

Skillnet.
IRELAND



Spearheading

***Workforce
Development***

.....

Annual Report 2022



CONTENTS

About Skillnet Ireland	2-3
Chairperson and Chief Executive's Message	4-7
Skillnet Ireland High Level Outputs 2022	8-13
Skillnet Ireland Statement of Strategy	14-15
Developing Ireland's Workforce 2022	16-27
Skillnet Ireland in Europe	28
Skillnet Ireland Board 2022	30
Corporate Governance and Financial Statements	31-69
Skillnet Ireland Business Networks 2022	71-73

Skillnet Ireland

A YEAR IN REVIEW

We partner with **57 industry bodies** across a broad range of sectors and regions to drive excellence in workforce development and business competitiveness. Through our **72 Skillnet Business Networks** and national upskilling initiatives, and in collaboration with employers, we delivered upskilling and training programmes to the value of **€70.2m** to the Irish workforce in 2022.



About SKILLNET IRELAND

.....

Skillnet Ireland is the national agency responsible for spearheading workforce development for the enterprise sector on behalf of the Government of Ireland. Our deep roots with enterprise allows us to respond to policy and skills challenges in a proactive and agile manner.

In partnership with industry, we offer demand-led upskilling programmes that are innovative and flexible, to enhance the productivity, competitiveness and sustainability of the Irish economy.



OUR MISSION:

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

Chairperson and Chief Executive Overview

.....

Foreword

We are pleased to present the Skillnet Ireland Annual Report for 2022. Reflecting on 2022, it was a year that marked a significant milestone for Skillnet Ireland, with the announcement of an expanded mandate by Minister Simon Harris, reinforcing our reputation as an innovative, agile and high-performing organisation. Together with our industry partners and other stakeholders, Skillnet Ireland will spearhead workforce development for the enterprise sector on behalf of the Government of Ireland.

Now more than ever workforce development is centre stage for Ireland as our economy is projected to remain on a solid growth path. We draw a great competitive strength from our well-skilled and responsive workforce, but this is set against the backdrop of talent shortages across many industry sectors. This highlights the importance of workplace-based talent development and raising the skills of those in employment to ensure businesses can fully capitalise on the opportunities presented by technological innovation, digitalisation and the green transition.

The expanded Skillnet Ireland mandate is aimed at addressing these challenges and is a reflection of the excellent work of our industry partner organisations since Skillnet Ireland was established in 1999. The new mandate will enable Skillnet Ireland to broaden its services, to engage more businesses in the upskilling of their teams and increase our contribution in new and exciting ways.

Statement of Strategy 2021-2025

Substantial progress was made in achieving objectives set out in the Skillnet Ireland Statement of Strategy 2021-2025. The strategy puts forward an ambitious roadmap for future-proofing Irish businesses through talent development. In 2022, Skillnet Ireland focused on addressing the upskilling challenges associated with increased technological advances, boosting SME productivity, supporting the FDI sector, fostering innovative industry and academia collaborations, and meeting the talent demands for building a low-carbon and sustainable economy. We also launched several new innovation-themed workforce development projects to help develop the critical talent Ireland will need to compete globally in years to come, including Skillnet Ireland's Innovation Exchange initiative and the International Sustainable Finance Centre of Excellence.

CHAIRPERSON AND CHIEF EXECUTIVE OVERVIEW

2022 Performance Outputs

We are pleased to report another record year in terms of target outputs and the investment we made in talent development. Skillnet Business Networks and Schemes provided upskilling programmes to 24,747 businesses in 2022, upskilled 92,489 workers and delivered a total of 676,400 training days, exceeding targets set with the Department of Further and Higher Education, Research, Innovation and Science.

Our cost-sharing approach with employers has been a cornerstone of the success of the Skillnet Ireland model and 2022 saw record growth in industry co-financing amidst a challenging cost environment for employers. In 2022, companies made a total contribution of €26.5 million towards the cost of Skillnet Ireland programmes, a €4 million increase on 2021 - a reflection of high levels of buy-in from industry sectors to developing their teams in partnership with Skillnet Ireland.

A fulsome report on our 2022 outputs can be found on page 8 of this report.

Skillnet Ireland will spearhead workforce development for the enterprise sector on behalf of the Government of Ireland.

Supporting Government Policy

Together with our industry partner organisations, Skillnet Ireland implemented a substantial programme of work in support of Government enterprise and skills strategies in 2022. Skillnet Ireland delivered on a range of actions assigned to it across major cross-Government strategies including the National Skills Strategy, National Digital Strategy, the Climate Action Plan, Housing for All, National Competitiveness Plans and Regional Development Plans.

In addition, Skillnet Ireland delivered on a range of actions assigned to it in sectoral strategies including Finance for Ireland, Food Vision 2030, the National Design Strategy, and the National Space Strategy for Enterprise amongst others. The National Digital Ireland Framework will position Ireland as a global digital leader, with Skillnet Ireland playing a key role in supporting the talent dimension of the strategy. 13,470 workers benefited from Skillnet Ireland supported digital skills programmes in 2022, with a two-pronged focus on specialised talent for new or emerging technologies, and in enabling digital transformation within the SME sector.

Accelerating Competitiveness Through Partnerships

In 2022 Skillnet Ireland delivered several large-scale talent initiatives between industry, Government and higher education institutes to meet complex challenges and to enhance the specialist skills of the Irish workforce.

A series of new programmes were developed in collaboration with the higher education sector where a gap in existing provision was identified. The tertiary institutions engaged with Skillnet Business Networks value the extensive access to companies they gain through these collaborations and the opportunity to engage directly with industry on emerging trends. Industry sectors value the competitive advantage gained from the collaborations as emerging industry demands are met and gaps in accredited provision are closed. In total 5,020 workers participated in Skillnet Ireland programmes delivered with the Higher Education sector in 2022.

Building on many years of collaboration, in 2022 IDA Ireland and Skillnet Ireland forged a strategic partnership to deliver a range of talent development programmes, research projects and new engagement models to assist multinational companies seeking to attract and retain leading-edge talent.

Continued

The partnership is delivering a transformative upskilling and re-skilling schedule for IDA's client companies, with 970 FDI companies supported with Skillnet Ireland programmes across a wide range of sectors in 2022.

Skillnet Ireland launched The Innovation Exchange initiative in early 2022, operating as an innovation marketplace to match large corporates with digital challenges to scaling SME technology companies. The Innovation Exchange supported over 300 SMEs and 23 large corporates in 2022 and makes a considerable investment in the skills of SME owners. The Innovation Exchange launched new hubs in Galway, Cork and Kerry, with others planned, facilitated through collaborative partnerships with established enterprise development centres.

Addressing the challenges associated with climate action has been a core focus for Skillnet Ireland. Launched on the opening day of Climate Finance Week Ireland, the International Sustainable Finance Centre of Excellence is a key output of the Ireland for Finance Strategy 2025. The Centre was developed by Sustainable Finance Ireland in partnership with Skillnet Ireland, and in collaboration with the United Nations Development Programme (UNDP), the Department of Finance and international partners. Skillnet Ireland is spearheading the talent dimension of the initiative with the aim to position Ireland as a global centre of sustainable finance by 2025.

Skillnet Ireland's Climate Ready Academy continues to grow and deliver supports to equip businesses of all sizes with the skills to respond to climate change and to create sustainable low carbon operations. In 2022 the programme supported 501 business to take a step towards a greener future.

European Year of Skills

We are pleased, in this European Year of Skills, to see the significant progress Skillnet Ireland has made on its EU engagement. Central to our strategy has been winning new participation opportunities in EU structural funds, on Brussels-led consortia projects and in supporting the development of EU skills policy. The structural funds have brought a step change in our funding with the Brexit Adjustment Reserve (BAR) accounting for €26.5m during 2021 and 2022 and the European Social Fund (ESF+) bringing a minimum of €56m over the next number of years. Coupled with this is our success in securing partner roles on pan-European consortia projects that address the challenges of the digital and green transitions. These initiatives offer great opportunities for Skillnet Ireland and our industry partners to engage in cutting-edge projects at EU level and across the member States. We look forward to engaging with our many stakeholders to mark the EU Year of Skills and the many opportunities that offers.

CHAIRPERSON AND CHIEF EXECUTIVE OVERVIEW

Conclusion

Looking to the future, we welcome the recent OECD Skills Strategy Ireland Report and the ongoing National Training Fund (NTF) reform programme. Amongst measures identified in the OECD report is the need to design a more cohesive joined-up skills ecosystem in Ireland to support employment through developing skills and by addressing the risk of a digital divide. Skillnet Ireland's expanded mandate offers an opportunity to give leadership to this agenda, identify opportunities to further embed the Skillnet Ireland industry led skills development model on a collaborative basis, linking with other agencies and the tertiary sector to design and deliver workforce development responses for the 21st century.

We wish to acknowledge the commitment and support of Minister for Further and Higher Education, Research, Innovation and Science, Simon Harris T.D., of Minister of State for Skills and Further Education, Niall Collins T.D., and all our colleagues in the Department of Further and Higher Education, Research, Innovation and Science. We also wish to thank colleagues in the Department of Enterprise, Trade and Employment, IDA Ireland, Enterprise Ireland, the Higher Education Institutes and the many Government agencies and Departments that Skillnet Ireland collaborated with in 2022.

Finally, we extend our deep appreciation to our Skillnet Business Network Managers and their teams, our enterprise partners, the Skillnet Steering Groups, and the Board and Staff of Skillnet Ireland for their immense dedication in 2022.



