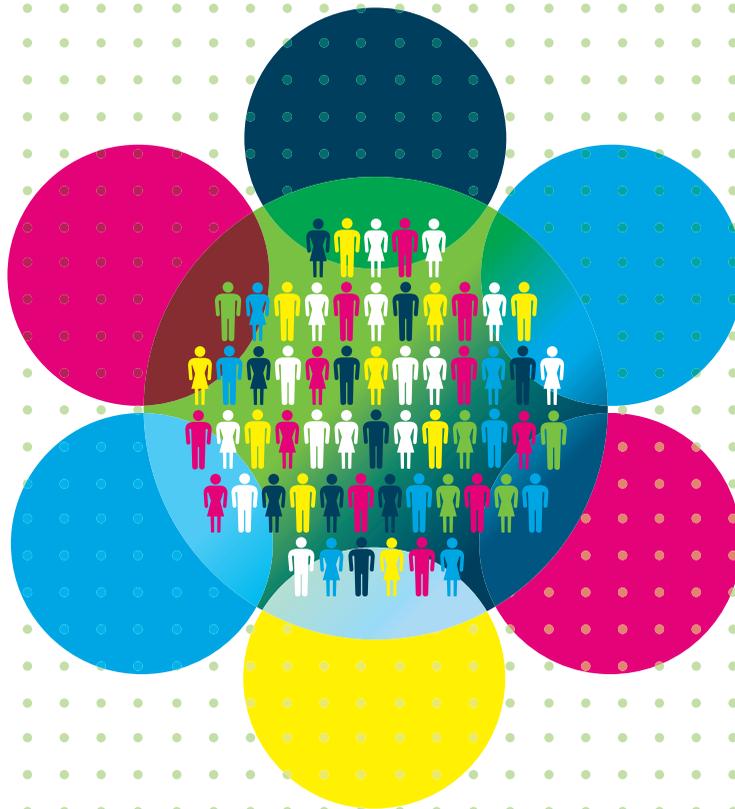


ANNUAL REPORT 2014





# Contents

Skillnets Mission	2
2014 Skillnets Board	3
Chairman’s Message	4
CEO’s Message	6
.....	
Skillnets High-level Outputs 2014	8
2014 Team Outputs	9
.....	
<b>Up-skilling the Employed 2014</b>	
Training Networks Programme (TNP)	10
Finuas Networks Programme (Finuas)	16
ManagementWorks Programme	21
.....	
<b>Up-skilling the Unemployed 2014</b>	
TNP and Finuas Programmes	26
Job-seekers Support Programme (JSSP)	28
.....	
Certification and Low Basic Skills (LBS) across all programmes	32
.....	
Skillnets Events 2014	34
.....	
Corporate Governance	38
.....	
Financial Statements	41
.....	
Skillnets’ Contribution to Policy	62
.....	
2014 TNP Networks	63
2014 Finuas Networks	64

# Skillnets Mission

Skillnets' key role is the promotion and facilitation of work-based training and up-skilling as key elements in sustaining Ireland's national competitiveness and economic recovery.



## Our High-level Goals

In pursuit of our mission, we have set the following high-level goals:

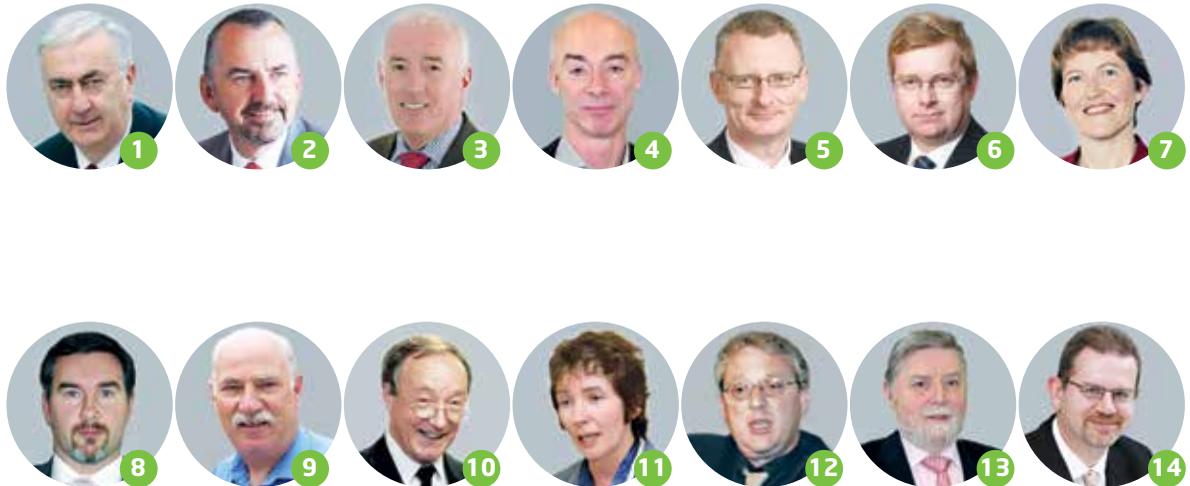
To **maintain and increase participation** by enterprise in relevant learning activity that benefits the competitiveness of enterprise, and the employability of the workforce.

To **support learning in growth sectors** by enabling enterprise to make the most of the available human capital in the workforce, in pursuit of a sustainable growth path.

To provide **meaningful support to job-seekers** in an enterprise context, which provides opportunities to enhance their chances of gaining employment.

To contribute to the development of **national enterprise and labour market activation policies**.

# 2014 Skillnets Board



## Business and Employers Representatives

- 1. Domhnall MacDomhnaill** Chairperson  
Ibec  
Resigned 31.12.14
- 2. Brendan McGinty**  
Ibec
- 3. Niall Saul**  
Ibec  
Resigned 31.12.14
- 4. Karl McDonagh**  
Ibec
- 5. Ian Talbot**  
Chambers Ireland
- 6. George Hennessy**  
Construction Industry Federation (CIF)
- 7. Mairéad Divilly**  
Small Firms Association (SFA)

## Ministerial Representatives

- 8. Paul O'Brien**
- 9. Terry Hobdell**
- 10. Henry Murdoch**

## Employee Representatives

- 11. Nuala Keher**  
Irish Congress of Trade Unions (ICTU)
- 12. Peter Rigney**  
Irish Congress of Trade Unions (ICTU)
- 13. Eamon Devoy**  
Irish Congress of Trade Unions (ICTU)

## Secretary

- 14. Alan Nuzum**  
Skillnets

# Chairman's Message

As the new Chairman of Skillnets, and a Board member for 11 years, I am delighted to take this opportunity to reflect on 2014.



Brendan McGinty  
Chairman

I would like to start by paying tribute to Domhnall MacDomhnaill for his hard work, dedication and excellent leadership as outgoing Chairman. Domhnall has always been a strong advocate for the core ethos of Skillnets, and the enterprise-led approach to skills development and learning. His ability to give strategic leadership to the Board when engaging with stakeholders and reacting to changes in public policy priorities for the labour market, is just part of his legacy in which he can take great pride.

2014 was a very positive year for Skillnets with an increase in our funding levels, an economy in recovery mode and businesses moving towards growth and expansion. Further good news came in February with continued key actions and measures to deliver, as part of the *Action Plan for Jobs 2014*. Skillnets also formally became part of the *ICT Skills Action Plan 2014-2018*, working with other Government agencies and state-supported bodies to build on Ireland's strengths as an ICT enterprise base.

## Working with enterprise

Skillnets continued to have a strong appeal across the SME sector and succeeded in creating recognition in business of the importance of ongoing training and up-skilling as a key measure in achieving sustainability, profitability and growth, with 10,879 member companies taking part in training. Member companies invested €11.1m, with Skillnets investing a further €13.8m, totaling €24.9m investment in training and development. Eighty-six percent of companies were SMEs.

The importance of developing and building capacity within business is something that the SME sector is beginning to focus on more, as they come out of a period of fire-fighting and maintaining operations. Investing in the capacity of existing staff by upgrading their skills and proficiency is vital to enable them to adapt to new business requirements. Such investment in skills can ensure against skills-shortages and risks for the sustainability of business lines when skills are absent, or weak.

SMEs are recognising that by addressing current skill needs, and predicting future skills requirements, this intervention will help their business grow and is

critical for enterprises wanting to thrive. By investing in existing staff, not alone will businesses manage skills requirements in a sustainable way, but staff loyalty and commitment can also emerge as added benefit. Skillnets-supported training means that employers can access high-quality and sector-specific training with affordable financial investment. In a recent independent evaluation of Skillnets 2014 Training Networks Programme (TNP), 97% of member companies agreed that Skillnets training met their objective of tackling skills shortages or gaps.

## Performance outputs - employees and job-seekers

Last year, 46,449 employees and job-seekers were trained across all our programmes with 291,530 training days delivered through 5,537 training courses. Key performance outputs on our work with companies, employees and job-seekers are reported on, under our main programmes.

Our training networks exceeded overall targets on training days delivery to all employed trainees by 26% in 2014, and by an increase of 16% in the number of trainees participating in Skillnets training. A 7% increase on targets for the number of training days delivered was achieved in our supports for job-seekers.

While Skillnets' core remit remains focused on the provision of training to individuals who are in employment, training was delivered to 6,858 job-seekers in total with 2,795 of these job-seekers participating in Skillnets' Job-seekers Support Programme (JSSP), which facilitates participation in industry training along with focused work placement programmes. Independent evaluation results on this programme report that 61% of trainees agreed that the programme had given them valuable industry experience.

The Finuas Networks Programme focuses on all areas of International Financial Services (IFS) and delivers training programmes for companies in this growing sector through three networks. In 2014, the programme delivered an additional 2,900 training days with a further 291 employees in this sector attending training in comparison to 2013. Eighty-one percent agreed that involvement with Finuas had increased their competitiveness.

ManagementWorks, with management development training courses specifically designed to support the SME sector, delivered 13,292 training days to 994 employees. Eighty-four percent of companies surveyed agreed that being a member of ManagementWorks is likely to enhance long-term performance.

## Stakeholder engagement

We continued to work in close partnership with the Department of Education and Skills (DES) in ensuring Ireland has the quality and quantity of skills to attract, retain and grow job opportunities and investment. Minister for Education and Skills Jan O'Sullivan T.D. and Minister for Skills, Research and Innovation Damien English T.D. supported our work, as did many other Ministers representing other Government departments.

Skillnets also worked closely with the Department of Social Protection (DSP) during 2014 at national and local level, and in turn developed strong links to raise awareness of training opportunities amongst DSP clients and increase the number of job-seekers participating in training with Skillnets.

I would like to express my sincere thanks to Domhnall MacDomhnaill and Niall Saul, both of whom retired in December 2014. To our Chief Executive, management and staff members, I would like to congratulate everyone. In taking on my new role as Chairman, I am working closely with the CEO, the Board, the Skillnets team and our enterprise-led networks around the country on our next phase of development. The development of our skills base is a significant priority for enterprise as we grow our economy to ensure that people can access and progress through the jobs market.



# CEO's Message



Alan Nuzum  
Chief Executive  
Officer

## Policy developments and strengthening links with stakeholders

The October (2013) budget placed the organisation in a good position for 2014 with the news of continued and increased funding for our work with companies, employees and job-seekers through our training networks. Both the *Action Plan for Jobs 2014* and *ICT Skills Action Plan 2014-2018* further endorsed Skillnets' position at the forefront of skills delivery for Irish businesses.

In April, a structured link was established between Local Enterprise Offices (LEOs) and counterpart offices in establishing a protocol between Skillnets and the LEO community to increase and maintain mutual awareness of the services and supports offered to SMEs through both organisations.

Skillnets continued to work closely with other Government agencies and state-supported bodies and took part in over 40 external events including Department of Social Protection (DSP) Education and Training Options Fairs, LEOs 'Taking Care of Business' events, LEO launches and Skills to Work events for job-seekers. We also contributed to a wide range of policy areas, through membership of specific groups, presentations and submissions.

A further demonstration of the success of partnership was evident in a number of collaborations between DSP, Skillnets and individual networks in our fully funded Job-seekers Support Programme (JSSP), which resulted in real outcomes for both the companies and job-seekers who took part in the programmes. An example of this in action can be found on page 36, with the Positive2Work Skillnet initiative delivering industrial sewing skills and real jobs for job-seekers.

Through these collaborations and partnerships, Skillnets has facilitated new links across individual businesses, potential employees and statutory agencies. These links have created new pipelines for skills and labour force needs in the emerging and growth sectors across the economy. Throughout last year, Skillnets increasingly demonstrated its capacity to connect and deliver collaborations with real business benefits. An example of this was the development of an analyst/technician programme for job-seekers in conjunction with the IDA, DSP, Skillnets and a biopharmaceutical company.

An independent evaluation of all our 2013 programmes was published in September 2014 and demonstrated that Skillnets made a positive contribution to the Government's targets for employment, both through retention of employment via our employed training activities, and through supporting job creation via our JSSP and TNP/Finuas programmes.

At the end of 2014, planning commenced for the development of Skillnets' next Statement of Strategy for the years 2016 - 2018, which we look forward to delivering through extensive consultation.

### Training networks supporting SMEs, employees and job-seekers

Our Chairman has already reported that our training networks over-achieved on targets in a number of areas in 2014. The training schemes operated under our various programmes focus on transferability of skills; fostering company diversification or transferability within a sector or to another sector; facilitating increased performance and growth in priority sectors; and enhancing the general competency skills of lifelong learners. Because of these focus areas, it is no surprise that our networks' training interventions have a large appeal for SMEs. Further value was added by training networks through a range of activities, some of which you can see on pages 34 to 37.

A key element of the Government's growth and employment strategy is ensuring Ireland has the quality and quantity of skills to attract, retain and grow job opportunities and investment. Through Skillnets' Future Skills Needs Programme (FSNP) and New Certified Programme Development (NCPD) programmes, over 20 new certified course modules or full courses were developed with a total investment of €482k. Skillnets invested €368k and member companies invested €114k. Twelve training networks were part of this delivery.

