



Cavan County  
**Enterprise** Board

## Report & Financial Statements

For the year ended 31<sup>st</sup> December 2006

Cavan County Enterprise Board is funded by the Irish Government and part-financed by the European Union under the National Development Plan, 2000-2006



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*An Irish language version of this Annual Report is available on request. This Annual Report and other information relating to the activities of Cavan County Enterprise Board is available on our website [www.cavanenterprise.ie](http://www.cavanenterprise.ie)*

## **The Cavan County Enterprise Board Ltd.**

### **CHAIRMAN'S REVIEW FOR YEAR ENDED 31<sup>st</sup> DECEMBER, 2006**

I am delighted to review the activities of our board over the past year.

It was, undoubtedly, one of the most rewarding since inception of the County Enterprise Boards in 1993. What marked out 2006 was the diverse range of enterprise and economic initiatives implemented and planned, some examples of which were:-

- The procurement of funding for a new high specification office development at Cootehill;
- The implementation of an economic regeneration programme for West Cavan ( and areas of West Fermanagh);
- The launch of products from Phase I of Bréifne, including a high quality travel guide, DVD, website and gateway signage. Funding was also secured towards delivery of Phase II, which will include the expansion of the Marble Arch European Geopark into Cavan;
- Implementation of a research project into barriers impeding female entrepreneurship and rollout of a specially tailored management development programme to address the findings;
- Participation in an EU Programme (ADEP) focused on learning from best practice models for the provision of training/development supports for enterprise and their resultant application in different EU regions. As part of this programme, for which the BMW Regional Assembly was the lead partner, a report was commissioned on research into the needs of small businesses in the border counties in relation to innovation.

The core responsibilities of the board, as defined by the Department of Enterprise, Trade & Employment, continue to receive the full attention of the executive and during the year €462,800 was committed to 28 micro enterprises. Thirty four training programmes (including six focussing on start your own business) were delivered to 306 participants. Embedding a culture of entrepreneurship is a core objective of the CEB. One of the key components of the strategy to achieve the desired outcome is a focus on second level students. During 2006, the student enterprise programme was redesigned to incorporate an enhanced Student Enterprise Day attended by over 150 students.

A key strategic initiative of our board has been the development of the Cavan Innovation & Technology Centre (CITC). Whilst still in a relatively early stage of development, over 940 people from the region attended a range of outreach, distance learning and corporate training programmes over the year. CITC is now established as a significant player in the provision of access to third level and other specialised training programmes, so essential to the development of enterprise throughout County Cavan and surrounding areas.

One of the sectors of the economy of the county requiring rejuvenation is tourism. The Bréifne and County Tourism initiatives ( in which the CEB is a vital partner) both offer a platform upon which to build a thriving and sustainable industry. I am delighted to record the appointment of the new two appointees (Ms. Margaret McAvoy and Ms. Joanne Hayes) to

## **The Cavan County Enterprise Board Ltd.**

head up both organisations in the early part of 2006. Much has yet to be delivered in terms of infrastructural development and renewal, as well as focussed marketing campaigns in conjunction with the statutory agencies (Failte Ireland and Tourism Ireland). However, the seeds are being sown and I look forward to tangible rewards emerging in 2007 and following years.

Cavan's high dependence on the indigenous sector continues. Efforts to attract foreign direct investment (FDI) are ongoing and we hope a special drive will be made during 2007 to deliver the required outcome. The development of technology-based enterprise is a key requisite for the future, whether micro enterprise, SME or FDI. Investment is still necessary to create the conditions for widespread success in this area, including the availability of high speed dependable broadband services.

We are fortunate to have so many friends who support the work of the CEB. Many agencies and organisations come to mind, in particular the parent Department of Enterprise, Trade & Employment, as well as the various state agencies at regional and national level. We also have exceptionally positive working relationships with all of the local development organisations and I thank all of them for their assistance.

Finally, a special word of thanks to my fellow directors, members of the evaluation committee and our loyal staff.

**SIGNED:**

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**Jack Keyes**  
**Chairman**

## **The Cavan County Enterprise Board Ltd.**

### **CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2006**

The past year has been one of the most successful and rewarding in the history of our board. The foundations laid in the previous couple of years bore fruit on a variety of fronts. Cavan County Enterprise Board (Cavan CEB) is now a multi-faceted local statutory enterprise development agency which combines and partners with an array of organisations in promoting enterprise and economic development throughout the county.

One of the key strengths of the CEB is its proactive approach in identifying existing and emerging developmental needs and pioneering innovative responses. A prime example of this activity is the West Cavan/West Fermanagh Economic Regeneration Initiative, through which significant funding was secured in 2006 towards the appointment of a Special Projects Officer whose role is to focus exclusively on the needs of this economically and socially disadvantaged area. There are clear signs that this initiative is already delivering positive results.

A high priority is attached by the CEB to the provision of affordable workspace for micro/small enterprises throughout County Cavan. In this regard, the board works closely with Cavan County Enterprise Fund and Cavan County Council to achieve the desired results. During 2006, substantial funding was secured from Enterprise Ireland and the International Fund for Ireland towards the development of a high specification office quality Enterprise Centre at Cootehill, Co. Cavan. The board continues to work with other community organisations on similar type developments.