Chairperson
Skillnet Ireland



Chief Executive
Skillnet Ireland



Skillnet Ireland High Level Outputs 2022

As the world of work continues to evolve, businesses need access to an agile, diverse, and talented workforce that is continuously acquiring and developing new skills. At Skillnet Ireland, we work closely with industry to create upskilling programmes which are both responsive to the needs of businesses and designed to develop this talent. Training and upskilling in 2022 was delivered through a range of Skillnet Ireland programmes and national upskilling initiatives aligned to key policy priorities.



Total No.
of **Networks**

72

Skillnet Ireland
Funding

€43.7m

Enterprise
Contributions

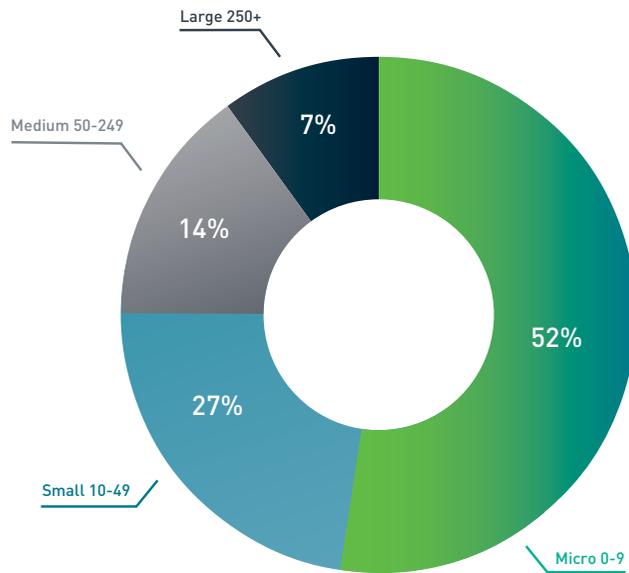
+ €26.5m

Total
Investment

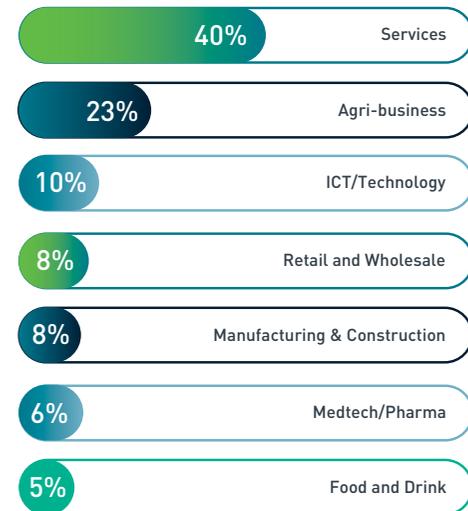
= €70.2m

COMPANY PROFILE

Companies by Size



Companies by Sector



TRAINEE PROFILE

In 2022
92,489

people undertook training.
Of these trainees,

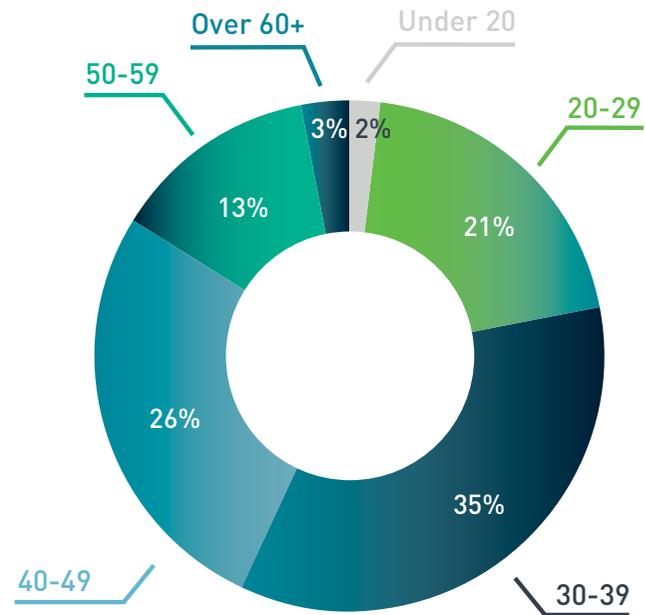


53%
Male



47%
Female

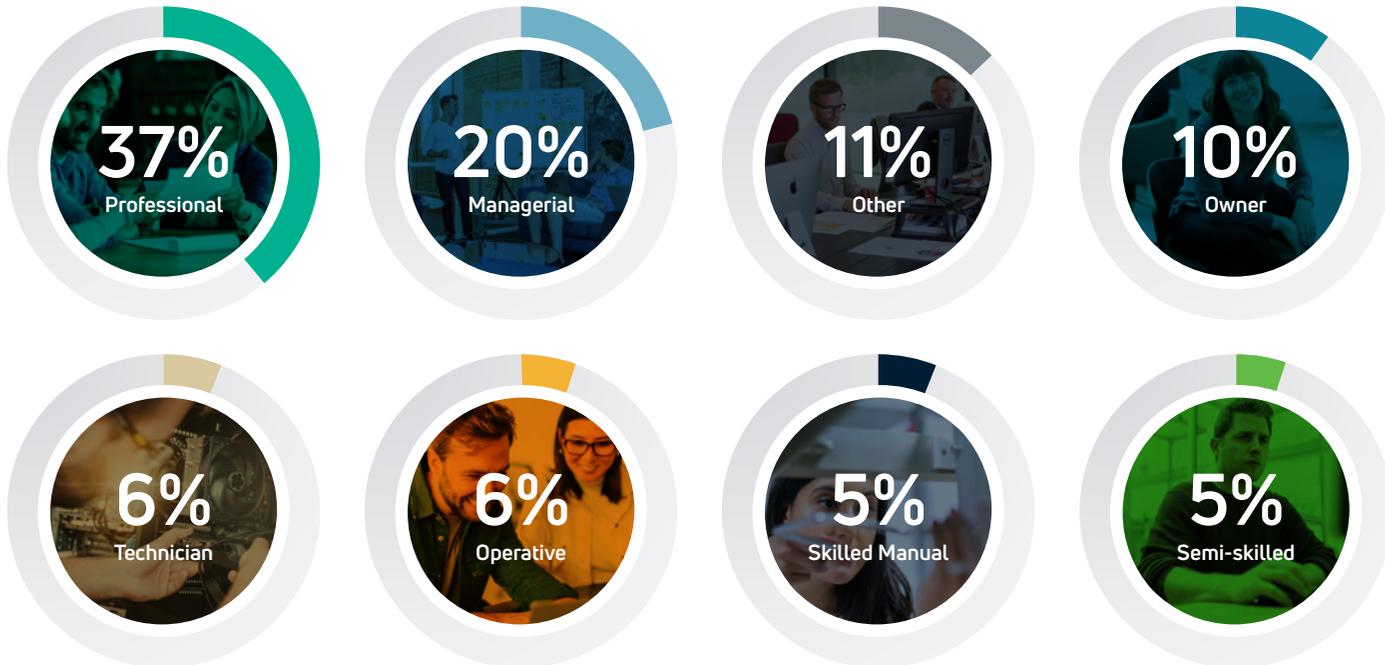
Trainees by Age



TRAINEE PROFILE

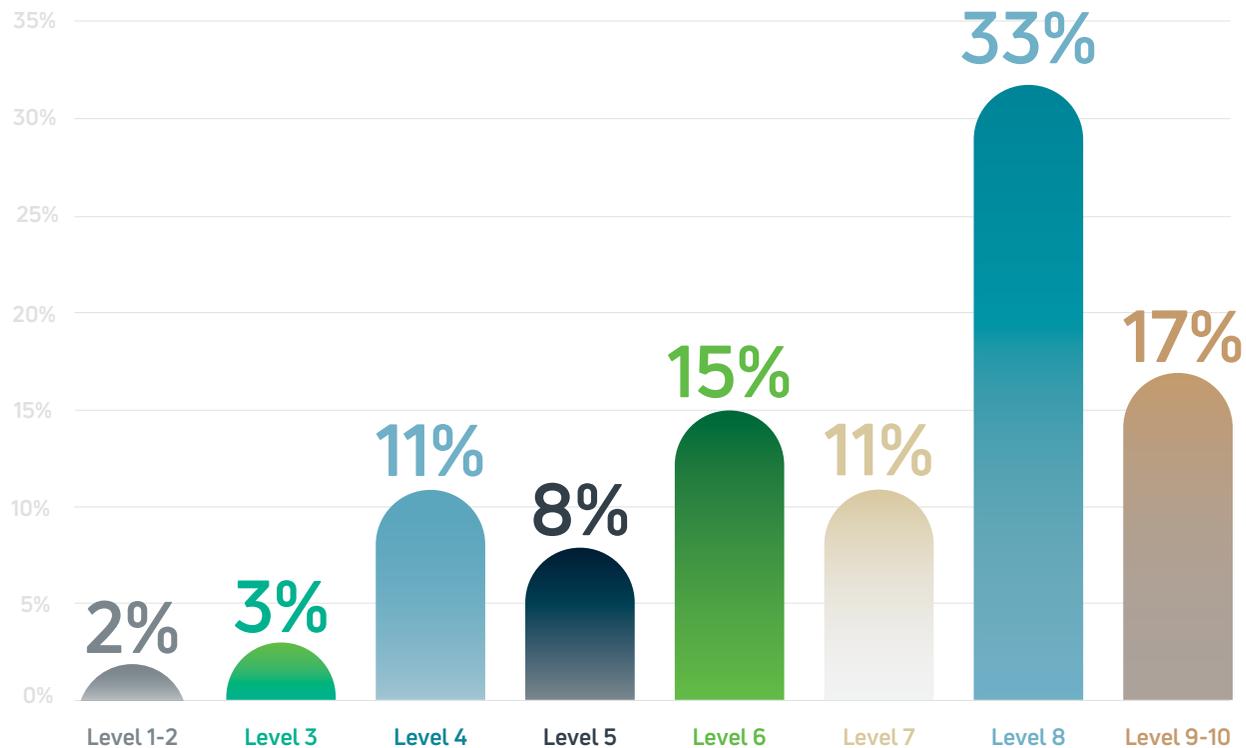


Trainees by Occupational Category



TRAINEE PROFILE

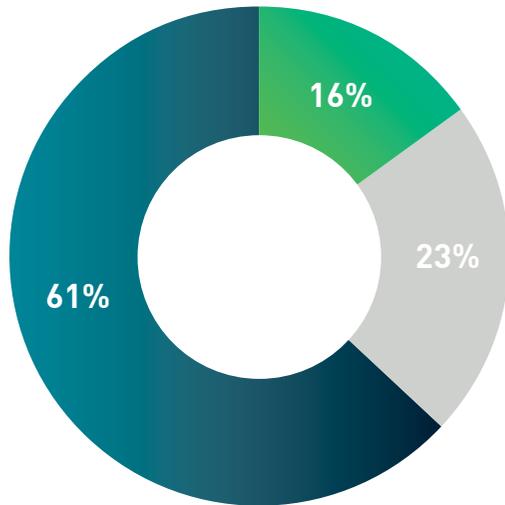
National Framework of Qualifications (NFQ) Level



