



Report & Financial Statements

For the year ended 31st December 2007

Cavan County Enterprise Board is funded by the Irish Government and part-financed by the European Union under the National Development Plan, 2007 - 2013.



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union



EUROPEAN UNION
STRUCTURAL FUNDS

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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

The Cavan County Enterprise Board Ltd.

CHAIRMAN'S REVIEW FOR YEAR ENDED 31st DECEMBER, 2007

It is a pleasure for me to review the activities of our Board during 2007.

The past year was one of strategic importance in the ongoing development of the County Enterprise Board (CEB) Network with the establishment of the Central Co-ordination Unit (CCU) within Enterprise Ireland to support the work of the CEBs. 2007 also marked the rollout of the National Development Plan 2007-2013 which provides resources to underpin the CEBs during this period.

In a border area context, 2007 was also pivotal in that foundations were laid for delivery of the EU Interreg IVA and Peace II programmes. Cavan CEB was highly proactive, in collaboration with Cavan County Council, in the preparation and development of the Irish Central Border Area Network (ICBAN) Multi-annual Strategy which was submitted to the Special EU Programmes Body under Interreg IVA. The CEB will also have a significant involvement in the delivery of Peace III through the local authority led Task Force. This level of engagement and positive interaction between agencies in County Cavan has been the hallmark of our combined achievement in recent years.

A measure of the success of Cavan CEB was highlighted by the success of Crannagh & Co., Belturbet in becoming the overall winner of the 2007 National Enterprise Awards. 2007 was the tenth anniversary of these awards and Cavan has the proud distinction of having the outright winner on two occasions and runner-up on two occasions also. Crannagh & Co. provide clear evidence that, with the right promoters, it is indeed possible to run a highly successful and innovative internationally-traded service company from a regional location. We need to build on this success into the future.

Despite the limited budget, Cavan CEB performed admirably on its core mission during the year. Under the heading of 'promoting enterprise awareness' and 'developing an enterprise culture', almost 600 students from second level schools in the county attended two major events held in February and October. Separately, up to 250 people participated in 36 different training programmes ranging from Start Your Own Business to ICT, Health & Safety and capability development. A total of €439,850 was also committed in financial assistance to 28 projects widely distributed throughout the county.

Cavan Innovation & Technology Centre (CITC), which was developed by Cavan CEB in conjunction with Cavan County Enterprise Fund, continues to build on its strong performance in previous years. CITC is fast becoming a key provider of leading edge, relevant and often custom designed education and training programmes to managers and key employees in businesses located in Cavan and the wider region. Strategic alliances are being forged with key players in the 3rd level sector and by the year end CITC had successfully secured €420,000 Skillnets funding to deliver a variety of FETAC accredited courses across the border counties.

Our CEB continues its proactive role in promoting cross-border initiatives. One of the most significant and successful is the West Cavan / West Fermanagh Economic Development Initiative managed by Ms. Eilish McLaughlin, Special Projects Officer. Funding secured for this initiative from Border Action under the EU Peace II Programme has enabled the CEB to

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focus on the special enterprise and economic development needs of the West Cavan area. An independent evaluation of this initiative has catalogued the significant progress achieved to date. The challenge now is to secure continuation funding to enable this essential work to proceed.

Tourism offers a significant challenge as well as a real opportunity for the future. Considerable progress is being achieved, both in terms of product and infrastructure development, as well as marketing. The Breifne and County Tourism initiatives (in which the CEB is a partner) are both making steady progress in overcoming infrastructural deficiencies and creating new product offerings. One of the most exciting, which was developed by Breifne, is the proposal to expand the Marble Arch European Geopark into areas of County Cavan. Significant progress has been achieved on this potentially iconic project and I look forward to further positive news in 2008.

Cavan CEB is deeply involved in the work of the Economic Sub-Committee of Cavan County Development Board. Significant progress has been achieved in harnessing the collective resources of the various state agencies with a view towards developing appropriate strategies and programmes to address deficiencies in the economic infrastructure and promote Cavan as an attractive investment location.

Cavan is heavily dependent on the indigenous sector for growth and job creation. We still lack an infusion of technology-based enterprises. Efforts to attract foreign direct investment continue. Cavan CEB and Cavan County Council will strongly support national agencies in this work and I look forward to progress on this front during 2008.

