



QUESTION:

In these times of difficult financial circumstances when the normal channels to financial support from banks and other financial institutions are somewhat restricted, to where can fledgling new businesses now turn for support?

ANSWER:

One of the key objectives of County Enterprise Boards is to provide support and encouragement especially to embryonic new businesses. These Boards have recently reported a surge in applications for financial support from such new businesses. Some Boards have reported a 150% rise in such enquiries when compared to last year. This is indicative of a trend whereby such businesses find the usual channels to financial support with their bankers closed to them. While the official line with banks is that they are making funds available to the marketplace, the reality is often much different.

County Enterprise Boards are funded by the Department of Enterprise, Trade & Employment and provide support, financial and otherwise, to micro enterprises with 10 employees or less. They can offer direct grant support to new and existing businesses. So, if you are the promoter of an embryonic new business and you are finding it hard to get financial support from the traditional providers, do take a conversation with your local County Enterprise Board. It could be the best decision you make today.

County Enterprise Boards (CEB) tend to provide financial support which is repayable over a period of time. When this is repaid it affords the Boards the opportunity to then make this available to other new businesses – the circle of good business life.

The CEB will, in the ordinary way, enter into an Agreement with such new businesses on foot of which it will take Redeemable Preference Shares in the capital of the Company. This will involve a re-structuring of the Company's share capital and Memorandum & Articles of Association. ICC has worked with various CEBs throughout the country together with finance and legal professionals in putting these structures in place. As a result ICC has the dedicated expertise to work with you and your clients in finalizing this kind of re-structuring.

Commentaries on provisions of legislation are not intended to be a legal or comprehensive interpretation. Professional advice should be sought in specific circumstances. For further information on statutory requirements, or any provision of the Companies Acts, 1963 to 2009, please contact our Company Secretarial Department on:

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