Tourism represents one of the key sectors of the economy of Cavan which is significantly underdeveloped, yet nonetheless, offers huge growth potential. Cavan CEB works in close collaboration with Cavan County Council in the ongoing delivery of the County Tourism Marketing Initiative which is making considerable inroads in addressing the needs of the industry. In April 2006, a new Tourism Marketing Executive was appointed. Cavan CEB has also been centrally involved in the development of Bréifne, a cross border and trans-county initiative focused on developing and promoting the natural heritage, culture and landscapes of the region. During 2006, a high quality travel guide, DVD and website were launched to complement the design, manufacture and installation of gateway and interpretive signs throughout the region.

The development of cross border partnerships forms a significant aspect of the work of the CEB. In addition to the Tradelinks Programme being rolled out to support business development on a cross border basis, and which is co-ordinated in our region by Cavan CEB, the board increased its range of innovative initiatives in this area through two new programmes initiated in 2006, the CREATE and CALIN programmes designed respectively to support the creative sector and promote the growth of female entrepreneurship.

Cavan continues to depend heavily on indigenous growth and job creation. In this context, Cavan CEB applauds all local entrepreneurs who have taken the risk to establish private enterprises across all sectors of the economy. We also work hard to support as many of these people as possible through the provision of business advice, counselling, mentoring and specially tailored training programmes. The board also collaborates with the second level schools in developing enterprise awareness among the students. We were delighted that over 150 students attended a special Student Enterprise Day held on March 1<sup>st</sup> 2006.

## **The Cavan County Enterprise Board Ltd.**

In concluding, I wish to express gratitude to the Chairman, members of the Board and Evaluation Committee for their encouragement, guidance and support throughout the year. I also wish to say thank you to the Local Enterprise Section of the Department of Enterprise, Trade & Employment as well as the many government departments, state agencies, EU and international bodies with whom we interacted throughout the year and who continue to support our endeavours.

A special thank you to the elected members and executive of Cavan County Council for the fulsome co-operation throughout the year. Finally, I want to say thank you to all members of our highly committed staff, who often contribute well beyond the call of duty.

**SIGNED:**

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**Vincent Reynolds**  
**Chief Executive Officer**

**The Cavan County Enterprise Board Ltd.**

**Financial Statements  
Year Ended 31 December 2006**

## **The Cavan County Enterprise Board Ltd.**

### **BOARD MEMBERSHIP AND GENERAL INFORMATION**

<b>Board Members:</b>	Jack Keyes (Chairman) Raymond McDwyer (Vice-Chairman) Rosemary Sexton Michael Byrne Thomas Cassidy Jim Maguire Clifford Kelly Carmel Lynch Kathleen Richey Jimmy Stafford Paul McLoone Peter McVitty Freddie Kettle Michael McCarey
<b>Secretary:</b>	Vincent Reynolds
<b>Chief Executive Officer:</b>	Vincent Reynolds
<b>Registered Office:</b>	Cavan Innovation & Technology Centre, Dublin Road, Cavan.
<b>Company Registration Number:</b>	230915
<b>Auditors:</b>	Comptroller and Auditor General, Treasury Building, Dublin Castle, Dublin 2.
<b>Bankers:</b>	Bank of Ireland, Main Street, Cavan.
<b>Solicitors:</b>	Dunne Ryan & Co., Athbara House, Cavan.

## **The Cavan County Enterprise Board Ltd.**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006**

County and City Enterprise Boards (CEBs) were established in 1993 by the Minister for Enterprise, Trade and Employment with the key task of maximising employment opportunities at local level. In accordance with government policy, and with effect from 1<sup>st</sup> January 2000, the local support and development function for small businesses has been centralised in the CEBs. Their activities are funded by the Irish Government and the European Union under the National Development Plan 2000 – 2006 (Local Enterprise Sub-Programme – Micro-Enterprise Sub-Measure). Following a Mid-Term Review, the specific objectives of the Sub-Measure are to:-

- maximise the employment and value added potential of micro-enterprises;
- contribute to national competitiveness;
- reduce dependence on traditional or declining economic sectors;
- support greater participation of the unemployed and women in the promotion and development of enterprises;
- support employment opportunities in less developed and remote areas so as to achieve balanced regional development.

Financial assistance is provided on a selective basis towards the establishment and development of micro-enterprises participating in appropriate capability development programmes.

#### **Highlights of the Year**

During 2006, the Board engaged in a wide range of enterprise and economic initiatives, many of which were implemented on a partnership basis in collaboration with Cavan County Council and other development agencies, including on a cross-border basis.

- **Selective Financial Assistance**

Financial assistance is provided on a selective basis towards the establishment and development of micro-enterprises participating in appropriate capability development programmes. A proportion of the financial assistance (currently 28%) is in repayable form.

During 2006, CCEB committed €462,800 to 28 projects. Payments issued during the year amounted to €278,541.

From its inception in 1993 to the end of 2006, a total of €6,327,269 has been allocated to 452 projects.

#### **Entrepreneurial and Capability Development**

- **Enterprise Awareness/Culture**

CCEB has primary responsibility for the promotion of enterprise awareness and the development of an enterprise culture in the county. This is achieved through a range of initiatives including public advertising, management of a business information service, seminars, start your own business training and enterprise education programmes. In 2006, CCEB organised its second Student Enterprise Day with over 150 students

## **The Cavan County Enterprise Board Ltd.**

attending a one day programme on entrepreneurship. A total of 83 students (representing four second-level schools) also participated in the Student Enterprise Awards Programme.