We are supported in our work by a vast array of departments and agencies. I wish to mention, in particular, the Local Enterprise Section, Department of Enterprise, Trade & Employment, as well as the various state agencies at national, regional and local level. A key strength is the exceptionally strong working relationships with all local agencies. We are a significant beneficiary of support from Enterprise Ireland and FÁS, as well as the Special EU Programmes Body and its intermediaries, such as ICBAN. Sincere gratitude to all.

In conclusion, a special thanks is due to my fellow directors, members of the Evaluation Committee and our dedicated and loyal staff. I wish Michael Byrne, FÁS, who was a highly respected member of the Board, a very happy retirement.

SIGNED:

Jack Keyes
Chairman

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**CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31st DECEMBER 2007**

Building foundations for the future are pivotal in the success of any organisation. The year 2007 was particularly significant in this respect. It marked the end of the 2000-2006 era, and the emergence of a new National Development Plan covering the period 2007-2013, coupled with the planning and development of the EU Interreg IVA and Peace III programmes which will shape the range of cross-border initiatives to be available over the next six to seven years. The CEB was particularly active on planning for Interreg IVA and we look forward to the rollout of the many initiatives agreed.

The development of flexible and affordable workspace throughout the county to accommodate the needs of emerging micro/small enterprises is a key objective of our Board. I am delighted to report that plans were advanced during the year for a high specification 1,600 sq. metre office-type enterprise centre at Drumman, Cootehill on a business park being developed by Cavan County Council. Planning permission was sought in December 2007 and it is planned to commence construction in July 2008. Funding of €310,000 was also secured from Enterprise Ireland under their 2007 Community Enterprise Centre Scheme towards expansion of the Killeshandra Enterprise Centre, as well as upgrading works at the Blacklion Centre.

Cavan CEB were particularly pleased to organise and host a major national conference in March 2007 on the theme of "Innovation & Competitiveness". The conference, which was attended by over 400 delegates, and with Sean Quinn as keynote speaker, was a resounding success.

The development and delivery of cross-border partnership programmes constitute a significant element of our work programme. In addition to the successful West Cavan / West Fermanagh Economic Regeneration initiative, the Tradelinks and Microtrade programmes, as well as Breifne project all have a key CEB involvement. Our CEB also participates in the management of the InterTrade Ireland ACUMEN programme which promotes trade development amongst SMEs on an all-island basis.

As detailed in the Chairman's Review and Directors' Report, tourism development and promotion is still at a relatively embryonic stage of development, particularly having regard to current market trends and deficiencies in the products offerings. A lot has been achieved over the past couple of years in redressing infrastructural deficits and expanding the product base. Examples of developments completed include the major expansion at Cavan Equestrian Centre, in addition to the opening of the Radisson Hotel & Wellness Centre on the Farnham Estate. Considerable progress is also being recorded in advancing plans for a cross-border Geopark with Fermanagh.

Our dependence on the indigenous sector makes it imperative that no effort is spared to support, encourage and give due recognition to our local entrepreneurs, upon whom, we are so reliant. In many instances, this requires a considerable degree of inter-agency collaboration. Our new working relationship with Enterprise Ireland offers considerable potential and it behoves all of us to ensure that this opportunity is grasped to the fullest degree possible.

In concluding, I wish to sincerely thank the Chairman, members of the Board and Evaluation Committee for their support, encouragement and guidance throughout the year. I also wish to

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say a word of gratitude 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 word of thanks to the elected members and executive of Cavan County Council for their fullsome co-operation throughout the year. Finally, I want to say a special thank you to all members of our loyal staff, who often contribute well beyond the call of duty.

SIGNED:

Vincent Reynolds
Chief Executive Officer

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**Financial Statements
Year Ended 31st December 2007**

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BOARD MEMBERSHIP AND GENERAL INFORMATION

Board Members:	Jack Keyes (Chairman) Raymond McDwyer (Vice-Chairman) Rosemary Sexton Michael Byrne (<i>resigned 28th November 2007</i>) Thomas Cassidy Jim Maguire Clifford Kelly Carmel Lynch Kathleen Richey Jimmy Stafford Paul McLoone Peter McVitty Freddie Kettle Michael McCarey
Secretary:	Vincent Reynolds
Chief Executive Officer:	Vincent Reynolds
Registered Office:	Cavan Innovation & Technology Centre, Dublin Road, Cavan.
Company Registration Number:	230915
Auditors:	Comptroller and Auditor General, Treasury Building, Dublin Castle, Dublin 2.
Bankers:	Bank of Ireland, Main Street, Cavan.
Solicitors:	Dunne Ryan & Co., Athbara House, Cavan.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

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 1st 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 2007 – 2013. Key specific objectives include:-

- to maximise the employment and value added potential of micro-enterprises;
- to contribute to national competitiveness;
- to reduce dependence on traditional or declining economic sectors;
- to support greater participation of the unemployed and women in the promotion and development of enterprises;
- to 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 2007, Cavan County Enterprise Board (CCEB) 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 at a minimum of 30%) is in repayable form.