TRAINEE PROFILE

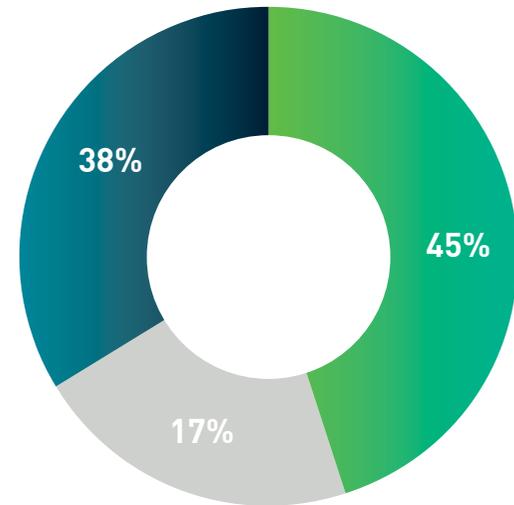


Courses by Certification



- NFQ**
- Other**
- Non-certified**

Training Days by Certification



- NFQ**
- Other**
- Non-certified**

Transforming business Through Talent

.....

In 2022, Skillnet Ireland made significant progress against its Statement of Strategy, **Transforming Business Through Talent 2021-2025**. The strategy puts forward an ambitious roadmap for futureproofing Irish businesses through talent development. In 2022 Skillnet Ireland supported its highest number of companies and trainees, with 24,747 companies of all sizes across Ireland. Investment in talent development also increased to €70.2m, of which over €26.5m is accounted for in private sector investment. This increased business and industry engagement in talent development programmes is helping to prepare businesses in Ireland for the opportunities presented by technological innovation, digitalisation and the green transition.

Skillnet Ireland also launched several new innovation-themed workforce development projects to help develop the critical talent Ireland will need to compete globally in years to come, including Skillnet Ireland's Innovation Exchange initiative and the International Sustainable Finance Centre of Excellence in 2022.

Together, the wide range of Skillnet Ireland talent development initiatives support Skillnet Ireland's key priority areas of accelerating digitalisation, talent for Climate action, supporting FDI through talent, developing SME business leadership, workforce innovation and research.





.....

“We are a knowledge-based economy, our people are the key asset that can secure the future success of our enterprise sector. We must continue to nurture a workforce that is technologically advanced and highly skilled, with the confidence to seize the many opportunities of the digital and green transitions, and winning further international investment. I am reinforcing Skillnet Ireland’s mandate as a Government of Ireland agency under the aegis of my Department, dedicated to ensuring greater participation in and engagement with enterprise training and workforce learning in Ireland.”

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

.....

From L-R: Brendan McGinty, Chairperson, Skillnet Ireland; Paul Healy, Chief Executive, Skillnet Ireland; Liz Thomas, Head of Strategic Projects, Skillnet Ireland; Simon Harris T.D., Minister for Further and Higher Education, Research, Innovation and Science



Developing
Ireland's
Workforce



Improving the productivity, capability and competitiveness of enterprise



In 2022, we delivered 10,966 workforce development programmes to businesses nationwide, enabling them address talent gaps, boost innovation and productivity and prepare for the long-term implications of the future of work.

Skillnet Business Networks engaged directly with companies to develop customised supports to meet critical challenges across a range of sectors including biopharmachem, animation, advanced manufacturing, global business services, retail, healthcare, agri-food, energy, services and technology.

Skillnet Ireland also developed a series of initiatives targeted to meet specific national priorities and respond to the practical needs of businesses now and into the future.

Some examples of our innovation themed workforce development programmes and national initiatives in 2022 are highlighted on the following pages.



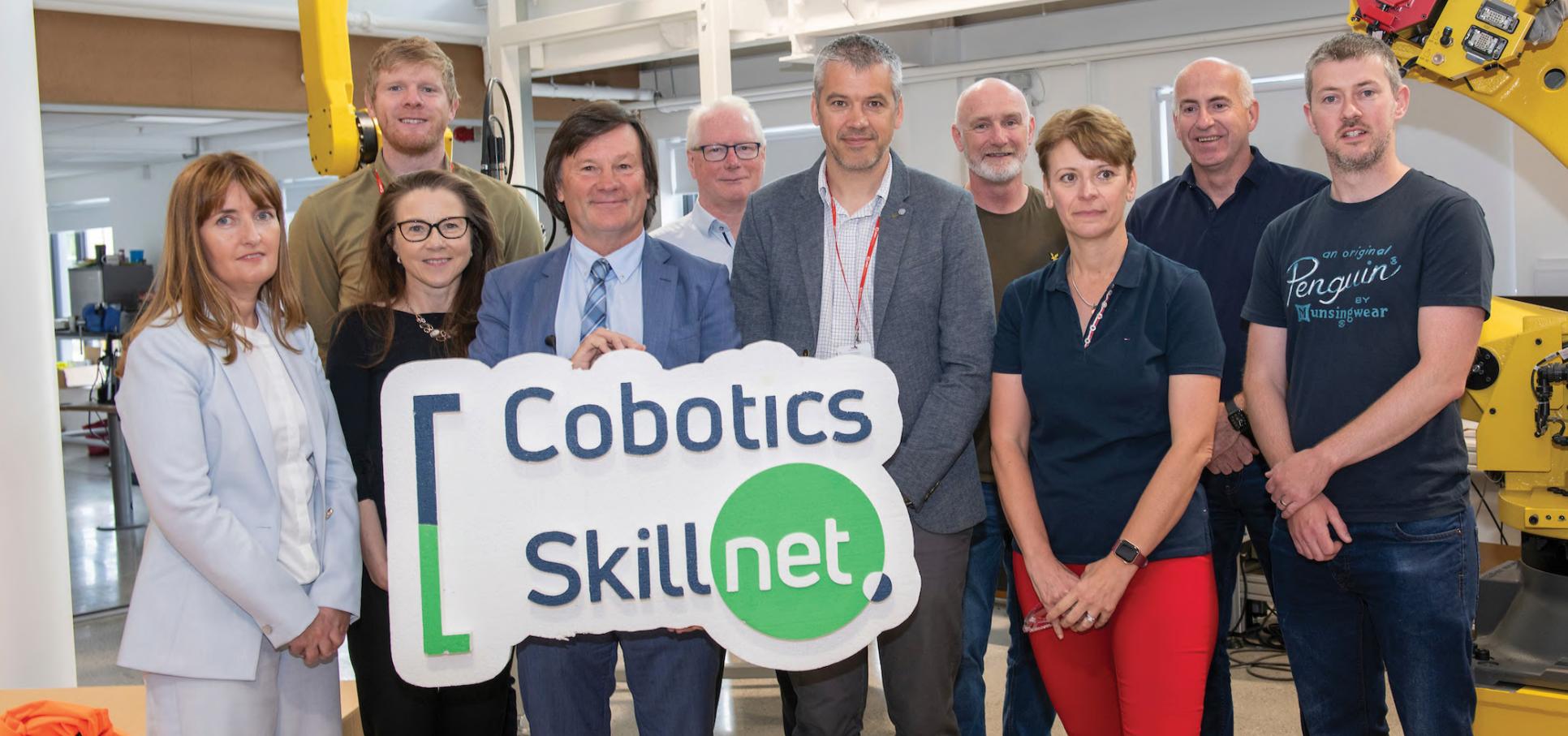
In 2022, **Skillnet Business Networks** focused on the talent and upskilling needs of the economy, providing both SMEs and multinationals with over 10,966 impactful upskilling programmes to meet the evolving skills needs of businesses and Ireland's long-term talent challenges. All 72 Skillnet Business Networks delivered vital supports for enterprises, with a record number of companies and individuals supported through a range of best-in-class talent and upskilling programmes. These include a series of new programmes developed in collaboration with the higher education sector. A number of innovative examples are presented here.

L&D Skillnet and DCU Business School collaborated to launch the MSc in Strategic Learning and Development, which is the first master's level programme in Ireland focused on learning and development (L&D) from a strategic and contemporary approach. It is aimed at those working across the full breadth of people development including professionals who are working within their organisations, or with clients, to support the advancement of organisational performance through people.

This Masters was designed in conjunction with leading industry and academic experts with the subject matter integrating both professional and applied L&D business materials. It will facilitate future graduates with the most up-to-date theory, practice and skills they will need to develop and implement innovative L&D strategies.

