



**Skillnet**  
IRELAND

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Annual Report 2019

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Driving Ireland's  
competitiveness through  
**enterprise-driven  
people development**



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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 learning networks** and in collaboration with employers, we delivered upskilling and training programmes to the value of **€46m** to the Irish workforce in 2019.

**8,563**  
training  
programmes

**18,422**  
companies

**70,270**  
people trained

**541,893**  
training days

# 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 workforce.

Our ambition is to advance Irish enterprises and to support them to reach their full potential through lifelong learning and professional development.

As set out in a mandate with the Department of Education and Skills (DES), our mission is:

1.

To act as an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and workforce learning, as a key element in sustaining national competitiveness.

2.

To increase participation in enterprise training by companies to improve competitiveness and provide improved access for workers to skills development.

3.

To foster and support an enterprise-led, networked and partnership approach to the provision of enterprise training; and expand and develop that approach by supporting innovation, enhanced workplace training and workforce retention/activation-related training.

4.

Using our broadly-based approach to encompass support for higher growth as well as vulnerable sectors ensuring, insofar as possible, that training is available to employees at all levels in participating private enterprises.

5.

To clearly focus on value for money, efficiency and effectiveness in the delivery of training and upskilling.

## Chairperson and Chief Executive Overview

### Foreword

As we introduce the Skillnet Ireland Annual Report for the year 2019, foremost in our minds is the COVID-19 pandemic that Governments and societies across the globe are currently grappling with, and its profound impact on economies, workers and the ways in which businesses operate. For some Irish businesses, particularly SMEs reliant on the domestic sectors of the economy, their very survival, along with the much-needed jobs they provide, are at stake. There are immediate operational challenges as businesses adapt to provide a safe environment for their employees and customers, and potentially wider and longer lasting implications as business models are disrupted, transformed, or replaced entirely. A future of work largely defined by an increased prevalence of AI, automation and digital adoption was always anticipated. However, COVID-19 has accelerated the pace of the digital transformation with fundamental implications for work structures, service delivery and for businesses large and small. Certain sectors, particularly those providing customer-facing services, may not offer their pre COVID-19 employment potential for some time, giving rise to job displacement, skills mismatches, and unprecedented unemployment levels.

Through our COVID-19 Response Plan Skillnet Ireland has introduced a range of measures to support our enterprise partners and their businesses. Our message to the business community has been clear:

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**We are here to help.  
We will assist you  
through the crisis and  
help prepare you for  
the recovery.**

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Funding was made available to Skillnet Networks to enable the delivery of the specific supports needed by businesses and workers at this critical time, with programmes offered either at no cost or heavily subsidised. New measures have seen the entire Skillnet offering (approximately 4,000 programmes) move to distance learning platforms of various types. Other initiatives include our MentorsWork scheme - a free, enterprise-driven initiative that connects business owners and managers throughout Ireland with experienced mentors, to address the business issues posed by COVID-19.

# Chairperson and Chief Executive Overview

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Through our ReBounce scheme we are working closely with Government and enterprise to facilitate the safe reopening of sectors through the various phases of the Government's Roadmap for Reopening Society and Business.

## Statement of Strategy 2020-2024

The challenges presented by COVID-19 demand a reimagining of the workplace and call for substantial investment in workforce development, reskilling, training for new jobs and innovative employment activation schemes to support individuals most affected by the crisis. These themes are of strategic significance to Skillnet Ireland. As the consequences of COVID-19 became apparent, we took the decision to defer the introduction of our planned Statement of Strategy 2020-2024 in order to take account of the changed economic realities arising from the pandemic. In July 2020, we will instigate a supplemental consultation process with our stakeholders to discuss the implications of COVID-19 for businesses, for the labour market, jobs and skills, and how collectively these developments will inform a revised Statement of Strategy.

## 2019 Performance Outputs

2019 was a year of expansion and increased innovation for Skillnet Ireland. Working with 57 enterprise partners we made immense

strides, supporting the highest number of businesses since the agency was established. Through the enterprise-led approach of Skillnet Networks nationwide, we provided workforce development and upskilling to 18,422 businesses, supported 70,270 trainees, and delivered 541,893 training days, exceeding targets agreed with the Department of Education and Skills across these metrics. Importantly, 81% of the businesses we supported in 2019 were small and micro enterprises. Skillnet Ireland operates on a cost-sharing basis and employers made a total contribution of €21.7 million towards the cost of training programmes in 2019. We greatly value the commitment of so many employers to the development of their teams through Skillnet Ireland. A fulsome report on our 2019 performance outputs can be read on page 8 of this report.

## Supporting Government Policy

Skillnet Ireland, together with our industry partners, are delivering substantive actions across the labour market and enterprise priorities targeted by Government. These include the large cross-Government strategies such as Future Jobs Ireland, Enterprise 2025, the National Skills Strategy, Brexit Contingency Planning, National Competitiveness plans, along with various actions from the Expert Group on Future Skills Needs.

## Continued

We are also delivering upon numerous actions in the sectoral strategies, including: Technology Skills 2022, Finance for Ireland 2025 (including Sustainable Finance), Foodwise 2025, National Cyber Security Strategy, National Space Enterprise Strategy, Languages Connect and in Regional Development Plans. We have also developed our ties with the EU Commission, and we are supporting the development of a number of EU policy frameworks in the area of skills for industry and the digital transformation.

### Collaboration

In 2019 Skillnet Ireland facilitated several large-scale collaborative initiatives between industry, Government and higher education institutes to meet complex challenges and to enhance the specialist skills of the Irish workforce. Through our Future Skills Programme over 30 new programmes were developed where a gap in existing provision was identified, with programmes spanning medtech, law, food science, agriculture and animation. In the technology sector a range of enterprise driven post-graduate programmes were developed in emerging areas such as blockchain, artificial intelligence, internet of things and data science. In 2019 Skillnet Ireland supported the Government's *Getting Ireland Brexit Ready* campaign through the Clear Customs initiative, an enterprise-led

initiative which provided a significant boost to the customs declaration capacity of businesses regularly trading with and through the UK. 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.

