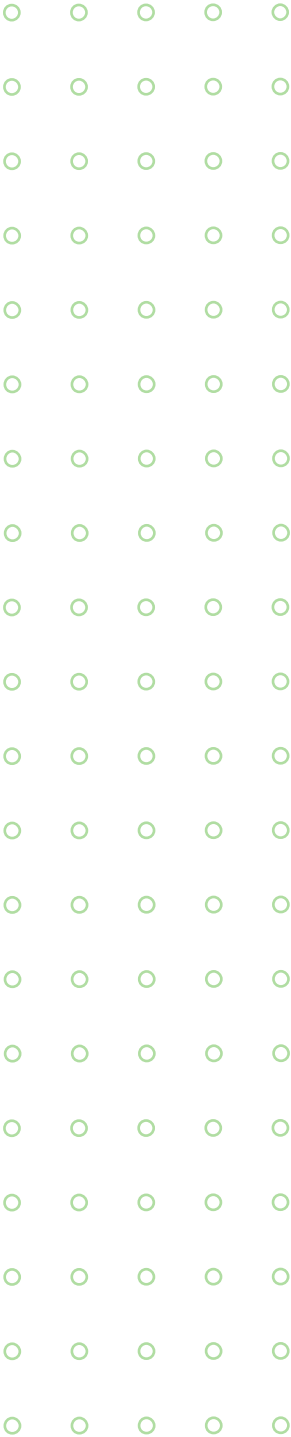




Building
Competitiveness
Through Skills

Annual
Report 2023



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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.**

Skillnet Ireland

..... *a Year in Review*



2023

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 **70 Skillnet Business Networks**

and national upskilling initiatives, and in collaboration with employers, we delivered upskilling and training programmes to the value of **€83.4m** to the Irish workforce in 2023.

Chairperson and Chief Executive Overview



Foreword

We are pleased to present the Skillnet Ireland Annual Report for 2023. Reflecting on 2023, it was a year that saw record employment levels for Ireland, yet again underscoring the resilience of the economy across both the domestic and multinational sectors. However, now more than ever workforce development takes centre stage for Ireland as businesses, particularly SMEs, face a host of challenges, including new technological disruption, delivering the green transition, and navigating inflationary pressures and evolving geopolitical dynamics. For the Irish economy this will require a renewed focus on skills and innovation to bring about new productivity gains to our domestic SME sector and to safeguard and expand our export-led growth model.

Ireland draws great competitive strength from our highly skilled and agile workforce, yet this is set against the backdrop of skills shortages across many sectors and rising competition for talent both domestically and globally. Sustaining this competitive edge, closing skills gaps, and powering real career mobility, goes to the core of our mission in spearheading workforce development.

Statement of Strategy 2021-2025

Significant strides have been made in achieving objectives set out in the Skillnet Ireland Statement of Strategy 2021-2025. Skillnet Ireland focuses 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. Our Statement of Strategy put forward an ambitious roadmap for future proofing Irish businesses through talent development, including the provision of upskilling supports to 100,000 workers annually by 2025. By the end of 2023, the organisation had supported over 97,000 individuals annually across a wide range of learning initiatives.

Our expanded national mandate for leading on workforce development announced by Government in late 2022 has enabled Skillnet Ireland to broaden its services, to engage more businesses in the upskilling of their teams, and to drive innovation in new and exciting ways. Skillnet Ireland will continue to deliver fulsomely upon its Statement of Strategy and its strengthened mandate from Government to spearhead workforce development priorities.

nationally. This will include the delivery of key policy actions assigned to Skillnet Ireland under digital skills, green skills, lifelong learning and a range of industry specific strategies consistent with our enhanced mandate including the introduction of an SME Upskilling Incentivisation Scheme, National Skills Portal, and new Offshore Wind and MMC initiatives.

At this midway point of the Statement of Strategy we are immensely proud that Skillnet Ireland has been recognised worldwide as the best practice model of public-private cooperation for workforce development by the European Commission as part of the European Year of Skills 2023. The 'Pact for Skills: Analysing of Upskilling and Reskilling Policy Initiatives and Identifying Best Practices' independent report by PWC on behalf of the European Innovation Council (EIC), ranked Skillnet Ireland first out of 47 international initiatives for impact on businesses and contribution to the economy including the digital and climate agenda. The EU Pact for Skills is a flagship initiative under the European Skills Agenda that addresses immediate talent needs and sets a strategic direction for skills development in Europe.

2023 Performance Outputs

2023 marked another record year in terms of target outputs and the investment we made in talent development. Skillnet Business Networks and National Initiatives provided upskilling programmes to 26,626 businesses in 2023, upskilled 97,776 workers and delivered a total of 748,434 training days, exceeding targets set with the Department of Further and Higher Education, Research, Innovation and Science. Our cost-sharing approach with employers continues to be a cornerstone of the Skillnet Ireland model and 2023 saw record growth in industry co-financing, with companies contributing €31.4 million towards the cost of Skillnet Ireland programmes, a €4.9 million increase on 2022. This is a further reflection of high levels of buy-in from companies to develop their teams in partnership with Skillnet Ireland. A total investment of €83.4m was made in workforce development in 2023 by Skillnet Ireland and a summary report on our outputs can be found on page eight of this report.

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 2023. Skillnet Ireland delivered on a range of actions assigned

to it across Government and sectoral strategies including the National Digital Strategy, the National Artificial Intelligence Strategy, the Climate Action Plan, Housing for All, Ireland for Finance, and Ireland's Offshore Wind Strategy amongst others. Skillnet Ireland also plays an important role in the development of future skills and supports actions within the Expert Group on Future Skills Needs sectoral reports including those within the biopharma, construction and financial services sectors.

The national Digital Ireland Framework positions Ireland as a global digital leader, with Skillnet Ireland playing a critical role in supporting the talent dimension of the strategy. 14,021 workers benefitted from Skillnet Ireland supported digital skills programmes in 2023, with a two-pronged focus on specialised talent for new or emerging technologies such as AI and cybersecurity, and in enabling digital transformation within the SME sector.

Addressing the talent challenges associated with climate change has been a focus for Skillnet Ireland for some years. In 2023, Skillnet Ireland increased the number of programmes aimed at helping businesses respond to climate change, with 4,672 businesses and 7,287 workers

Continued



supported in taking a step towards a greener future. These included the Skillnet Climate Ready Academy leadership series of stackable micro credential programmes and the roll-out of a new Sustainable Leaders programme in partnership with IDA Ireland and Enterprise Ireland.

Accelerating Competitiveness Through Partnerships

In 2023, Skillnet Ireland delivered several large-scale talent initiatives in collaboration with industry and higher education institutions to meet complex enterprise challenges and to deliver specialist sectoral skills programmes. Examples of these collaborations are presented on pages 20-35 of this report.

Ensuring Ireland's FDI enterprises have a resilient talent pipeline capable of adapting to the changing demands of digitalisation is a key priority for Skillnet Ireland. The strategic partnership forged with IDA Ireland and Skillnet Ireland continues to deliver a transformative upskilling and reskilling schedule for IDA's client companies. FDI companies were supported with Skillnet Ireland programmes across a wide range of sectors in 2023. A continuing focus on balanced regional development is also our priority with businesses and workers in every county availing of Skillnet Ireland supports in 2023. The regional expansion of the Skillnet Innovation Exchange continues to fast-track innovation and

accelerate SME growth in the regions through the establishment of new partnerships with local enterprise hubs in Kerry, Galway, Cork, Louth and Wexford.

European Year of Skills

2023 marked the EU Year of Skills that highlighted the centrality of skills and talent development across member states. Skillnet Ireland hosted the Irish announcement of the European Year of Skills with the Minister for Further and Higher Education, Research, Innovation and Science alongside stakeholders from across the skills and enterprise ecosystem. The European Year of Skills has recast lifelong learning and upskilling as a top EU priority and is encouraging individuals and enterprises to actively contribute to the green and digital transitions through upskilling and career development.

Substantial progress has been made on our participation in pan-European consortia projects and contribution to the further development of EU skills policy. Skillnet Ireland engages in six EU consortia initiatives focused on digitalisation and the green transition, each of which offer opportunities for our industry partners to engage in projects across the EU member States. During 2023, the organisation also established its ambitious European Social Fund ESF+ Co-funded Programme which will support over 2,000 workers in 2024.

Conclusion

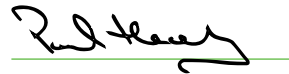
We welcome the renewed emphasis on the workforce development agenda following the publication of the OECD Skills Strategy Ireland Report, together with the ongoing National Training Fund (NTF) reform programme. Our commitment remains steadfast in spearheading the workforce development agenda on behalf of Government and we look forward to expanding our collaborations with industry stakeholders, with higher education institutions and with other enterprise support agencies.