- **Business Development**

CCEB provides ongoing support to small businesses in the county through the provision of information, advice, mentoring, signposting to relevant agencies and management programmes.

In 2006, 34 training programmes were facilitated addressing small business needs relating to ICT, Health & Safety and capability development. Training programmes directed at increasing the use of information technology, in particular computerised accounts, as well as developing comprehensive programmes to increase female entrepreneurship, comprised a significant feature of the activities. 306 participants completing the various programmes during the year. Focus was maintained on improving management skills to increase competitiveness and innovation in client companies.

- **Tradelinks Programme**

The ‘Tradelinks’ Programme, which is a joint initiative of the border CEBs and Enterprise Northern Ireland, comprises a suite of business support measures aimed at addressing barriers to trade by providing a framework for co-ordinated mentoring and networking opportunities to support micro enterprises based in Northern Ireland and the six border counties.

Funding for the ‘Tradelinks’ programme was secured in 2004 from the EU Programme Interreg IIIA, the International Fund for Ireland (IFI), Invest Northern Ireland and the border County Enterprise Boards. The programme runs from July 2004 to March 2007. The total programme funding is €4.9 million (stg. £3.7m).

Cavan CEB has been the lead regional co-ordinator for the ‘Tradelinks’ programme for the Central Border East area. By the end of 2006, 37 Cavan companies had received mentoring under the programme. In September an exhibition of the best of micro-enterprise sector in Northern Ireland and the border counties involved in the programme was hosted in Cavan, which was attended by 148 companies.

- **Microtrade Programme**

Microtrade is a programme developed by *Intertrade*Ireland in conjunction with the County and City Enterprise Boards and Enterprise Northern Ireland. The aim of the programme is to encourage and facilitate micro-enterprises throughout the island of Ireland to engage in cross-border trade. A number of Cavan companies participated in the ‘Main event’ in April, an all-island networking event aimed at providing opportunities to small business to meet large buyer organisations.

- **West Cavan/West Fermanagh Regeneration Project**

## **The Cavan County Enterprise Board Ltd.**

During 2006 Cavan CEB in partnership with Fermanagh University Partnership Board secured funding from Border Action (Peace II) under the programme for Peace and Reconciliation towards the appointment of a Special Projects Officer to assist in addressing the economic and enterprise development needs of West Cavan , including Swanlinbar, Blacklion, Bawnboy and Dowra and the adjoining areas of West Fermanagh. The initiative includes the delivery of an enterprise action programme devised for the area including training, mentoring, and the development of village economic profiles

- **315° Food Programme**

The 315° Food Programme offers food companies from Donegal, Sligo, Leitrim and Cavan access to subsidised specialised training and business mentoring relevant to the food industry. Funding has been secured from the IFI, the EU Special Support Programme for Peace & Reconciliation, Skillnets and FAS.

During 2006, CCEB continued to work in conjunction with the Enterprise Boards in Sligo, Donegal and Leitrim to support the enhancement of the food industry sector in the North West.

- **Enterprise Centres**

Cavan CEB continues to support and facilitate CCEF and local community organisations in the development of enterprise centres throughout the county. The most recent development at Blacklion, which was completed in 2006, was generously supported by Border Action (formerly ADM/CPA) under the EU Special Support Programme for Peace and Reconciliation, is designed with maximum flexibility to accommodate a wide range of enterprises, including food production.

During 2006 funding part funding was also secured from Enterprise Ireland and the International Fund for Ireland towards a new high specification office type enterprise centre in Cootehill.

- **Other Funding Initiatives**

Throughout 2006 Cavan CEB continued to work in conjunction with partners on a cross border basis. Two key examples were the ‘Calin’ programme and the ‘Create’ programme.

The Calin programme was run in conjunction with Larne Enterprise Development Company, and received funding from Border action under the EU PEACE II programme. Its focus was on running a skills development programme aimed at supporting women in enterprise.

The CREATE programme is a partnership between Castlereagh Enterprises Ltd, Glenwood Business Centre as well as Louth and Cavan Enterprise boards. It is a Cross Border programme designed to give individuals the opportunity to fully explore and develop their employment and self-employment potential within the creative industry sector on the Island of Ireland

- **General Economic Development**

## **The Cavan County Enterprise Board Ltd.**

Since its inception, CCEB has played a proactive and pivotal role in promoting the overall economic development of the county. This is achieved through ongoing and intensive collaboration with Cavan County Council, coupled with involvement in many other development bodies, such as, the International Fund for Ireland, the EU Special Support Programme for Peace and Reconciliation (Cavan Task Force), Cavan Monaghan Rural Development Co-Operative Society Ltd., and Cavan Partnership Company Ltd.. CCEB wishes to thank all of these organisations for their continued support.

- **Cavan County Enterprise Fund**

During the financial year ended 31<sup>st</sup> December, 2006, CCEF issued €236,100 in loan finance to small businesses in the county. This company was established in 1988 with the support of the IFI.

- **Cavan Innovation & Technology Centre**

Cavan Innovation & Technology Centre (CITC), which is a joint initiative of Cavan County Enterprise Board and Cavan County Enterprise Fund, has been developed as part of a cross-border programme to support local, regional and national agencies in stimulating an environment conducive to innovation, entrepreneurship and inward investment in the Cavan/Fermanagh region. CITC has also been approved as a distance learning/outreach centre for the central border area. The Centre comprises reception / exhibition / display areas, administration offices, innovation office / laboratories, a training facility, conference room and lecture theatre and is equipped with the most up to date information and communications technology (ICT), including audio visual equipment.

