



Transforming Business  
**Through Talent**



ANNUAL REPORT 2020



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# SKILLNET IRELAND

## A YEAR IN REVIEW

We partner with

**57 industry bodies**

across a broad range of sectors and regions to drive excellence in learning and development for the Irish workforce. Through our

**70 Skillnet business networks**

and in collaboration with employers, we delivered upskilling and training programmes to the value of **€51.2m** to the Irish workforce in 2020.

21,695

Companies

81,895

People trained

570,629

Training days delivered

9,110

Training programmes

# ABOUT SKILLNET IRELAND

Skillnet Ireland is the national agency responsible for the promotion and facilitation of workforce learning. Our deep roots with enterprise allows us to respond to policy and skills challenges in a proactive and agile manner. In partnership with industry, we offer demand-led upskilling programmes that are innovative and flexible, to enhance the productivity, competitiveness and sustainability of the Irish economy.

## OUR MISSION:

Helping businesses in Ireland to be the best they can be, **through innovative and enterprise-driven people development.**

# Chairperson and Chief Executive Overview

### Foreword

We are pleased to present the Skillnet Ireland Annual Report for 2020 amidst a climate of increased optimism and business recovery. Reflecting on 2020, it was a year when businesses were challenged in new and unprecedented ways and when the resilience of spirit, talent and innovation of Irish businesses came to the fore. During this period, Skillnet Ireland prioritised agility and impact, introducing new upskilling programmes to enable leaders and managers adapt their businesses to new ways of operating and working.

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Our work in **2020** also **enabled businesses in Ireland to increase digital adoption**, many at an accelerated pace, as they sought out new business models and **innovative approaches to overcome operational challenges**.

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The coming months will see thousands of businesses nationwide welcoming their employees and customers back – a positive step for many small and medium sized businesses who have been especially impacted by the Covid-19 pandemic. However, certain sectors of our economy, particularly those providing customer-facing services remain under immense strain and will not offer their pre Covid-19 employment levels for some time, giving rise to job displacement, skills mismatches, and high unemployment levels, particularly amongst our younger people. These challenges call for substantial investment in workforce development, reskilling for new jobs and innovative upskilling schemes to support businesses and individuals most affected by the crisis. These themes are of strategic significance to Skillnet Ireland.

### Statement of Strategy 2021-2025

In 2020 we launched our Statement of Strategy 2021-2025, a significant milestone for our organisation. Setting out an ambitious and definitive roadmap for future-proofing Irish businesses through talent, the strategy is focused on three strategic themes – workforce design, people development and strategic innovation. We plan to increase the number of businesses supported by Skillnet Ireland to 30,000 annually by 2025.

# CHAIRPERSON AND CHIEF EXECUTIVE OVERVIEW

Skillnet Ireland will also provide supports to 100,000 workers annually by the end of 2025 and aims to double the investment in upskilling the Irish workforce to €100 million annually. Our strategy is designed to address the upskilling challenges associated with increased technological advances, boosting SME productivity and working with businesses to support the talent demands for building a low-carbon and sustainable economy. We have also committed to delivering a fourfold increase in innovation-themed workforce development projects to help develop the critical talent Ireland will need to compete globally.

## 2020 Performance Outputs

Working with over 50 enterprise partners we made immense strides in 2020 and we are pleased, despite the challenges of the pandemic, to report a record year in terms of performance outputs. Through the enterprise-led approach of Skillnet Business Networks nationwide, we provided our upskilling services to 21,695 companies, supported 81,895 trainees and delivered 570,629 training days, exceeding targets agreed with the Department of Further and Higher Education, Research, Innovation and Science across these metrics. Importantly, 82% of the businesses we supported in 2020 were small and micro enterprises.

Our established cost-sharing approach with employers and ability to leverage Government funding has been a cornerstone of the success of the Skillnet Ireland model and 2020 saw this joint investment approach continue to thrive amidst challenging conditions for employers. In 2020, employers made a total contribution of €17.9 million towards the cost of upskilling programmes. We greatly value the commitment from so many employers to the upskilling of their teams through Skillnet Ireland. A fulsome report on our 2020 outputs can be found on page 8 of this report.

## Supporting Government Policy

The pandemic accelerated many enterprise challenges including new ways of working, the growing digital economy, and geo-political developments including the ongoing impact of Brexit. Together with our industry partners, we are delivering substantial industry-led supports which will help Government meet its ambition to exceed pre-crisis employment levels by reaching 2.5 million people in employment by the end of 2024. Amongst our key priorities is delivering substantive actions across the labour market and enterprise priorities within cross-Government strategies including the Economic Recovery Plan 2021, Enterprise 2025 and the National Skills Strategy along with various actions from the Expert Group on Future Skills Needs and sectoral strategies.

### Continued

In 2020, we also increased our engagement with the EU Commission, supporting the development of several EU policy frameworks in the arena of skills for industry and digital transformation. With our enterprise-led model highlighted as best practice in a number of the EU Commission's publications including its Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience Report, Skillnet Ireland will continue to contribute to the EU Skills Agenda through participation in EU programmes and by empowering people to embrace lifelong learning.

#### Responding to Business Needs in 2020

It would be difficult to overstate the challenges businesses have overcome in 2020, and for many, challenges remain. For our organisation, an enduring legacy of the year will be the proactive and rapid nature of our response to support businesses as they adapted during the pandemic. Our Skillnet Business Networks remodelled their supports, pivoting to deliver our upskilling programmes virtually to meet changing business needs. In addition, Skillnet Ireland facilitated several large-scale collaborative initiatives with industry, to meet complex challenges and enhance the specialist skills of the Irish workforce.

We launched a series of initiatives targeting the impact of the pandemic on businesses with some partly funded from the July Stimulus Fund.

These included our Building Business for Recovery programme and the Rebound Back to Business Safety scheme, which successfully supported more than 3,500 SMEs to operate safely in industries spanning childcare, healthcare, manufacturing, hair and beauty, the creative sector, retail and hospitality. The new MentorsWork initiative, launched in partnership with the Small Firms Association, connected over 400 small business owners and managers with experienced mentors to help them navigate challenges presented throughout 2020.

Skillnet Ireland also launched its Skills Connect initiative in 2020 to support those most impacted by the pandemic and to enhance cross-sector employability. Skills Connect successfully supported 4,691 people to upskill or reskill across a range of sectors including technology, medtech, wind energy, healthcare and agri-food, and support their re-entry to the workforce. Our Clear Customs initiative was also redesigned in 2020 to further prepare Irish businesses for new customs procedures arising from Brexit and successfully upskilled more than 1,800 participants, helping to minimise the disruption. These are powerful examples of what can be achieved through effective multi-stakeholder collaboration.

We want to acknowledge the commitment and vision of our enterprise partners, our many collaborators and the Skillnet Ireland team in making these projects a success.

# CHAIRPERSON AND CHIEF EXECUTIVE OVERVIEW

## Conclusion

As we reflect on 2020 and look to the future, the commitment in the Government's Economic Recovery Plan 2021 for rebuilding productive and sustainable enterprises is particularly welcome. Skillnet Ireland is looking forward to playing its fullest part in responding to a pro-enterprise policy framework which enables investment in the skills required to enhance competitiveness and support a jobs-led recovery.

We wish to acknowledge the support of the Minister for Further and Higher Education, Research, Innovation and Science, Simon Harris T.D. and the Minister of State for Skills and Further Education, Niall Collins T.D. and all our colleagues in the Department of Further and Higher Education, Research, Innovation and Science and the Department of Education and Skills. We also wish to thank colleagues in the Department of Enterprise, Trade and Employment, IDA Ireland, Enterprise Ireland, the Higher Education Institutes and the many other Government agencies and Departments that Skillnet Ireland collaborated with in 2020.

Finally, we extend our deep appreciation to our Skillnet Business Network Managers and their teams, our enterprise partners, the Skillnet Steering Groups, and the Board and Staff of Skillnet Ireland for their immense dedication in 2020.



Chairperson  
**Skillnet Ireland**



Chief Executive  
**Skillnet Ireland**



# SKILLNET IRELAND HIGH LEVEL OUTPUTS 2020

Skillnet Ireland programmes contribute to the development of a skilled workforce, ensuring the growth and sustainability of Irish enterprise in an increasingly competitive environment.

Training and upskilling in 2020 was delivered through a range of Skillnet Ireland programmes.

\*An additional 2,006 companies and 7,397 trainees participated in a series of Information Briefings throughout 2020, with many webinars delivered through the 'Rebound - Back to Work Safely' initiative. In total, Skillnet Ireland supported a record 24,372 companies through both formal upskilling and information briefings.

**Note:** These outputs are for both employed and unemployed trainees across all programmes.



Total No.  
of Networks

70

Skillnet Ireland  
Funding

€33.3m

Enterprise  
Contributions

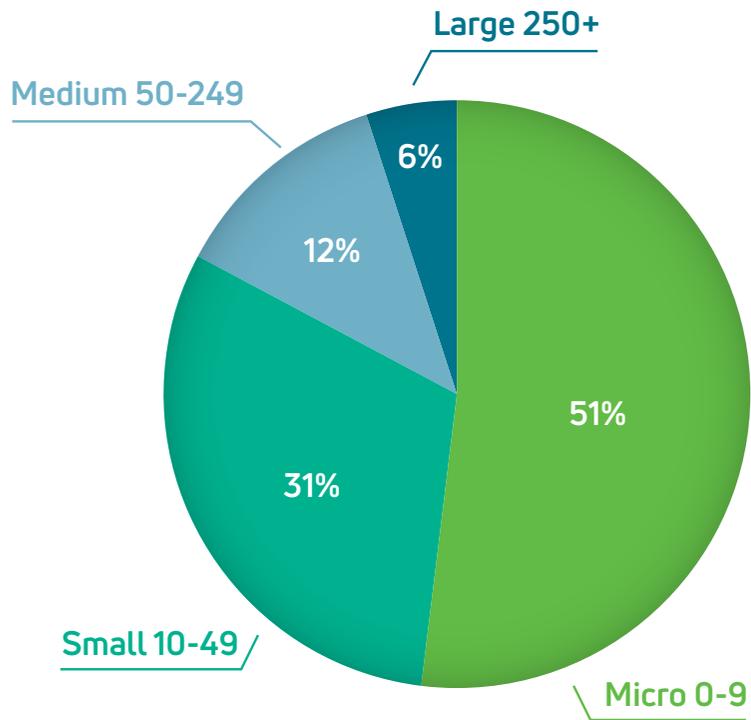
+ €17.9m

Total  
Investment

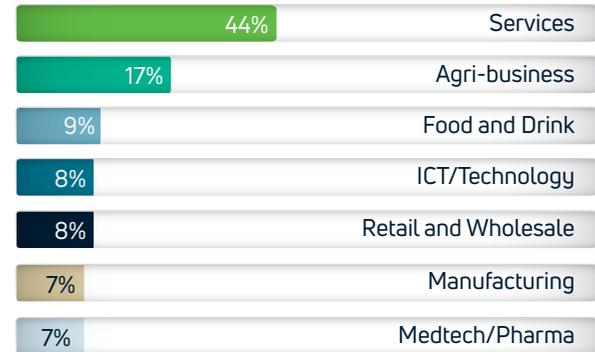
= €51.2m

# COMPANY PROFILE

### Companies by Size



### Companies by Sector



## TRAINEE PROFILE

In 2020,

# 81,895

people undertook training.

