



Annual Report & Financial Statements 2007



Ireland's EU Structural Funds
Programmes 2007 - 2013

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Board Membership And General Information

As at 31st December 2007

Board Members:

Mr. Joe Crockett, Chairman
 Cllr. Matt Doran
 Cllr. Malcolm Noonan
 Cllr. Martin Brett
 Cllr. Tom Maher
 Mr. Phil Funchion
 Ms. Alison McGrath
 Ms. Yvonne Moriarty
 Mr. Declan Rice
 Mr. Des Shanley
 Mr. Norman Leeper
 Mr. James Hennessy

Chief Executive & Company Secretary:

Mr. Sean McKeown

Business Analyst:

Ms. Mary Deevy

Enterprise Supports Officer:

Ms. Fiona Deegan

Office Administrator:

Ms. Ailish Scott

Registered Office:

42 Parliament Street, Kilkenny

Auditors:

Comptroller and Auditor General,
 Treasury Building,
 Dublin Castle,
 Dublin 2.

Bankers:

Bank of Ireland,
 Parliament Street,
 Kilkenny.

Solicitors:

James Harte & Son,
 39 Parliament Street,
 Kilkenny.

Company No.: 231759

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Chairman's Address



As Chairman of the Kilkeny County Enterprise Board (CEB), I am pleased to report that the Board continued to play a pivotal role in assisting the start-up, development and growth of small business in County Kilkeny in 2007. The highlights of our performance during the year include:

Enterprise Culture

The Board continued to support the Student Enterprise Awards (SEA) in second level schools. Approximately 400 students were involved in the SEA initiative, which has become an integral part of the CEB's work programme. We also strive to ensure that aspiring entrepreneurs can find the right information, access the right supports and acquire the necessary managerial capabilities in order to establish and sustain their enterprises. In 2007, in conjunction with

local business networks and organisations, the CEB initiated a very successful Enterprise Week, from 1st – 5th October, aimed at raising the profile of the importance of and the issues affecting small business and comprising of workshops, seminars, business briefings, media events and awards. Almost 240 intending and existing entrepreneurs attended the various events organised as part of Enterprise Week.

Business Information & Advice

Hundreds of people received business information and advice over the phone, on-line or in one-to-one meetings with CEB staff, as well as from the Board's panel of mentors. A total of 175 mentoring assignments were completed during the year. Over 160 people attended business information seminars organised and delivered by the Board.

Enterprise Training & Management Development Support

A total of 528 people participated in the 58 enterprise training and management development programmes organised and delivered by the Board in 2007. A total of €202,000 was expended on these programmes.

Project Approvals

A further 31 projects were approved financial assistance totalling €366,569. These projects have the potential to create an additional 68 full-time job equivalents when fully implemented, which represents a cost per job of just over €5,300. This brings the total number of projects assisted by the CEB since its establishment in 1993 to 586 and the total number of jobs created to 1,053.

I would like to take this opportunity to thank my fellow Board members for their dedication and contribution to the work of the Board in 2007. On behalf of the Board, I wish to thank the members of the Evaluation Committee for their thoroughness and efficiency in project evaluation; the Minister and his officials in the Department and in the newly established Central Co-ordination Unit for their advice and guidance; and to the Chief Executive and staff for their diligent work and enthusiasm throughout the year. The CEB is now firmly established as the first point of contact for anyone thinking of setting-up or developing a business, and I look forward to building on this success and enhancing our role in developing the local economy of County Kilkeny in the challenging environment ahead.

Mr. Joe Crockett
Chairman

Directors' Report

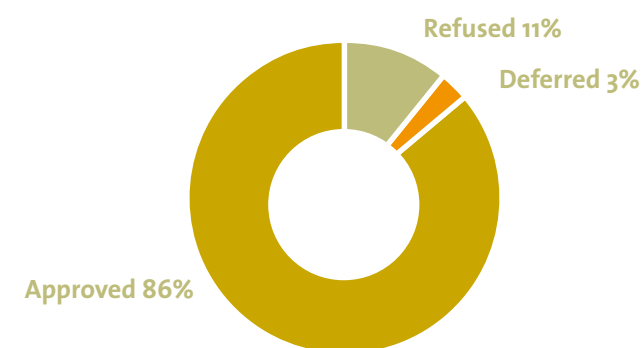
1st January, 2007 to 31st December, 2007

MEASURE 1: Selective Financial Intervention

Applications Received

A total of 36 applications for financial assistance were considered in 2007. A total of 31 (or 86%) of these were approved, 4 projects were refused (mainly on the grounds of lacking commercial viability or posing a risk of displacement) and a decision on 1 was deferred at year end pending receipt of additional information or documentation (Figure 1).