CITC brings a whole new dimension to the range of support services available to new and existing businesses in Cavan and the Central Border Area generally. As an Outreach and Distance Learning Facility, CITC has partnered with a number of Ireland's leading academic institutions to improve access to third level education, particularly for the business community.

CITC also delivers short-term corporate training and development programmes in areas such as computing, languages and science. All CCEB training is now delivered in the CITC. This facilitates enhanced management of training programmes and ensures that a high quality learning environment is available.

- **Cavan County Development Board**

CCEB is fully committed to supporting the activities of the County Development Board (CDB). The CEO is Chairman of the CDB's Economic Development Implementation Group.

### **Tourism Marketing Initiative**

During 2006 a new tourism officer was appointed. A wide range of initiatives were undertaken throughout the year including the following:

- **Website development**

## **The Cavan County Enterprise Board Ltd.**

The Cavan Tourism Website [www.cavantourism.ie](http://www.cavantourism.ie) was redeveloped with many new features added, such as a scrolling festivals and events section on the homepage which is updated daily, new photography, updated information on towns, restaurant section, updated angling and activities information.

- **Guides/Publications**

A new events guide and restaurant guide for the County was also produced in 2006. A Town & County Map was produced by Condor Publishing with assistance from Cavan Tourism. The information on the map was updated and new photography added.

- **Erne Waterway Golf Championship**

This years three day golf event attracted 50 teams (close to 200 players). The courses played were Slieve Russell, Enniskillen and Castle Hume. A very successful presentation night was held in Castle Hume on the final night of the competition. The promotion and administration for the Erne Waterway is managed under the Cavan County Tourism Marketing Initiative.

- **Six Nations Angling Tournament**

Cavan Tourism supported the 6 Nations Angling Tournament which took place on several waters in the Belturbet, Butlersbridge and Killeshandra area in June 06. Anglers of international standard from 6 countries participated and had a very successful week.

- **Development of the Bréifne Erne Waterway**

Cavan Tourism supported the publication of a document proposing the extension of navigable waterway from Belturbet to Killykeen Forest Park and out to Killeshandra. The document was received well and a delegation from Cavan County Council and Cavan Tourism met with Minister Eamon O Cuiv and Brendan Smith in Dáil Eireann.

- **Bréifne (Mountain Region)**

This unique tourism project which received funding of €1,456,167 from the Special EU Programmes Body, aims to create a new tourism product for a region which is economically disadvantaged. The local authorities of Cavan, Fermanagh, Leitrim, Roscommon and Sligo together with the Geological Survey of Ireland and the Geological Survey of Northern Ireland have developed this major initiative, focusing on the geology, culture, and heritage of the region. The CEO of the County Enterprise Board is the Chairman of the Board of Bréifne.

A range of marketing tools including the production of a travel guide, a 30 minute broadcast documentary, a new look regional website, a range of interpretative signage and the creation of unique database of the region's history, geology, culture and heritage have been completed. In November last, the new travel guide was officially launched by the Minister for Communications, Marine, & Natural Resources, Mr. Noel Dempsey, T.D.

### **Results**

Details of the accounting results for the year are set out in the accounts and in the related notes on pages 15 to 24.

### **Post Balance Sheet Events**

## **The Cavan County Enterprise Board Ltd.**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial period ended 31 December 2006.

### **Future Developments**

Overall, there will be an increasing emphasis on the development of enterprise awareness and an enterprise culture, with a particular focus on second-level school students; the provision of mentoring programmes for entrepreneurs and the development and delivery of dedicated training in core management skills to owner managers and key staff. The use of information technology and e-commerce as a key business tool will be strongly promoted. In all of its activities, the job creation potential, commerciality and sustainability of enterprises being developed and supported will be central to both policy formulation and individual project consideration.

Supporting greater female participation in enterprise is a key objective of the Board. Specially tailored programmes are being devised to address the particular impediments affecting women entrepreneurs, including the delivery of appropriate start your own business and management development programmes.

Cavan Innovation & Technology Centre (CITC) provides the county with a unique resource capable of contributing significantly to the efforts of the agencies to promote Cavan as an investment location. CITC is also proactive in forging cross-border partnerships and supporting academic institutions and private organisations on both sides of the border, in rolling out a wide range of sectoral training initiatives.

CCEB will continue to adopt a selective approach in the award of financial assistance, with an increasing focus on enterprises demonstrating future potential to expand and become international trading entities. Companies serving identified niche markets in the local, regional or national economy will also continue to be supported, provided there is no evidence of deadweight or displacement.

Whilst the board accept the need for an increased focus on refundability, CCEB firmly believes that there is an ongoing need for non-repayable cash grants to support the start-up and development of micro-enterprises in County Cavan. The position is exacerbated by the lack of inward investment and consequent dependence on indigenous enterprises.

### **Health and Safety**

The well being of the Board's employees is safeguarded by reference to the requirements of the Safety, Health and Welfare at Work Act, 1989 & 2005.

### **Auditors**

## **The Cavan County Enterprise Board Ltd.**

The Comptroller and Auditor General is responsible for the audit of the Board in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993.

### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure for that year. In preparing those financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection of fraud and other irregularities.

