



Annual Report 2010



Skillnets Mandate

Skillnets Limited has operated since 1999 under a series of mandates from the Department of Enterprise, Trade and Employment (DETE). During 2010, responsibility for Skillnets transferred to the Department of Education and Skills (DES).

The terms of the 2005-2010 mandate¹ defined Skillnets' role as follows:

- The primary aim should be to increase participation in enterprise training by firms to improve competitiveness and provide improved access for workers to skills development.
- To act as an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and workplace learning, as a key element in sustaining national competitiveness.
- 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 and enhanced workplace learning.

¹ Preparatory work was carried out in 2010 to draft a new mandate for the future that would reflect the new strategic direction of Skillnets and the remit of our work. This mandate was finalised in 2011.

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Chairman's Message



2010 began with renewed optimism and vigour for the organisation after the staggering challenges that affected the global economy, and consequently the funding of the organisation, over recent years.

Skillnets was delighted to secure funding for the newly designed Training Networks Programme (TNP) 2010-2011. The programme proactively responds to industry needs by focusing on facilitating the rapidly changing needs of employers through best practice training, while simultaneously meeting the needs of the unemployed. I am delighted to report that solid foundations were made in 2010 with our initiatives for job-seekers, more of which is reported on in the Supporting Job-seekers section of the report.

Over the last 18 months the strategic direction of the organisation has been adapted and fine-tuned to respond to the need for investment in our people, both employed and unemployed, to develop sustainable economic growth for the country. Improving the skills and competencies of our workforce will be critical in our efforts to attract substantial levels of foreign direct investment and to enable our domestic companies to continue to compete with the best in the world. 94% of companies funded by Skillnets are classified as SME's. These are the companies that the economy is depending on to kick start economic growth. I am pleased to report that Skillnets is playing its part in supporting these SMEs.

A combined investment of €8.4 million by Skillnets in grant support and €8.9 million from member companies supported 39,116 people (employed and job-seekers) to avail of 185,498 training days in 2010. 26,206 of those training days were delivered to job-seekers. Member

companies in a 2010 survey further endorsed the Skillnets model with 84% stating that Skillnets training represents good value for money and 89% agreeing that they would recommend joining a Skillnet network to other companies. The majority of companies agreed that more of their staff are now being offered training (63%) and that they are now more likely to invest in training in the future (73%).

2010 did not come without its challenges of which I refer to in more detail in our Corporate Governance section and it is on this note that I wish to express my sincere thanks and acknowledgement to our Chief Executive, management and staff members for their continued dedication during this challenging but yet invigorating year.

I would like to extend my gratitude to my fellow Board members and acknowledge the contribution and hard work of Mr. Seán Heading who resigned from the Board in 2010. Our partnership with the Department of Education and Skills (DES) continued to develop and deepen as the flexibility and responsiveness of our model bore fruit for the new economic climate. Much work was carried out between the department and Skillnets in the drawing up of a new mandate for the organisation that would reflect the new strategic direction of Skillnets and the remit of our work.

On behalf of the Board of Skillnets, I wish to complement and continue to encourage our network community in the fantastic variety of work that they do and the many and varied partnerships that they have developed with industry. I also want to acknowledge the foundations that networks laid in supporting job-seekers and the enthusiasm and immense diligence that went into making supports for job-seekers a reality.

Domhnall MacDomhnaill
Chairman

CEO's Introduction



Skillnets was pleased to be allocated funding for the Training Networks Programme (TNP) in 2010. Networks continued to contribute to sustaining Ireland's competitiveness by upskilling people in Irish industry. They achieved this by

delivering relevant training, and developing innovative accredited training courses. They also hosted a number of seminars and networking conferences across the country.

In 2009 Skillnets designed a new strategic direction for our programmes which responded to the change in the employment profile of Irish enterprise. It is against this background that Skillnets developed new strategic themes which you can see in action on pages 13-15. Another important feature of the new funding model was meeting the training needs of job-seekers. The Skillnets model is unique as job-seekers require training that is in demand by enterprise and that is what Skillnets provides: enterprise-led, industry-driven training. Also, through our networks job-seekers maintain a connection with the workplace both by training alongside people in employment, as well as potentially experiencing work placements in relevant companies within their sector/region. Skillnets piloted the Job-seekers Support Programme (JSSP) during the last quarter of 2010. The initiative was aimed solely at unemployed people and provided skills which are in demand by industry combined with work placements more of which you can read about on pages 30-34. These new initiatives for job-seekers have created a win win effect for both learners and employers.

A bridging fund application process for networks in the 2008-2009 programme was put in place in early 2010 and a significant number of networks continued

to operate for the first quarter of 2010. Following an application process, 62 networks were awarded funding for the remaining three quarters of 2010. This reduced number included a cohort of 15 previously funded networks who merged and collaborated with some of the 62 approved networks to create greater economies of scale and scope.

Operationally, 2010 brought a new departure to the Skillnets funding model which developed a 50:50 co-financing arrangement between networks and member companies. This represents a greater increase in investment by enterprise and a much greater ratio of value for public funding.

In November 2010, Skillnets commissioned an independent evaluation of both programmes covering the activity of 66 networks; 62 from TNP and four from Finuas. I would like to thank all networks, promoters, member companies, trainees and stakeholders for giving their valuable time to this evaluation. Over 1,000 member companies were surveyed as part of the evaluation.

In December we received news of our funding for 2011 which incorporated a further reduction in our overall budget from the previous year which unfortunately led to a further reduction in the number of Skillnets Limited support staff.

I end with a note of sincere thanks to everyone involved, namely our Chairman and Board of Directors, the Department of Education and Skills (DES), our staff, network managers and enterprises across the country.

Alan Nuzum
Chief Executive Officer



Skillnets Strategy

Skillnets is a state funded, enterprise-led support body funded by the Department of Education and Skills (DES). Our primary aim is to increase participation in enterprise training by firms to improve competitiveness and provide improved access for workers to industry-specific skills development.

Skillnets' strategy is to support companies from any sector in the economy to engage in training, but does so exclusively through networks of companies. This approach allows companies to achieve economies of scale, increase efficiency, lower costs and provide training that is more relevant to individual sectors, regions or types of companies. There is also a significant benefit to be achieved through the sharing of business experience and advice via networking opportunities afforded by membership of a Skillnet.

The 2010 programme placed a renewed focus on the desired skills set for Ireland through four new themes. Please see a description of each theme and examples of these themes in action on pages 13-15. The new themes, whilst continuing to address increased productivity and competitiveness, focus on workers mobility and employability, emerging priority sectors, company diversification/transferability into different sectors and key competencies/skills for European workers. In 2010 we extended our trainee profile to include job-seekers, who train with those in employment.

Since 1999, the effectiveness of the Skillnets model has been acknowledged through the successful continuation of the Training Networks Programme (TNP), our appointment as technical support unit for the Accel initiative 2006-2008 and our appointment as managing agent for the Finuas Networks Programme (Finuas) in 2009.

Stakeholders include leading employer and employee representative bodies - Irish Business and Employers Confederation (IBEC), Chambers Ireland, Construction Industry Federation (CIF), Small Firms Association (SFA) and the Irish Congress of Trade Unions (ICTU).

Training Networks Programme (TNP)

Activity 2010



74 training networks
Q1 – 72 networks,
Q2 - Q4 – 62 networks

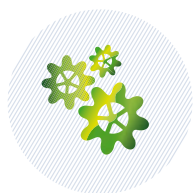
Total network expenditure **€15.5m** of which **€7.5m** was invested by Skillnets in grant support and **€8m** was invested by member companies

9,661 member companies

34,342 *employed* people trained

144,141 training days
delivered to *employed* people

Skillnets designed a new programme for 2010-2011 with a renewed focus on the skills required to keep Ireland competitive. A bridging fund application process for networks in the 2008-2009 programme was put in place and a significant number of networks continued to operate for the first quarter of 2010. During this phase a number of networks piloted the provision of training for job-seekers.

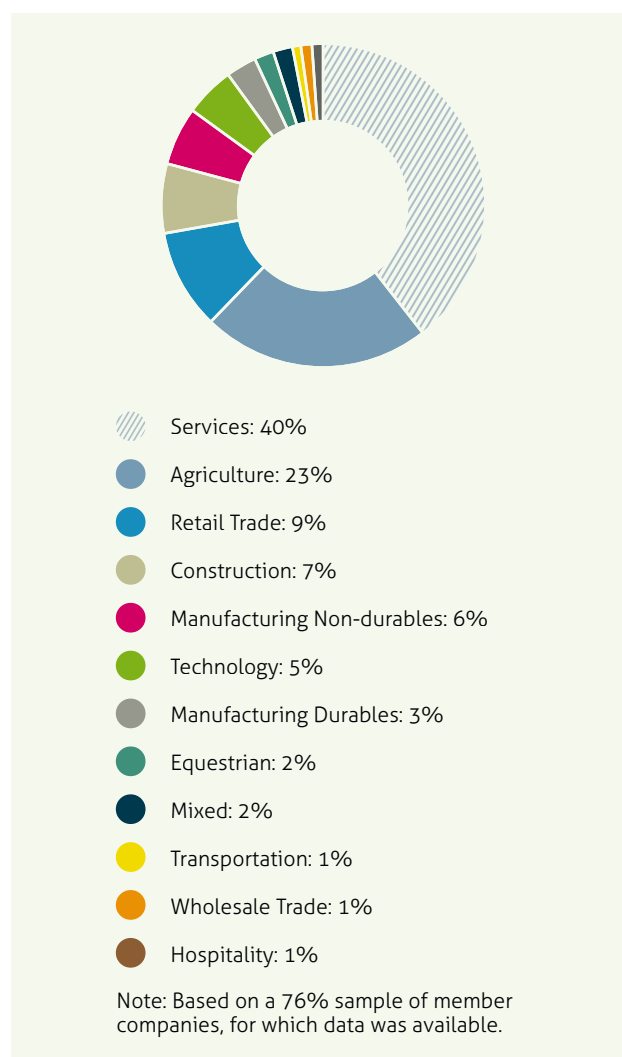


Training Networks Programme (TNP) Activity 2010

Following an application process, 62 networks were awarded funding for the remaining three quarters of 2010.

Companies continued to invest in training with the support of Skillnets networks and people across many regions and sectors benefitted from innovative training. A variety of sectors continued to be represented such as agriculture, construction, digital media, engineering, food and drink, hospitality, ICT, life sciences, manufacturing, technology, space, radio and renewable energy amongst others.

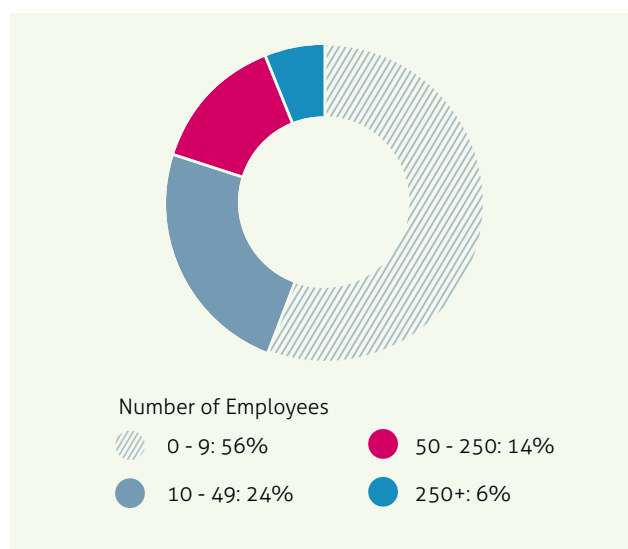
Figure 1: Breakdown of Companies by Sector



Training Networks Programme (TNP) Activity 2010



Figure 2: Breakdown of Companies by Size



SMEs accounted for over 94% (≤ 250 employees) of the total number of companies funded by Skillnets with over 56% of the total number being micro companies (< 10 employees). The percentage of member companies with less than 50 employees accounted for 80%.