We wish to acknowledge the commitment and support of An Taoiseach, Simon Harris TD, Minister for Further and Higher Education, Research, Innovation and Science, Patrick O'Donovan TD and Minister of State for Skills and Further Education, Niall Collins TD, and 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 Institutions and the many Government agencies and Departments that Skillnet Ireland collaborated with in 2023.

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 and achievements in 2023.



Chairperson
Skillnet Ireland



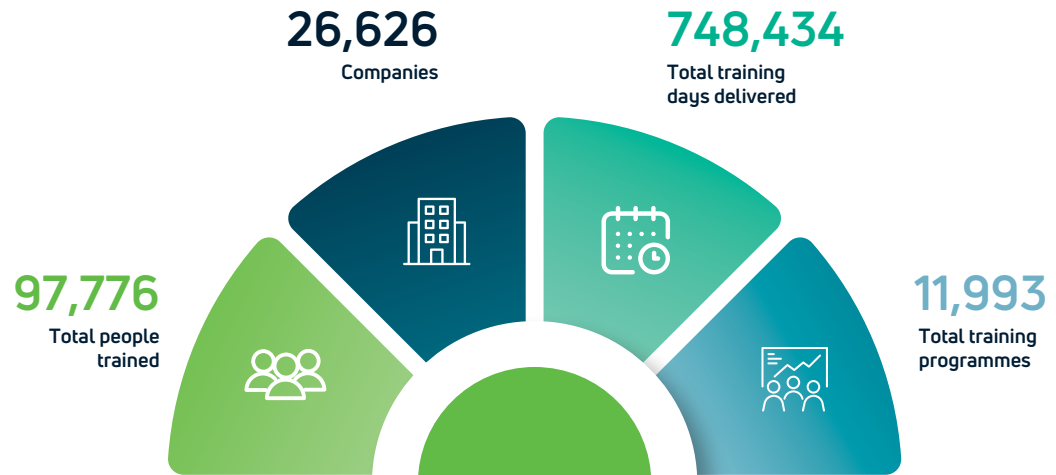
Chief Executive
Skillnet Ireland



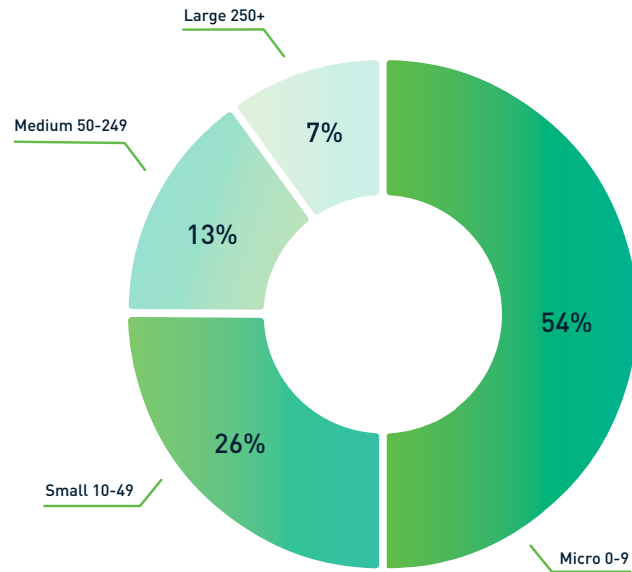
Skillnet Ireland

..... High Level Outputs 2023

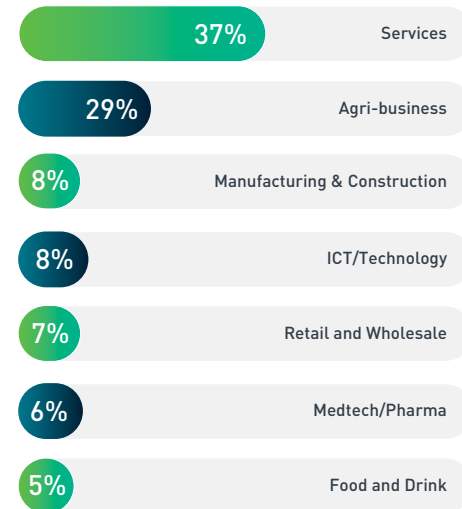
At Skillnet Ireland, we work closely with industry to create upskilling solutions that are responsive to the needs of businesses. Skillnet Ireland's programmes contribute to the development of a skilled workforce, ensuring the growth and sustainability of Irish enterprise in an increasingly competitive environment.



Companies by Size



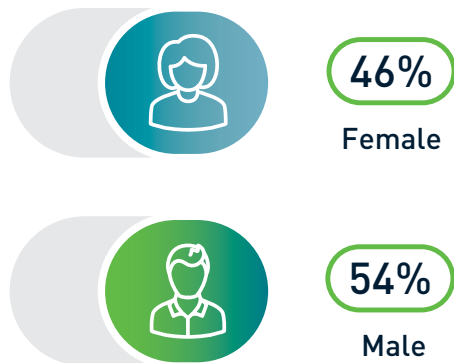
Companies by Sector



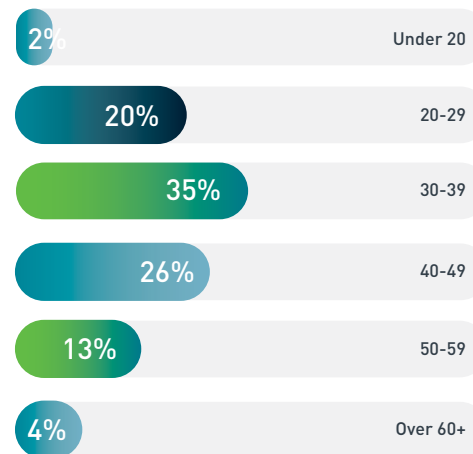
Trainees by Gender

In 2023
97,776

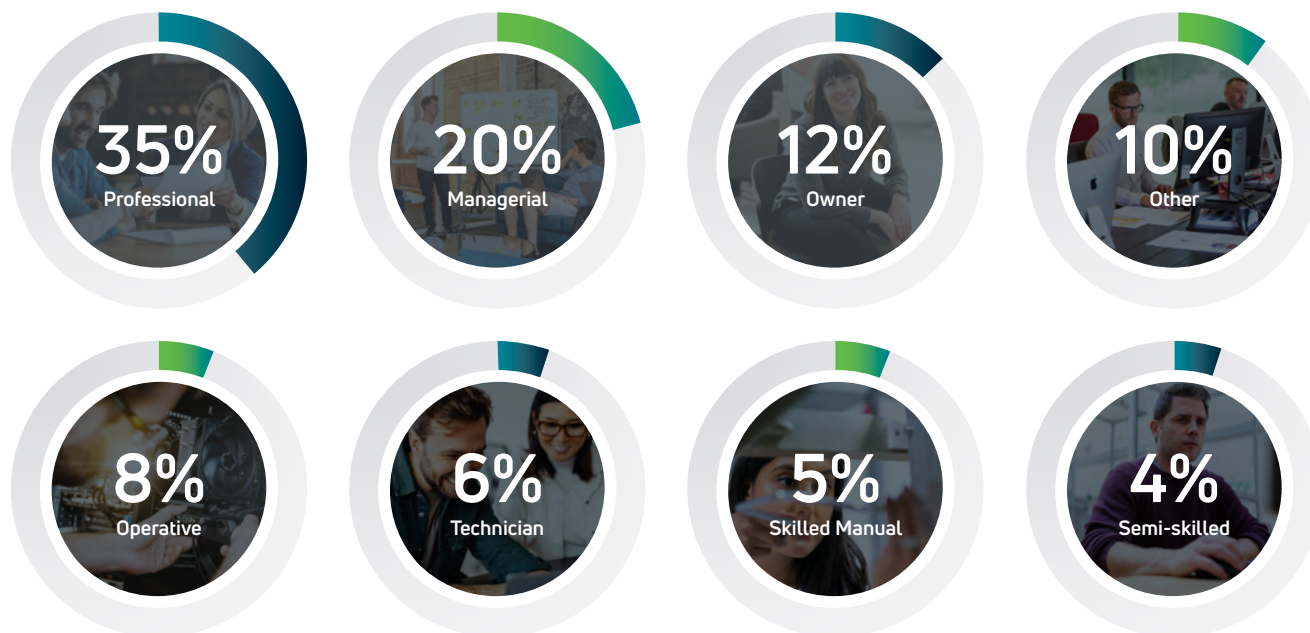
people undertook training.
Of these trainees,



