



**Sligo County
Enterprise Board**

*Sligo County Enterprise Board Ltd.
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Annual Report 2008



Ireland's EU Structural Funds
Programmes 2 007 - 2 013

Co-funded by the Irish Government
and the European Union



**EUROPEAN REGIONAL
DEVELOPMENT FUND**

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Chairperson's Report

It is with great pleasure that as Chairman of Sligo County Enterprise Board, I present the Review of 2008 activities, the second Annual Review under the National Development Plan 2007-2013.

Under Priority Axis 1: Innovation, ICT and the Knowledge Economy of the Border, Midland and Western Regional Operational Programme 2007-2013, the activities of the Board were delivered under two principal headings, Selective Financial Interventions (Measure 1) and Entrepreneurial & Capability Development (Measure 2). Details of the Board's activities under these two measures can be found in the body of this review.

Similar to the preceding years of the National Development Plan, 2008 was a busy and successful year for Sligo County Enterprise Board. The year also witnessed the beginning of an era of greater economic uncertainty for Sligo and the country as a whole. It is my sincere hope that the work of the County Enterprise Board in Sligo continues to be recognised by the Government and that they remain as committed to the development of the micro-business sector as has been the case hitherto. The micro-business sector provides significant employment in Co. Sligo, as it does across the country, and it is imperative that Sligo County Enterprise Board continues to receive the resources it needs in order to facilitate micro-business establishment, sustainability and expansion in the difficult period ahead.

I would like to extend my gratitude to both the Staff and Directors of the Board for their hard work during 2008. Special thanks are also due to the members of our Evaluation Committee who have given extensively of their time and commitment in consideration of each project submitted for assistance.

I would also like to take this opportunity to record my personal gratitude to all of the other agencies who have worked closely with the Board in the promotion of enterprise and employment creation in Co. Sligo.

Declan Lavin
Chairperson

Report of the Chief Executive Officer

The Board received ERDF and exchequer funding under the National Development Plan, 2007 – 2013 for direct financial assistance in the form of grant-aid, refundable grant aid and equity as well as funding for entrepreneurial development including training, mentoring and advice. A special allocation was received in respect of the *Tech Check Programme*, under which businesses are facilitated to examine their ICT systems and to receive recommendations from professionals for improvements. The Board also worked closely with agencies such as Border Action and the Special EU Programmes Body and appreciates the assistance they provided throughout the year.

By the end of 2008 around 802 full-time and 377 part-time jobs were in existence that had been assisted through direct financial assistance from the Board. These figures do not take into account additional jobs that were sustained and created through the numerous training, mentoring and other support mechanisms operated by the Board or through various cross-border programmes with which it is involved.

The Board continued to work closely with other Boards on some regional issues. In particular, this Board continued to work with Leitrim Enterprise Board on the Business Transition Programme, funded under the Programme for Peace and Reconciliation. Under that programme, local businesses in Sligo and Leitrim were assisted, both directly and by liaising with Omagh College and Sligo Institute of Technology for the provision of student research on behalf of businesses in both areas. The programme also involved running cross-border business events including a “*Meet the Buyer*” event held in Enniskillen and attended by 120 businesses. Regrettably, this programme concluded during the year and it is unlikely that the Board will qualify for further funding under the new round of Peace funding.

The Board continued to implement a cross-border “Women in Business” programme, also funded through the Programme for Peace and Reconciliation until August (when funding ceased) and continued on a local basis with core funding from the Board’s own resources for the remainder of the year. The funding made available through the Programme for Peace and Reconciliation has been invaluable in furthering enterprise among women in the County over the years and in promoting cross-border linkages. Unfortunately such funding will no longer be available.

The Board also continued to be involved with the MicroTrade Programme, which involves the introduction of clients of all Boards with clients of Local Enterprise Agencies in order to network and do business.

The Board participated in seeking additional funding through a joint application for a further Tradelinks Programme, involving all six Boards adjacent to the Border and all Local Enterprise Agencies in the North. If the application is successful, it is envisaged that a further programme will involve all twelve counties adjacent to the border in a range of interventions involving the enhancement of our businesses, enhanced cross-border trade, innovation and exporting.

The Board continued its work on proposals developed for the new round of Interreg funding which was anticipated to come on stream in 2008 and, in particular, worked closely with colleagues within the ICBAN Region. Unfortunately, funding did not materialise during 2008 but proposals in which this Board are involved appear to have a strong chance of success.

I am glad to report that a public sector pension scheme for staff was introduced during the year. Its introduction, following considerable negotiations, will help provide equivalent terms and conditions for staff as their other public sector colleagues.

The Board continued to play a full role in various working groups and in co-operating and co-ordinating with other agencies. These include Enterprise Ireland, FÁS, Sligo County Development Board, Sligo County Council, the Sligo Leader Partnership Company, Sligo County Enterprise Fund, the Sligo Institute of Technology and, of course, the Department of Enterprise, Trade and Employment. That Department channels funding to Boards, via a support unit for Boards established in Enterprise Ireland, and determines the policies under which they operate. Most importantly, the Board continued to use its best endeavours to meet the needs of its clients, both existing and new and, inter alia, participated in meetings and other events involving community groups, various schools, third level institutions, etc.