Figure 3: Breakdown of Trainees by Age

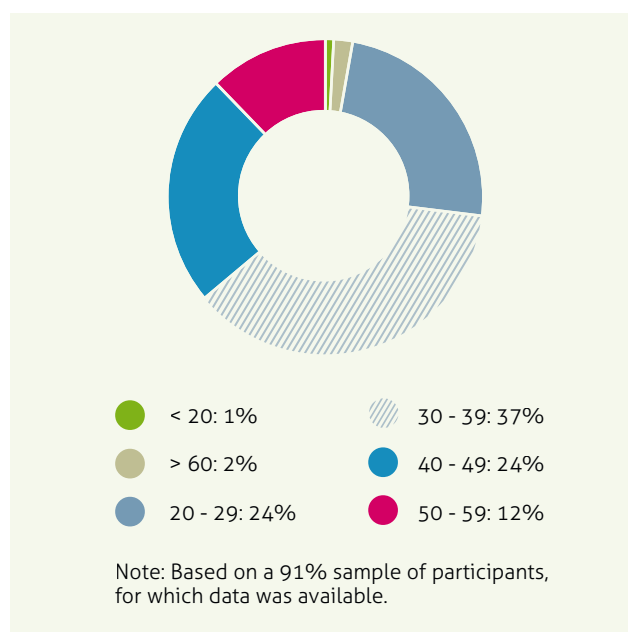


Figure 4: Breakdown of Trainees by Gender

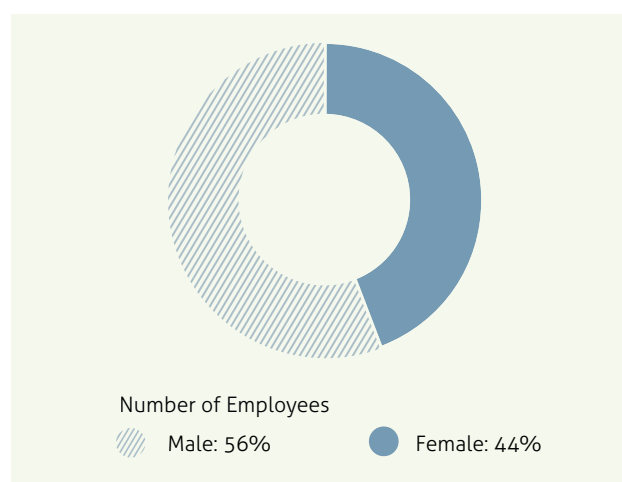
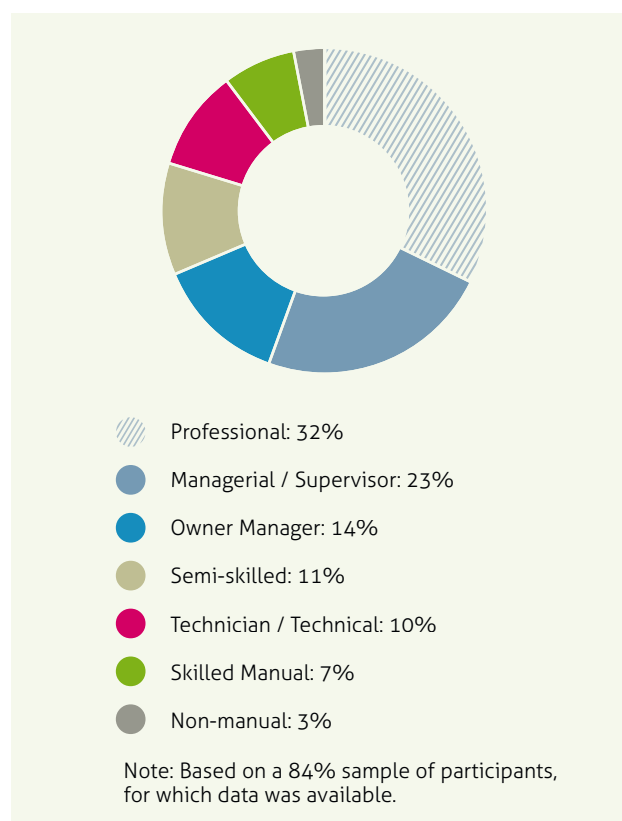
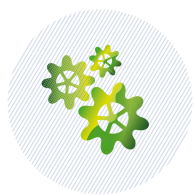


Figure 5: Breakdown of Trainees by Occupational Category



14% of all Skillnets trainees were owner-managers, with 23% in the manager supervisory category, illustrating the importance of Skillnets training to management in the SME sector.



Training Networks Programme (TNP) Activity 2010

Figure 6: Extent of Customisation of Training Programmes Delivered

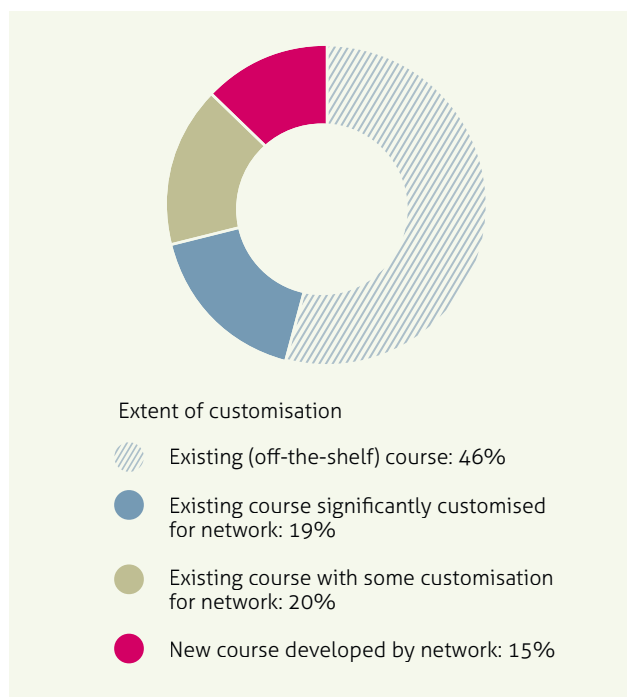
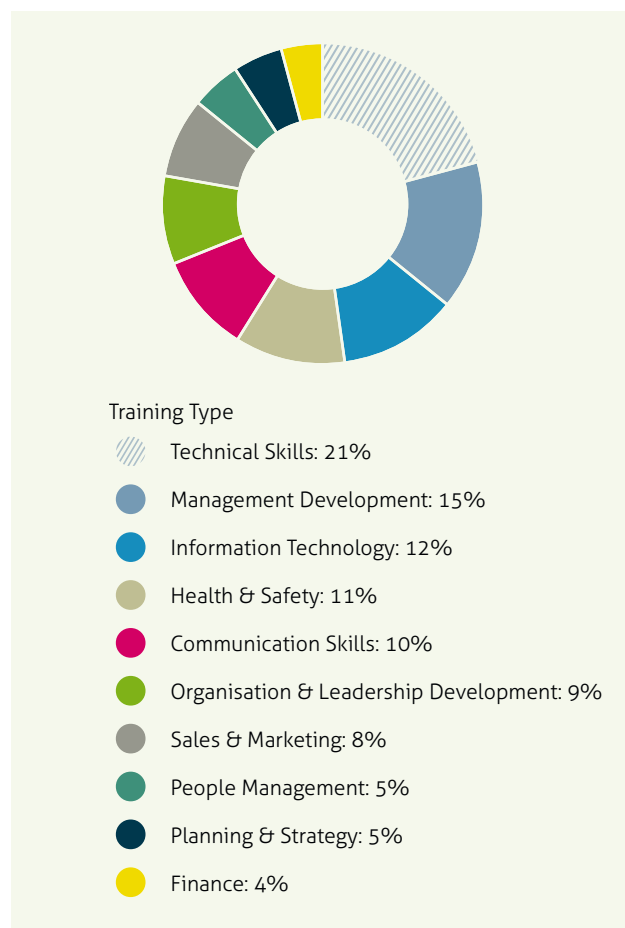


Figure 7: Breakdown of Training Type



Training Networks Programme (TNP)
Activity 2010



Training Networks Programme (TNP) Member Company Satisfaction Survey Results 2010

Over 1,100 member companies responded to the 2010 survey. Some high level results achieved are detailed below.

- 91% of companies rate Skillnets training as good or very good in terms of how well it meets their expectations, whilst 86% agree that it meets their business needs. Nine out of ten are satisfied with the quality and relevance of the training which is an extremely encouraging finding.
- Other categories also show high satisfaction rates, including the length of time required for the training (84%), flexibility and accessibility (80%), and cost (79%). Over two thirds (70%) of respondents are satisfied with the level of accreditation that is attached to the training.
- 84% agreed that Skillnets training represents good value for money and 89% agreed that they would recommend to other companies to join a Skillnet network.
- The majority of companies agree that more of their staff are now being offered training (63%) and that they are now more likely to invest in training in the future (73%).
- In terms of meeting strategic business needs, more than four out of five (82%) member companies agree that the training has helped them to fill skill gaps whilst 68% agree that it has improved productivity.
- A high proportion of respondents also report that Skillnets training has helped to achieve market developments such as enhancements to products and services (70%) and, in some cases, expansion in existing markets (37%) or entry into new markets (31%).

Training Networks Programme (TNP)

Key Thematic Areas 2010



The following pages give an overview of the new strategic themes developed for the Training Networks Programme (TNP) 2010 along with other key thematic areas of Certification, Low Basic Skills (LBS), and Quality Assurance. Specific achievements in each area are highlighted at both a strategic and network level. We also reflect on other network activities over the course of 2010.

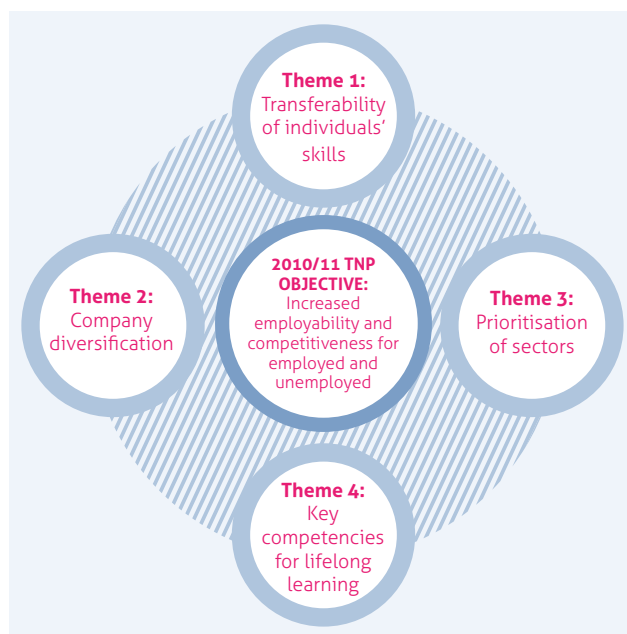
Training Networks Programme (TNP) Key Thematic Areas 2010



Strategic Themes in Action

The employment profile of Irish enterprise changed in response to a new economic climate. Skills in design, research, problem solving, creativity and innovation are now essential for high productivity and a renewed focus on language skills and cultural understanding is necessary for Irish companies to compete successfully in the EU and global export markets. There is also increased need and opportunity for employee mobility and transferable soft skills including communication, interpersonal, team working and customer service skills. Growth sectors of the future, including internationally traded services, food, life sciences, software, ecommerce and other web related services will require a proficient and highly skilled workforce.

It is against this background that Skillnets developed the following new strategic themes:



Theme 1: Facilitating the transferability of individuals' skills to increase mobility and employability across mixed sectoral /regional networks.

The primary focus of this theme is on upskilling, re-skilling and cross-skilling of individuals across sectors and/or regions. Training delivered under this theme promotes the adoption of incremental skills which are required to facilitate increased mobility, employability and enhanced business performance of network members.

The difficult economic environment and general business climate in 2010 had a dramatic effect on employment, with many companies forced to downsize. The impact of this is more pronounced in a small business environment, where there is a limited pool of human resources to draw on. Consequently small businesses have no alternative but to cross-skill or upskill many of their staff.

Theme 1 in action:

Many networks, both sectoral and regional, focused on upskilling staff into management or supervisory functions, and train the trainer courses were also very prevalent as medium sized organisations sought to develop internal training resources from other departments outside of HR. In terms of management development, a significant number of trainees received a FETAC qualification in Supervisory Management Skills and a Certificate in Retail Management Practice through the **IBEC Retail Skillnet**, a large national network. These trainees included several job-seekers under the Job-seekers Support Programme pilot (JSSP).

The **Design, Print and Packaging Skillnet** is another national sectoral network who invested in re-skilling to address the significant commercial pressures being experienced by companies in these sectors, and also to improve the skills of individuals to provide better opportunity within the sector and beyond. Accredited 2010 programmes included the Diploma in Print and



Training Networks Programme (TNP) Key Thematic Areas 2010

Digital Technology Management (Level 7) which provides key management skills coupled with a range of technical awareness modules; the Introductory Certificate in Digital Print and Finishing Technology (Level 5) which focused on specific technical skills; and the MA in Professional Design Practice (Level 9), which is a business masters programme aimed at delivering strategic leadership skills to participants.

Many of the programmes which were delivered by this network have a relevance beyond the design, print and packaging sector. In this way, the mobility of individuals to move beyond the industry is enhanced. The skill set of the workforce retained within the sector has also been improved which should have a medium term impact on the sector's performance.

Theme 2: Facilitating company diversification or transferability within a sector or from one sector to another.

The primary focus of this theme is facilitating the acquisition and transferability of skills to allow companies to diversify within their sector or to secure the transformational change of their business offering to a completely new sector.

Theme 2 in action:

South West Gnó Skillnet is a multi-sectoral national network covering the Gaeltachtaí of Ireland. The network developed a City & Guilds accredited Diploma in Electrical Power Engineering and Overhead Lines in conjunction with a member company. The aim of the training programme was to up-skill current power line technicians to gain an internationally recognised qualification in power engineering and overhead lines. Trainees achieved a qualification that will help firms in their bid to enter new markets abroad and diversify into new sectors as the domestic market dwindled, during the downturn.

The **Gréasán na Meán Skillnet** is a network of micro-enterprises in the west of Ireland who are operating

within the media industry i.e. in film, television, print media, radio and digital on-line. The strategic and long term objective of the network is to achieve organic growth in the highly fragmented media industry. Market challenges and a changing digital landscape demonstrated a need for more innovative training solutions to allow member companies to avail of cross media opportunities. Examples of the courses delivered in 2010 included Camera/Direct for Web Content, Application Development for iPhone and iPod and Online Drama/Webisodes.

By acquiring these additional transferable skills, network member companies were able to diversify within the ICT sector, refocus their product offering and access new markets. In addition to providing access to customised training in their local environment, the network approach also facilitated innovation in companies through collaboration in e-learning, virtual training and clustered networked training.

Two thirds of networks design and deliver solutions under themes 1 and 2.

Theme 3: Facilitating increased performance and growth in priority sectors.