During 2007, CCEB committed €426,850 in financial assistance to 28 projects. Payments issued during the year amounted to €326,688.

From its inception in 1993 to the end of 2007, a total of €6,767,119 has been allocated to 480 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 2007, CCEB organised two Student Enterprise Days with over 190 students attending a

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one day programme on entrepreneurship in February and over 400 attending another enterprise awareness event in October. A total of six second-level schools also participated in the Student Enterprise Awards Programme. One of our winners, Loreto College subsequently went on to clinch third place in their category at the national finals.

- **Business Development**

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

In 2007, 36 different 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. 249 participants completed 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 ran from July 2004 to March 2007. The total programme funding was €4.9 million.

Cavan CEB has been the lead regional co-ordinator for the ‘Tradelinks’ programme for the Central Border East area. By the end of the programme, 37 Cavan companies had received mentoring under the programme. Funding has now been sought for phase 2 of this programme which, if successful, will commence in the second half of 2008.

- **Tech-Check Programme**

The ‘Tech-Check Programme’ was rolled out nationally in 2007. It followed from a recommendation in the report of the Small business Forum which recommended that ICT Audits be offered to SME’s as a means of promoting greater utilisation of information and computing technologies. The County and City Enterprise Boards throughout the country were charged with the design and delivery of the programme, which consists of approximately one day of ICT mentoring carried out by a specially appointed Tech-Check advisor. Cavan CEB carried out 22 Tech-Checks during the year.

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- **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 various events and seminars held throughout the year, including a networking event focused on the engineering sector held in Monaghan last September.

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

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 progressed during 2007 and included the delivery of an enterprise action programme specifically devised for the area including training, mentoring, and the development of village economic profiles.

- **Enterprise Centres**

Cavan CEB continues to support and facilitate Cavan County Enterprise Fund (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.

Funding has also been secured from Enterprise Ireland and the International Fund for Ireland towards a new high specification office type enterprise centre in Cootehill. The new centre was designed in 2007. Planning permission was sought in December 2007.

- **Other Funding Initiatives**

Throughout 2007, Cavan CEB continued to work in conjunction with partners on a cross border basis. One key example was the 'Calin' 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.

- **Innovation & Competitiveness Conference**

In March of this year, Cavan CEB hosted a major national conference on the theme of 'Innovation & Competitiveness' with key-note speaker Sean Quinn. Over 400 delegates attended the event. This event formed the final phase of the Board's participation (in conjunction with the BMW Regional Assembly) in a highly successful EU ADEP Programme.

- **National Enterprise Awards – Cavan Winner**

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In November, the winners of the Cavan county enterprise award went on to win the national competition. The success represented a magnificent achievement for Crannagh & Co., from Belturbet, and a great achievement for County Cavan.

- **General Economic Development**

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 31st December 2007, CCEF issued €233,500 in loan finance to small businesses in the county. CCEF also secured €310,000 towards expansion of Killeshandra Enterprise Centre and upgrading of the Blacklion Centre. 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, was 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 is also an approved 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. The majority of 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.

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Tourism Marketing Initiative

A wide range of initiatives were undertaken throughout the year including the following:

- **Website development**
The Cavan Tourism Website 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 2007. 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 Ministers Eamon O’Cuiv and Brendan Smith to discuss the proposal.
- **Bréifne (Mountain Region)**
This unique tourism project which received funding of €374,000 in 2006 from the Special EU Programmes Body (towards rolling out a marketing plan), 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. .

Results

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Details of the accounting results for the year are set out in the accounts and in the related notes on pages 17 to 24.

Post Balance Sheet Events

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 2007.

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. Innovation in all its forms will be promoted extensively so as to increase competitiveness in client companies.

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.

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Auditors

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, Directors required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed subject to any material departures 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising 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 prevention and detection of fraud and other irregularities.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at the company's registered office.