Regrettably, the deteriorating economic position impacted upon our clients during the year, particularly in the latter half of the year. The Board has responded with a number of programmes geared towards assisting our clients through the economic downturn. I envisage that demand for such programmes, as well as for mentoring assistance, will increased over the coming period. Furthermore, through the Network of County and City Enterprise Boards, a comprehensive re-vamp of Boards' existing financial instruments was proposed and has been submitted through the appropriate channels for consideration.

Finally, I record my thanks to the Chairman and members of Sligo County Enterprise Board, its Evaluation Committee and staff of the Board for their support and encouragement during 2008.

John Reilly
Chief Executive Officer

Customer Charter

The objective of the Sligo County Enterprise Board is to discharge the duties and functions entrusted to it by the Minister for Enterprise, Trade and Employment and in accordance with the Operating Agreement signed between the County Enterprise Board and the Minister for Enterprise, Trade and Employment in an efficient and professional manner.

The County Enterprise Board is governed by the "Code of Practice for the Governance of State Bodies" which ensures that CEB customers and the public in general are afforded an excellent service, decisions are made fairly without bias, CEB staff observe the highest standard of business ethics and ensure no actions of the CEB staff, shall ever weaken the public's faith in the integrity of the CEB.

This Code applies to Directors of the Board, Evaluation Committee members and employees of the Board. When you are dealing with the Board, staff will seek to ensure that you are fully informed of all services and supports and that you are facilitated in gaining proper access to these services and supports.

Courtesy and Helpfulness

You can expect that in all your contacts and dealings with the County Enterprise Board to be:

- at all times dealt with by the staff in a courteous and helpful manner;
- given the name of the staff member with whom you are dealing;
- directed to the appropriate staff member dealing with your enquiry.

Information

You can expect that in all your contacts and dealings with the County Enterprise Board to be given full and accurate information in simple language in relation to any query you may raise.

Efficiency

You can expect that in all your contacts and dealings with the County Enterprise Board to have your query dealt with in a speedy and efficient manner, while recognising the need to keep to the minimum any cost which you might necessarily have to incur.

Privacy and Confidentiality

You can expect that in all your contacts and dealings with the County Enterprise Board to have all information, both personal and business, provided by you dealt with in total confidence.

Redress

You can expect that in all your contacts and dealings with the County Enterprise Board that any legitimate complaint regarding:

- the improper administration of the functions entrusted to this Board; or
- the manner in which an enquiry was processed

will be dealt with speedily and sympathetically and in accordance with the Board's Client Care and Complaints Procedures. These procedures are without prejudice to an individual's normal rights in law or to any independent review systems that might be put in place.

Administration and Structure of the Board

Background

Sligo County Enterprise Board was established in 1993 by the then Minister for Enterprise and Employment with the aim of filling a gap, which had become apparent in the support services for local enterprises.

The Board is part of a nation-wide network of County and City Enterprise Boards. The role of the Board is to provide support for small business promoters in the form of grant assistance, development of company management skills, provision of advice, training, mentoring, counselling and other information, as well as the development of an enterprise culture in the County.

Sligo County Enterprise Board works in close association with Sligo County Council and the Corporation of Sligo as well as statutory and local development agencies in focusing attention on the economic potential and infrastructure of County Sligo. Each County Enterprise Board represents a partnership between local business, voluntary groups, the social partners (including business and trade union bodies), the State agencies and local elected representatives.

The County Enterprise Initiative complements programmes such as LEADER and the Area Partnership Companies working in designated disadvantaged areas. It is built around co-ordinated action to help small business overcome their structural weaknesses.

Sligo County Enterprise Board is located at the Sligo Development Centre, a single point of contact for local development.

Function

The role of the Board is to provide support for small business promoters in the form of grant assistance, development of company management skills, provision of advice, training, mentoring, counselling and other information, as well as the development of an enterprise culture in the County.

Board Staff

The following comprised the staff of Sligo CEB during 2008:

Chief Executive Officer:	John Reilly
Assistant CEO:	Liam Kiely
Business Executive:	Stephen Walshe
Administrator:	Mary Burns
Clerical Officer:	Geraldine Healy (to mid-year)

Board Members

Local Council

Cllr. Albert Higgins	Sligo County Council
Cllr. Jude Devins	Sligo County Council
Cllr. Declan Bree	Sligo County Council
Cllr. Ita Fox	Sligo County Council

State Agencies

Ms. Dorothy Clarke	Director of Community and Enterprise (until June 2008)
Ms. Rita Mc Nulty	Director of Community and Enterprise (from June 2008)
Ms. Carole Brenan	Enterprise Ireland
Mr. Michael McGlynn	FÁS
Ms. Síle Haran	Marketing Sligo Forum