The primary focus of this theme is on upskilling individuals in the key skills necessary to enter into/ expand within certain priority sectors which have been identified as high potential growth sectors by the Expert Group on Future Skills Needs (EGFSN).

20% of networks in 2010 operated under this theme.

Theme 3 in action:

One of the priority sectors identified by the EGFSN is the software/ICT sector, which is currently experiencing some labour shortages in key specific functions. The **Software Skillnet** is a large national sectoral network of both indigenous SMEs and multi-nationals, while the **ITAG Skillnet** is a regionally based network in the west of Ireland with a similar membership composition.

Training Networks Programme (TNP) Key Thematic Areas 2010



During 2010 both Skillnets provided training for their member companies and trainees that allowed them to capitalise on emerging development opportunities in the field of information technology.

Both networks placed a strong focus on Agile/Scrum training during 2010. Agile is defined as a set of engineering best practices intended to allow for rapid delivery of high-quality software, and a business approach that aligns development with customer needs and company goals. A lot of software companies are moving to this methodology now to enable them to get their software products to market faster. Because this methodology differs greatly from the traditional waterfall methodology, there was a large demand from within the sector to provide leading-edge training and mentoring in this area.

Taste 4 Success Skillnet is a national network of companies from the food and beverage sector, which has also been identified as having employment growth potential. The network provides training for a diverse range of companies from small artisan producers to large indigenous food manufacturers. Many of these companies are export-focused, and in 2010 the network delivered specialised and sector-specific programmes for those wishing to enter the sector and other companies wishing to expand within this sector. These programmes included Start your Own Food Business, a Certificate in Brewing, Cheese Science and Technology, and Management Development training.

Theme 4: Enhancing the general competency skills of the lifelong learner.

The primary focus of this theme is the upskilling of individuals in certain key competencies which have been identified by European policy as necessary skills for all European workers. This involves sectoral and/or regional networks providing particular competency training for individuals who may have been at an educational disadvantage.

13% of networks in 2010 operated under this theme.

Theme 4 in action:

The **Digital Media Forum Skillnet** is one of the networks that addressed the needs of the lower-skilled during 2010. This was primarily achieved by devising and rolling out the online, interactive I-CAN-DO Digital Skills programme (see LBS section) to enable learners to gain the most from everyday technology.



Training Networks Programme (TNP) Key Thematic Areas 2010

Certification

The value of certification and the formal recognition of learning have always been an integral part of Skillnets policy. There has been an increased interest in the area and the recognition of qualifications against the National Framework of Qualifications (NFQ), due to its impact on access to job roles and to further development through training, as well as progression and transferability within job roles.

In 2010 the Training Networks Programme (TNP) continued to facilitate networks in developing and/or attaining certification for new and existing courses through the NFQ awarding bodies. Where existing modules within the respective awarding bodies did not meet the specific needs of the Skillnet, many networks would in the past have developed their own modules through available quality assured routes. However, the Further Education and Training Awards Council (FETAC) strategy in standards development of migrating all of its existing awards to a credit accumulation and transfer Common Awards System (CAS) by the end of 2011 did impact and restrict the scope for new developments in 2010 for NFQ Levels 1 to 6. Currently there is a challenging mind shift taking place in the area of certification that places the focus on national standards being developed as distinct from training programmes being certified. The aim is to take the development of national certification into the 21st century.

An example of a network embracing these new developments is **First Polymer Training Skillnet** who completed their work with FETAC on the migration of their locally devised awards to the new Common Awards System (CAS) in 2010. This involved the formation of a Standards Group which included two network representatives and two industry experts. 20 component FETAC awards were migrated to the Common Awards System (CAS).

Skillnets has played a significant role as a voice for enterprise-led and workplace learning through its membership and participation in various high level

policy groups such as the Expert Group on Future Skills Needs (EGFSN), the Department of Enterprise, Trade and Employment Upskilling Committee, the National Standards Authority of Ireland (NSAI) Training Standards Group and various FETAC fora.

In 2010, the Skillnets Certification Focus Group (CFG), supported by Skillnets, was reconstituted to reflect the current cohort of networks. This group of network managers, who are highly experienced in the development of certification, advised and provided resources to other network managers on the pertinent routes to certification via a number of certification bodies. The group also provided input at a policy and operational level to many certification bodies by representation on FETAC Standards Groups, FETAC Standards Development Groups and the FETAC Standards Advisory Board. The CFG also liaised with City & Guilds, the Higher Education and Training Awards Council (HETAC) and the University sector.



Niall Naughton, Creagh Medical and Eddie Lowe, Tech Group Europe, who received major awards in Injection Moulding and Extrusion, are pictured at the First Polymer Training Skillnet FETAC award ceremony with Kenny O'Brien, Chairman of Plastics Ireland (centre).

Training Networks Programme (TNP) Key Thematic Areas 2010



The following networks were members of the group in 2010:

- Carlow Kilkenny Skillnet
- CITA Skillnet
- First Polymer Training Skillnet
- Irish Franchising Skillnet
- Law Society Skillnet
- Leading Healthcare Providers (LHP) Skillnet
- South West Gnó Skillnet

Figure 8: Breakdown of Courses by Certification

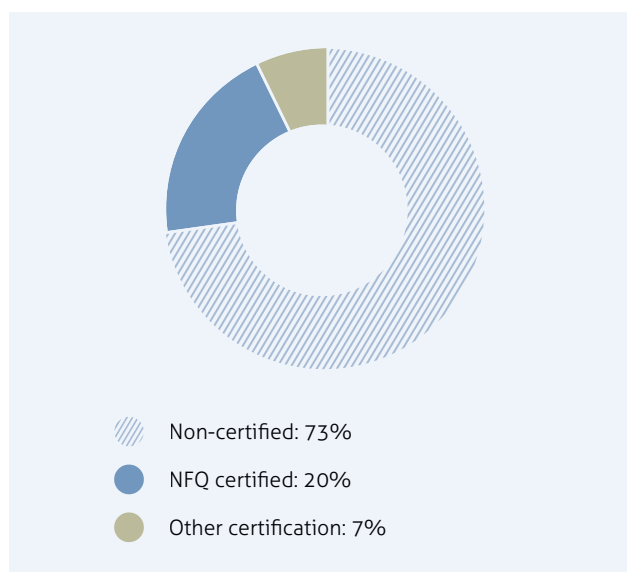
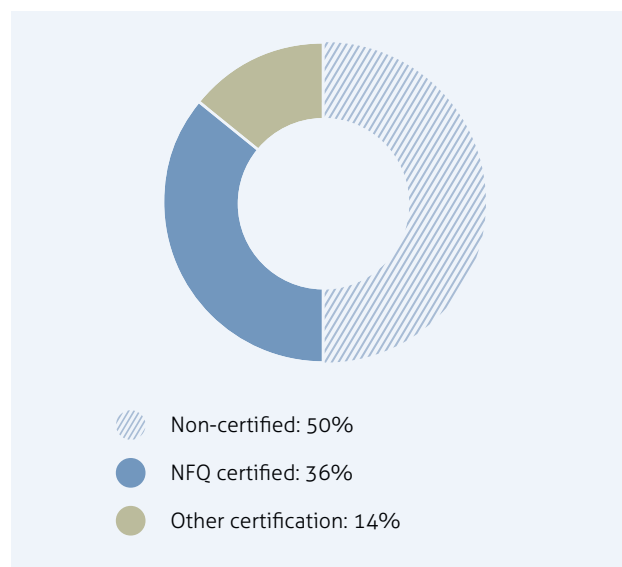


Figure 9: Breakdown of Total Training Days by Certification



Some examples of network achievements in certification in 2010:

- **MSc in Construction Informatics (IT)**
The Construction IT Alliance (CITA) secured accreditation from the Dublin Institute of Technology (DIT) for a Master's of Science in Construction Informatics (IT) in 2010. The programme was initially developed and funded through the **CITA Skillnet** under the Training Networks Programme (TNP) 2008/2009 as a postgraduate diploma designed by CITA in association with the University of Maribor in Slovenia. The accreditation includes both a full-time and a part-time option. Modules can be taken individually. The programme is designed for anyone who has completed a primary degree in architecture, engineering, construction or a computer science-related discipline and has an interest in IT and its application in the construction sector.
- **National Standard in Continuous Improvement (CI)**
Life Sciences Skillnet provides Continuous Improvement (CI) training (Lean Six Sigma) to



Training Networks Programme (TNP) Key Thematic Areas 2010

operators in life sciences manufacturing companies. The network developed a new National Standard in CI (FETAC Level 5 minor award) in 2010. The standard is an online e-learning package, which provides complete flexibility and control over training to companies. Bespoke training material related to life science manufacturing, and a novel new tool to deliver blended learning across multiple sites simultaneously, have been developed. This reduces costs and adds increased flexibility for both employers and trainees. The programme is delivered over ten short two hour modules. With the support of Pharmaceutical Ireland (PCI) and Food and Drinks Ireland (FDII), the Life Sciences Skillnet now provides the training to manufacturers in the following sectors: Medtech, Pharmaceutical, Biologics, Biopharma and Food and Drink.

– MA in Higher Education – Legal Professional Education and Skills

Post Graduate Certificate in Mediation and Conflict Intervention

In 2010 the **Law Society Skillnet** developed an MA and a Post Graduate Certificate. An MA in Higher Education – Legal Professional Education and Skills at Level 9 on the NFQ was designed in collaboration with Dublin Institute of Technology (DIT). This course is delivered utilising a blended learning methodology. The Post Graduate Certificate in Mediation and Conflict Intervention at Level 9 on the NFQ was developed in collaboration with the National University of Ireland (NUI) Maynooth.

Low Basic Skills (LBS)

National Strategy

As part of Skillnets remit to dovetail with national strategy, Skillnets continued to actively promote the needs of the lower-skilled during the TNP 2010. In its Statement of Activity 2010, the Expert Group on Future Skills Needs (EGFSN) referred to progress on the National Skills Strategy 2020 targets. And in terms of the lower-skilled, it stated that action is still required at a number of levels, including:

- An additional 500,000 individuals within the workforce will need to progress by at least one level on the National Framework of Qualifications (NFQ). More specifically, the targets will entail upskilling 70,000 from NFQ Levels 1 and 2 to Level 3, and 260,000 up to Levels 4 and 5.

This report also states that progress made so far indicates that the most significant challenge for the period to 2020 is upskilling those at Levels 1-3 to Levels 4 and 5.

Skillnets Strategy

It is in this context that Skillnets has continued to promote the agenda of the lower-skilled (defined as trainees at NFQ Levels 1-5), and also to promote both the development and roll-out of certified learning activities below NFQ Level 5 during 2010. Theme 4 addresses particular competency training for the employed and unemployed who may have been at an educational disadvantage. The Skillnets Programme Operations team continued to liaise closely with key stakeholders in this area, in particular the National Adult Literacy Agency (NALA). NALA launched a new distance learning service www.writeon.ie in 2010. Skillnets tested this innovative online product, which learners can use to apply for a national award at FETAC Level 2 or 3, and also actively promoted it to networks as a mainstreamed learning tool.

Training Networks Programme (TNP) Key Thematic Areas 2010



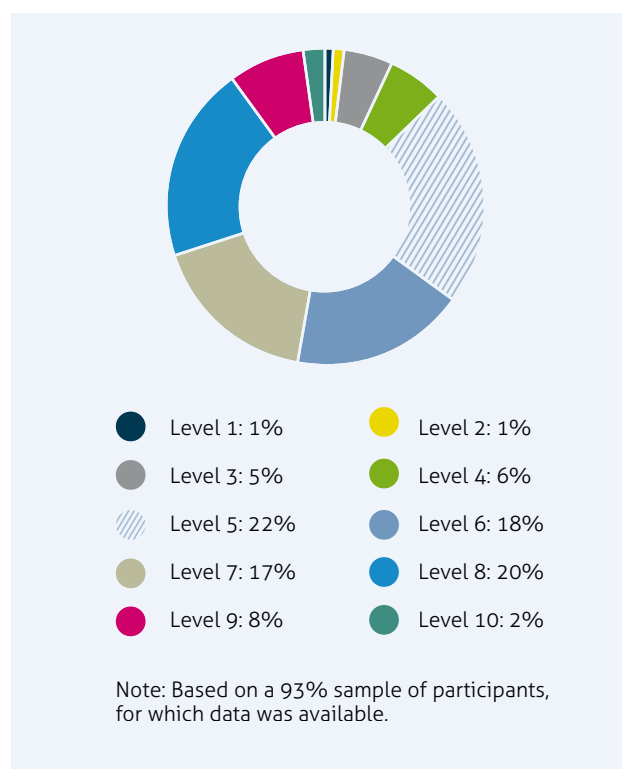
Outputs

13% of networks identified the fourth of Skillnets' strategic themes - key competencies for lifelong learning - as a priority area of focus for 2010. However the majority of networks incorporated elements of this theme into their training plans. In terms of outputs, 35% of the TNP trainees in employment had a highest recognised qualification at NFQ Level 5 or below. This is well above industry norms where the lack of both training provision and take-up among the lower-skilled remains a serious obstacle. However, for the job-seeker community, the proportion of lower-skilled unemployed trainees was significantly higher at 47%.

41% of NFQ certified training in 2010 was at NFQ Level 5 or below, which again would be well above industry norms. These figures would not include the progression onto Level 6 or above by some trainees whose previous highest qualification was NFQ Level 5. The 2010 Job-seekers Support Programme (JSSP) featured some specific examples of this, where a significant cohort of trainees completed management development (e.g. FETAC Supervisory Management Skills and Certificate in Retail Management Practice) and technical skills programmes (e.g. FETAC Mechanical Maintenance Skills).