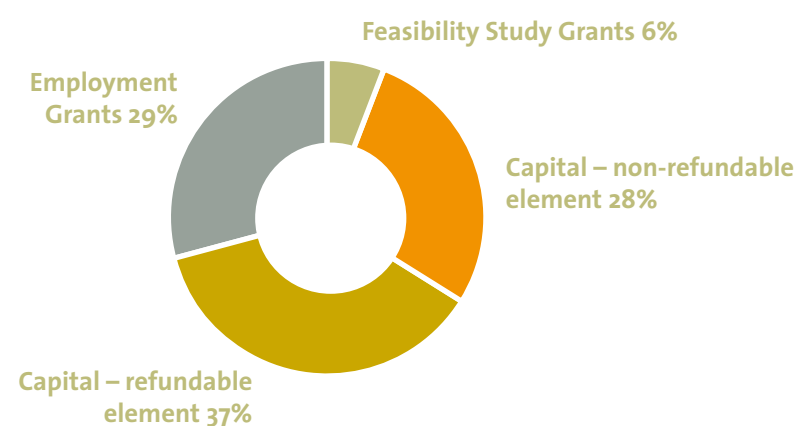
Figure 1: Applications Processed in 2007



Project Approvals

A total of 24 (or 77%) of the projects approved were start-ups and the remaining 7 relate to expansions of existing businesses. Financial assistance totalling €366,569 was committed to the 31 projects approved in 2007. The distribution of approvals between the various types of grant is illustrated in Figure 2. It should be noted that the Board were set a target whereby at least 30% of total grant-aid approved must be refundable. In this regard, a total of 37% of the grant-aid approved in 2007 is refundable.

Figure 2: Distribution of Grant-Aid by Grant Type



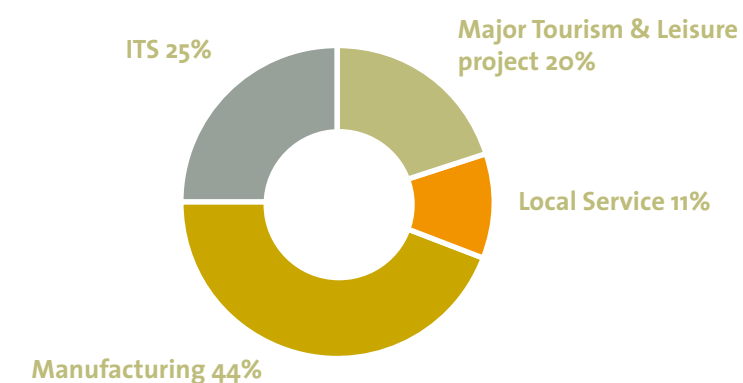
Expenditure

The Board paid out a total of €256,844 in 2007. This expenditure comprised Capital Grants totalling €64,759, Employment Grants totalling €71,250, Feasibility Study Grants totalling €16,948 and Repayable Grants totalling €103,887. A full listing of the projects approved and payments made to those projects approved in 2007 is listed at Appendix 1.

Sectoral Distribution of Projects Approved

The sectoral distribution of the 31 projects approved in 2007 is as follows: 7 are local services; 20 are manufacturing operations; 3 projects have the capacity to become Internationally Traded Services (ITS); and 1 project is a major tourism and leisure project. The distribution of grant-aid between sectors is illustrated in Figure 3. It should be noted that the Board must observe a quota on Local Services of not more than 25% of the value of grant-aid approved.

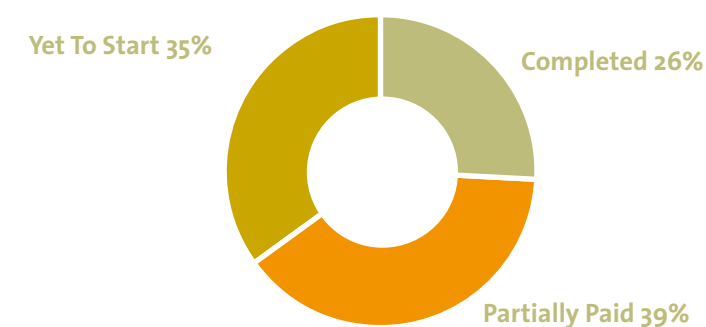
Figure 3: Sectoral Distribution of Grant-Aid Approved



Status of Projects Approved

From the 31 approvals in 2007, 23 of the projects are promoted by men and 8 are promoted by women. As at the end of December 2007, the status of the projects approved during the year was as follows: 8 projects had been completed; a further 12 projects had commenced and were partially paid; and the remaining 11 projects had yet to start (Figure 4.)

Figure 4: Status of Projects Approved in 2007



Case Studies



**JJ Maher from Procon Ltd.,
Goresbridge, Co. Kilkenny**

Stepping up a gear...

Procon Vehicles Ltd, Goresbridge, Co. Kilkenny.

JJ Maher, the proprietor of Procon Vehicles spotted a gap in the vehicle conversion market in 2003. A trained fitter and welder, JJ completed further training in Engineering in Carlow Institute of Technology. Following this he commenced work on his first vehicle conversion project. Since these small beginnings the business has steadily grown and now operates from a purpose built premises which converts vehicles such as mini buses into special needs vehicles, taxi's, mobile workshops, etc. The business hinges on having an ability to apply extensive engineering knowledge which is adapted to suit individual customer needs. In 2007 Kilkenny County Enterprise Board supported Procon with a capital grant. The business also availed of business advice, technical assistance grants and marketing mentoring provided through Kilkenny County Enterprise Board.

www.proconvehicles.com



**William Lorimer,
Lorimer Creative, Castlecomer,
Co Kilkenny.**

Bringing art to life...