While the main focus for Skillnets is the provision of training to individuals who are in employment, Skillnets also provided valuable supports in 2014 to 6,858 job-seekers who undertook 58,686 training days. The percentage of trainees that were long-term unemployed (LTU) remained the same as 2013 at 50%.

This is above the national average of unemployed that are LTU (46%).

At an operational level, 19 Professional Development Programme (PDP) events comprising of clusters, workshops and training events were delivered for our training networks managers along with representations by staff at steering group meetings throughout the year. In terms of quality control and monitoring, 59 compliance visits were achieved along with 59 unannounced visits on training courses. This work is undertaken to ensure the quality of Skillnets-funded training courses.

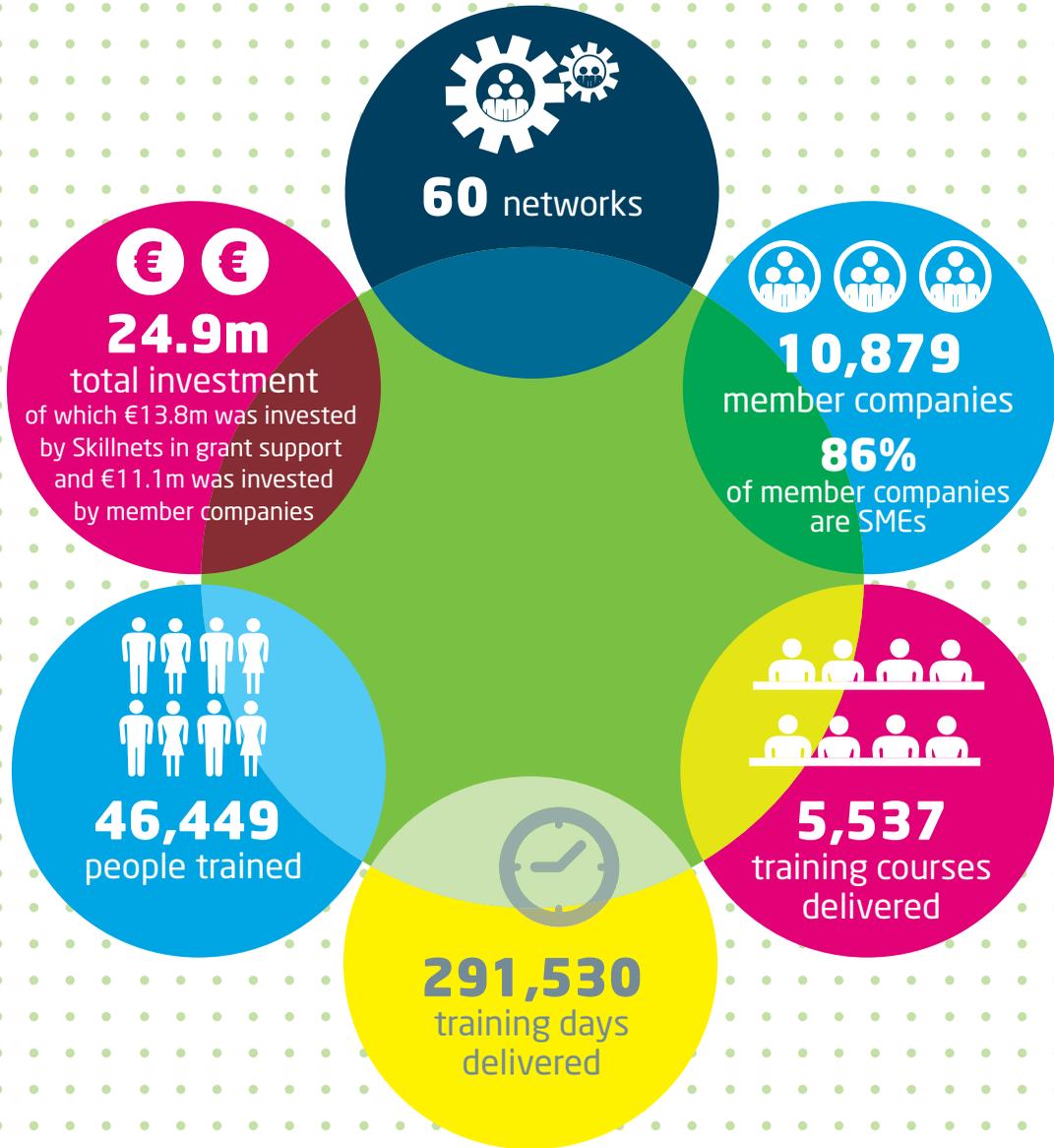
A wide variety of enhanced communications initiatives were undertaken in creating awareness of our work. New marketing collateral was developed and distributed to our stakeholders. Other work focused on the area of digital marketing; Skillnets saw an increase of 42% in users of [www.skillnets.ie](http://www.skillnets.ie). Three innovative animated videos were developed and promoted to our three key audiences.

I would like to close with a note of great thanks to our outgoing Chairman Domhnall MacDomhnaill, who has personally given me great support during my tenure as CEO, and for his dedication and contribution to Skillnets since its inception in 1999. I take great pleasure in welcoming Brendan McGinty as our new Chairman and I look forward to working closely together, to further Skillnets' key role in supporting the training and the development of employees in Irish business.

I would also like to acknowledge and thank our Board of Directors, the Department of Education and Skills (DES), our staff, network managers and SMEs across the country.



# Skillnets High-level Outputs 2014



*Skillnets High-level Outputs 2014* relate to outputs for both employed and unemployed trainees across all programmes.

# 2014 Team Outputs



## POLICY INITIATIVES

Action Plan for Jobs 2014  
ICT Skills Action Plan 2014-2018  
Skills to Work  
LEO protocol



## WORKING WITH TRAINING NETWORKS

**19** Professional Development Programme (PDP) events  
- Clusters, Workshops, Plenary events  
**54** steering group meetings



## QUALITY CONTROL

**59** compliance visits    **354** payment reviews    **59** quality assurance visits



## RAISING AWARENESS

**40+** external stakeholder events  
- DSP Job Fairs, DJEI Taking Care of Business events, LEO launches

**166,000** Collateral distribution  
to key external stakeholders



**6** Facebook advertising campaigns

**Up to 420%** increase in page views to top three pages during campaigns



www.skillnets.ie

**47%** increase in sessions

**46%** increase in page views

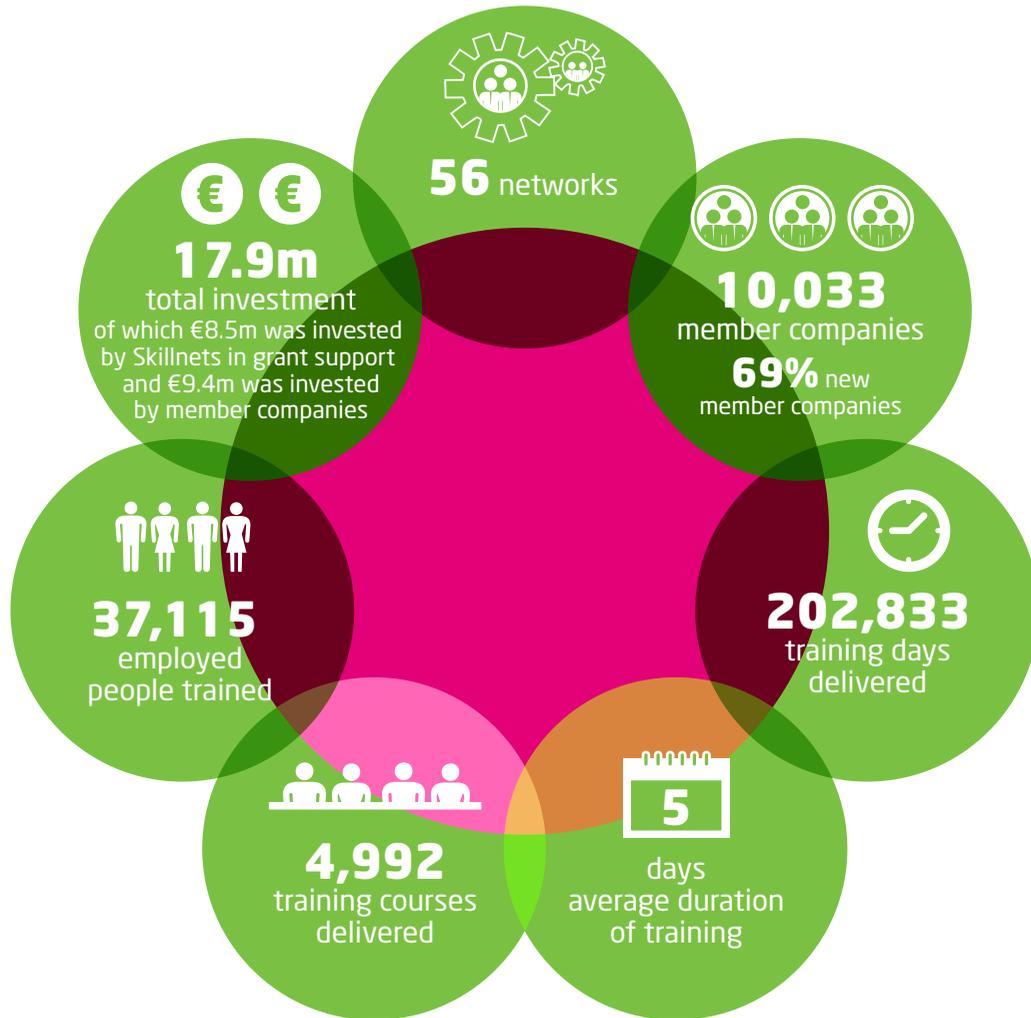
**42%** increase in users

**3** Animated videos  
- New ways of  
telling our story



# Up-skilling the Employed 2014

## Training Networks Programme (TNP)



For the purposes of the *Training Networks Programme (TNP)* section, all outputs reported on individuals relate to employees across this programme only. Outputs for job-seekers are reported in the *Up-skilling the Unemployed 2014* section.

## Independent Evaluation Results

The findings below are preliminary results from an independent evaluation of all Skillnets programmes and activity. The final report and findings will be available in late 2015.

### What companies had to say about our Training Networks Programme (TNP):

#### Benefits of being a member of a Skillnets network

- **97%** of member companies reported that Skillnets training **helped to tackle skills shortages or skills gaps** in the company.
- **95%** of member companies agreed that Skillnets training was of a **high quality**.
- **98%** found Skillnets training to be **cost-effective**.
- **86%** of member companies reported it would have been difficult to access training of a similar quality elsewhere.
- **94%** of companies reported that being a member tackled administration and technical difficulties in sourcing relevant training.
- **85%** reported that being a member of a Skillnets network was likely to **enhance the long-term performance of their business**.

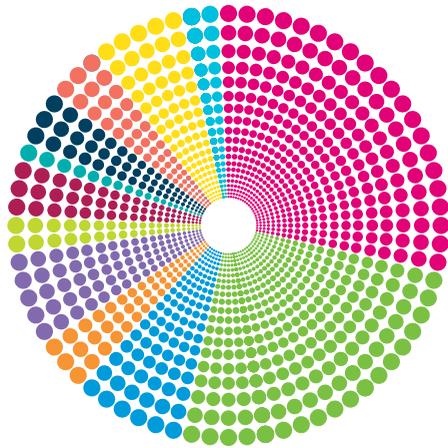
#### Impact of training on business growth

- **90%** reported that involvement with Skillnets has **increased their competitiveness**.
- **31%** reported that Skillnets training has led to **increased sales**.
- **63%** reported that Skillnets training has led to **improved processes** while **31%** reported it has led to **new product development** or product improvement.

### What employees had to say about our Training Networks Programme (TNP):

- **88%** reported that Skillnets training was **relevant and of a high quality**.
- **85%** reported that Skillnets training helped them to **meet new challenges and developments** in their job.
- **61%** felt it had kept them up-to-date with **new developments within their industry**.

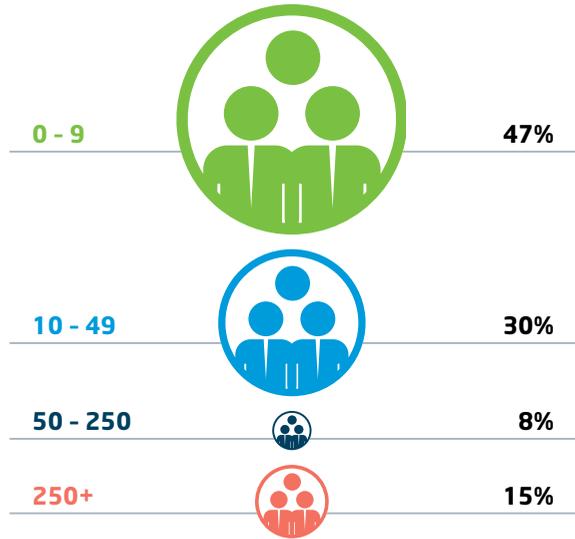
Figure 1:  
Breakdown of Companies by Sector



● Services	29%
● Agriculture	26%
● Retail and Wholesale Trade	9%
● Construction	4%
● ICT Manufacturing and Services	6%
● Life Sciences and Pharmaceutical	3%
● Manufacturing	4%
● Mixed	2%
● Media / Audio Visual	4%
● Business	4%
● Food and Drink	6%
● Hospitality	3%

NOTE: Based on a 99% sample for which data was available. 28% of member companies operated in the 7 priority sectors identified by the Expert Group on Future Skills Needs (EGFSN).

Figure 2:  
Breakdown of Companies by Size



NOTE:  
Based on a 90% sample for which data was available.