The **Digital Media Forum Skillnet** is an example of a network that both devised and rolled out certified learning for the lower-skilled in 2010. The I-CAN-DO Digital Skills programme was developed as an online, interactive, guided learning system to enable learners to get the most from everyday technology and keep up with the latest trends in social media etc. Over 500 individuals participated in this innovative learning programme in 2010, of whom 75% were lower-skilled (NFQ Level 5 or below).

Figure 10: Breakdown of Trainee Educational Level Prior to Training



Pauline O'Flanagan, Life Sciences Skillnet with steering group members Padraic Broderick, Transitions Optical and Antoinette McTigue, Ansamed.



Training Networks Programme (TNP) Key Thematic Areas 2010

Quality Assurance

Internal and External Evaluation

The support and monitoring services provided by the Skillnets Programme Operations team played a key role in internal evaluation processes. Throughout 2010, Skillnets made a number of improvements to internal processes as part of our ongoing systems evaluation. Further best practice advice on training, network management, quality assurance and compliance was developed for our networks. Programme Support Managers carried out a number of compliance visits and also a number of spot checks on training activity. Quality assurance checks on training were conducted throughout the year. All networks submitted quarterly reports and interim programme End of Year Reports detailing financial and activity performance, including the evaluation of training. This was monitored by the Programme Support Managers on an on-going basis.

Towards the end of 2010, Skillnets procured for the services of an external evaluator to evaluate the impact of training programmes and the network model in both the Training Networks Programme (TNP) and Finuas Networks Programme (Finuas). The research operated on three main levels:

- **Network level:** including the effectiveness of training and development; improvement or adjustments necessary to improve the quality of learning; and the transferability of learning to the workplace;
- **Programme level:** including the overall impact of the TNP and Finuas programmes; benefits to, and progress of, employed and unemployed trainees; and suggestions for improvements;
- **Training activity level:** including the suitability of the Training Needs Analysis (TNA); the relevance of training to business and staff development needs; and the quality of training, as perceived by companies and trainees. The certification of

training and the impact on companies and trainees and ongoing barriers to training have also been assessed. Likewise the efficiencies of the model in terms of the timing, place and method of training. Finally the extent to which the model leads to a reduction in training costs has been explored, as well as the provision of access to training for trainees with low basic skills.

The outcomes and findings of this external evaluation will be available in 2011.

Training Networks Programme (TNP) Key Thematic Areas 2010



Additional Training Network Activity 2010

In 2010 networks continued to place a strong emphasis on additional activities such as hosting a wide variety of events (seminars, conferences, networking), developing numerous reports, print and online publications and delivering training in innovative ways. A number of training networks were also recognised through a variety of awards. Below are some examples of those awards.

Refrigeration Skillnet, in partnership with South Eastern Regional College (SERC), received a prestigious National Training Award in October in recognition of their innovative blended learning methodology of delivering F-Gas and ODS Regulations training for the refrigeration and air conditioning sector. The judging panel acknowledged Refrigeration Skillnet and SERC's approach to delivering the learning which blends traditional classroom learning with self directed on-line learning giving a flexible approach and balancing the demands of work, life and study.

In its twelfth year in 2010, the Irish Institute of Training and Development (IITD) National Training Awards aim to recognise organisations which demonstrate best practice and an ongoing commitment to training and development. For participants, the awards are an opportunity to benchmark their training and development programmes in real terms.

Entries were judged on the following criteria:

- Level of training and development activity relative to the size of the company.
- Resources and investment in training relative to the size of the company.
- Scope of delivery, quality and practice.
- Innovative developments/initiatives in training and development.

Overall Award for Networks and Groups 2010

- Hospitality Management Skillnet

In recognition of delivering on the objectives of their strategic plan to ensure the provision of relevant and timely training to their sector.

Outstanding Achievement Award

- CPD Focus Skillnet and Law Society Finuas Network

In recognition of a strategic, focused approach to the identification of the needs of their members and measurable achievements clearly mapped back to objectives.

Other Award Winners

- **First Polymer Training Skillnet** - In recognition of a commitment to Recognition of Prior Learning (RPL), collaboration with other industry stakeholders, demonstrating a holistic approach and ensuring a qualitative solution to its members.



Michelle Nolan, CPD Focus Skillnet, Ken Murphy, Law Society, Attracta O'Regan, CPD Focus Skillnet, John Gorman, IITD, Sinéad Heneghan, IITD, Michelle Ní Longáin, Law Society Finuas Network, Tracey Donnery, Skillnets, John O'Connor, Law Society and Antoinette Moriarty, Law Society.



Training Networks Programme (TNP) Key Thematic Areas 2010

- **HPSU Skillnet** - In recognition of their promotion of innovative and flexible training initiatives, e.g. work based learning, mentoring, etc.
- **ICBE Business Excellence Skillnet** - In recognition of a broad range of approaches and activity.
- **ISIT Skillnet** - In recognition of their commitment to quality and transferable skills for their members as evidenced by their affiliation to many external accreditation bodies.
- **Learning Waves Skillnet** - In recognition of their work in influencing national policy in the area of in-company training.
- **Leading Healthcare Provider (LHP) Skillnet** - In recognition of their work in reaching a broad target market as evidenced by a 50% increase in their membership in 2009.
- **Pharmachem Skillnet** - In recognition of the delivery of a significant number of training days to a large cohort of trainees.



Dympna Bramley, Bramley Jewellers, Alf Dunbar and Rachel Doyle, County Carlow Chamber President, at the 'You are the Difference' (YATD) business breakfast hosted by Carlow Kilkenny Skillnet in association with County Carlow Chamber.



Launch of *Upskilling Ireland*, a ULearning Skillnet report detailing their findings over the last two years of the skills needs and requirements of Irish industry.

Finuas Networks Programme (Finuas)

Activity 2010

**4** Finuas training networks

Total expenditure of **€1.74m**
of which Skillnets invested **€851k** and
member companies invested cash matching
of **€885k**

382 IFS companies**1,547** *employed* people trained**15,151** training days were delivered to
employed people

The Finuas Networks Programme (Finuas) funds four enterprise-led learning networks within the international financial services sector (IFS). The programme facilitates IFS companies to access training and professional development programmes that meet specific business needs. In 2010 a grant of €851,000 was awarded from the National Training Fund (NTF). Skillnets conducted an Interim Review of the Finuas Networks Programme in September 2010 to review the first year of the programme. This review was based on research with the IFS sector and found that Finuas networks were enterprise-led and were addressing the objectives of the Finuas Networks Programme.



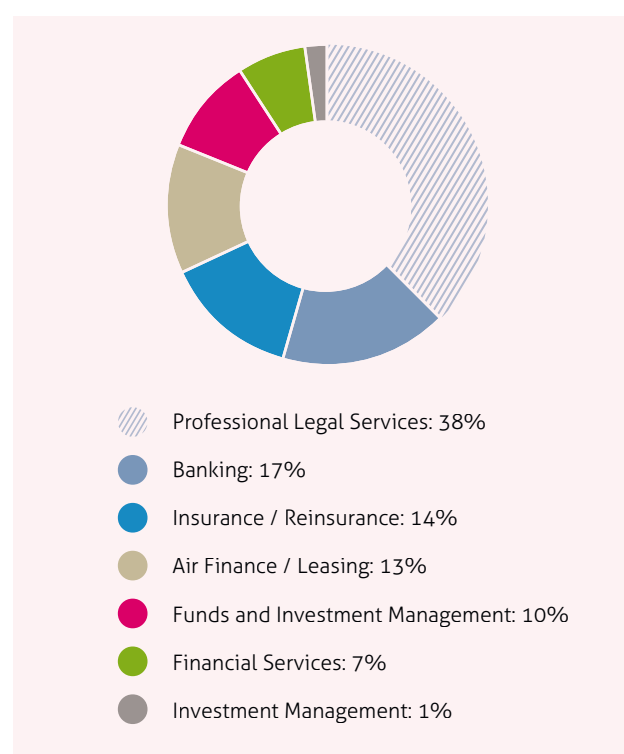
Finuas Networks Programme (Finuas) Activity 2010

Finuas developed as a result of the Clearing House Group (CHG), under the auspices of the Department of the Taoiseach, commissioning a report on 'Future Skills and Research Needs of the International Financial Services Industry'. This study was carried out by the Expert Group on Future Skills Needs (EGFSN) in 2007. Finuas is jointly funded by the government and companies within the sector and aims to support the sector in maintaining Ireland's position as a top international financial services centre through investment in the specialist skills and expertise of its workforce.



In 2010 Finuas networks supported 382 companies within the IFS sector, with 1,547 trainees completing over 15,000 training days on over 180 different training programmes. Networks delivered training to the sector in the areas of banking and capital markets, investment management, insurance and specialist professional services. Networks delivered a wide range of training from specialised IFS programmes to management and leadership development. Finuas networks delivered a high level of certified programmes with 74% of training days certified at NFQ Levels 6-9.

Figure 11: Breakdown of Companies by Sector



For the purposes of the Finuas Networks Programme Activity 2010 section all statistics reported on individuals relate to employees. Statistics for job-seekers are reported on in the Supporting Job-seekers 2010 section.

Finuas Networks Programme (Finuas) Activity 2010



Figure 12: Breakdown of Companies by Size

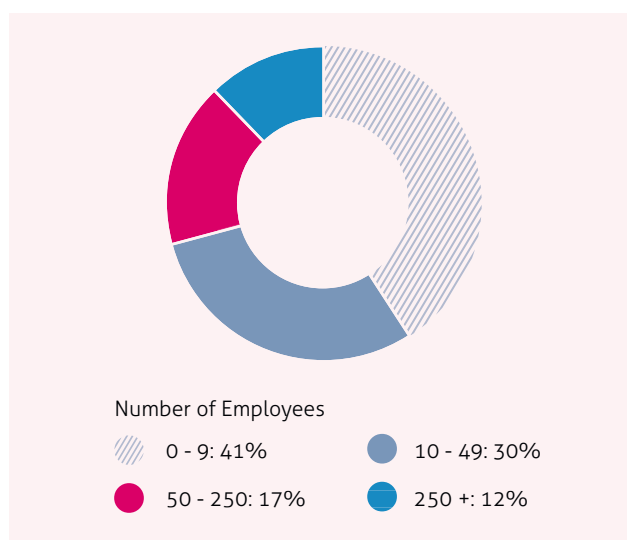


Figure 13: Breakdown of Trainees by Occupational Category

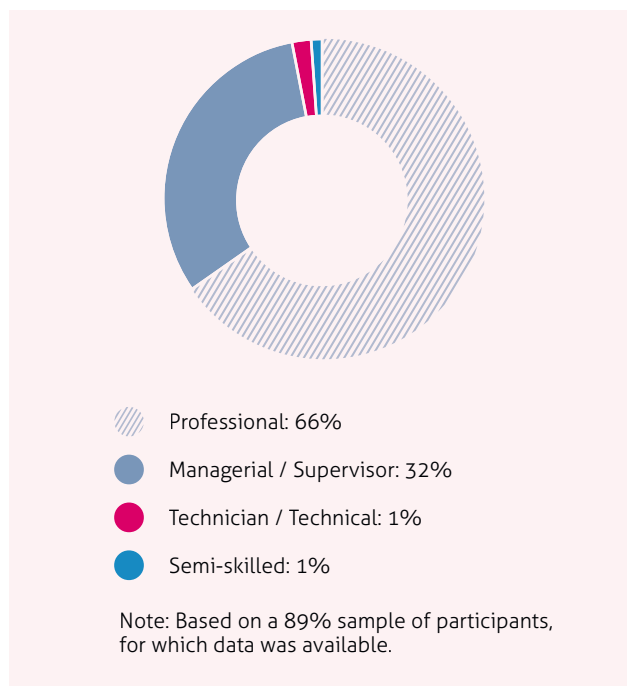


Figure 14: Breakdown of Training Type

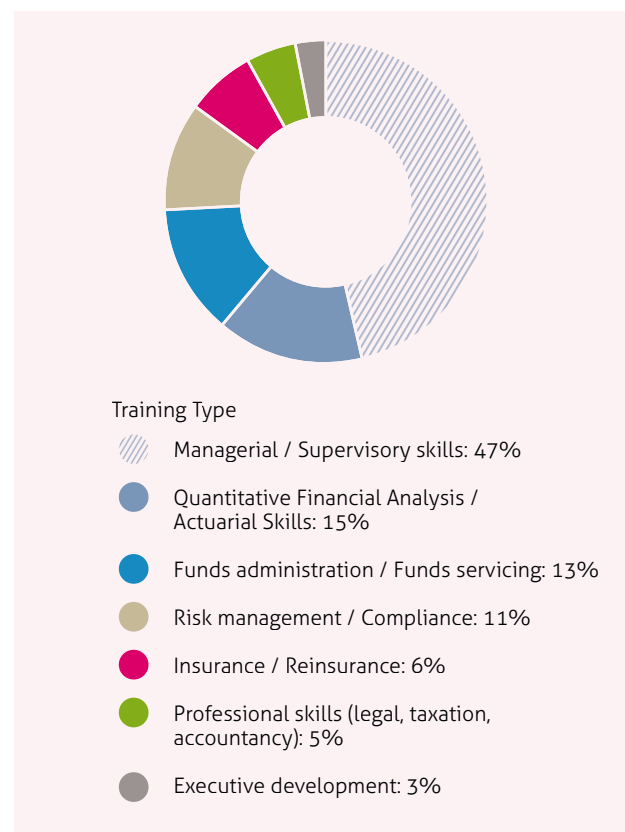
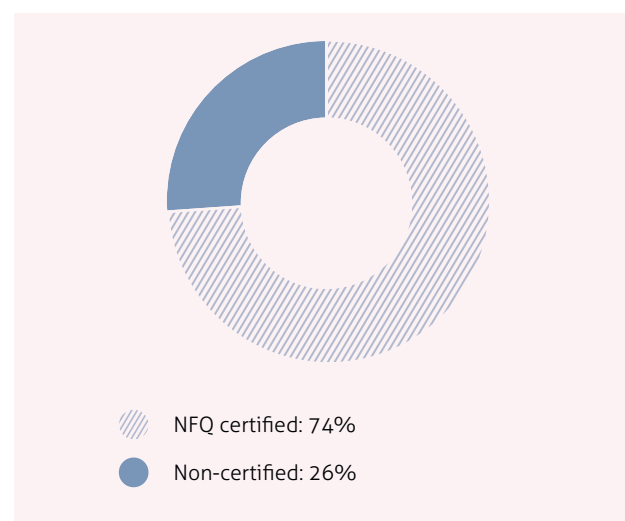