### Conclusion

We welcome the ongoing National Training Fund (NTF) reform programme including enhancements such as the establishment of the NTF Advisory Group and the progress made against the central objective of a fund that is balanced and encompassing in labour market terms. We note also the European Commission's country specific recommendations for Ireland under the spring package for the 2020 European Semester. Amongst measures identified is the need to support employment through developing skills and by addressing the risk of a digital divide. In cooperation with the social partners, Ireland is encouraged to continue upskilling and reskilling efforts in order to meet the changing needs of the labour market and prepare the workforce for the climate, energy and circular economy transition.



# Chairperson and Chief Executive Overview

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The commitment in the Programme for Government which targets a jobs-led recovery is particularly welcome and Skillnet Ireland is looking forward to playing its full part in responding to a pro-enterprise policy framework which enables investment in the skills required to enhance competitiveness.

We wish to acknowledge the support of the Minister for Education and Skills, Joe McHugh T.D., the Minister of State for Training, Skills, Innovation and Research, John Halligan T.D., the Minister of State for Higher Education, Mary Mitchell-O'Connor T.D., and all our colleagues in the Department of Education and Skills. We wish to also thank our colleagues in the Department of Business Enterprise and Innovation, IDA Ireland, Enterprise Ireland, the higher education institutes and the many industry bodies and Government agencies that Skillnet Ireland collaborated with in 2019.

To conclude, we extend our appreciation to our Network Managers, our enterprise partners, the Skillnet Steering Groups, and the Board and Staff of Skillnet Ireland for their contributions in 2019.

We wish all our stakeholders every success in the vital work they will undertake over the coming months.



Chairperson  
**Skillnet Ireland**



Chief Executive  
**Skillnet Ireland**



# Skillnet Ireland High Level Outputs 2019

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 2019 was delivered through five distinct Skillnet Ireland programmes:

- Training Networks Programme (TNP)
- Future Skills Programme (FSP)
- Management Development
- Employment Activation Programme (EAP)
- Clear Customs

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



**70,270**  
Total people trained



**18,422**  
Companies



**541,893**  
Total training days delivered



**8,563**  
Total training programmes

Total No.  
of Networks

**70**

Skillnet Ireland  
Funding

Enterprise  
Contributions

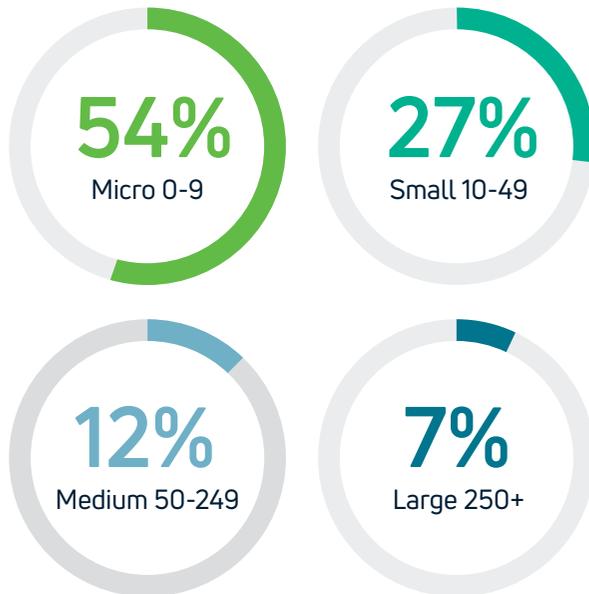
Total  
Investment

**€24.31m + €21.73m = €46.04m**

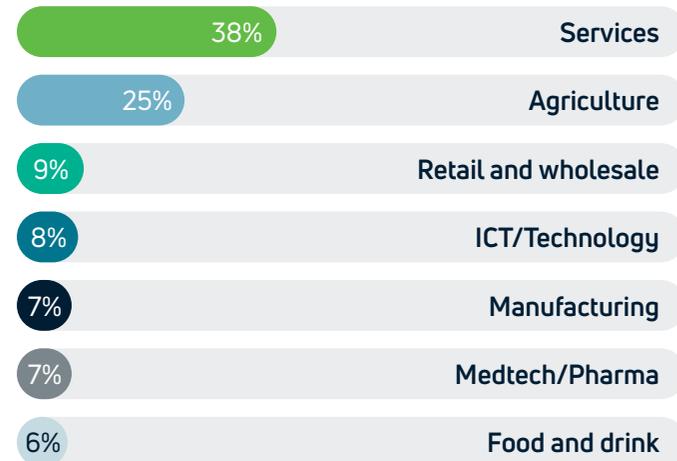
# Company Profile

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## Company size



## Company sector



# Trainee Profile

In 2019,

# 70,270

people undertook training.