Of these trainees,



## 49%

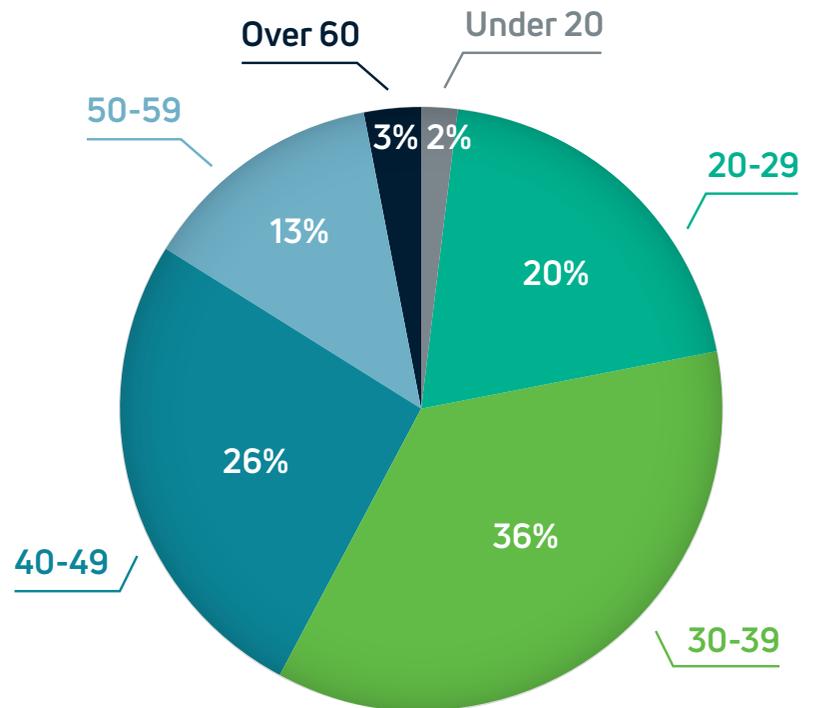
Female



## 51%

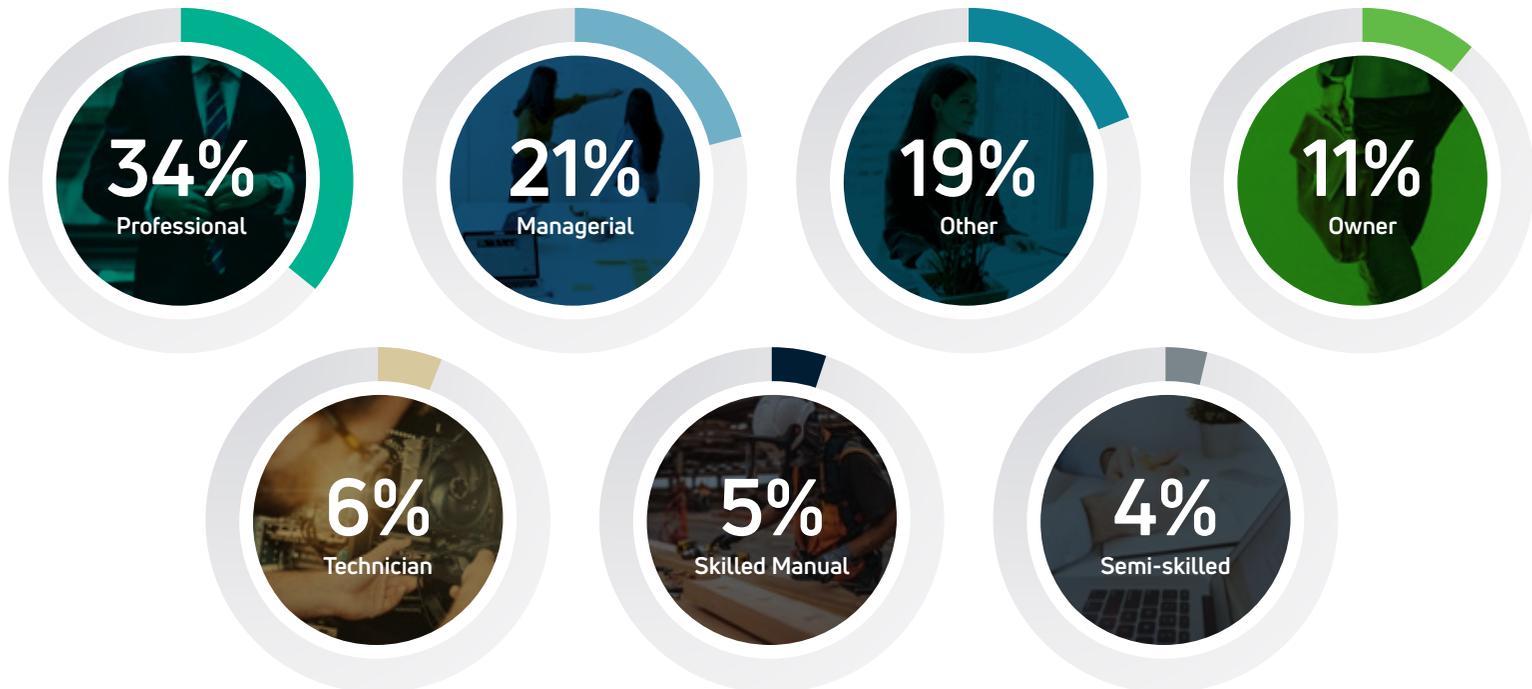
Male

### Trainees by Age

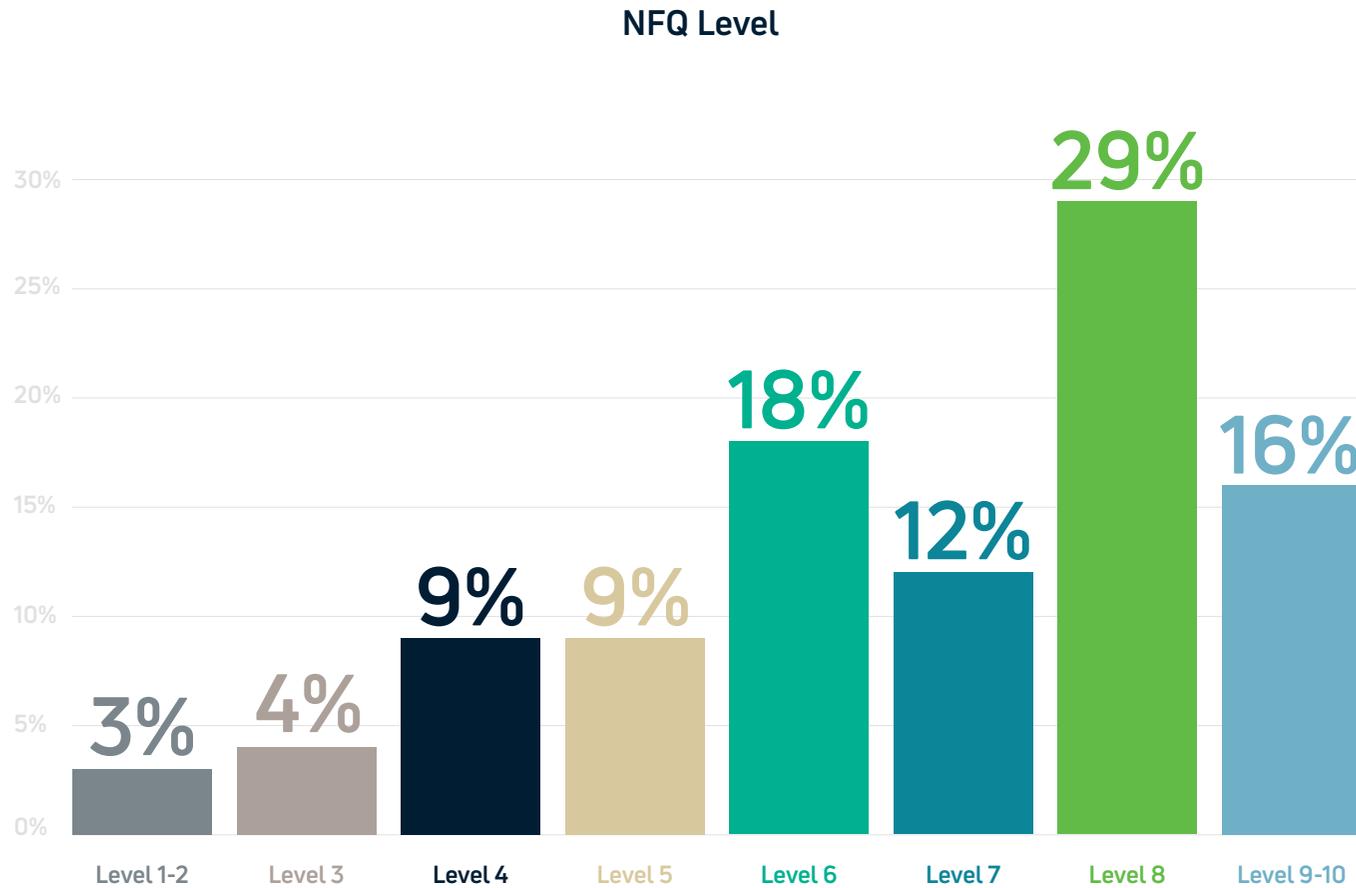


# TRAINEE PROFILE

## Trainees by Occupational Category

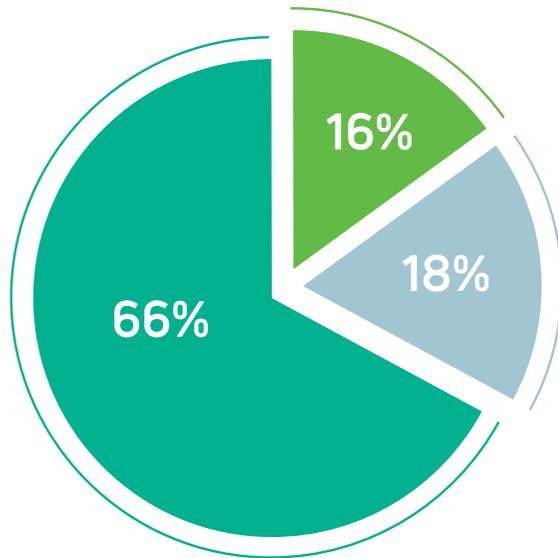


## TRAINEE PROFILE



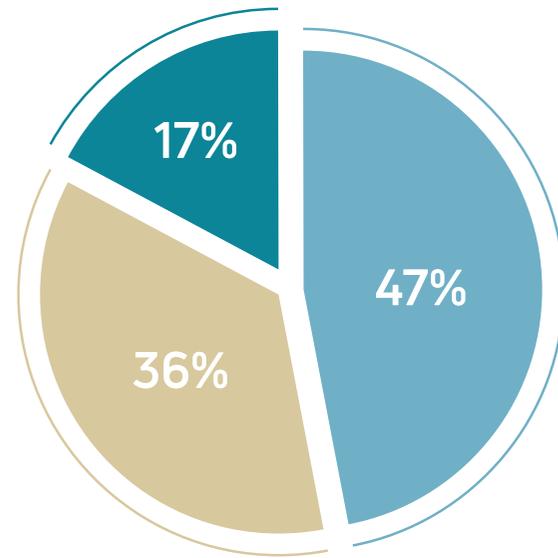
# TRAINEE PROFILE

### Courses by Certification



- NFQ
- Other
- Non-certified

### Training Days by Certification



- NFQ
- Other
- Non-certified

# Transforming Business through Talent

*Statement of Strategy* 2021-2025

November 2020 marked a key milestone for Skillnet Ireland, with the launch of our new Statement of Strategy, Transforming Business Through Talent 2021-2025. Ambitious in scope and informed by extensive stakeholder consultation, it sets out a definitive roadmap to increase business and industry engagement, double the numbers participating in talent development programmes, and prepare businesses in Ireland for the challenges of digital transformation and climate change.