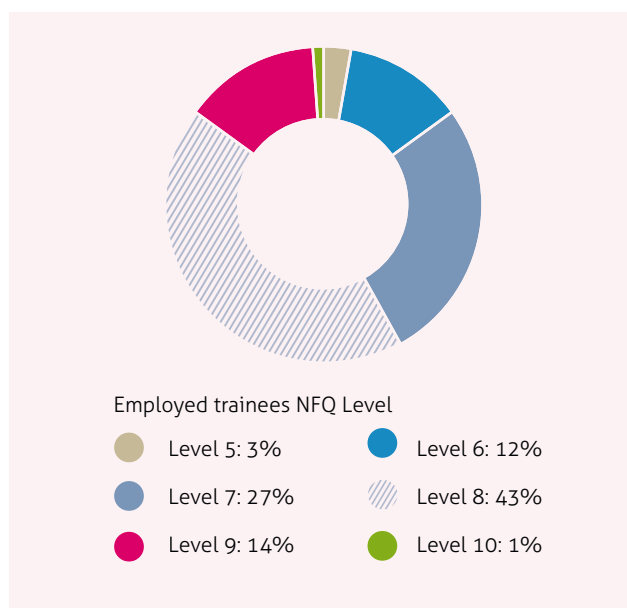
Figure 15: Breakdown of Training Days by Certification





Finuas Networks Programme (Finuas) Activity 2010

Figure 16: Breakdown of Trainee Educational Level Prior to Training



Innovation and New Course Development

Finuas networks developed new industry-led programmes and updated a significant number of existing programmes in partnership with a range of providers including University College Dublin (UCD), Institute of Bankers, National College of Ireland (NCI), and University of Limerick (UL). This achievement addresses one of the key recommendations of the Expert Group on Future Skills (EGFSN) Report, "Future Skills and Research Needs of the International Financial Services Industry" to develop 'mechanisms that provide for greater flexibility in introducing topical, practical and industry relevant modules and courses' (p203). The quality of the programmes have benefitted from enterprise involvement in the design or re-design of programmes to ensure that they reflect latest industry trends to maximise relevancy and impact.

Quality Assurance

All networks place a keen focus on quality assurance in training development and delivery to ensure training is relevant and responds to the business needs of the international financial services sector. This is demonstrated in practise through the focus on evaluation of training by networks, actively seeking feedback from member companies and trainees and seeking experienced training providers to deliver programmes that are professional, relevant and current for members. The work of the **Law Society Finuas Network** was recognised in 2010 with an Outstanding Achievement award by the Irish Institute of Training and Development (IITD) National Training Awards. The award particularly acknowledged the highly successful Law Society Finuas Network Post-Graduate Diploma in International Financial Services Law delivered in collaboration with the Commercial Law Centre, UCD.



Summit Finuas Network, a national network, is promoted by IBEC and delivers training in the areas of banking and capital markets, investment management, insurance and specialist professional services to the IFS sector.

In 2010 the network ran a number of programmes such as Intensive Banking Analysis, Deteriorating Credit and a programme on Owner Risk and Solvency Assessment (ORSA) which were delivered by international experts. The network developed five new accredited training programmes at Levels 7 to 9 on the NFQ. These included professional certificates in Complex Financial Instruments, Leveraging Innovation and Financial Regulation. The new programmes were developed in collaboration with the Institute of Bankers and the National College of Ireland (NCI). The network also developed specialist non-accredited courses including a suite of master classes in Risk Management.

Finuas Networks Programme (Finuas) Activity 2010



Munster Finuas Network is promoted by Cork Chamber and provides high quality specialised training to companies within the international financial services sector in the Munster region.

The majority of the Munster Finuas Network member companies are operating in the funds industry. The network delivered a number of certified programmes in investment fund services, accredited by the Institute of Bankers, that were previously not available outside Dublin. These programmes are invaluable within the funds industry and the network was instrumental in having them delivered in Cork, Limerick and Waterford in 2010. The network also developed a new programme Distressed Debt, in response to member company demand, which was delivered in July 2010. This programme was designed for hedge fund professionals engaged in the secondary market in bank debt.



Law Society Finuas Network is promoted by the Law Society and provides specialist training to existing legal and taxation advisors in the international financial services sector nationally.

The network delivered a number of IFS legal programmes during 2010. The second semester of the Postgraduate Diploma in International Services Law, developed by the network, was delivered by international experts including lecturers from London School of Economics, Bank of England, Leeds University and University of London. In order to support both IFS legal and taxation experts, the network ran a successful seminar in collaboration with the Irish Taxation Institute addressing the importance of legal and taxation aspects to sectoral growth in the international financial services sector. The network also delivered an IFS focused

programme on Innovation, Corporate Governance and Entrepreneurship with the Chartered Institute of Management Accountants (CIMA) in October 2010.



ICBE Finuas Network is promoted by the Irish Centre for Business Excellence (ICBE) and addresses the upskilling needs of the aviation leasing and financing areas of the IFS sector nationally.

The network provides specialist training to the air finance industry. Ireland is a recognised leader in this niche IFS area and the success of the sector has been driven by the skills, expertise and innovation of the people employed within it. In 2010 the network worked with the University of Limerick (UL) to develop an MBA in Aviation Management specific to the sector. A focus group was set up with member companies from the sector that collaborated with UL. The University of Limerick (UL) also worked with Cranfield (UK) and Embry Riddle (USA), two of the world's leading aviation/aeronautical universities, in setting up the programme. The programme is targeted at students from diverse disciplines within the aviation, airline leasing and financing sectors.



Summit Finuas Network Funds Executive Management Graduation.

Training the Unemployed (TNP and Finuas)

Activity 2010



"The programme was very well run. We were all novices and although I have an engineering qualification I learned quite a lot about this new field."

Job-seeker speaking about the quality of Skillnets training

3,227 job-seekers trained

26,206 training days delivered to job-seekers

60% of training days were either NFQ certified or certified by other bodies

Benefits for job-seekers through the Skillnets model:

- Training is industry-driven, therefore the skills are sought after by employers in the region/sector
- Focused training interventions designed to boost and update skills
- Significant financial contribution from industry to support the unemployed
- No cost to job-seekers or other agencies supporting those out of work.

Training the Unemployed (TNP and Finuas) Activity 2010



'There are two clear questions that are consistently being asked by policy makers regarding providing training to job-seekers: What training do job-seekers need? How do you keep job-seekers connected to the workplace? The Skillnets model and its approach to supporting job-seekers is the solution to these questions. Job-seekers need training that is in demand by enterprise and that is what Skillnets provides: enterprise-led, industry-driven training. In answer to the second question, job-seekers who are training with a Skillnet network maintain a connection with the workplace both by training alongside people in employment, as well as potentially experiencing work placements in relevant companies within their sector/region.'

Alan Nuzum, CEO, Skillnets

In 2010, Skillnets embarked on an initiative to provide learning support to job-seekers through the existing structures of our networks that support the learning needs of those in the workforce. This required a considerable amount of planning and support to put the appropriate structures in place. All of this new activity took place in the context of a significantly more challenging business model for networks, as well as a constantly evolving macro environment. Despite all of these challenges, both for Skillnets and networks, there is now a solid foundation laid for the future which will help to make a valuable contribution to the support of the enterprise sector (including job-seekers) into the future.

In changing the network model to include training for job-seekers, Skillnets was guided by five key principles:

– Uniqueness

Skillnets operates an integrated model whereby job-seekers train with those in employment. This unique model provides an opportunity for job-seekers to enhance their knowledge of current market trends in the sector/region, maintain workplace links and improve their potential for employment through training and networking.

– Enterprise-led training

Unemployed trainees attend training with management and staff of member companies, on courses that are based on the business needs of companies participating in the network. Therefore training is enterprise-led and the skills learned have a currency and value that is sought by employers in the area and sector. On any one training programme, Skillnets set a maximum number of unemployed trainees at 40%. The aim of the maximum percentage was to preserve the enterprise-led ethos of the training.

– Equality of access and treatment

Skillnets framed the model to offer free training to every job-seeker who trains with a Skillnets-funded network. This removes any potential financial barrier. Networks fund unemployed trainees, including costs associated with certification, by sharing the overall costs of training between grant funding and contributions made by member companies.

– Employability

The skills and qualifications gained by job-seekers who participate in network training boosts their employability. Training offered will narrow the margin between job-seekers and the workplace and result in tangible outcomes including work placement opportunities, employment, self-employment or progression into further training and education. By participating in relevant, industry-specific training, trainees also have the valuable opportunity to network with those in employment and share best practice techniques, thus remaining motivated and more connected to the world of work. Networking with employed people provides an opportunity to hear of vacancies that may not be advertised through expensive, traditional means e.g. newspapers, and also reduces the social isolation often associated with unemployment.

– Additionality

Skillnets support to job-seekers is additional to, and complements, training offered by existing state agencies and other providers.



Training the Unemployed (TNP and Finuas) Activity 2010

Skillnets Support to Networks

Skillnets put in place a number of measures to support networks in providing training to job-seekers:

- Skillnets worked with the networks by seeking input and feedback from them on job-seeker eligibility criteria in early 2010.
- The Irish National Organisation of the Unemployed (INOU) delivered a workshop to network managers in May entitled 'Delivering a quality service to the unemployed'. Two networks also presented case studies about their challenges and successes in supporting unemployed trainees at the same event.
- A master class for networks on assisting job-seekers was held in July.
- A Supporting the Unemployed Working Group was established in August to develop strategies to assist in training job-seekers and disseminate good practices to all networks.

Job-seekers Support Programme (JSSP) Pilot

Under the Training Networks Programme (TNP), Skillnets piloted the Job-seekers Support Programme (JSSP) during the last quarter of 2010 with nine networks. The initiative was aimed solely at job-seekers and grant funded at 100%. The key features of the JSSP are the provision of skills which are in demand by industry combined with direct access to employers through meaningful work placements.

Some of the achievements:

- €202,440 was allocated to nine networks spanning a broad range of sectors and regions.
- 279 job-seekers were trained and benefitted from a total of 4,226 training days.
- On average, each person benefitted from 15 full days of training.

- 86% of the budget was spent on the pilot achieving 99% of the training days target and 98% of the trainee target.
- 80% of the 35 programmes delivered were either accredited by FETAC or industry-certified.
- Over half of the trainees were either young unemployed (i.e. aged under 35), had an NFQ Level 5 or less or were long-term unemployed, having been out of work for over a year.
- 91% of the companies surveyed were satisfied/very satisfied with the quality of placements and the benefits to their company.
- One in five trainees secured employment within 4-8 weeks of completing the Job-seekers Support Programme.
- Of the other trainees who progressed since completing the JSSP, 23% moved into further training, 28% secured an interview in a related role and 2% established their own business.

Skillnets received excellent feedback from trainees about the quality of training, and the impact the JSSP had on connecting job-seekers with employers and the workplace. Companies hosting work placements also endorsed the initiative. The evaluation clearly demonstrated that the success of the work placements was due to the existing relationship that the network managers had with the host companies that offered work placement opportunities. Skillnets would like to commend the networks that participated in the pilot initiative.

"I'd definitely agree that it increases your chance of getting a job because you get to work in places and see what you think of them - you've a great advantage as you'd never get that opportunity otherwise."

**Job-seeker, unemployed since June 2010,
30-34 age group speaking about the JSSP Pilot**

Training the Unemployed (TNP and Finuas) Activity 2010



A Success Story

In 2010 the (Contact Centre Management Association) CCMA Ireland Skillnet upskilled unemployed individuals in the key competencies required for customer service roles within the contact centre sector, providing the FETAC Level 5 Customer Service programme as part of the Job-seekers Support Programme (JSSP) pilot. The course develops the capabilities of individuals who wish to become customer service representatives, to ensure that they can understand their role in securing organisational success by reacting positively to customer needs and to handling customer complaints successfully. It was designed to equip learners who are involved in customer service with a dual focus - ensuring excellence in the service they provide and through excellent service increase sales, referrals and positive brand impact. This industry-specific programme provided successful trainees with a fast track route to full and part time hires in a sector that was recruiting in 2010 and will continue to do so in 2011. The programme directly resulted in the employment of 21 of the trainees who had successfully completed the programme and gained the FETAC Level 5 qualification.

