NSAI

ANNUAL REPORT 2010

ENABLING ENTERPRISE EXCELLENCE

CONTENTS

CHAIRMAN'S STATEMENT

Ireland endured another challenging year as our economy struggled to find a solid platform on which to build. This is a global phenomenon, but Ireland's situation is compounded by the financial bailout by the ECB and IMF, the continuing banking crisis and stalled domestic demand. Our international competitiveness remains a significant challenge, but we are aware of these difficulties and we are finding ways to overcome them. Exports remain a bright spot with all key industry sectors recording growth in export sales and such successes are helping us to prepare for the next steps in Ireland's future.

NSAI BUSINESS PERFORMANCE

NSAI continues to play a vital role in Ireland's drive to create a brighter and stronger future. As the country's independent centre of excellence for standards development, certification and metrology, NSAI plays a pivotal role in supporting Ireland's trade infrastructure and consumer protection. Our successful efforts from 2009 continued in 2010, as we addressed many of the urgent needs of Irish businesses, as well as enhancing our longer-term infrastructural framework to support Irish economic activities.

The results of our enterprise in the current climate are evident in achieving an impressive income surplus.

This was the second year of NSAI's three-year strategic plan (2009–2011), and we continued to pursue our core goal of refocusing NSAI's services to meet the needs of Irish business and society. The Authority pursued a number of new initiatives while also advancing those introduced in 2009. The NSAI's communications plan is successfully bringing NSAI's varying functions under a single unifying brand. The objective is to increase public awareness of NSAI as a central source of services to enterprise and society.

By the end of the year there were significant successes across the Authority's remit, and the introduction of a SWiFT on Corporate Governance was a particularly pleasing one. Initiated in 2009, the Authority worked closely with the Institute of Directors to deliver a new code of practice for corporate governance assessment in Ireland. This is the first of its kind in the EU and the first to facilitate the awarding of certification to companies which meet the requirements. This new code is already affecting Ireland's private and public sector corporate governance performance, and the first application to be certified was received from the Sustainable Energy Authority of Ireland (SEAI) in late 2010. Combined with the publication of another key SWiFT document, on Risk Management, the Authority has contributed greatly to re-establishing confidence in Ireland's governance structures and performance.

The outcome of the NSAI's work throughout the year is that good progress has been achieved against our objectives, and that this progress is continuing.

BOARD OF DIRECTORS

In order to ensure maximum return on investment of public funds, the NSAI Board of Directors is committed both to the highest standards of corporate governance and to ensuring that value for money is delivered through all of the Authority's activities. As the strategy continues to be implemented, NSAI's Board and management team will carry

The outlook for Ireland remains a challenging one as we look ahead to 2011. There will be further tests for the Irish economy, while the NSAI will face challenges of its own as we begin the final stage of implementing the three-year strategic plan. Our successes over the last two years are cause for optimism as we continue to improve the infrastructure of standards and certification through a mix of fee-generating and public-good support activities.

out all related activities with full commitment to our responsibilities as a statutory agency, ensuring that the national standards body for Ireland operates to the highest possible governance standards.

OUTLOOK

The outlook for Ireland remains a challenging one as we look ahead to 2011. There will be further tests for the Irish economy, while the NSAI will face challenges of its own as we begin the final stage of implementing the three-year strategic plan. Our successes over the last two years are cause for optimism as we continue to improve the infrastructure of standards and certification through a mix of fee-generating and public-good support activities.

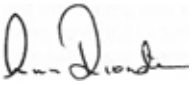
IN APPRECIATION

As Chairman of NSAI, I would like thank the Minister for Trade and Commerce, Billy Kelleher T.D., and his officials at the Department Jobs, Enterprise and Innovation (DJEI) for their continued support during 2010.

I also wish to express gratitude to my fellow Board members for their invaluable support and commitment, and I would particularly like to acknowledge Ms. M. O'Leary who retired during 2010. I warmly welcome the appointment of Mr. James Collins, Mr. Damien Wallace and the re-appointment of Mr. Edmond J. Stack to the Board.

On behalf of NSAI, I thank the many organisations, committee members and industry experts for their significant input in facilitating the participation of industry in the work of standardization and extending public awareness of the scope and significance of standards.

The challenges presented by 2010 were met with dedication, professionalism and vigor by NSAI staff. They responded to these challenges and ensured the continued delivery of quality services and the maintenance of business confidence in NSAI. Their continued efforts will be vital as we face into an unpredictable 2011.



Ann Riordan
Chairman

CEO REPORT

NSAI's **Enabling Enterprise Excellence** strategy has been a cornerstone in positioning the Authority as a more flexible, relevant and responsive agency at a time when the effectiveness of Ireland's trade infrastructure is crucial. The three year strategy commenced in 2009, and the strong headway we made that year has been repeated in 2010. We have consolidated our achievements and we continue to pursue the challenging targets we set ourselves in the strategy.

As the country goes through a period of substantial change, our priority for this year continued to be on enabling enterprise. NSAI's comprehensive standards and certification activities have contributed significantly to Irish enterprise as businesses meet the competitive and economic challenges. Consumer protection remains another of our key priorities and considerable work was done during the year to progress this agenda.

STRATEGY REVIEW & OVERVIEW

Delivery against the objectives detailed in our three year strategic plan is steering us through Ireland's changing economic fortunes. We are realising our goals and vision by being more proactive and dynamic in our approach to issues affecting both enterprise and the consumer. This includes, vitally, the flexibility and commitment of our staff across all areas of our service offering. This underpinning of the trade infrastructure is of benefit to all: NSAI, businesses, consumers and Government.

To that end we have remained focused on our four high level key goals:

1. CREATING AN OPEN MARKET INFRASTRUCTURE
2. ENHANCING THE PERFORMANCE OF IRISH BUSINESS
3. FOSTERING AN INNOVATIVE & KNOWLEDGE ECONOMY
4. SUPPORTING SUSTAINABILITY

Each of these is addressed in the coming pages.

PROMOTING THE IRISH ECONOMY

Through our programmes we continue to encourage and facilitate enterprise in Ireland in order to achieve the highest international standards, and the momentum that we carried forward from last year has continued to energise our progress. Through support and assistance our services and expertise are contributing to the restoration of competitiveness and enhanced business performance. These attributes are vital to companies in all industries in today's competitive environment. The short and medium term tools we offer are designed to inspire indigenous industry, while also providing a developed trade infrastructure that is attractive to foreign companies and investment. By raising standards we will continue to build for a brighter future and make Ireland a more attractive place to do business.

At the heart of our response is the recognition that NSAI must continue to foster standards and innovation to ensure the sustainability and survival of enterprises and organisations. As a result, our three year strategy put in place a fundamental shift to capitalise on the trade development potential of Irish participation in standards development. It also uses the standards network as a valuable source of advance information on draft specifications that are likely to form the basis of future published standards, together with the ability to influence the content of these at an early stage. This approach is helping individual companies maximise the potential of their research, development and innovation. Over the course of the strategy period this will continue to grow in importance.

Within our certification programmes our ability to deliver a leading time to certification has been of great importance to many industries. This is particularly true for the medical devices sector, which remains an essential and growing sector of the Irish export economy, as evidenced by Med Tech exports exceeding €7.2billion for 2010. NSAI has introduced a comprehensive restructuring of its Medical Device activities to deliver on the industries requirements for CE marking to access the Europ ean markets. The certification schemes operated by NSAI are continually under review and this continued in 2010:

- there was a sustained demand for Quality and Environmental Management certification;
- and specific requirements in respect of the food and motor industries were responded to.