Lorimer Creative, Castlecomer, Co. Kilkenny

Turning images into art is the speciality of William Lorimer who runs Lorimer Creative in Castlecomer Estate Yard. Established with capital grant assistance from Kilkenny County Enterprise Board in 2007, the business produces a range of high quality fine art, photography and children's art prints on a variety of media. From his studio in Castlecomer, William combines his previous management skills with his keen interest in photography to create a business offering a unique service to those who wish to adorn their walls with something different. Currently the business offers products focusing on three market segments; children's art, photo art prints for interiors and a reproduction photograph service. William is looking forward to growing his creative business in the future and to do so, has availed of mentoring, business advice and a technical assistance grant provided through the range of supports offered by the Board.

www.lorimercreative.com



**Noel Heary from IPP Improm,
Bennettsbridge, Co. Kilkenny.**

Innovative technical solutions from deep in the Irish countryside...

IPP Improm , Bennettsbridge, Co. Kilkenny

Rural Bennettsbridge may not be the first place that springs to mind when you think of technology solutions for the pharmaceutical industry, but that's exactly where Noel Heary, IPP Improm chose to set up his specialist company. Serving blue chip pharmaceutical clients such as Merck, Wyeth, Allergan and Johnson & Johnson, the company provides a range of unique products and specialist analytical instrumentation to this important industry. The main services provided by the company include technical measurement solutions, which assist in the maintenance and calibration of standards such as pressure, temperature and humidity in complex and critical processes used within the industry. From their office in Bennettsbridge IPP Improm customise services to meet the requirements of their growing customer base. Kilkenny County Enterprise Board assisted the company in 2007 through the provision of employment grants and Noel has also been a participant on the Start Your Own Business Programme and has availed of additional supports such as business advice and mentoring.

www.irishpowerandprocess.com



**Oonagh Anderson, Caroline
Dolan and Karen Morgan from
Earthworks Ceramics Studio,
Thomastown, Co. Kilkenny.**

Turning earth into works of art...

Earthworks Ceramic Studio and Gallery, Thomastown, Co. Kilkenny

It is becoming ever more difficult to find craftwork that is truly made by hand. However the age old skills of throwing, decorating and glazing pottery are alive and well on the banks of the river Nore. Established in 2007, Earthworks Ceramic Studio and gallery currently houses the workspace of three of Kilkenny's most innovative and creative ceramicists. The studio is a collaborative venture between Karen Morgan, Oonagh Anderson and Caroline Dolan – all accomplished and experienced potters creating extraordinarily beautiful decorative and functional ceramic pieces in this idyllic riverside setting. In 2007 Kilkenny County Enterprise Board provided funding in the form of employment grants and the group also availed of mentoring, business advice, technical assistance grants and have also participated on numerous training programmes, assisting the establishment of the studio and helping Earthworks produce their much admired work. For the future the group hope to produce new ranges of work and encourage more collectors and admirers of their work to visit their gallery and workspace.

www.karenmorganceramics.com
www.carolinedolanceramics.com

Jobs Created

The projects approved during 2007 have the potential to create an additional 62 full-time and 13 part-time jobs when fully implemented. This amounts to 68 full-time job equivalents and brings the total number of jobs created by the Board since it was established in 1993 to 1,053 at a cost per job of circa €6,135 (Table 1.) The total amount of grant-aid approved by the Board between 1993-2007 increased to €6,459,666 by the end of the year.

Table 1: Jobs Created by the Board 1993-2007

Year	No. of Jobs Created*	(€) Approvals	(€) Cost Per Job
1993-1995	114	1,202,954	10,552
1996	80	423,089	5,289
1997	126	480,346	3,812
1998	103	457,160	4,438
1999	88	407,587	4,632
2000	82	405,731	4,948
2001	97	750,072	7,733
2002	74	447,927	6,053
2003	43	285,288	6,635
2004	60	341,100	5,685
2005	60	466,473	7,774
2006	58	425,370	7,334
2007	68	366,569	5,391
Totals	1,053	6,459,666	6,135

* Full-Time Job Equivalents where 2 P/T jobs equate to 1 F/T job.

MEASURE 2: Entrepreneurial & Capability Development

Summary

A total of €399,501 was expended by the Board on Measure 2 related activity in 2007. The Board acts as the first point of contact for small businesses in County Kilkenny, providing a range of information, advisory, training, mentoring and management development supports to clients.

Enterprise Training & Management Programmes

A total of 58 Enterprise Training & Management Programmes were organised and delivered by the Board during 2007. 528 people participated in these programmes, which ranged from Starting Your Own Business Courses through to Financial Training and Advanced Sales & Marketing for more established businesses. Almost 62% of participants on the Enterprise Training & Management Programmes were women (Table 2.)