Figure 3:  
Breakdown of Trainees by Gender



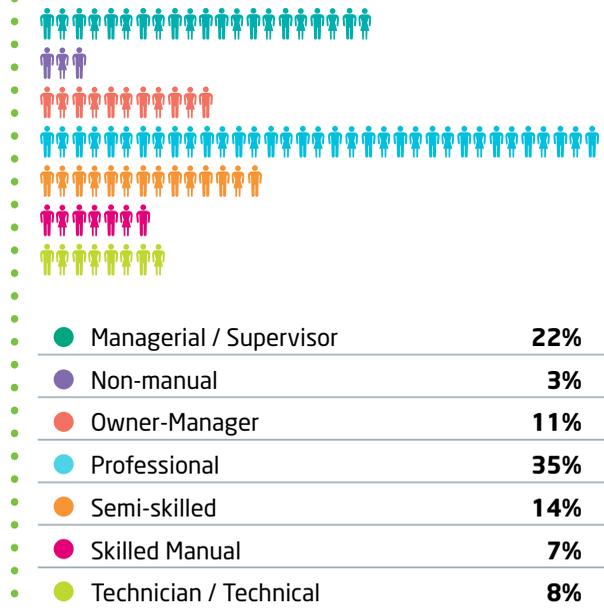
NOTE:  
Based on a 89% sample for which data was available.

Figure 4:  
Breakdown of Trainees by Age



NOTE:  
Based on a 89% sample for which data was available.

Figure 5:  
Breakdown of Trainees by Occupational Category



NOTE:  
Based on a 86% sample for which data was available.

Figure 6:  
Extent of Customisation of Training Courses

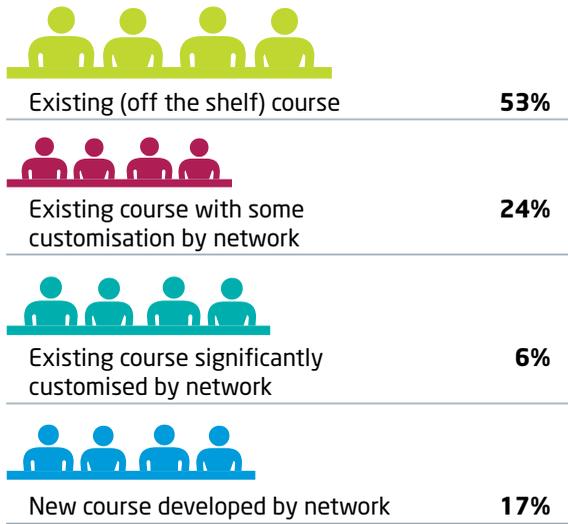


Figure 7:  
Breakdown of Training Type by Training Days

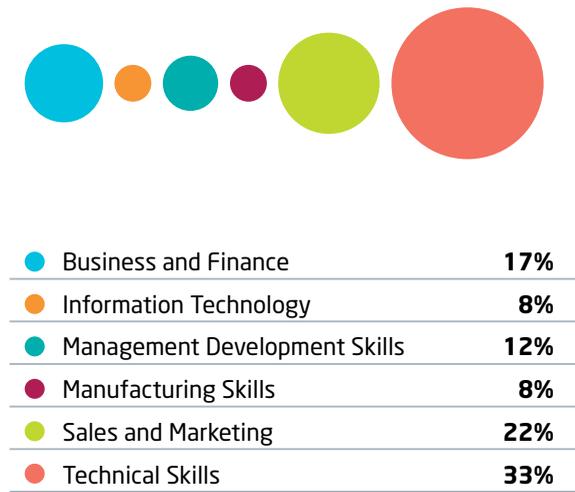


Figure 8:  
Breakdown of Courses by Certification



Figure 9:  
Breakdown of Training Days by Certification

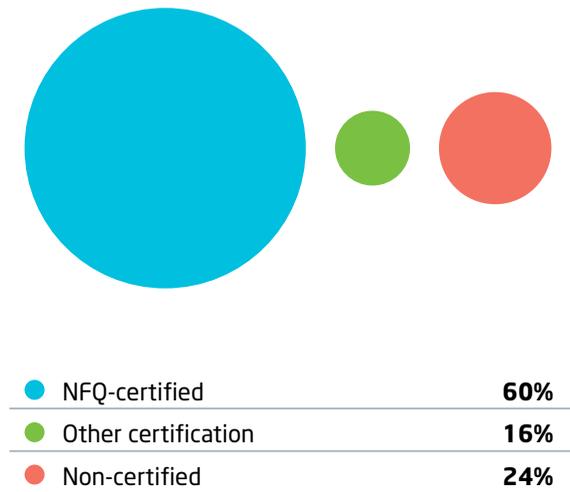
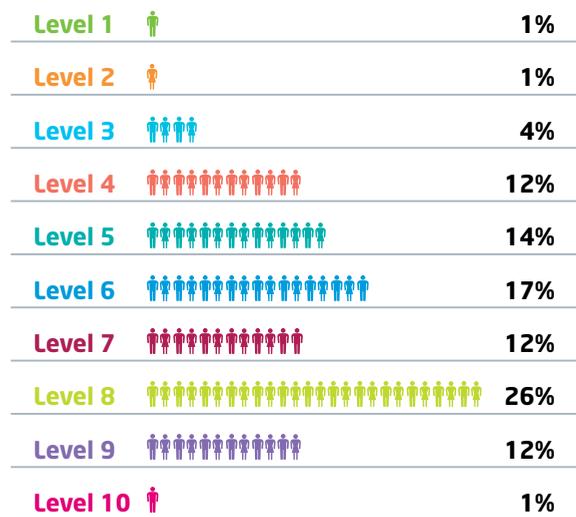


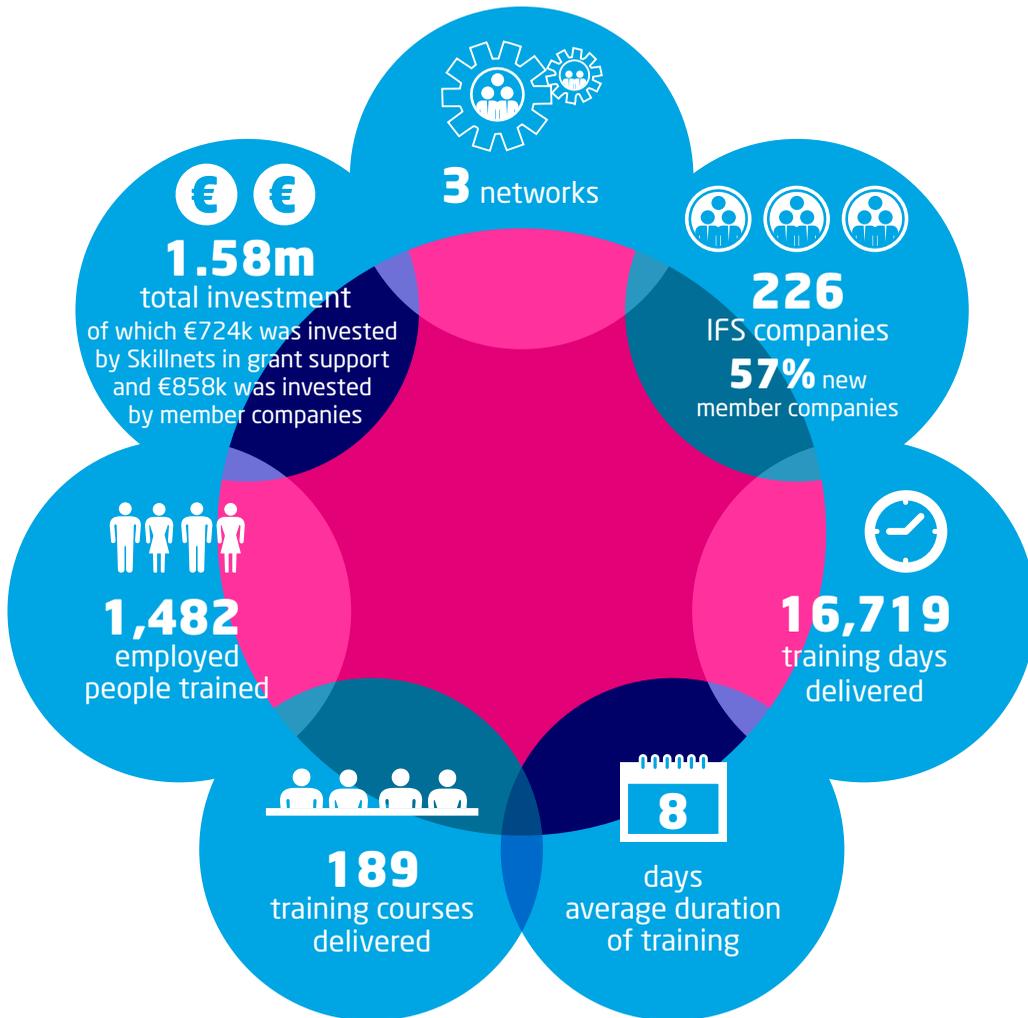
Figure 10:  
Breakdown of Trainee Educational Level Prior to Training



NOTE:  
Based on a 89% sample for which data was available.

# Up-skilling the Employed 2014

## Finuas Networks Programme (Finuas)



For the purposes of the *Finuas Networks Programme (Finuas)* section, all outputs reported on individuals relate to employees. Outputs for job-seekers are reported in the *Up-skilling the Unemployed 2014* section.

## Independent Evaluation Results

The findings below are preliminary results from an independent evaluation of all Skillnets programmes and activity. The final report and findings will be available in late 2015.

### What companies had to say about our Finuas Networks Programme (Finuas):

#### Benefits of being a member of a Finuas network

- **100%** of member companies reported that Finuas training **helped to tackle skills shortages or skills gaps** in the company.
- **100%** reported that Finuas training was of a **high quality**.
- **100%** found Finuas training to be **cost-effective**.
- **93%** of member companies reported that it tackled administration and technical difficulties in sourcing relevant training.
- **76%** reported that being a member of a Finuas network is likely to enhance the **long-term performance of their business**.

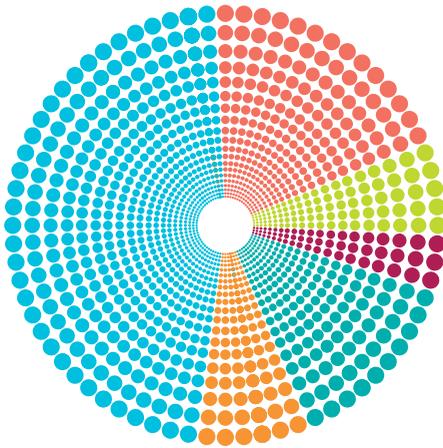
#### Impact of training on business growth

- **81%** reported that involvement with Finuas has **increased their competitiveness**.
- **21%** reported that Finuas training has led to **increased profits**.
- **44%** reported that Finuas training has led to **improved processes** while **19%** reported it has led to **new product development** or product improvement.

### What employees had to say about our Finuas Networks Programme (Finuas):

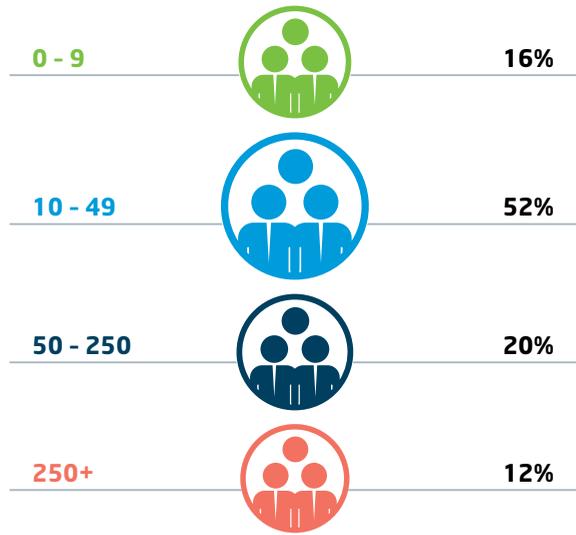
- **88%** reported that training was **relevant and of a high quality**.
- **83%** reported that Finuas training helped them to **meet new challenges and developments** in their job.
- **61%** felt it had kept them up-to-date with **new developments within their industry**.

Figure 11:  
Breakdown of Companies by Sector



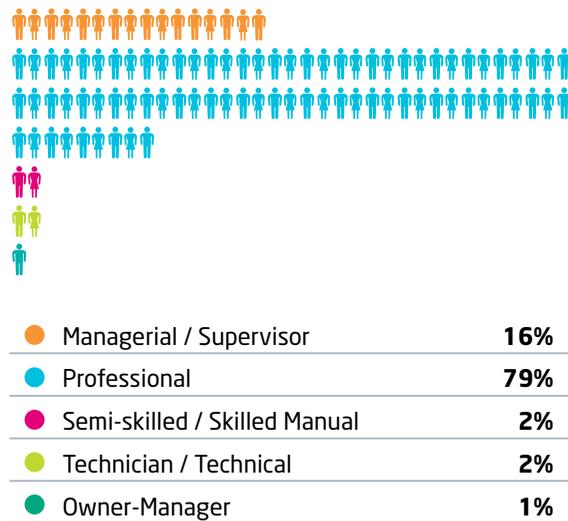
● Air Finance / Leasing	<b>19%</b>
● Banking and Capital Markets	<b>7%</b>
● Financial Services	<b>4%</b>
● Funds and Investment Management	<b>14%</b>
● Insurance / Reinsurance	<b>8%</b>
● Professional Legal and Taxation Services	<b>48%</b>

Figure 12:  
Breakdown of Companies by Size



0 - 9		<b>16%</b>
10 - 49		<b>52%</b>
50 - 250		<b>20%</b>
250+		<b>12%</b>

**Figure 13:**  
**Breakdown of Trainees by Occupational Category**



NOTE:  
 Based on a 82% sample for which data was available.