Of these trainees,

# 55%

were male &

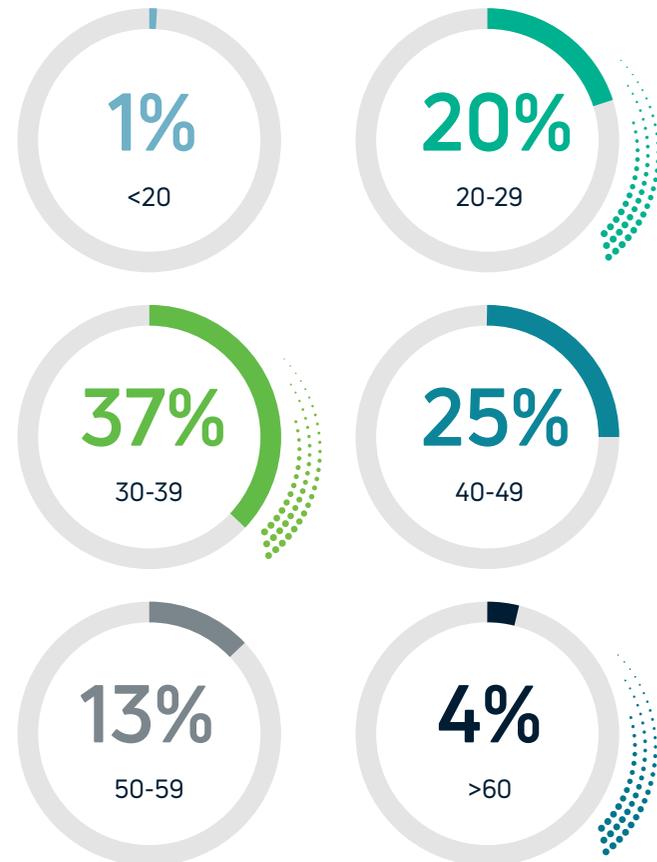


# 45%

were female

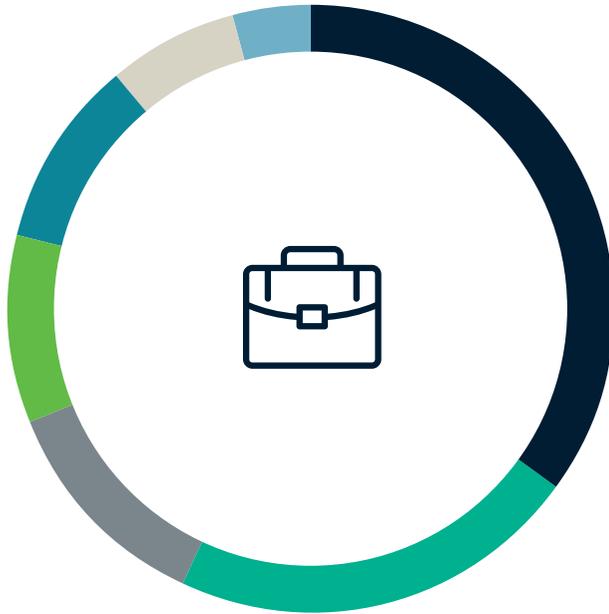


## Trainees by age



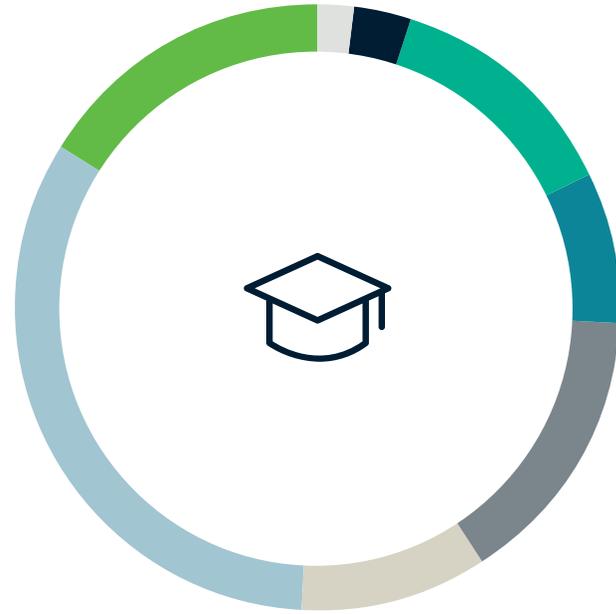
# Trainee Profile

### Trainees by occupational category



Professional	Managerial	Other	Skilled manual
<b>35%</b>	<b>22%</b>	<b>12%</b>	<b>10%</b>
Owner	Technician	Semi-skilled	
<b>10%</b>	<b>7%</b>	<b>4%</b>	

### NFQ level



1-2	3	4	5
<b>2%</b>	<b>3%</b>	<b>13%</b>	<b>8%</b>
6	7	8	9-10
<b>15%</b>	<b>10%</b>	<b>33%</b>	<b>16%</b>

# Trainee Profile

## Programmes by certification



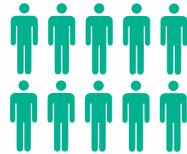
## Training days by certification



# Equipping businesses to deal with new customs challenges

Total people trained

955



Number of Companies

516



Total training days delivered

5,162



Total training programmes

72



Of these trainees,

49%

were male &



51%

were female

The logo for CLEAR CUSTOMS, featuring a green checkmark inside a circular arrow icon, followed by the text "CLEAR CUSTOMS" in white.

Essential Customs Training

[skillnetireland.ie](http://skillnetireland.ie)

A circular logo with the text "GETTING IRELAND BREXIT READY" inside, surrounded by a dashed border.

Clear Customs was a newly funded initiative in 2019.







# Developing Ireland's Workforce 2019



# Maintaining a highly skilled workforce is essential to Ireland's competitiveness.

Skillnet Ireland enables businesses to prepare for the short and long-term implications of the future of work by placing talent at the forefront. Creating a highly talented workforce underpins Ireland's national competitiveness. In 2019, we supported **18,422** businesses nationwide to address their business and upskilling needs.

Throughout 2019 our Networks developed new and innovative learning solutions targeted to meet specific future skills needs in a range of sectors including manufacturing, retail, 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.

Facilitating innovative collaborations between industry, higher education, and training providers to address key skills gaps in demand from enterprise is vital to equip companies and employees with the relevant and future-focused skills that positions them for future growth and success. Some examples of our 2019 diverse learning events and collaborative initiatives are outlined on the following pages.

# Addressing a Critical National Challenge at scale

In 2019, Ireland needed to urgently train more customs clearance staff and specialists within relevant SMEs as there was a skills and expertise gap in customs clearances procedures. Skillnet Ireland launched Clear Customs as part of the Government of Ireland's *Getting Ireland Brexit Ready* campaign. Clear Customs was an innovative multi-stakeholder collaboration that was successful in boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. Clear Customs was designed in partnership with Enterprise Ireland, and industry bodies in the logistics, transport and exporting sectors - the Chartered Institute of Logistics and Transport, Irish Exporters Association and Irish International Freight Association.

955 employees undertook the programme from 516 companies and were equipped to process customs declarations on behalf of their own, or their client's companies across the economy. With a consistent focus on quality assurance, Clear Customs secured QQI Level 6 accreditation with Carlow IT and was re-designed for virtual delivery in 2020.



# Developing Blockchain Technology



A highly skilled workforce is one of the essential ingredients for Ireland to be a leader in the emerging blockchain technologies. To help bolster Ireland's skills capacity in blockchain development, Technology Ireland ICT Skillnet developed Ireland's first Masters in Blockchain (Distributed Ledger Technologies) with Dublin City University (DCU).

Delivered online by industry specialists in collaboration with DCU, this Masters was designed to upskill ICT professionals and businesses to capitalise on the immense opportunities that are available within the banking and finance, food supply-chains, medtech and other sectors.

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"Ireland is a global technology leader, including in blockchain technology. Our aim is always to be proactive in anticipating and serving the needs of the industry and the people who work within it. The first of its kind in Ireland, this **Masters programme** will help ensure the country has all the skills necessary to become a global hub for this new technology, and directly supports objectives set out in the Government's Future Jobs Ireland initiative."