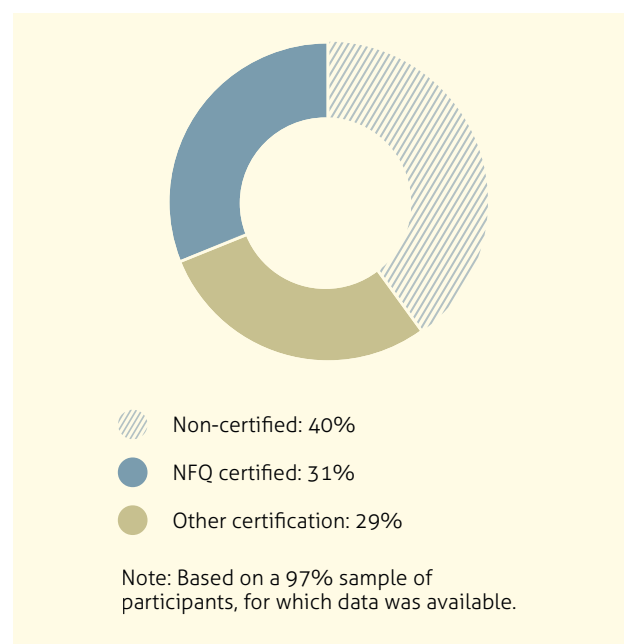
"It helped me gain a job. It gave me good ideas on customer care. I did the training and the work placement and then I was shortlisted for an interview with a contact centre company. I got the job and started as a customer service representative. It's full time. It's good, but it can be stressful at times. I was unemployed for 7 months. I had worked in administration in general distribution before."

Job-seeker

Job-seekers Activity 2010

Skillnets provided valuable supports in 2010 for job-seekers, with 3,227 trainees undertaking 26,206 training days. 59% of those job-seekers who trained with the networks in both Skillnets-funded programmes were male, and 41% were female. This is broadly similar to the gender profile of employed trainees. Similarly there was little variation in the age profiles of job-seekers in comparison to employed trainees.

Figure 17: TNP and Finuas - Breakdown of Job-seeker Training Days by Certification

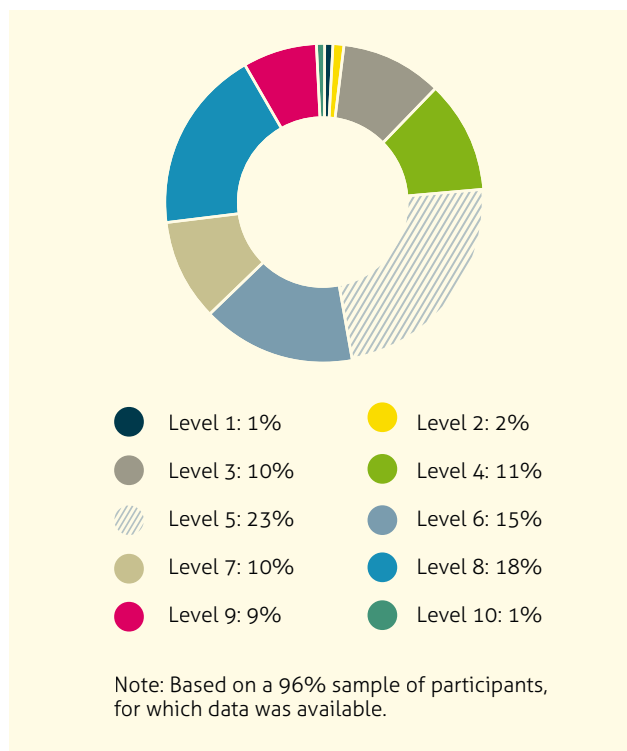


60% of all job-seeker training days in all Skillnets-funded programmes, including the Training Networks Programme (TNP) and the Finuas Networks Programme (Finuas), were certified by either the NFQ or by other professional bodies. Examining the Finuas figures of certification separately shows an even greater emphasis on certification with 87% of the job-seeker training days being certified.



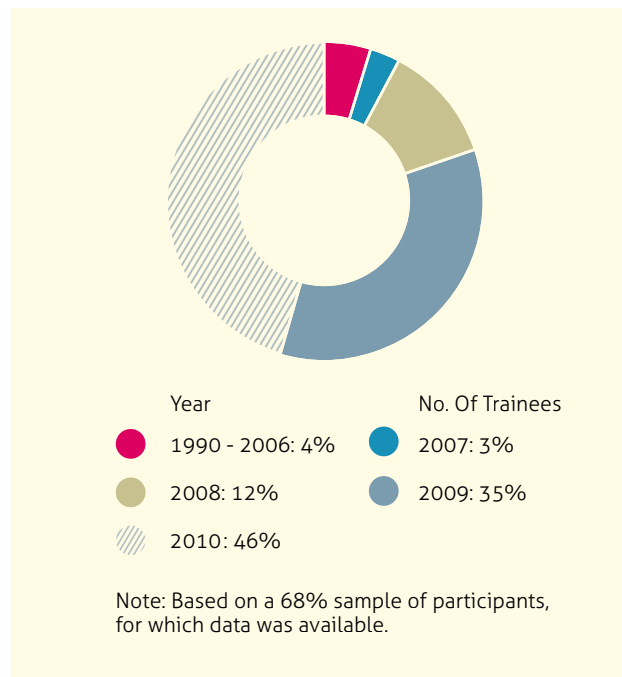
Training the Unemployed (TNP and Finuas) Activity 2010

Figure 18: TNP and Finuas - Breakdown of Job-seeker Educational Level Prior to Training



47% of unemployed trainees were on Level 1-5 of the National Framework of Qualifications. It is to be noted that by taking the Finuas trainees on their own for trainee educational level prior to training, the vast majority (89%) of Finuas unemployed trainees were at Level 6-9 prior to training.

Figure 19: Breakdown of Date Job-seekers Joined Live Register



54% of unemployed trainees in 2010 were long term unemployed; they were unemployed for over a year.

Overview of Key Departments



An overview of the key departments, namely Programme Operations, Communications and Finance and Services, are detailed on the following pages.



Overview of Key Departments

Programme Operations

The Programme Operations team continued to provide a professional monitoring and support service to networks throughout 2010, including best practice advice on training, network management, quality assurance and compliance.

Special project functions in a variety of areas such as Certification, Quality Assurance, Professional Development Programmes (PDP) and a Mentoring Programme were also managed and further developed by the team. A new keynote project in 2010 was the creation of a support programme to assist all networks who were engaging directly with job-seekers for the first time. This led to the establishment of the Supporting the Unemployed Working Group, comprised of a group of network managers and facilitated by Skillnets.

Members of the team also hosted a study visit as part of the EU Study Visits Programme, co-ordinated in Ireland by Léargas. The visit took place in November with representatives from ten EU member states in attendance. The theme was 'Supporting access to vocational education and training for disadvantaged groups'. Policy-makers and educational experts supporting disadvantaged groups through education and training in Europe learnt about the Skillnets model with a focus on Skillnets initiatives for job-seekers, the impact of these initiatives, success stories and challenges faced.

2010 Professional Development Programme (PDP)

The Professional Development Programme (PDP) has continued to be an important part of the support structure provided by the Skillnets team to network managers during the year to ensure that effective learning networks are developed which can meet the needs of the member companies and their employees. The programme also fosters collaboration and facilitates the sharing of best practice and learning within a network of networks.

Elements of the PDP:

- A series of three plenary events were held in bi-locations in January, May and September 2010. Facilitated by Skillnets, these were interactive sessions aimed at supporting networks in achieving collaborative solutions to the challenges of managing a network.
- Cluster events were also held regionally for all network managers with business updates and a focus on specialised subjects.
- A mentoring programme provided new network managers with support and mentoring from an experienced network manager in how to effectively develop/sustain their network.
- A series of optional master class workshops were held on the following subjects which were identified by the network managers as key focus areas for 2010:
 - Assisting job-seekers
 - Social media
 - Procurement
 - Compliance



Léargas EU study group at the 'Supporting access to vocational education and training for disadvantaged groups' talk in Skillnets offices.

Overview of Key Departments



Communications

The role of the communications team is to create and implement a strategic communications plan for Skillnets.

Throughout the year ongoing support and advice was given to networks in the areas of PR, event management, media relations, advertising etc. Networks were also monitored in terms of brand compliance for all collateral, publications and training materials produced on behalf of the network.

The first step towards developing a social media presence for Skillnets was taken in 2010 by creating a Facebook page for the organisation www.facebook.com/skillnets. The team also continued the ongoing process of link building with relevant organisations and Search Engine Optimisation (SEO) for the Skillnets website.

The Skillnets website (www.skillnets.ie) was redesigned and re-developed in 2010. A core part of the re-development was the introduction of a training search for all Skillnets courses. The communications team worked with Qualifax to produce this training search, which is now visible on both the Qualifax (www.qualifax.ie) and Skillnets website. A dedicated forum was also created for network managers. Visually and textually the website was re-designed and re-structured to reflect the expansion of the programme to include job-seekers.

This new aspect of the programme was directly promoted through the presentation of a number of seminars at career events and an interview on TV3's The Morning Show in December. The communications team also compiled a number of case studies by conducting interviews with a range of job-seekers who had attended training with Skillnets and then subsequently found employment, started their own business or continued into full time education.

During 2010 responsibility for Skillnets was transferred from the Department of Enterprise, Trade and Employment to the Department of Education and Skills. The communications team liaised with

both departments collating responses to queries and parliamentary questions and producing regular updates and reports.

The Branding Guidelines for both the Training Networks Programme (TNP) and the Finuas Networks Programme were revised and updated to reflect the transition to the Department of Education and Skills.

2010 Publications

Skillnets published the following in 2010, all of which are available on the Skillnets website.

– Skillnets News

A bi-annual publication, Skillnets News is a key document detailing the progress of networks throughout the programme. It also reports on major marketplace issues and the ongoing activities of Skillnets corporately.

– 2009 Annual Report



Annual Report 2009

Skillnets News April 2010



Overview of Key Departments

Finance and Services

The Finance and Services team is responsible for the financial management of the organisation and also provides financial support to the wider network community in support of the Finuas and Training Networks Programmes. The team also ensures the provision of other services as required by the organisation.

The team played an important role in developing new approaches to supporting and monitoring business networks including the approach to compliance with key features of the Skillnets model, and steps taken to obtain assurance on the quality of programmes undertaken by networks.

Internal auditors were appointed by Skillnets to provide additional corroborative assurance on the quality of information recorded by networks on their training activity. Overall it was found that the information was accurately recorded, and interaction with enterprises suggested that the courses were of a good quality and made a positive contribution to the enterprises concerned. The audit process has been helpful in making recommendations to improve the quality of information and adherence to key features of the Skillnets model, which have been adopted.

Skillnets is subject to National Procurement Policy and EU Procurement Directives. In 2010 the team provided both advice and support to other staff members and to networks to ensure compliance with relevant regulations and to help achieve value for money. Training in procurement skills and best practice standards was an area of focus for the team in 2010.

The team also successfully managed the contracting process for 62 new networks for the Training Networks Programme (TNP) 2010-2011.

Corporate Governance



Skillnets Limited is a company limited by guarantee established in 1998 under the Companies Acts. In 2010 the company had 22 employees (currently 19 people are employed) and a board of thirteen non-executive directors representing various enterprise stakeholders. It operates on a not for profit basis within the mandate described below.

The company's Mandate and Funding Agreement with the Department of Enterprise, Trade and Employment (DETE) continued up to 31 December 2010. A new Mandate and Funding Agreement has been set in place with the Department of Education and Skills (DES) that makes provision for funding from the National Training Fund (NTF) at the discretion of the DES within the annual budgetary estimates process.

In 2010 the company launched its new round of network based enterprise-led training – the Training Networks Programme (TNP) 2010/11 (TNP Round 5). Skillnets completed the second year of the Finuas Networks Programme, a similar initiative for the international financial services sector.



Corporate Governance

During the year a pilot programme was developed and run in response to the increasing number of job-seekers and the company's unique positioning with enterprise-led training. This Job-seekers Support Programme (JSSP) aimed to provide access for job-seekers to relevant training in demand by enterprise, coupled with on the job work experience. Following a full evaluation of the impact of this pilot programme (see p.30), Skillnets considers the pilot to have been a success.

2010 did not come without its challenges. In February Skillnets was informed of an issue with a training provider. Skillnets commenced an investigation immediately and informed other relevant stakeholders keeping them fully informed throughout the process. Skillnets also informed the Comptroller and Auditor General (C&AG) when they commenced their review of Skillnets in March. Skillnets concluded a full and thorough internal investigation, which was supplemented by an independent report from external auditors. As a result we made a number of changes to our processes as part of our ongoing systems evaluation and incorporated the recommendations of the C&AG into these processes.

In the year ahead Skillnets proposes to roll out a full Job-seekers Support Programme and further initiatives to promote new course development and support priority sectors identified by the Expert Group on Future Skills Needs (EGFSN).

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 has 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) this year 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 & General Purposes 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 & General Purposes 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

Corporate Governance



policy on the pay of Chief Executives and state body employees.

Section 13.1 (vi)

Arrangements have been made to ensure the fees paid to the Chairman and directors are at rates equal to or below the rates authorised by the relevant Minister. Attention is drawn to note 15 of the financial statements.

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 the 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 also agreed to hold a review of its own performance and to conduct an assessment of strategy for 3 to 5 years forward at a special additional board meeting in 2011.