Through our construction related programmes, NSAI is undertaking a central role in creating an environment conducive to our national obligations on carbon emissions and the area of sustainable construction. Primarily through our Agrément division, NSAI is supporting the emerging insulation and innovative construction products for the domestic renewable energy sector.

The publication of the European standard I.S. EN 16001 – Energy Management Systems, in 2009, was an important recognition of Ireland's knowledge base in the vital and growing sustainability industry. In all, NSAI certified 18 sites to I.S. EN 16001 during 2010, bringing the total number of industry sites certified to 36.

As enterprise responds to the increasing pace of change, 2010 saw sectoral demand for the NSAI SWiFT (Specification Written in Fast Track) concept increase. Our goal of expediting specifications and codes has been highly successful and, in 2010, we published SWiFT 31000: National Guidance on Implementing I.S. ISO 31000:2009 Risk Management - Principles And Guidelines. We also delivered SWiFT 3000: Code Of Practice For Corporate Governance Assessment In Ireland. The ability to respond in a timely manner has contributed to Ireland's trade infrastructural support and the needs of Irish industry. We will continue to pursue this course to support business.

Ensuring consumer confidence remains a crucial element of our work. In times of economic uncertainty gaining this trust and confidence benefits both consumers and businesses alike. In 2009, we reported on the move from a time-based interval method of regulatory inspection of trade measurements to a risk-based approach. This was further developed to implement sectoral inspections in 2010. Coupled with an expansion of our Authorised Verifier scheme, this has enabled the NSAI to concentrate on trade measurement enforcement, higher compliance and the identification of breaches of legislation. As a result, these initiatives in 2010 saw a number of successful prosecutions taken against non-compliant traders.

FINANCIAL OVERVIEW

Government's efforts to address public finances and other national measures meant that cost control, cost reductions and budget cuts continued to affect Ireland's entire economy.

NSAI dealt with such issues as it worked to achieve its annual targets. We introduced numerous initiatives to support and energise the Irish economy, in difficult conditions, and I am delighted to report that despite the harsh environment we achieved income that was slightly ahead of the 2009 figure. Combined with our cost-saving measures this has ensured that we close the year with a net surplus.

There were a number of developments during the year that enhanced the efficiencies of various processes within the Authority. These include a new finance application, which has led to improvements in overall financial management systems, reporting, budgeting and forecasting. There was also increased usage of communications technology such as web/video conferencing, webex and electronic tablets, which resulted in greater efficiencies in the workplace and improved time management.

The Authority's communications and awareness strategy continued to reach a large audience promoting standards and issues of public interest.

LOOKING FORWARD

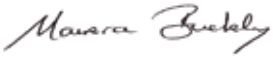
In the current climate it is quite difficult to predict the future: there are a multitude of challenging conditions for Irish enterprises as the global business environment grows ever more competitive. From economic conditions to costs of transport to advances in technology, businesses have to adapt rapidly to change. They must be innovative, flexible and forward-thinking if they are to thrive and remain competitive. Such impetus comes not only from within but also from organisations such as the NSAI, whose current strategic thrust and outward-looking focus are aimed at enabling businesses. Throughout 2010 we made substantial progress in our goal to offer a range of services that add real value to the efforts of Irish enterprises in the global marketplace.

It is important to emphasise that this strategic thrust is of an interactive nature. It integrates our many areas of expertise, in standards, certification and measurement, with Government initiatives, to assist Irish-based businesses to gain a competitive advantage. Such businesses can be sure that NSAI will assist them in every way possible, using our services and expertise to help them overcome the challenges they face and take advantage of opportunities that present themselves.

As 2010 concludes, I am delighted to report that the Authority remains well positioned to help businesses and consumers tackle the challenges we face in the current climate. We are enabling enterprise excellence and making a positive impact both domestically and internationally. Two thirds of the way through our current strategic plan and, despite the influence of the economic climate, we remain positive on the environments we operate within and the role that we play within them. Our goals and expectations are to continue making progress against our strategic objectives.

NSAI is collaborative by nature and it is crucial that we acknowledge the assistance and support of our partners in both industry and Government. I join with Ann Riordan, NSAI's Chairman, in thanking them for their efforts. My thanks are also extended to the NSAI Board and management who have been instrumental in delivering on our objectives.

I also wish to acknowledge the outstanding efforts of our staff. Another difficult year has passed, but they have demonstrated unprecedented flexibility and worked diligently to see us through difficult times. Their commitment remains the driving force behind our success. We will continue these efforts in the year ahead.



Maurice Buckley
Chief Executive Officer

CREATING AN OPEN MARKET INFRASTRUCTURE

The Authority's strategic focus is to establish an open market infrastructure that will be of greatest benefit to Irish business, Irish consumers and, ultimately, Ireland, both in a European and global context.

GENERATING OPTIMAL TRADE AND CONSUMER BENEFITS

As an open economy, Ireland's economic recovery will be highly influenced by the performance of our exports. With Irish goods and services being sold worldwide many are recognised instantly, but regardless of a brand's profile consumers want to be assured that these goods and services satisfy the highest international standards. By being actively involved in the process of developing European and international standards, NSAI is helping Irish companies to engage in, and benefit from, this process. Through our internationally recognised and accredited certification services, our goal is to enable Irish enterprise to give those global consumers the reassurance they need, thereby generating optimal tendering and trading success.

Similarly, through participation in the standardisation process companies can also benefit by gaining contacts with global-level players, accessing valuable market intelligence, and shaping industry and sector standards for years to come. NSAI is committed to providing indigenous companies and multinationals located in Ireland with access to the standardisation networks, working groups and committees that shape the standards for the world's new and developing technologies, products and services.

Our 2009–2011 strategy targets an increased Irish participation in standards development, as the standards themselves become vital assets in speeding up Ireland's economic recovery. A further target was to secure support from business in order for Ireland to provide five secretariats of international groups relevant to trade development, by 2012. Not only did active business participation increase by 55%, we also successfully secured Ireland's role as secretariat of five international standardisation committees during 2010. As a result, we have greatly improved the effectiveness of the network of Irish experts contributing to European and International standards. That this has been achieved well ahead of schedule is a testament to the continued commitment of Irish enterprise to the highest international standards. In all, NSAI published 1,630 and sold 12,300 standards across a wide spectrum of sectors during 2010.

The open market infrastructure ideal extends to competition and, more specifically, to harmonisation of the European market for goods and services. Competition is good for the Irish consumer and Irish enterprise, and such harmonisation has and continues to benefit both.

The open market infrastructure ideal extends to competition and, more specifically, to harmonisation of the European market for goods and services. Competition is good for the Irish consumer and Irish enterprise, and such harmonisation has and continues to benefit both.

Within the construction sector this is being enhanced through the EU-mandated system of structural design codes known as Eurocodes. Applicable to construction and civil engineering these are designed to overcome technical barriers to trade. As these codes supersede Ireland's national codes, NSAI's objective was to complete the necessary number of national annexes required before Ireland's existing national codes were withdrawn in April 2010. The Authority achieved this and, in so doing, became one of a select group of national standards bodies to have met this EU deadline. A new goal was set to develop Irish annexes and technical parameters for inclusion in 80 NSAI Standards by 2012; in 2010 alone we published 62 of these.