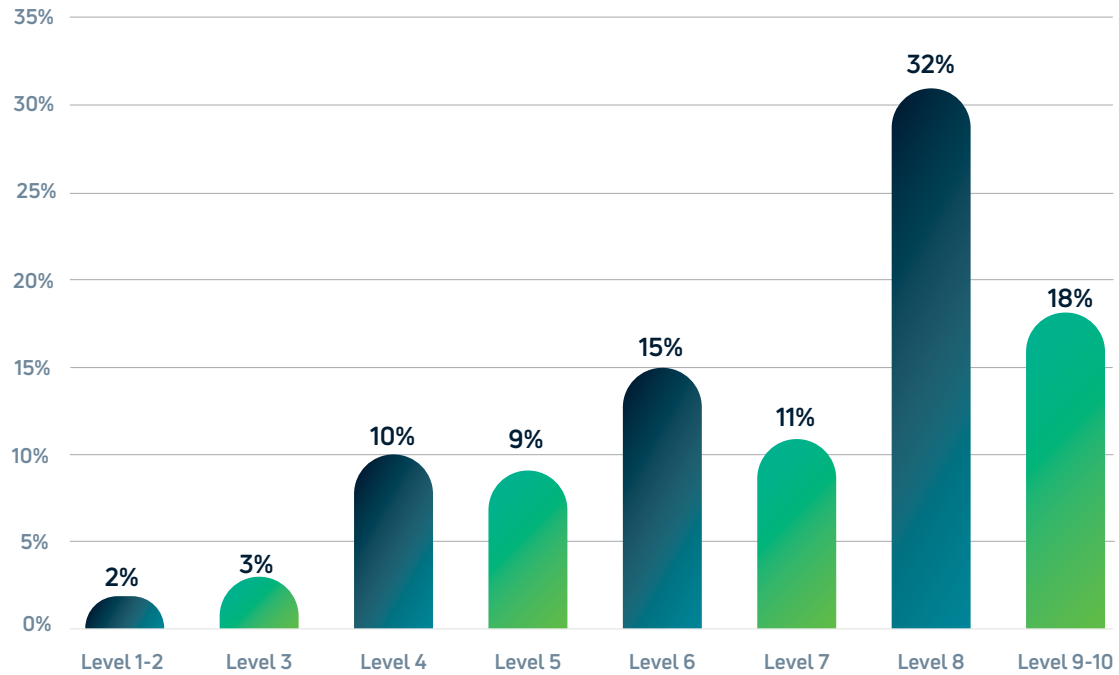
Trainees by Age



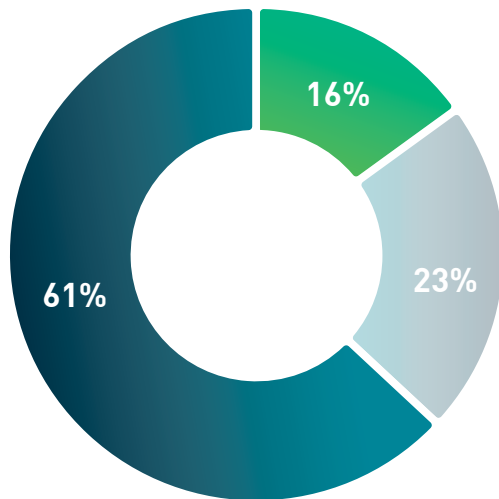
Trainees by Occupational Category



National Framework of Qualifications (NFQ) Level

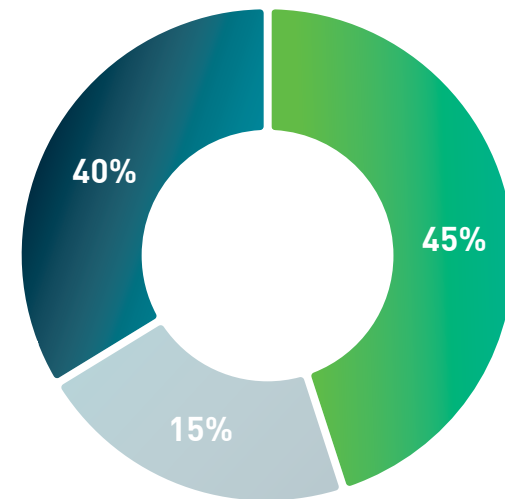


Courses by Certification



- NFQ
- Other
- Non-certified

Training Days by Certification



- NFQ
- Other
- Non-certified

Transforming Business Through Talent



Statement of Strategy Mid-Term Review

2023 marks the midway point of the Skillnet Ireland Statement of Strategy, ***Transforming Business Through Talent 2021-2025***

Considerable progress has been made against each of the objectives committed to in this ambitious strategy, which focuses on increasing engagement in lifelong learning and preparing businesses in Ireland for new opportunities presented by technological innovation, digitalisation and the green transition. 2023 was also a year that marked a significant milestone for Skillnet Ireland as we deliver upon an expanded mandate for the organisation to spearhead workforce development for the enterprise sector on behalf of the Government of Ireland.

Together with our industry partners and other stakeholders, Skillnet Ireland has supported over 73,000 companies and 276,000 workers across the three years since 2021. The wide range of Skillnet Ireland talent initiatives serve to underpin our priority areas of skills for accelerating digitalisation, talent for climate action, supporting FDI through talent, developing SME business leadership, and workforce innovation and research.

Skillnet Ireland has launched several new innovation-themed workforce development projects, developing the critical talent Ireland will need to compete globally in years to come. These projects include Skillnet Innovation Exchange, Skillnet Climate Ready Academy and MentorsWork. During this timeframe Skillnet Ireland has also placed a focus on harnessing our deep industry insights, launching twenty eight research reports which have led to many practical solutions for businesses and new career development pathways for individuals.

Skillnet Ireland and the 70 Skillnet Business Networks designed multiple talent initiatives between industry, Government and higher education institutions 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 across a wide range of areas including advanced manufacturing, Medtech, agri-food and financial services. Tertiary institutions engaged with Skillnet Business Networks



"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, learning opportunities across Ireland's workforce. Skillnet Ireland's mission will be to further strengthen and future-proof Ireland's workforce, building stronger partnerships with the tertiary education system to ensure workers are equipped with the essential skills, knowledge and capabilities for a world of work being transformed by technology."

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

In December 2022, then Minister for Further and Higher Education, Research, Innovation and Science, Simon Harris, TD, reinforced Skillnet Ireland's mission of workforce development for the enterprise sector. 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.

value the extensive access to companies they gain through these collaborations and the opportunity to engage directly with industry on emerging trends.

We made significant progress on our EU engagement strategy, securing new participation opportunities in EU structural funds and Brussels-led consortia projects. Our success in 2022 and 2023 in securing partner roles on pan-European consortia projects has allowed Skillnet Ireland to directly impact the challenges of the digital and green transitions at EU level.

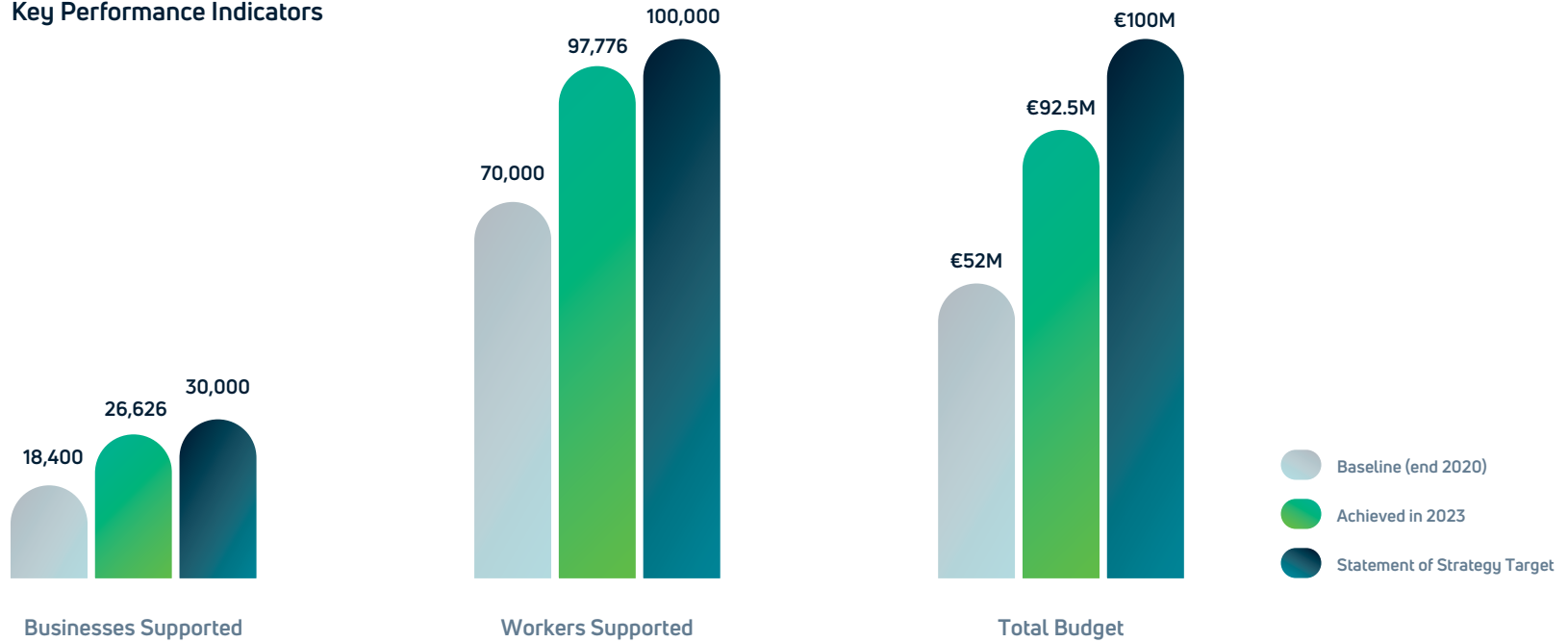
Skillnet Ireland's EU projects portfolio offer positive opportunities for our industry partners to engage in cutting edge talent projects at EU level and across the member states. By end 2023, Skillnet Ireland had consortia partnerships in place with a wide range of academic institutions, government bodies and industry organisations from twenty-six of the EU member states.