**Figure 14:**  
**Breakdown of Training Type**

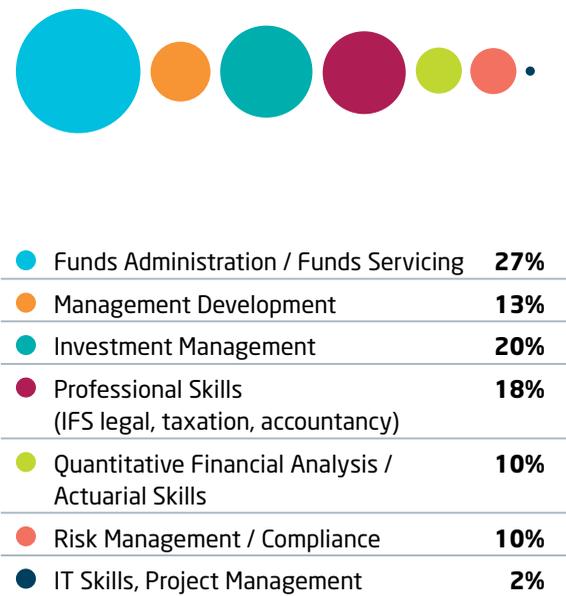


Figure 15:  
Breakdown of Courses by Certification



Figure 16:  
Breakdown of Training Days by Certification

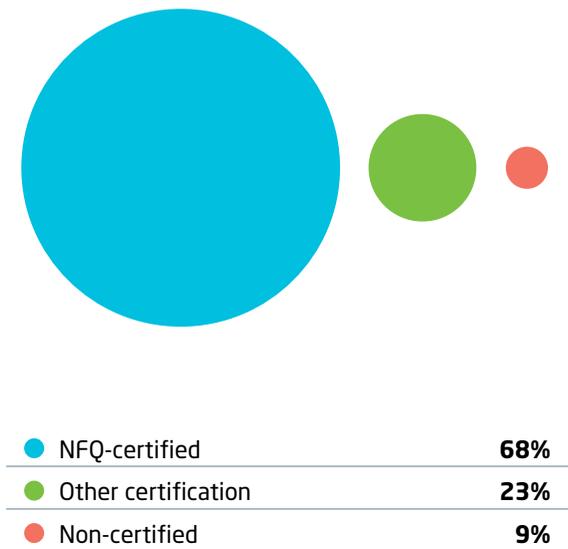
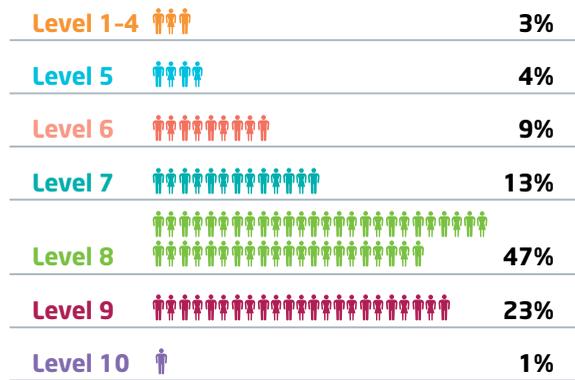


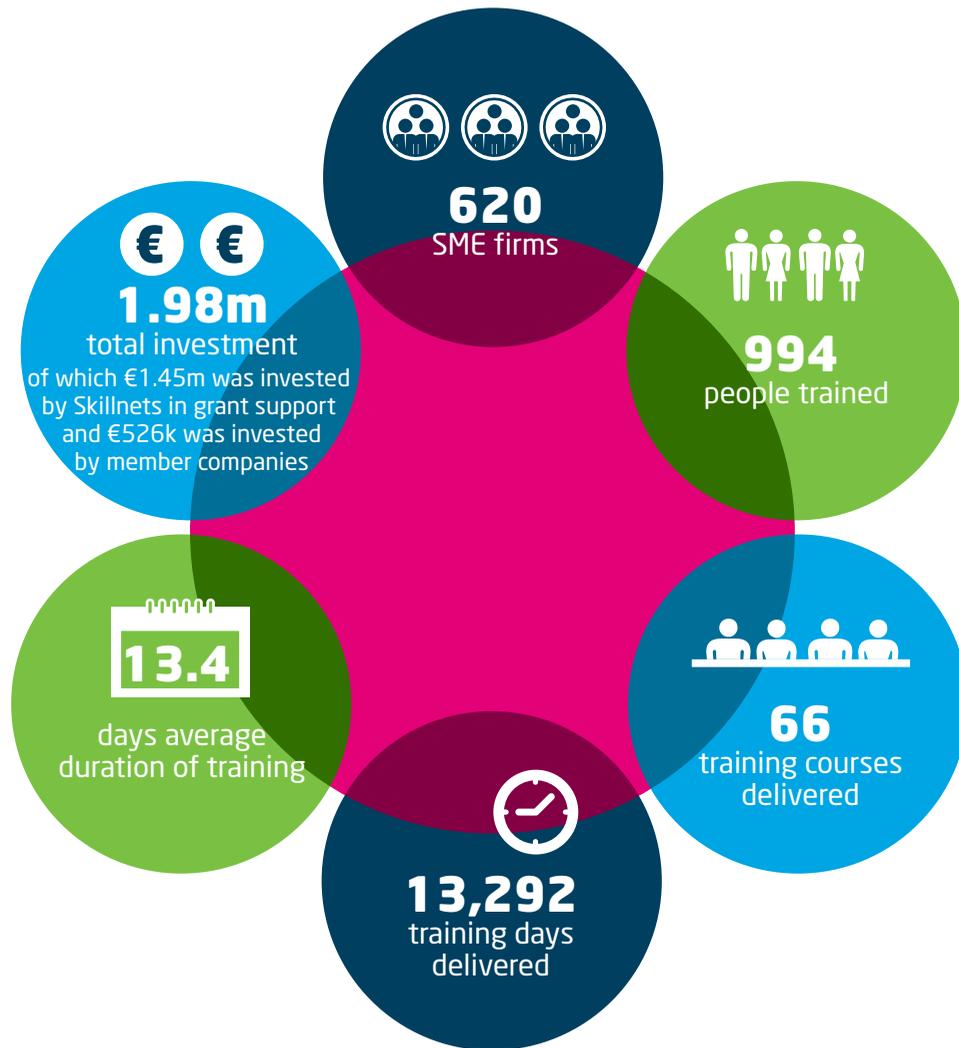
Figure 17:  
Breakdown of Trainee Educational Level Prior to Training



NOTE:  
Based on a 83% sample for which data was available.

# Up-skilling the Employed 2014

## ManagementWorks Programme



## Independent Evaluation Results

The findings below are preliminary results from an independent evaluation of all Skillnets programmes and activity. The final report and findings will be available in late 2015.

### What companies had to say about our ManagementWorks Programme:

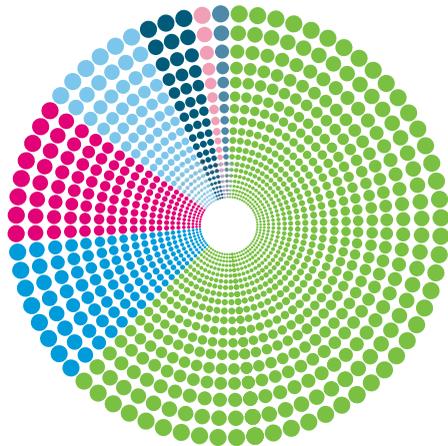
#### Benefits of being a member of ManagementWorks

- **95%** of member companies reported that ManagementWorks training **helped to tackle skills shortages or skills gaps** in the company.
- **94%** of member companies reported that ManagementWorks training was of a **high quality**.
- **97%** found ManagementWorks training to be **cost-effective**.
- **87%** reported that being a member of ManagementWorks tackled administration and technical difficulties in sourcing relevant training.
- **84%** agreed that being a member of ManagementWorks is likely to enhance the **long-term performance of their business**.

#### Impact of training on business growth

- **93%** reported that involvement with ManagementWorks has **increased their competitiveness**.
- **42%** reported that ManagementWorks training has **increased sales**.
- **75%** reported that ManagementWorks has led to **improved processes** within their company while **41%** reported it has led to **new product development** or product improvement.
- **1 in 4 (24%)** reported that ManagementWorks training has led to the **recruitment of staff**.

Figure 18:  
Breakdown of Companies by Sector



● Services	<b>62%</b>
● Food and Drink	<b>11%</b>
● Tourism and Travel	<b>11%</b>
● Retail	<b>9%</b>
● Media / Audio Visual	<b>4%</b>
● Agriculture	<b>2%</b>
● Technology	<b>1%</b>

Figure 19:  
Breakdown of Companies by Size

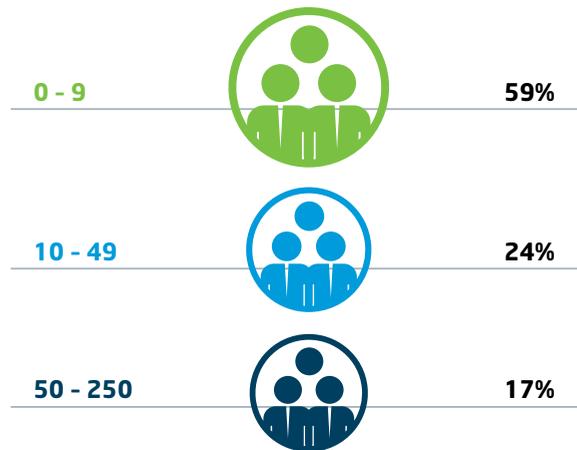


Figure 20:  
Breakdown of Trainees by Gender

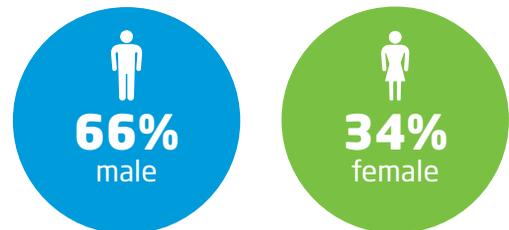


Figure 21:  
Breakdown of Trainees by Age



Figure 22:  
Breakdown of Trainees by Occupational Category

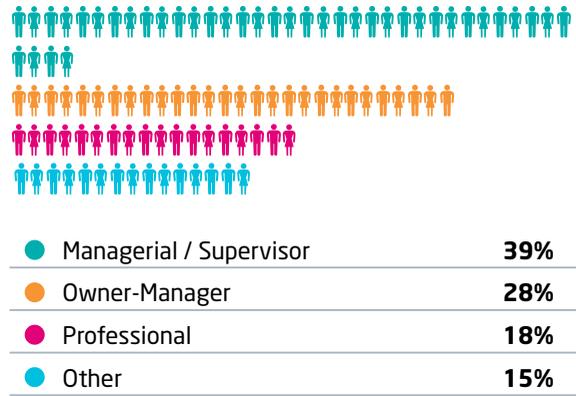


Figure 23:  
Breakdown of Courses by Certification

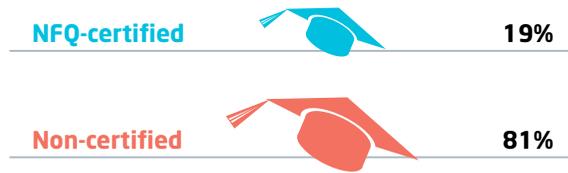


Figure 24:  
Breakdown of Employed Training Days by Certification

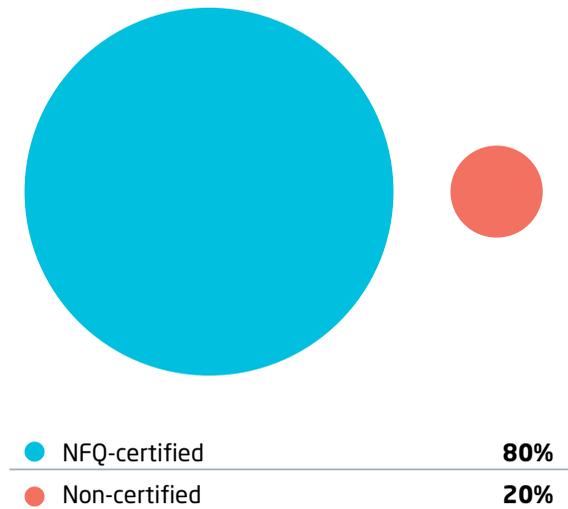
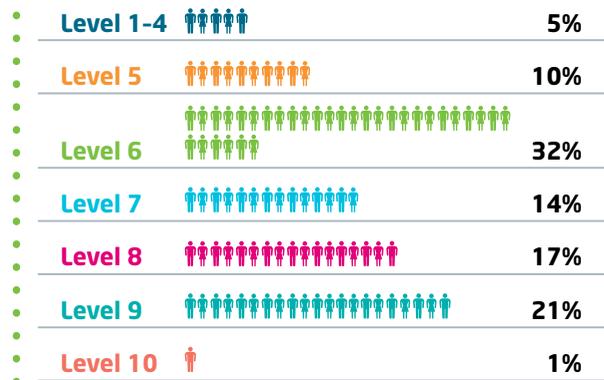
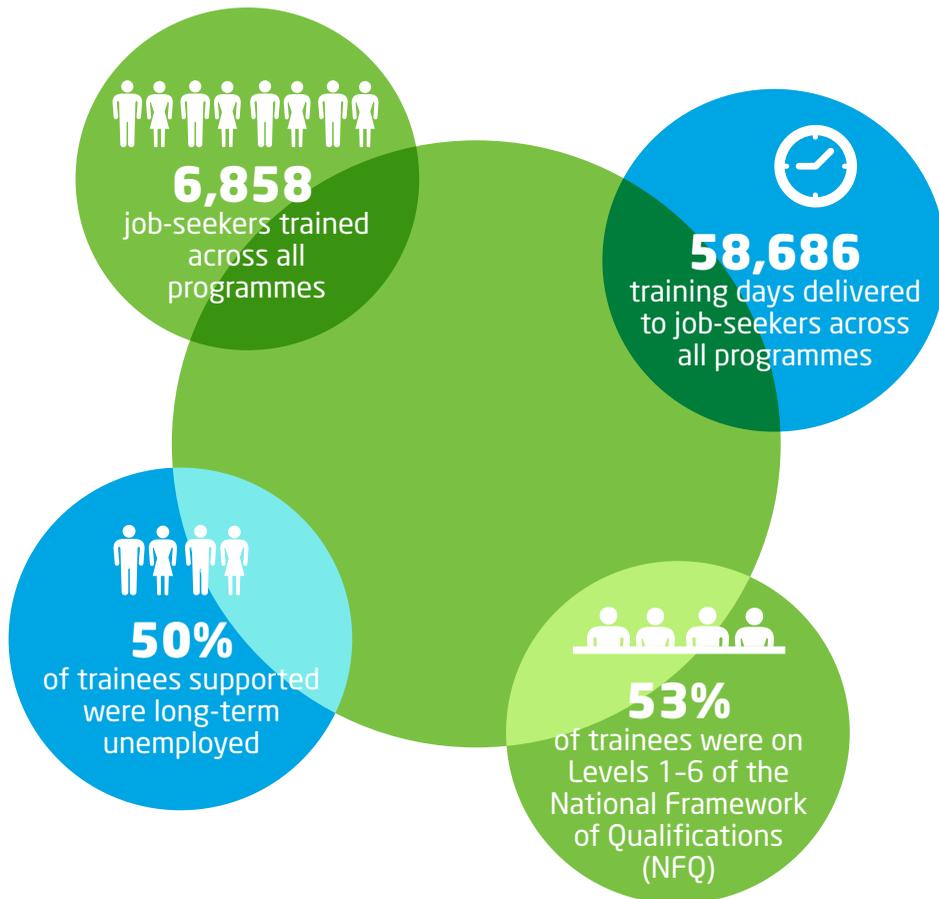