Social Partners

Mr. Michael Farrell	ICOS
Mr. Tom Kenny	IBE C/C IF
Mr. Declan Lavin	IF A/Macra na Feirme
Mr. Francis Brannigan	ICTU

General

Cllr. Gerry Mullaney	Sligo LEADER Partnership Company
Mr. Pdraig Branley	Private Sector

Evaluation Committee

Brian Kelly	NCF Co-Op
Jill Timoney	Bank of Ireland (until November 2008)
Bernard Waldron	Bank of Ireland (from November 2008)
Billy Somerville	Private Sector
Meabh Conaghan	Enterprise Ireland (until April 2008)
Gerard O'Brien	Enterprise Ireland (from April 2008)
Seamus Concannon	Sligo County Council (until June 2008)
Tom Kilfeather	Sligo County Council (from June 2008)
Michael Quigley	Sligo LEADER Partnership Company

Measure 1 – Selective Financial Assistance

Capital Grant

A Capital Grant is a financial contribution towards the cost of purchasing a capital item. Capital Grant assistance may include a portion of refundable aid. The rate is as follows: - 50% of capital investment, with the maximum capital grant available being €75,000.

Employment Grant

An Employment Grant is a financial contribution towards the creation of a new job in a business. The grant is a once-off contribution towards the salary cost of an employee in the first year. Employment Grant assistance may include a portion of refundable aid. The rate is up to €7,500 towards the cost of a new full-time job.

Feasibility Grant

A Feasibility Study/Technical Assistance Grant is a financial contribution towards the cost of investigating the viability of a potential business idea. The rate is as follows: - 60% of the cost of undertaking the study with the maximum grant available being €6,350.

Preference Shares/Equity

The Board may also provide assistance in the form of Preference Shares or Equity investment.

37 grants were approved in 2008 with approvals totalling €485,999 of which €41,649 was allocated as Refundable Aid. Of non-refundable aid, €195,746 was Capital Grant assistance, €101,580 was approved in Employment Grant assistance and €47,024 was approved in Feasibility Study Assistance.

Actual expenditure totalled €348,565 with €143,387 of this Capital assistance, €61,800 Employment assistance, €47,407 in Feasibility Study Assistance and €95,971 Refundable Aid. At year end, the Board had grant commitments of €181,716.

Measure 2 – Entrepreneurial & Capability Development

The Entrepreneurial and Capability Development Measure is designed to provide small businesses with the necessary skills and information to assist them in their development and growth. It also provides for actions that assist in the development of an entrepreneurial culture in the County.

The Board invested a total of €268,310 under its Entrepreneurial and Capability Development Measure in 2008. The activities under this measure include business skills training programmes on a variety of business issues, mentoring and management development interventions, seminars and trade fairs, schools programmes and networking.

Examples of some of the activities undertaken by the Board in 2008 are as follows:

Promoting Enterprise Activities

The Board continues to promote enterprise throughout the County. This was achieved in 2008 by monthly articles and advertisements in local media, radio interviews and advertisements and participation in local informational events.

Student Enterprise Awards

In the 2008 period, over 120 students from 8 second level Schools in Co. Sligo participated in the Sligo County Enterprise Board Student Enterprise Awards Programme. Students from Sligo Grammar School, Corran College, Ballymote and Colaiste Mhuire, Ballymote went on to represent their School and County at Junior (1st Year), Intermediate (2nd & 3rd year) and Senior (4th year and upwards) level respectively in the National Final of the Student Enterprise Awards, which was held in Tullamore in May, 2008.

Business Skills Development Programme

The Business Skills Development Programme consists of a series of training programmes/workshops on a range of topics for both start-up and existing business. Initiatives are run throughout the year and vary in length from 1-day workshops to longer programmes, run over a series of weeks and months.

For aspiring entrepreneurs, the Board ran four ‘Start Your Own Business’ Programmes during 2008, all of which were followed up with a ‘Basic Book-keeping and Taxation Programme’, which shows entrepreneurs how to establish a basic book-keeping system, how to register for Tax and VAT, and what their responsibilities are with regard to the Revenue Commissioners.

The Board also ran a number of Programmes relating to IT. The aim of the ‘SAGE Line 50’ Programme is to ensure that SAGE users are improving their skills in regard to this computerised accounts package, while the ‘Management Information Systems’ Programme ensures that all Businesses which utilise a computerised accounts package are maximising its usefulness to their business. The ‘Website Marketing Optimisation’ programme ensured that participants were getting optimal results from their business websites.

The Board also runs Programmes designed to assist businesses to comply with Legislation. The ‘Safety Statement’ programme assists businesses to develop and implement an up-to-date Safety Statement, while the ‘HR, Recruitment & Good Employment Practices’ programme enables participants to ensure that their H.R. system is fully compliant with current Employment Legislation.