Launching new programmes from **CILT Mobility & Supply Chain Skillnet** and **Green Tech Skillnet** with the National Maritime College of Ireland (NMCI) to support the sustainable development of the maritime and offshore wind sector into the future. (L-R): Paul Healy, Chief Executive, Skillnet Ireland; Patrick O'Donovan TD, Minister for Further and Higher Education, Research, Innovation and Science; Maggie Cusack, President, Munster Technological University; and Paul Hegarty, Head of College, National Maritime College of Ireland.



Key Performance Indicators



Key Focus Areas



TRANSFORMING BUSINESS THROUGH TALENT STRATEGY 2021-2025

Statement of Strategy Mid-Term Review

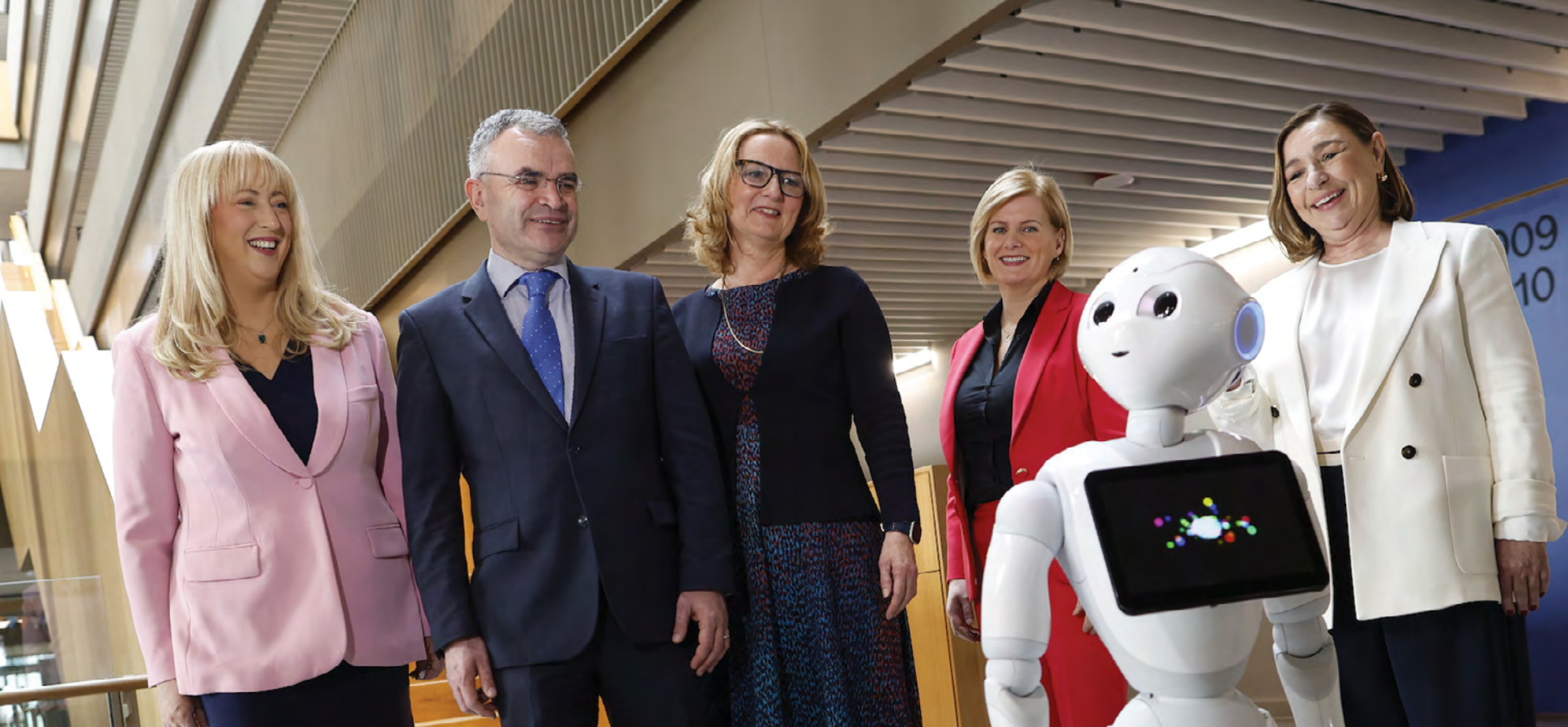
In addition, Skillnet Ireland has established its first European Social Fund ESF+ Co-funded Programme which will support over 2,000 workers in 2024. Taken together, EU structural funds and consortia projects have brought a step-change in our funding base with the Brexit Adjustment Reserve (BAR) accounting for €26.5m during 2021 and 2022 and the European Social Fund (ESF+) bringing an investment of €56m over the next number of years.

The remaining term of this Statement of Strategy will intersect with a watershed era for technology disruption, with Artificial Intelligence (AI) and other technological

advances poised to reshape business models and transform employment across the economy. As firms increasingly adopt these technologies to conduct their work, certain job tasks, and in some cases entire jobs, are at risk of automation. At the same time, new green skills are needed to tackle climate change and ensure the sustainability of our enterprises, environment and society. For these reasons Skillnet Ireland will continue to expand its suite of innovation led workforce development initiatives, including the introduction in 2024 of a new offshore wind talent initiative, a bespoke industry-led modern methods of construction (MMC) scheme, and the development of an SME incentivisation scheme and national skills portal.



Celebrating the success and business impact of MentorsWork, a national initiative developed in partnership with the Small Firms Association, which offers expert business mentoring and supports to SMEs nationwide. L-R: Graham Buggy, MD, Brendan Buggy Steel Fabrication Ltd; Helen Lynch, MD, Nina's Boutique; David Broderick, Director, Small Firms Association (SFA); Rachael McFarlane, Programme Manager, MentorsWork; Paul Healy, Skillnet Ireland, Chief Executive; Geraldine Magnier, Director, Ildiro Analytics and Chair of the SFA; Barry Prost, Co-founder, Rent a Recruiter.



Skillnet Ireland is recognised as an innovative, agile and high-performing organisation. Skillnet Ireland ranked first out of 47 international initiatives for impact on businesses and contribution to the economy including to the digital and climate agenda within a recent European Commission 'Pact for Skills: Analysing of Upskilling

and Reskilling Policy Initiatives and Identifying Best Practices' report. We are ambitious for Ireland and for Irish enterprise. We look forward to working with our industry partners, businesses and wider stakeholders to deliver fulsomely upon our strategy to 2025.

Announcing Ireland's first Postgraduate Diploma in Sports Analytics, Technology and Innovation developed by Technology Ireland DIGITAL Skillnet. L-R): Una Fitzpatrick, Director, Technology Ireland; Dara Calleary, Minister of State for Trade Promotion and Digital Transformation, Department of Enterprise, Trade and Employment; Dr. Claire McBride, Head of the Enterprise Academy, TU Dublin; Aoife O'Sullivan, Head of Network Development, Skillnet Ireland and Maire Hunt, Director, Technology Ireland DIGITAL Skillnet.

