis and its potential macro impact (as noted in the Directors' Report) there are no other material post balance sheet events.

**18. Contingent liabilities**

There are no contingent liabilities at 31 December 2020.

**19. Company structure**

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

**20. Controlling parties**

The company is controlled by its members. At 31 December 2020 the eight directors are the members.

**21. 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:

	<b>2020</b> €	<b>2019</b> €
<b>Financial assets at fair value through profit or loss</b>		
Unlisted investments	4,416,199	4,328,589
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Cash at bank and in hand	3,436,798	3,153,224
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	52,090	191,205

**22. Approval of financial statements**

The financial statements were approved by the Board on 20 April 2021 and signed on its behalf by:

**Director**

Ms. Louise English

**Director**

Mr. Eamonn Ceannt



## Supporting digital development

We provide a trusted pathway to the internet for people and businesses in Ireland, and provide support so they can thrive online.

# Glossary of Terms

## .ie accredited Registrar

An .ie accredited Registrar is a company that has signed an agreement with IE Domain Registry, authorising it to act as agent for registrants who require a .ie web address. Accredited Registrars include HSPs, ISPs and web development companies. The list of .ie accredited Registrars can be found at [www.weare.ie/accredited-registrar-list](http://www.weare.ie/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

Country code top-level domains (ccTLD), are national top-level domains 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 (Council 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. See [www.centri.org](http://www.centri.org).

## ComReg

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

## CRS Console

.IE’s automated Core Registry System (CRS): the Console is a web-based interface which allows registrants and Registrars access to CRS to manage their 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 alphanumeric domain names, as understood by humans, into IP address, which computers use to find other computers on the internet e.g. [www.weare.ie](http://www.weare.ie) is translated to IP address 77.72.74.137.

## 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 .IE as being the authoritative server.

## Domain name

A domain name is a unique alphanumeric 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 and advice 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.

## GDPR

The General Data Protection Regulation (GDPR) (EU) 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union and the European Economic Area. GDPR acts as a set of rules, backed by national legislation, designed to give EU citizens more control over their personal data. Under the terms of GDPR, organisations have to ensure that personal data is gathered legally and under strict conditions, and also ensure that those who collect and manage it will be obliged to protect it from misuse and exploitation, as well as to respect the rights of data owners – or face penalties for not doing so.

## gTLD

Generic top-level domains (gTLDs), such as .com, .net and .org are top-level domains.

## 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 “Latin” alphabets – US-ASCII (American Standard Code for Information Interchange). This changed with the introduction of IDNs, which introduced top-level domains (TLDs) in different languages and scripts and enabled internet users to access domain names or use email addresses in their own native language.

## IGF

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

## IPv4 and IPv6

Internet Protocol version 4 (IPv4) is the fourth version of the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet. (IE Domain Registry’s IPv4 address is 77.72.74.137).

In response to a global shortage of addresses, a successor protocol, IPv6, became an Internet Standard on 14 July 2017. IPv6 uses a 128-bit address, theoretically allowing 2<sup>128</sup> addresses – enough for every internet-connected fridge and toaster on the planet – for now at least. (IE Domain Registry’s IPv6 address is 2a01:4b0:0:6::29).

## 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 visit [www.weare.ie](http://www.weare.ie) for example, the user’s computer sends a question to a nameserver asking for an IP address for a computer on which information regarding [www.weare.ie](http://www.weare.ie) is located.

## NIS Directive

The Directive on security of network and information systems (NIS Directive) is the first piece of EU-wide legislation which provides legal measures to boost the overall level of cybersecurity in the European Union. Specifically, it requires that Member States ensure

they each implement certain national cybersecurity capabilities, facilitate cross-border engagement, and supervise the cybersecurity of critical market operators in their country (including energy, communications, transport, health and finance). Member States were required to have transposed the Directive into their national laws by 9 May 2018 and identify operators of essential services (OES) by 9 November 2018.

## PAC

The Board of .IE 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 10-step Policy Development Process (PDP).

## PDP

.IE’s Policy Development Process (PDP) for the .ie namespace is a 10-step process used to formulate, evaluate, and generate consensus on proposed policy changes and its implementation. The formal process is consensus-driven, transparent and allows for bottom-up proposals from the wider multi-stakeholder internet community. See [www.weare.ie/policy-development-process](http://www.weare.ie/policy-development-process).

## Registrant

The individual or legal entity registered in the .ie database, with the legal 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. .IE is the active registry operator responsible for administration, management and technical operation of the .ie domain and ensures that all registered .ie domains are included in the zone file and 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.



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