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

Pictured at the launch of the Masters in Blockchain from L-R: Paul Healy, Chief Executive of Skillnet Ireland with The Minister for Business, Enterprise, and Innovation Heather Humphreys T.D., Dave Feenan, Network Manager, Technology Ireland ICT Skillnet, Lavinia Morris, CIO, SMBC Aero (member of NSAI ISO TC307 Blockchain Standards Committee), Alec McAllister, Senior Executive, Technology Ireland, Ibec, Brian MacCraith, President of Dublin City University, Damian Hilliard, Chair of the Technology Ireland ICT Skillnet Steering Group.

# Embracing Industry 4.0

Last year **Irish Medtech Skillnet** developed a first-of-its-kind Masters of Engineering in Digitalisation of Manufacturing, with Limerick Institute of Technology. This new masters was developed to help businesses in Ireland embrace industry 4.0, and to get ahead of international trends, adopt new technologies, and ensure that people working here are equipped for the jobs of the future. The programme was designed in conjunction with an industry expert working group and aims to develop a 'digital champion' within the manufacturing enterprise, who can focus on the integration of systems, analysis of key data and the demonstration of opportunities and added value for the business. It is a practice-based professional award for experienced employees in advanced manufacturing facilities.

"While Ireland is already recognised as a global leader in manufacturing, as we look to the future we need to embrace new technologies to remain competitive. This is another great example of how Skillnet Ireland is helping core industries achieve their potential by supporting the ongoing development of worldclass talent."

**Sinead Keogh, Ibec Medtech and Engineering Director**



Launch of  
Masters of  
Engineering in  
Digitalisation of  
Manufacturing

Pictured L-R: Dr. John Cosgrove, Technical Director at the ACORN Research Centre in Limerick Institute of Technology, Paul Healy, Chief Executive of Skillnet Ireland, Sinéad Keogh, Ibec Medtech and Engineering Director and Pauline O'Flanagan, Irish Medtech Skillnet Manager.

# Strengthening Skills in Data Science

In 2019, a new doctoral training programme in data science was launched to respond to the rapidly evolving needs of Ireland's data science industry. The programme is a large-scale collaborative initiative between Science Foundation Ireland, Skillnet Ireland, University of Limerick, Maynooth University, University College Dublin and a number of key industry partners. Skillnet Ireland and **Technology Ireland ICT Skillnet** led the industry engagement, a cornerstone of this programme. The Centre combines the expertise of world-class academics, international collaborators and industry partners from sectors including ICT, medtech, and food production to create a centre of excellence in PhD training.

27 PhD students commenced in September 2019 focusing on the fundamental skills necessary to adapt to the way data, and data-enabled technologies such as artificial intelligence, are transforming the economy. Rapid advances in data science are providing industry with an unprecedented analytical power to understand large and complex data sets. This industry supported PhD programme will provide Irish businesses with access to a pipeline of talent with deep analytical skills, an understanding of business needs, and an ability to enable innovation and produce actionable insights.

"The world of work is changing, and skills gained from Applied Mathematics, Statistics and Machine Learning are transferable across industries. This programme is an example of the Government's Future Jobs initiative in practice, helping to create a **future-proofed workforce** and prepare for tomorrow's economy."

**Mary Mitchell O'Connor T.D., Minister of State at the Department of Education and Skills with special responsibility for Higher Education**



Dr Ruth Freeman, Science Foundation Ireland; Paul Healy, Chief Executive of Skillnet Ireland and Minister Mary Mitchell O'Connor T.D. at the launch of the new PhD programme.



# Polymer Conversion for Engineers

Of the 70,270 learners who undertook training with Skillnet Ireland in 2019, 2,236 were jobseekers that participated through Skillnet Ireland's Employment Activation Programme. These trainees participated in training across 30 Skillnet Networks nationally.

Rapid changes within the world of work have increased the importance of providing opportunities for people to transition into employment, as well as within and between industries. Conversion initiatives play a key role in facilitating such transitions. One innovative initiative was the new **Polymer Conversion Programme for Engineers**.

An ongoing shortage of polymer engineering expertise within the automotive, packaging, construction and medtech sectors led to First Polymer Skillnet designing this conversion programme in collaboration with polymer processor businesses. The intensive technical training content was designed to ensure recent and past graduates from non-polymer engineering disciplines were equipped to work in the polymer industry.

The programme covered polymer materials, injection moulding, extrusion and design with a primary focus on practical hands-on application using the machinery at the Skillnet Network's specialist training centre. Work placements organised as part of this programme contributed to the majority of trainees securing employment in polymer roles primarily within the medtech sector.

# Future of Work and Talent Development

Skillnet Ireland published several research studies during the year that delivered powerful insights on the forces that are shaping the future of work, industry skills and the steps needed for enterprise to seize these opportunities.

With Ireland increasingly positioned as a customer solutions hub for the global customer experience (Cx) sector, **ICBE Advanced Productivity Skillnet** and University of Limerick undertook a study to examine the impact of digital transformation on global business service organisations, specifically on their acquisition and development of Cx Employees. This research identified how increased digital transformation is impacting upon the skill set of Cx employees of the future, indicating the need for new approaches to designing jobs, developing real-time learning opportunities and positive work environments where workers can thrive and apply dexterity to their skills.

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“Innovation and digitisation are key to Ireland’s continued economic success. This study is extremely valuable in identifying the key skills needed to equip Cx workers for the evolving and **new roles that digitisation brings**. An openness to upskilling and lifelong learning will help companies future-proof their business and their workforce.”

**Pat Breen T.D., Minister of State for Trade, Employment and Business**

Understanding and meeting the future skills needs of Irish industry will be central to economic and social progress over the coming decades. A research report published by **Trainers' Learning Skillnet** in collaboration with the Irish Institute of Training and Development and DCU Business School explored how learning and development professionals are increasingly focused on the redesign of work and jobs. The report also examined how digital learning solutions are key to the ongoing evolution of organisations.

Digital badges, also known as 'micro-credentials' are emerging as an innovative way of recognising a wide range of learning experiences. Research from **Taste4Success Skillnet**, in conjunction with the Food Industry Training Unit at University College Cork (UCC), on the growing international trend in awarding digital badges to recognize work based learning signals new opportunities for Irish enterprise. Skillnet Ireland also hosted a **Digital Badge Symposium at UCC** to share these research findings with a broader audience of businesses and thought-leaders in the future of learning space.