Skillnet
IRELAND

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Building _____
..... **Competitiveness**
Through Skills

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Creating a Highly Talented Workforce



In 2023, we supported 26,626 businesses nationwide, keeping enterprise ahead of the curve, and building capacity at a sectoral and regional level through our 70 Skillnet Business Networks and National Initiatives. Skillnet Ireland is committed to supporting learners at all levels in the workforce. In 2023, Skillnet Business Networks delivered 11,993 upskilling programmes to the Irish workforce enabling businesses to adapt and respond to change, as well as technological advances and challenges.

Many Skillnet Ireland programmes contributed to recommendations from key Government policies including Harnessing Digital, Housing For All, Ireland for Finance 2025, Foodwise 2025, National Cyber Security Strategy, AI Here for Good and Regional Development Plans. These include a series of new programmes developed in collaboration with the higher education sector.

Skillnet Ireland has a series of targeted initiatives to support the acceleration of digital transformation and sustainability practices across the economy. 14,021 workers benefitted from Skillnet Ireland supported digital skills programmes in 2023. These programmes have a two-pronged focus on specialised talent for new or emerging technologies such as AI, and in enabling digital transformation within the SME sector.

In 2023, 4,672 businesses and 7,287 employees benefitted from climate and sustainability upskilling programmes delivered by Skillnet Ireland covering energy management, offshore wind, water stewardship, biodiversity management, sustainable finance and ESG (Environmental, Social, and Governance) reporting, all aimed at helping businesses tackle decarbonisation.



Developing Future Skills



Throughout 2023, **Skillnet Business Networks** continued to support businesses across the economy and deliver best-in-class upskilling to record numbers of companies and individuals. By prioritising digitalisation, sustainability, innovation and leadership, all 70 Skillnet Business Networks supported SMEs to take practical steps to address their digital and sustainability challenges.

Facilitating these innovative collaborations between industry, higher education, and training providers, remains vital to meeting labour demands and equipping companies and employees with relevant, future-focused skills that position them for growth and success.

Several examples of our new 2023 programmes and collaborative upskilling initiatives are outlined on the following pages.



L-R: Dr Eugene McCarthy, Head of Department, Biopharmaceutical and Medical Science, ATU; Dr Sinead Keogh, Head of Sectors and Director Medtech & Engineering Sectors, Ibec; Dr Orla Flynn, President, ATU; Hildegard Naughton, Minister of State, Department of the Taoiseach, Department of Health; Dr Ann O'Connell, Head of Funded Projects Medtech and Engineering, Ibec; and Paul Healy, Chief Executive, Skillnet Ireland





A collaboration between **Irish Medtech Skillnet**, the Irish Medtech Association, and Atlantic Technological University (ATU), Galway, resulted in the launch of Europe's first Postgraduate Certificate (Level 9) in End-to-End Sterility Assurance. Developed in response to the growing demand for sterility assurance scientists and quality assurance roles, the innovative blended learning programme caters for the Medtech industry and related medical laboratories and biotech industries.

This initiative underscores Skillnet Ireland's commitment to addressing both regional and national needs, and to providing in-demand skills that foster competitiveness and employment growth. The programme exemplifies the power of industry-academia collaborations, addresses the fast paced technological and regulatory demands of the Medtech industry, and enhances Ireland's reputation as a top global hub for medical technology.

L-R: Paul Healy, Chief Executive, Skillnet Ireland; Professor Diarmuid Hegarty, President, Griffith College; Simon Harris, Minister for Further and Higher Education, Research, Innovation and Science; Aine McManus, Head of Faculty, Graduate Business School, Griffith College; and Tom Parlon, CEO, CIF.

Construction Professionals Skillnet launched a new Micro-Credential in Strategic Co-ordination and Collaboration for MMC (Modern Methods of Construction) aimed at upskilling the construction industry in Modern Methods of Construction (MMC) in partnership with Griffith College. The new micro-credential responds directly to industry needs, offering training, vital for adapting to MMC methodologies, which involve manufacturing building components off-site and assembling them on-site. The programme addresses industry-identified knowledge gaps and equips participants with practical skills essential for effectively managing MMC projects in Ireland. This marks the first of several micro-credentials from Construction Professionals Skillnet, covering critical areas like project management and commercial relationships.



An innovative collaboration between **Sustainable Enterprise Skillnet** and **Bord Bia** established the Origin Green Academy to develop sustainability skills and talent for businesses within the Irish food, drink and horticulture sectors. It aims to support businesses in achieving ambitious emissions reductions across the sector, accelerate their sustainability progress, and meet the expectations of global consumers and legislative requirements such as the Corporate Sustainability Reporting Directive (CSRD).

The Academy offers new sustainability programmes and integrates Origin Green’s existing sustainability supports. It also provides a platform for business leaders to exchange innovative ideas and foster new thinking around the most pressing sustainability related challenges of today.



Caption L-R: Maria Kelly, Head of Communications with 20FIFTY Partners, Paul Healy, Chief Executive of Skillnet Ireland, Deirdre Ryan, Director of Sustainability & Quality Assurance, Bord Bia and Jim O’Toole, Chief Executive of Bord Bia.





Taste 4 Success Skillnet and University College Cork (UCC) launched Ireland's first Masters in Dairy Technology & Innovation for professionals working in the world-renowned dairy sector. Responding to evolving industry needs, this collaboration will contribute to the demands of industry for highly skilled talent in the sector. Delivered at UCC's Dairy Science Centre of Excellence, this flexible part-time programme enables employees working in the sector to access world-class research and foster a sustainable future for Ireland's dairy industry through science based innovation and value creation.

Taste 4 Success Skillnet and UCC have also developed the Postgraduate and Masters in Dairy Technology and Innovation as a suite of stackable micro credential modules offering pathways for skilled workers in the dairy sector to access lifelong learning and professional qualifications in a flexible manner.

Paul Healy, Chief Executive Skillnet Ireland; Professor John O'Halloran, President, University College Cork (UCC); Simon Coveney TD, Minister for Enterprise, Trade and Employment; Bridie Corrigan Matthews, Network Manager, Taste 4 Success Skillnet; Professor Seamus O'Mahony, Director, UCC Centre of Excellence in Dairy Science, and Professor Paul McSweeney, Vice-President for Learning and Teaching, UCC.

Advancing Workforce Development and Innovation



Skillnet Ireland expanded the **Skillnet Business Network** community in 2023, launching two new Networks: Sustainable HRM (Human Resource Management) Skillnet and IRDG (Industry Research & Development Group) Innovation Skillnet.

Sustainable HRM Skillnet launched in April 2023 to promote sustainability in people management in businesses across the country. Sustainable HRM Skillnet is promoted by CIPD Ireland, the professional body for HR and people development. Sustainable HRM Skillnet will build new industry models to help business leaders across the economy to integrate environmental concerns and sustainability into everyday people management practices. Through its close engagement with industry, Sustainable HRM Skillnet has developed a proactive and forward thinking approach that is clearly focused on supporting organisations to evolve their people practices and thrive in changing work environments.

L-R: Peter Lennox, Development Advisor, Skillnet Ireland; Bernadette McGahon, Research & Innovation Services Manager, IRDG; Dermot Casey, CEO, IRDG; Anna Coyle, Director Product Management, Carelton Global Solutions and Dave Flynn, Director of Business Networks, Skillnet Ireland.



L-R: Tracey Donnelly, Director of Policy & Communications, Skillnet Ireland; Mary Connaughton, Director, CIPD Ireland; Sinéad Kilkelly, Executive Director People and Organisation Development, ESB; Professor David Collings, Chair of Sustainable Business, Trinity Business School; and Chantelle Lamont, Development Advisor, Skillnet Ireland.

IRDG Innovation Skillnet launched in May 2023 to empower businesses to through upskilling programmes and talent initiatives. IRDG Innovation Skillnet is promoted by the Industry Research & Development Group (IRDG) and aims to work with businesses to develop world-class innovation capabilities, deliver innovation strategies effectively and create cultures of innovation, navigate uncertainty, and reduce the risk involved in innovation and rise to the challenges of digitalisation and sustainability.





Skills Connect helps businesses to meet emerging talent needs and helps workers to 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 industries.

The programme offers bespoke training solutions and company placements that facilitate rapid reskilling and re-entry into the workforce. Of the 97,776 learners who undertook training with Skillnet Ireland in 2023, 2,968 were jobseekers who participated through Skillnet Ireland's Skills Connect programmes across 32 Skillnet Business Networks. Skills Connect has a diverse range of programmes including renewable energy, technology, medtech, hospitality, media, animation and healthcare.

In 2023, **Leading Healthcare Providers Skillnet** supported over 200 participants in successfully completing the Certificate in Healthcare Support. This QQI (Quality and Qualifications Ireland) Level 5 Major Award enables jobseekers to secure the qualification required by employers for the role of Healthcare Assistant in private sector nursing homes, home care, and hospitals.