A 'Sales & Marketing' Programme also proved popular. Over the Summer months, the Board organised a series of short Workshops, ranging from a half-day to a full day in duration. These workshops addressed general business skills and included one entitled 'How to get Paid', given by the Institute of Credit Management, a 'Presentation Skills' Workshop, a 'Time Management' Workshop, and a Workshop geared towards generating low-cost publicity for businesses, entitled 'Marketing for Pennies'. The needs of those seeking to innovate within their business were met through the 'Innovate, not Stagnate' workshop and the 'New Product Development' workshop; while those who wished to improve their skills in the area of tendering for business attended the 'Successful Strategic Tendering' workshop.

Over 235 positions on various training programmes were filled during the year.

Seminars

Two major seminars were delivered during the year. A seminal entitled 'Franchising.....all you need to know' was delivered by the Board in association with the Irish Franchise Association, while the area of Corporate Social Responsibility was explored by those who attended the 'CSR4U' seminar, delivered by the Board in association with the Irish Exporters Association. These seminars were attended by almost 60 businesses.

Showcase

During 2008, the Board assisted 5 crafts businesses in attending Showcase, the premier trade fair for the Craft sector in Ireland. The fair represents a major opportunity for craft businesses to promote their products, with buyers from over 30 countries attending. Sligo County Enterprise Board sponsored a stand at the event and a wide variety of craft products were featured including Handmade Jewellery, Ceramics, Pottery and Ironwork. The fair was held in the RDS, Dublin in January 2008.

Mentoring

The Sligo County Enterprise Board Mentor Programme provides businesses and certain community enterprises with one-to-one support to help them achieve specific objectives, exploit particular opportunities and solve problems in their business operations.

The success of the programme stems from its targeted interventions, responsiveness and flexibility. The Board has a panel of Business mentors with both general business expertise and specialist business knowledge in areas directly relevant to businesses. Mentors were assigned to carry out work in a variety of different areas such as business development, sales development, marketing, financial structuring and management, costing & budgeting, e-business development, patent advice and application, human resources development, etc.

During 2008, 46 small businesses in Co. Sligo availed of the Board's Mentoring Programme.

External Training Support/Market Development Support

11 businesses were provided with External Training Support and 8 Businesses were assisted with Market Development Support.

Other Initiatives

‘Tech-Check’

The aim of the national ‘Tech-Check’ Programme was to ensure that businesses are fully exploiting the potential of IT to improve their business performance. Under the programme, 15 local businesses received one-to-one support from a specialist I.T. provider.

Sligo Women in Business Network

The Women in Business Programme had nine meetings during the year. One business conference was held in May, and two workshops were delivered and a newsletter produced. Funding for the network from Border Action under the Peace II programme ceased in August of 2008. The Board approved funding to continue to support the facilitation of the network into 2009. The network encourages the development of entrepreneurship amongst women and promotes business networking and up skilling.

Business Transition Programme

The Business Transition Programme ran from October 2005 until June 2008, with funding received from Border Action under the Peace II Programme. The Programme provided assistance to over 120 businesses in areas such as identification of potential customers/suppliers in the North and South of Ireland and Europe, targeting new and existing customers more effectively, successfully managing mail shots, database generation and research of potential customers needs.

One of the final functions of the Programme involved the organisation of a major Cross Border event in June 2008 which brought together 120 business persons from North and South with a view to increasing trade, joint ventures and other forms of co-operation.

Grants Paid in 2008

Set out below is the list of grants paid by the Board in 2008.

Capital Grants

Grant Recipient	Sector	Amount of Non-Refundable Aid (€)	Amount of Refundable Aid (€)	Total (€)
AOL Engineering Ltd.	Precision Machined Parts Manufacture	14,000	14,000	28,000
DF Pharma	Manufacture of Plastics	1816	0	1816
AMG Garage Doors	Customised Installations Service	6,500		6,500
DBX Communications Ltd.	Audio-Visual Systems	6,678	3,339	10,017
Denise Cassidy	Millinery	734		734
Easkey Precision Ltd.	Precision Engineering	9,072	4,885	13,957
Firefly Ltd.	Orthotics Manufacture	1,591	857	2,448
Gail Wall – The Fairy Cake	Bakery/Confectionery	10,800		10,800
Liquid Gold Ltd.	Online greetings	3,000		3,000
Michael Budd Blacksmith	Blacksmith	3,600		3,600
Moygara Sands Ltd.	Sand Excavation	47,250	27,750	75,000
Phillip Duffy	Windfall recycling	3,613	1,881	5,494
Usher Aviation Ltd.	Aviation Maintenance & Consultancy	8,549	4,604	13,153
Verus Precision Ltd.	Metrology & Moldflow Service Provision	29,784	19,855	49,639