Pictured at the Digital Badge Symposium from L-R: Professor Paul McSweeney, Vice President for Learning and Teaching, University College Cork, Rob Horgan – Entrepreneur & Owner of Velo Coffee, Bridie Corrigan Matthews, Network Manager of Taste 4 Success Skillnet and Paul Healy, Chief Executive of Skillnet Ireland.

# New Networks Launched in 2019



Six new Skillnet Networks were launched in 2019 to address the growing skills needs of the Irish workforce in the film and television, retail, and health and fitness sectors. Networks were also established to support businesses in the North East and Dublin regions. Among these were:

## **Screen Skillnet**

Screen Skillnet supports industry specialists within the film, television and post-production sectors in Ireland. The Network introduced an innovative new 'Co-Pro Lab' learning event to explore successful co-production structures in film, TV, and animation. The lab also featured a panel of international funding bodies advising on accessing partners and funding for SMEs.

## **Leisure, Health and Fitness Skillnet**

The objective of this national network is to support the growth of Ireland's leisure, health & fitness industry. The network will develop a strong talent pipeline and therefore enhance the specialised knowledge and skills that currently exist within the industry.

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Pictured at the launch from L-R: Conn McCluskey, Ireland Active Chief Executive; Paul Healy, Skillnet Ireland Chief Executive; Tracey Donnelly, Skillnet Ireland Executive Director and Karl Dunne, Leisure, Health & Fitness Skillnet Network Manager.

# The Future Works

In September 2019, Skillnet Ireland held its inaugural 'The Future Works Summit', a national event focused on the changing world of work and workforce development. The event was attended by over 300 business leaders and policymakers from across the country who heard from top international speakers and industry experts about advances in technology, changing demographics, and the multitude of competitive and geopolitical forces that are constantly changing the landscape of work on a national and global level. Also explored were the key factors shaping Ireland's workforce and how they can prepare their teams for the future world of work.

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"The technological disruption that we see today is unprecedented in human history. It is transforming the workplace and is fundamentally changing how we work. Yes, tasks will be displaced, and some jobs will disappear entirely. But the **digital transformation** will also unlock enormous pent-up potential within our businesses, bringing with it growth and creating new jobs, many of which don't currently exist."

**Brendan McGinty, Skillnet Ireland Chairperson**



# Skillnet Ireland Board 2019

## Business and Employer Representatives



1. Brendan McGinty  
(Chairperson)  
Ibec



2. Áine Brolly  
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

A close-up photograph of several people in business attire sitting around a table. Their hands are visible, pointing at documents and a laptop screen. The scene is brightly lit, suggesting a window in the background. A decorative graphic of green dots is in the top right corner.

# Corporate Governance and Financial Statements

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Reports and Consolidated Financial Statements  
for the financial year ended 31 December 2019

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# Directors and Other Information

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## DIRECTORS

Brendan McGinty (Chairperson)  
Laura Bambrick  
Áine Brolly  
Thomas Cooney  
Eamon Devoy  
Mairéad Divilly  
Hubert Fitzpatrick  
Nuala Keher  
Karl McDonagh  
Kara McGann  
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

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The Directors submit their annual report, together with the audited consolidated financial statements, for the financial year ended 31 December 2019.

## 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 Education and Skills ("the Department") from the National Training Fund. 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

Since the year end date of 31 December 2019, the COVID-19 global pandemic has affected many businesses throughout Ireland. As per a Mandate and Funding Agreement with the Department of Education and Skills that has been in place since February 2011, Skillnet Ireland is dependent on the ongoing support of the Department of Education and Skills to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the *Training Networks Programme*. The Department of Education and Skills has confirmed Skillnet

Ireland's funding for 2020 as €35.9m 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. The Financial Statements do not include any adjustments that may result from any reduction in the budgetary allocation provided or unsuccessful cost saving value improvement measures.

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

- In 2020, total funding to Skillnet Ireland from the Department of Education and Skills has been confirmed by means of a Letter of Allocation as €35.9m
- 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 Education and Skills that funding will be significantly reduced for 2021
- The scope of the Mandate and Funding Agreement instigated with the Department of Education and Skills in February 2011, 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 2019

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.

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 2020 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.

### 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.

	2019 €	2018 €
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

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## 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 (appointed 12 September 2019)  
Áine Brolly (appointed 12 September 2019)  
Thomas Cooney  
David Delaney (resigned 30 May 2019)  
Eamon Devoy  
Mairéad Divilly  
Hubert Fitzpatrick (appointed 12 September 2019)  
George Hennessy (resigned 30 May 2019)  
Nuala Keher  
Karl McDonagh  
Kara McGann  
Yvonne McNulty  
Peter Rigney (resigned 30 May 2019)  
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 Education and Skills, 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 Education and Skills (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

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## Finance and General-Purpose Committee

Membership: Mairéad Divilly (Chair), Brendan McGinty and Nuala Keher. Hubert Fitzpatrick was appointed to this Committee with effect from 1 January 2020. Upon his resignation as a Director, George Hennessy ceased to be a member of the Committee on 30 May 2019.

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), Karl McDonagh, Kara McGann and Yvonne McNulty. Laura Bambrick and Áine Brolly were appointed to this Committee with effect from 1 January 2020. Upon their resignation as Directors, David Delaney and Peter Rigney ceased to be members of the Committee on 30 May 2019.

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.

## 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 2019 (2018: nil).

# Directors' Report

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## 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 (2018: four).