In the employment of accounting personnel, the directors will consider whether such personnel:

- are suitably qualified,
- have the knowledge and experience needed to understand the business and how its particular circumstances impact the books of account,
- and are able, without undue difficulty to ascertain at all times the financial position and results of the company

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Chairman

Director

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STATEMENT ON INTERNAL FINANCIAL CONTROLS

Year ended 31st December 2007

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

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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 2007.

Signed on behalf of the Board

Chairman _____

Date

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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.

Oireachtas Grant Income was provided by the Department of Enterprise, Trade, and Employment up to 11 September 2007. After that date Oireachtas Grants are provided by Enterprise Ireland on behalf of the Minister for Enterprise, Trade, and Employment.

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.

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Income and Expenditure Account For the year ended 31 December 2007

	Notes	2007 €	2006 €
Income			
Oireachtas Grants	1	1,045,507	897,322
Refundable Aid		58,975	40,306
International Fund for Ireland	11	20,284	6,160
Tourism Marketing Initiative			
Tourism Marketing Executive	12(a)	108,321	70,676
Tourism Marketing Campaign	12(b)	74,814	63,932
CBMEP – Tradelinks	13	37,399	139,212
Other Income		24,114	21,760
Special Initiatives	14	71,863	35,067
West Cavan/West Fermanagh Economic Regeneration Initiative	15	116,961	5,628
		1,558,238	1,280,063
Transfer (to) / from Capital Account	6	5,053	(11,922)
Total		1,563,291	1,268,141
Expenditure			
Selective Financial Assistance	2	326,689	278,541
Entrepreneurial and Capability Development		386,082	287,213
Administration & First Stop Shop	4	420,878	381,712
International Fund for Ireland	11	20,284	6,160
Tourism Marketing Initiative			
Tourism Marketing Executive	12(a)	108,321	70,676
Tourism Marketing Campaign	12(b)	74,814	63,932
CBMEP – Tradelinks	13	37,399	139,212
Special Initiatives	14	71,863	35,067
West Cavan/West Fermanagh Economic Regeneration Initiative	15	116,961	5,628
		1,563,291	1,268,141
Surplus/(Deficit) for Year		-	-

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 17 form part of these financial statements

Chairman

Director

Chief Executive Officer

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Balance Sheet as at 31 December 2007

	Notes	2007 €	2006 €
Fixed Assets			
Tangible Assets	5	25,242	30,295
		<u>25,242</u>	<u>30,295</u>
Current Assets			
Debtors		83,727	2,324
Bank and Cash		350,531	377,625
		<u>434,258</u>	<u>379,949</u>
		<u>434,258</u>	<u>379,949</u>
Current Liabilities			
Oireachtas grants paid in advance		9,606	9,582
Creditors and Accruals		61,150	39,035
IFI	11	10,170	30,454
Tourism Marketing Campaign	12(b)	16,320	20,954
Tourism Marketing Initiative	12(a)	3,489	25,117
CBMEP – Tradelinks	13	53,140	33,480
Special Initiatives	14	48,619	11,321
West Cavan/West Fermanagh Economic Regeneration Initiative	15	33,895	18,173
Deferred Income	3(b)	197,869	191,833
		<u>434,258</u>	<u>379,949</u>
		<u>434,258</u>	<u>379,949</u>
Net Current Assets		-	-
Net Assets		<u>25,242</u>	<u>30,295</u>
		<u>25,242</u>	<u>30,295</u>
Financed by:			
Capital Account	6	25,242	30,295
Income and Expenditure Account		-	-
		<u>25,242</u>	<u>30,295</u>
		<u>25,242</u>	<u>30,295</u>

The statement of accounting policies together with notes 1 to 17 form part of these financial statements

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.

Under Statutory Instrument No. 655 of 2006, Enterprise Ireland pays grants on behalf of the Minister. Expenditure by the Board is applied on measures under the Local Enterprise Sub-Programme, Innovation and the Knowledge Economy Priority, of the Border Midland and Western Regional Operational Programme 2007-2013.