### **Books of Account**

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act 1990, the company engages the services of a firm of qualified accountants and maintains appropriate accounting systems. The books of account are located at the company's registered office.

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**Chairman**

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**Director**

## **The Cavan County Enterprise Board Ltd.**

### **STATEMENT ON INTERNAL FINANCIAL CONTROLS**

**Year ended 31<sup>st</sup> December 2006**

#### **Responsibility for system of Internal Financial Control**

On behalf of the Board of Directors of Cavan County Enterprise Board Ltd. I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated. The Board also acknowledges that the system must reflect the limited human resources available to it and the relatively low level of funding at its disposal.

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.

#### **Key Control Procedures**

The Board has taken steps to ensure an appropriate control environment by adherence to the accounting procedures manual, and clearly defining management responsibilities.

#### **Business Risks**

The Board has in situ an Evaluation Committee to fully assess and evaluate each application and to make appropriate recommendations in each case presented. Any administrative risks are minimised through strict adherence to the procedures manual.

#### **System of Control**

The system of internal financial control is in compliance with the Manual of Accounting Procedures as supplied by the Department of Enterprise, Trade, and Employment. This system is based on a framework of regular management information, administrative procedures including segregation of duties (taking account of our staffing level), and a system of delegation and accountability. In particular it includes:

- A budgeting system with an annual budget which is reviewed by the Board of Directors after receipt of same from the Department.
- regular reviews by the Board of Directors of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines as per the manual of accounting practice;

Cavan County Enterprise Board Ltd. engages the services of an external accountancy practice to review the accounting procedures in place and to assess compliance with the accounting procedures manual and standard accounting practice. This internal audit analysis also seeks to identify any control risks that may be evident and make recommendations where appropriate.

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 sub-committee of the Board, and the executive managers within Cavan County Enterprise Board Ltd. who have responsibility for the development and maintenance of the financial control framework, and

**The Cavan County Enterprise Board Ltd.**

comments made by the Comptroller and Auditor General in his management letter or other reports.

**Annual Review of Controls**

I can confirm that the Board has conducted a review of the effectiveness of the system of Internal Financial Control in relation to the activities of 2006. .

Signed on behalf of the Board

**Chief Executive Officer** \_\_\_\_\_

**Date**





# The Cavan County Enterprise Board Ltd.

## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of Accounting

The Financial Statements have been prepared under the accruals method of accounting, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become operative.

### 2. Fixed Assets and Depreciation

Fixed Assets are stated at their historical cost or valuation less accumulated depreciation.

Depreciation is charged to the income and expenditure account, on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for estimated residual value, over their expected useful lives.

Furniture	12½ %
Office Equipment	20%

### 3. Oireachtas Grants

Oireachtas Grants are accounted for on an accruals basis.

### 4. Grants Payable

Grants are accrued in the financial statements when the grantees have complied with stipulated conditions.

### 5. Salaries

The salary costs of management staff specifically assigned to Entrepreneurial and Capability Development and Tourism Marketing have been charged to those headings in the Income and Expenditure Account.

### 6. Capital Account

The Capital Account represents the unamortised value of income used for capital purposes.

### 7. Deferred Income

Refundable Aid may take the form of repayable grants or investments in Preference or Ordinary Shares. Amounts received, inclusive of any interest or gains, may be used to make further payments under Measure 1. As refunds depend on the performance of the enterprises, they are taken into account only when received. Recognition of such receipts as income is deferred pending their reallocation as Measure 1 expenditure.

## The Cavan County Enterprise Board Ltd.

### Income and Expenditure Account For the year ended 31 December 2006

	Notes	2006 €	2005 €
<b>Income</b>			
Oireachtas Grants	1	897,322	796,420
Refundable Aid		40,306	-
International Fund for Ireland	11	6,160	9,296
<b>Tourism Marketing Initiative</b>			
Tourism Marketing Executive	12(a)	70,676	70,887
Tourism Marketing Campaign	12(b)	63,932	60,301
Swanlinbar Project	13	-	21,872
CBMEP – Tradelinks	14	139,212	50,170
Other Income		21,760	16,792
Special Initiatives	15	35,067	3,499
West Cavan/West Fermanagh Economic Regeneration Initiative	16	5,628	-
		1,280,063	1,029,237
Transfer (to) / from Capital Account	6	(11,922)	(526)
<b>Total</b>		1,268,141	1,028,711
<b>Expenditure</b>			
Selective Financial Assistance Entrepreneurial and Capability Development	2	278,541	222,547
Administration	4	381,712	370,159
International Fund for Ireland	11	6,160	9,296
<b>Tourism Marketing Initiative</b>			
Tourism Marketing Executive	12(a)	70,676	70,887
Tourism Marketing Campaign	12(b)	63,932	60,301
Swanlinbar Project	13	-	21,872
CBMEP - Tradelinks	14	139,212	50,170
Special Initiatives	15	35,067	3,499
West Cavan/West Fermanagh Economic Regeneration Initiative	16	5,628	-
<b>Total</b>		1,268,141	1,028,711
<b>Surplus/(Deficit) for Year</b>		-	-

*The Board had no gains and losses in the financial year or the preceding financial year other than those dealt with in the Income and Expenditure Account. The statement of accounting policies together with notes 1 to 18 form part of these financial statements*

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Chairman

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Director

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Chief Executive Officer

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## The Cavan County Enterprise Board Ltd.