Over a five-year period, the strategy outlines targets of increasing the number of businesses supported annually by Skillnet Ireland to 30,000 from 18,400; providing supports to 100,000 workers each year, rising from a baseline of 70,000; doubling investment in upskilling the Irish workforce to €100 million annually from an existing level of €52 million; and quadrupling innovation-themed projects from 25 to 100.



To achieve these ambitions, the strategy is built on three strategic pillars – workforce design, people development and strategic innovation – which combined will deliver a highly skilled and agile workforce for Ireland.

**Workforce Design** prioritises the development of Ireland’s workforce at a sectoral and regional level, analysing current and future needs and delivering strategies to meet those demands.

**People Development** focuses on empowering workers to learn, adapt and grow in increasingly complex work environments, delivering career opportunities for workers and enabling better businesses outcomes.

The third pillar, **Strategic Innovation**, supports businesses as they change and adapt in the face of technological disruption and business transformation, allowing them to remain agile, boosting creativity and productivity, and supporting them as they adapt to a new world of work.

Two significant areas of challenge for businesses in the coming years are also outlined in the Statement of Strategy as key priorities – that of digital transformation, and the implications of climate change. Key drivers of major change, the strategy highlights our plans to support businesses as they embrace digitalisation and develop the skills needed as Ireland transitions to a low carbon, sustainable economy.

Launched amidst a period of unprecedented challenges for businesses in Ireland, the strategy offers an ambitious, yet achievable pathway to ensuring businesses and the economy can continue to recover, grow and compete.



Photos from top: Tracey Donnery, Executive Director Skillnet Ireland.  
Simon Harris T.D., Minister for Further and Higher Education,  
Research, Innovation and Science

**"The launch of Skillnet Ireland's five-year strategy is a key milestone in Ireland's economic recovery and growth. It is designed to help our businesses and workers prepare for the future world of work, meet the demands of digital transformation and climate change, and drive innovation within Ireland's businesses. Having a skilled and agile workforce is essential to how we respond to current and future business challenges."**

**Simon Harris T.D., Minister for Further and Higher Education, Research, Innovation and Science**



A woman with brown hair tied back, wearing a white blouse, is smiling slightly and looking towards the right. A man with short brown hair, wearing a light blue shirt and a dark blue patterned tie, is looking down at something on the table. They are in a modern office environment with large windows in the background.

# DEVELOPING IRELAND'S WORKFORCE

## Creating a highly talented and agile workforce underpins Ireland's national competitiveness and economic recovery.

In 2020, we supported 24,372 businesses nationwide, enabling them to navigate an unprecedented year and prepare for the long-term implications of the future of work.

Throughout 2020, Skillnet Ireland developed a series of initiatives targeted to meet specific national priorities and respond to the practical and urgent needs of businesses. We also developed new and innovative learning solutions to meet specific future skills needs in a range of sectors including manufacturing, technology, retail, healthcare, agri-food, energy, services, ICT and medtech.

Many new programmes contributed to recommendations from key Government policies including Future Jobs Ireland, Enterprise 2025, Technology 2022, Finance for Ireland 2025, Foodwise 2025, National Cyber Security Strategy and Regional Development Plans.



L-R: Paul Healy, Skillnet Ireland Chief Executive and Niall Collins T.D., Minister of State for Skills and Further Education

**Collectively, the impact of our work saw Skillnet Ireland awarded "Best Agency Support to Business" at the 2020 InBusiness Recognition Awards. Some examples of our diverse activities and collaborative initiatives in 2020 are highlighted on the following pages.**



## PREPARING BUSINESSES FOR A NEW WORLD OF WORK

Skillnet Business Networks demonstrated remarkable tenacity and innovation throughout 2020, rising to meet new challenges and deliver best-in-class support to businesses during a period of immense disruption.

All 70 Skillnet Business Networks prioritised business needs, and rapidly and successfully transitioned all upskilling programmes to online platforms for virtual delivery. Skillnet Business Networks also introduced many new upskilling programmes designed to meet the evolving needs of businesses and new ways of working, and address Ireland's longer-term talent challenges.

The establishment of a new state-of-the-art robotics training centre in Mullingar in partnership with **Cobotics Skillnet** is an excellent resource for Irish businesses. Responding to the growing need for robotics and automation in Irish manufacturing, this first-of-its-kind centre in Ireland established by industry includes a dedicated training centre and robotics solutions creation centre to ensure that Irish manufacturing can gain a competitive edge in this growing space.

Another example of innovation being embraced came from **BioPharmaChem Skillnet**, who developed a programme in Aseptic Techniques for Biomanufacturing in 2020. Created in association with Technological University Dublin (TU Dublin), the recently launched programme uses ARVR technology to deliver a cutting-edge learning experience which allows participants to "perform" activities in a simulated cleanroom environment and delivers significant cost savings for businesses. Both epitomise the spirit of innovation that thrived across the Skillnet Business Networks during this period.

2020 also saw the Skillnet Business Network community grow with the addition of three new Networks; **Construction Professionals Skillnet** to address the growing skills needs of the construction industry; **Immersive Technologies Skillnet** to accelerate the growth of the immersive tech sector; and **Inishowen Skillnet** to stimulate business innovation in the north-west region. These three new Networks have swiftly gained traction, establishing programmes that are delivering tangible value to their sectors and regions.

**Construction Professionals Skillnet** launched in March 2020 to address urgent skills needs in the sector. Despite the onset of Covid-19, the Network delivered high quality development programmes throughout the year, including its flagship Certificate in Construction Site Management which equips construction professionals with the skills required to transition into in-demand project management and supervisory roles.



**2020 was a year where Skillnet Business Networks pivoted quickly to virtually deliver record levels of vital support to businesses and the workforce, whilst maintaining a keen focus on innovation and preparing business for the future.**

L-R: John Farren, Inishowen Skillnet Chair; Shauna McClenaghan, IDP Joint CEO and promoter of Inishowen Skillnet and Paul Healy, Chief Executive Skillnet Ireland

# CREATING THE WORKFORCE OF THE FUTURE

In 2020, Skillnet Ireland continued to play an important role in facilitating partnerships between industry and academia to develop enterprise-led programmes that address skill gaps and future talent needs.

One such programme was Transform, a first-of-its-kind foundational programme in digital transformation and disruptive technologies designed and delivered by **Technology Ireland DIGITAL Skillnet**. Ireland's first educationally accredited programme in Digital Transformation, Transform was developed with input from IDA Ireland, Technology Ireland, TU Dublin and Dell Technologies, and equips businesses and their people with the skills needed to harness the power of digital technologies and accelerate innovation. Over 900 people commenced the CPD Diploma in Digital Transformation and Innovation in 2020 and undertook 194 innovation projects for their companies.

The development and roll-out of a timely new Postgraduate Certificate in Infection Prevention and Control is another powerful example of the programmes created through partnership. Designed by the **Leading Healthcare Providers Skillnet** in partnership with University College Cork, the programme equips frontline healthcare professionals with the skills to implement progressive infection prevention and control strategies.

Delivered virtually and developed to tackle the spread of infection in nursing homes amid concerns around the community transmission of Covid-19, 47 students representing 20 counties nationwide participated in the programme.

Different in scale and sector, these programmes are excellent examples of the impact that continues to be made throughout the Irish business community by nurturing collaboration between industry, government and academia.

**“Bringing together industry and higher education to provide leading-edge workforce development opportunities for businesses is what we do best – we are proud of the very important strides made in 2020 across a range of industry sectors, driven by the agility and creativity of our Skillnet Business Networks and the commitment of our industry partners.”**

**Paul Healy, Chief Executive, Skillnet Ireland**



Skillnet Ireland developed Skills Connect in partnership with enterprise to enhance cross-sector employability and support people who have lost their jobs. Of the 81,895 learners who undertook training with Skillnet Ireland in 2020, 4,691 were jobseekers that participated through Skillnet Ireland's Skills Connect Programme.

Skills Connect enables workers to reskill or upskill and access new opportunities in high growth sectors including technology, wind energy, medtech, manufacturing, and customer service and CX.

Developed in partnership with industry, the 'Future in Tech' Skills Connect programme from **Technology Ireland ICT Skillnet** is fully aligned to the needs of business and offers high progression to employment for trainees. 'Future in Tech' is designed to help non-tech jobseekers rapidly and easily develop new digital skills and access new job opportunities as a result.



The programme includes seven certified development pathways for learners including cybersecurity; cloud services; IT networking; and software and web development. In 2020, the programme enabled 440 individuals to develop specific technology skills, benefit from career development supports and receive mentoring from 25 leading technology companies including Verizon, Ericsson and Microsoft.

Supported by 43 Skillnet Business Networks nationally, Skills Connect has made significant progress in creating new opportunities for jobseekers.



In 2019, the Government's Future Jobs Ireland report highlighted declining productivity levels in small and medium-sized enterprises (SMEs). In response, Skillnet Ireland partnered with the **Small Firms Association (SFA)** to create MentorsWork, an initiative that connects SME business owners and managers throughout Ireland with experienced mentors to address specific business issues on a one-to-one basis. This unique virtual mentoring programme was designed as 'bootcamp mentoring' specifically to tackle 'right now' issues companies faced as a result of Covid-19, as well as supporting them with long-term planning.

The further evolution of MentorsWork resulted in an expanded eight-week business support programme designed to provide the skills and supports business owners and managers need to sustain and improve their business. The programme offers integrated learning supports across four key pillars - People, Finance and Growth, Digitalisation and Automation and Business Processes - as well as access to expert-led masterclasses, peer-to-peer workshops and a bespoke online learning platform. Businesses are also supported by their Mentor to develop a six-month Strategic Business Improvement Plan.