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 2007 was €297,369 (€30,000 of which was reallocated to the entrepreneurial & capability development measure). A total of €58,957 was also disbursed from the Refundable Aid Account. The outstanding commitments of the Board at 31 December 2007 arose as follows:-

	Grants €	Repayable Grant Aid €	Total €
Grant Commitments at 1 January 2007	204,605	78,618	283,223
Grant Approvals During 2007	307,850	132,000	439,850
	<u>512,455</u>	<u>210,618</u>	<u>723,073</u>
Grants Decommited			
- 2007 Approvals	9,000	4,000	13,000
- Pre 2007 Approvals	53,167	17,833	71,000
	<u>62,167</u>	<u>21,833</u>	<u>84,000</u>
Grant Expenditure	<u>216,339</u>	<u>110,350</u>	<u>326,689</u>
Grant Commitments at 31 December	<u>233,949</u>	<u>78,435</u>	<u>312,385</u>

Expenditure of €326,689 comprises Capital Grants €298,939, Employment Grants €21,750, and Feasibility Study Grants €6,000.

The Department has issued instructions to County Enterprise Boards that all outstanding commitments should be decommitted after one year. The Department however, sanctions time extensions in exceptional circumstances. Outstanding commitments at 31 December 2007 were entered into as follows:

	€
Prior to 31 December 2006	57,969
After 1 January 2007	254,416
	<u>312,385</u>

The Cavan County Enterprise Board Ltd.

3(a). Refundable Grant Aid

	2007	2006
	€	€
Balance 1 January	133,099	121,774
Issued during 2007	110,350	86,897
Capital Repaid in 2007	(62,585)	(75,572)
Balance 31 December	180,864	133,099
Due within 12 months	95,806	71,610
Due after 12 months	85,058	61,489
	180,864	133,099

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 2007.

3(b). Reallocation of Refundable Aid Receipts

	2007	2006
	€	€
Balance of Refundable Aid receipts at 1 January	191,833	154,097
Measure 1 payments advanced from Deferred Income	(58,957)	(40,000)
Refundable Aid payments: Receipts overpaid	(509)	(1,074)
Bank Charges	(18)	(306)
Refundable Aid receipts: Repayments	62,585	75,572
Interest/Dividends	2,935	3,544
Balance of Refundable Aid receipts on hand at 31 December	197,869	191,833

4. Administration & First Stop Shop Service Costs

	2007	2006
	€	€
Salaries	287,218	282,664
Travel Expenses	28,164	28,736
Accommodation and Overheads	25,572	24,629
Office Expenses	39,236	15,465
Audit Fees	7,150	5,900
Professional Fees	16,854	8,842
Insurance	4,517	4,669
Depreciation	12,167	10,807
	420,878	381,712

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 €
Cost/Valuation			
Balance at 1 January 2007	6,569	125,150	131,719
Additions in Year	840	6,274	7,114
Balance at 31 December 2007	<u>7,409</u>	<u>131,424</u>	<u>138,833</u>
Accumulated Depreciation			
Balance at 1 January 2007	1,878	99,546	101,424
Charge for Year	796	11,371	12,167
Balance at 31 December 2007	<u>2,674</u>	<u>110,917</u>	<u>113,591</u>
Net Book Value at 31 December 2007	<u>4,735</u>	<u>20,507</u>	<u>25,242</u>
Net Book Value at 31 December 2006	<u>4,691</u>	<u>25,604</u>	<u>30,295</u>

6. Capital Account

	2007 €		2006 €
Balance at 1 January	30,295		18,373
Transfer (to)/from Income and Expenditure Account:			
Funds allocated to acquire fixed assets	7,114	22,729	
Amount amortised in line with asset depreciations	(12,167)	(5,053) (10,807)	11,922
Balance at 31 December	<u>25,242</u>		<u>30,295</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 €362,135 (2006 - €343,835) which have been charged in the Income & Expenditure Account as follows:

	2007 €	2006 €
Administration	287,218	282,664
Salaries - Tourism Marketing Executive Project	74,917	61,171
	<u>362,135</u>	<u>343,835</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. Two other employees are 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

The Board wishes to record that there were no instances of Board members having association with any projects considered for financial assistance by the board during the year.

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

	2007		2006	
	€	€	€	€
Balance at 1 January		30,454		36,614
Received during year:		<u>-</u>		<u>-</u>
		30,454		36,614
Amounts applied:				
- Network/Linkages Training Initiatives	(3,700)		(6,216)	
- (Bank Charges) / Interest	113		56	
- ADEP Project	(16,697)		-	
		<u>(20,284)</u>		<u>(6,160)</u>
Balance at 31 December		<u>10,170</u>		<u>30,454</u>

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.