Figure 25:  
Breakdown of Trainee Educational Level Prior to Training



# Up-skilling the Unemployed 2014

## TNP and Finuas Programmes



For the *Up-skilling the Unemployed 2014* section, all outputs reported on pages 30-31 relate to job-seekers across all programmes: TNP, Finuas and JSSP. Outputs for employees are reported in the *Up-skilling the Employed 2014* section.

## Independent Evaluation Results

The findings below are preliminary results from an independent evaluation of all Skillnets programmes and activity. The final report and findings will be available in late 2015.

### What unemployed trainees had to say about TNP and Finuas training:

#### Trainee satisfaction with training courses

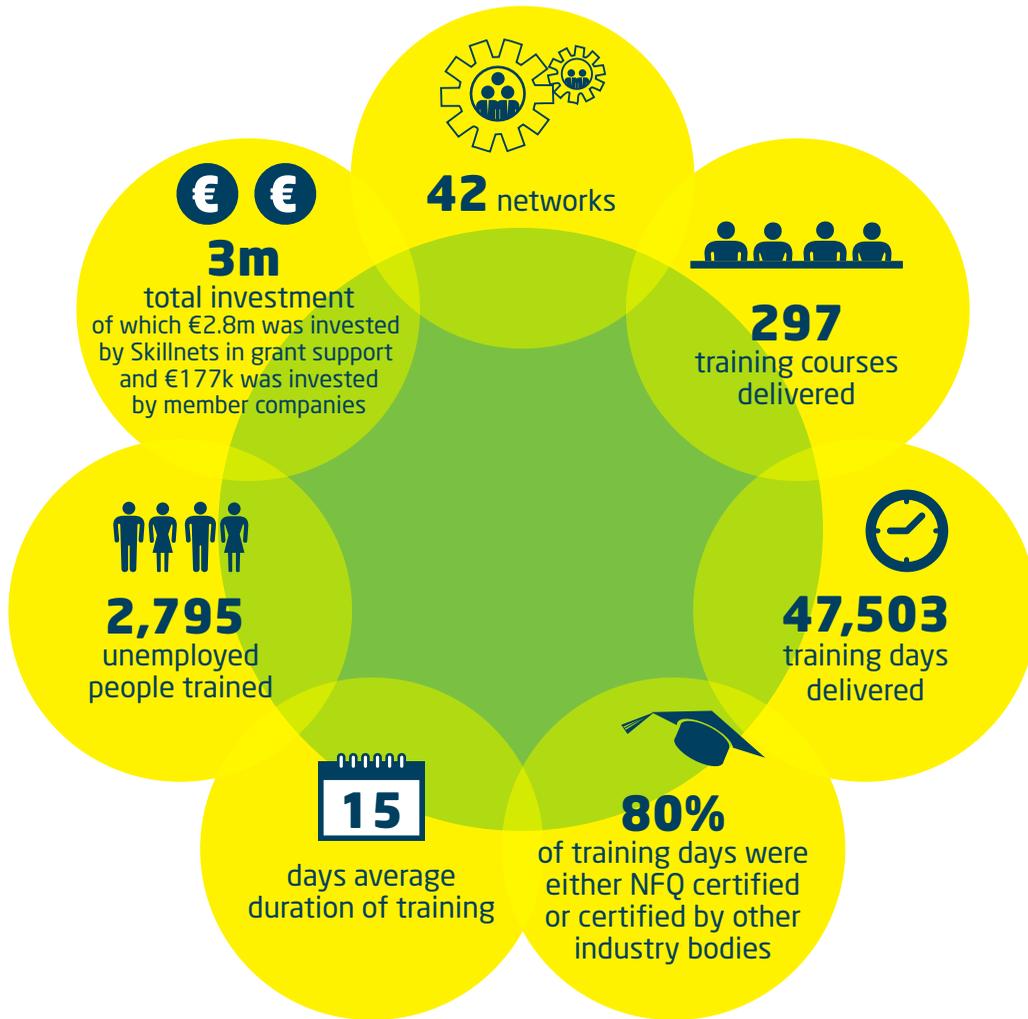
- **83%** agreed that the training was **relevant and of a high quality**.
- **51%** agreed that the training had given them **valuable industry experience**.
- **60%** agreed that it had kept them up-to-date with **new technologies and trends**.
- **67%** agreed that the training has made them more **aware of wider opportunities**.

#### Impact of training on employment

- As a result of undertaking Skillnets training, **21%** of unemployed trainees **gained employment** and a further **11%** **started their own business**.

# Up-skilling the Unemployed 2014

## Job-seekers Support Programme (JSSP) Work placement and training for job-seekers



## Independent Evaluation Results

The findings below are preliminary results from an independent evaluation of all Skillnets programmes and activity. The final report and findings will be available in late 2015.

### What unemployed trainees had to say about our Job-seekers Support Programme (JSSP):

#### Trainee satisfaction

- **85%** agreed that the training was **relevant and of a high quality**.
- **61%** agreed that the programme had given them **valuable industry experience**.
- **64%** agreed that the programme kept them up-to-date with **new technologies and trends**.
- **70%** agreed that the programme had made them more **aware of wider opportunities**.

#### Impact of training on employment

- As a result of undertaking JSSP training, **31%** of trainees **gained employment** and a further **14%** **started their own business**.

## TNP, Finuas and JSSP Breakdowns

Figure 26:  
Breakdown of Trainees by Gender



Figure 27:  
Breakdown of Trainees by Age



NOTE:  
Based on a 82% sample for which data was available.

Figure 28:  
Breakdown of Training Days by Certification

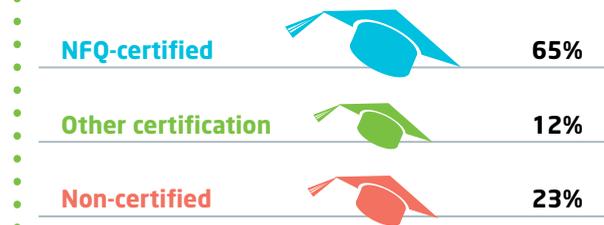
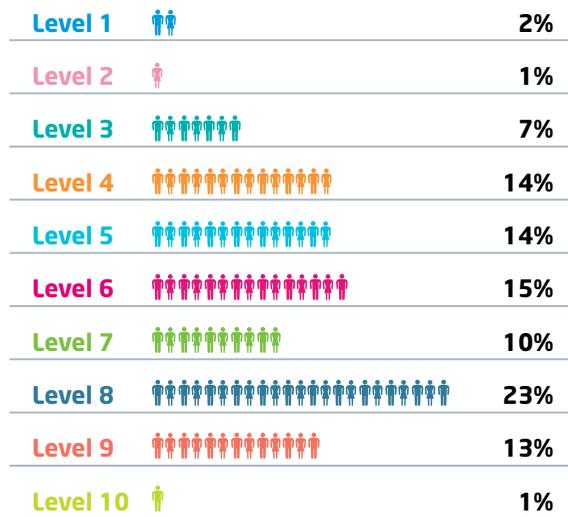
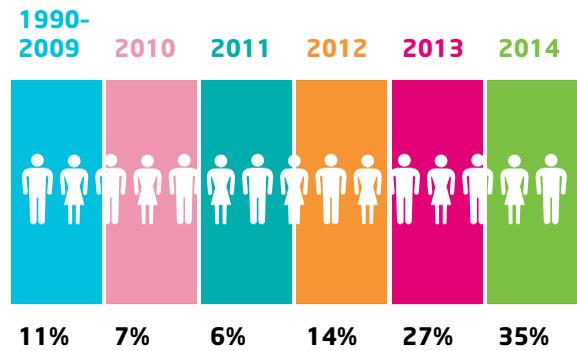


Figure 29:  
Breakdown of Trainee Educational Level  
Prior to Training



NOTE  
Based on a 82% sample for which data was available.

Figure 30:  
Breakdown of Date Trainees Joined  
Live Register



# Certification and Low Basic Skills (LBS)

across all programmes



Figure 31:  
Breakdown of Courses by Certification

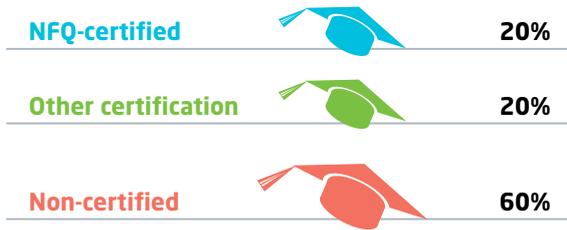


Figure 32:  
Breakdown of Training Days by Certification

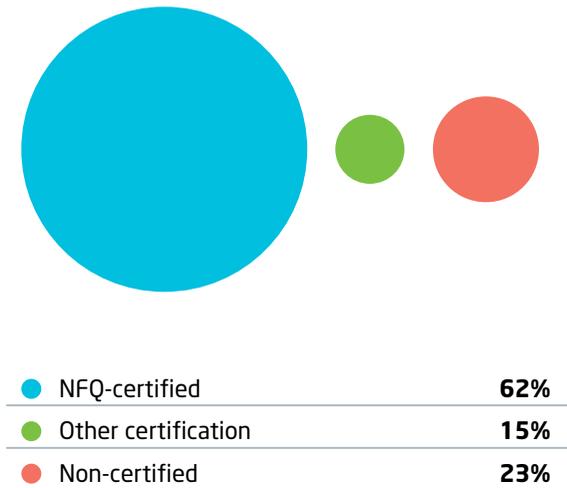
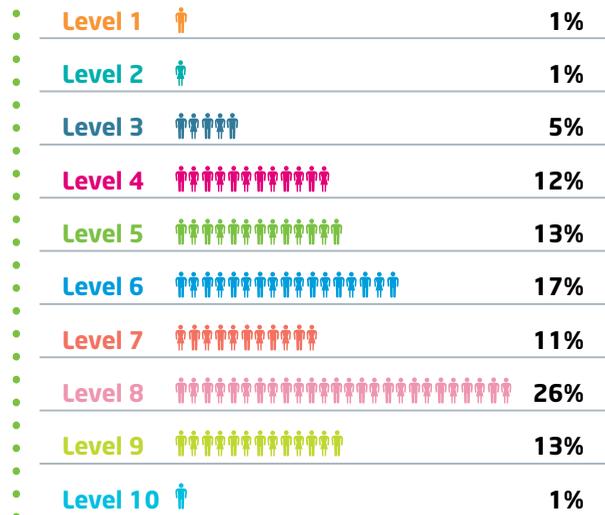


Figure 33:  
Breakdown of Trainee Educational Level  
Prior to Training



NOTE:  
Based on a 88% sample for which data was available.

All outputs reported on Certification and Low Basic Skills (LBS) are across all programmes for both the employed and job-seekers.



Skillnets-supported training means that employers can access high-quality and sector-specific training with affordable financial investment.

**Brendan McGinty**  
Chairman

# Skillnets Events 2014



Launch of FoodIEs Expo 2014

## FoodIEs Expo 2014

Food companies came together to showcase their products and services to trade partners in the Mid-West at the FoodIEs Expo 2014 in Limerick. The event attracted over 350 visitors and 60 exhibitors. This is the third year of the event, which is run in conjunction with the **ACIST Skillnet** and local enterprise offices of Limerick, Clare and Tipperary.

Speakers at the event included *Birgitta Hedin-Curtin* of Burren Smokehouse and nutritionist Dr. *Evelyn Hannon*, with *Bobby Kerr* acting as MC for the event. Attendees had the opportunity to meet with industry experts, including trainers, suppliers of food, IT, business support and marketing specialists, as well as sampling some new innovative products.

## University of Limerick Launches Innovative New Aviation Diploma

With over 50% of the world's aviation leasing businesses located in Ireland, the country is widely recognised as a leader in this field. To ensure the future growth of this sector a new training programme was developed by University of Limerick (UL) and **Aviation Finance Finuas Network**. The Level 9 Specialist Diploma in Aviation Leasing and Finance is the first of its kind at this advanced level and marks a major step in supporting Ireland's role as a global centre for aircraft financing and leasing.