During 2020, MentorsWork connected over 450 business owners and managers from 423 SMEs throughout Ireland with dedicated expert business mentors. With 96% of participants reporting that the mentoring provided was invaluable, the programme has continued to expand its offering and support more SMEs across Ireland.

**"The development of a highly skilled workforce and supporting our vital SME base is a key objective for the Government. MentorsWork from Skillnet Ireland offers SMEs expert support in overcoming current challenges and achieving their full potential. I would urge every small and medium sized enterprise to participate in these supports which are delivered by industry for industry."**

**Niall Collins T.D., Minister of State for Skills and Further Education**



# REBOUND

Back to Business.  
Safely.

Throughout 2020, businesses faced the unexpected challenge of adapting their business practices to ensure the safety of their staff and customers during the pandemic. Skillnet Ireland's enterprise-led ReBounce initiative was rapidly designed to help businesses across all sectors develop the capacity and skills to implement these safety measures whilst managing their business.

Developed to help businesses implement the 'Return to Work Safely' Protocol, prepare workforce management measures, and examine new ways of working, ReBounce consisted of webinar training and information sessions structured across three levels, with nine unique webinar sessions. Additionally, many Skillnet Business Networks offered targeted online ReBounce programmes to assist businesses in sectors facing particular challenges including retail, manufacturing, private healthcare, hair and beauty, childcare and creative sectors.

Addressing critical and urgent skills needs, more than 3,000 companies participated in ReBounce programmes and webinars throughout 2020, enabling owners, managers and employees throughout Ireland to take action to safely reopen their businesses and to navigate a secure recovery.



**“Skillnet Ireland’s ReBounce initiative adds to the range of measures put in place by Government to support companies in implementing the ‘Return to Work Safely Protocol’ within their business and adapting to this new and challenging environment. ReBounce exemplifies the collaboration between Government and industry that is central to the successful reopening of the economy and safe return to work.”**

**Heather Humphreys T.D., Minister for Business, Enterprise and Innovation**



# CLEAR CUSTOMS

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## Essential Customs Training

2020 saw uncertainty continue for businesses trading with or through Great Britain as a result of Brexit, with strong demand from businesses to upskill their workforce in preparation for increased customs regulations from January 1, 2021.

Clear Customs was created in partnership with the **Chartered Institute of Logistics and Transport (CILT)** in 2019 and was further developed in 2020. The programme continued to support businesses in preparing for these challenges via a mobile app with engaging and easy-to-navigate content on customs declarations completions. Online learning was delivered by expert customs practitioners and complemented with virtual classroom sessions to deepen the learning experience and ensure companies could avail of supports regardless of location or public health restrictions.

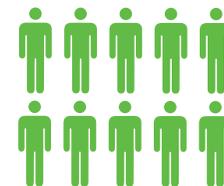
Supporting 1,856 participants in 2020, Clear Customs was awarded the Best Not for Profit Collaboration or Partnership at the Irish Institute of Training & Development (IITD) National Training Awards 2020, reflecting the focus on quality and on delivering concrete value to businesses.



2020 Clear Customs  
Companies  
**1,165**



2020 Clear Customs  
Trainees  
**1,865**



L-R: Paul Healy, Chief Executive Skillnet Ireland and Mick Curran, CEO, Chartered Institute of Logistics and Transport

# FUTURE OF WORK AND TALENT DEVELOPMENT



Skillnet Ireland published several research studies during 2020 that delivered valuable insights on the forces that are shaping the future of work and the steps needed for enterprise to seize the related opportunities.

The 'Retail Technologies and Future Skills Report' provides excellent new insights into the business challenges facing the retail sector and signals how disruptive technologies will impact the future skills and talent needed by retail businesses. This report from **Retail Ireland Skillnet**, provided a comprehensive and timely insight into the underlying technological trends reshaping Irish retail. It also signalled the importance of developing skills, talent and innovation through new career pathways that embrace new opportunities and new ways of working.

The **Galway Executive Skillnet** research report 'Boosting Medtech, Manufacturing Engineers and Finance talent to drive job growth in the West Region,' examined ways of addressing talent shortages within these sectors, supporting women returners and building a sustainable economy in the West of Ireland.

The report recommended innovative solutions to addressing these challenges and has led to a series of practical workforce development initiatives that address both the needs of these sectors and of a talented pool of returners in this region.

**"I am conscious of the important role that Skillnet Ireland plays in the innovation ecosystem in Ireland, by promoting industry and academia collaborations to address future skills needs and producing valuable industry insights and research."**

**Simon Harris T.D., Minister for Further and Higher Education, Research, Innovation and Science**

# SKILLNET IRELAND BOARD 2020

## BUSINESS AND EMPLOYER REPRESENTATIVES



1. **Brendan McGinty**  
(Chairperson)  
Ibec



2. **Áine Broilly\***  
Ibec



3. **Karl McDonagh**  
Ibec



4. **Kara McGann\*\***  
Ibec



5. **Ian Talbot**  
Chambers Ireland



6. **Mairéad Divilly**  
Small Firms  
Association  
(SFA)



7. **Hubert Fitzpatrick**  
Construction  
Industry Federation

## EMPLOYEE REPRESENTATIVES



8. **Laura Bambrick**  
Irish Congress  
of Trade Unions  
(ICTU)



9. **Eamon Devoy**  
Irish Congress  
of Trade Unions  
(ICTU)



10. **Nuala Keher\*\***  
Irish Congress  
of Trade Unions  
(ICTU)

## MINISTERIAL REPRESENTATIVES



11. **Thomas Cooney**



12. **Yvonne McNulty**



13. **Fiona Walsh**

## SECRETARY



14. **Ian Quinn**  
Skillnet Ireland

Note:

\*Resigned as a Director of the board on 16 April 2021.

\*\*Resigned as a Director of the board on 27 May 2021.



# CORPORATE GOVERNANCE AND FINANCIAL STATEMENTS

Reports and Consolidated Financial Statements  
for the financial year ended 31 December 2020

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## DIRECTORS AND OTHER INFORMATION

### DIRECTORS

Brendan McGinty (Chairperson)  
Laura Bambrick  
Thomas Cooney  
Eamon Devoy  
Mairéad Divilly  
Hubert Fitzpatrick  
Karl McDonagh  
Yvonne McNulty  
Ian Talbot  
Fiona Walsh

### SECRETARY

Ian Quinn

### CHIEF EXECUTIVE

Paul Healy

### REGISTERED OFFICE

Fifth Floor  
Q House  
76 Furze Road  
Sandyford  
Dublin 18  
D18 E268

### REGISTERED NUMBER

298694

### AUDITORS

Deloitte Ireland LLP  
Chartered Accountants and  
Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

### SOLICITORS

Philip Lee Solicitors  
7/8 Wilton Terrace  
Dublin 2

### BANKERS

Bank of Ireland  
Lower Baggot Street  
Dublin 2

# DIRECTORS' REPORT

The Directors submit their annual report, together with the audited consolidated financial statements, for the financial year ended 31 December 2020.

## Principal activities

Skillnet Ireland ("the Company") was formed to provide grants for the promotion, formation and successful operation of enterprise-led training networks under the *Training Networks Programme*. This is funded by the Department of Further and Higher Education, Research, Innovation and Science ("the Department") from the National Training Fund (previously the Department of Education and Skills). Skillnet Ireland hold a 100% subsidiary Skillnets Services Designated Activity Company ("Skillnets Services") which delivers Management Development Programmes on a not-for-profit basis.

## Going concern

The COVID-19 global pandemic continues to affect many businesses throughout Ireland. As per a Performance and Delivery Agreement between Skillnet Ireland and the Department of Further and Higher Education, Research, Innovation and Science, Skillnet Ireland is dependent on the ongoing support of the Department to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the *Training Networks Programme*.

The Department has confirmed Skillnet Ireland's funding for 2021 as €40.898m and the Directors are of the opinion that it remains appropriate to present the Financial Statements on a going concern basis and that there is a reasonable expectation that Skillnet Ireland will continue to trade.

In assessing whether the Financial Statements should be prepared on a going concern basis, the Directors have given due consideration to the following:

- In 2021, total funding to Skillnet Ireland from the Department of Further and Higher Education, Research, Innovation and Science has been confirmed by means of a Letter of Allocation as €40.898m
- The key impact of COVID-19 would be a reduction in the level of funding allocated to the Company in 2021. There is no indication from the Department of Further and Higher Education, Research, Innovation and Science that funding will be significantly reduced for 2022
- The scope of the Performance and Delivery Agreement between Skillnet Ireland and the Department, positions Skillnet Ireland to contribute to measures supporting businesses in their recovery from the COVID-19 crisis

- An effective Business Continuity Plan has ensured that the Company has the capacity to indefinitely operate business systems as normal on a remote basis
- There is no impact on the balance sheet of the Company
- There is no change in the key accounting estimates used by the Company that may affect the position of the Company as at 31 December 2020.

In 2018, the management development programme that is centrally provided for by Skillnet Ireland via Skillnets Services was reviewed by the Board and Executive.

Arising from the review, the Board agreed at its meeting held on 7 February 2019, that Skillnet Ireland should cease offering management development programmes through Skillnets Services in 2019 as there was adequate provision of quality management development being delivered through Skillnet Ireland Networks and accordingly revenues from this activity are noted as discontinuing over the period 2019 to 2022.

During this phase-out period, existing eligible learners engaged in management development programmes provided via Skillnets Services through several third parties will continue to be supported with subsidised training should they choose to complete other modules within these programmes.

# DIRECTORS' REPORT

In September 2019, the Board of Skillnet Ireland allocated €383,461 to Skillnets Services to meet potential future obligations arising from the likely up take of courses by eligible learners over the period 2020 to 2022.

As at 31 December 2020, the balance repayable to Skillnet Ireland is €314,988 (see note 10). In the event that this balance is not used, it is repayable to the parent company. During this time, the parent company will continue to provide funding to Skillnets Services to meet its liabilities as they fall due.

The Directors have a reasonable expectation that Skillnet Ireland has adequate resources to maintain operations. On this basis these Financial Statements have been prepared on the going concern basis.

## Principal risks and uncertainties

In the normal course of business, the Company is exposed to strategic, operational, funding and reputational risks all of which are managed in accordance with the policies approved by the Board. The Company maintains a comprehensive strategic and operational risk register which outlines principal risks and mitigating policies. The risk register is subject to review by the Board on an on-going basis and the Board is at all times conscious that maintaining the reputation of the organisation is critical. The principal risks and uncertainties that the Company faces are:

### Financial

The Company is dependent on the ongoing support of the Department. Ongoing funding at an appropriate level is fundamental to the Company's ability to continue as a going concern. The funding allocation to Skillnet Ireland has been confirmed for 2021 which mitigates any risk that may arise.

### Regulatory

The Company is subject to stringent regulations and has appropriate processes in place to monitor and comply with all legislation impacting on its operations.