Employment Grants

Grant Recipient	Sector	Amount of Non-Refundable Aid (€)	Amount of Refundable Aid (€)	Total (€)
A.T.S. Ltd.	Automation Expertise Provision	9,800	4,200	14,000
Engineering Documentation Ltd.	Digital Building Services Documentation Provision	10,000	1,250	11,250
Inland Inflatable Service Ltd.	Repairs, Servicing & Customisation of inflatable & semi-rigid boats	11,250		11,250
Just Scan Ltd.	Development & Sale of Electronic Point of Sale Solutions	2,625	1,125	3,750
Lynda Gault Ceramics	Pottery/Ceramics	2,450	1,050	3,500
Noel Johnston - Computerbits	Online sales of Computer Peripherals	3,750		3,750
R & M Solar Energy Ireland Ltd.	Solar Energy Systems	7,500		7,500
Samuel Kress	Timber Products	3,750		3,750
Seatrawl Ltd.	Design & Development of Energy Saving Product	2,500	1,250	3,750
Technical-Ideas.com Ltd.	Development & Sale of Software Product aimed at Healthcare market	2,250	1,500	3,750
Usher Aviation Ltd.	Aviation Maintenance & Consultancy	7,425	3,325	10,750

Feasibility Studies

Grant Recipient	Sector	Amount of Non-Refundable Aid (€)	Amount of Refundable Aid (€)	Total (€)
Ana Faye	Design & Sale of Customised handbags	5,365		5,365
Brian & Lindy O'Hara	Venison Production	4,210		4,210
Epona Biotech Ltd.	Development of Equine Healthcare Products	5,523		5,523
Jason Ruane	Development of Property Management Product	4,905		4,905
Jethro Murphy	Development of online Booking & Review system	5,500		5,500
Liquid Gold Ltd.	Online Greeting Cards	6,350		6,350
Paul Rooney	Development of Modular Hoarding system for Development Sites	6,350		6,350
Robbie Foley	Design of Tools to assist Charities improve financial performance	5,000		5,000
Seatrawl Ltd.	Design & Development of Energy Saving Product	4,204		4,204



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Report and Financial Statements of the Board of Directors in respect of the period 1st January 2008 to 31st December 2008



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
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EUROPEAN REGIONAL
DEVELOPMENT FUND

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BOARD MEMBERSHIP AND GENERAL INFORMATION

Board Members

Local Council

Cllr. Albert Beckett Higgins

Cllr. Jude Devins

Cllr. Declan Bree

Cllr. Ita Fox

Sligo County Council

Sligo County Council

Sligo County Council

Sligo County Council

State Agencies

Ms. Dorothy Clarke (Resigned 04/06/08)

Ms. Rita McNulty (Appointed 04/06/08)

Mr. Michael McGlynn

Ms. Carole Brennan (Appointed 20/02/08)

Ms. Sile Haran

Mr. Paul McLoone (Resigned 28/02/08)

Director of Community and Enterprise

Director of Community and Enterprise

FÁS

Enterprise Ireland

Marketing Sligo Forum

North West Tourism

Social Partners

Mr. Michael Farrell

Mr. Thomas Kenny

Mr. Declan Lavin

Mr. Frank Brannigan

I. C. O. S.

I. B. E. C. / C. I. F.

I. F. A. / Macra na Feirme

I. C. T. U.

General

Cllr. Gerard Mullaney

Mr. Pdraig Branley

Sligo LEADER Partnership Company

Private Sector

Evaluation Committee

Mr. Brian Kelly

Ms. Jill Timoney(resigned 22/09/08)

Mr. Bernard Waldron(Appointed 11/11/08)

Mr. Billy Somerville

Ms. Maeve Conaghan(resigned 20/02/2008)

Mr. Gerry O'Brien(Appointed 20/02/2008)

Mr. Seamus Concannon(Resigned 15/04/2008)

Mr. Tom Kilfeather(Appointed 3/05/2008)

Mr. Michael Quigley

N. C. F. Co-Op

Bank of Ireland

Bank of Ireland

Private Sector

Enterprise Ireland

Enterprise Ireland

Sligo County Council

Sligo County Council

Sligo LEADER Partnership Company

Secretariat

Mr. John Reilly, Chief Executive Officer

Mr. Liam Kiely, Assistant Chief Executive Officer

Mr. Stephen Walshe, Business Executive

Ms. Mary Burns, Clerical Officer

<u>Secretary</u>	<i>John Reilly</i>
<u>Chief Executive Officer</u>	<i>John Reilly</i>
<u>Registered Office</u>	<i>Sligo Development Centre, Cleveragh Road, Sligo.</i>
<u>Company Registration No:</u>	<i>233514</i>
<u>Auditors</u>	<i>Comptroller and Auditor General, Treasury Building, Dublin Castle, Dublin 2.</i>
<u>Bankers</u>	<i>Bank of Ireland, Stephen Street, Sligo.</i>
<u>Solicitors</u>	<i>Hegarty and Armstrong Solicitors, Millennium House, Stephen St., Sligo.</i>

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their annual report and financial statements for the year ended 31 December 2008.

Principal Activity

The Sligo County Enterprise Board Ltd. was established in 1993 and is co-funded by the Government and the European Union under Ireland EU Structural Funds programme 2007-2013.

Grant aid and non-financial support is provided by the Board towards small-scale economic projects that generate new sustainable jobs. The Board also supports the development of an improved economic infrastructure at local level and in this regard works closely with other agencies.