Delivered by qualified nurses with teaching experience, these programmes have a high progression to employment and structured lifelong learning pathways in gerontology and healthcare.

Graduates from Learning Waves Skillnet's Radio Presenter Skills Connect Programme celebrating their graduation.





Boosting Talent — *Through Innovation*

Skillnet Ireland supports four national upskilling initiatives to meet the talent challenges of the twenty-first century addressing strategic innovation, creating strong leadership within companies, embedding sustainability practices and supporting Irish businesses to become stronger and more competitive through focused upskilling, mentoring and other business supports.

Marking the launch of the 'Financial Services in Ireland Future Skills report' from IFS Skillnet. L-R: Ruth Bishop, Chair of IFS Skillnet Steering Group, and Head of Strategic Leadership Development, Allianz SE; Patricia Callan, Director, Financial Services Ireland, Ibec; Simon Harris TD, Minister for Further and Higher Education, Research, Innovation and Science; Tracey Donnelly, Director of Policy and Communications, Skillnet Ireland; and Joe Heneghan, FSI Vice Chair and CEO, Revolut Europe.

Skillnet INNOVATION EXCHANGE

In 2023, **Skillnet Innovation Exchange** successfully expanded its regional reach launching new partnerships with regional hubs in Cork, Wexford, Galway, Louth and Kerry. Skillnet Innovation Exchange aims to accelerate digital transformation in large domestic and multinational businesses by connecting them with indigenous scale-ups with the capability to solve innovation challenges for large businesses.

This expansion underscores the appetite for collaborative initiatives that bridge the gap between SMEs and large corporates, driving growth and fostering innovation ecosystems nationally. The initiative empowers SMEs and has attracted a diverse range of participants, including scaling technology companies and long-established companies. In 2023 Skillnet Innovation Exchange introduced new focused upskilling offerings, peer to peer learning and further networking opportunities; resulting in deepened collaboration between these highly skilled and ambitious SMEs and larger businesses.

Since its launch in 2022 over 600 companies have engaged and the ongoing success of Skillnet Innovation Exchange is evidenced by its growing participant base and the numerous innovation challenges it has effectively addressed for large corporates.

L-R: Conor Carmody, Programme Director, Skillnet Innovation Exchange; Sinead O' Riordan, Head of Channel Partnerships, Skillnet Innovation Exchange; Paul Healy, Chief Executive, Skillnet Ireland; and Simon Coveney TD, Minister for Enterprise, Trade and Employment





Skillnet Climate Ready Academy launched its inaugural Sustainability Practitioners Conference at the University of Limerick bringing together Academy alumni and key stakeholders to learn from experts and industry peers about best practice and advancements in key sustainability topics. In 2023, a new Biodiversity Leaders Programme was launched to help businesses adopt sustainable practices to enhance biodiversity, and to develop effective biodiversity action plans in line with the upcoming Corporate Sustainability Reporting Directive.

In 2023, **Skillnet Climate Ready Academy** also partnered with IDA Ireland and Enterprise Ireland to deliver the Sustainability Leaders Programme. This interactive programme targets companies at the early stages of implementing sustainability strategies, offering both individual skill development and organisational impact with tailored supports to develop and implement climate-positive and carbon reduction measures.



L-R: Mark Jordan, Chief Strategy Officer, Skillnet Ireland; Maria Kelly, Director, Skillnet Climate Ready Academy and Mary Buckley, Executive Director, IDA Ireland.



Embracing Innovative Technology for Impactful Lifelong Learning

Skillnet Ireland is dedicated to embracing emerging technologies to facilitate talent development opportunities and enhance business competitiveness. Increasingly, Skillnet Business Networks are embracing technology to design immersive learning solutions.

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CPA Ireland Skillnet introduced a revolutionary new programme that harnesses the power of Virtual Reality for upskilling in the accounting and financial services sector. The new CPA Metaverse programme, a first of its kind in Ireland, focuses on the process of Robotic Process Automation. It also provides upskilling on data processing tools, including Python, Excel and Microsoft power automate. This programme responds to business needs and enables participants to put their new digital skills and sophisticated tools into practice in an immersive virtual setting.

First Polymer Training Skillnet added a new Virtual Reality (VR) module to its suite of injection moulding upskilling programmes. One of the first in the world to adopt VR technology in this space, First Polymer Training Skillnet's innovative approach underscores its commitment to delivering world-class upskilling to Irish



L-R: Dave Flynn, Director of Business Networks, Skillnet Ireland; Trish O'Neill, Director of Member Services, CPA Ireland and Gary O'Sullivan, Managing Partner UK & Ireland, Sia Partners Consulting 4.0.

polymer companies for 25 years. The VR based training platform allows learners to understand and interact with a virtual injection moulding machine's complex operations and processes in a safe and controlled environment, thereby eliminating the risk of breaking or damaging expensive moulds. This training programme bridges gaps between complex theory and real-world practice, allowing participants to experience the complex inner operations and processes of a machine in a 3D environment.

Future of Work and Talent Development



The future of work is changing rapidly due to the transformative impact of digitalisation, sustainability, artificial intelligence, and new workforce design impacting on businesses. Skillnet Ireland's Industry Insights Series has proven to be an invaluable tool for business leaders and policy makers to contextualise some of these challenges and present actionable solutions to address them, with ten research reports published in 2023.

A report from **Connected Health Skillnet** and Irish Medtech Association, *Where Digital Health Thrives -Future Skills Needs, Industry Skills Needs Analysis 2023-2026*, provides in depth analysis into the future skills needs of the digital health industry. The report outlines enterprise-led plans to develop the skills required for new digital health roles across the entire value chain from research and development to product approval.

A recent report by **BioPharmaChem Skillnet** entitled *Building Action Through Data: An Analysis of Equality, Diversity & Inclusion (EDI) in the BioPharmaChem*



Industry examined how attracting talent from diverse backgrounds can enable businesses to improve decision making, enhance problem solving and drive continuous innovation. The research also demonstrates that whilst many businesses in the BioPharmaChem sector are at the beginning of their EDI journey, initiatives like strategic workforce design can extend the pool of potential talent by engaging previously under-represented groups.

L-R: Susan Costello, Network Manager, BioPharmaChem Skillnet; Niall Collins TD, Minister of State, Department of Further and Higher Education, Research, Innovation and Science.; Chantelle Lamont, Development Advisor, Skillnet Ireland; and Paul McCabe, Chief Operating Officer, VLE Therapeutics.





L&D Skillnet in collaboration with Trinity College Dublin and Dublin City University published a report on Skills First Human Resources which examines the extent to which traditional forms of human resource management are fit for purpose. The research introduces the emerging area of skills-first HR and demonstrates the need to align the supply of skills with organisational strategic goals as well as leveraging internal data as key enabling factors for unlocking future talent.



L-R: Bradley Nolan, Network Manager, L&D Skillnet; Sinead Heneghan, CEO, L&DI; David G. Collings, Chair of Sustainable Business, Trinity College Dublin; Tracey Donnelly, Director of Policy and Communications, Skillnet Ireland; Dr. Adam Whittle, Research & Policy Advisor, Skillnet Ireland and John McMackin, Associate Professor with the Work, Psychology and Strategy Group, DCU Business School

Delivering on European Skills Priorities



Skillnet Ireland is a member of the EU Pact for Skills, a shared engagement model for skills development in Europe. Through this partnership, Skillnet Ireland supports businesses to navigate the challenges and new horizons presented by the green and digital transitions.



Skillnet Ireland actively supports the implementation of EU skills policy by engaging in a range of workforce development initiatives through EU structural funds and Brussels-led consortia projects.

During the European Year of Skills, Skillnet Ireland was pleased to launch its first **European Social Fund ESF+ Co-funded Programme** in 2023 which commenced delivery in January 2024. ESF+ will facilitate Skillnet Ireland to make a significant impact on developing Ireland's skilled, resilient workforce and deliver measurable results in furthering social inclusion in the years ahead.

European Partnerships to accelerate the Digital Decade and Green Transition Targets

In 2023, Skillnet Ireland participated in the launch of four EU projects under the Digital Europe programme. Through these projects Skillnet Ireland, along with European Universities and European industry partners, are contributing to the ambitious European Digital Targets; **REBOOT Skills** project, Project **EAGLE**, **Digital4Business** and **Digital4Security**.

Skillnet Ireland is also part of two projects focusing on the design and delivery of a highly innovative and sustainable skills strategy and provisions for Europe in the hydrogen and retail sectors. The **GreenSkillsForH2** project focuses on conducting a pan European skills analysis to underpin the Hydrogen Skills Strategy for Europe which was published in June 2023.