### Governance

The risk or failure to adhere to agreed policies, procedures and processes due to a lack of financial controls, which may lead to a misstatement, fraudulent behaviour or a potential financial loss to the Company is mitigated via a Risk Control Framework and compliance with the Code of Practice for the Governance of State Bodies (2016).

### Strategic

The Company assesses external risks and changes to the environment in which we operate e.g. change in government policy which may impact the delivery and achievement of our strategic objectives.

### Operational

The Company reviews its operational framework to avoid disruption to day to day activities due to systems or process failure resulting in a loss of productivity and a reduced quality of service delivery.

Such risks may include:

1. Loss of records through inadequate IT systems
2. Breach of security due to failure to follow procedures resulting in potential theft and/or loss of assets.
3. Weather - Fire/Flood.

### Reputational

The Company considers the actual and perceived impact of decisions taken.

## Results for the financial year

The results for the financial year and the assets and liabilities of the Company are set out in the Consolidated Statement of Income and Retained Earnings and the Statement of Financial Position on pages 44 and 45 respectively.

	2020 €	2019 €
Result for the financial year	-	-
Retained earnings brought forward at beginning of financial year	51,075	51,075
Retained earnings carried forward at end of financial year	51,075	51,075

# DIRECTORS' REPORT

## Directors and Secretary

The Directors and Secretary, who served at any time during the financial year are set out below. Unless otherwise stated, all Directors served for the entire year.

### Directors:

Brendan McGinty (Chairperson)  
Laura Bambrick  
Áine Brolly (resigned 16 April 2021)  
Thomas Cooney  
Eamon Devoy  
Mairéad Divilly  
Hubert Fitzpatrick  
Nuala Keher (resigned 27 May 2021)  
Karl McDonagh  
Kara McGann (resigned 27 May 2021)  
Yvonne McNulty  
Ian Talbot  
Fiona Walsh

### Secretary:

Ian Quinn

The current Directors and Secretary are listed on page 29. They had no beneficial interest in the shares of the Company.

## Corporate Governance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. Apart from one derogation sought from the Code and agreed with the Department of Further and Higher Education, Research, Innovation and Science, details of which are noted in the Statement on System of Internal Controls, the Board is of the view that the Company has throughout the accounting period, complied with all relevant provisions set out in the Code.

The Company structure of the Board of Skillnet Ireland is that all 13 Directors are nominees of specified organisations that have an interest in employee training, with a majority representing employers, as follows:

- Minister for Further and Higher Education, Research, Innovation and Science (three nominees)
- Ibec (four nominees)
- The Construction Industry Federation (one nominee)
- Chambers Ireland (one nominee)
- The Small Firms Association (one nominee)
- The Irish Congress of Trade Unions (three nominees)

The Board has established three Committees, the duties and responsibilities of each Committee are set out clearly in written Terms of Reference which have been approved by the Board. The Committees of the Board are:

- Audit and Risk Committee
- Finance and General-Purpose Committee
- Evaluation and Performance Monitoring Committee

The Board has delegated some of its responsibilities to Committees of the Board, which are referred to below.

### Audit and Risk Committee

Membership: Mairéad Divilly (Chair), Eamon Devoy, Ian Talbot and Fiona Walsh.

The Audit and Risk Committee is chaired by Mairéad Divilly who is considered by the Board to have sufficient financial experience and sufficient understanding of financial reporting and accounting principles.

The Audit and Risk Committee provide oversight of:

- Financial reporting
- Internal controls and risk management
- Internal and external audit functions.

# DIRECTORS' REPORT

## Finance and General-Purpose Committee

Membership: Mairéad Divilly (Chair), Hubert Fitzpatrick, Nuala Keher and Brendan McGinty.

The Finance and General-Purpose Committee provide oversight of:

- Operational effectiveness
- Human resources and remuneration matters
- Annual budget and application of funds in accordance with the Company's mandate and funding allocation letter.

## Evaluation and Performance Monitoring Committee

Membership: Thomas Cooney (Chair), Laura Bambrick, Áine Brolly, Karl McDonagh, Kara McGann and Yvonne McNulty.

The Evaluation and Performance Monitoring Committee shall:

- Review applications for funding and awards for grants
- Oversee the application process followed by the Executive
- Define and set performance measures and benchmarks for the Networks and related programmes.

## Conflicts of interest

The Board reviews potential conflicts of interest as a standing agenda item at each Board meeting. Directors have continuing obligations to update the Board on any changes to these conflicts.

## Induction and training

There is an established induction procedure in place for new Directors. Directors engage with the Executive on an ongoing basis to aid their understanding of the business. The Board considers on an ongoing basis the need for additional training in respect of any matters relevant to the development and operation of the Board or any of its Committees.

## Board performance and evaluation

In accordance with Section 4.6 of the Code of Practice for the Governance of State Bodies 2016, the Board commissioned an External Board Evaluation Review in quarter 4 2019. The Board is currently implementing the recommendations arising from this review.

## Protected Disclosures Act 2014

Pursuant to Section 22 of the Protected Disclosures Act 2014, Skillnet Ireland confirms that no reports were received and/or are under investigation in accordance with the provisions of the Protected Disclosures Act, 2014 for the year ended 31 December 2020 (2019: nil).

# DIRECTORS' REPORT

## Resource efficiency reporting

The Government Decision S180/20/10/0434C of 3 January 2019, on the topic of Single Use Plastics, Prevention of Waste and Green Public Procurement, instructed that each public body must report to its respective Minister on the measures it is taking to minimise waste generation and to maximise recycling.

Skillnet Ireland is committed to minimising waste generation and maximising recycling and has implemented the following measures:

- Staff are encouraged to use 'double-sided' printing to minimise paper waste
- Provision of separate bins for recycling and general waste
- Discontinued the use of 'single-use' plastics and paper cups
- Paper waste is shredded and recycled (where applicable).

## Management

The leadership team is made up of 6 members of staff (2019: 6).

## Political contributions

There were no political donations made during the financial year (2019: €Nil).

## Subsidiary undertaking

The information required by the Companies Act 2014 in relation to subsidiary undertakings is set out in note 9.

## Post Balance Sheet events

There have been no significant events affecting the Company since the financial year end.

# DIRECTORS' REPORT

## Directors' meeting attendance and fees paid in 2020

Details of fees paid in 2020 and attendance of directors at Board and Board Committee meetings during the year was as follows:

Director	Board		Audit & Risk Committee		Finance & General Purpose Committee		Evaluation & Performance Monitoring Committee		Fees 2020 €	Fees 2019 €
	Total	Attended	Total	Attended	Total	Attended	Total	Attended		
Brendan McGinty (Chairperson)	6	6	-	-	2	2	-	-	8,978	8,978
Laura Bambrick (1)	6	4	-	-	-	-	4	4	5,985	3,491
Áine Brolly (2)	6	5	-	-	-	-	4	4	5,985	1,500
Thomas Cooney (3)	6	5	-	-	-	-	4	4	Nil	Nil
Eamon Devoy (4)	6	4	4	3	-	-	-	-	5,985	5,985
Mairéad Divilly	6	6	4	4	2	2	-	-	5,985	5,985
Hubert Fitzpatrick (1)	6	6	-	-	2	2	-	-	5,985	3,491
Nuala Keher	6	5	-	-	2	2	-	-	5,985	5,985
Karl McDonagh	6	6	-	-	-	-	4	4	5,985	5,985
Kara McGann	6	5	-	-	-	-	4	3	5,985	5,985
Yvonne McNulty (4)	6	6	-	-	-	-	4	3	5,985	7,387
Ian Talbot (1)	6	5	4	4	-	-	-	-	5,985	5,985
Fiona Walsh (4)	6	6	4	3	-	-	-	-	5,985	7,385

### Notes:

(1) As disclosed in notes 5 and 18 to the Financial Statements, a number of Directors have waived their fee for Director services provided to Skillnet Ireland and instead opted to have that amount paid to their representative organisations.

(2) The amount noted in respect of Áine Brolly in 2019 represents an accrual of €1,500 for Director fees which were paid in 2020 in addition to Directors fees of €5,985 paid in respect of 2020. This is disclosed in notes 5 and 18.

(3) Thomas Cooney did not receive a fee under the One Person One Salary (OPOS) principle.

(4) As disclosed in notes 5 and 18 to the Financial Statements, a number of Directors have charged Skillnet Ireland for the provision of Director services in 2019. The fees payable to those Directors were paid via salary in 2020.

# DIRECTORS' REPORT

## Future developments

In 2020, Skillnet Ireland launched a new **Statement of Strategy 2021-2025**.

The Statement of Strategy is informed by an extensive multi stakeholder consultation spanning government, state agencies, industry bodies, worker representatives and the general public. Consultations were conducted in 2019 and again in 2020 to take account of the impact of COVID-19. Three strategic themes were highlighted through the consultation process:

- 1 **Workforce Design**
- 2 **People Development and**
- 3 **Strategic Innovation**

The Board and Executive wish to express their gratitude to all of the stakeholders who took part in an extensive consultation process as part of the renewal of the Statement of Strategy 2021-2025.

The original funding allocation to Skillnet Ireland in 2020 was €35.898m with an additional €5.1m allocated from the Department of Further and Higher Education, Research, Innovation and Science as part of the Government's July Stimulus Package to enable Skillnet Ireland to support businesses impacted by COVID-19 and Brexit.

In October 2020, the Department of Further and Higher Education, Research, Innovation and Science announced that €40.898m in funding will be allocated to Skillnet Ireland in 2021.

## Accounting records

The measures that the Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at 5th Floor, Q House, 76 Furze Road, Sandyford, Dublin 18.

## Disclosure of information to auditors

In the case of each of the persons who are Directors at the time the Directors' Report and financial statements are approved:

- a. So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b. Each Director has taken all steps that ought to have been taken by the Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Auditors

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:



Brendan McGinty  
**Director**



Mairéad Divilly  
**Director**

Date: 27 May 2021

# STATEMENT ON SYSTEM OF INTERNAL CONTROL

## Governance and financial controls

On behalf of the Board of Skillnet Ireland I acknowledge our responsibility for good governance and for ensuring that an effective system of internal control is maintained and operated. The system of internal control 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. The system requires that the executive team overseeing programmes, operations, finance, procurement and HR exercise stringent control and report any significant control failures to the Board.

## Financial control framework

The Board has taken steps to ensure an appropriate financial control framework is in place by:

- Clearly defining and documenting management responsibilities;
- Establishing formal Committees to monitor the activities and safeguard the assets of the organisation;
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action is taken;
- Adopting and adhering to the Code of Practice for the Governance of State Bodies (2016).

In addition to the above, the Board ensures that it has continued oversight of the control environment at each Board meeting through the following reports and updates from:

- The Audit and Risk Committee;
- The Chief Executive's report;
- A review of the Company Risk Register; and
- The presentation to the Board of activity and financial results, current month and year-to-date, on a monthly basis.

## Risk

Skillnet Ireland, through its Risk Management Policy, is committed to the implementation of a coherent and effective framework for managing risk throughout the Company. It also provides a proactive approach to identifying, managing and reporting the risks faced by the Company.