L-R: Tracey Donnery, Director of Policy and Communications at Skillnet Ireland; Prof. Daire Keogh, President of DCU; Sinead Heneghan, CEO of IITD; Dr. Margaret Heffernan, Academic Programme Director, DCU Business School





Cobotics Skillnet, in conjunction with Atlantic Technological University (ATU) introduced two new programmes to address the skills gap in Irish manufacturing firms that are transitioning from manual to automated processes. The Higher Diploma in Engineering in Automation and Digital Manufacturing, equips students with knowledge of robotic automation, advanced manufacturing, and vision systems, and helps advance their careers in advanced manufacturing. The new programmes were co-designed by Irish-based advanced manufacturing firms and

academics to offer businesses an innovative approach to upskilling and reskilling teams within automation, robotics, and digital manufacturing. This enables them to deploy their automation strategies to strengthen their competitiveness nationally and globally.

.....
Pictured at the Cobotics Skillnet programme launch at Trane Technologies manufacturing facility in Galway were Lorraine Danaher, ICERT; Patrick Hands, Merit Medical; Tracey Donnelly, Skillnet Ireland; Dermot O'Neill, Cobotics Skillnet; Cormac Mac Donncha, Thermo King; David O'Neill, Merit Medical; Neville Howard, Boston Scientific; Dr. Carine Gachon, ATU; Richard Guilfoyle, Boston Scientific; Stephen Byrne, Boston Scientific.



Another example, of innovative talent development in 2022 is from **Technology Ireland ICT Skillnet**, which celebrated its first graduation of the MSc. In Global Business Services (GBS) designed to help future-proof Ireland as a centre of excellence for global business services. The programme was developed through a collaborative partnership between Skillnet Ireland, IDA Ireland, Technology Ireland ICT Skillnet, TU Dublin, the American Chamber of Commerce Ireland, and companies within the sector.

In 2022, **National Organic Training Skillnet (NOTS)** launched the first Masters in Organic Farming in Ireland in partnership with Southeast Technological University (SETU). This Masters in Organic and Biological Agriculture was co-designed in conjunction with farmers, growers, producers on the ground and other industry stakeholders focused on organic and biological agriculture practices. It aims to help growers and producers enhance their knowledge and skills, enabling the agriculture sector to continue to adapt and thrive while reducing greenhouse gases and accelerating the growth of Ireland's bioeconomy.

[Pictured L-R] Mark Jordan, Chief Strategy Officer, Skillnet Ireland; Sinead Keogh, Graduate; Dr. Eoin Langan, Dean, Faculty of Business, Technological University Dublin; Niall Collins TD, Minister of State at the Department of Further Education, Research, Innovation and Science; Padraic O'Neill, Site Lead, Pfizer Global Financial Services

Virtual Reality (VR) is a powerful tool for providing engaging and immersive training experiences that really deliver impact for both the learner and company. **BioPharmaChem Skillnet** launched a new programme utilising VR in Powder Handling for Pharmaceutical Manufacturing in collaboration with the Virtual Interaction Research Lab (VIRal) at TU Dublin. Powder handling is a critical skill in pharmaceutical manufacturing, and this programme enables staff to learn the essentials of powder handling in a simulated low-risk pharma environment and delivers significant cost savings for businesses. The programme was designed by the BioPharmaChem Skillnet Business Network, which includes leading global and indigenous organisations in the pharmaceutical, biopharma, chemical and medical device sectors.



Skills Connect helps businesses meet emerging talent needs while helping workers rapidly reskill and adapt to a changing job market. Designed in partnership with enterprise, Skills Connect focuses on growth sectors and developing skills that are transferable across multiple sectors. The programme offers bespoke training solutions and company placements that enable rapid reskilling and re-entry into the workforce. Of the 92,489 learners who undertook training with Skillnet Ireland in 2022, 3,414 were jobseekers who participated through Skillnet Ireland's Skills Connect programme. These trainees participated in training across 32 Skillnet Business Networks nationally. Skills Connect enables workers to reskill or upskill and access new opportunities in high growth sectors including renewable energy, agri-food, technology, medtech, animation, manufacturing and healthcare.

Graduates from Taste4Success Skillnet's Rejuvenate programme, celebrating their graduation in May 2022.

Supporting Women Returners

In 2022, **Taste4Success Skillnet** and University College Cork (UCC) celebrated the graduation of five groups of women from the award-winning Rejuvenate programme which commenced in 2019. This programme is designed to enable professional women returners to rebuild their skills, confidence and re-enter the workforce. In 2022, 40 women completed the programme, with over half securing employment following the programme.



Skills and talent for the transition to a more sustainable future

.....

Skillnet Ireland has been leading the way in developing talent for climate change through a range of initiatives, focusing on skills within the areas of energy management, sustainable finance, offshore wind, water stewardship, biodiversity, efficiency in building systems and the circular economy. In 2022, new programmes were designed to equip individuals with the leadership, technical skills and knowledge to tackle climate action issues. By investing in workforce development, Ireland can ensure that its businesses and workforce are equipped with the necessary skills for a low-carbon future.

Climate Ready Leaders

Skillnet Ireland's **Climate Ready Academy** partnered with the University of Limerick (UL) to launch the first stackable micro-credential programmes for climate action in Ireland. The Energy Leaders, Waste and Circular Economy Leaders and Sustainability Leaders micro-credentials are designed to enable the learners to develop tailored Sustainability Charters and Action Plans for their organisations in the areas of energy, sustainability, waste and circularity. The micro-credentials can be stacked over time, and participants who complete three



programmes can achieve a recognised third-level certification on the National Framework of Qualification.

International hub for sustainable finance

Sustainable finance will play a key role in delivering on policy objectives under the Climate Action Bill and the EU's international commitments on climate and sustainability objectives. In collaboration with Sustainable Finance Ireland and other partners, Skillnet Ireland established the **International Sustainable Finance Centre of Excellence** to equip the financial services community with the necessary skills to finance a net-zero future. The centre helps position Ireland as a world leader in sustainable finance by developing the talent, knowledge and expertise needed to deliver upon the Sustainable Finance Roadmap and 'Ireland for Finance Strategy 2025'.

.....

"The launch of the International Sustainable Finance Centre of Excellence is a touchstone of the progress being made here in Ireland on this agenda and the implementation of the actions outlined in the 2021 Sustainable Finance Roadmap. Serving as a vital forum for public-private stakeholders to work together on this important agenda, not least supporting innovative product development." - Minister for Finance, Paschal Donohue T.D..



Energy transitions and Off-Shore Wind

Green Tech Skillnet, in collaboration with Wind Energy Ireland, supports new learning and development initiatives that promote the integration of renewables on the grid and contribute to the country's decarbonisation and energy transition. In 2022, Green Tech Skillnet launched its new Wind Turbine Technician Programme which is aimed at people with electrical, mechanical or engineering backgrounds. The programme aligns with the Global Wind Organisation wind technician framework.

Participants are equipped with internationally recognised qualifications and helps build the talent pipeline of wind technicians needed to capitalise on Ireland's offshore wind potential.

L-R: Shirley Costelloe, Wind Turbine Technician; Robert Farrell, ESB Operations Manager; Mark Ruane, Green Tech Skillnet Network Manager; Simon Harris T.D., Minister for Further and Higher Education, Research, Innovation and Science; Tracey Donnelly, Skillnet Ireland Director of Policy and Communications; Eduardo Rivero, Wind Turbine Technician.

Driving Innovation Through Talent

.....

In 2022, Skillnet Ireland formally launched **The Innovation Exchange**, a multi-year programme that facilitates collaboration between Irish SMEs and large corporates to boost innovation. It aims to accelerate digital transformation for large domestic and multinational businesses by connecting them with indigenous scale-ups with the capability to solve innovation challenges for large businesses by harnessing emerging technologies such as AI, Internet of Things (IoT) and data analytics.

The Innovation Exchange had several successful outcomes in 2022 including new contracts and joint projects between the SME and corporate sector, addressing the areas of sustainability, energy, big data, workflow management, recruitment and retention. At its core, The Innovation Exchange offers a framework to facilitate collaboration by developing structures and processes to make innovation partnerships accessible. The collaboration between the IDA Ireland's Disruptive Technologies Partnering Portal (DTTP) and The Innovation Exchange has also contributed to driving enterprise competitiveness, growth, and transformation in 2022.



.....

“The Innovation Exchange perfectly captures the spirit of collaboration that lies within the Irish business ecosystem. We are connecting ambitious SME leaders with some of the leading global organisations based in Ireland with the common goal of boosting innovation and competitiveness.”

- Paul Healy, Chief Executive Skillnet Ireland

.....

L-R: Paul Healy, Chief Executive, Skillnet Ireland; Tracey Donnery, Director of Policy and Communications, Skillnet Ireland; Simon Harris T.D., Minister for Further and Higher Education, Research, Innovation and Science; and Michael Culligan, Chief Executive at Dublin BIC.





MentorsWork continues to boost SME productivity by providing mentoring, upskilling and business development tools to SMEs. Developed by Skillnet Ireland in partnership with the Small Firms Association (SFA), Ibec, Strategic Banking Corporation of Ireland (SBCI) and Microfinance Ireland – MentorsWork enables businesses to move forward into the future with a focus on strategy, business development, operating procedures, commercial and financial analysis, change management and people management.

In 2022, the MentorsWork research series highlighted the challenges that SMEs face in accessing finance and financial supports and in adopting digitalisation and emerging technologies. This series provides best practice insights for SMEs and supports the ongoing development of the MentorsWork programme.

In 2022, MentorsWork collaborated with the Climate Ready Academy to focus on the sustainability strategy skills of SME business leaders to help increase their ability to innovate and adapt to an evolving business landscape.

MentorsWork is a flexible programme and a valuable tool focused on boosting the overall productivity and prosperity of Irish SMEs. MentorsWork supported 603 businesses in 2022 from a range of sectors including construction, tourism, manufacturing, technology, retail and services.