Results and Dividends

The results for the year are set out on pages 11 - 20.

Health and Safety of Employees

It is the policy of the company to ensure the safety, health and welfare of employees by maintaining a safe workplace and system of work. This policy is based on the requirements of employment legislation included in the Safety, Health and Welfare at Work Act, 2005.

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 2008.

Directors

The directors of the company are set out on page 2.

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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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 departures disclosed and explained in 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 engaged the services of a firm of qualified accountants and maintained appropriate accounting systems. The books of account are located at the company's registered office.

Chairman

Director

Statement on the System of Internal Financial Control

Responsibility for system of Internal Financial Control

On behalf of the Board of Directors of Sligo County Enterprise Board Limited I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

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

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

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

- identifying the nature, extent and financial implication of risks facing the body including the extent and categories which it regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the body's ability to manage and mitigate the risks that do occur;
- assessing the costs of operating particular controls relative to the benefit obtained.

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

- comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board of Directors;
- 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;
- formal project management disciplines.

Sligo County Enterprise Board Limited has developed an internal audit function which complies with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of Directors. At least annually, the Internal Auditor provides the board with a

report of internal audit activity. The report includes the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal financial control.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the Audit Committee which oversees the work of the internal auditor, the executive managers within Sligo County Enterprise Board Limited who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

I confirm that the Board conducted a review of the effectiveness of the system of internal financial controls for 2008.

Signed on behalf of the Board

Chairperson

Dated: _____

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%
Equipment	20%

3. **Enterprise Ireland Grants**

Enterprise Ireland 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. **Capital Account**

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

6. **International Fund for Ireland (IFI)**

The Board 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:

- Marketing
- Administration Support
- Training Initiatives

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 enterprise, they are taken into account only when received. Recognition of such receipts as income is deferred pending their reallocation as further Measure 1 expenditure.

8. **Women in Business Initiative**

The Women in Business Initiative is funded under the Area Development Management/Combat Poverty Agency EU Programme for Peace and Reconciliation.

9. **Tradelinks**

Tradelinks is a business development programme designed to assist the micro-enterprise sector across the border counties of Leitrim, Monaghan, Cavan, Louth, Sligo, Donegal and Northern Ireland. Tradelinks is a partnership initiative between Enterprise NI, the network of local Enterprise Agencies, and the Border County Enterprise Boards of Leitrim, Monaghan, Cavan, Louth, Sligo and Donegal and is supported by the EU Interreg IIIA programme for Ireland/Northern Ireland, Invest NI and International Fund for Ireland.

10. **Superannuation and FRS17:Pensions**

Section 10 (4)(g) of The Industrial Development Act 1995 provides that County Enterprise Boards may employ such personnel (including a chief executive officer) in such manner and on such terms as have been approved by the Minister (with the consent of the Minister for Finance) as the Board may think desirable or necessary for the furtherance of its objectives.

The Minister for Enterprise, Trade and Employment, with the consent of the Minister for Finance, approved the introduction of Superannuation and associated Spouses and Children's Superannuation Schemes for the Board. Superannuation Schemes for staff of the Board were introduced in 2008 and pending formal approval, the Minister for Enterprise Trade and Employment, with the consent of the Minister for Finance, has authorised the Board to operate the schemes, based on the Model Superannuation Scheme for Civil Servants, on an administrative basis. The schemes operate on a "pay-as-you-go" basis which means that benefits are not pre-funded through the making of contributions to a separate fund controlled by trustees.

The arrangements involve the payment of employee contributions to Enterprise Ireland and the Department of Enterprise Trade and Employment with the Department of Enterprise, Trade and Employment making funds available to the Board, through Enterprise Ireland, to meet the cost of benefits as they fall due.

The Department is currently considering the possibility of restructuring the schemes to ones which incorporate all of the County Enterprise Boards.

Pending resolution of these uncertainties about the schemes, the Board has not implemented the defined benefit scheme disclosure provisions of FRS17.

Income and Expenditure Account
For the year ended 31st December 2008

	<u>Notes</u>	<u>2008</u> €	<u>2007</u> €
Income			
Enterprise Ireland Grants	1	960,486	1,000,562
International Fund for Ireland	13	-	184
Women in Business	5	40,148	80,100
Tradelinks	6	-	36,770
Repayable Aid	3	58,141	128,394
Other Income		<u>22,525</u>	<u>17,340</u>
		1,081,300	1,263,350
Transfer (to) / from Capital Account	9	<u>2,576</u>	<u>7,021</u>
Total		<u>1,083,876</u>	<u>1,270,371</u>
Expenditure			
Selective Financial Assistance	2	348,565	423,450
Entrepreneurial and Capability Development	4	257,704	290,136
Administration/First Stop Shop	7	437,459	439,731
International Fund for Ireland	13	-	184
Women in Business	5	40,148	80,100
Tradelinks	6	<u>-</u>	<u>36,770</u>
Total		<u>1,083,876</u>	<u>1,270,371</u>
Surplus/ (Deficit) for Year		-	-
		=====	=====

There are no gains or losses in the financial year or the preceding financial year other than those dealt with in the Income and Expenditure Account. The results for the year relate to continuing operations. The statement of accounting policies together with notes 1 to 15 form part of these Financial Statements.