SUPPLEMENTING REGULATION

Through its integrated services, NSAI is centrally positioned to support and supplement the application of standards, directives and regulations in Ireland. This is reflected in our work assisting other State agencies through the development of SWiFTs and certification schemes for products and services, in order to demonstrate compliance with recognised standards.

Since 2009, NSAI has worked with the Road Safety Authority on the implementation of a number of schemes that collectively enhance the safety and environmental aspects of vehicles on the road in Ireland and Europe. Under the EU directive 2007/46/EC, which became part of Irish law on 29 April 2009, vehicle 'type approval' was extended to categories of vehicles not previously covered by the European Community Whole Vehicle Type Approval (ECWVTA) system. The directive allows vehicles to be type approved for sale, registration and entry into service across Ireland and in all Member States. NSAI has ensured that all the relevant Irish requirements are in place to certify that the directive will be phased in over a number of years. Full implementation will have a positive impact on all road users and Irish road safety. Under the provisions of these requirements the number of Approved Test Centres (ATCs) has risen to 10. While these centres undertake testing for vehicle approvals and issue test reports, NSAI remains the sole authority to grant National Vehicle Approvals in Ireland.

CREATING AN OPEN MARKET INFRASTRUCTURE

PROMOTING CONSUMER CONFIDENCE IN TRADE MEASUREMENTS

Consumers have a legitimate expectation that the products and services they buy meet specific standards and, in particular, that where trade measurements are employed that these are accurate. In everyday transactions the consumer relies on a system of checks and balances deployed by NSAI Legal Metrology Service to ensure the accuracy of measurements used in trade. There are approximately 70,000 measuring instruments used in trading transactions, and this figure does not include measures used in the licensed trade, of which there are several hundred thousand. Examples of trading instruments include taxi meters, liquid fuel dispensers and retail weighing instruments. Approximately 40,000 trading entities are subject to measuring instrument compliance requirements in the State.

To enhance consumer confidence, and in addition to inspection of instruments in use, NSAI continued its programme of developing an outsourced Authorised Verifier network, which allows third-party operators to carry out instrument verification on its behalf. Initiated in 2008, 23 authorisations have been issued to private companies to date which in, 2010, represented an increase of 29% over 2009. The purpose of the scheme is to offer traders a speedy, cost-effective service for maintaining the conformity of their measuring instruments to satisfy legal requirements. It also enables NSAI to direct its resources towards inspection enforcement activities. Our overall objective is to have third-party verifiers available for 80% of instrument categories by 2011.

Consumers have a legitimate expectation that the products and services they buy meet specific standards and, in particular, that where trade measurements are employed that these are accurate. In everyday transactions the consumer relies on a largely invisible infrastructure of checks and balances deployed by NSAI to ensure the accuracy of measurements used in trade.

2010 is the second year of our risk-based approach to regulatory inspection, having previously operated on a time-based interval approach. This has enabled NSAI resources to concentrate on high priority trading sectors. Importantly, this approach identifies breaches of legislation, encourages a compliance culture and enhances awareness. During the year there were several successful prosecutions of non-compliant traders.

Coupled with the greater emphasis on inspection activity, the development of an IT system, which integrates data from the inspectorate and authorised verifiers, has created a platform that will help us to achieve the full benefits of the risk-based strategy by our target date of 2011.

In the context of this risk-based approach during 2010, NSAI inspectors visited some 3,900 premises, inspected 10,400 instruments and verified 7,000 instruments. Some 50,300 instrument verifications, including intoxicating liquor measures, were also carried out under the Authorised Verifiers programme.

Ensuring industry confidence in the national technical measurements infrastructure was also realised through the operation of the National Metrology Laboratory. This facility is charged with maintaining the national reference standards for 14 measurement standards, ranging from acoustics to mass and temperature measurement. We had a strong year delivering technical advice services to industry, with both advisory and audit schemes exhibiting positive growth. The majority of assignments related to: advising and assisting companies on technical methods and procedures; uncertainty evaluation; and the provision of training to companies who were seeking to be accredited or to extend their accreditation under I.S. EN ISO/IEC 17025:2005 General requirements for the competence of testing and calibration laboratories.

ENHANCING THE PERFORMANCE OF IRISH BUSINESS

Strengthening the performance of Irish business was a major priority for NSAI during the year. In a world where efficiency means survival, helping businesses to gain a competitive edge can make the difference between success and failure.

ENHANCING BUSINESS PERFORMANCE TO BEST INTERNATIONAL STANDARDS

NSAI continued to expand its programme to stimulate interest in standards. This is targeted at businesses and entrepreneurs, as well as colleges. Discussions were initiated with a number of colleges to provide access to the Irish standards library, in order to highlight the importance and benefits of standards to college students. By offering access to this library, we aim to introduce standards and their relevance to Irish enterprise at third-level education. This will lead to long term benefits as our entrepreneurs and business leaders of the future will have a greater understanding and appreciation of standards and their benefits from the very beginning.

Our programme to target businesses and entrepreneurs in 2010 included collaborations with representative bodies, such as the Institute of Directors (IoD), Engineers Ireland and the Dublin Chamber of Commerce, on projects ranging from the development of SWiFTs to dedicated seminars.

During 2010, the profile of Corporate Governance was significantly raised in both the business and public consciousness. In order to improve access to the relevant codes and specifications, NSAI launched its Business Excellence Pack. This combines specifications and guidelines on Risk Management, Corporate Governance and Innovation & Product Development. The pack is designed to assist companies in understanding and deploying best practices within their operations.

The science of technical metrology is increasing in importance as Ireland targets high tech multi-national and start-up industries to underpin our economic growth. NSAI continued to provide industry with a comprehensive range of technical advise and audit services in precision measurement. As a growth area, NSAI responded to requests for advice and assistance on technical metrology methods and procedures, measurement uncertainty and knowledge transfer to both the service and high-tech industries.

The science of technical metrology is increasing in importance as Ireland targets high tech multi-national and start-up industries to underpin our economic growth. NSAI continued to provide industry with a comprehensive range of technical advise and audit services in precision measurement.

The provision of such services is vital to NSAI's objective of enhancing the performance of Irish business by helping companies with exacting metrology requirements. Strong growth in 2010 saw our Advisory & Audit scheme working with 11 companies in this area. Such audits are considered essential in validating and benchmarking an organisations technical capability.

In order to ensure compliance with the exacting requirements of industry, NSAI participated in 10 international Measurement Intercomparisons with other European National Metrology Institutes. This comparison programme ensures that we maintain the highest levels of accuracy applicable to national standards and the development of our high-level calibration activities.

SWIFT: EXPANDING SPECIFIC BUSINESS SECTORS

During 2010, the progress and popularity of SWiFTs continued to grow. Numerous sectors of Irish business acknowledged their importance in promptly responding to business needs and establishing a basis for an assurance of consistency in products and services where the SWiFT has been implemented. The two key SWiFT documents published during the year were Risk Management (SWiFT 31000) and Corporate Governance (SWiFT 3000).