### Balance Sheet as at 31 December 2006

	Notes	2006 €	2005 €
<b>Fixed Assets</b>			
Tangible Assets	5	30,295	18,373
<b>Current Assets</b>			
Debtors		2,324	2,149
Swanlinbar Project	13	-	3,222
Bank and Cash		377,625	373,670
		379,949	379,041
<b>Current Liabilities</b>			
Oireachtas grants paid in advance		9,582	42,456
Creditors and Accruals		39,035	20,095
IFI	11	30,454	36,614
Tourism Marketing Campaign	12(b)	20,954	26,062
Tourism Marketing Initiative	12(a)	25,117	4,638
CBMEP – Tradelinks	14	33,480	86,355
Special Initiatives		11,321	8,724
West Cavan/West Fermanagh Economic Regeneration Initiative	16	18,173	-
Deferred Income	3(b)	191,833	154,097
		379,949	379,041
<b>Net Current Assets</b>		-	-
<b>Net Assets</b>		30,295	18,373
<b>Financed by:</b>			
<b>Capital Account</b>	6	30,295	18,373
Income and Expenditure Account		-	-
		30,295	18,373

*The statement of accounting policies together with notes 1 to 18 form part of these financial statements*

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Chairman

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer

# The Cavan County Enterprise Board Ltd.

## Notes to Financial Statements

### 1. Funding and Expenditure of the Board

#### Local Enterprise

Section 10 (2) of the Industrial Development Act, 1995 provides for payment of grants by the Minister for Enterprise, Trade and Employment to the Board. Expenditure by the Board is applied on measures under the Local Enterprise Development Sub-Programme of the Border, Midlands and West Regional Operational Programme 2000-2006.

The measures are as follows:

Measure 1 – Selective Financial Intervention

Measure 2 – Entrepreneurial and Capability Development

### 2. Selective Financial Assistance

The Board makes an offer of grant assistance which, if accepted, remains valid as a commitment of the Board for a specified period or in the circumstances specified on approval. Such offers are decommitted when the offer period has expired or the circumstances alter. In 2001, the Department sanctioned the provision of financial assistance in the form of refundable aid or equity. Funding provided by the Department for payment of selective financial assistance in 2006 was €248,812 (€10,000 of which was reallocated to the entrepreneurial & capability development measure). A total of €40,000 was also disbursed from the Refundable Aid Account. The outstanding commitments of the Board at 31 December 2006 arose as follows:-

	Grants €	Repayable Grant Aid €	Total €
Grant Commitments at 1 January 2006	174,202	69,066	243,268
Grant Approvals During 2006	326,800	136,000	462,800
	<u>501,002</u>	<u>205,066</u>	<u>706,068</u>
Grants Decommited			
- 2006 Approvals	(67,252)	(32,603)	(99,855)
- Pre 2006 Approvals	(37,501)	(6,948)	(44,449)
	<u>396,249</u>	<u>165,515</u>	<u>561,764</u>
Grant Expenditure	<u>191,644</u>	<u>86,897</u>	<u>278,541</u>
Grant Commitments at 31 December	<u>204,605</u>	<u>78,618</u>	<u>283,223</u>

Expenditure of €278,541 comprises Capital Grants €232,197, Employment Grants €37,500 and Feasibility Study Grants €8,844.

The Department has issued instructions to CEBs that all outstanding commitments should be decommitted after one year. The Department however, sanction time extensions in exceptional circumstances. Outstanding commitments at 31 December 2006 were entered into as follows:

	€
Prior to 31 December 2005	66,743
After 1 January 2006	216,480
	<u>283,223</u>

## The Cavan County Enterprise Board Ltd.

### 3(a). Refundable Grant Aid

	2006	2005
	€	€
Balance 1 January	121,774	136,460
Issued during 2006	86,897	63,307
Capital Repaid in 2006	(75,572)	(71,304)
Balance 31 December	133,099	121,774
Due within 12 months	71,610	67,798
Due after 12 months	61,489	53,976
	133,099	121,774

As repayment is dependent on the performance of these enterprises, the amount outstanding is not included as an asset on the balance sheet. Repayments received are taken into account on a cash basis. Such receipts may be used by the Enterprise Board to fund further grants. The Board reviews balances due and when it considers that repayment is unlikely the Board will decide to write off that amount. No amounts were written off in 2006.

### 3(b). Reallocation of Refundable Aid Receipts

	2006	2005
	€	€
Balance of Refundable Aid receipts at 1 January	154,097	79,449
Measure 1 payments advanced from Deferred Income	(40,000)	-
Refundable Aid payments: Receipts overpaid	(1,074)	-
Bank Charges	(306)	-
Refundable Aid receipts: Repayments	75,572	71,304
Interest/Dividends	3,544	3,344
Balance of Refundable Aid receipts on hand at 31 December	191,833	154,097

### 4. Administration Costs

	2006	2005
	€	€
Salaries	282,664	270,081
Travel Expenses	28,736	29,099
Accommodation and Overheads	24,629	24,843
Office Expenses	15,465	19,997
Audit Fees	5,900	5,900
Professional Fees	8,842	6,821
Insurance	4,669	4,641
Depreciation	10,807	8,777
	381,712	370,159

CEB staff, in addition to management and delivery of core activities under Measure 1 & 2, also provide an information, advisory, and development support role, as part of the Board's First Stop Shop Service. Cavan County Enterprise Board also provides administration services to the County Enterprise Fund. The Board charges no fees for these services.