The Board has overall responsibility for the Company's system of internal control and for monitoring its effectiveness. The system of internal control is designed to provide reasonable but not absolute assurance against the risk of material misstatement or loss. In order to discharge that responsibility in a manner which ensures compliance with legislation and regulations, the Board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Board has delegated authority to the Audit and Risk Committee regarding the ongoing oversight of risk. Significant risks to the organisation are documented in the Company Risk Register, which identifies the top risks, their likelihood and impact, and the mitigating controls in place to manage them effectively. The Risk Register is assessed at each Audit and Risk Committee meeting and Risk is a standing agenda item at each Board meeting.

## Key financial control processes and procedures

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

- A comprehensive budgeting system, with an annual budget which incorporates a detailed business planning process, is reviewed and agreed by the Board
- Setting targets to measure financial and other performance
- Reviews by the Board of monthly and annual financial reports which indicate activity and financial performance against budgets; and
- Established procurement procedures under which goods and services are procured in accordance with EU and national procurement requirements.

# STATEMENT ON SYSTEM OF INTERNAL CONTROL

## How Skillnet Ireland disburses grant funding

Each Skillnet Network which is managed independently of Skillnet Ireland via contracted enterprise groups, must apply to Skillnet Ireland for funding. The Evaluation and Performance Monitoring Committee (EPM) is the designated Board Committee to:

- Review applications for funding and awards for grants
- Oversee the application process followed by the Executive to ensure that the Committee can have confidence in its approach
- Review third party inputs to the application process as appropriate and
- Define and set performance measures and benchmarks for the Skillnet Networks and related programmes.
- Recommend awards for grants to the Board of Skillnet Ireland for its approval.

The Board approves grants based on the recommendations of the EPM Committee and a report by the Chair of that Committee at the Board meeting at which the grants are approved.

Skillnet Networks that have been awarded grants are required to enter into legally binding funding agreements with Skillnet Ireland in advance of receiving those grants.

## Internal audit

The Skillnet Ireland Audit and Risk Committee oversees the Internal Audit function on behalf of the Board.

The Audit and Risk Committee has appointed ASM Chartered Accountants to provide Internal Audit Services to Skillnet Ireland. The Internal Audit assignments identified by the Audit and Risk Committee considered a range of factors which would influence the selection of areas for inclusion within the 2019/20 Internal Audit Plan. These factors included previous internal audit reviews and their findings, Skillnet Ireland's current Risk Register and other topical issues.

Internal audit reports are closely monitored and actioned upon by the Skillnet Ireland Executive with reports issued to the Audit and Risk Committee to coincide with each of their four scheduled meetings per year.

Satisfactory Assurance reports have been issued in respect of all internal audits conducted since the start of 2019. There were no material breaches of controls in 2020 and no material losses or frauds.

The Statement on the System of Internal Control was reviewed by the Audit and Risk Committee and the Board to ensure that it accurately reflected the control system in operation during 2020.

## Review of the system of internal control

The Board's monitoring and review of the effectiveness of the System of Internal Control is informed by the work of:

- The Skillnet Ireland Executive who have responsibility for the development and maintenance of the financial control framework
- The Internal Audit Reports that are issued during the year
- The Audit and Risk Committee, which oversees the work of Internal Audit.

In addition, the Board considers comments made by the Company's statutory auditors in their management letter or other reports.

# STATEMENT ON SYSTEM OF INTERNAL CONTROL

## Additional disclosures in relation to certain categories of expenditure

The Board is responsible for ensuring that Skillnet Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

### Legal costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by Skillnet Ireland which is disclosed in Consultancy costs below.

	Notes	2020 €	2019 €
Legal costs		-	-
Legal settlements		-	-
<b>Total</b>		-	-

Skillnet Ireland is not involved in any on-going matters involving other State agencies.

<b>Redundancy costs</b>	6	<b>93,873</b>	-
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## Consultancy costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	Notes	2020 €	2019 €
Legal advice		<b>48,727</b>	36,444
IT Consultancy		<b>45,203</b>	3,130
Policy and Research		<b>27,198</b>	-
New Programme Development		<b>87,851</b>	79,153
Strategy Development		<b>41,974</b>	62,423
<b>Total</b>		<b>250,953</b>	181,150
Total Consultancy costs charged to the Income and Expenditure Account		<b>250,953</b>	181,150

## Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

<b>Domestic</b>	6		
Board		-	73
Employees		<b>9,373</b>	53,169
<b>International</b>			
Board		-	602
Employees		<b>1,617</b>	4,511
<b>Total</b>		<b>10,990</b>	58,355

Includes travel and subsistence of €Nil paid directly to Board members in 2020 (2019: €675).

## Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	Notes	2020 €	2019 €
Staff Hospitality		<b>6,431</b>	3,332

## Statement of compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Board of Skillnet Ireland has agreed one derogation with the Department of Further and Higher Education, Research, Innovation and Science from the Code of Practice for the Governance of State Bodies (2016) namely Section 4.5 - Directors Terms of Appointment.

The Board is of the view that the Company has throughout the accounting period complied with all other sections of the Code of Practice for the Governance of State Bodies (2016).

On behalf of the Board of Skillnet Ireland:



Brendan McGinty  
Chairperson, Skillnet Ireland

## DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting framework"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the surplus or deficit of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies for the parent company and the group financial statements and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

## Report on the audit of the financial statements

### Opinion on the financial statements of Skillnet Ireland (the 'company')

In our opinion the group and parent company financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2020 and of the result of the group and parent company for the financial year then ended; and
- Have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:

- The Consolidated Statement of Income and Retained Earnings;
- The Consolidated Statement of Financial Position;
- The Consolidated Statement of Cashflows; and
- The related notes 1 to 21, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:

- The Statement of Financial Position; and
- The related notes 1 to 21, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Reports and Consolidated Financial Statements for the financial year ended 31 December 2020, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

## Other information (contd)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. (Continued on next page)

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

## Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Margarita Martin

For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace,  
Dublin 2

3 June 2021

# CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Notes	2020 €	2019 €
<b>INCOME</b>	3	<b>38,584,562</b>	30,383,908
Programme costs		<b>(34,826,560)</b>	(27,159,973)
<b>GROSS SURPLUS</b>		<b>3,758,002</b>	3,223,935
Administration costs		<b>(3,758,002)</b>	(3,220,434)
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>-</b>	3,501
Taxation	7	<b>-</b>	(3,501)
<b>RESULT FOR THE FINANCIAL YEAR</b>		<b>-</b>	-
Retained earnings at the beginning of the reporting period		<b>51,075</b>	51,075
Retained earnings at the end of the reporting period		<b>51,075</b>	51,075

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 €	2019 €
<b>Fixed Assets</b>			
Tangible assets	8	264,274	291,923
<b>Current Assets</b>			
Debtors: Amounts falling due within one year	10	261,246	517,765
Cash at bank and in hand	11	3,340,154	801,516
		3,601,400	1,319,281
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	12	(3,814,599)	(1,560,129)
<b>Net Current Liabilities</b>			
		(213,199)	(240,848)
<b>Net Assets</b>			
		51,075	51,075
<b>Capital and Reserves</b>			
Retained earnings		51,075	51,075

The financial statements were approved and authorised for issue by the Board of Directors on 27 May 2021 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

# COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 €	2019 €
<b>Fixed Assets</b>			
Tangible assets	8	264,274	291,923
Financial assets	9	1	1
		<u>264,275</u>	<u>291,924</u>
<b>Current Assets</b>			
<b>Debtors:</b> Amounts falling due within one year	10	559,331	758,568
Cash at bank and in hand	11	2,962,400	171,849
		<u>3,521,731</u>	<u>930,417</u>
<b>Current Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	12	(3,786,006)	(1,222,341)
<b>Net Current Liabilities</b>		<u>(264,275)</u>	<u>(291,924)</u>
<b>Net Assets</b>		<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>			
Retained earnings	15	<u>-</u>	<u>-</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27 May 2021 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

# CONSOLIDATED STATEMENT OF CASHFLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Notes	2020 €	2019 €
Net cash flows from operating activities	16	2,657,887	564,121
Net cash flows from investing activities			
Purchase of tangible assets	8	(119,249)	(323,607)
Net increase in cash and cash equivalents		2,538,638	240,514
Cash and cash equivalents at beginning of year		801,516	561,002
Cash and cash equivalents at end of year	11	3,340,154	801,516

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 1. ACCOUNTING POLICIES

The significant accounting policies adopted by the Company are as follows:

#### General Information and Basis of Accounting

Skillnet Ireland is a company incorporated in the Republic of Ireland under the Companies Act 2014. The address of the registered office is provided on page 29. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 30 to 36.

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be euro because that is the currency of the primary economic environment in which the Company operates.

#### Basis of Consolidation

The consolidated financial statements include the parent company, Skillnet Ireland and its wholly owned subsidiary, Skillnets Services DAC.

#### Going Concern

The COVID-19 global pandemic continues to affect many businesses throughout Ireland. As per a Performance and Delivery Agreement between Skillnet Ireland and the Department of Further and Higher Education, Research, Innovation and Science, Skillnet Ireland is dependent on the ongoing support of the Department to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the Training Networks Programme. The Department has confirmed Skillnet Ireland's funding for 2021 as €40.898m and the Directors are of the opinion that it remains appropriate to present the Financial Statements on a going concern basis and that there is a reasonable expectation that Skillnet Ireland will continue to trade.

In assessing whether the Financial Statements should be prepared on a going concern basis, the Directors have given due consideration to the following:

- In 2021, total funding to Skillnet Ireland from the Department of Further and Higher Education, Research, Innovation and Science has been confirmed by means of a Letter of Allocation as €40.898m
- The key impact of COVID-19 would be a reduction in the level of funding allocated to the Company in 2021. There is no indication from the Department of Further and Higher Education, Research, Innovation and Science that funding will be significantly reduced for 2022
- The scope of the Performance and Delivery Agreement between Skillnet Ireland and the Department, positions Skillnet Ireland to contribute to measures supporting businesses in their recovery from the COVID-19 crisis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 1. ACCOUNTING POLICIES (continued)

#### Going Concern (Continued)

An effective Business Continuity Plan has ensured that the Company has the capacity to:

- Indefinitely operate business systems as normal on a remote basis
- There is no impact on the balance sheet of the Company
- There is no change in the key accounting estimates used by the Company that may affect the position of the Company as at 31 December 2020.

The Directors have a reasonable expectation that Skillnet Ireland has adequate resources to maintain operations. On this basis these Financial Statements have been prepared on the going concern basis.

The Directors have disclosed details in relation to the Going Concern of Skillnets Services in their Directors' Report (see page 30 and 31). No decision has been made to wind up this Company and the Directors are assessing if the Company will be used for other purposes going forward. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

During this time, the parent company will continue to provide funding to Skillnets Services to meet its liabilities as they fall due.