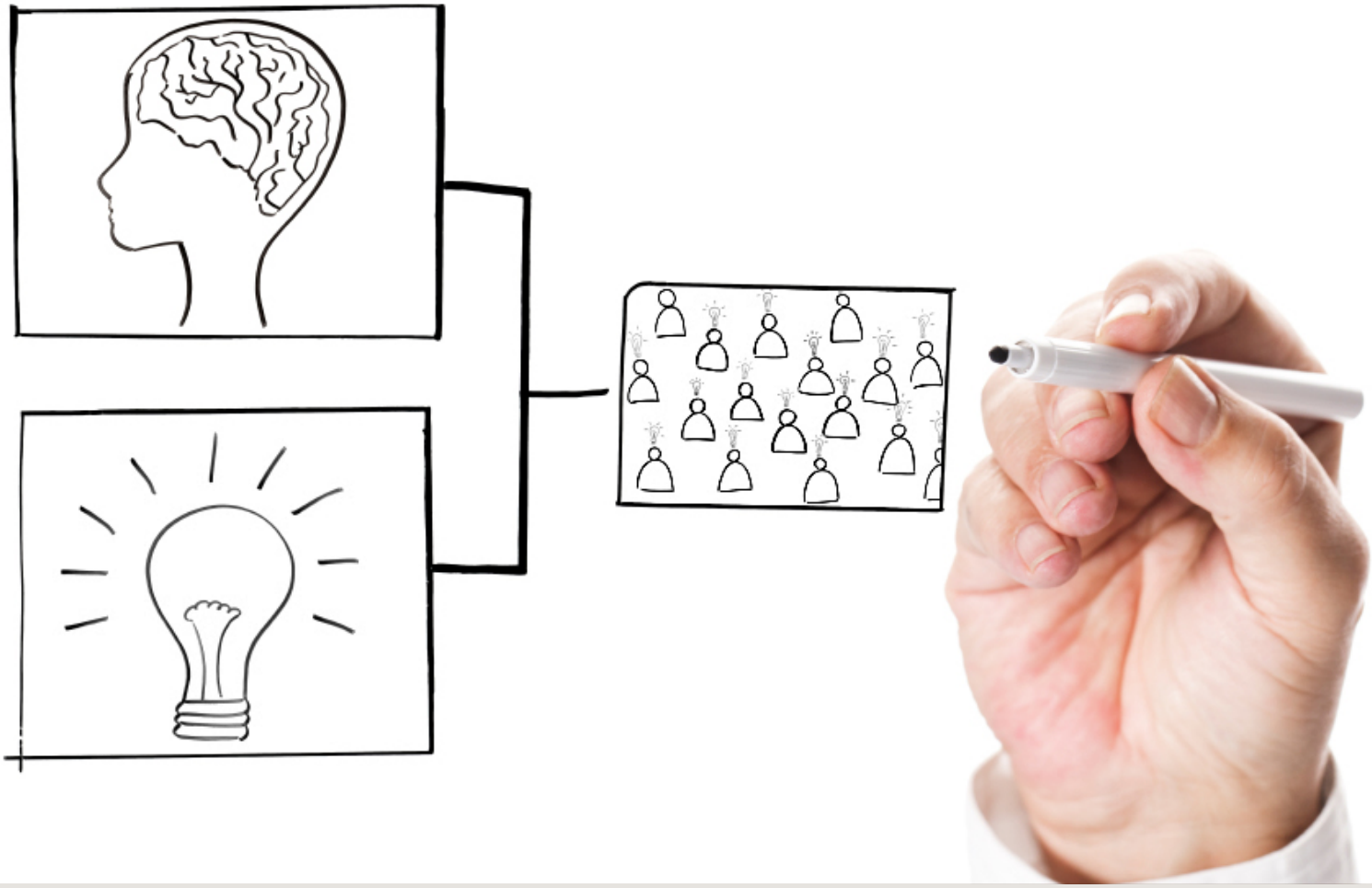
Introducing SWiFT 3000 was a significant milestone of the year. The code, SWiFT 3000: Code of Practice for Corporate Governance Assessment in Ireland is the first of its kind in the EU and the first to facilitate the awarding of certification to companies which meet the requirements. NSAI, in conjunction with the IoD in Ireland, and more than a dozen key professional bodies engaged in or with an interest in the promotion of best corporate governance practice in Ireland, participated in its development. The code has been designed to deliver an inevitable improvement in corporate governance performance in Irish companies. By following the provisions of SWiFT 3000, companies of all sizes may benchmark their corporate governance performance. Certification to SWiFT 3000 will be provided by members of the Association of Accredited Certification Bodies (AACB), who have commissioned a training programme for independent assessors. The first application to be certified to SWiFT 3000 was received during 2010 from the Sustainable Energy Authority of Ireland (SEAI). Further projects for the development of SWiFTs on sulphur in coal, carbon monoxide alarms, timber rafters and structural timber in buildings were initiated in 2010 with their publication expected in 2011.

INCREASING SERVICE DELIVERY EFFECTIVENESS IN THE PRIVATE SECTOR & PUBLIC SERVICE

The Authority continues to offer a comprehensive range of services to the public service, as well as the private sector. The OECD's 2008 report: Public Management Review: Ireland – Towards an Integrated Public Service is a key driver as we encourage Irish public sector organisations to adopt ISO 9001 over the coming years.

FOSTERING AN INNOVATIVE AND KNOWLEDGE ECONOMY

NSAI continues its essential role supporting business innovation and providing the framework to facilitate the spread of technological advancements in Ireland. We work alongside many organisations to achieve this goal, including enterprise development agencies, industry and researchers, as well as the education sector. Continued development of the Irish economy and the maintenance of a trading infrastructure to attract inward investment are at the heart of our efforts.



FACILITATING THE ADOPTION OF NEW TECHNOLOGIES DEVELOPED IN IRELAND

Increasing the rate at which organisations adopt new technologies developed in Ireland is greatly facilitated by NSAI. In sectors requiring high precision measurement, metrology audits have been provided to assist companies in developing processes and equipment to meet the exacting needs of the high tech sector, such as invasive medical devices. Supporting the development of the private calibration laboratories sector is also critical to Ireland's technical infrastructure. As the primary reference point, NSAI provides a programme of metrology audits considered essential for validating and benchmarking a laboratory's technical capability. NSAI's strategic goal was to undertake 20 such audits by 2012: to date 18 metrology audits have been completed, with 11 in 2010 alone.

Another key area of focus for NSAI is our metrology-based research programme. Through this programme we can facilitate the introduction of new technologies and provide relevant and detailed advice to support the technical measurement demands of emerging and existing Irish industries. 2010 was another strong year, with seven research projects in operation The research activity was greatly assisted by the co-operation between NSAI and DIT, Kevin Street and DCU. Research was successfully concluded in mass metrology and temperature. Both of these resulted in research papers, with the latter project contributing to a new European Guideline in the subject. The five remaining projects are in progress, and the researchers have at their disposal the NSAI's state-of-the-art laboratories. Such co-operation greatly assists NSAI in future development and enhancement of national measurement standards.

SUPPORTING EMERGENT-TECHNOLOGY AND INNOVATIVE SECTORS

Ireland has long been a centre for emerging technologies and innovation. It is a vibrant growth area and a cornerstone of our economy. NSAI, in conjunction with other public bodies, continues to work hard to create an attractive environment for such industry. In the current economic climate, certification by NSAI can prove crucial, offering companies key advantages over their competitors in terms of time to market and credibility.

NSAI's goal is to maintain this growth through our certification and precision measurement capabilities. It is apparent that such an approach encourages and promotes high net worth inward investment and development of the economy.