	2007		2006	
12(a) Tourism Marketing Executive	€	€	€	€
Balance at 1 January		25,117		4,638
Received during year:				
Cavan County Council	10,000		10,000	
Task Force	66,693		81,155	
Contribution re Accommodation Guide	10,000	86,693	-	91,155
		<u>111,810</u>		<u>95,793</u>
Amounts Applied:				
Salaries	(93,612)		(60,604)	
Office Expenses	(7,755)		(5,470)	
Travel & Subsistence	(6,844)		(4,545)	
Miscellaneous	(110)		(57)	
		<u>(108,321)</u>		<u>(70,676)</u>
Balance at 31 December		<u>3,489</u>		<u>25,117</u>

	2007		2006	
12(b) Tourism Marketing Campaign	€	€	€	€
Balance at 1 January		20,954		26,062
Received during year:				
Task Force	50,661		39,805	
Trade Contributions	3,677		1,870	
Golf Classic Entry Fees	12,843		14,950	
Other	3,000	70,181	2,199	58,824
		<u>91,135</u>		<u>84,886</u>
Amounts Applied:				
Marketing	(56,330)		(45,460)	
Golf Classic	(18,485)	(74,815)	(18,472)	(63,932)
Balance at 31 December		<u>16,320</u>		<u>20,954</u>

The Cavan County Enterprise Board Ltd.

13. Cross-Border Micro-Enterprise Programme (Tradelinks)

During 2004, the Board entered into a joint initiative with Donegal, Sligo, Leitrim, Monaghan and Louth County Enterprise Boards 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 County Enterprise Boards. 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.

	2007		2006	
	€	€	€	€
Balance at 1 January		33,480		86,355
Received during year:				
Co-ordination & Management Fees	6,777		13,229	
Client Joining-up Fee	-		1,500	
Mentoring Fees / Management Fees	48,325		70,446	
Entrée Fees	1,957		300	
Other	-	57,059	862	86,337
		90,539		172,692
Amounts Applied:				
Mentoring Charges / Training	(17,906)		(75,968)	
Bank Charges	(9)		(32)	
PSWT	(990)		(13,919)	
Networking Events	-		(620)	
Advertising	-		(1,226)	
Other	(3,357)		(9,854)	
Management Fee	(13,937)		(37,593)	
Fees refunded	(1,200)	(37,399)	-	(139,212)
Balance at 31 December		53,140		33,480

The Cavan County Enterprise Board Ltd.

14. 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.

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.

Calin Programme

A cross border business skills development programme between Larne Enterprise agency (LEDCOM) and Cavan County Enterprise Board, aimed at helping female entrepreneurs grow their business and develop cross-border and European trade opportunities.

Microtrade Engineering Event

Cavan County Enterprise Board in conjunction with Longford County Enterprise Board, Dungannon Enterprise Centre and Cavan Innovation & Technology Centre Ltd., as part of the microtrade programme, hosted an event in September entitled “overcoming the competitiveness challenge” aimed specifically at the engineering sector.

	2007		2006	
	€	€	€	€
Balance at 1 January		11,321		8,724
Received during year:				
Co-operation Works III Programme	-		71	
ADEP Project	79,284		-	
Calin Programme	180		-	
Tradelinks Management Fee	29,697	109,161	37,593	37,664
		120,482		46,388
Amounts Applied:				
Bank Charges	(36)		(4)	
ADEP Project	(33,391)		(35,063)	
West Cavan Project	(20,000)		-	
Microtrade Engineering Event	(14,339)		-	
Other	(4,097)	(71,863)	-	(35,067)
Balance at 31 December		48,619		11,321

The Cavan County Enterprise Board Ltd.

15. 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.

	2007		2006	
	€	€	€	€
Balance at 1 January		18,173		-
Received during year:				
CCEB Funding	20,000		-	
Border Action (formerly ADM/CPA)	112,683	132,683	23,801	23,801
		150,856		23,801
Amounts Applied:				
Recruitment Costs	-		(2,029)	
Travel & Subsistence	(6,749)		(2,385)	
Running Costs	(5,295)		(1,203)	
Special Project Officer Salary	(54,163)		-	
Programme Costs	(34,035)		-	
Rent and Rates	(10,008)		-	
Marketing and Publicity	(6,656)		-	
Bank Charges	(55)	(116,961)	(11)	(5,628)
Balance at 31 December		33,895		18,173

16. Cavan County Enterprise Fund

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

17. Approval of Financial Statements

The Financial Statements were approved by the directors on 28th February, 2008.