Chairman

Director

Chief Executive Officer

Balance Sheet as at 31st December 2008

	<u>Notes</u>	<u>2008</u> €	<u>2007</u> €
Fixed Assets			
Tangible Assets	8	14,955	17,531
Current Assets			
Enterprise Ireland Grants due		24,030	22,815
Women in Business	5	5,809	31,115
Debtors		2,934	2,908
Bank and Cash		<u>70,927</u>	<u>29,323</u>
		<u>103,700</u>	<u>86,161</u>
Current Liabilities			
International Fund for Ire. Monies - Advance	13	(28,276)	(28,276)
Tradelinks	6	(15,719)	(15,719)
Creditors and accruals		(23,856)	(15,311)
Deferred Income	3	<u>(35,849)</u>	<u>(26,855)</u>
		<u>103,700</u>	<u>86,161</u>
Net Current Assets/ (Liabilities)		_____ -	_____ -
Net Assets		14,955 =====	17,531 =====
Financed by:			
Capital account	9	14,955	17,531
Income and Expenditure account		_____ - 14,955 =====	_____ - 17,531 =====

The statement of accounting policies together with notes 1 to 15 form part of the Financial Statements.

Chairman

Director

Chief Executive Officer

Notes to the 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 Midlands and Western Operational Programme 2007 - 2013.

The measures are as follows: -

Measure 1- Selective Financial Assistance

Measure 2- Entrepreneurial and Capability Development

Notes to the Financial Statements

2. Selective financial assistance

The Board makes offers 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. Funding provided by the Department for the payment of Selective Financial Assistance in 2008 was €290,424. The outstanding commitments of the Board at 31st December 2008 arose as follows:

	<u>Grants</u>	<u>Repayable Grant Aid</u>	<u>Total</u>
	€	€	€
Commitments at 1 st January	73,900	78,613	152,513
Adjustment	<u>50,097</u>	<u>(50,097)</u>	<u>0</u>
	123,997	28,516	152,513
Approvals	<u>344,350</u>	<u>141,649</u>	<u>485,999</u>
	468,347	170,165	638,512
Decommitted			
-Pre 2008 Approvals	(63,093)	(14,127)	(77,220)
-2008 Approvals	<u>(25,330)</u>	<u>(5,681)</u>	<u>(31,011)</u>
	(88,423)	(19,808)	(108,231)
Expenditure	<u>(252,594)</u>	<u>(95,971)</u>	<u>(348,565)</u>
Commitments at 31 st December	<u>127,330</u> =====	54,386 =====	181,716 =====

Expenditure of €348,565 comprises of Capital Grants of €224,158, Employment Grants of €77,000 and Feasibility Grants of €47,407.

Outstanding commitments at 31st December 2008 were entered into as follows:

	<u>€</u>
Prior to 31 st December 2007	-
After 1 st January 2008	181,716

Notes to the Financial Statements

3. Refundable Aid

(a) Investments

The amount invested by way of ordinary and/or preference shares was €0 at 31 December 2008.

No investments were held by the Board at 31st December 2008. €2,833 preference shares were redeemed in 2008.

Company	Type of Investment	<u>2008</u> €	<u>2007</u> €
SL Controls Limited	Preference Share	-	2,833

The Board reviews investments and when it considers that repayment of the investment is unlikely, the Board will decide to write off that amount. No investments were written off in 2008.

(b) Repayable Grant Aid

As repayment is dependant on the performance of the enterprises, the amount outstanding is not included as an asset in the balance sheet. Repayments received are taken to account on a cash basis. Such receipts may be used by the Enterprise Board to fund further grants.

	<u>2008</u> €	<u>2007</u> €
Balance 1 st January	263,809	237,421
Issued in year	95,971	83,827
Repaid in year	<u>(67,135)</u>	<u>(57,439)</u>
Balance 31 st December	<u>292,645</u>	<u>263,809</u>
Due within 12 months	74,365	85,522
Due after 12 months	218,280	178,287

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 2008.

Notes to the Financial Statements

(c) Reallocation of Refundable Aid Receipts

	<u>2008</u> €	<u>2007</u> €
Balance of Refundable Aid receipts at 1 January	26,855	97,810
Refundable Aid payments advanced from Deferred Income	(58,141)	(128,394)
Refundable Aid receipts: Repayments	<u>67,135</u>	<u>57,439</u>
Balance of Refundable Aid receipts on hand at 31 December	<u>35,849</u>	<u>26,855</u>

4. Entrepreneurial and Capability Development

	<u>2008</u> €	<u>2007</u> €
Management Development programmes	0	0
Training	102,662	115,110
Mentoring	85,921	57,077
Enterprise Education	14,898	16,015
Enterprise promotion	17,013	23,181
Other	<u>37,210</u>	<u>78,753</u>
	257,704	290,136