Future of Work and Talent Development

.....



The future of work, the impact of increased digitalisation and the climate change challenge are vital considerations for every business. Skillnet Ireland published ten research studies during 2022 which have delivered valuable industry insights for business leaders and policy makers on the forces shaping the future of work. This series highlights key talent and upskilling challenges facing Irish businesses today leading to actionable solutions to address them.

The shift towards a net zero economy over the coming decades is one of the most important economic and social issues. A report by Skillnet Ireland and **Economic & Social Research Institute (ESRI)** entitled *Talent for Ireland's Green Economy: Examining Skill Needs to Support Enterprise Innovation and Ireland's Transition to a Low-Carbon Economy*, details the range of challenges and business opportunities that a net zero economy presents for Irish firms. Crucially, the report highlights that transitioning to net zero is a journey with individual businesses at different points of maturity

and highlights the importance of supporting business leaders in establishing sustainability strategies. In response to this research, **Climate Ready Academy** designed a Sustainability Leaders Programme which supports leaders in integrating sustainability into their business strategy.

The provision of adequate, affordable, and sustainable housing continues to be one of the Government's key priorities. **Construction Professionals Skillnet** published a report on Modern Methods of Construction (MMC) which looks at alternative business models and examines what skills are required by the workforce for MMC and where the gaps in provision to meet these needs are. The report outlines a particular focus on the need for leadership and management development within this area. In response, the Construction Professionals Skillnet is developing a series of MMC programmes, including the recently launched new Micro-credential in Strategic Co-ordination and Collaboration for Modern Methods of Construction, which is accredited at Level 8 on the NFQ.

As Ireland seeks to position itself as a top 20 global financial centre by 2025, the demand for talent and expertise in the financial sector will become increasingly vital. In recognition of that goal, a joint report between Skillnet Ireland and IFS Skillnet entitled *Financial Services in Ireland – Skills of the Future* demonstrates a significant step towards making this goal a reality. This report examines the rapidly changing environment and identifies opportunities for stakeholders to build the future talent pipeline and attract in-demand skills essential for the future of work in the financial services sector in Ireland.



“The ability to attract, recruit and retain top talent is essential to the Financial Services sectors continued success. As we see in the report, new college and university graduates will continue to act as the foundation upon which the future of Ireland’s financial services talent pipeline is built, particularly the subset of graduates who possess the skills that are most important to the sector’s digital future. The Government is committed to supporting the industry in meeting these needs as is evidenced by the continued growth in options for people, with a new level 9 international financial services advanced specialist apprenticeship in development.”

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

European Partnerships on Digitalisation and the Green Transition

.....

Skillnet Ireland made significant progress on its EU engagement strategy in 2022, securing new participation opportunities in EU structural funds, on Brussels led consortia projects and in supporting the development of EU skills policy.

.....

Coupled with this was our success in 2022 in securing partner roles on pan-European consortia projects that address the challenges of the digital and green transitions. Our focus on digitalisation and the green transition aligns closely with the foundations of the EU Recovery plan.

Under the EU pact for Skills, Skillnet Ireland is one of the founding members of the large-scale partnership on Digital Ecosystems which was launched in July 2022. Composed of European and national associations, clusters and digital innovation hubs, universities, research centres, companies, and VET providers, this partnership aims to help reach the EU Digital Decade targets to equip 80% of people with basic digital skills, achieve gender convergence, and have 20 million ICT specialists employed by 2030. In 2022, Skillnet Ireland also secured several successful applications under the

Digital Europe programme which are focused on advanced digital skills for SMEs commencing in 2023.

Skillnet Ireland is a member of GreenSkills4H2 Project, a large pan-European consortia which launched in 2022 under the Erasmus Plus programme. The rapid development of the European Hydrogen Value Chain presents a significant economic and environmental opportunity for Europe, but it also creates considerable labour market challenges. This project is focused on the design and implementation of a sustainable Hydrogen Skills Strategy for Europe that will ensure the skills needs of the rapidly expanding industry can be met in the short, medium, and long term.

Skillnet Ireland's EU funding initiatives and projects portfolio offer great opportunities for Skillnet Ireland and our industry partners to engage in cutting-edge projects at EU level and across the member States. By end 2022, Skillnet Ireland had working consortia partnership relationships in place with a wide range of academic institutions, government bodies and industry organisations from 24 of the 27 EU member states.

Championing Excellence in Workforce Development

Skillnet Ireland's **Climate Ready Academy** partnered with the University of Limerick to launch the first stackable micro-credential programmes for climate action in Ireland. These micro-credentials are designed to enable the learners to develop tailored Sustainability Charters and Action Plans for their organisations in the areas of energy, sustainability, waste, and circularity.

L-R: Ken Stockil, Director of Climate Ready Academy; Prof. Kerstin Mey, President, University of Limerick; Senator Roisin Garvey; Paul Healy, Chief Executive, Skillnet Ireland; and Brian Leddin, TD.



L-R: Tom O'Dwyer, Teagasc; Billy Cronin, Dairygold; Breeda Flood, ICOS Skillnet; Jerry Long, ICOS President; Ray Doyle, Golden Jubilee Trust.

In 2022, **ICOS Skillnet**, was awarded the Pearce Walsh Award at the IITD Awards National Training Awards for its 'Practical Steps to more Sustainable Farming Systems' programme for the agriculture sector. Highly collaborative in nature, the programme included ICOS Skillnet, ICOS, Teagasc, Dairygold, The Department of Agriculture, Food, and the Marine (DAFM), Bord Bia, and University College Cork (UCC).

SKILLNET IRELAND BOARD 2022

BUSINESS AND EMPLOYERS REPRESENTATIVES



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



2. **Carol Ann Casey**
Ibec



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



4. **Áine Doyle**
Ibec



5. **Hubert Fitzpatrick***
Construction
Industry Federation



6. **Karl McDonagh**
Ibec



7. **Ian Talbot**
Chambers Ireland

EMPLOYEE REPRESENTATIVES



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



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



10. **Anthony Murphy**
Irish Congress
of Trade Unions
(ICTU)



11. **Tish Gibbons***
Irish Congress
of Trade Unions
(ICTU)

*Note 1:

- Hubert Fitzpatrick | Resigned 31st December 2022
- Laura Bambrick | Resigned 24th May 2022
- Tish Gibbons | Appointed 20th October 2022

**Note 2:

- Caitriona King | Resigned 20th October 2022
- Simon Murtagh | Appointed 20th October 2022
Resigned 8th December 2022
- Caitriona King | Appointed 8th December 2022

MINISTERIAL REPRESENTATIVES



12. **Thomas Cooney**



13. **Yvonne McNulty**



14. **Fiona Walsh**

SECRETARY



15. **Simon Murtagh****
Skillnet Ireland



16. **Caitriona King****
Skillnet Ireland



Corporate Governance and Financial Statements

.....

Reports and Consolidated Financial Statements
for the financial year ended 31 December 2022

CONTENTS

Directors and Other Information	33
Directors' Report	34-40
Statement on System of Internal Control	41-43
Directors' Responsibilities Statement	44
Independent Auditor's Report	45-47
Consolidated Statement of Income and Retained Earnings	48
Consolidated Statement of Financial Position	49
Company Statement of Financial Position	50
Consolidated Statement of Cashflows	51
Notes to the Consolidated Financial Statements	52-69



DIRECTORS AND OTHER INFORMATION



DIRECTORS

Brendan McGinty (Chairperson)
Carol Ann Casey
Eamon Devoy
Mairéad Divilly
Áine Doyle
Tish Gibbons
Maeve Kearns (Appointed 20th April 2023)
Karl McDonagh
Yvonne McNulty
Anthony Murphy
Ian Talbot
Fiona Walsh

SECRETARY

Caitríona King

CHIEF EXECUTIVE

Paul Healy

REGISTERED OFFICE

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

REGISTERED NUMBER

298694

AUDITORS

Deloitte Ireland LLP
Deloitte & Touche House
29, Earlsfort Terrace
Dublin 2

SOLICITORS

Philip Lee Solicitors
Connaught House
One Burlington Road
Dublin 4

BANKERS

Bank of Ireland
Lower Baggot Street
Dublin 2

DIRECTORS' REPORT

The Directors submit their Annual Report, together with the audited consolidated financial statements, for the financial year ended 31st December 2022.

Principal activities

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

Going concern

Skillnet Ireland is dependent on the ongoing support of the Department to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the *Training Networks Programme*. The Department has confirmed Skillnet Ireland’s funding for 2023 as €59.141m (2022: €52.898m), and the Directors are of the opinion that it remains appropriate to present the Financial Statements on a going concern basis and that there is a reasonable expectation that Skillnet Ireland will continue to trade.

On 16 December 2022, Minister for Further and Higher Education, Research, Innovation and Science confirmed Skillnet Ireland’s leadership role working in partnership with small and medium businesses to meet their talent, skills and workforce development needs.

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

- In 2023, total funding to Skillnet Ireland from the Department of Further and Higher Education, Research, Innovation and Science has been confirmed by means of a Letter of Allocation as €59.141m.
- An effective Business Continuity Plan has ensured that the Company has the capacity to indefinitely operate business systems as normal on a remote basis.
- There is no impact on the balance sheet of the Company.
- There is no change in the key accounting estimates used by the Company that may affect the position of the Company as at 31st December 2022.

As at 31 December 2022, the balance repayable to Skillnet Ireland is €3,563 (see note 10).

At the 31 December 2022, the activities of Skillnets Services are complete and in the event of a winding up process

any excess reserves are repayable to Skillnet Ireland, the parent company. The Directors will assess the future purpose of Skillnets Services during 2023.