Announcing details of the programme at UL were *Professor Paul McCutcheon*, Vice President and Registrar UL, *Alan Nuzum*, Skillnets CEO, Minister of State for Skills, Research and Innovation *Damien English T.D.*, and *Tom Caffrey*, Head of Operational Excellence, Shannon Aerospace.



Picture: Alan Place



Pictured with Minister for Agriculture, Food and the Marine *Simon Coveney T.D.* are *Sarah Roarty*, N17 Brewery, and *Sam and Maudeline Black*, Blacks of Kinsale, with the medals they won at the Alltech International Craft Brews and Food Fair.

## Celebrating Craft Breweries

Three new craft breweries, set up by graduates of the **Taste 4 Success Skillnet's** General Certificate in Brewing Programmes, scooped a number of awards at the Alltech International Craft Brews and Food Fair, Ireland's largest craft beer festival. Craft breweries went head-to-head across several different categories in the second annual Dublin Craft Beer Cup, with local breweries and distilleries competing with the best from around the world. The competition gives Irish breweries a platform to increase the profile of their product in a competitive commercial market and is an excellent opportunity to build brand recognition within the industry.

### JSSP Minor Award in Bar and Restaurant Service

There were strong progression outcomes from a new programme developed by **South West Gnó Skillnet**, in conjunction with Institute of Technology (IT) Tralee, for job-seekers who wished to pursue a career in the food and beverage industry. Fifty-seven percent of the students gained full-time employment following the course. The fully funded programme included a Minor Award in Bar and Restaurant Service, delivered one day a week over 14 weeks and accredited by IT Tralee. Trainees also attended a work placement in a local hotel in the Tralee/Killarney area one day a week for ten weeks during the course, followed by a three week block at the end of the programme.



Pictured are the group that developed the Bar and Restaurant programme for job-seekers: *Dónal Mac an tSíthigh*, South West Gnó Skillnet, *T.J. O Connor*, Head of the Hotel, Culinary and Tourism Department, IT Tralee, *Sarah Mannix*, HR Manager, The Lake Hotel, *Ronan Doyle*, Hotel, Culinary and Tourism Department, IT Tralee, and *Jason Higgins*, General Manager, Aghadoe Heights Hotel.



Pictured at the IITD Awards are *James O'Neill*, IITD President, *Edel Garavan* and *Catherine Collins*, both First Polymer Training Skillnet, and *Ciarán Cannon* T.D. Minister of State for Training and Skills.

### Irish Institute of Training and Development (IITD) Awards

**First Polymer Training Skillnet** won the Networks and Groups category at the annual Irish Institute of Training & Development (IITD) Awards. This award was in recognition of the network's responsiveness to industry needs, including the recent development of a Level 6 Certificate in Polymer Technology, in response to the Expert Group on Future Skills Needs (EGFSN) *Future Skills Requirements of the Manufacturing Sector to 2020* report and the *Action Plan for Jobs 2013*. The network's close links to industry have fostered the development of key initiatives including a series of Job-seekers Support Programmes (JSSP) that are helping to address technical skills shortages in the plastics sector.

**BiznetCork Skillnet** was also awarded an Outstanding Achievement in this category along with an Outstanding Achievement in the category for Best Work Placement, Graduates and Non-graduates.

## Graduation Ceremony

The achievements of employees from a broad range of companies who graduated from the **BiznetCork Skillnet** Business School @ Cork Chamber were celebrated at a graduation ceremony in Cork. The graduates were presented with a commemorative plaque by Minister for Research and Innovation *Seán Sherlock*, T.D.. BiznetCork Skillnet courses are within an employment-orientated framework with five key pillars of business, namely management development, communication, sales and marketing, IT and finance.



Pictured at the BiznetCork Skillnet graduation ceremony with Minister *Seán Sherlock* (far right) are *Norma Lynch*, BiznetCork Skillnet, *Conor Healy*, Chief Executive Cork Chamber, and *Gillian Keating*, President Cork Chamber.



Pictured at the launch of the Wicklow Local Enterprise Office (LEO) are An Taoiseach *Enda Kenny* T.D. and *Niamh Desmond*, Skillnets.

## Establishment of Local Enterprise Offices (LEO)

In 2014 Local Enterprise Offices (LEOs) were established nationwide as one-stop-shops for businesses of all sizes, including sole traders, micro-businesses and small and medium businesses. The LEOs provide a wide range of advice and information on all the Government supports for business, including Skillnets, to anyone interested in starting or growing their business. Skillnets representatives attended many of the launches of the 31 newly created LEOs to promote the programmes available through the training networks.



## Bringing Traditional Skills Back to Life

Horseware Ireland identified a skills gap for people with industrial sewing skills, a traditional skill that had all but died out. They collaborated in an initiative with **Positive2Work Skillnet**, the Department of Social Protection (DSP) and Louth/Meath Education and Training Board (LMETB) to fill that gap. Thirteen young people on the live register undertook four FETAC Level 4 modules followed by three weeks of practical industrial sewing training. Nine out of the thirteen participants secured employment after the training.

Pictured at the Industrial Sewing graduation are (back row, l-r) *Gerry Boyle*, *Anne Newell* and *Tara Brady*, all Horseware Ireland, *Sadie Ward-McDermott*, LMETB, Minister of State *Kevin Humphries* T.D., *Alan Nuzum*, Skillnets, *Mark Brennan*, Positive2Work Skillnet, *Anne Keely* and *Evelyn Thornton*, both DSP. Seated (l-r) are *Tom MacGuinness*, Horseware Ireland, Senator *Mary Moran* and *Peter Kierans*, LMETB.



Pictured launching the initiative are from left *Billy Goodburn*, ICOS Skillnet Manager, Minister for Agriculture, Food and the Marine *Simon Coveney T.D.*, *Alan Nuzum*, Skillnets CEO, and *Seamus O'Donohoe*, CEO of the Irish Co-operative Organisation Society (ICOS).

### Agrifood Foot in the Door

A new initiative to target potential new employees for the agrifood sector was launched in 2014 by **ICOS Skillnet** and the Irish Co-operative Organisation Society (ICOS). A series of 'Foot in the Door' events took place nationwide to highlight new job opportunities and skills needs in this growing sector. In Ireland agrifood contributes a value of €24billion to the national economy, generates almost 10% of Ireland's exports and provides 7.7% of national employment. When employment in inputs, processing and marketing is included, the agrifood sector accounts for almost 10% of employment.

### Brown Thomas Retail Academy Graduation 2014

The Brown Thomas Retail Academy was created in partnership with **IBEC Retail Skillnet** and offers a certified work-based learning programme to all Brown Thomas sales team members. 154 staff across the group have achieved FETAC Level 5 qualifications in eight modules including selling skills, retail display, customer service and security. The training is specially tailored to reflect the unique Brown Thomas and BT2 service experience and the programme reinforces a number of Brown Thomas company values: innovate and lead, deliver your best and delight your customer.



Pictured at the graduation ceremony in Dublin of 84 Brown Thomas staff are *Alan Nuzum*, Skillnets CEO, *Thomas Burke*, Director, Retail Ireland, Minister of State for Skills, Research and Innovation *Damien English T.D.*, *Stephen Sealy*, Managing Director, Brown Thomas, *Seán Carlin*, IBEC Retail Skillnet and *Gretta NashCadden*, Human Resources Manager, BT2 and Brown Thomas Regional Stores.

### Growing Support for Companies

On a visit to Letterkenny Institute of Technology (LYIT) Minister for Jobs, Enterprise and Innovation *Richard Bruton T.D.* took the opportunity to meet **Tech Northwest Skillnet** promoters, staff and member companies based in the CoLab facility. CoLab currently houses 28 companies that benefit from cooperation with the academic community and students on the LYIT campus. The Minister discussed the benefits of accessing local training through the network, and the Skillnet was lauded as a catalyst for businesses in the North West to be able to network together through training events.



*Ian McGarvey*, Mayor of Donegal, *John Andy Bonar*, LYIT, Minister of State for Gaeltacht Affairs *Dinny McGinley T.D.*, *Padraig Gallagher*, Tech Northwest Skillnet and LYIT, Minister *Richard Bruton T.D.*, *Siobhan Grant*, Tech Northwest Skillnet, and *Joe McHugh*, T.D. Donegal North East.

# Corporate Governance



**Skillnets Limited** is a company limited by guarantee established in 1998 under the Companies Acts. The company has 24 employees and a board of 13 non-executive directors representing various enterprise stakeholders. It operates on a not-for-profit basis. The company works within a mandate and funding agreement with the Department of Education and Skills (DES) set in place in 2011. The funding agreement makes provision for funding from the National Training Fund (NTF) at the discretion of DES within the annual budgetary estimates process.

## Training Networks Programme (TNP) 2014/15:

In 2014, Skillnets completed the first year of this two-year programme of network-based, enterprise-led training.

## Finuas Networks Programme (Finuas):

The company completed the sixth successful year of the Finuas programme, a similar initiative to TNP for the International Financial Services (IFS) sector.

The company continues to take advantage of its positioning with enterprise-led training by making training places generally available to job-seekers within these two main programmes.

## Job-seekers Support Programme (JSSP):

This programme provides access specifically for job-seekers to relevant training in demand by enterprise, coupled with on-the-job work experience. A fourth full year of the programme was completed in 2014.

## ManagementWorks:

The company continues to support the management development needs of small and medium-sized enterprises.

Skillnets' own subsidiary, Skillnets Services Limited, delivered the second full year of the ManagementWorks programme to enhance the level of management development in SMEs. This programme is operated as a training network, on a not-for-profit basis and is co-funded by grants from Skillnets Limited and contributions from participating enterprises.

A further initiative, Building Financial Capability in SMEs, was started in 2014 and rebranded as Finance4Growth. Public funding for this programme has been provided separately by the Department of Jobs, Enterprise and Innovation (DJEI) through Enterprise Ireland.

## Future developments

In 2015, Skillnets will commence the second year of Training Networks Programme (TNP) 2014/15, and continue with the Job-seekers Support Programme (JSSP). The company will make two public calls for proposals to establish new networks during the year.

Funding will be made available for a further year for the Finuas programme and the ManagementWorks programme.

The continuance of the Finance4Growth programme will be assessed in 2015.

## Code of Practice for the Governance of State Bodies

Corporate governance in Skillnets comprises all the systems and procedures employed to direct and manage our operations. The Board is primarily responsible for setting a broad range of policies and ensuring they are implemented. The executive management is responsible for the implementation of policy.

Skillnets adopted the Code of Practice for the Governance of State Bodies in conjunction with the renewal of its mandate and funding agreement with the Department of Education and Skills (DES) and affirms the terms of the Code are being complied with as follows:

### Section 13.1 (ii):

Appropriate procedures have been put in place for financial reporting, internal audit, travel, procurement and asset disposals and the requirements of these procedures are being complied with.

### Section 13.1 (iii):

Internal financial control - The Board is responsible for Skillnets' system of internal financial control and it exercises this responsibility with the assistance of the Audit and the Finance and General Purpose Committees of the Board. The system of internal control adopted by the company provides reasonable assurance against material error.

### The key procedures put in place to provide effective internal financial control include:

- Adequate division of duties
- Review by the Audit and the Finance and General Purpose Committees
- Approval by the Board of all grants and material contracts
- Approval by the Board of the annual budget and the assessment of performance against budgets and targets set
- Liaison of the Audit Committee with both external and internal auditors at the start and conclusion of audits

- Regular meetings of the Board and the oversight of all payments made.

### Section 13.1 (iv):

Skillnets has a comprehensive set of policies and codes covering the conduct of its directors and employees.

### Section 13.1 (v):

Whilst Skillnets is not a state body, the Board affirms that the pay for the Skillnets Chief Executive and employees is within the limits prescribed in Government policy on the pay of chief executives and state body employees.

### Section 13.1 (vi):

Fees paid to the Chairman and Directors are within the rates authorised by the relevant Minister.

### Section 13.1 (ix):

Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector are being complied with.

### Section 13.1 (x):

The Government travel policy requirements are reflected in Skillnets travel and expenses policies, which are being complied with.

The Board of Skillnets has also reviewed and agreed to a set of identifiable risks for ongoing examination by the Board at its scheduled meetings and has also agreed a risk management policy, which is also the subject of ongoing review and amendment.

The Board has initiated a reassessment of its strategy in advance of the expiry of *Skillnets Statement of Strategy 2012-2015*.

The Board has in place a specific and well defined set of terms of reference for itself and the four Board committees.

## Directors and CEO

Attendance of directors at Board and Board Committee meetings during 2014 was as follows:

	Board	Board Committees			
		Evaluation & Performance Monitoring (EPM)	Audit	Finance & General Purpose (FGP)	Policy, Research & Communications (PRC)
<b>Total no. meetings 2014</b>	6	2	5	1	-
Domhnall MacDomhnaill (Chairperson in 2014)	6			1	
Eamon Devoy	2		5	1	
Mairéad Divilly	5		5	1	
George Hennessy	5				-
Terry Hobdell	4	1			-
Nuala Keher	4				-
Karl McDonagh	4				-
Brendan McGinty	6				-
Henry Murdoch	4	1			
Paul O'Brien	6		4	1	
Peter Rigney	5	2			
Niall Saul	2		3	-	
Ian Talbot	4	1			

The following expenses were paid to directors in 2014.

Name	Amount €
Domhnall MacDomhnaill	2,074

The salary paid to the Chief Executive in 2014 was €119,140. A contribution of €13,236 was made to the Chief Executive's pension scheme. The salary of the Chief Executive has not increased since April 2008 and in February 2011 the Chief Executive undertook a voluntary reduction of 10% of his salary.

### Ethics in Public Office Act, 1995 and Standards in Public Office Act, 2001.

All Skillnets Board members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Acts.