## The Cavan County Enterprise Board Ltd.

### 5. Fixed Assets

	Furniture €	Equipment €	Total €
<b>Cost/Valuation</b>			
Balance at 1 January 2006	2,234	106,756	108,990
Additions in Year	4,335	18,394	22,729
Balance at 31 December 2006	<u>6,569</u>	<u>125,150</u>	<u>131,719</u>
<b>Accumulated Depreciation</b>			
Balance at 1 January 2006	1,187	89,430	90,617
Charge for Year	691	10,116	10,807
Balance at 31 December 2006	<u>1,878</u>	<u>99,546</u>	<u>101,424</u>
<b>Net Book Value at 31 December 2006</b>	<u>4,691</u>	<u>25,604</u>	<u>30,295</u>
<b>Net Book Value at 31 December 2005</b>	<u>1,047</u>	<u>17,326</u>	<u>18,373</u>

### 6. Capital Account

	2006 €	2005 €
Balance at 1 January	18,373	17,847
Transfer from Income and Expenditure Account:		
Funds allocated to acquire fixed assets	22,729	9,303
Amount amortised in line with asset depreciations	(10,807)	(8,777)
Balance at 31 December	<u>30,295</u>	<u>18,373</u>

### 7. Taxation

No provision has been made for taxation in the financial statements.

### 8. Employees and Remuneration

Remuneration costs of the executive of the Board amounted to a total of €343,268 (2005 €324,911) which have been charged in the Income & Expenditure Account as follows:

	2006 €	2005 €
Administration	282,664	270,081
Salaries - Tourism Marketing Executive Project	60,604	54,830
	<u>343,268</u>	<u>324,911</u>

The average number of staff during the period was 5. All staff are employed on a secondment or contract basis. The Chief Executive Officer is seconded from the Department of Enterprise, Trade and Employment. One other employee is seconded from Cavan County Council.

## The Cavan County Enterprise Board Ltd.

### 9. Superannuation

The Board does not operate Superannuation schemes. The salary of one seconded staff member from Cavan County Council and employed during the year includes an element of superannuation.

The salary of the CEO is paid direct by the Department of Enterprise, Trade and Employment and includes an element of superannuation.

### 10. Board Members - Disclosure of Transactions

In the following case the Board wishes to record that the Board members listed below, who were associated with the relevant projects through membership connections, did not participate or play any part in the consideration of the projects by the Board:-

- (a) Cavan County Enterprise Fund (project ref: 2006/08) which was approved for grant aid assistance of €40,000 (of which €14,000 was refundable) at Board meeting dated 3<sup>rd</sup> May 2006 – Messrs. Jack Keyes, Vincent Reynolds and Ray McDwyer absented themselves from this part of the meeting.
- (b) Bailieborough Development Association (project ref: 2006/16) which was approved for grant aid assistance of €20,000 (of which €7,000 was refundable) at Board meeting dated 14<sup>th</sup> June 2006 – Mr. Jim Maguire absented himself from this part of the meeting.

### 11. International Fund for Ireland (IFI)

The Board has entered into a strategic alliance with the IFI to provide a range of supports to new and expanding enterprises in the micro-business sector. The objectives of the programme have been identified and categorised under sub-programmes as follows:

- Management Development
- Marketing
- Network/Linkages
- Administration Support
- Training Initiatives

	2006		2005	
	€	€	€	€
Balance at 1 January		36,614		45,910
<b>Received during year:</b>		-		-
		36,614		45,910
<b>Amounts applied:</b>				
- Management Development		-		-
- Network/Linkages Training Initiatives	(6,216)		(8,000)	
- (Bank Charges) / Interest	56		(26)	
- Golf Classic			(635)	
- Leader Project			(635)	
- Administration Support		-		-
		(6,160)		(9,296)
Balance at 31 December		30,454		36,614

## The Cavan County Enterprise Board Ltd.

### 12. Tourism Marketing Initiative

In 1998, the Board entered into a joint initiative with the Cavan County Tourism Committee to secure the appointment of a Tourism Marketing Executive for County Cavan.

The initiative is administered by Cavan County Enterprise Board.

	2006		2005	
<b>12(a) Tourism Marketing Executive</b>	€	€	€	€
Balance at 1 January		4,638		7,673
<b>Received during year:</b>				
Cavan County Council	10,000		-	
Task Force	81,155		67,852	
Other	-	91,155	-	67,852
		<u>95,793</u>		<u>75,525</u>
<b>Amounts Applied:</b>				
Salaries	(60,604)		(54,830)	
Office Expenses	(5,470)		(9,946)	
Travel & Subsistence	(4,545)		(5,950)	
Miscellaneous	(57)		(161)	
		<u>(70,676)</u>		<u>(70,887)</u>
Balance at 31 December		<u>25,117</u>		<u>4,638</u>

	2006		2005	
<b>12(b) Tourism Marketing Campaign</b>	€	€	€	€
Balance at 1 January		26,062		37,587
<b>Received during year:</b>				
Local Authority Contribution	-		10,000	
Task Force	39,805		5,401	
Trade Contributions	1,870		11,570	
Leader Project	-		635	
Golf Classic Entry Fees	14,950		635	
Other	2,199	58,824	20,535	48,776
		<u>84,886</u>		<u>86,363</u>
<b>Amounts Applied:</b>				
Marketing	(45,460)		(36,505)	
Golf Classic	(18,472)	(63,932)	(23,796)	(60,301)
Balance at 31 December		<u>20,954</u>		<u>26,062</u>

## The Cavan County Enterprise Board Ltd.

### 13. Fostering an Enterprise Culture in Swanlinbar

In 2004, the Board secured funding from Border Action (formerly ADM/CPA) for this programme. The programme was administered by Cavan County Enterprise Board.