## Political contributions

There were no political donations made during the financial year (2018: €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 2019

Details of fees paid in 2019 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 2019 €	Fees 2018 €
	Total	Attended	Total	Attended	Total	Attended	Total	Attended		
Brendan McGinty (Chairperson)	6	6	-	-	2	1	-	-	8,978	8,978
Laura Bambrick (2) (appointed 12 September 2019)	2	2	-	-	-	-	-	-	3,491	Nil
Áine Brolly (4) (appointed 12 September 2019)	2	2	-	-	-	-	-	-	1,500	Nil
Thomas Cooney (1)	6	5	-	-	-	-	4	4	Nil	Nil
David Delaney (resigned 30 May 2019)	3	-	-	-	-	-	1	1	2,993	5,985
Eamon Devoy (3)	6	4	4	3	-	-	-	-	5,985	5,985
Mairéad Divilly	6	6	4	4	2	2	-	-	5,985	5,985
Hubert Fitzpatrick (2) (appointed 12 September 2019)	2	2	-	-	-	-	-	-	3,491	Nil
George Hennessy (2) (resigned 30 May 2019)	3	1	-	-	1	1	-	-	2,494	5,985
Nuala Keher	6	3	-	-	2	1	-	-	5,985	5,985
Karl McDonagh	6	6	-	-	-	-	4	3	5,985	5,985
Kara McGann	6	4	-	-	-	-	4	4	5,985	5,985
Yvonne McNulty (3)	6	6	-	-	-	-	4	4	7,387	4,584
Peter Rigney (2) (resigned 30 May 2019)	3	1	-	-	-	-	1	-	2,493	5,985
Ian Talbot (2)	6	5	4	3	-	-	-	-	5,985	5,985
Fiona Walsh (3)	6	5	4	4	-	-	-	-	7,385	4,584

Notes: (1) Thomas Cooney did not receive a fee under the One Person One Salary (OPOS) principle. (2) 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. (3) 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. (4) Áine Brolly has not yet received payment for her services as a Director in 2019. The above represents an accrual for Director fees which shall be paid in 2020. This is disclosed in notes 5 and 18.

# Directors' Report

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## Future developments

In 2020, Skillnet Ireland will launch a new Statement of Strategy 2020-2024. As is required under the Code of Practice for the Governance of State Bodies 2016, the Statement of Strategy will be presented to the Department of Education and Skills.

Over the period of the previous Skillnet Ireland Statement of Strategy 2016-2019, funding from the Department of Education and Skills has increased from €16.2m in 2016 to €30m in 2019. In 2020, the total amount of funding to be allocated to Skillnet Ireland will be increased to €35.9m.

The Board and Executive wish to express their gratitude to all of the stakeholders and members of the public who took part in an extensive consultation process as part of the renewal of the Statement of Strategy 2020-2024.

## 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: 4 June 2020

# Statement on System of Internal Control

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## 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

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## 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
- Define and set performance measures and benchmarks for the Skillnet Networks and related programmes.

Arising from the funding recommendations received from the EPM, the Board of Skillnet Ireland discusses and agrees upon decisions of funding for each Skillnet Network which has applied for funding from Skillnet Ireland.

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.

In February 2019, the Audit and Risk Committee 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 Internal Audit Plan. These factors included previous internal audit reviews since 2015 (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 2019 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 2019.

## 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 Code of Practice for the Governance of State Bodies (2016) requires the following additional disclosures on expenditure:

	Notes	2019 €	2018 €
<b>Legal costs and settlements</b>			
Legal costs		36,444	26,960
Legal settlements		-	-
<b>Total</b>		<b>36,444</b>	26,960
<b>Redundancy costs</b>			
Redundancy costs	6	-	211,997
<b>Consulting Fees</b>			
Consulting Fees		144,706	-
<b>Travel and Subsistence Expenditure</b>			
Travel and subsistence (Domestic)	6	53,242	42,550
International Travel		5,113	13,337
<b>Total</b>		<b>58,355</b>	55,887
<b>Hospitality Expenditure</b>			
Staff hospitality		3,332	3,587

## 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 Education and Skills 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

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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 'parent 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 2019 and of the result of the group 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 Company Statement of Financial Position;
- The Consolidated Statement of Cashflows;
- The related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:

- The Statement of Financial Position;
- The related notes 1 to 20, 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 and parent company 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- The directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Consolidated Financial Statements for the year ended 31 December 2019, other than the financial statements and our auditor's report thereon. 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

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## Other information (contd)

In connection with our audit of the financial statements, 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

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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.

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.

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.

## 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 Statement of Financial Position is 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.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Statement on System on Internal Control does not reflect the company's compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

### Margarita Martin

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

4 June 2020

# Consolidated Statement of Income and Retained Earnings

For the financial year ended 31 December 2019

	Notes	2019 €	2018 €
<b>INCOME</b>	3	30,383,908	22,227,595
Programme costs		(27,159,973)	(19,455,964)
<b>GROSS SURPLUS</b>		3,223,935	2,771,631
Administration costs		(3,220,434)	(2,771,631)
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	3,501	-
Taxation	7	(3,501)	-
<b>RESULT FOR THE FINANCIAL YEAR</b>		-	-
Retained earnings at the beginning of the reporting period		51,075	51,075
Retained earnings at the end of the reporting period		51,075	51,075

# Consolidated Statement of Financial Position

For the financial year ended 31 December 2019

	Notes	2019 €	2018 €
<b>Fixed Assets</b>			
Tangible assets	8	291,923	80,927
<b>Current Assets</b>			
<b>Debtors:</b> Amounts falling due within one year	10	517,765	926,446
Cash at bank and in hand	11	801,516	561,002
		<u>1,319,281</u>	<u>1,487,448</u>
<b>Current Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	12	(1,560,129)	(1,517,300)
<b>Net Current Liabilities</b>		<u>(240,848)</u>	<u>(29,852)</u>
<b>Net Assets</b>		<u>51,075</u>	<u>51,075</u>
<b>Capital and Reserves</b>			
Retained earnings		<u>51,075</u>	<u>51,075</u>

The financial statements were approved and authorised for issue by the Board of Directors on 4 June 2020 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

# Company Statement of Financial Position

As at 31 December 2019

	Notes	2019 €	2018 €
<b>Fixed Assets</b>			
Tangible assets	8	291,923	80,927
Financial assets	9	1	1
		<u>291,924</u>	<u>80,928</u>
<b>Current Assets</b>			
<b>Debtors:</b> Amounts falling due within one year	10	758,568	544,047
Cash at bank and in hand	11	171,849	248,577
		<u>930,417</u>	<u>792,624</u>
<b>Current Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	12	(1,222,341)	(873,552)
<b>Net Current Liabilities</b>		<u>(291,924)</u>	<u>(80,928)</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 4 June 2020 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

# Consolidated Statement of Cashflows

For the financial year ended 31 December 2019

	Notes	2019 €	2018 €
Net cash flows from operating activities	16	564,121	346,725
Net cash flows from investing activities			
Purchase of tangible assets	8	(323,607)	(76,196)
Net increase in cash and cash equivalents		240,514	270,529
Cash and cash equivalents at beginning of year		561,002	290,473
Cash and cash equivalents at end of year	11	801,516	561,002

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 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

Since the year end date of 31 December 2019, the COVID-19 global pandemic has affected many businesses throughout Ireland. As per a Mandate and Funding Agreement with the Department of Education and Skills that has been in place since February 2011, Skillnet Ireland is dependent on the ongoing support of the Department of Education and Skills to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the Training Networks Programme. The Department of Education and Skills has not given any indication that it will withdraw its financial support in the foreseeable future. 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. The Financial Statements do not include any adjustments that may result from any reduction in the budgetary allocation provided or unsuccessful cost saving value improvement measures.