The Board has in place a specific and well defined set of Terms of Reference for its four Board sub-committees.

Directors & CEO

Attendance of directors at Board meetings during the year was as follows

Name	No. of meetings
Mr. Domhnall MacDomhnaill (Chairperson)	5
Mr. Sexton Cahill	6
Ms. Mairéad Divilly	6
Mr. Seán Heading	4

Mr. George Hennessy	5
Mr. Terry Hobdell	4
Ms. Nuala Keher	5
Mr. John Mc Dermott	6
Mr. Brendan McGinty	4
Mr. Henry Murdoch	5
Mr. Peter Rigney	3
Mr. Niall Saul	3
Mr. Ian Talbot	2

The following expenses were paid to directors in 2010.

Name	Amount
Mr. Domhnall MacDomhnaill (Chairperson)	3,488
Mr. Sexton Cahill	89
Ms. Nuala Keher	2,152
Mr. Henry Murdoch	170
Mr. Peter Rigney	30

Note: The salary paid to the Chief Executive in 2010 was €132,372. A contribution of €13,237 was made to the Chief Executive's pension scheme as employees of Skillnets Ltd. do not have access to any Public Sector pension arrangements. The salary of the Chief Executive has not increased since April 2008 and he has voluntarily foregone entitlement to performance related bonus payments. At the start of 2011, the Chief Executive undertook a voluntary reduction of 10% of 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 Acts, 1997, and 2003.

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

Financial Information & Statement of Results



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Financial Information & Statement of Results



Skillnets Limited

Directors and Other Information

DIRECTORS

- Domhnall MacDomhnaill (Chairman)
- Seán Heading *Resigned 31 December 2010*
- Terry Hobdell
- Nuala Keher
- Henry Murdoch
- Sexton Cahill
- Niall Saul
- Mairéad Divilly
- Brendan McGinty
- Peter Rigney
- Ian Talbot
- John McDermott
- George Hennessy *Appointed 4 February 2010*

SECRETARY

- Alan Nuzum

REGISTERED OFFICE

5th Floor
Q House
76 Furze Road
Sandyford
Dublin 18

REGISTERED NUMBER

298694

AUDITORS

Deloitte & Touche
Chartered Accountants & Registered Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SOLICITORS

Eversheds O'Donnell Sweeney
1 Earlsfort Centre
Earlsfort Terrace
Dublin 2

PRINCIPAL BANKERS

Bank of Ireland
Lower Baggot Street
Dublin 2



Financial Information & Statement of Results

Skillnets Limited Directors' Report

The directors submit their annual report, together with the audited financial statements, for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The company was incorporated on 17 December 1998. 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.

RESULTS FOR THE YEAR	€
Surplus for the financial year amounted to:	Nil

FAIR REVIEW OF DEVELOPMENT AND PERFORMANCE OF THE BUSINESS AND PRINCIPAL RISKS AND UNCERTAINTIES

The company's Mandate and Funding Agreement with the Department of Enterprise, Trade and Employment continued up to 31 December 2010. Subsequent to the year end a new Mandate and Funding Agreement has been issued by the Department of Education and Skills that makes provision for funding from the National Training Fund at the discretion of the Department of Education and Skills 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. This company ceased trading on 31 December 2008.

DIRECTORS

The current directors and secretary are listed on page 41. George Hennessy was appointed on 4 February 2010. Seán Heading resigned on 31 December 2010. There were no other changes during the year.

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, were appointed during the year and continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Domhnall MacDomhnaill
Director

Mairéad Divilly
Director

10 March 2011

Financial Information & Statement of Results



Skillnets Limited 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 2009. 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 Auditor's Report to the Members of Skillnets Limited (A Company Limited by Guarantee and not having a Share Capital)

We have audited the financial statements of Skillnets Limited for the year ended 31 December 2010 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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 auditors' 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

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' Responsibilities in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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



Financial Information & Statement of Results

Independent Auditor's Report to the Members of Skillnets Limited (A Company Limited by Guarantee and not having a Share Capital) *Continued*

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the company's balance sheet and income and expenditure account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

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 affairs of the company as at 31 December 2010 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its income and expenditure account are in agreement with the books of account.

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

Emphasis of matter - going concern

Without qualifying our opinion, we draw your attention to note 1 of the financial statements concerning the ability of the company to continue as a going concern. The financial statements have been prepared on a going concern basis, which is dependent on the availability of funding beyond 2011. The company has finalised negotiations with the Department of Education and Skills to renew its Mandate and Funding Agreement and funding has been secured for 2011. Therefore, the directors have prepared the financial statements on the basis that the company is a going concern. The financial

Financial Information & Statement of Results



statements do not include any adjustments that would result if the company was unable to continue as a going concern.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

7 April 2011

Skillnets Limited Statement of Accounting Policies

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

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting Standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. 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 Accounting Standards Board.

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 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 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.

DEFERRED TAXATION

Deferred taxation is provided for all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in



Financial Information & Statement of Results

an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred taxation is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is not discounted.

TANGIBLE ASSETS

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged for leasehold improvements over the term of the lease obligation. Depreciation is charged for all other fixed assets at a rate of 33% using the straight line method.

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**Skillnets Limited**Income and Expenditure Account
for the Year Ended 31 December 2010

	Notes	2010 €	2009 €
INCOME	2	14,648,951	16,467,537
Programme costs		(12,168,908)	(13,785,055)
GROSS SURPLUS		2,480,043	2,682,482
Administration costs		(2,486,970)	(2,686,240)
OPERATING DEFICIT		(6,927)	(3,758)
Interest income		10,232	5,011
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	3,305	1,253
Taxation	4	(3,305)	(1,253)
SURPLUS FOR THE FINANCIAL YEAR		-	-

Income and expenditure arose solely from continuing activities. There were no recognised gains or losses other than those dealt with in the Income and Expenditure Account.

The financial statements were approved by the Board of Directors on 10 March 2011 and signed on its behalf by:

Domhnall MacDomhnaill
Director

Mairéad Divilly
Director



Financial Information & Statement of Results

Skillnets Limited

Balance Sheet as at 31 December 2010

	Notes	2010 €	2009 €
FIXED ASSETS			
Financial assets	5	1	1
Tangible assets	6	16,153	77,903
		<u>16,154</u>	<u>77,904</u>
CURRENT ASSETS			
Debtors	7	39,584	62,093
Cash at bank and in hand		766,735	356,141
		<u>806,319</u>	<u>418,234</u>
CREDITORS: (Amounts falling due within one year)	8	<u>(757,332)</u>	<u>(102,084)</u>
NET CURRENT ASSETS		<u>48,987</u>	<u>316,150</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>65,141</u>	<u>394,054</u>
CREDITORS: (Amounts falling due after more than one year)	8	-	(13,227)
DEFERRED INCOME	9	<u>(65,141)</u>	<u>(380,827)</u>
		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Members' funds		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 10 March 2011 and signed on its behalf by:

Domhnall MacDomhnaill
Director

Mairéad Divilly
Director

Financial Information & Statement of Results

**Skillnets Limited**Cash Flow Statement
for the Year Ended 31 December 2010

	Notes	2010 €	2009 €
Cash inflow from operating activities	10	424,799	238,480
Returns on investments and servicing of finance	11	10,232	5,011
Capital expenditure and financial investment	11	(23,046)	(2,018)
Taxation paid		(1,391)	(1,169)
Increase in cash	12	410,594	240,304

**RECONCILIATION OF NET CASH INFLOW
TO MOVEMENT IN NET FUNDS**

	Notes	2010 €	2009 €
Increase in cash in the year		410,594	240,304
Net funds at 1 January		356,141	115,837
Net funds at 31 December	12	766,735	356,141



Financial Information & Statement of Results

Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

1. BASIS OF ACCOUNTING

The income and expenditure account for the year ended 31 December 2010 records a breakeven position, consistent with previous years. Net current assets were €48,987 as at 31 December 2010 (2009: €316,150).

The Mandate and Funding Agreement with the Department of Enterprise, Trade and Employment ('DETE') expired on 31 December 2010 and a new Mandate and Funding Agreement was issued by the Department of Education and Skills ('DES') early in 2011. The company has contracted with a number of promoter organisations to fund training networks. The commitment has been made contingent upon the necessary funds being made available to the company by DES.

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on funds continuing to be made available by DES to the company.

If the company were unable to continue in operational existence for the foreseeable future, adjustment would have to be made to reduce the balance sheet values of assets to their recoverable amounts, and to provide for further liabilities that might arise.

The directors have concluded that whilst there remains uncertainty in respect of continued funding, after making enquiries and considering the uncertainty described above, there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they consider that it is appropriate to prepare the financial statements on a going concern basis.

2. INCOME

This represents amounts received from the Department of Education and Skills in accordance with the accounting policy set out on page 45.

Financial Information & Statement of Results

**Skillnets Limited**Notes to the Financial Statements
for the Year Ended 31 December 2010 *Continued***3. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2010 €	2009 €
Surplus on ordinary activities before taxation has been arrived at after charging:		
Staff costs		
- wages and salaries	1,440,433	1,532,304
- social welfare costs	131,428	148,840
	<u>1,571,861</u>	<u>1,681,144</u>
Gain on disposal of fixed assets	(100)	(145)
Auditor's remuneration	12,000	10,000
Depreciation	<u>84,896</u>	<u>94,673</u>

Directors' remuneration is disclosed separately in Note 15.

4. TAXATION

	2010 €	2009 €
Current tax:		
Irish corporation tax on passive income	<u>1,351</u>	<u>505</u>
Deferred tax:		
Origination and reversal of timing differences	<u>1,954</u>	<u>748</u>
Deferred tax charge for the year	<u>1,954</u>	<u>748</u>
Total tax charge for the year	<u>3,305</u>	<u>1,253</u>



Financial Information & Statement of Results

Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010 *Continued*

The current tax charge for the year is different to the current charge that would result from applying the standard rate of Irish corporation tax to surplus on ordinary activities. The differences are explained below:

	2010 €	2009 €
Surplus on ordinary activities before tax	3,305	1,253
Surplus on ordinary activities multiplied by the standard rate of Irish corporation tax for the year of 12.5% (2009: 12.5%)	413	157
Effects of:		
Loss of relief not available	1,613	470
Timing differences on deposit interest received	(1,954)	(748)
Passive income at higher tax rate	1,279	626
Current tax charge for the year	1,351	505

There are no known factors which may affect future tax charges.

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.

5. FINANCIAL ASSETS

Financial assets represent a 100% holding in its subsidiary Skillnets Services Limited, a company incorporated in Ireland on 5 July 2005. Skillnets Services Limited provided professional services for the Department of Enterprise, Trade and Employment. Skillnets Services Limited recorded a profit after taxation of €2,301 in 2010 and at 31 December 2010 had net assets of €161,098. Skillnets Services Limited ceased to operate following the completion of the Accel Programme at the end of 2008.

Financial Information & Statement of Results

**Skillnets Limited**Notes to the Financial Statements
for the Year Ended 31 December 2010 *Continued***6. FIXED ASSETS**

	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
Cost:				
At 1 January 2010	12,464	121,386	462,484	596,334
Additions	2,559	-	20,587	23,146
Disposals	-	-	(31,257)	(31,257)
At 31 December 2010	15,023	121,386	451,814	588,223
Accumulated depreciation:				
At 1 January 2010	12,129	90,561	415,741	518,431
Disposals	-	-	(31,257)	(31,257)
Charge for the year	1,188	30,697	53,011	84,896
At 31 December 2010	13,317	121,258	437,495	572,070
Net book values:				
At 31 December 2010	1,706	128	14,319	16,153
At 31 December 2009	335	30,825	46,743	77,903

Included above are the following amounts in respect of furniture and fittings held under finance leases:

	2010 €	2009 €
Net book amount at 31 December	-	23,952
Depreciation charge for the year	23,952	23,952



Financial Information & Statement of Results

Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010 *Continued*

7. DEBTORS:

(Amounts due within one year)

	2010 €	2009 €
Grants recoverable	-	31,467
Prepayments and other debtors	39,332	28,079
Amounts due from Skillnets Services Limited	-	1,587
Corporation tax	252	960
	<u>39,584</u>	<u>62,093</u>

8. CREDITORS:

(Amounts falling due within one year)

	2010 €	2009 €
Amounts payable to the Department of Education and Skills (Note 9)	666,735	-
Accruals	72,642	74,094
Finance lease	13,227	24,952
VAT and PAYE/PRSI	2,774	2,290
Deferred tax	1,954	748
	<u>757,332</u>	<u>102,084</u>

CREDITORS:

(Amounts falling due after more than one year)

	2010 €	2009 €
Finance lease	-	13,227

Financial Information & Statement of Results

**Skillnets Limited**Notes to the Financial Statements
for the Year Ended 31 December 2010 *Continued***FINANCE LEASES:
maturity and security**

	2010	2009
	€	€
Future minimum payments under finance leases are as follows:		
In one year or less	13,518	27,036
In more than one year, but not more than five years	-	13,518
	<hr/>	<hr/>
Total gross payments	13,518	40,554
Less finance charges included above	(291)	(2,375)
	<hr/>	<hr/>
	13,227	38,179
	<hr/>	<hr/>

The lease finances certain fixtures and fittings which remain in the legal ownership of the lessor.