Studies show that the impact of standards on annual GDP growth could range from 0.3 to 1 percentage point. For Germany this impact is estimated at 1%, France at 0.8% and for the United Kingdom at 0.3% Our strategic focus on this sector gained momentum in 2010, as our services continued to be of great importance to the medical devices industry in Ireland for both indigenous and multinational companies. In addition to a healthy level of new customer applications during the year, NSAI's reputation as a leading notified body grew significantly in Ireland and the US.

A key NSAI target is to be the market leader in quality and response time for CE Mark certification. The certification process for a CE Marking averages an industry-leading four to six weeks, and the Authority is strongly positioned to work in partnership with cutting-edge companies in the medical devices industry. Since 2006, NSAI has experienced a 270% growth in medical device clients. During 2010 we also completed our re-designation by the Irish Medicines Board, which confirmed NSAI's competency for the medical devices that we are authorised to evaluate.

The relevance of our services to this industry is highlighted by the many regulatory systems and national and international standards applied to medical device companies. The regulatory environment is constantly changing, influenced by forums worldwide and the drive towards global harmonisation. NSAI is in a favourable position to interpret the EU and global situations and guide this industry on the emerging medical device standards, requirements and regulations to ensure Ireland continues to grow as a global centre of medical device innovation. Coupled with Ireland's objective to grow this industry and its R&D activity, NSAI continues to support enterprise development agencies' promotion of Ireland through a dedicated medical devices service. Throughout 2010, we provided expertise with product-centred advisory services and speedy certification, and also provided essential medical device CE Mark training to both high potential start up companies in Ireland and on-campus university companies. This underpinned Ireland's position as a global centre of excellence for medical device certification.

Elsewhere, we are supporting the construction products sector by developing certification for a broader range of innovation tools, including the provision of certification to aid exports, as well as the Construction Products Directive standard certification. This links in with the EU's interest in sustainable construction as a 'Lead Market' where innovation can be leveraged to the advantage of companies.

In order to encourage wider participation and access to standards in development during 2010, we began developing a Standards database and enquiry portal. "Your Standards Your Say" allows companies and individuals to register on a dedicated website and set automated alerts on new standards that are in development and due to be published. This facility is of major benefit to enterprise as it offers pre–market intelligence of upcoming standards. During the consultation phase the application allows professionals and members of the public to comment on these standards, thereby potentially influencing the final standard to be published. The application is due to be launched in early 2011.

SUPPORTING SUSTAINABILITY

The issue of sustainability continues to influence consumer and business actions, from purchasing habits to sourcing materials and improving efficiencies. The sustainability agenda remains a key element of NSAI's strategy as we focus on an Irish market that is looking to reduce carbon emissions and embrace energy efficiency, environmentally friendly principles and sustainable practices.

Sustainable construction has been identified as a lead market initiative in Europe. NSAI is central to the process of bringing innovative green building technology solutions to the market, with an assurance of 'fitness for purpose'. Ireland is well placed to take advantage of such developments and, therefore, Irish enterprise can explore the opportunities for environmental goods, services and energy management on a global level.

REDUCING CARBON FOOTPRINTS IN BUILDINGS

The Department of the Environment, Heritage & Local Government (DOEHLG) has a key objective of reducing carbon emissions from all new dwellings to zero by 2013. With buildings accounting for 40% to 60% of energy use in developed countries, making them the single largest energy-consuming sector, NSAI's strategy includes sustainability initiatives to support construction sector companies.

In supporting the achievement of the objectives detailed in the national programme, NSAI is very much aware of the importance of strategic alliances and on-going co-operation with relevant State bodies to facilitate compliance with sustainability and environmental regulations. NSAI continues to contribute to the strategic Construction Forum (a cross-agency collaboration), with the purpose of preparing the construction industry for the introduction of zero carbon housing by 2013.

The Energy Standards Consultative Committee (consisting of representatives from SEAI, government departments and industry experts) is developing world-class standards in the field of energy management, which is helping to position Ireland in a global leadership role for the growing energy management industry.

During 2010, the Authority's sustainability initiatives were further developed, focusing on the built environment industry and, specifically, the emerging insulation industry, in the following areas:

The Department of the Environment, Heritage & Local Government (DOEHLG) has a key objective of reducing carbon emissions from all new dwellings to zero by 2013. With buildings accounting for 40% to 60% of energy use in developed countries, making them the single largest energy-consuming sector, NSAI's strategy includes sustainability initiatives to support construction sector companies.

- NSAI progressed its aim of developing new external insulation installer schemes, thereby increasing consumer confidence in carbon-reducing upgrades. Registration is offered to installers of blown loft insulation, full fill cavity wall insulation and external insulation. There has been a significant uptake in the scheme with 174 applications for inclusion on the register in 2010.
- The independent WEP (Window Energy Performance) certification scheme grew significantly, with 16 companies applying for inclusion in 2010. It is anticipated that this scheme will grow rapidly in the coming years due to changes in the building regulations.

HELPING IRISH INDUSTRY MANAGE ENERGY AND MATERIALS USAGE

Published in 2009, I.S. EN 16001 the European standard for Energy Management Systems is based on the Irish standard IS 393:2008, developed by NSAI and the SEAI to support sustainability by managing and reducing energy and energy materials. The adoption of I.S. EN 16001 throughout Europe is a major achievement for NSAI and for Ireland. Not only does it promote energy management, which is a global issue, it also highlights how Ireland can be leaders in developing new world-class standards.

Ireland's leading position was further highlighted by a recent update from the CEN/CENELEC Sector Forum on Energy Management, which profiles Ireland as a leading country in certifications to the European standard for energy management. Included on the list of those companies certified are some of our leading indigenous companies together with many global organisations.

In 2009, Irish-based companies were the first to implement the new standard in Europe. In 2010, a further 18 companies were added to a growing list of indigenous and Irish-based companies, which included multi-national organisations such as Diageo and Heinz.

ISO 50001 Energy Management Standard is being developed as the future international standard for energy management. The sector is evolving rapidly and the standard's aim is to establish a systematic approach for improving energy performance continuously, not just across Europe, but across the globe. It will establish a framework for industrial plants, commercial facilities or entire organisations to manage energy. It is estimated that ISO 50001 could influence up to 60% of the world's energy use.

Ireland's participation in the standard's development continued through membership of ISO TC 242 Energy Management (the international committee responsible for developing ISO 50001). The Irish delegation, having participated in all stages of the development process, has demonstrated its experience and positive influence in this emerging standard.

The anticipated publication date is mid 2011, and, due to the global importance placed on energy management, it is expected that this standard will be as significant in the next decade as ISO 9000 quality management systems were in the 1990s.

FINANCIAL STATEMENTS

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

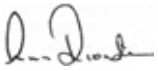
For 2010 Annual Financial Statements

Paragraph 8(2) of the First Schedule to the National Standards Authority of Ireland Act, 1996 requires the Authority to keep, in such form as may be approved of by the Minister for Jobs, Enterprise and Innovation, with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it and, in particular, to keep in such form as aforesaid all special accounts as the Minister for Jobs, Enterprise and Innovation may from time to time direct. In preparing those accounts, the Authority is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the Financial Statements comply with Paragraph 8 of the First Schedule to the National Standards Authority of Ireland Act, 1996. The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



Ann Riordan
Chairman

David Gargan
Board Member

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Board of NSAI I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in the Authority.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

The Board has taken steps to ensure an appropriate control environment is in place by:

- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Clearly defining management responsibilities and powers;
- Developing a culture of accountability across all levels of the organisation.