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

- In 2020, total funding to Skillnet Ireland from the Department of Education and Skills has been confirmed by means of a Letter of Allocation as €35.9m
- 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 Education and Skills that funding will be significantly reduced for 2021
- The scope of the Mandate and Funding Agreement instigated with the Department of Education and Skills in February 2011, 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 2019

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 1. ACCOUNTING POLICIES (continued)

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). 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.

### Revenue Recognition

Skillnet Ireland receives funding from the Department of Education and Skills 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 Education and Skills 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 2019

## 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.

#### *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 2019

3. INCOME	2019 €	2018 €
Department of Education and Skills (via the National Training Fund) (note 14)	27,786,352	21,222,665
Clear Customs (note 14)	2,000,000	-
Sponsorship income re Skillnet Ireland "Future Works" Summit (note 7)	28,007	-
<b>Subsidiary Company: Skillnets Services</b>		
Income from participant companies*	569,549	1,004,930
	<b>30,383,908</b>	<b>22,227,595</b>

All income represents all grants received from the Department of Education and Skills in the Republic of Ireland. The Company has not benefited from any other form of Government assistance.

In July 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 Education and Skills on an exceptional basis.

\* 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 2019

	2019 €	2018 €
<b>4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
The surplus on ordinary activities before taxation has been arrived at after charging:		
Directors' remuneration (note 5)	79,723	75,496
Operating lease payments – premises (note 19)	211,147	175,859
Depreciation (note 8)	112,245	71,467
Loss on disposal of fixed assets	366	83
<b>5. DIRECTORS' REMUNERATION</b>		
	2019 €	2018 €
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	35,911	38,903
Amounts paid to representative organisations for Directors services excluding VAT (note 18)	17,954	17,955
Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 18)	22,257	15,153
Total Directors' remuneration excl. VAT	<u>76,122</u>	<u>72,011</u>
Irrecoverable VAT on Director Services	3,601	3,485
	<u>79,723</u>	<u>75,496</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 6. STAFF NUMBERS AND COSTS

	2019 Number	2018 Number
The average monthly number of employees (including directors) was:	<u>29</u>	<u>28</u>

The following table sets out the salary range for those paid in excess of €60,000 in 2019 along with employer's pension contributions and other benefits.

Number of Staff		Gross Salary Range	Employer's Pension Contribution	Other Benefits
2018	2019	€	€	€
3	2	60,000 – 69,999	12,864	-
-	1	70,000 – 79,999	7,050	-
1	1	80,000 – 89,999	8,300	-
2	1	90,000 – 99,999	9,500	-
-	1	100,000 – 109,999	10,119	-
-	-	110,000 – 119,999	-	-
1	-	120,000 – 129,999	-	-
-	1	130,000 – 139,999	13,927	-

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 6. STAFF NUMBERS AND COSTS (continued)

	2019 €	2018 €
<b>The aggregate staff remuneration comprised:</b>		
Wages and salaries (including Directors' fees)	1,445,102	1,395,069
Social welfare costs	150,719	142,570
Retirement benefit costs (note 20)	113,920	118,368
Redundancy costs	-	211,997
	<u>1,709,741</u>	<u>1,868,004</u>
<b>Analysed as follows:</b>		
Capitalised into assets	-	-
Expensed in financial year	1,709,741	1,868,004
	<u>1,709,741</u>	<u>1,868,004</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 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 (2018: 4 Executive Directors). The total remuneration for key management personnel (including the Board) for the financial year amounted to €699,422 (2018: €559,135).

Set out below is the breakdown of those amounts:

	2019 €	2018 €
Directors' Remuneration (note 5)	79,723	75,496
Salaries and wages	520,864	400,250
Employer's PRSI	56,989	43,363
Employer's pension contribution (Defined contribution scheme)	41,847	40,026
	<u>699,423</u>	<u>559,135</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 6. STAFF NUMBERS AND COSTS (continued)

In 2019, the Chief Executive was paid a salary of €139,270 (2018: €128,250).

The Chief Executive is a member of the Skillnet Ireland Group Retirement Plan and the Company contributed €13,927, representing 10% of the Chief Executive's salary to this scheme in 2019 (2018:€12,825).

As referred to in the Statement on System of Internal Control, redundancy costs amounting to €Nil (2018: €211,997) were paid as part of a redundancy scheme approved by the Board and the Department of Education and Skills.

Details of the Directors' Remuneration paid in the financial year is set out in note 5.

### Travel and subsistence expenditure

All travel and subsistence expenses paid out to staff are for approved business costs. All expenses are approved by the Chief Executive prior to payment. In the case of expenses incurred by the Chief Executive, the Chairperson of Skillnet Ireland approves of the expenses before payment is made.

Travel and subsistence expenditure are categorised as follows:

	2019 €	2018 €
<b>Domestic</b>		
Board	73	200
Employees	53,169	42,350
<b>International</b>		
Board	602	5,218
Employees	4,511	8,119
	<u>58,355</u>	<u>55,887</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 7. CORPORATION TAX

	2019 €	2018 €
Other income (note 3)	28,007	-
Other income multiplied by standard rate of corporation tax of 12.5%		
Tax charge	3,501	-
	<u>3,501</u>	<u>-</u>

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 Education and Skills 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 2019

## 8. TANGIBLE ASSETS GROUP & COMPANY

	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
<b>Cost:</b>				
At 1 January 2019	4,315	120,594	424,726	549,635
Additions	-	142,510	181,097	323,607
Disposals	(567)	(29,523)	(25,688)	(55,778)
<b>At 31 December 2019</b>	<b>3,748</b>	<b>233,581</b>	<b>580,135</b>	<b>817,464</b>
<b>Accumulated depreciation:</b>				
At 1 January 2019	4,315	111,779	352,614	468,708
Charge for the financial year	-	34,136	78,109	112,245
Disposals	(567)	(29,523)	(25,322)	(55,412)
<b>At 31 December 2019</b>	<b>3,748</b>	<b>116,392</b>	<b>405,401</b>	<b>525,541</b>
<b>Net book values:</b>				
<b>At 31 December 2019</b>	<b>-</b>	<b>117,189</b>	<b>174,734</b>	<b>291,923</b>
<b>Net book values:</b>				
At 31 December 2018	-	8,815	72,112	80,927