Table 2: Measure 2 Training Programmes delivered in 2007

Programme Title	No. of Females	No. of Males	No. of Participants
Market Research for Childcare Providers	6	1	7
Employment Law	5	5	10
The Complete Computerised Payroll Package	7	2	9
Website Design for the Small Business	2	2	4
Start Your Own Busines Course No. 2	8	10	18
Marketing with Digital Media	3	2	5
Writing a Health & Safety Statement	4	4	8
Simple Steps to HACCP	1	3	4
Effective Customer Service	4	0	4

Programme Title	No. of Females	No. of Males	No. of Participants
Costing & Pricing for the Small Business	2	6	8
Sales & Marketing on a Small Budget	2	5	7
Sage (Basic) No. 3	4	6	10
Sage (Basic) No. 2	9	1	10
Book-keeping for the Small Business	16	5	21
Start Your Own Busines Course No. 1	10	15	25
Sage Computerised Accounts - Advanced	9	1	10
Primary Food Handlers	6	1	7
Website Design No. 2	6	1	7
Time Management	7	0	7
Mastering Presentations	6	3	9
Mastering Presentations	5	0	5
Website Site Design No. 1	0	5	5
Sage Computerised Accounts - Basic	7	2	9
Taxation for the Self Employed	7	3	10
Taxation for the Self Employed	9	2	11
Electronic Newsletter Design	4	3	7
Practical Cash Collection for the Small Business	6	1	7
Website Marketing & Optimisation	5	4	9
People Management	4	2	6
Thinking of Starting a Business?	2	2	4
Great Business Plans - Making it Happen	2	4	6
NC4C Workshops	3	14	17
Put Power in your Presentations	5	5	10
Time Management	4	3	7
Sales Strategies for the 21st Century	2	5	7
Sage Basic No. 1	7	2	9
Basic Book-keeping & Administration	10	2	12
Start Your Own Business Course No. 1	8	11	19
Quickbooks Update - VAT	7	0	7
Sage Basic No. 2	5	2	7
Building a Website for your Business	6	4	10
Managing Health & Safety	6	2	8
Primary Food Handlers Certificate	10	2	12
Practical Cash Collection	4	5	9
Costing & Pricing for the Service Industry	7	5	12
Understanding Taxation	6	4	10
The Art of Negotiation	4	4	8
Getting People to Your Website	6	3	9
Sage - Advanced	7	2	9
The Use of On-line Returns	6	1	7
Develop an Email Newsletter	4	2	6
Employment Law	3	3	6
Getting Your Product to Market	6	3	9
Management Training for Childcare Providers	12	1	13
Excel in Business	5	4	9
HACCP	3	1	4
Start Your Own Business Course No. 2	8	6	14
Management Development Programme	5	4	9
	327	201	528

Student Enterprise Awards

The Board continued to contract a Project Worker, namely Ms Bernie McCoy, to undertake the promotion and oversee the co-ordination of the Student Enterprise Awards (SEA) competition in all second level schools in the County and to secure maximum participation in same. The SEA competition provides second level students with practical knowledge and experience of what it is really like to run a business including: finding the business idea; doing the market research; preparing the business plan; selling the products or services; managing the business; maintaining proper books of accounts; and hopefully making some money and having some fun along the way. The Board views the SEA competition as playing a small but important part in exposing young people to a spirit of enterprise. For the first time ever all 16 second level schools in the County registered in the competition in 2007, with over 400 students participating in setting up businesses.



Winners of the Student Enterprise Awards 2007, “Every Wonder How?”, Castlecomer Community School, Co. Kilkenny

Enterprise Week

In 2007, the CEB initiated a very successful Enterprise Week, from 1st – 5th October, aimed at raising the profile of the importance of and the issues affecting small business. This initiative was organised in conjunction with local business networks and organisations, such as the Kilkenny Chamber, Kilkenny Business Club, Kilkenny Network and the Kilkenny Chapter of Business Network International (BNI). Enterprise Week comprised workshops, seminars, business briefings, media events and awards. A total of 238 people attended the various events held throughout the week (Table 3).



Minister John McGuinness launching Enterprise Week 2007 with Michael Power, Kilkenny Business Club; David Culliton, President Kilkenny Chamber; Sean McKeown, CEO Kilkenny County Enterprise Board; Noel Ryan, Kilkenny Business Network International; Tom Maher, Mayor, Kilkenny County Council; Grainne Redmond, President, Kilkenny Women’s Network

Table 3: List of Main Events held during Enterprise Week 1st – 5th October, 2007

Event	Nos. Attending
Launch of Tech Check by Minister John McGuinness	35
One-to-One Financial Mentoring	6
Kilkenny Network Event	25
One-to-One Health & Safety Mentoring	6
Enterprise Week Exhibition	60
One-to-One Employment Law Mentoring	6
Kilkenny Chamber Event	22
Kilkenny Business Club Event	11
Ideas Generation/Motivation Workshop	32
BNI Event	18
Crafts Council Event	10
One-to-One Sales & Marketing Mentoring	7
	238

Information Seminars

The Board uses a number of methods to raise it’s profile, while at the same time raising awareness of particular issues of interest to owner-managers of micro-enterprises. A total of 162 people attended information seminars organised and/or supported by the Board during 2007 (Table 4.) These included a series of lunchtime seminars upon the theme of ‘Help Yourself,’ aimed at assisting clients to avail of cost effective measures to maximise their use of the internet and on-line presence.