5. Women in Business Initiative

	<u>2008</u> €	<u>2007</u> €
Balance at 1 st January	(31,115)	2,986
Receipts:		
- Advance from Peace and Reconciliation	<u>65,454</u>	<u>45,999</u>
	34,339	48,985
Expenditure on Initiative Actions		
Consulting	(34,500)	(79,477)
Evaluation	(5,020)	-
Administration	<u>(628)</u>	<u>(623)</u>
	(40,148)	(80,100)
Balance at 31 st December	<u>(5,809)</u>	<u>(31,115)</u>

Notes to the Financial Statements

6. Tradelinks

	<u>2008</u>	<u>2007</u>
	€	€
Balance at 1 st January	15,719	(24,536)
Receipts	<u>-</u>	<u>77,025</u>
	15,719	52,489
Expenditure on Initiative Actions		
Consulting	-	(36,770)
Administration	<u>-</u>	<u>-</u>
	-	(36,770)
Balance at 31 st December	<u>15,719</u>	<u>15,719</u>
	=====	=====

7. Administration/First Stop Shop costs

	<u>2008</u>	<u>2007</u>
	€	€
Salaries	313,117	331,819
Travel expenses	18,623	17,404
Accommodation	36,466	36,466
Office expenses	37,697	25,785
C&AG Audit Fees	6,800	6,800
Accountancy fees	10,852	5,324
Insurance	5,830	7,178
Depreciation	8,074	8,955
	<u>437,459</u>	<u>439,731</u>
	=====	=====

Notes to the Financial Statements

8. Fixed assets

	<u>Furniture</u>	<u>Equipment</u>	<u>Total</u>
	€	€	€
<u>Cost/Valuation</u>			
Balance at 1 st January 2008	8,821	88,283	97,104
Additions	169	5,329	5,498
Disposals	—	<u>(12,455)</u>	<u>(12,455)</u>
Balance at 31 st December 2008	8,990	81,157	90,147
	=====	=====	=====
<u>Accumulated Depreciation</u>			
Balance at 1 st January 2008	5,881	73,692	79,573
Charge for year	529	7,545	<u>(12,455)</u>
Disposals	—	<u>(12,455)</u>	75,192
Balance at 31 st December 2008	6,410	68,782	75,192
	=====	=====	=====
Net Book Value at 31 st December 2008	<u>2,580</u>	<u>12,375</u>	
Net Book Value at 1 st January 2008	<u>2,940</u>	<u>14,591</u>	<u>17,531</u>

9. Capital Account

	<u>2008</u>	<u>2007</u>
	€	€
Balance at 1 st January	17,531	24,552
Transfer (to)/from Income and Expenditure a/c		
Funds allocated to acquire fixed assets	5,498	1,934
Amount amortised in line with asset depreciation	<u>(8,074)</u>	<u>(8,955)</u>
	<u>(2,576)</u>	<u>(7,021)</u>
Balance at 31 st December	14,955	17,531
	=====	=====

Notes to the Financial Statements

10. Taxation

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

11. Employees and remuneration

Remuneration costs of the Board amounted to a total of €313,117 which has been charged in the Income and Expenditure account as follows:

	<u>2008</u> €	<u>2007</u> €
Administration	313,117 =====	331,819 =====

The average number of staff during the period was four. The CEO was on secondment from the Department of Enterprise, Trade and Employment to 30th September, 2008. One of the staff is on secondment from Sligo County Council while the other two remaining staff were originally engaged in the private sector. Although all remuneration costs are reported as administration, County Enterprise Board employees provide an ongoing advisory and development support role to small enterprises.

12. Superannuation

The Department of Enterprise, Trade and Employment approved the introduction of Superannuation Schemes and associated Spouses' and Children's Superannuation Schemes, by each County and City Enterprise Board to commence on 2nd April, 2008. All employees of the Board were offered the option to join the scheme on that date. Three qualifying staff opted to join this scheme. The reimbursement of salary costs of one seconded officer to the Council includes an element in respect of superannuation.

Notes to the Financial Statements

13. International Fund for Ireland (IFI)

	<u>2008</u>	<u>2007</u>
	€	€
Balance at 1 st January	28,276	27,620
Receipts:		
- Programme receipts	-	-
- Fees / Interest	<u>-</u>	<u>840</u>
	<u>28,276</u>	<u>28,460</u>
Amounts applied:		
- Training Initiatives	-	-
- E-Commerce	-	-
-Administration Support	-	(184)
- Food Programme	<u>-</u>	<u>-</u>
	-	(184)
Balance at 31 st December	28,276	28,276
	=====	=====

14. Board Members' Interests

The Board adopted procedures in accordance with the guidelines issued under the Code of Practice for the Governance of State Bodies in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year. There was no transactions in the year in relation to the Board's activities in which the Board Members had any beneficial interest.

15. Approval of Financial Statements

The financial statements were approved by the directors on 19/05/2009.