The **Skills4Retail** project commenced in September 2023 to design a European Retail Skills Strategy and Training Programme that will address the urgent and emerging skills needs of retailers in the key areas of digitalisation, green transition, and resilience.





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 2023, Skillnet Ireland had working consortia partnership relationships in place with a wide range of academic institutions, government bodies and industry organisations from 25 of the 27 EU member states.

L-R: Paul Healy, Chief Executive, Skillnet Ireland; Eimear Noone, Composer, Conductor and Producer; and Simon Harris TD, Minister for Further and Higher Education, Research, Innovation and Science.



• SKILLNET IRELAND BOARD 2023

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. **Maeve Kearns***
Construction
Industry Federation



6. **Karl McDonagh***
Ibec



7. **Ian Talbot**
Chambers Ireland

EMPLOYEE REPRESENTATIVES



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



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



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

*Note:

- Maeve Kearns | Appointed 20th April 2023
- Thomas Cooney | Resigned 30th May 2023
- Karl McDonagh | Resigned 14th September 2023

MINISTERIAL REPRESENTATIVES



11. **Thomas Cooney***



12. **Yvonne McNulty**



13. **Fiona Walsh**

SECRETARY



14. **Caitríona King**
Skillnet Ireland



Corporate Governance and **Financial Statements**

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Reports and Consolidated Financial Statements
for the financial year ended **31 December 2023**

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• DIRECTORS AND OTHER INFORMATION

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• Directors

Brendan McGinty (Chairperson)
Carol Ann Casey
Eamon Devoy
Mairéad Divilly
Áine Doyle
Tish Gibbons
Maeve Kearns
Terry Landers
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 2023.

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 currently does not carry out any activities. The Directors will assess the future purpose of Skillnets Services during 2024.

As at 31 December 2023, the balance repayable to Skillnet Ireland from Skillnets Services is €98,180 (see note 10).

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 2024 as €51.498m 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 2024, 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 €51.498m.
- 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.

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 2024 which mitigates any risk that may arise.

Regulatory

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

● DIRECTORS' REPORT

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

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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 54 and 55 respectively.

	2023 €	2022 €
Loss for the financial year	(4,233)	-
Retained earnings brought forward at beginning of financial year	51,075	51,075
Retained earnings carried forward at end of financial year	46,842	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)
 Carol Ann Casey
 Thomas Cooney (Resigned 30th May 2023)
 Eamon Devoy
 Mairéad Divilly
 Áine Doyle
 Tish Gibbons
 Maeve Kearns (Appointed 20th April 2023)
 Karl McDonagh (Resigned 14th September 2023)
 Yvonne McNulty
 Anthony Murphy
 Ian Talbot
 Fiona Walsh

Secretary:

Caitríona King

The current Directors and Secretary are listed on page 36. They had no beneficial interest in 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

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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, Maeve Kearns 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: Carol Ann Casey (Chair), Tish Gibbons, Yvonne McNulty and Anthony Murphy.

The Evaluation and Performance Monitoring Committee:

- Reviews applications for funding and awards for grants
- Oversees the application process followed by the Executive
- Defines 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 2023, the Board of Skillnet Ireland comprised of four male (36%) and seven female (64%) members, with two positions vacant. The Board therefore does not meet the Government's target of a minimum of 40% representation of each gender in the membership of State Boards.

In February 2024, with the appointment of Terry Landers to the Board of Skillnet Ireland, the gender balance adjusted to five male (42%) and seven female (58%), with one position remaining vacant.

● DIRECTORS' REPORT

Directors' meeting attendance and fees paid in 2023

Details of fees paid in 2023 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 2023 €	Fees 2022 €
	Total	Attended	Total	Attended	Total	Attended	Total	Attended		
Brendan McGinty (Chairperson)	6	6	-	-	2	2	-	-	11,970	11,970
Carol Ann Casey	6	6	4	4	-	-	1	1	7,695	7,695
Thomas Cooney (2)	3	3	-	-	-	-	1	1	Nil	Nil
Eamon Devoy	6	4	4	3	-	-	-	-	7,695	7,695
Mairéad Divilly	6	5	4	4	2	2	-	-	7,695	7,695
Áine Doyle	6	5	-	-	2	2	-	-	7,695	7,695
Tish Gibbons (3)	6	4	-	-	-	-	2	2	9,214	Nil
Maeve Kearns (1)	4	3	-	-	1	-	1	1	5,337	-
Karl McDonagh	4	3	-	-	-	-	1	1	7,695	7,695
Yvonne McNulty	6	6	-	-	-	-	2	1	7,695	7,695
Anthony Murphy	6	6	-	-	-	-	2	1	7,695	7,695
Ian Talbot (1)	6	4	4	2	-	-	-	-	7,695	7,695
Fiona Walsh	6	5	4	4	-	-	-	-	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.

(3) Tish Gibbons did not receive a fee under the One Person One Salary (OPDS) principle. Her fee was paid to her employer, University of Limerick. The above figure reflects the fee paid from her appointment in October 2022 to end of December 2023.

● 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 commissioned a follow-up review in late 2023 that is due to be completed in mid-2024.

Protected Disclosures Act 2014

Pursuant to Section 22 of the Protected Disclosures Act 2014, Skillnet Ireland received one protected disclosure which is under investigation in accordance with the provisions of the Protected Disclosures Act 2014 for the year ended 31st December 2023 (2022: 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).

In December 2023, the Department wrote to Skillnet Ireland setting out the requirements that all public bodies must perform to support the objectives set out in the Public Sector Climate Action Strategy 2023-2025 which was approved by Government in March 2023 and its publication is in fulfilment of actions 53b of the Climate Action Plan 2021 and PS/23/2 of Climate Action Plan 2023.

Specifically, the Department requested from Skillnet Ireland:

- To adopt the Public Sector Climate Action Mandate
- To nominate a representative from the senior leadership team as a Climate and Sustainability Champion
- To develop a Climate Action Roadmap

Management

The leadership team is made up of 5 members of staff (2022: 5).

Political Contributions

There were no political donations made during the financial year (2022: €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

In line with Skillnet Ireland's increased mandate, new funding of €2m has been provided in 2024 by the Department to develop two new schemes and to fund an SME Upskilling Incentive Scheme.



● 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 has completed its term and the Company is under a tendering process to be re-appointed for future audits.

Approved by the Board and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

Date: 29th April 2024

● 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 2023 and 2024 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 2023. There were no material breaches of controls in 2023 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 2023.

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

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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 €12,725 (2022: 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	2023 €	2022 €
Staff Hospitality		16,739	9,121

Consultancy costs

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

	Notes	2023 €	2022 €
Legal advice		56,173	26,708
IT Consultancy		7,150	-
New Programme Development		234,550	117,658
Strategy development		-	47,294
HR Consultancy		15,899	33,928
		313,772	225,588
Total Consultancy costs charged to the Income and Expenditure Account		313,772	225,588

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

Domestic		2023 €	2022 €
Board		-	-
Employees		69,446	35,365

International		2023 €	2022 €
Board		-	-
Employees		36,714	13,457

Total		106,160	48,822
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Includes travel and subsistence of €Nil paid directly to Board members in 2023 (2022: €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 commissioned a follow-up review in late 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

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

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

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

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

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

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

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

Report on the audit of the financial statements

Opinion on the financial statements of Skillnet Ireland 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 2023 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

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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

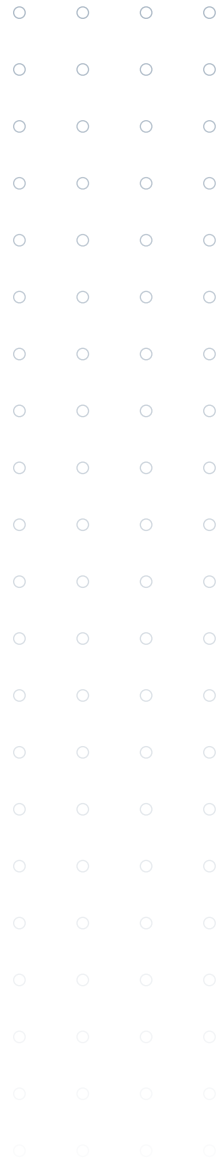
This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. 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.

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

30th April 2024



Kevin Sheehan



● CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

	Notes	2023 €	2022 €
INCOME	3	59,572,385	49,752,596
Programme costs		(53,772,034)	(45,289,986)
GROSS SURPLUS		5,800,351	4,462,610
Administration costs		(5,773,742)	(4,462,610)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	26,609	-
Taxation	7	(30,842)	-
LOSS FOR THE FINANCIAL YEAR		(4,233)	-
Retained earnings at the beginning of the reporting period		51,075	51,075
Retained earnings at the end of the reporting period		46,842	51,075

● CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

.....