#### Revenue Recognition

Skillnet Ireland receives funding from the Department of Further and Higher Education, Research, Innovation and Science via the National Training Fund (see note 3 to the Financial Statements) to meet both revenue and minor capital expenditure. This is credited to deferred income on receipt and is transferred to the consolidated income statement to match expenditure as it is incurred.

#### Programme Funding

Funding from participating enterprises is received by Skillnets Services to meet expenditure for the management development programmes. Funding for courses invoiced is deferred in accordance with the timing of the course.

#### Programme Costs

Programme costs represent programme support and grant payments made to enterprise-led networks including management development programmes provided via Skillnets Services. The management development programme costs are accounted for on an invoice basis and deferred in accordance with the timing of the course.

#### Retirement Benefits

The Company and its subsidiary operate a defined contribution scheme. Retirement benefit contributions in respect of the scheme are charged to the consolidated statement of income and retained earnings as they become payable. The assets are held separately from those of the Company in an independently administered fund.

#### Taxation

It has been agreed with the Revenue Commissioners that Skillnet Ireland is not subject to corporation tax on its principal activities funded from the Department of Further and Higher Education, Research, Innovation and Science but is subject to corporation tax on its other income including deposit interest income and other sources of trading income. There are no known factors which may affect future tax charges.

#### Tangible Assets

Tangible fixed assets are stated at cost less depreciation. Tangible fixed asset additions with a value greater than €1,270 including VAT are capitalised. The charge to depreciation is calculated to write off the original cost of tangible fixed assets, less their estimated residual value which is estimated to be nil. Depreciation is charged for all fixed assets at a rate of 33% using the straight line method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 1. ACCOUNTING POLICIES (continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

##### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or

c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Investments in subsidiaries are measured at cost less impairment.

#### Leases

Operating lease costs are charged to the income statement as incurred.

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the Company's accounting policies

There were no significant judgements and estimates made by the Directors for the current financial period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 3. INCOME

Department of Further and Higher Education, Research, Innovation and Science  
(via the National Training Fund) (note 14)

2020  
€

36,945,657

2019  
€

27,786,352

Clear Customs (note 14)

1,546,667

2,000,000

Sponsorship income re Skillnet Ireland  
"Future Works" Summit (note 7)

-

28,007

Subsidiary Company: Skillnets Services

Income from participant companies\*

92,238

569,549

**38,584,562**

**30,383,908**

In 2019, Skillnet Ireland was requested by Government to lead on the delivery of a Brexit Initiative to support companies that are involved in customs declarations to enable those firms to be adequately equipped following the implications of Brexit. To enable Skillnet Ireland to develop and deliver this scheme, €2m of additional funding was sanctioned by the Department of Public Expenditure and Reform and allocated to Skillnet Ireland via the Department of Further and Higher Education, Research, Innovation and Science on an exceptional basis.

In 2020, an additional €2.1m was allocated to Skillnet Ireland under the Clear Customs Brexit Initiative, of which €1,546,667 was recognised in the year with the balance of €553,333 being classified as deferred income at the 31 December 2020. The amount deferred of €553,333 was disbursed as grant payment in February 2021.

All income represents all grants received from the Department of Further and Higher Education, Research, Innovation and Science in the Republic of Ireland. The Company has not benefited from any other form of government assistance.

\* The above derives from discontinuing activities ceasing over the period 2019 to 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

The surplus on ordinary activities before taxation has been arrived at after charging:

Directors' remuneration (note 5)

Operating lease payments – premises (note 19)

Depreciation (note 8)

Loss on disposal of fixed assets

	2020 €	2019 €
Directors' remuneration (note 5)	77,445	79,723
Operating lease payments – premises (note 19)	211,147	211,147
Depreciation (note 8)	146,747	112,245
Loss on disposal of fixed assets	151	366
	<u>77,445</u>	<u>79,723</u>

### 5. DIRECTORS' REMUNERATION

Aggregate emoluments paid to or receivable by Directors in respect of qualifying services

Amounts paid to representative organisations for Directors services excluding VAT (note 18)

Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 18)

Total Directors' remuneration excl. VAT

Irrecoverable VAT on Director Services

	2020 €	2019 €
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	56,858	35,911
Amounts paid to representative organisations for Directors services excluding VAT (note 18)	17,955	17,954
Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 18)	-	22,257
Total Directors' remuneration excl. VAT	<u>74,813</u>	<u>76,122</u>
Irrecoverable VAT on Director Services	2,632	3,601
	<u>77,445</u>	<u>79,723</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 6. STAFF NUMBERS AND COSTS

The average monthly number of employees (including directors) was:

2020  
Number

35

2019  
Number

29

The following table sets out the salary range for those paid in excess of €60,000 in 2020 along with employer's pension contributions and other benefits.

Number of Staff		Gross Salary Range	Employer's Pension Contribution	Other Benefits
2019	2020	€	€	€
2	2	60,000 – 69,999	6,731	-
1	2	70,000 – 79,999	14,250	-
1	1	80,000 – 89,999	8,900	-
1	2	90,000 – 99,999	23,170	-
1	2	100,000 – 109,999	20,820	-
-	-	110,000 – 119,999	-	-
-	-	120,000 – 129,999	-	-
1	1	130,000 – 139,999	14,427	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 6. STAFF NUMBERS AND COSTS (continued)

The aggregate staff remuneration comprised:	2020 €	2019 €
Wages and salaries (including Directors' fees)	1,751,644	1,445,102
Social welfare costs	183,860	150,719
Retirement benefit costs (note 20)	130,564	113,920
Redundancy costs	93,873	-
	<u>2,159,941</u>	<u>1,709,741</u>
<b>Analysed as follows:</b>		
Expensed in financial year	<u>2,159,941</u>	<u>1,709,741</u>
	<u>2,159,941</u>	<u>1,709,741</u>

As referred to in the Statement on System of Internal Control, redundancy costs amounting to €93,873 (2019: €Nil) were paid as part of a redundancy scheme approved by the Board and the Department of Education and Skills in 2018.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 6. STAFF NUMBERS AND COSTS (continued)

#### Key management compensation

Key management personnel in Skillnet Ireland consists of the Board, the Chief Executive and 5 Executive Directors (2019: 5 Executive Directors). The total remuneration for key management personnel (including the Board) for the financial year amounted to €863,611 (2019: €699,422).

Set out below is the breakdown of those amounts:

	2020 €	2019 €
Directors' Remuneration (note 5)	77,445	79,723
Salaries and wages	647,359	520,864
Employer's PRSI	71,489	56,989
Employer's pension contribution (Defined contribution scheme)	67,318	41,847
	863,611	699,423
	863,611	699,423

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 6. STAFF NUMBERS AND COSTS (continued)

In 2020, the salary of the Chief Executive was €139,360. The Chief Executive received a total remuneration of €154,993 (2019: €139,270) which included a payment in lieu of annual leave of €10,720 provided for on an exceptional basis to address a significant build-up of annual leave in the organisation arising due to the COVID-19 pandemic. This once-off payment was made available to all Staff to minimise disruption to the organisation.

The Chief Executive is a member of the Skillnet Ireland Group Retirement Plan. The Company contributed €14,427 to the scheme in 2020 on behalf of the Chief Executive (2019: €13,927).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 7. CORPORATION TAX

	2020 €	2019 €
Other income (note 3)	-	28,007
Other income multiplied by standard rate of corporation tax of 12.5%		
Tax charge	-	3,501
	-	3,501

It has been agreed with the Revenue Commissioners that Skillnet Ireland is not subject to corporation tax on its principal activities funded from the Department of Further and Higher Education, Research, Innovation and Science but is subject to corporation tax on its other income including deposit interest income and other sources of trading income. There are no known factors which may affect future tax charges.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 8. TANGIBLE ASSETS GROUP & COMPANY

	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
<b>Cost:</b>				
At 1 January 2020	3,748	233,581	580,135	817,464
Additions	-	-	119,249	119,249
Disposals	-	-	(2,581)	(2,581)
<b>At 31 December 2020</b>	<b>3,748</b>	<b>233,581</b>	<b>696,803</b>	<b>934,132</b>
<b>Accumulated depreciation:</b>				
At 1 January 2020	3,748	116,392	405,401	525,541
Charge for the financial year	-	50,609	96,138	146,747
Disposals	-	-	(2,430)	(2,430)
<b>At 31 December 2020</b>	<b>3,748</b>	<b>167,001</b>	<b>499,109</b>	<b>669,858</b>
<b>Net book values:</b>				
<b>At 31 December 2020</b>	<b>-</b>	<b>66,580</b>	<b>197,694</b>	<b>264,274</b>
<b>Net book values:</b>				
<b>At 31 December 2020</b>	<b>-</b>	<b>117,189</b>	<b>174,734</b>	<b>291,923</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 9. FINANCIAL ASSETS

In respect of current and prior financial year:

Financial assets represent a 100% holding in its subsidiary Skillnets Services DAC which delivers management development programmes. Skillnets Services is operated on a not-for-profit basis. Skillnets Services DAC has its registered office at Q House, 76 Furze Road, Sandyford, Dublin 18 and recorded a €Nil position after taxation in 2020 (2019: €Nil). At 31 December 2020, it had net assets of €51,076 (2019: €51,076).

#### Investments

Subsidiary Undertaking	Country of incorporation	Principal activity	Holding %
Skillnets Services DAC	Republic of Ireland	Delivery of management development programmes	100%

Subsidiary Undertaking	2020 €	2019 €
Cost		
At 1 January and 31 December	<u>1</u>	<u>1</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 10. DEBTORS

(Amounts due within one year)

	Group		Company	
	2020 €	2019 €	2020 €	2019 €
Non-Grant debtors (note 13)	18,084	44,282	17,781	9,149
Prepayments	226,562	319,028	226,562	317,221
Prepaid future programme cost	16,600	154,455	-	-
Amount due from subsidiary	-	-	314,988	432,198
	<u>261,246</u>	<u>517,765</u>	<u>559,331</u>	<u>758,568</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 11. CASH AT HAND AND IN BANK

	Group		Company	
	2020 €	2019 €	2020 €	2019 €
Parent company bank accounts	2,962,244	171,727	2,962,244	171,727
Subsidiary bank accounts	377,754	629,667	-	-
Petty Cash	156	122	156	122
	<u>3,340,154</u>	<u>801,516</u>	<u>2,962,400</u>	<u>171,849</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 12. CREDITORS

(Amounts falling due within one year)

	Group		Company	
	2020 €	2019 €	2020 €	2019 €
Deferred income (notes 13 & 14)	3,499,522	993,846	3,499,522	993,846
Accruals	255,173	115,262	247,609	107,696
Subsidiary: Skillnets Services (note 13)	12,960	258,400	-	-
Other creditors (note 13)	20,136	113,342	20,136	113,342
Deferred funding from participant companies (note 13)	8,069	71,822	-	-
Value added tax (VAT)	18,739	3,956	18,739	3,956
Corporation Tax	-	3,501	-	3,501
	<b>3,814,599</b>	<b>1,560,129</b>	<b>3,786,006</b>	<b>1,222,341</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 13. FINANCIAL INSTRUMENTS – GROUP

#### Financial assets:

*Measured at undiscounted amounts receivable*  
Trade and other debtors (note 10)

#### Financial liabilities:

*Measured at undiscounted amounts payable*  
Trade and other payables (note 12)

2020 €	2019 €
18,084	44,282
3,540,687	1,437,411

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 14. DEFERRED INCOME – PARENT COMPANY

	2020 €	2019 €
	<b>Total</b>	Total
Opening deferred income	993,846	780,198
Received from Department of Further and Higher Education, Research, Innovation and Science via the National Training Fund (note 3)	38,898,000	28,000,000
Clear Customs (note 3)	2,100,000	2,000,000
Credited to statement of income and expenditure (note 3)	(38,492,324)	(29,786,352)
Closing deferred income	<u>3,499,522</u>	<u>993,846</u>

In 2020, an additional €2.1m was allocated to Skillnet Ireland under the Clear Customs Brexit Initiative, of which €1,546,667 was recognised in the year with the balance of €553,333 being classified as deferred income at the 31 December 2020. The amount deferred of €553,333 was disbursed as grant payment in February 2021.