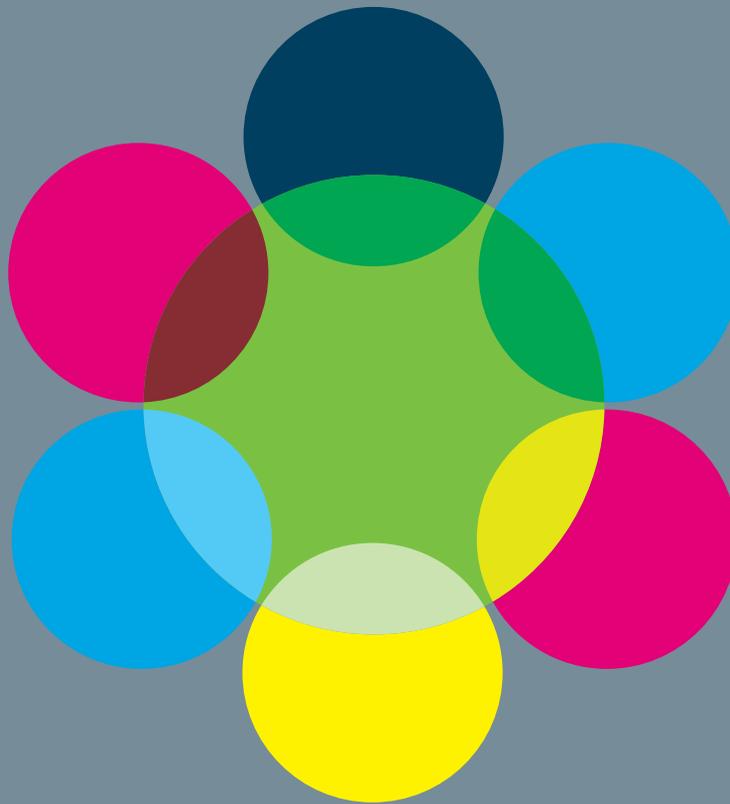
### Freedom of Information Act, 2014

Skillnets operates in accordance with the Act. Requests for information should be addressed to the FOI Officer, Skillnets Ltd., Q House, 76 Furze Road, Sandyford, Dublin 18.

# Financial Statements

## Skillnets Limited

Reports and Consolidated Financial Statements  
for the year ended 31 December 2014



---

**REPORTS AND CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2014**

Contents	Page
<b>DIRECTORS AND OTHER INFORMATION</b>	<b>43</b>
<b>DIRECTORS' REPORT</b>	<b>44 - 45</b>
<b>STATEMENT OF DIRECTORS' RESPONSIBILITIES</b>	<b>46</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>47 - 48</b>
<b>STATEMENT OF ACCOUNTING POLICIES</b>	<b>49</b>
<b>CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT</b>	<b>50</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>51</b>
<b>COMPANY BALANCE SHEET</b>	<b>52</b>
<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>53</b>
<b>RECONCILIATION OF NET CASH INFLOW/(OUTFLOW) TO MOVEMENT IN NET FUNDS</b>	<b>53</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>54 - 61</b>

## DIRECTORS AND OTHER INFORMATION

### DIRECTORS

Brendan McGinty (Chairman)  
Terry Hobdell  
Nuala Keher  
Henry Murdoch  
Mairéad Divilly  
Peter Rigney  
Ian Talbot  
George Hennessy  
Karl McDonagh  
Eamon Devoy  
Paul O'Brien  
Kara McGann  
David Delaney

### SECRETARY

Alan Nuzum

### REGISTERED OFFICE

5th Floor  
Q House  
76 Furze Road  
Sandyford  
Dublin 18

### REGISTERED NUMBER

298694

### AUDITORS

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

### SOLICITORS

Philip Lee Solicitors  
7/8 Wilton Terrace  
Dublin 2

### PRINCIPAL BANKERS

Bank of Ireland  
Lower Baggot Street  
Dublin 2

## DIRECTORS' REPORT

The directors submit their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2014.

### PRINCIPAL ACTIVITIES

Skillnets Limited ('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 from the National Training Fund.

### RESULTS FOR THE YEAR

Result for the financial year amounted to:

€

Nil

### FAIR REVIEW OF DEVELOPMENT AND PERFORMANCE OF THE BUSINESS AND 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 Company's Mandate and Funding Agreement with the Department of Education and Skills makes provision for funding from the National Training Fund within the annual budgetary estimates process. The Company has contracted with a number of promoter organisations to fund training networks.

This commitment has been made contingent upon the funds being made available to the Company. In this regard, we draw your attention to the disclosures set out in Note 1 to the financial statements.

A subsidiary company, Skillnets Services Limited, formed in 2005, provided professional services to the Department of Enterprise, Trade and Employment. In 2012, Skillnets Services Limited was engaged by its parent, Skillnets Limited, to deliver the ManagementWorks programme to enhance the level of management development in small and medium enterprises (SMEs). The ManagementWorks programme is operated as a training network, on a not-for-profit basis and is co-funded by grants from Skillnets Limited and contributions from participating enterprises. Delivery of the ManagementWorks programme will continue in 2015.

A further initiative, Building Financial Capability in SMEs was started in 2014 and rebranded as Finance4Growth. Public funding for this programme has been provided separately by the Department of Jobs, Enterprise and Innovation through Enterprise Ireland. The continuance of this programme will be assessed in 2015.

### GOVERNANCE AND COMMITTEES

In addition to the Board, which meets on average six times a year and is responsible for the strategy and overall performance of the Company, the Directors also participate in four Committees:

#### a. Finance and General Purpose Committee:

The Finance and General Purpose Committee consists of the Chair, and four non-executive board members. The Committee meets on average twice a year and reviews in detail all issues of a financial and general nature unless specifically covered by another Committee.

**b. Evaluation and Performance Monitoring Committee:**

The Evaluation and Performance Monitoring Committee consists of four non-executive board members. The Committee meets on average three times a year to review assessment of grant funding proposals and to make recommendations on funding proposals to the Board.

**c. Audit Committee:**

The Audit Committee consists of four non-executive board members. The Committee meets on average three times a year and is responsible for the oversight of the Company's audit and control functions. This includes financial reporting and accounting, external audit, regulatory compliance, the effectiveness of the internal control environment and processes, and risk management.

**d. Policy, Research and Communications Committee:**

The Policy, Research and Communications Committee consists of five non-executive board members. The Committee meets on average twice a year and the objectives of the committee are to review and make recommendations to the Board in relation to communications and public affairs strategy and outcomes; key messages in media relations and the Company position in public submissions; the Company training research and best practice development agenda and priorities.

**DIRECTORS**

The current directors and secretary as of 2 April 2015 are listed on page 43.

On 12 February 2015 Kara McGann and David Delaney were appointed to the Board. On the 31 December

2014 Domhnall MacDomhnaill and Niall Saul resigned from the Board. There were no other changes during the year.

**POST BALANCE SHEET EVENTS**

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

**SUBSIDIARY UNDERTAKING**

The information required by the Companies Acts in relation to subsidiary undertakings is set out in Note 5.

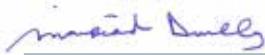
**BOOKS OF ACCOUNT**

The measures taken by the directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at 5th Floor, Q House, 76 Furze Road, Sandyford, Dublin 18.

**AUDITORS**

The auditors, Deloitte & Touche, Chartered Accountants & Statutory Audit Firm, continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Brendan McGinty  
Director

Mairéad Divilly  
Director

2 April 2015

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the result of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. 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.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SKILLNETS LIMITED

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

We have audited the consolidated financial statements of Skillnets Limited for the year ended 31 December 2014 which comprise the Consolidated Financial Statements: the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Company Financial Statements: the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements for the year ended 31 December 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's results for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

*Continued on next page*

*Continued from previous page*

### **Matters on which we are required to report by the Companies Acts, 1963 to 2013**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company's financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.

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

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Kevin Sheehan  
For and on behalf of Deloitte & Touche  
Chartered Accountants and Statutory Audit Firm  
Dublin

2 April 2015

## STATEMENT OF ACCOUNTING POLICIES

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

### **BASIS OF PREPARATION AND CONSOLIDATION**

The financial statements have been prepared in accordance with Accounting Standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

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

### **ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention in accordance with accounting principles generally accepted in Ireland and are expressed in Euro (€).

### **DEPARTMENT FUNDING**

Funding from the Department of Education and Skills (via the National Training Fund) and the Department of Jobs, Enterprise and Innovation is received to meet both revenue and minor capital expenditure. This is credited to deferred income on receipt and is transferred to income and expenditure account to match expenditure as it is incurred.

### **PROGRAMME FUNDING**

Matching funding from participating enterprises is received by Skillnets Services Limited to meet expenditure for the ManagementWorks programme. Matching funding for courses invoiced is deferred in accordance with the timing of the course. Any surplus arising from the programme on its completion is refundable to the company's parent, Skillnets Limited.

### **PROGRAMME COSTS**

Programme costs represent programme support and grant payments made to fund the operations of projects on behalf of the Company for the formation and successful operation of enterprise-led networks including the ManagementWorks programme. ManagementWorks programme costs are accounted for on an invoice basis and deferred in accordance with the timing of the course.

### **PENSIONS**

The Company and its subsidiary operate a defined contribution scheme. Pension contributions in respect of the scheme are charged to the income and expenditure account as they become payable. The assets are held separately from those of the Company in an independently administered fund.

### **TAXATION**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **TANGIBLE ASSETS**

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged for all fixed assets at a rate of 33% using the straight line method.

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €	2013 €
<b>INCOME</b>	2	<b>16,597,770</b>	15,541,770
Programme costs		<b>(14,575,010)</b>	(13,687,053)
<b>GROSS SURPLUS</b>		<b>2,022,760</b>	1,854,717
Administration costs		<b>(2,025,847)</b>	(1,967,296)
<b>OPERATING DEFICIT</b>		<b>(3,087)</b>	(112,579)
Interest income		<b>4,812</b>	3,439
<b>SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>1,725</b>	(109,140)
Taxation	4	<b>(1,725)</b>	(860)
<b>SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR</b>		<b>-</b>	(110,000)

Income and expenditure arose solely from continuing activities.

The financial statements were approved by the Board of Directors on 2 April 2015 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 €	2013 €
<b>FIXED ASSETS</b>			
Tangible assets	6	<b>81,709</b>	37,982
<b>CURRENT ASSETS</b>			
Debtors	7	<b>345,955</b>	600,930
Cash at bank and in hand	8	<b>441,129</b>	160,435
		<b>787,084</b>	761,365
<b>CREDITORS:</b> (Amounts falling due within one year)	9	<b>(817,718)</b>	(748,272)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(30,634)</b>	13,093
<b>NET ASSETS</b>		<b>51,075</b>	51,075
<b>CAPITAL AND RESERVES</b>			
Income and expenditure account	11	<b>51,075</b>	51,075

The financial statements were approved by the Board of Directors on 2 April 2015 and signed on its behalf by:



Brendan McGinty  
Director



Mairéad Divilly  
Director

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 €	2013 €
<b>FIXED ASSETS</b>			
Financial assets	5	1	1
Tangible assets	6	81,709	37,982
		<b>81,710</b>	<b>37,983</b>
<b>CURRENT ASSETS</b>			
Debtors	7	22,836	43,780
Cash at bank and in hand	8	97,989	97,500
		<b>120,825</b>	<b>141,280</b>
<b>CREDITORS:</b> (Amounts falling due within one year)	9	<b>(202,535)</b>	<b>(179,263)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(81,710)</b>	<b>(37,983)</b>
<b>NET ASSETS</b>		-	-
<b>CAPITAL AND RESERVES</b>			
Income and expenditure account	11	-	-

The financial statements were approved by the Board of Directors on 2 April 2015 and signed on its behalf by:



Brendan Mc Ginty  
Director



Mairéad Divilly  
Director

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €	2013 €
Cash inflow/(outflow) from operating activities	12	<b>377,792</b>	(825,119)
Returns on investments and servicing of finance	13	<b>4,812</b>	3,439
Capital expenditure and financial investment	13	<b>(99,054)</b>	(46,911)
Taxation		<b>(2,856)</b>	(860)
Increase/(decrease) in cash	14	<b>280,694</b>	(869,451)

## RECONCILIATION OF NET CASH INFLOW/(OUTFLOW) TO MOVEMENT IN NET FUNDS

	Notes	2014 €	2013 €
Increase/(decrease) in cash in the year	14	<b>280,694</b>	(869,451)
Net funds at 1 January	14	<b>160,435</b>	1,029,886
Net funds at 31 December	14	<b>441,129</b>	160,435

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

## 1. BASIS OF ACCOUNTING

The income and expenditure account for the year ended 31 December 2014 records a breakeven position (2013: Deficit €110,000).

The Mandate and Funding Agreement with the Department of Education and Skills was revised on 11 January 2011 and will continue for the foreseeable future until such time as the Minister for Education and Skills shall deem otherwise. The Company has contracted with a number of promoter organisations to fund training networks, including Skillnets Services Limited for the ManagementWorks Programme. The commitment has been made contingent upon the necessary funds being made available to the Company by the Department.