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 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 2019 (2018: €Nil). At 31 December 2019, it had net assets of €51,076 (2018: €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	2019 €	2018 €
------------------------	-----------	-----------

### Cost

At 1 January 2019 and	<u>1</u>	<u>1</u>
At 31 December 2019	<u><u>1</u></u>	<u><u>1</u></u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 10. DEBTORS

(Amounts due within one year)

	Group		Company	
	2019 €	2018 €	2019 €	2018 €
Non-Grant debtors (note 13)	44,282	300,440	9,149	5,615
Prepayments	319,028	219,906	317,221	219,721
Prepaid future programme cost	154,455	406,100	-	-
Amount due from subsidiary	-	-	432,198	318,711
	<u>517,765</u>	<u>926,446</u>	<u>758,568</u>	<u>544,047</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 11. CASH AT HAND AND IN BANK

	Group		Company	
	2019 €	2018 €	2019 €	2018 €
Parent company bank accounts	171,727	248,434	171,727	248,434
Subsidiary bank accounts	629,667	312,425	-	-
Petty Cash	122	143	122	143
	<u>801,516</u>	<u>561,002</u>	<u>171,849</u>	<u>248,577</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 12. CREDITORS

(Amounts falling due within one year)

	Group		Company	
	2019 €	2018 €	2019 €	2018 €
Deferred income (notes 13 & 14)	993,846	780,198	993,846	780,198
Accruals	115,262	71,333	107,696	56,262
Subsidiary: Skillnets Services (note 13)	258,400	407,480	-	-
Other creditors (note 13)	113,342	25,822	113,342	25,822
Deferred funding from participant companies (note 13)	71,822	221,197	-	-
Value added tax (VAT)	3,956	11,270	3,956	11,270
Corporation Tax	3,501	-	3,501	-
	<u>1,560,129</u>	<u>1,517,300</u>	<u>1,222,341</u>	<u>873,552</u>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 13. FINANCIAL INSTRUMENTS – GROUP

	2019 €	2018 €
<b>Financial assets:</b>		
<i>Measured at undiscounted amounts receivable</i>		
Trade and other debtors (note 10)	44,282	300,440
<b>Financial liabilities:</b>		
<i>Measured at undiscounted amounts payable</i>		
Trade and other payables (note 12)	1,437,411	1,434,697

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 14. DEFERRED INCOME – PARENT COMPANY

	2019 €	2018 €
	Total	Total
Opening deferred income	780,198	302,863
Received from Department of Education and Skills via the National Training Fund (note 3)	28,000,000	21,700,000
Clear Customs (note 3)	2,000,000	-
Credited to statement of income and expenditure (note 3)	(29,786,352)	(21,222,665)
Closing deferred income	<u>993,846</u>	<u>780,198</u>

## 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.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

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

	2019 €	2018 €
Operating surplus before taxation	3,501	-
Depreciation (note 8)	112,245	71,467
Loss on disposal of fixed assets	366	83
Decrease / (increase) in debtors	408,681	(446,527)
Increase in creditors	39,328	721,702
Net cash inflow from operating activities	<u>564,121</u>	<u>346,725</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 2019 was 13 (2018: 13), being each of the Directors.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 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 30th 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 charge fees for Director services provided to Skillnet Ireland through private companies details of which are disclosed below.

		<b>Payment Details</b>	
		2019 €	2018 €
<b>Amounts paid to representative organisations for Director services excluding VAT</b>			
George Hennessy	to Construction Industry Federation	2,494	5,985
Hubert Fitzpatrick	to Construction Industry Federation	3,491	-
Ian Talbot	to Chambers Ireland	5,985	5,985
Peter Rigney	to Irish Congress of Trade Unions	2,493	5,985
Laura Bambrick	to Irish Congress of Trade Unions	3,491	-
		17,954	17,955
<b>Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT</b>			
Eamon Devoy	to Eamon Devoy	5,985	5,985
Yvonne McNulty	to McNulty HR	7,387	4,584
Fiona Walsh	to Edot Apps	7,385	4,584
Áine Brolly	(accrual for Director services)	1,500	-
		22,257	15,153
Irrecoverable VAT		3,601	3,485
		43,812	36,593

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2019

## 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 the new occupational lease is €211,147 with a rent free period amounting to a value of €35,000 being applied in 2018.

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

	2019 €	2018 €
Within one year	211,147	211,147
Between one and five years	844,587	844,587
After five years	633,440	844,587
	<u>1,689,174</u>	<u>1,900,321</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 €113,920 (2018: €118,368). The amount owing at 31 December 2019 was €Nil.(2018: €Nil).

## 21. SUBSEQUENT EVENTS

Subsequent to the financial year end, Ireland has been impacted by the global COVID-19 virus pandemic. However, given the unprecedented nature of the COVID-19 outbreak, it is not yet possible to determine its full impact on results for the next financial year. The Company will continue to monitor the situation and take appropriate measures to adapt to ensure that key services continue to be delivered and Skillnet Ireland expects satisfactory results for full year 2020.

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

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We supported  
over **18,000**  
**Irish businesses**  
in 2019.



# Skillnet Ireland Networks 2019

# Skillnet Ireland Networks 2019

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Our **2019** learning 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  
CILT Clear Customs Programme  
CitA Skillnet  
Cobotics Skillnet  
Connected Health Skillnet  
Cork Chamber Skillnet  
County Tipperary Skillnet  
CPA Ireland Skillnet  
CSNA Skillnet

## D

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

## F

Farm Business Skillnet  
Fingal Dublin 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

## 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 Network  
MIDAS Electronic Systems Skillnet  
Midland Border East Skillnet

# Skillnet Ireland Networks 2019

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## 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

SFA 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 Software Skillnet

Trainers' Learning Skillnet

## W

Waterford Chamber Skillnet

Wexford Chamber Skillnet

## X

XL Vets Skillnet







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An Roinn Oideachais  
agus Scileanna  
Department of  
Education and Skills