Table 4: List of Information Seminars held during 2007

Seminar Title	Nos. Attending
Help Yourself - Good Web Design	17
Help Yourself - Blogs	16
Help Yourself - Internet Marketing	9
Help Yourself - Searching	7
Entrepreneurship & Marketing for the Start-up	34
Getting Your Product to Market Information Evening	16
SEA - Teachers Workshop	14
Management Development Programme Seminar	20
South East Women in Business Conference	23
National Women’s Enterprise Day	6
	162

Specialist Supports

Mini-Mentor Panel: Many new business start-ups are most vulnerable in the early stages of their development. The ‘Mini-Mentor’ Panel was set-up to help redress this problem and to complement the enterprise training and management development supports offered by the Board. The Mini-Mentor Panel comprises of experienced business advisors across a wide range of management disciplines. Their role is to act as a confidential sounding board by listening, advising and suggesting solutions to problems encountered by the owner-managers of small businesses. Typically a mentor assignment is carried out over a period ranging from six weeks to six months. This form of support has worked well to date and a total of 176 promoters availed of the Board’s mentoring service in 2007.

Technical Assistance Scheme: The Technical Assistance Scheme was set-up in 2001 to cater for specialist support to meet client training and development needs. The Scheme enables the Board to offer customized forms of support to individual small businesses. Typical forms of technical assistance include support towards the undertaking of specialist training, or support to enable small producers to attend or exhibit at trade fairs to market their goods and services outside of the country. A total of 39 businesses received support under the Technical Assistance Scheme in 2007 (Table 5).

Table 5: Specialist Supports in 2007

Scheme	No. of Businesses Availing of Scheme
Mini-Mentor Panel	176
Technical Assistance	39
Total	215

National Enterprise Awards

The National Enterprise Awards are sponsored by the network of 35 County & City Enterprise Boards (CEBs). The Awards are confined to clients of the CEBs and are aimed at helping raise the profile of micro-enterprises in particular at local and national level. Ormonde Technologies Limited T/A Surfbox, were nominated as the County Kilkenny winner in 2007. Thomas Marry and Declan Lennon are the co-founders of Ormonde Technologies, which manufactures and supplies Surfboxes – coin and credit card operated internet access terminals for hotels, restaurants and pubs. Both Thomas Marry and Declan Lennon are former employees of the German owned financial services company Infoscore. In 2004, Thomas came up with the idea of providing ‘pay as you go’ internet access for people on the move. He discussed his idea with Declan, and together they decided to turn the concept into a business, and a year later they took the plunge and set up Ormonde Technologies supplying ‘SurfBoxes,’ - coin and credit card operated internet access terminals for hotels, pubs and cafes.

Other Initiatives

The Board continued to employ a Project Manager, namely Ms Catherine Crosse (through funding provided by the Board in conjunction with Kilkenny County Council and the local community), to work with the local community to develop a range of actions aimed at stimulating local economic development in Callan.

Administration

Health and Safety

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

ISO 9001:2000

The Kilkenny County Enterprise Board Ltd. continues to operate in accordance with the ISO 9001:2000 standard. An audit was carried out during the year and the systems being operated by the Board were deemed to be satisfactory.

Internal Auditor

The Board re-appointed Mr. Michael Shortall, Internal Auditor with Kilkenny County Council, during 2007 to carry out internal audit functions for the company. The Board’s internal audit committee reviewed the adequacy of the internal controls in mitigating business risk.

Board of Directors

The names of persons who were Directors during the period 1st January, 2007 to 31st December, 2007 are set out below:

Mr. Michael Malone; Cllr. Martin Brett; Cllr. Paul Cuddihy; Cllr. Matt Doran; Cllr. Malcolm Noonan; Cllr. Tom Maher; Mr. Des Shanley; Mr. Declan Rice; Ms. Alison Mc Grath; Ms. Yvonne Moriarty; Mr. Phil Funchion; Mr. Declan Murphy; Mr. Hugh O’ Rourke; Mr. Joe Crockett; Mr. James Hennessy; Mr. Bill Costello; Mr. Norman Leeper; Mr. Tony Walsh.

The following Directors resigned:

Mr. Michael Malone; Cllr. Paul Cuddihy; Mr. Declan Murphy; Mr. Tony Walsh; Mr. Bill Costello; Mr. Hugh O’ Rourke.

The following Directors were appointed:

Mr. Norman Leeper; Mr. Tony Walsh; Cllr. Tom Maher; Mr. Joe Crockett; Mr. James Hennessy, Mr. Hugh O’ Rourke

Directors who served in the Chair

The following Directors served in the Chair during 2007:
Mr. Michael Malone; Mr. Tony Walsh; Mr. Declan Rice and Mr. Joe Crockett.

Board Meetings

There were a total of 6 Board Meetings held in 2007 with an average attendance of 9 members at each meeting.

Results

Details of the results for the year ended 31 December 2007 are set out in the attached financial statements and the notes thereto.

Post balance sheet events

No matters or circumstances have arisen since the end of the financial year 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 year ended 31 December 2007.

Client Charter

Introduction:

The objective of the Kilkenny 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 to:

- (a) the improper administration of the functions entrusted to this Board; or
- (b) the manner in which an enquiry was processed;
- (c) 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.

The Kilkenny County Enterprise Board operates a Client Care and Complaints Procedure (copy of which can be obtained on request). There were no issues or matters arising during 2007, which required invoking of the Procedure.

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 where 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.

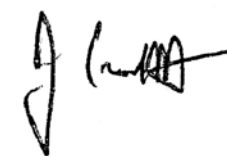
The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for safeguarding 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 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.