## 2. INCOME

	2014 €	2013 €
Department of Education and Skills (via the National Training Fund) (Note 10)	<b>15,863,616</b>	15,103,059
Department of Jobs, Enterprise and Innovation (Note 10)	<b>208,504</b>	-
	<b>16,072,120</b>	15,103,059
ManagementWorks matching funding from enterprises	<b>525,650</b>	438,711
	<b>16,597,770</b>	15,541,770

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>3. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
Surplus/(deficit) on ordinary activities before taxation has been arrived at after charging:		
Staff costs		
- Wages and salaries	<b>1,499,756</b>	1,434,433
- Social welfare costs	<b>152,429</b>	145,507
- Pension costs	<b>135,789</b>	126,078
	<b>1,787,974</b>	1,706,018
Auditors' remuneration	<b>14,250</b>	18,700
Depreciation	<b>53,327</b>	20,470
Directors' remuneration is disclosed separately in Note 17.		
Auditors' remuneration disclosure (excluding Value Added Tax)		
- Audit	<b>14,250</b>	16,000
- Tax advisory services	<b>2,500</b>	1,500
- Other assurance services	-	-
- Other non-audit services	<b>869</b>	1,200
<b>4. TAXATION</b>	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
Interest income	<b>4,812</b>	3,439
Current tax:		
Irish corporation tax on passive income at 25%	<b>1,202</b>	860
Taxation on activities of subsidiary	<b>523</b>	-
	<b>1,725</b>	860

It has been agreed with the Revenue Commissioners that Skillnets Limited is not subject to corporation tax on its principal activities but is subject to corporation tax on its other income including deposit interest income. The company is only taxable on passive income. There are no known factors that may affect future tax charges.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

### 5. FINANCIAL ASSETS

Financial assets represent a 100% holding in its subsidiary Skillnets Services Limited. The subsidiary delivers the ManagementWorks programme and Finance4Growth programme. The ManagementWorks and Finance4Growth programmes are operated on a not-for-profit basis.

Skillnets Services Limited has its registered office at Q House, 76 Furze Road, Sandyford, Dublin 18 and recorded a €Nil position after taxation in 2014 (2013: €Nil). At 31 December 2014 it had net assets of €51,076 (2013: €51,076).

### 6. FIXED ASSETS

#### GROUP AND COMPANY

	Office Equipment	Fixtures and Fittings	Computers	Total
	€	€	€	€
<b>Cost:</b>				
At 1 January 2014	17,125	122,029	430,718	569,872
Additions	300	299	98,455	99,054
Disposals	-	-	(29,832)	(29,832)
<b>At 31 December 2014</b>	<b>17,425</b>	<b>122,328</b>	<b>499,341</b>	<b>639,094</b>
<b>Accumulated depreciation:</b>				
At 1 January 2014	16,105	121,543	394,242	531,890
Disposals	-	-	(29,832)	(29,832)
Charge for the year	610	397	54,320	55,327
<b>At 31 December 2014</b>	<b>16,715</b>	<b>121,940</b>	<b>418,730</b>	<b>557,385</b>
<b>Net book values:</b>				
<b>At 31 December 2014</b>	<b>710</b>	<b>388</b>	<b>80,611</b>	<b>81,709</b>
At 31 December 2013	1,020	486	36,476	37,982

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>7. DEBTORS:</b>	Group		Company	
(Amounts due within one year)	<b>2014</b>	2013	<b>2014</b>	2013
	€	€	€	€
Grant debtor	<b>2,000</b>	4,800	<b>2,000</b>	4,800
Prepayments and other debtors	<b>152,308</b>	256,240	<b>20,836</b>	38,980
Prepaid future programme cost	<b>172,575</b>	339,890	-	-
Value Added Tax recoverable	<b>19,072</b>	-	-	-
	<b>345,955</b>	600,930	<b>22,836</b>	43,780
<b>8. CASH AT HAND AND IN BANK</b>	Group		Company	
	<b>2014</b>	2013	<b>2014</b>	2013
	€	€	€	€
Parent company bank account	<b>97,989</b>	97,500	<b>97,989</b>	97,500
<u>Subsidiary bank accounts</u>	<b>343,140</b>	62,935	-	-
	<b>441,129</b>	160,435	<b>97,989</b>	97,500
<b>9. CREDITORS:</b>	Group		Company	
(Amounts falling due within one year)	<b>2014</b>	2013	<b>2014</b>	2013
	€	€	€	€
Deferred income (Note 10)	<b>1,500</b>	175,116	<b>1,500</b>	117,013
Accruals	<b>82,919</b>	61,978	<b>46,249</b>	61,978
ManagementWorks programme creditors	<b>490,354</b>	358,599	-	-
Value Added Tax	<b>267</b>	9,714	<b>267</b>	272
Match funding from enterprise deferred	<b>86,182</b>	142,865	-	-
Grant payable to subsidiary	-	-	<b>154,519</b>	-
Grant repayable to Enterprise Ireland	<b>156,496</b>	-	-	-
	<b>817,718</b>	748,272	<b>202,535</b>	179,263

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

10. DEFERRED INCOME			2014	2013
	€ National Training Fund	€ Enterprise Ireland	€ Total	€ Total
Opening deferred income	175,116	-	175,116	778,175
Received from Department of Education and Skills (via the National Training Fund)	15,690,000	-	15,690,000	14,500,000
Received from Enterprise Ireland	-	365,000		
Repayable to Enterprise Ireland	-	(156,496)	208,504	-
Credited to income and expenditure	(15,863,616)	(208,504)	(16,072,120)	(15,103,059)
Closing deferred income	1,500	-	1,500	175,116
Parent company			1,500	117,013
Subsidiary ManagementWorks			-	58,103
Deferred at 31 December			1,500	175,116

11. INCOME AND EXPENDITURE ACCOUNT	2014	2013
	€	€
Parent company Skillnets Limited	-	-
Subsidiary company Skillnets Services Limited	51,075	51,075
	51,075	51,075

12. RECONCILIATION OF OPERATING DEFICIT TO OPERATING CASH FLOW	2014	2013
	€	€
Operating deficit before interest income	(3,087)	(112,579)
Depreciation	55,327	20,470
Decrease/(increase) in debtors	256,106	(252,775)
Increase/(decrease) in creditors	69,446	(480,523)
Gain on disposal of fixed assets	-	288
Net cash inflow/(outflow) from operating activities	377,792	(825,119)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENTS</b>	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
<b>Returns on investment and servicing of finance</b>		
Interest received	<u>4,812</u>	<u>3,439</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(99,054)</b>	(47,061)
Proceeds on sale of tangible fixed assets	<u>-</u>	<u>150</u>
Net cash outflow for capital expenditure and financial investment	<b>(99,054)</b>	(46,911)

<b>14. ANALYSIS OF NET FUNDS</b>	<b>At</b>	<b>Cash Flow</b>	<b>At</b>
	<b>31 December</b>		<b>31 December</b>
	<b>2013</b>		<b>2014</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at hand and in bank	<u>160,435</u>	<u>280,694</u>	<u>441,129</u>

### 15. 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 2014 was 13 (2013:13), being each of the directors.

### 16. FINANCE COMMITMENTS

The Company has entered into an agreement for the lease of its premises in Sandyford. The lease is for a five year term with a break clause on the 3rd anniversary of the commencement date of 1 January 2013. The annual commitment on the new occupational lease is €104,512.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>17. DIRECTORS' REMUNERATION</b>	<b>2014</b>	2013
<b>Company</b>	<b>€</b>	<b>€</b>
Fees	<b>50,873</b>	50,873

In addition, a number of directors have waived their fee entitlement and instead opted to have a similar amount paid to their representative organisations. During the year, payments of €23,940 (2013: €23,940) were made on this basis.

	<b>Payment Details</b>	
<b>Name</b>	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
Domhnall MacDomhnaill	<b>8,978</b>	8,978
Terry Hobdell	<b>5,985</b>	5,985
Niall Saul	<b>5,985</b>	5,985
Mairéad Divilly	<b>5,985</b>	5,985
Brendan McGinty	<b>5,985</b>	5,985
Henry Murdoch	<b>5,985</b>	5,985
Nuala Keher	<b>5,985</b>	5,985
Karl McDonagh	<b>5,985</b>	5,985
	<b>50,873</b>	50,873

	<b>Payment Details</b>	
	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
George Hennessy to Construction Industry Federation	<b>5,985</b>	5,985
Ian Talbot to Chambers Ireland	<b>5,985</b>	5,985
Peter Rigney to Irish Congress of Trade Unions	<b>5,985</b>	5,985
Eamon Devoy to Technical, Engineering and Electrical Union (T.E.E.U)	<b>5,985</b>	5,985
	<b>23,940</b>	23,940

Out of pocket expenses paid to directors in the year amounted to €2,074 (2013: €2,703).

	<b>2014</b>	2013
	<b>€</b>	<b>€</b>
Domhnall MacDomhnaill	<b>2,074</b>	2,673
Peter Rigney	-	30
	<b>2,074</b>	2,703

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

### 18. EMPLOYEES

	<b>2014 Number</b>	2013 Number
The number of full-time equivalent persons employed by the Companies during the year was as follows	<b>24</b>	24

### 19. PENSIONS

The Company operates a defined contribution scheme, the Skillnets 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 income and expenditure account as they become payable in accordance with the rules of the scheme.

The charge for the year for the scheme was €135,789 (2013: €126,078).

The amount owing at 31 December 2014 was €Nil (2013: €Nil).

### 20. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified, where necessary, to ensure comparability with current year disclosure.

# Skillnets' Contribution to Policy



In 2014 Skillnets contributed to a wide range of policy areas, through membership of specific groups, presentations and submissions, including the following:

- Action Plan for Jobs 2014
- European Centre for the Development of Vocational Training (CEDEFOP)
- Expert Group on Future Skills Needs (EGFSN)
- Higher Education Authority (HEA) - Enterprise engagement strategy
- ICT Skills Action Plan 2014-2018
- International Financial Services Strategy 2020
- Mentoring Review Group
- Quality and Qualifications Ireland (QQI) - Occupational Standards group
- SOLAS - Further Education and Training (FET) national strategy

# 2014 TNP Networks



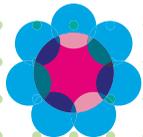
Network Name	Network Description
<b>A</b> ACIST Skillnet	Variety of training courses in the Mid West.
Animation Skillnet	Training for the animation, games and post production sectors.
<b>B</b> BiznetCork Skillnet	Variety of training courses in the South West.
Business Excellence Skillnet	Variety of business training courses.
<b>C</b> Carlow Kilkenny Skillnet	Variety of training courses in Carlow and Kilkenny.
CCMA Ireland Skillnet	Training for the contact centre industry.
CITA Skillnet	Training for the construction sector.
County Tipperary Skillnet	Variety of training courses in Tipperary.
CPA Ireland Skillnet	Training for the accountancy and financial sectors.
<b>D</b> Design, Print and Packaging Skillnet	Training for the design, print and packaging industries.
<b>F</b> Farm Business Skillnet	Training for the agricultural sector.
FDII Skillnet	Training for the food and drink industry.
First Polymer Training Skillnet	Training for the engineering and manufacturing sectors.
<b>G</b> Galway Executive Skillnet	Variety of training courses in the West.
Gaming and Leisure Skillnet	Training for the gaming industry.
Gréasán na Meán Skillnet	Training for the media/audiovisual sector in the West.
<b>H</b> HPSU Skillnet	Variety of training courses in the West.
<b>I</b> IBEC Retail Skillnet	Training for the retail sector.
ICOS Skillnet	Training for the agricultural sector.
ICT Ireland Skillnet	Training for the technology sector.
IIE Manufacturing and Engineering Skillnet	Training for the engineering and manufacturing sectors.
IMDA Skillnet	Training for the life sciences sector.
Innovation and Lean Sigma Skillnet	Variety of training courses.
Irish Franchising Skillnet	Variety of training courses.
ISA Software Skillnet	Training for the technology sector.
ISME Skillnet	Variety of training courses.
it@cork Skillnet	Training for the IT sector in the South West.
ITAG Skillnet	Training for the IT sector in the West.
<b>L</b> Languages and International Trade Services Skillnet	Training in languages and international trade services.
Law Society Skillnet	Training for the legal sector.
Leading Healthcare Providers Skillnet	Training for the healthcare sector.
Learning Waves Skillnet	Training for the radio industry.
Limerick Chamber Skillnet	Variety of training courses in the Mid West.
<b>M</b> ManagementWorks	Management development training courses with mentoring for SME managers.
MBE Skillnet	Variety of training courses.
<b>N</b> National Organic Training Skillnet	Training for the agricultural sector.

Network Name	Network Description
<b>O</b> Outsourcing Skillnet	Variety of training courses.
<b>P</b> PharmaChem Skillnet	Training for the pharmaceutical sector.
Positive2Work Skillnet	Variety of training courses.
<b>R</b> Role Skillnet	Variety of training courses.
Rural Enterprise Skillnet	Variety of training courses.
Rural Food Skillnet	Training for the food sector.
<b>S</b> SCSI Skillnet	Training for the property and facility management industry.
SIMI Skillnet	Training for the motor industry.
Social Media Skillnet	Variety of training courses.
South Kerry Skillnet	Variety of training courses in the South West.
South West Gnó Skillnet	Variety of training courses in the South West.
Space Industry Skillnet	Training for the space industry.
<b>T</b> Taste 4 Success Skillnet	Training for the food and drink industry.
Tech Northwest Skillnet	Technology training in the Border region.
Trade Union Skillnet	Variety of training courses.
Trainers Learning Skillnet	Variety of training courses.
Travel Professionals Skillnet	Training for the travel industry.
<b>U</b> ULearning Skillnet	Variety of training courses.
<b>W</b> Waterford Chamber Skillnet	Variety of training courses in the South East.
Wind Skillnet	Training for the wind energy sector.
<b>X</b> XLVets Skillnet	Training for the veterinary sector.

## 2014 Finuas Networks

Network Name	Network Description
Aviation Finance Finuas Network	Training for the International Financial Services and aircraft finance/leasing sectors.
Law Society Finuas Network	Training for the International Financial Services sector.
Summit Finuas Network	Training for the International Financial Services sector.





# Skillnets

Enterprise-led  
learning networks



## Skillnets

5th Floor, Q House,  
76 Furze Road, Sandyford,  
Dublin 18.

Tel: 01 207 9630

Email: [communications@skillnets.com](mailto:communications@skillnets.com)

Web: [www.skillnets.ie](http://www.skillnets.ie)



Skillnets is funded from the National Training Fund through the Department of Education and Skills.