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

Principal risks and uncertainties

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

Financial

The Company is dependent on the ongoing support of the Department. Ongoing funding at an appropriate level is fundamental to the Company’s ability to continue as a going concern. The funding allocation to Skillnet Ireland has been confirmed for 2023 which mitigates any risk that may arise.

DIRECTORS' REPORT

Regulatory

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

Governance

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

Within each contracted enterprise group, the risk or failure to adhere to agreed operating guidelines, which may lead to a potential financial loss to the Company, is mitigated via compliance activities. The compliance activities are a systematic, disciplined approach to evaluate and improve how each Skillnet Network will approach risk management, financial control, and governance.

Strategic

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

Operational

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

Such risks may include:

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

Reputational

The Company considers the actual and perceived impact of any significant risks likely to arise as a result of decisions taken.



DIRECTORS' REPORT

Results for the Financial Year

The results for the financial year and the assets and liabilities of the Company are set out in the Consolidated Statement of Income and Retained Earnings and the Statement of Financial Position on pages 48 and 49 respectively.

	2022 €	2021 €
Result for the financial year	-	-
Retained earnings brought forward at beginning of financial year	51,075	51,075
Retained earnings carried forward at end of financial year	51,075	51,075

Directors and Secretary

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

Directors:

Brendan McGinty (Chairperson)
Laura Bambrick (Resigned 24th May 2022)
Carol Ann Casey
Thomas Cooney (Resigned 30th May 2023)
Eamon Devoy
Mairéad Divilly
Áine Doyle
Hubert Fitzpatrick (Resigned 31st December 2022)
Tish Gibbons (Appointed 20th October 2022)
Karl McDonagh
Yvonne McNulty
Anthony Murphy
Ian Talbot
Fiona Walsh

Secretary:

Caitríona King (Resigned 20th October 2022)
Simon Murtagh (appointed 20th October 2022 – resigned 8th December 2022)
Caitríona King (Appointed 8th December 2022)

The current Directors and Secretary are listed on page 30. They had no beneficial interest in the shares of the Company.

Corporate Governance

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

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

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

DIRECTORS' REPORT

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

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

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

Audit and Risk Committee

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

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

The Audit and Risk Committee provide oversight of:

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

Finance and General-Purpose Committee

Membership: Mairéad Divilly (Chair), Áine Doyle, and Brendan McGinty.

The Finance and General-Purpose Committee provide oversight of:

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

Evaluation and Performance Monitoring Committee

Membership: Thomas Cooney (Chair), Karl McDonagh, Yvonne McNulty, Tish Gibbons and Anthony Murphy.

The Evaluation and Performance Monitoring Committee shall:

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

Conflicts of Interest

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

Induction and Training

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

Gender Balance

As at 31st December 2022, the Board of Skillnet Ireland comprised six male (50%) and six female (50%) members, which exceeded the Government's 40% threshold of required genders on each Board in accordance with the Code of Practice for the Governance of State Bodies 2016.

DIRECTORS' REPORT

Directors' meeting attendance and fees paid in 2022

Details of fees paid in 2022 and attendance of Directors at Board and Board Committee meetings during the year was as follows:

Director	Board		Audit & Risk Committee		Finance & General-Purpose Committee		Evaluation & Performance Monitoring Committee		Fees 2022 €	Fees 2021 €
	Total	Attended	Total	Attended	Total	Attended	Total	Attended		
Brendan McGinty (Chairperson)	6	6	-	-	3	3	-	-	11,970	11,970
Laura Bambrick (1)	3	3	-	-	-	-	1	1	3,206	7,695
Carol Ann Casey	6	6	6	6	-	-	-	-	7,695	1,924
Thomas Cooney (2)	6	6	-	-	-	-	5	5	Nil	Nil
Eamon Devoy	6	5	6	4	-	-	-	-	7,695	7,695
Mairéad Divilly	6	6	6	5	3	3	-	-	7,695	7,695
Áine Doyle	6	6	-	-	3	2	-	-	7,695	1,924
Hubert Fitzpatrick (1)	6	5	-	-	3	3	-	-	7,695	7,695
Tish Gibbons	1	1	-	-	-	-	-	-	Nil	Nil
Karl McDonagh	6	4	-	-	-	-	5	4	7,695	7,695
Yvonne McNulty	6	5	-	-	-	-	5	5	7,695	7,695
Anthony Murphy	6	6	-	-	-	-	5	4	7,695	1,924
Ian Talbot (1)	6	4	6	6	-	-	-	-	7,695	7,695
Fiona Walsh	6	6	6	6	-	-	-	-	7,695	7,695

Note:

(1) As disclosed in notes 5 and 17 to the Financial Statements, a number of Directors have waived their fee for Director services provided to Skillnet Ireland and instead opted to have that amount paid to their representative organisations.

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

DIRECTORS' REPORT

Board Performance and Evaluation

The Board recognises its obligations under Section 4.6 of the Code of Practice for the Governance of State Bodies (2016) in respect of external performance evaluation. The last external performance evaluation was concluded in 2020 and the Board will consider the matter of the next external evaluation in 2023.

Protected Disclosures Act 2014

Pursuant to Section 22 of the Protected Disclosures Act 2014, Skillnet Ireland confirms that no reports were received and/or are under investigation in accordance with the provisions of the Protected Disclosures Act 2014 for the year ended 31st December 2022 (2021: nil).

Resource Efficiency Reporting

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

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

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

Management

The leadership team is made up of 5 members of staff (2021: 6).

Political Contributions

There were no political donations made during the financial year (2021: €Nil).

Subsidiary Undertaking

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

Post Balance Sheet Events

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

Future Developments

On 16 December 2022, Minister for Further and Higher Education, Research, Innovation and Science confirmed Skillnet Ireland's leadership role working in partnership with small and medium businesses to meet their talent, skills and workforce development needs.

The total funding allocated to Skillnet Ireland in 2023 is €59.141m (2022: €52.898m).

DIRECTORS' REPORT

Accounting Records

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

Disclosure of Information to Auditors

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

- A. So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
 - B. Each Director has taken all steps that ought to have been taken by the Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014 (as amended).

Auditors

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

Approved by the Board and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

Date: 30th May 2023



STATEMENT ON SYSTEM OF INTERNAL CONTROL

Governance and Financial Controls

On behalf of the Board of Skillnet Ireland I acknowledge our responsibility for good governance and for ensuring that an effective system of internal control is maintained and operated. The system of internal control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period. The system requires that the executive team overseeing programmes, operations, finance, procurement and HR exercise stringent control and report any significant control failures to the Board.

Financial Control Framework

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

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

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

- The Audit and Risk Committee
- The Chief Executive's report
- A review of the risks reported on the Corporate Risk Register in conjunction with the Risk Appetite Statement
- The presentation to the Board of activity and financial results, current month and year to-date, on a monthly basis.

Risk

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

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

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

Key financial control processes and procedures

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

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

STATEMENT ON SYSTEM OF INTERNAL CONTROL

As an entity in receipt of public funding, Skillnet Ireland is mandated by the Department of Further and Higher Education, Research, Innovation and Science to determine suitable monitoring and review activities. The compliance activities conducted by Skillnet Ireland aim to add value to our Networks by bringing a systematic, disciplined approach to evaluate and improve how we approach risk management, financial control, and governance processes. Skillnet Ireland operates a risk-based approach in its compliance monitoring activities, which provides an effective approach to identifying and responding to potential issues.

How Skillnet Ireland disburses grant funding

Each Skillnet Network, which is managed independently of Skillnet Ireland via contracted enterprise groups, must apply to Skillnet Ireland for funding. Applications are subject to formal assessment based on published criteria. The Evaluation and Performance Monitoring Committee (EPM) is the designated Board Committee to:

- Define and set performance measures and benchmarks for the Skillnet Networks and related programmes.
- Oversee the application process followed by the Executive to ensure that the Committee and the Board have confidence in its approach.

- Review third party inputs to the application process as appropriate.
- Review applications for funding and awards for grants.
- Make recommendations to the Board on any area within its remit.

The Board determines the criteria by which employer networks are selected and reserves the right to make or delegate decisions concerning the awards to be made to provide Company funding for Skillnet Networks.

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

Internal Audit

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

The Audit and Risk Committee has appointed ASM Chartered Accountants to provide Internal Audit Services to Skillnet Ireland. The Internal Audit assignments identified by the Audit and Risk Committee considered a range of factors which influenced the selection of areas for inclusion within the 2022 and 2023 Internal Audit Plan. These factors included previous internal audit reviews and their findings, Skillnet Ireland's current Risk Register and other topical issues.

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

Satisfactory Assurance reports have been issued in respect of all internal audits conducted since the start of 2022. There were no material breaches of controls in 2022 and no material losses or frauds.

The Statement on the System of Internal Control was reviewed by the Audit and Risk Committee and the Board to ensure that it accurately reflected the control system in operation during 2022.

Review of the System of Internal Control

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

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

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

STATEMENT ON SYSTEM OF INTERNAL CONTROL

Additional disclosures in relation to certain categories of expenditure

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

Legal costs and Settlements

The expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties was Nil (2021: Nil). This does not include expenditure incurred in relation to general legal advice received by Skillnet Ireland which is disclosed in Consultancy costs below.

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	Notes	2022 €	2021 €
Staff Hospitality		9,121	7,805

Consultancy costs

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

	Notes	2022 €	2021 €
Legal advice		26,708	32,433
IT Consultancy		-	-
Policy and Research		-	27,647
New Programme Development		117,658	50,753
Strategy development		47,294	161,438
HR Consultancy		33,928	20,616
		225,588	292,887
Total Consultancy costs charged to the Income and Expenditure Account		225,588	292,887

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

Domestic			
Board		-	-
Employees		35,365	1,141

International			
Board		-	-
Employees		13,457	5

Total		48,822	1,146
--------------	--	---------------	--------------

Includes travel and subsistence of €Nil paid directly to Board members in 2022 (2021: €Nil).