	2006		2005	
	€	€	€	€
Balance at 1 January		(3,222)		(2,056)
<b>Received during year:</b>				
Border Action (formerly ADM/CPA)	3,222	3,222	20,706	20,706
		-		18,650
<b>Amounts Applied:</b>				
Mentoring/Training	-		(12,945)	
Evaluation Costs	-		(1,500)	
Other	-	-	(7,427)	(21,872)
Balance at 31 December		-		(3,222)

### 14. Cross-Border Micro-Enterprise Programme (Tradelinks)

During 2004, the Board entered into a joint initiative with Donegal, Sligo, Leitrim, Monaghan and Louth CEBs and Enterprise Northern Ireland, to develop a suite of business support measures aimed at micro enterprises based in Northern Ireland and areas covered by the participating CEB's. Funding for the 'Tradelinks' programme was secured from Interreg, the International Fund for Ireland, Invest Northern Ireland and the County Enterprise Boards as above.

The Cavan element of this programme is administered by Cavan County Enterprise Board.

	2006		2005	
	€	€	€	€
Balance at 1 January		86,355		12,150
<b>Received during year:</b>				
Co-ordination & Management Fees	13,229		21,950	
Client Joining-up Fee	1,500		6,600	
Mentoring Fees	70,446		64,427	
Entrée Fees	300		22,537	
Other	862	86,337	8,860	124,374
		172,692		136,524
<b>Amounts Applied:</b>				
Mentoring Charges / Training	(75,968)		(35,795)	
Bank Charges	(32)		(43)	
PSWT	(13,919)		(6,092)	
Networking Events	(620)		(755)	
Advertising	(1,226)		(855)	
Management Fee	(37,593)		-	
Other	(9,854)	(139,212)	(6,629)	(50,169)

## The Cavan County Enterprise Board Ltd.

Balance at 31 December	33,480	86,355
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### 15. Special Initiatives

The Board engages in a number of programmes and activities which are not funded by its core budget under Measure 1 and Measure 2. These include the following:-

#### **Co-operation Works III Programme**

A programme entitled “Co-operation Works” which was a joint initiative with Banbridge District Enterprises Ltd. aimed at developing the e-commerce capability of small companies. Co-operation Ireland provided core funding.

#### **Creative Ambition Programme**

The Creative Ambition Programme was run in conjunction with Omagh Enterprise Company and Leitrim CEB, and was aimed at building a network of creative sector enterprises in the region.

#### **315 Food Initiative**

A food sector initiative called “315 Foods” run in co-operation with the County Enterprise Boards of Donegal, Sligo and Leitrim focused on providing specialist training and support to small food companies. Funding secured from the International Fund for Ireland, the EU Special Programme for Peace and Reconciliation, Skillsnet and FÁS.

#### **ADEP Project**

The ADEP project (with BMW Assembly as Lead Partner in Ireland) is an Interreg IIIIC project (Regional Framework Operation Programme) with inter-regional partners from France (LP), Finland, Poland and Ireland. This exchange project aims to identify / analyse and learn from best practice models for the provision of training / development supports for enterprise and their resultant application in different regions.

	2006		2005	
	€	€	€	€
Balance at 1 January		8,724		-
<b>Received during year:</b>				
Co-operation Works III Programme	71		2,925	
Creative Ambition Programme	-		2,503	
315 Food Initiative	-		6,795	
Tradelinks Management Fee	37,593	37,664	-	12,223
		46,388	-	12,223
<b>Amounts Applied:</b>				
Co-operation Works III Programme	-		(3,480)	
Bank Charges	(4)		(19)	
ADEP Project	(35,063)	(35,067)	-	(3,499)
Balance at 31 December		11,321	(3,480)	8,724

## The Cavan County Enterprise Board Ltd.

### 16. West Cavan / West Fermanagh Economic Regeneration Initiative

A joint initiative between Cavan County Enterprise Board and Fermanagh University Partnership Board funded by Border Action (Peace II) under the Programme for Peace and Reconciliation. The project revolves around the appointment of a Special Projects Officer to assist in addressing the economic and enterprise development needs of West Cavan and areas of West Fermanagh.

	2006		2005	
	€	€	€	€
Balance at 1 January		-		-
<b>Received during year:</b>				
Border Action (formerly ADM/CPA)	23,801	23,801	-	-
		23,801		-
<b>Amounts Applied:</b>				
Recruitment Costs	(2,029)		-	
Travel & Subsistence	(2,385)		-	
Running Costs	(1,203)		-	
Bank Charges	(11)	(5,628)	-	-
Balance at 31 December		18,173		-

### 17. Cavan County Enterprise Fund

The Board provides the secretarial and day to day administration for the Cavan County Enterprise Fund.

### 18. Approval of Financial Statements

The Financial Statements were approved by the directors on 3<sup>rd</sup> August 2007.