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.



Mr. Joe Crockett
Chairman

7th July 2008

Report of the Auditor and Comptroller General for presentation to the Houses of the Oireachtas

I have audited the financial statements of Kilkenny County Enterprise Board Limited for the year ended 31 December 2007 under the Comptroller and Auditor General (Amendment) Act 1993.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Balance Sheet and the related notes.

Respective Responsibilities of the Directors and the Comptroller and Auditor General

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland are set out in the Directors' Report. The Directors are also responsible for ensuring the regularity of transactions.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts 1963 to 2006. I also report whether in my opinion proper books of account have been kept by the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, I state whether I have obtained all the information and explanations necessary for the purposes of my audit, and whether the financial statements are in agreement with the books of account.

I report any material instance where monies have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I review whether the Statement on Internal Financial Control reflects the Company's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at 31 December 2007 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2006.

I have obtained all the information and explanations that I consider necessary for the purpose of my audit. In my opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In my opinion, the information given in the Directors' Report is consistent with the financial statements.



Mr. Gerard Smyth

For and on behalf of the
Comptroller and Auditor General

17th June 2008

Statement of Internal Financial Controls

On behalf of the Board of Directors of the Kilkenny County Enterprise Board 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 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 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;
- regular reviews undertaken by the Internal Auditor and the Internal Audit Committee.

The Board has also established procedures 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

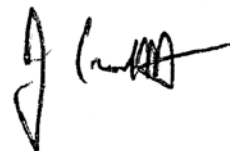
The Kilkenny County Enterprise Board has engaged the services of an Internal Auditor to provide it with internal audit services. The work of internal audit is informed by analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are approved by the Internal Audit Committee and by the Board of Directors. At least annually, the Internal Control Auditor and the Internal Audit Committee provide 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 Audit Committee, Internal Auditor, the executives within the Kilkenny County Enterprise Board 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 for the year ended 31 December 2007 the Board conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Board



Mr. Joe Crockett
Chairman

7th July 2008

Statement of Accounting Policies

1. Basis of Accounting

The Financial Statements have been prepared under the accruals method of accounting, except as indicated below, 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	12 ½ %
Office Equipment	20 %
Computer Equipment	33 ⅓ %

3. Oireachtas Grants

Oireachtas Grants are accounted for on an accruals basis.

4. Grants Payable

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

5. Capital Account

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

6. 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 Measure 1 expenditure.


Income & Expenditure Account For the year ended 31 December 2007

	Notes	2007 €	2006 €
Income			
Oireachtas grants	1(a)	864,516	814,061
Project Manager contribution	1(b)	23,880	25,400
Transfer from deferred income		68,250	130,128
Other income		73,452	85,575
		1,030,098	1,055,164
Transfer from capital account		1,333	(2,347)
Total		1,031,431	1,052,817
Expenditure			
Selective financial assistance	2	256,844	380,142
Entrepreneurial and capability development		399,501	322,000
Administration	4	375,086	350,675
Total		1,031,431	1,052,817
Surplus/(deficit) for year		—	—

The statement of accounting policies together with notes 1 to 11 form part of these financial statements.



Mr. Joe Crockett
Chairman
7th July 2008



Mr. Declan Rice
Director



Mr. Sean McKeown
Chief Executive Officer


Balance Sheet as at 31st December 2007

	Notes	2007 €	2006 €
Fixed assets			
Tangible assets	8	14,756	16,089
Current assets			
Debtors and prepayments		18,624	28,203
Bank and cash		177,538	137,372
		196,162	165,575
Current liabilities			
Oireachtas grants due		(13,920)	(31,047)
Deferred income		(169,348)	(122,669)
Creditors and accruals		(12,894)	(11,859)
		(196,162)	(165,575)
Net current assets		—	—
Net assets		14,756	16,089
Financed by:			
Capital account	9	14,756	16,089

The statement of accounting policies together with notes 1 to 11 form part of these financial statements.



Mr. Joe Crockett
Chairman
7th July 2008



Mr. Declan Rice
Director



Mr. Sean McKeown
Chief Executive Officer

Notes to the Financial Statements

1 Funding and expenditure of the Board

(a) Local Enterprise

Section 10 (2) of the Industrial Development Act, 1995 provides for payment of grants by the Minister for Enterprise, Trade and Employment to the Board. Expenditure by the Board is applied on measures under the Innovation & the Knowledge Economy sub-programme of the Southern & Eastern Regional Operational Programme 2007 – 2013.

The measures are as follows:-

Measure 1 - Selective Financial Assistance

Measure 2 - Entrepreneurial and Capability Development

(b) Project Manager

The board secured funding from Callan Community Network, FÁS and Kilkenny County Council towards the employment of a Project Manager to serve Callan. Funding of €23,880 comprised of contributions from the following:

	€
Callan Community Network	5,000
FAS	8,880
Kilkenny County Council	10,000
	23,880

2 Financial Assistance - Grants

The Board makes offers of grant assistance, which, if accepted, remain valid as commitments of the Board for a specified period or in the circumstances specified on approval. Funding provided by the Department of Enterprise, Trade and Employment for payment of selective financial assistance in 2007 was €212,078 (2006: €245,951).