Statement of compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code.

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

The Board recognises its obligations under Section 4.6 of the Code of Practice for the Governance of State Bodies (2016) in respect of external performance evaluation. The last external performance evaluation was concluded in 2020 and the Board will consider the matter of the next external evaluation in 2023.

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

On behalf of the Board of Skillnet Ireland:



Brendan McGinty
Chairperson, Skillnet Ireland

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

Report on the audit of the financial statements

Opinion on the financial statements of Skillnet Ireland Company Limited by Guarantee ("the company")

In our opinion the group and parent company financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2022 and of the result of the group for the financial year then ended; and
- Have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:

- The Consolidated Statement of Income and Retained Earnings;
- The Consolidated Statement of Financial Position;
- The Consolidated Statement of Cashflows; and
- The related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:

- The Statement of Financial Position; and
- The related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

Other information (contd)

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>.

This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLNET IRELAND

Matters on which we are required to report by exception

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

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

Use of our report

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

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

9th June 2023



CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
INCOME	3	49,752,596	42,991,207
Programme costs		(45,289,986)	(39,007,420)
GROSS SURPLUS		4,462,610	3,983,787
Administration costs		(4,462,610)	(3,983,787)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	-
Taxation	7	-	-
RESULT FOR THE FINANCIAL YEAR		-	-
Retained earnings at the beginning of the reporting period		51,075	51,075
Retained earnings at the end of the reporting period		51,075	51,075

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	8	140,226	162,986
Current Assets			
Debtors: Amounts falling due within one year	10	2,555,060	1,197,491
Cash at bank and in hand	11	680,359	346,211
		3,235,419	1,543,702
Current Liabilities			
Creditors: Amounts falling due within one year	12	(3,324,570)	(1,655,613)
Net Current Liabilities		(89,151)	(111,911)
Net Assets		51,075	51,075
Capital and Reserves			
Retained earnings		51,075	51,075

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2023 and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	8	140,226	162,985
Financial assets	9	1	1
		<u>140,227</u>	<u>162,986</u>
Current Assets			
Debtors: Amounts falling due within one year	10	2,558,625	1,194,098
Cash at bank and in hand	11	620,627	283,907
		<u>3,179,252</u>	<u>1,478,005</u>
Current Liabilities			
Creditors: Amounts falling due within one year	12	(3,319,479)	(1,640,991)
Net Current Liabilities		<u>(140,227)</u>	<u>(162,986)</u>
Net Assets		<u>-</u>	<u>-</u>
Capital and Reserves			
Retained earnings	14	<u>-</u>	<u>-</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2023 and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
Net cash flows from operating activities	15	431,858	(2,929,296)
Net cash flows from investing activities			
Purchase of tangible assets	8	(97,710)	(64,647)
Net increase / (decrease) in cash and cash equivalents		334,148	(2,993,943)
Cash and cash equivalents at beginning of year		346,211	3,340,154
Cash and cash equivalents at end of year	11	680,359	346,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies and measurement bases have all been applied consistently throughout the financial year and to the preceding year.

General Information and Basis of Accounting

Skillnet Ireland is a company incorporated in the Republic of Ireland under the Companies Act 2014. The address of the registered office is provided on page 33. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 34 to 40.

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

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

Basis of Consolidation

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

Going Concern

As per a Performance and Delivery Agreement between Skillnet Ireland and the Department of Further and Higher Education, Research, Innovation and Science, Skillnet Ireland is dependent on the ongoing support of the Department to provide adequate funding to enable it to provide grants for the provision of enterprise-led training under the Training Networks Programme. The Department has confirmed Skillnet Ireland's funding for 2023 as €59.141m and the Directors are of the opinion that it remains appropriate to present the Financial Statements on a going concern basis and that there is a reasonable expectation that Skillnet Ireland will continue to trade.

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

- In 2023, total funding to Skillnet Ireland from the Department of Further and Higher Education, Research, Innovation and Science has been confirmed by means of a Letter of Allocation as €59.141m
- The scope of the Performance and Delivery Agreement between Skillnet Ireland and the Department, positions Skillnet Ireland to contribute to measures supporting businesses with their talent, skills and workforce development needs.
- Recognition of Net Current Liability position of the group €89,150 (2021: €111,911) and the company of €140,226 (2021 : €162,986)

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

The Directors have disclosed details in relation to the Going Concern of Skillnets Services in their Directors' Report (see page 34). No decision has been made to wind up this Company and the Directors are assessing if the Company will be used for other purposes going forward. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Revenue Recognition

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

Programme Costs

Programme costs represent programme support and grant payments made to enterprise-led networks and schemes.

Retirement Benefits

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

On foot of advice received from our pension advisors the Board took a decision in 2022 to move from the current Single Trust (Trustee Principles) arrangement to a Master Trust arrangement with our current investment

advisors New Ireland. The context for this move arises out of the transposition into Irish Law in April 2021 of the EU Directive on the activities and supervision of institutions for occupational retirement provision (the IORP II Directive). The Master Trust arrangement will ensure compliance with IORP II and that Skillnet does not pay additional significant costs associated with remaining on a Single Trust. Compliance with IORP II is by 31 December 2022. The single scheme has been wound up and the assets have been transferred to the new master trust. No additional charges to members have been incurred.

Taxation

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

Tangible Assets

Tangible fixed assets are stated at cost less depreciation. Tangible fixed asset additions with a value greater than €1,270 including VAT are capitalised.

The charge to depreciation is calculated to write off the original cost of tangible fixed assets, less their estimated residual value which is estimated to be nil. Depreciation is charged for all fixed assets at a rate of 33% using the straight line method.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets

If at the end of the reporting period, there is objective evidence of impairment (including observable data about loss events), the company recognises an impairment loss in profit or loss immediately. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments

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

(i) Financial assets and liabilities

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

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

transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

Investments in subsidiaries are measured at cost less impairment.

Leases

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

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

3. INCOME

Department of Further and Higher Education, Research, Innovation and Science (via the National Training Fund) (note 13)

Clear Customs

EU Funding for GreenSkills4H2

Subsidiary Company: Skillnets Services Income from participant companies*

	2022 €	2021 €
Department of Further and Higher Education, Research, Innovation and Science (via the National Training Fund) (note 13)	49,684,011	42,435,083
Clear Customs	-	553,333
EU Funding for GreenSkills4H2	61,682	-
Subsidiary Company: Skillnets Services Income from participant companies*	6,903	2,791
	49,752,596	42,991,207

Income represents all grants received from the Department of Further and Higher Education, Research, Innovation and Science in the Republic of Ireland. The Company has also received EU grant funding for the first time.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

Directors' remuneration (note 5)

Operating lease payments – premises (note 18)

Depreciation (note 8)

Loss on disposal of fixed assets

	2022 €	2021 €
Directors' remuneration (note 5)	95,666	91,759
Operating lease payments – premises (note 18)	211,147	209,430
Depreciation (note 8)	118,660	164,514
Loss on disposal of fixed assets	1,810	1,421
	<u>926,283</u>	<u>867,124</u>

5. DIRECTORS' REMUNERATION

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

Amounts paid to representative organisations for Directors services excluding VAT (note 17)

Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 17)

Total Directors' remuneration excluding VAT

Irrecoverable VAT on Director Services

	2022 €	2021 €
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	65,835	63,270
Amounts paid to representative organisations for Directors services excluding VAT (note 17)	18,596	23,085
Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 17)	7,695	1,924
Total Directors' remuneration excluding VAT	<u>92,126</u>	<u>88,279</u>
Irrecoverable VAT on Director Services	3,540	3,480
	<u>95,666</u>	<u>91,759</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. STAFF NUMBERS AND COSTS

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

2022 Number	2021 Number
42	39

The following table sets out the salary range for those paid in excess of €60,000 in 2022 along with employer's pension contributions and other benefits.

Number of Staff		Gross Salary Range	Employer's Pension Contribution	Other Benefits
2021	2022	€	€	€
2	6	60,000 – 69,999	3,117	-
2	9	70,000 – 79,999	25,049	-
3	2	80,000 – 89,999	11,346	-
2	-	90,000 – 99,999	-	-
2	1	100,000 – 109,999	-	-
1	-	110,000 – 119,999	-	-
1	4	120,000 – 129,999	44,175	-
-	-	130,000 – 139,999	-	-
1	1	140,000 - 149,999	22,307	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. STAFF NUMBERS AND COSTS (continued)

	2022 €	2021 €
The aggregate staff remuneration comprised:		
Wages and salaries (including Directors' fees)	2,418,998	2,089,105
Social welfare costs	255,959	220,649
Retirement benefit costs (note 19)	175,648	136,633
	<hr/> 2,850,605 <hr/>	<hr/> 2,446,387 <hr/>
Analysed as follows:		
Expensed in financial year	2,850,605	2,446,387
	<hr/> 2,850,605 <hr/>	<hr/> 2,446,387 <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. STAFF NUMBERS AND COSTS (continued)

Key management compensation

Key management personnel in Skillnet Ireland consists of the Board, the Chief Executive and 4 Executive Director roles (2021: 5 Executive Director roles). The total remuneration for key management personnel (including the Board) for the financial year amounted to €832,329 (2021: €878,396).

Set out below is the breakdown of those amounts:

	2022 €	2021 €
Directors' Remuneration (note 5)	95,666	91,759
Salaries and wages	602,465	645,516
Employer's PRSI	66,572	71,267
Employer's pension contribution (Defined contribution scheme)	67,626	69,854
	<u>832,329</u>	<u>878,396</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. STAFF NUMBERS AND COSTS (continued)

In 2022, the Chief Executive was paid a salary of €148,714 (2021: €143,943).