The Board has established processes to identify and evaluate business risks by:

- Operating a formal risk management process. This process considers the primary risks facing the Authority in the discharge of its function and achievement of overall objectives.
- Executive Management is responsible for the identification and evaluation of significant risks and for the design and implementation of appropriate internal controls.
- Executive Management reports to the Board on significant changes in the operations of the Authority and their associated risks.

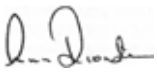
The system of internal financial control is based on a framework of regular management information, administration procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- Clearly defined authorisation limits, segregation of duties and the controls available from its financial systems. This system is overseen by the Audit Committee which engages suitable external agencies to examine and test this system.
- The operation of a system of budgetary control against which actual performance is compared throughout the year. Financial results are reported to the Board with variance against budget interrogated.
- Board approval is required for all key payment authorities and banking mandates.
- The Audit Committee, a sub-committee of the Board, approves internal audit plans and deals with significant control issues raised by the internal or external auditors. This Committee ensures that the work done by the internal audit function is focussed on areas of greatest risk or exposure.

NSAI has an outsourced internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies and which reports directly to the Audit Committee. The work of internal audit is informed by analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee. The Audit Committee meets on a regular basis throughout the year to review and confirm the ongoing adequacy and effectiveness of the system of Internal Financial Control.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee which oversees the work of the Internal Auditor and the executive managers within NSAI who have responsibility for the development and maintenance of the financial control framework.

I confirm that in respect of the year to 31 December 2010, the Board conducted a review of the effectiveness of the system of internal financial controls.



Ann Riordan
Chairman

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

National Standards Authority of Ireland

I have audited the financial statements of the National Standards Authority of Ireland for the year ended 31 December 2010 under the National Standards Authority of Ireland Act 1996. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Consolidated Income and Expenditure Account, the Statement of Consolidated Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Members of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Authority's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Deferred Pension Funding

Without qualifying my opinion I draw attention to note 11 (c) to the financial statements. The Authority recognises an asset in respect of deferred pension funding- the current value of the funding it anticipates will be provided in the future by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the Authority will in the first instance be applied towards current expenses and that State funding will meet any current or future shortfall in resources including future pension liabilities.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2010 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
continued

Matters on Which I Report by Exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's Annual Report for the year for which the financial statements are prepared is not consistent with the financial statements, or
- the Statement on Internal Financial Control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

John Buckley
Comptroller and Auditor General
30 June 2011

BOARD MEMBERS AND GENERAL INFORMATION

BOARD OF THE NSAI

NSAI Board Members, who are appointed by the Minister for Jobs, Enterprise and Innovation comprise of the following:

Board Members

Ms. A. Riordan - Chairman - Re-appointed 20th April 2010
Mr. M. Buckley - Chief Executive Officer
Mr. J. Collins - Appointed 24th June 2010
Ms. H. Curley
Mr. D. Gargan
Mr R. Hadfield
Ms. J. Murnane O'Connor
Ms. M. O'Leary - Retired 14th April 2010
Mr. D. O'Loughlin
Mr K. Ryan
Mr. E. Stack - Re-appointed 20th April 2010
Mr. E. Wade
Mr. D. Wallace - Appointed 20th April 2010
Ms. M.I. Walsh

Mr. P. Bracken - Board Secretary

GENERAL INFORMATION

Head Office
1 Swift Square, Northwood, Santry, Dublin 9

Auditors
Comptroller and Auditor General

Bankers
Allied Irish Banks

Solicitors
McCann Fitzgerald

ACCOUNTING POLICIES

THE NATIONAL STANDARDS AUTHORITY OF IRELAND ACT, 1996
The National Standards Authority of Ireland (NSAI) was established on 14 April 1997 under Section 6 of the National Standards Authority of Ireland Act, 1996. On the establishment day all property, which immediately before that day was the property of the NSAI as a Committee of Forfás, was vested in the Authority.

The transitional provisions set out in Part III of the Industrial Development (Enterprise Ireland) Act, 1998 provided for the transfer to the National Standards Authority of Ireland of all property, rights and liabilities of the Legal Metrology Service held immediately before that day by Forbairt.

The basis of accounting and significant accounting policies adopted are as follows:-

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in the form approved by the Minister for Jobs, Enterprise and Innovation with the concurrence of the Minister for Finance under the National Standards Authority of Ireland Act, 1996.

The financial statements are prepared on an accruals basis, except as stated below and in accordance with Generally Accepted Accounting Practice. Financial Reporting Standards recommended by the recognised accounting bodies are adopted as they become applicable.

The consolidated financial statements comprise the financial statements of the Authority and its subsidiary NSAI Inc. The accounting policies of the subsidiary do not differ to those of the Authority.

(b) INCOME

All income other than Oireachtas Grant is accounted for in the period in which it has been earned. Fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Income and Expenditure Account on delivery of the service.

(c) OIREACHTAS GRANT

This is accounted for on a cash basis except that when a grant is received in the year in respect of the discharge of liabilities in the following year, the grant is deferred.

(d) TRANSLATION OF FOREIGN CURRENCIES

Foreign Currency Transactions
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions. Profits and losses arising from foreign currency translations upon settlement of amounts receivable and payable in foreign currency are dealt with in the Income and Expenditure Account.

Foreign Operations
When translating the results of the foreign operation for inclusion in the financial statements, assets and liabilities are translated at the exchange rate ruling at the Balance Sheet date. The translation difference arising from the restatement of foreign operations in the functional currency euro due to changes in exchange rates, is recognised in reserves (the Income and Expenditure Account under the heading "translation adjustment" in respect of monetary items and the Capital Account in respect of fixed asset re-translation differences.) Income and expenses are translated at monthly period average exchange rates. Any resulting translation difference compared to the Balance Sheet rate is also recognised in the reserves of the operation.

(e) FIXED ASSETS

Fixed Assets comprise tangible fixed assets which are owned by the NSAI and are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of fixed assets over their estimated useful lives as follows:

Equipment, Fixtures & Fittings	5 years
Computers	3 years
Land and Buildings	50 years
Motor Vehicles	5 years

ACCOUNTING POLICIES continued

(f) CAPITAL ACCOUNT

The Capital Account represents grant income utilised for the acquisition of Fixed Assets and is written down in line with the depreciation and revaluation policies for the related assets.

(g) DEBTORS

Debtors are stated net of a provision for non-recovery of bad and doubtful debts. The provision against non-recovery of debtors is made against specific doubtful debtors with additional provision against other trade debts where appropriate.

(h) LEASES

Rentals due under operating leases are dealt with in the financial statements as they fall due.

(i) SUPERANNUATION

The Income and Expenditure Account, Statement of Recognised Gains and Losses and Balance Sheet recognise pension transactions, movements and balances in accordance with the requirements of Financial Reporting Standard 17, Retirement Benefits.

Forfas Scheme

Staff working in NSAI who immediately prior to establishment day were permanent members of the staff of Forfas continue to be members of said staff under Section 38(1)(a) of the National Standards Authority of Ireland Act 1996. Accordingly, under Paragraph 3 of the Second Schedule of the Industrial Development Act, 1993, Forfas is responsible for the employee pension entitlements of these staff.