The outstanding commitments of the Board at 31 December 2007 arose as follows: -

	Grants 2007 €	Repayable grant aid 2007 €	Total €
Grant commitments at 1 January	115,955	91,242	207,197
Grant approvals	233,614	132,955	366,569
	349,569	224,197	573,766
Grants decommitted			
- 2007 approvals	(165)	(166)	(331)
- pre 2007 approvals	(48,339)	(24,255)	(72,594)
	301,065	199,776	500,841
Grant expenditure	(152,957)	(103,887)	(256,844)
Grant commitments at 31 December 2007	148,108	95,889	243,997

2 Financial Assistance - Grants - continued

Expenditure of €256,844 comprises Capital Grants (€64,759), Employment Grants (€71,250), Feasibility Grants (€16,948) and Repayable Grant Aid (€103,887). This expenditure was funded by Measure 1 grants of €188,594 and transfers from deferred income of €68,250. Outstanding commitments at 31 December were entered as follows:

	€
Prior to 31 December 2006	–
After 1 January 2007	243,997
	243,997

	2007 €	2006 €
3a Repayable Grant Aid		
Balance at 1 January	447,921	432,464
Issued in year (see note 2)	103,887	126,682
Repaid in year	(105,598)	(111,225)
Written off in year	(9,167)	–
Balance at 31 December	437,043	447,921
Due within 12 months	134,742	135,549
Due after 12 months	302,301	312,372
	437,043	447,921

As repayments are dependant upon the performance of these enterprises, the amount outstanding is not included as a debtor 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. Amounts totalling €9,167 were written off by the Board during 2007.

	2007 €	2006 €
3b Reallocation of Refundable Aid Receipts		
Balance of refundable aid on hand at 1 January	122,669	133,010
Transfer to income to fund further grants	(68,250)	(130,128)
	54,419	2,882
Refundable aid receipts:		
Repayments	105,598	111,225
Interest, net of bank charges	9,331	8,562
	114,929	119,787
Balance of refundable aid on hand at 31 December	169,348	122,669

Notes to the Financial Statements (Continued)

	2007 €	2006 €
4 Administration Costs		
Salaries (see note 6)	272,017	249,249
Travel expenses	12,745	13,174
Accommodation	20,540	20,485
Office expenses	45,919	41,383
Audit fees	6,800	6,250
Insurance	5,839	5,490
Staff training	3,068	2,073
Advertising	–	2,611
Depreciation	8,158	9,960
	375,086	350,675

5 Taxation

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

6 Employees and Remuneration

Remuneration costs of the Board amounted to a total of €272,017 which has been charged in the Income and Expenditure account as follows:

	2007 €	2006 €
Administration	272,017	249,249

The average number of staff during the period was 5 (2006: 5). All staff are employed on a secondment or contract basis. One of the members of staff on the Board is an employee of Kilkenny County Council and is seconded to the Board from the Council. €38,628 relates to the employment cost and travel expenses for 2007 of the Project Manager funded by Callan Community Groups, Fás and other bodies (see note 1(b)).

7 Superannuation

Superannuation schemes are not operated by the Board. The salaries of seconded staff are reimbursed to Kilkenny County Council. This includes an element of superannuation.

Pension contributions on salary payments made directly by the board are paid to certain staff, provided that the contribution is paid into a personal private pension scheme approved by the Revenue Commissioners.

	Furniture €	Equipment €	Computer equipment €	Total €
8 Fixed Assets				
Cost/valuation				
Balance at 1 January	41,418	44,421	46,181	132,020
Additions	2,854	–	3,971	6,825
Balance at 31 December	44,272	44,421	50,152	138,845
Accumulated depreciation				
Balance at 1 January	37,346	36,158	42,427	115,931
Charge for year	1,739	2,248	4,171	8,158
Balance at 31 December	39,085	38,406	46,598	124,089
Net book value at 31 December 2007	5,187	6,015	3,554	14,756
Net book value at 31 December 2006	4,072	8,263	3,754	16,089

9 Capital Account

	2007 €	2006 €
Balance at 1 January	16,089	13,742
Transfer to income and expenditure account:		
- funds allocated to acquire fixed assets	6,825	12,307
- amount amortised in line with asset depreciation	(8,158)	(9,960)
	(1,333)	2,347
Balance at 31 December	14,756	16,089

10 Board Members – Disclosure of Transactions

The Board adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to in the year. There are no transactions in the year in relation to the Board's activities in which the Board Members had any beneficial interest.

11 Approval of Financial Statements

The financial statements were approved by the directors on 25 February 2008.