9. DEFERRED INCOME

	2010	2009
	€	€
Opening balance	380,827	253,364
Received during year	15,000,000	16,595,000
Credited to income and expenditure account	(14,648,951)	(16,467,537)
Commitment to return to the Department of Education and Skills (Note 8)	(666,735)	-
	<hr/>	<hr/>
Deferred at 31 December	65,141	380,827
	<hr/>	<hr/>



Financial Information & Statement of Results

Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010 *Continued*

10. RECONCILIATION OF OPERATING DEFICIT TO OPERATING CASH FLOW

	2010 €	2009 €
Operating deficit before interest income	(6,927)	(3,758)
Depreciation	84,896	94,673
Decrease in debtors and prepayments	21,801	23,373
Increase in creditors	325,129	124,337
Gain on disposal of fixed assets	(100)	(145)
Net cash inflow from operating activities	424,799	238,480

11. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENTS

	2010 €	2009 €
Returns on investment and servicing of finance		
Interest received	10,232	5,011
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(23,146)	(2,163)
Sale of tangible fixed assets	100	145
Net cash outflow for capital expenditure and financial investment	(23,046)	(2,018)

12. ANALYSIS OF NET FUNDS

	At 31 December 2009 €	Cash Flow €	At 31 December 2010 €
Cash at hand and in bank	356,141	410,594	766,735

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Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010 *Continued*

13. 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 2010 was 13 (2009: 12), being each of the directors.

Skillnets Limited and its subsidiary Skillnets Services Limited combined meet the size criteria for a small sized group and Skillnets Limited is therefore exempt from the requirements to prepare consolidated financial statements by virtue of Regulation 7 of the European Communities (Companies: Group Accounts) Regulations, 1992.

14. FINANCE COMMITMENTS

The company has an annual commitment of €292,203 on the occupational lease of the premises in Sandyford. The lease is for 9 years and 11 months with a break clause on the 5th anniversary of the commencement date of 14 July 2008.

15. DIRECTORS' REMUNERATION

	2010 €	2009 €
Fees	47,250	47,248

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 €31,500 (2009: €31,500) were made on this basis.



Financial Information & Statement of Results

Skillnets Limited

Notes to the Financial Statements for the Year Ended 31 December 2010 *Continued*

15. DIRECTORS' REMUNERATION (CONTINUED)

Name	Payment Details	
	2010 €	2009 €
Domhnall Mac Domhnaill	9,450	9,449
Terry Hobdell	6,300	6,300
Sexton Cahill	6,300	6,299
Niall Saul	6,300	6,300
Mairéad Divilly	6,300	6,300
Brendan McGinty	6,300	6,300
Henry Murdoch	6,300	6,300
	<u>47,250</u>	<u>47,248</u>
Nuala Keher to Irish Congress of Trade Unions	6,300	6,300
George Hennessy to Construction Industry Federation	6,300	-
Ian Talbot to Chambers Ireland	6,300	6,300
Peter Rigney to Irish Congress of Trade Unions	6,300	6,300
Seán Heading to Education Training Organisational Services (ETOS)	6,300	6,300
Noelle O'Connell to Construction Industry Federation	-	6,300
	<u>31,500</u>	<u>31,500</u>

The company has taken steps to recover, in the first quarter of 2011, fees in sums of €473 and €315 from the Chairman and each of the other directors respectively as it transpired that, following changes in approved levels of fees, amounts paid in the year 2010 exceeded those approved for Category 4 - Non Public Services Bodies.

Out of pocket expenses paid to directors in the year amounted to €5,949 (2009: €10,151).

16. EMPLOYEES

	2010 Number	2009 Number
The number of full time equivalent persons employed by the company during the year was as follows	<u>22</u>	<u>24</u>

17. POST BALANCE SHEET EVENTS

There are no post balance sheet events to be disclosed.

Skillnets Board of Directors & Committees 2010

Business & Employers Representatives



Domhnall MacDomhnaill
(Chairperson)
Irish Business & Employers
Confederation (IBEC)

Sub committee:
Chair: Finance & General
Purposes



Brendan McGinty
Irish Business & Employers
Confederation (IBEC)

Sub committee:
Policy, Research
& Communications



Sexton Cahill
Irish Business & Employers
Confederation (IBEC)

Sub committee:
Chair: Policy, Research
& Communications



Niall Saul
Symbio HR Consultants
Irish Business & Employers
Confederation (IBEC)

Sub committees:
Audit and Finance &
General Purposes



Mairéad Divilly
Mazars
Small Firms
Association (SFA)

Sub committees:
Chair: Audit committee
and Finance & General
Purposes



Ian Talbot
Chambers Ireland

Sub committee:
Evaluation & Performance
Monitoring



George Hennessy
Construction Industry
Federation

Sub committee:
Policy, Research
& Communications
Appointed 04.02.2010

Skillnets Board of Directors & Committees 2010

Employee Representatives


Seán Heading

Education, Training &
Organisational Services
Irish Congress of Trade
Unions (ICTU)

Sub committee:
Evaluation & Performance
Monitoring
Resigned 31.12.2010


Nuala Keher

Lionra - Regional Higher
Education Network
Irish Congress of Trade
Unions (ICTU)

Sub committee:
Policy, Research
& Communications


Peter Rigney

Irish Congress of Trade
Unions (ICTU)

Sub committees:
Audit and Finance
& General Purposes

Ministerial Representatives


Terry Hobdell

Irish Fencing &
Railings Ltd

Sub committee:
Evaluation & Performance
Monitoring


John McDermott

Sub committees:
Audit and Finance
& General Purposes


Henry Murdoch

Sub committee:
Chair: Evaluation &
Performance Monitoring

Secretary


Alan Nuzum

Appendices



Advisory Bodies

In 2010 Skillnets participated in, and were represented on, many national bodies, committees and advisory groups, including the following:

- Upskilling Co-ordination Committee
- Management Development Council (MDC)
- Expert Group on Future Skills Needs (EGFSN)
- FETAC Standards Advisory Groups
- National Standards Authority of Ireland
 - Committee developing an International Training Standard
- Léargas – selection committee
- CEDEFOP – Skillnets have participated in and helped to facilitate various CEDFOP projects.



Appendices

TNP 2010 Network Listing

Skillnet	Region	Sector
ACIST Skillnet	Mid West	Mixed
Allied Healthcare Skillnet	National	Health, Services
Biznet Cork Skillnet	South West	Mixed
Business Excellence Skillnet	National	Mixed
Carlow-Kilkenny Skillnet	South East	Mixed
CBDN Skillnet	National	Childcare
CCMA Ireland Skillnet	National	Call Centre & Shared Services
CITA Skillnet	National	Construction
Co. Wexford Businesses Initiative Skillnet	South East	Mixed
CPA Ireland Skillnet	National	Business
Design, Print & Packaging Skillnet	National	Manufacturing, Services, Design, Print & Packaging
Digital Media Forum Skillnet	National	Technology
Dublin Business Women's Skillnet	Dublin	Mixed
Entrepreneur Skillnet	National	Mixed
Equal Ireland Skillnet	National	Mixed
Equestrian Skillnet	National	Agriculture, Equestrian
Farm Business Skillnet	National	Agriculture, Business, Food & Drink, Manufacturing, Technology
Fingal & North Dublin Skillnet	Dublin	Mixed
First Polymer Training Skillnet	National	Engineering, Life Sciences, Manufacturing
Future Leaders Skillnet	West, Midlands, Dublin, South West, Mid West	Mixed
Galway Executive Skillnet	West	Mixed
GMIT Innovation Skillnet	Border	Engineering, Manufacturing, Technology
Gréasán na Meán Skillnet	West	Media/Audiovisual, Digital, Online & Print Media
Hospitality Management Skillnet	National	Tourism & Travel
HPSU Skillnet	Border, West, Midlands, Mid West, Mid East	Mixed
IBEC Retail Skillnet	National	Retail
ICOS Skillnet	National	Agriculture, Food & Drink, Retail
ICT Ireland Skillnet	National	ICT Manufacturing & Services
Innovation & Lean Sigma Skillnet	National	Mixed
Irish Coaching Skillnet	National	Services
Irish Franchising Skillnet	National	Services
Irish Hardware Skillnet	National	Construction
ISIT Skillnet	National	Security
ISME Skillnet	National	Mixed
ITAG Skillnet	West	Technology
Kaizen Training Skillnet	National	Manufacturing

Appendices



KTN Skillnet	South West	Mixed
Law Society Skillnet	National	Financial Services, Services, Legal
Leading Healthcare Providers Skillnet	National	Health
Learning Waves Skillnet	National	Independent Commercial Radio
Life Sciences Skillnet	National	Food & Drink, Life Sciences, Manufacturing, Pharmaceutical
Limerick Chamber Skillnet	Mid West	Mixed
Marine & Leisure Skillnet	Border, West, Midlands, Mid West	Services
MBE Skillnet	Midlands	Mixed
Midwest Regional Engineering Skillnet	Mid West	Engineering
National Engineering Technical Skillnet	National	Mixed
National Organic Training Skillnet	National	Agriculture
Northwest Transport Skillnet	Border	Transport
PharmaChem Skillnet	National	Life Sciences, Pharmaceutical
Positive2Work Skillnet	National	Mixed
Procurement and Supply Management Skillnet	National	Mixed
R&D Skillnet	National	Life Sciences
Refrigeration Skillnet	National	Engineering
Renewable Energy Skills Skillnet	National	Construction
Retail Excellence Ireland Skillnet	National	Retail
Role Skillnet	Border, West	Mixed
Rural Enterprise Skillnet	Border, West, Midlands	Agriculture
Rural Food Skillnet	National	Food & Drink
Software Skillnet	National	ICT Manufacturing & Services
South East Micro Skillnet	National	Mixed
South Kerry Skillnet	South West	Mixed
South West Gnó Skillnet	National	Mixed
Southern Tipperary Skillnet	South East	Mixed
Space Industry Skillnet	National	Manufacturing, Engineering, Technology
Taste4Success Skillnet	National	Food & Drink
The Eco Construction Skillnet	National	Construction
Trainers Learning Skillnet	National	Services
Travel Professionals Skillnet	National	Tourism & Travel
ULearning Skillnet	National	Mixed
Union Learning Skillnet	National	Mixed
United Crafts Skillnet	National	Food & Drink, Retail
Waterford Chamber Skillnet	South East	Mixed
Wind Skillnet	National	Mixed
Women At Work Skillnet	National	Mixed



Appendices

Finuas 2010 Network Listing

Network	Region	Sector
Law Society Finuas Network	National	Professional Services
Munster Finuas Network	Munster	Banking & Capital Markets, Investment Management, Insurance, Specialist Services, Technology
Summit Finuas Network	National	Banking & Capital Markets, Investment Management, Insurance, Specialist Services, Re-Insurance, Fund Administration, Asset Finance, Corporate Treasury
Aviation Finance Finuas Network	National	Aviation Finance & Leasing

Regional Glossary

National: Nationwide

Border: The counties of Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo

West: The counties of Galway, Mayo and Roscommon

Midlands: The counties of Laois, Longford, Offaly and Westmeath

Mid East: The counties of Kildare, Meath and Wicklow

Dublin: The city of Dublin, and the areas of Dun Laoghaire-Rathdown, Fingal and South Dublin

South East: The counties of Carlow, Kilkenny, Tipperary (South), Waterford and Wexford

South West: The counties of Cork and Kerry

Mid West: The counties of Clare, Limerick and Tipperary (North)



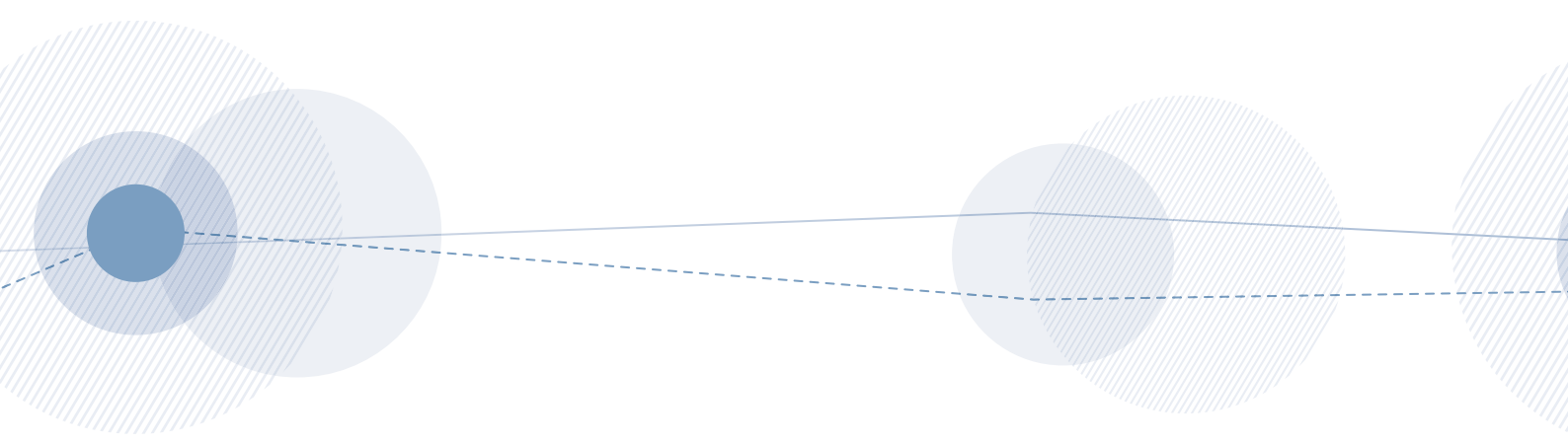
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