NSAI Scheme

NSAI operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Jobs, Enterprise and Innovation and from contributions deducted from staff salaries.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the NSAI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

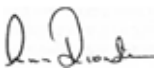
For Year Ended 31 December 2010

	Notes	2010 €	2009 €
Income	1	**18,609,888**	17,499,425
Expenditure			
Administration and General Expenses	2	**25,311,425**	25,808,204
Deficit before Oireachtas Grant		**(6,701,537)**	(8,308,779)
Oireachtas Grant	3	**7,337,861**	8,339,148
Operating Surplus for year		**636,324**	30,369
Transfer from Capital Account	4	**199,364**	297,717
Translation Adjustment		**85,862**	(52,787)
Surplus for year		**921,550**	275,299
Balance at 1 January		**2,324,977**	2,049,678
Balance at 31 December		**3,246,527**	2,324,977

Amounts shown under Income and Expenditure are in respect of continuing activities.

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:



Ann Riordan
Chairman

David Gargan
Board Member

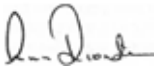
STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES

As at 31 December 2010

	Notes	2010 €	2009 €
Surplus for year		921,550	275,299
Experience Gains on pension scheme liabilities	11 (d)	3,450,000	1,900,000
Changes in assumptions underlying the present value of pension scheme liabilities	11	-	(3,429,000)
Actuarial Gains/(Losses) on Pension Liabilities		**3,450,000**	(1,529,000)
Adjustment to Deferred Pension Funding	11	**(3,450,000)**	1,529,000
Total Recognised Gains for the year		**921,550**	275,299

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:



Ann Riordan
Chairman

David Gargan
Board Member

CONSOLIDATED BALANCE SHEET

As at 31 December 2010

	Notes	2010 €	2009 €
Fixed Assets			
Tangible Fixed Assets	5	**3,682,379**	3,879,735
Current Assets			
Debtors and Prepayments	7	**3,608,359**	3,655,591
Bank		**1,652,862**	1,114,809
		5,261,221	4,770,400
Creditors: amounts falling due within one year	8	**2,014,694**	2,445,423
Net Current Assets		**3,246,527**	2,324,977
Total Assets less current liabilities before Pensions		**6,928,906**	6,204,712
Deferred funding Asset for Pensions	11 (c)	29,800,000	30,000,000
Pension Liabilities	11 (b)	(29,800,000)	(30,000,000)
		-	-
Total Assets less current liabilities after Pensions		**6,928,906**	6,204,712
Net Assets		**6,928,906**	6,204,712
Financed By:			
Capital Account	4	**3,682,379**	3,879,735
Income and Expenditure Account		**3,246,527**	2,324,977
		6,928,906	6,204,712

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:

Ann Riordan
Chairman

David Gargan
Board Member

CONSOLIDATED CASH FLOW STATEMENT

For Year Ended 31 December 2010

	Notes	2010 €	2009 €
Reconciliation of Operating Surplus for Year to Net Cash Inflow from Operations			
Operating Surplus for the Year		**636,324**	30,369
Depreciation Charge	5	**790,421**	766,241
Profit on disposal of Tangible Fixed Assets		**(253)**	(200)
Decrease in Debtors and Prepayments		**47,232**	325,627
(Decrease) in Creditors and Accruals		**(430,729)**	(244,002)
Currency Translation Adjustment		**85,862**	(52,787)
Net Cash Inflow from Operations		**1,128,857**	825,248
CASH FLOW STATEMENT			
Net Cash Inflow from Operations		**1,128,857**	825,248
Purchase of Tangible Fixed Assets	5	**(591,057)**	(468,524)
Sale of Tangible Fixed Assets		**253**	200
Increase in Cash		**538,053**	356,924
Reconciliation of Net Cash Flow to Movement in Net Funds			
Movement in Net Funds in the year		**538,053**	356,924
Net Funds at 1 January		**1,114,809**	757,885
Net Funds at 31 December		**1,652,862**	1,114,809

NOTES TO THE ACCOUNTS

For Year Ended 31 December 2010

(1) Income

		2010 €	2009 €
Certification Fees		**14,234,835**	13,281,122
Sale of Standards		**759,868**	805,790
Other Income		**355,294**	330,568
Bank Interest		**9,891**	10,945
		15,359,888	14,428,425
Net deferred funding for pensions	Note 11 (c)	**3,250,000**	3,071,000
		18,609,888	**17,499,425**

(2) Administration and General Expenses

		2010 €	2009 €
Pay and Superannuation costs		**12,783,954**	14,145,057
Pension costs	Note 11 (a)	**3,076,915**	2,588,710
Board Members Remuneration and Expenses	Note 14	**79,626**	98,129
Travelling Expenses		**1,266,061**	1,335,789
Sub-contracted and Professional Services		**2,864,363**	2,604,868
Rents, Rates, Repairs and Maintenance		**1,760,467**	1,848,178
Other Operating Expenses		**2,058,298**	1,792,034
Profit on disposal of Fixed Assets		**(253)**	(200)
Subscriptions to Organisations		**605,723**	603,547
Depreciation	Note 5	**790,421**	766,242
Audit Fee		**25,850**	25,850
		25,311,425	25,808,204
Pay and Superannuation Costs of staff comprise:			
Wages and Salaries		**12,156,980**	13,325,381
Social Welfare Costs		**732,733**	676,619
Superannuation Costs		**(105,759)**	143,057
		12,783,954	14,145,057

The number of persons employed at 31 December 2010 was 178.

Other Operating Expenses includes an amount of €5,800 in relation to Staff entertainment expenses. These costs include a contribution to staff social club events and staff team building exercises.

(3) Oireachtas Grant

	2010 €	2009 €
Grant for Administration and General Expenses	**7,337,861**	8,546,974
Grant transfer to Enterprise Ireland re National Metrology Laboratory		(207,826)
	7,337,861	8,339,148

The Oireachtas Grant is issued by The Department of Jobs, Enterprise and Innovation and includes an amount of €538,861 in relation to capital purchases in 2010.

NOTES TO THE ACCOUNTS

For Year Ended 31 December 2010 continued

(4) Capital Account

	2010 €	2009 €
Opening balance	**3,879,735**	4,149,495
Net Movements on Tangible Fixed Assets	**(199,364)**	(297,717)
Transfer (to)/from Income & Expenditure Account	**(199,364)**	(297,717)
Transfer of NML assets from Enterprise Ireland		28,514
Currency Translation Adjustment	**2,008**	(557)
At 31 December	**3,682,379**	3,879,735

(5) Tangible Fixed Assets

In Euro	Equipment, Fixtures & Fittings €	Computer Equipment €	Land & Buildings €	Motor Vehicles €	Total €
COST					
At 1 January 2010	4,111,262	2,288,094	2,895,201	315,228	9,609,785
Additions	277,885	274,741	38,431	0	591,057
Disposals	(2,982)	(20,307)			(23,289)
Translation Adjustment	3,615	7,312			10,927
At 31 December 2010	4,389,780	2,549,840	2,933,632	315,228	10,188,480
DEPRECIATION					
At 1 January 2010	3,028,768	1,807,390	654,033	239,859	5,730,050
Charge for Year	386,777	299,286	58,673	45,685	790,421
Disposals	(2,982)	(20,307)			(23,289)
Translation Adjustment	2,697	6,222			8,919
	3,415,260	2,092,591	712,706	285,544	6,506,101
NET BOOK VALUE					
At 1 January 2010	1,082,494	480,704	2,241,168	75,369	3,879,735
Net movement for year	(108,892)	(24,545)	(20,242)	(45,685)	(199,364)
Translation adjustment	918	1,090			2,008
At 31 December 2010	974,520	457,249	2,220,926	29,684	3,682,379

(6) Property

NSAI occupies premises at a number of locations. Our head office is located at 1 Swift Square, Santry, Dublin 9. These premises are leased, the lease was entered into in January 2008 for a period of 20 years. The first 5 year rent review is due to be undertaken in January 2013 covering the period commencing 1 January 2013.