Appendix 1: List of Projects Approved 2007

Project Promoter	Sector	Project Description	Board Approval	Grant Type	Amount Approved	Repayable Grant	Non Repayable Grant	Total Paid	Amount Decomitted	Balance to be Paid	Status of project at 31/12/2007
Julian Berwick	Manuf.	Design and manufacture of high fashion shoes	23-Mar-07	Emp	5,000	0	5,000	5,000	0	0	Complete
Kevin Hughes and Damien Donnelly	Potential to be an Internationally Traded Service	Education films for mobile phones	23-Mar-07	F/S	5,000	0	5,000	5,000	0	0	Complete
Thomas Byrnes, Pack Publishing	Manuf.	Production of children's educational fun packs	30-Apr-07	Emp	5,000	0	5,000	2,500	0	2,500	Partially Paid
Trudie Power, Trudies Catering Kitchen	Manuf.	Sandwiches and Salads for Catering and Retail	30-Apr-07	Capital	12,278	6,139	6,139	0	0	12,278	Yet To Start
Caroline Dolan, Grennan Mill	Manuf.	Ceramics Business	30-Apr-07	Emp	5,000	0	5,000	5,000	0	0	Complete
Nicholas McGrath	Manuf.	Manufacture of small, off grid energy packages	30-Apr-07	Emp	5,000	0	5,000	5,000	0	0	Complete
Karen Morgan, Karen Morgan Ceramics	Manuf.	Production of ceramics	30-Apr-07	Emp	5,000	0	5,000	5,000	0	0	Complete
Sandra Nichol, Kiddies Kingdom	Local service	Creche facility	30-Apr-07	Emp	6,250	0	6,250	3,125	0	3,125	Partially Paid
Michael Dempsey, Heatmaster	Manuf.	Manufacture of handcrafted radiators	30-Apr-07	Capital	1,541	771	770	0	0	1,541	Yet To Start
William Lorimer	Manuf.	Reproduction of children's art on to canvas	30-Apr-07	Capital	9,570	4,785	4,785	9,239	331	0	Complete/ Partially Decommitted
Geraldine Russell, Hey Diddle Diddle	Local service	Creche facility	25-Jun-07	Emp	7,500	0	7,500	3,750	0	3,750	Partially Paid
Signiatec	Manuf.	Exterior and Interior signage	25-Jun-07	Capital	21,700	13,020	8,680	19,200	0	2,500	Partially Paid
Michael Power, Cartridge World	Manuf.	Recycling of inkjet and laser cartridges	25-Jun-07	Emp	10,000	0	10,000	2,500	0	7,500	Partially Paid
Bruce de Kocks, Brane Design	Manuf.	Production of high quality jewellery	25-Jun-07	Capital	11,877	5,939	5,939	11,877	0	0	Complete
Seamus Brophy, The Ad Factory	Local service	Audio production and installation	25-Jun-07	Capital	5,003	2,502	2,502	5,003	0	0	Complete
JP Monahan	Manuf.	Manufacture of automatic horse feeder	10-Sep-07	F/S	5,000	0	5,000	2,948	0	2,052	Partially Paid

Project Promoter	Sector	Project Description	Board Approval	Grant Type	Amount Approved	Repayable Grant	Non Repayable Grant	Total Paid	Amount Decomitted	Balance to be Paid	Status of project at 31/12/2007
Nicholas Murphy	Local service	Provision of Engineering services	10-Sep-07	Emp	5,000	0	5,000	2,500	0	2,500	Partially Paid
Helena Darcy	Manuf.	Porcelain Dolls	10-Sep-07	Emp	5,000	0	5,000	2,500	0	2,500	Partially Paid
Patrick Larkin	Local service	Workbooks and DVDs for construction studies	10-Sep-07	Emp	5,000	0	5,000	0	0	5,000	Yet To Start
JJ Maher, Procon Vehicles	Manuf.	Specialised vehicle conversion services	10-Sep-07	Capital	24,600	12,300	12,300	24,600	0	0	Complete
Shamus Malone	Manuf.	Manufacture of firelighter and fireblock	10-Sep-07	F/S	5,000	0	5,000	0	0	5,000	Yet To Start
Robert Sloan	Manuf.	Manufacture of Oileann pipes	22-Oct-07	Emp	5,000	0	5,000	2,500	0	2,500	Partially Paid
Ken Foley	Manuf.	Manufacture of handbags and backpacks	22-Oct-07	Emp	5,000	0	5,000	2,500	0	2,500	Partially Paid
John Donagher	Major Tourism & leisure project	Leisure Complex at McDonagh Junction	22-Oct-07	Capital	75,000	50,000	25,000	0	0	75,000	Yet To Start
Damien O' Dornan	Potential to be an Internationally Traded Service	Fire & Flood Restoration	12-Dec-07	Capital	75,000	37,500	37,500	0	0	75,000	Yet To Start
Noel Heary	Potential to be an Internationally Traded Service	Sale of instrumentation products & services	12-Dec-07	Emp	10,000	0	10,000	0	0	10,000	Yet To Start
Natasha Reilly	Local service	Montessori & after school care	12-Dec-07	Emp	7,500	0	7,500	0	0	7,500	Yet To Start
Nicholas Howard	Manuf.	Development of attachment to digger for screening of material	12-Dec-07	F/S	5,000	0	5,000	0	0	5,000	Yet To Start
Gareth Hanlon	Manuf.	Production of sports board games	12-Dec-07	Emp	10,000	0	10,000	2,500	0	7,500	Partially Paid
Debroah Brownrigg Shiels	Manuf.	Customised name tag labels	12-Dec-07	Emp	5,000	0	5,000	0	0	5,000	Yet To Start
Colm Byrne, Glas	Local service	Education Courses in Sustainability	12-Dec-07	F/S	3,750	0	3,750	0	0	3,750	Yet To Start
					366,569	132,955	233,614	122,242	331	243,996	