### 15. RESULTS ATTRIBUTABLE TO SKILLNET IRELAND

Skillnet Ireland has availed of the exemption from preparing a separate statement of comprehensive income for the Company in accordance with section 304 of the Companies Act 2014. The net result for Skillnet Ireland for the year was nil (2019: €nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 16. RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOW

	2020 €	2019 €
Operating surplus before taxation	-	3,501
Depreciation (note 8)	146,747	112,245
Loss on disposal of fixed assets	151	366
Decrease in debtors	256,519	408,681
Increase in creditors	2,257,971	39,328
Taxation paid	(3,501)	-
Net cash inflow from operating activities	<u>2,657,887</u>	<u>564,121</u>

### 17. MEMBERSHIP

The Company is a company limited by guarantee and not having a share capital. Every member is liable for the debts and liabilities of the Company in the event of a winding up, for such amount as may be required but not exceeding €1 each. The number of members at 31 December 2020 was 13 (2019: 13), being each of the Directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 18. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption contained in FRS 102 33.1A from disclosure of intra-group related party transactions.

As disclosed in note 5, five Directors (two of whom resigned as Directors on 30 May 2019) have waived their fee for Director services provided to Skillnet Ireland and instead opted to have a similar amount paid to their representative organisations as disclosed below.

Three Directors who previously charged fees for Director services provided to Skillnet Ireland through private companies are now paid their fees via salaries as set out in the Directors' Report on page 35 and in note 6.

		Payment Details	
		2020 €	2019 €
<b>Amounts paid to representative organisations for Director services excluding VAT</b>			
George Hennessy	to Construction Industry Federation	-	2,494
Hubert Fitzpatrick	to Construction Industry Federation	5,985	3,491
Ian Talbot	to Chambers Ireland	5,985	5,985
Peter Rigney	to Irish Congress of Trade Unions	-	2,493
Laura Bambrick	to Irish Congress of Trade Unions	5,985	3,491
		<b>17,955</b>	17,954
<b>Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (paid via salary in 2020)</b>			
Eamon Devoy	to Eamon Devoy	-	5,985
Yvonne McNulty	to McNulty HR	-	7,387
Fiona Walsh	to Edot Apps	-	7,385
Áine Brolly	(accrual for Director services)	-	1,500
		-	22,257
Irrecoverable VAT		2,632	3,601
		<b>20,587</b>	43,812

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 19. FINANCE COMMITMENTS

In December 2017, the Company entered into an agreement for the lease of its premises in Q House, Sandyford. The lease is for a ten-year term with a five-year break clause with a commencement date of 1 January 2018. The annual commitment on this occupational lease is €211,147. The actual charge expected in 2021 is €209,430 as a result of the temporary reduction in the VAT rate from 23% to 21%.

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	2020 €	2019 €
Within one year	209,430	211,147
Between one and five years	844,587	844,587
After five years	422,293	633,440
	<u>1,476,310</u>	<u>1,689,174</u>

### 20. RETIREMENT BENEFITS

The Company operates a defined contribution retirement benefit scheme, the Skillnet Ireland Group Retirement Plan. The assets of the scheme are held separately from those of the Company in an independently administered fund.

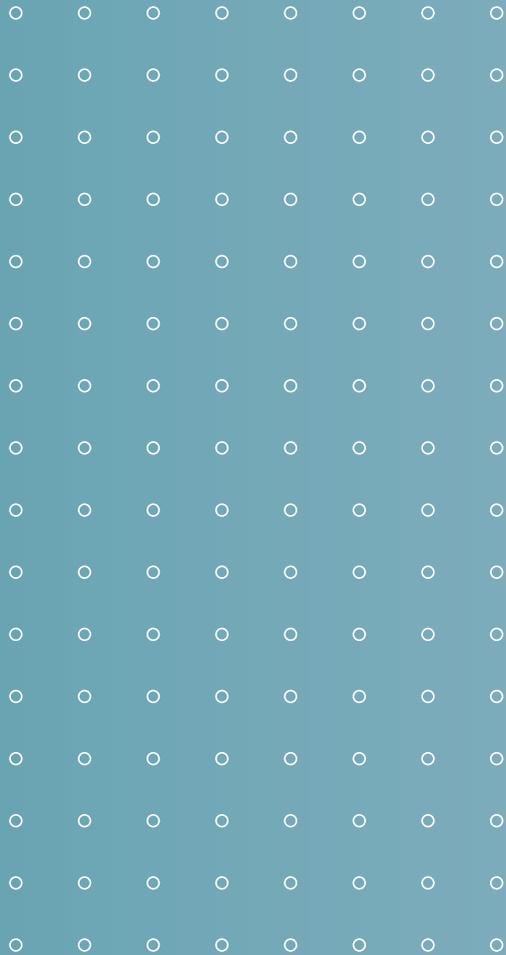
Pension contributions in respect of the scheme are charged to the consolidated income statement as they become payable in accordance with the rules of the scheme. The charge for the financial year for the scheme was €130,564 (2019: €113,920). The amount owing at 31st December 2020 was €Nil (2019: €Nil).

### 21. SUBSEQUENT EVENTS

There were no other post balance sheet events of note since the financial year end.

We **support Irish businesses** to meet today's complex challenges and **enhance the specialist skills and future talent** of the Irish workforce.





# SKILLNET IRELAND BUSINESS NETWORKS 2020



## SKILLNET IRELAND BUSINESS NETWORKS 2020

Our **2020** business networks supported businesses in a wide range of sectors and regions across Ireland.

### A

Animation Skillnet  
Aviation Skillnet

### B

BioPharmaChem Skillnet

### C

Carlow Kilkenny Skillnet  
CILT Skillnet  
CitA Skillnet  
Cobotics Skillnet  
Connected Health Skillnet  
Cork Chamber Skillnet  
County Tipperary Skillnet  
CPA Ireland Skillnet  
Construction Professionals Skillnet

### D

Design Skillnet  
Design, Print & Packaging Skillnet  
Duhallow Skillnet  
Dundalk Chamber Skillnet

### F

Farm Business Skillnet  
Fingal Chamber Skillnet  
First Polymer Training Skillnet  
Food Drink Ireland Skillnet

### G

Galway Executive Skillnet  
Gréasán Na Meán Skillnet  
Green Tech Skillnet

### I

ICBE Advanced Productivity Skillnet  
ICBE Business Excellence Skillnet  
ICOS Skillnet  
IFS Skillnet

IMAGE Skillnet  
Irish Medtech Skillnet  
ISME Skillnet  
it@cork Skillnet  
ITAG Skillnet  
Immersive Technologies Skillnet  
Inishowen Skillnet

### L

Law Society Finuas Skillnet  
Leading Healthcare Providers Skillnet  
Lean & Green Skillnet  
Learning Waves Skillnet  
Leisure, Health & Fitness Skillnet  
Limerick Chamber Skillnet

### M

M1 Drogheda Chamber Skillnet  
Macra Agricultural Skillnet  
Management Development Skillnet  
MIDAS Electronic Systems Skillnet  
Midland Border East Skillnet

# SKILLNET IRELAND BUSINESS NETWORKS 2020



## N

- National Organic Training Skillnet
- National Recruitment Federation Skillnet
- Next Level Skillnet

## P

- Positive2Work Skillnet

## R

- Restaurant & Hospitality Skillnet
- Retail Ireland Skillnet
- Role Skillnet

- Rural Enterprise Skillnet

- Rural Food Skillnet

## S

- Screen Skillnet
- Shannon Chamber Skillnet
- SIMI Skillnet
- Sligo Chamber Skillnet
- South Kerry Skillnet
- South West Gnó Skillnet

- Space Industry Skillnet
- Sustainable Finance Skillnet

## T

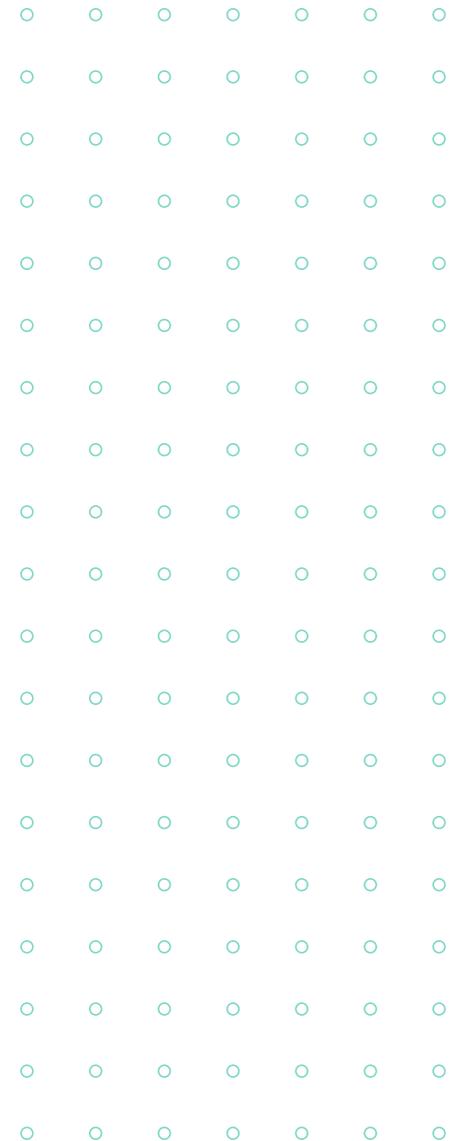
- Taste4Success Skillnet
- Tech North West Skillnet
- Technology Ireland ICT Skillnet
- Technology Ireland DIGITAL Skillnet
- Trainers' Learning Skillnet

## W

- Waterford Chamber Skillnet
- Wexford Chamber Skillnet

## X

- XL Vets Skillnet







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An Roinn Breisoideachais agus Ardoideachais,  
Taighde, Nuálaíochta agus Eolaíochta  
Department of Further and Higher Education,  
Research, Innovation and Science