NSAI has Regional Offices in Limerick and the USA. The Limerick office is located at Plassey Park Road, National Technology Park, Castletroy, Co Limerick, these premises are owned by NSAI. The regional office in the USA is located at 402 Amherst Street, Nashua, NH 03063, USA, these premises are leased, the lease was entered into in December 1999 and is due to expire August 2011.

The NSAI National Metrology Laboratory is located at Glasnevin, Dublin 9. Ownership of the land and buildings associated with National Metrology Laboratory remains with Enterprise Ireland pending transfer of ownership to NSAI. This is expected to be completed in 2011.

The NSAI has a number of Legal Metrology Service Regional Centres. These centres are located at Cork, Limerick, Dublin, Sligo, Dundalk, Waterford and Galway. All of these premises are owned by NSAI.

(7) Debtors and Prepayments

	2010	2009
	€	€
Trade Debtors	**2,788,604**	2,944,039
Accrued Income	**375,378**	381,716
Prepayments	**444,377**	329,836
	3,608,359	3,655,591

(8) Creditors : amounts falling due within 1 year

	2010	2009
	€	€
Trade Creditors	**435,408**	318,538
Other Creditors and Accruals	**745,564**	988,708
Deferred Income	**834,068**	734,268
Taxation, Social Insurance and VAT	**(346)**	403,909
	2,014,694	2,445,423

(9) Commitments under Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €939,537 (2009: €953,299). Payments under Operating Leases on Buildings amounting to €934,993 are due to be made in 2011. These are in respect of leases which expire as follows:

	2010	2009
	€	€
Expiry of Lease:		
Within one year		
One to five years	**43,042**	40,690
After five years	**891,951**	906,950
	934,993	947,640

(10) Taxation

The Authority is exempt from taxation on its income.

NOTES TO THE ACCOUNTS

For Year Ended 31 December 2010 continued

(11) Pension Costs

(a) Analysis of total pension costs charged to Expenditure

	2010	2009
Current service costs	**€2,000,000**	€1,900,000
Interest on pension scheme liabilities	**€1,600,000**	€1,400,000
Employee contributions	**(€523,085)**	(€711,290)
	€3,076,915	€2,588,710

(b) Movement in Net Pension Liability during the financial year

	2010	2009
Net pension liability at 1 January	**€30,000,000**	€25,400,000
Current service cost	**€2,000,000**	€1,900,000
Interest costs	**€1,600,000**	€1,400,000
Actuarial loss/(gain)	**(€3,450,000)**	€1,529,000
Pensions paid in the year	**(€350,000)**	(€229,000)
Net pension liability at 31 December	**€29,800,000**	€30,000,000

(c) Deferred funding for Pensions

NSAI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a set of assumptions and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. NSAI has no evidence that the policy referred to above will not continue to meet such sums in accordance with current practice.The net deferred funding for pensions recognised in Income and Expenditure Accounts was as follows:

	2010	2009
Funding recoverable in respect of current year pension costs	**3,600,000**	3,300,000
State grant applied to pay pensioners	**(350,000)**	(229,000)
	3,250,000	3,071,000

The deferred funding asset for pensions as at 31 December 2010 amounted to €29.8 million (2009: €30.0 million).

(d) History of defined benefit obligations

	2010	2009	2008	2007
Defined benefit obligations	**€29,800,000**	€30,000,000	€25,400,000	€22,800,000
Experience losses(gains) on scheme liabilities				
Amount	**(€3,450,000)**	(€1,900,000)	(€346,000)	(€142,000)
Percentage of scheme liabilities	**(12%)**	(6%)	(1%)	(1%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Gains and Losses amounts to €4,563,000.

(e) General Description of the Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

(e) General Description of the Scheme Continued

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation dated 23rd February 2011 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2010.

The principal actuarial assumptions were as follows:

	2010	2009	2008
Rate of increase in salaries	**4%**	4%	4%
Rate of increase in pensions in payment	**4%**	4%	4%
Discount rate	**5.5%**	5.5%	5.5%
Inflation rate	**2%**	2%	2%

(f) Mortality

Average future life expectancy according to the mortality tables used to determine the pension liabilities

	2010	2009	2008
Male aged 65	**22**	22	18
Female aged 65	**25**	25	22

(12) NSAI Inc.

NSAI Inc. was established in New Hampshire, USA on July 1, 1997 as a not for profit corporation wholly-owned by the NSAI for the purpose of distribution and dissemination of information on current and proposed Irish and EU standards, the provision of technical reviews and evaluation of products, processes and practices and certification for conformity to EU, Irish and International standards. The balances and transactions of NSAI Inc. have been included in these financial statements. The Consolidated Operating Surplus for the year includes a surplus from the operations of NSAI Inc. of €312,709. (2009 : €172,670)

(13) Board Members - Disclosure of Transactions

In the normal course of business, the NSAI may enter into contractual arrangements with undertakings in which NSAI Board Members are employed or otherwise interested. The NSAI adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the NSAI during the year.

(14) Directors fees and CEO Salary

(a) Directors fees paid in 2010

Ms. A. Riordan	€12,556	Chairman - Re-appointed 20th of April 2010
Mr. J. Collins	€4,080	Appointed 24th June 2010
Mr D. Gargan	€8,072	
Ms J. Murnane O'Connor	€8,072	
Ms M. O'Leary	€2,794	Retired 14 April 2010
Mr K. Ryan	€8,072	
Mr E. Stack	€8,072	Re-appointed 20th of April 2010
Mr E. Wade	€8,072	
Mr. D. Wallace	€5,526	Appointed 20th April 2010
Ms M. I. Walsh	€8,072	
Mr M. Buckley	€0	Chief Executive Officer
Ms H. Curley	€0	Dept. Jobs, Enterprise and Innovation Representative
Mr R. Hadfield	€0	Staff Representative
Mr D. O'Loughlin	€0	Staff Representative

Director fees were overpaid by 5% in 2010 due to late notification of the revision of fees for membership to State Bodies. This overpayment is re-couped in 2011.

(b) Directors Expenses

The total Directors expenses for 2010 was €6,238

NOTES TO THE ACCOUNTS

For Year Ended 31 December 2010 continued

(14) Directors fees and CEO Salary Continued

(c) CEO salary

The Chief Executive's annual basic salary paid in 2010 was €153,724. Payments to the Chief Executive under performance related schemes in 2010 was €0. The total overall cost of the Chief Executive remuneration package (including superannuation provision, company car and any other benefits) for 2010 was €168,662. The Chief Executive is a member of the NSAI staff superannuation scheme and his pension entitlements do not extend beyond the standard entitlements of the model public sector scheme.

(15) Approval of Financial Statements

The financial statements were approved by the Board on 14 June 2011.

www.sourcedesign.ie

NSAI

HEAD OFFICE
1 Swift Square, Northwood, Santry, Dublin 9, Ireland
T +353 1 807 3800 F +353 1 807 3838 E info@nsai.ie

NSAI.ie