The Chief Executive is a member of the Skillnet Ireland Group Retirement Plan. The Company contributed €22,307 to the scheme in 2022 on behalf of the Chief Executive (2021: €20,060).

7. CORPORATION TAX

It has been agreed with the Revenue Commissioners that Skillnet Ireland is not subject to corporation tax on its principal activities funded from the Department of Further and Higher Education, Research, Innovation and Science but is subject to corporation tax on its other income including deposit interest income and other sources of trading income. There are as yet undetermined factors which may affect future tax charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. TANGIBLE ASSETS GROUP & COMPANY

Cost:

	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
At 1 January 2022	3,748	233,581	757,303	994,632
Additions	-	25,583	72,127	97,710
Disposals	-	-	(7,414)	(7,414)
At 31 December 2022	3,748	259,164	822,016	1,084,928

Accumulated depreciation:

At 1 January 2022	3,748	217,094	610,804	831,646
Charge for the financial year	-	20,512	98,148	118,660
Disposals	-	-	(5,604)	(5,604)
At 31 December 2022	3,748	237,606	703,348	944,702

Net book values:

At 31 December 2022	-	21,558	118,668	140,226
Net book values:				
At 31 December 2021	-	16,488	146,497	162,985

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. FINANCIAL ASSETS

In respect of current and prior financial year:

Financial assets represent a 100% holding in its subsidiary Skillnets Services DAC which delivers management development programmes. Skillnets Services is operated on a not-for-profit basis. Skillnets Services DAC has its registered office at Q House, 76 Furze Road, Sandyford, Dublin 18 and recorded a €Nil position after taxation in 2022 (2021: €Nil). At 31st December 2022, it had net assets of €51,076 (2021: €51,076).

Investments

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

Subsidiary Undertaking

Cost

At 1 January and 31 December

	2022 €	2021 €
	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. DEBTORS

(Amounts due within one year)

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Non-Grant debtors	191,939	36,314	191,941	36,314
Prepayments	2,363,121	1,146,977	2,363,121	1,146,977
Prepaid future programme cost	-	14,200	-	-
Amount due from subsidiary	-	-	3,563	10,807
	<u>2,555,060</u>	<u>1,197,491</u>	<u>2,558,625</u>	<u>1,194,098</u>

Amounts owed by group companies are repayable on demand, are unsecured and are interest free.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. CASH AT HAND AND IN BANK

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Parent company bank accounts	620,439	283,761	620,439	283,761
Subsidiary bank accounts	59,732	62,304	-	-
Petty Cash	188	146	188	146
	<u>680,359</u>	<u>346,211</u>	<u>620,627</u>	<u>283,907</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. CREDITORS

(Amounts falling due within one year)

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Deferred income (note 13)	2,880,096	1,409,107	2,880,096	1,409,107
Accruals	225,190	162,091	220,099	154,372
Other creditors	196,641	46,432	196,641	46,432
Deferred funding from participant companies (note 13)	-	6,903	-	-
Value added tax (VAT)	22,643	31,080	22,643	31,080
	<u>3,324,570</u>	<u>1,655,613</u>	<u>3,319,479</u>	<u>1,640,991</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. DEFERRED INCOME – PARENT COMPANY

	2022 €	2021 €
	Total	Total
Opening deferred income	1,409,107	3,499,522
Received from Department of Further and Higher Education, Research, Innovation and Science via the National Training Fund	51,155,000	40,898,000
EU Funding for GreenSkills4H2	61,682	-
Credited to statement of income & expenditure (note 3)	<u>(49,745,693)</u>	<u>(42,988,416)</u>
Closing deferred income	<u>2,880,096</u>	<u>1,409,107</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. RESULTS ATTRIBUTABLE TO SKILLNET IRELAND

Skillnet Ireland has availed of the exemption from preparing a separate statement of comprehensive income for the Company in accordance with section 304 of the Companies Act 2014. The net result for Skillnet Ireland for the year was €Nil (2021: €Nil).

15. RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASHFLOW

Depreciation (note 8)

Loss on disposal of fixed assets

(Increase) in debtors

Increase / (decrease) in creditors

Net Cash inflow / (outflow) from operating activities

	2022 €	2021 €
	118,660	164,514
	1,810	1,421
	(1,357,569)	(936,245)
	1,668,957	(2,158,986)
	<u>431,858</u>	<u>(2,929,296)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. 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 31st December 2022 was 12 (2021: 13), being each of the Directors.

17. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption contained in FRS 102 33.1A from disclosure of intra-group related party transactions. As disclosed in note 5, three Directors have waived their fee for Director services provided to Skillnet Ireland and instead opted to have a similar amount paid to their representative organisations as disclosed below. Three Directors who previously charged fees for Director services provided to Skillnet Ireland through private companies are now paid their fees via salaries as set out in the Directors' Report on page 38 and in note 5.

Amounts paid to representative organisations for Director services excluding VAT

Hubert Fitzpatrick	to Construction Industry Federation
Ian Talbot	to Chambers Ireland
Laura Bambrick	to Irish Congress of Trade Union

Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT

Anthony Murphy	to Anthony Murphy
----------------	-------------------

Irrecoverable VAT

	2022 €	2021 €
	7,695	7,695
	7,695	7,695
	3,206	7,695
	<u>18,596</u>	<u>23,085</u>
	7,695	1,924
	<u>7,695</u>	<u>1,924</u>
	3,540	3,480
	<u><u>29,831</u></u>	<u><u>28,489</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. FINANCIAL COMMITMENTS

In December 2017, the Company entered into an agreement for the lease of its premises in Q House, Sandyford. The lease is for a ten-year term with a five-year break clause with a commencement date of 1 January 2018. The Company is due a rent review on 1 January 2023 and discussions with the landlord are ongoing. The current annual commitment, before the rent review, on this occupational lease is €211,147. The actual charge in 2021 was €209,430 as a result of the temporary reduction in the VAT rate from 23% to 21%.

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

	2022 €	2021 €
Within one year	211,147	211,147
Between one and five years	844,587	844,587
After five years	-	211,147
	<hr/> 1,055,734 <hr/> <hr/>	<hr/> 1,266,881 <hr/> <hr/>

19. RETIREMENT BENEFITS

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

Pension contributions in respect of the scheme are charged to the consolidated income statement as they become payable in accordance with the rules of the scheme. The charge for the financial year for the scheme was €175,648 (2021: €136,633). The amount owing at 31st December 2022 was €Nil (2021: €Nil).

20. SUBSEQUENT EVENTS

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

**We support businesses
of all sizes** across the
economy, providing
a pipeline of highly
skilled talent for future
business needs.

.....



Skillnet Ireland
**Business Networks
and Initiatives 2022**

.....

| SKILLNET IRELAND BUSINESS NETWORKS AND INITIATIVES 2022

In **2022** our Industry Partners supported businesses in a wide range of sectors and regions across Ireland.

A

Animation Skillnet

Aviation Skillnet

B

BioPharmaChem Skillnet

C

Carlow Kilkenny Skillnet

CILT Mobility & Supply Chain Skillnet

CitA Skillnet

Climate Ready Academy

Cobotics Skillnet

Connected Health Skillnet

Construction Professionals Skillnet

Cork Chamber Skillnet

County Tipperary Chamber Skillnet

County Wexford Chamber Skillnet

CPA Ireland Skillnet

D

Design Skillnet

Design, Print & Packaging Skillnet

Duhallow Skillnet

Dundalk Chamber Skillnet

E

Employment & Recruitment Federation
Skillnet

Engineering Skillnet

F

Farm Business Skillnet

Fingal Chamber Skillnet

First Polymer Training Skillnet

Food Drink Ireland Skillnet

G

Galway Executive Skillnet

Gréasán Na Meán Skillnet

Green Tech Skillnet

I

ICBE Advanced Productivity Skillnet

ICBE Business Excellence Skillnet

ICOS Skillnet

IFS Skillnet

IMAGE Skillnet

Immersive Technologies Skillnet

Industry 4.0 Skillnet

Inishowen Skillnet

Irish Hotels Federation Skillnet

Irish Medtech Skillnet

ISME Skillnet

it@cork Skillnet

itag Skillnet

L

Law Society Skillnet

Leading Healthcare Providers Skillnet

Lean & Green Skillnet

Learning Waves Skillnet

Leisure, Health & Fitness Skillnet

Limerick Chamber Skillnet

L&D Skillnet

M

M1 Drogheda Chamber Skillnet

Macra Agricultural Skillnet

MentorsWork

MIDAS Electronic Systems Skillnet

Midland Border East Skillnet

N

National Organic Training Skillnet

Next Level Skillnet

P

Positive2Work Skillnet

R

Restaurant & Hospitality Skillnet

Retail Ireland Skillnet

Role Skillnet

Rural Enterprise Skillnet

Rural Food Skillnet

S

Screen Skillnet

Shannon Chamber Skillnet

SIMI Skillnet

Sligo Chamber Skillnet

South Kerry Skillnet

South West Gnó Skillnet

Space Industry Skillnet

Sustainable Finance Skillnet

T

Taste4Success Skillnet

Tech North West Skillnet

Technology Ireland DIGITAL Skillnet

Technology Ireland ICT Skillnet

The Innovation Exchange

W

Waterford Chamber Skillnet

X

XL Vets Skillnet



SKILLNET IRELAND

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

T 353 (0)1 207 9630

E info@skillnetireland.ie

skillnetireland.ie

Skillnet Ireland is funded from the National Training Fund through the Department of Further and Higher Education, Research, Innovation and Science.



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



Co-funded by
the European Union