	Notes	2023 €	2022 €
Fixed Assets			
Tangible assets	8	275,852	140,226
Current Assets			
Debtors: Amounts falling due within one year	10	2,597,691	2,555,060
Cash at bank and in hand	11	2,843,027	680,359
		5,440,718	3,235,419
Current Liabilities			
Creditors: Amounts falling due within one year	12	(5,393,876)	(3,184,344)
Net Current Assets			
		46,842	51,075
Creditors: Amounts falling due after more than one year	12	(275,852)	(140,226)
Net Assets			
		46,842	51,075
Capital and Reserves			
Retained earnings		46,842	51,075

The financial statements were approved and authorised for issue by the Board of Directors on 29th April 2024 and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

● COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

.....

	Notes	2023 €	2022 €
Fixed Assets			
Tangible assets	8	275,852	140,226
Financial assets	9	1	1
		275,853	140,227
Current Assets			
Debtors: Amounts falling due within one year	10	2,695,873	2,558,625
Cash at bank and in hand	11	2,691,238	620,627
		5,387,111	3,179,252
Current Liabilities			
Creditors: Amounts falling due within one year	12	(5,387,111)	(3,179,252)
Net Current Liabilities			
		-	-
Creditors: Amounts falling due after more than one year	12	(275,853)	(140,227)
Net Assets			
		-	-
Capital and Reserves			
Retained earnings	14	-	-

The financial statements were approved and authorised for issue by the Board of Directors on 29th April 2024 and signed on its behalf by:



Brendan McGinty
Director



Mairéad Divilly
Director

● **CONSOLIDATED STATEMENT OF CASHFLOWS**
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 €	2022 €
Net cash flows from operating activities	15	2,400,216	431,858
Net cash flows from investing activities			
Purchase of tangible assets	8	(237,548)	(97,710)
Net increase in cash and cash equivalents		2,162,668	334,148
Cash and cash equivalents at beginning of year		680,359	346,211
Cash and cash equivalents at end of year	11	2,843,027	680,359



● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

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 39. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 40 to 46.

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 2024 as €51.498m 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 2024, 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 €51.498m.
- 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.

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 40).



● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

EU funding is credited to deferred income on receipt and is transferred to the consolidated income statement to match expenditure as it is incurred.

Other sources of income are recognised on receipt.

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.

In 2022 a Master Trust arrangement with our current investment advisors New Ireland was signed to replace the Single Trust. The single scheme was wound up during 2023 and the assets transferred to the new master trust.

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. This ruling is to expire on the 28th of August 2024.

In response to a Revenue Commissioners ruling that funding received directly from the EU is subject to taxation, Skillnet Ireland has made a submission to the Department of Finance to be included in Schedule 4 TCA 1997 (Exemption of Specified Non-Commercial State Sponsored Bodies from Certain Tax Provisions). Schedule 4 TCA 1997 provides an exemption from tax under Case III, Case IV and Case V under Section 227.

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.

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES (contd)

Non-financial assets (contd)

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.

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.

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.

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Leases

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

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

3. INCOME

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

EU Funded Projects (note 13)

IDB Pilot Initiative (note 13)

Subsidiary Company: Skillnets Services*

	2023 €	2022 €
Department of Further and Higher Education, Research, Innovation and Science (via the National Training Fund) (note 13)	59,394,233	49,684,011
EU Funded Projects (note 13)	176,967	61,682
IDB Pilot Initiative (note 13)	1,185	-
Subsidiary Company: Skillnets Services*	-	6,903
	59,572,385	49,752,596

Income comprises all grants acquired from the Department of Further and Higher Education, Research, Innovation, and Science (DFHERIS) in the Republic of Ireland. Additionally, the company received grant funding from the EU, along with funding from the Inter-American Development Bank (IDB) as per the request of the Department of Foreign Affairs.

* 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 2023

.....

	2023 €	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)	98,773	95,666
Operating lease payments – premises (note 18)	215,083	211,147
Depreciation (note 8)	262,820	118,660
Loss on disposal of fixed assets	-	1,810
	<u>98,773</u>	<u>95,666</u>
5. DIRECTORS' REMUNERATION		
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	65,835	65,835
Amounts paid to representative organisations for Directors services excluding VAT (note 17)	22,246	18,596
Amounts charged to Skillnet Ireland for the provision of Director services excluding VAT (note 17)	7,695	7,695
Total Directors' remuneration excluding VAT	<u>95,776</u>	<u>92,126</u>
Irrecoverable VAT on Director Services	2,997	3,540
	<u>98,773</u>	<u>95,666</u>

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

6. STAFF NUMBERS AND COSTS

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

2023 Number	2022 Number
54	42

The following table sets out the salary range for those paid in excess of €60,000 in 2023 along with employer's pension contributions and other benefits.

Number of Staff		Gross Salary Range	Employer's Pension Contribution	Other Benefits
2022	2023	€	€	€
6	11	60,000 - 69,999	26,432	-
9	13	70,000 - 79,999	96,223	-
2	2	80,000 - 89,999	18,650	-
-	1	90,000 - 99,999	6,000	-
1	1	100,000 - 109,999	-	-
-	-	110,000 - 119,999	-	-
4	4	120,000 - 129,999	50,566	-
-	-	130,000 - 139,999	-	-
1	-	140,000 - 149,999	-	-
-	1	150,000 - 159,999	23,039	-

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

6. STAFF NUMBERS AND COSTS (continued)

The aggregate staff remuneration comprised:

Wages and salaries (including Directors' fees)

Social welfare costs

Retirement benefit costs (note 19)

Analysed as follows:

Expensed in financial year

	2023 €	2022 €
	3,238,392	2,418,998
	344,633	255,959
	280,566	175,648
	<hr/> 3,863,591 <hr/>	<hr/> 2,850,605 <hr/>
	<hr/> 3,863,591 <hr/>	<hr/> 2,850,605 <hr/>
	<hr/> 3,863,591 <hr/>	<hr/> 2,850,605 <hr/>

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

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 (2022: 5 Executive Director roles). The total remuneration for key management personnel (including the Board) for the financial year amounted to €904,472 (2022: €832,329).

Set out below is the breakdown of those amounts:

	2023 €	2022 €
Directors' Remuneration (note 5)	98,773	95,666
Salaries and wages	659,248	602,465
Employer's PRSI	72,847	66,572
Employer's pension contribution (Defined contribution scheme)	73,604	67,626
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	904,472	832,329
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>



● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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6. STAFF NUMBERS AND COSTS (continued)

In 2023, the Chief Executive was paid a salary of €153,593 (2022: €148,714).

The Chief Executive is a member of the Skillnet Ireland Group Retirement Plan. The Company contributed €23,039 to the scheme in 2023 on behalf of the Chief Executive (2022: €22,307).

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.

	2023 €	2022 €
European Income	176,967	61,682
Current Tax:		
Irish Corporation tax at higher rate 25%	30,842	-

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. TANGIBLE ASSETS GROUP & COMPANY

Cost:

	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
At 1 January 2023	3,749	259,164	822,017	1,084,930
Additions	-	-	237,548	237,548
Disposals	(1,150)	(73,366)	(5,832)	(80,347)
At 31 December 2023	2,599	185,798	1,053,733	1,242,131

Accumulated depreciation:

At 1 January 2023	3,749	237,606	703,349	944,704
Charge for the financial year	-	8,527	93,396	101,922
Disposals	(1,150)	(73,366)	(5,832)	(80,347)
At 31 December 2023	2,599	172,767	790,913	966,279

Net book values:

At 31 December 2023	-	13,031	262,820	275,852
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Net book values:

At 31 December 2022	-	21,558	118,668	140,226
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● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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9. FINANCIAL ASSETS

In respect of current and prior financial year:

Financial assets represent a 100% holding in its subsidiary Skillnets Services DAC which provides professional services. 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 loss of €4,233 after taxation in 2023 (2022: €Nil). At 31st December 2023, it had net assets of €46,846 (2022: €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

	2023 €	2022 €
	1	1

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

10. DEBTORS

(Amounts due within one year)

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Non-Grant debtors	53,406	191,939	53,406	191,941
Prepayments	2,544,285	2,363,121	2,544,287	2,363,121
Amount due from subsidiary	-	-	98,180	3,563
	2,597,691	2,555,060	2,695,873	2,558,625

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 2023

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11. CASH AT HAND AND IN BANK

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Parent company bank accounts	2,691,073	620,439	2,691,073	620,439
Subsidiary bank accounts	151,789	59,732	-	-
Petty Cash	165	188	165	188
	<u>2,843,027</u>	<u>680,359</u>	<u>2,691,238</u>	<u>620,627</u>

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

.....

12. CREDITORS

(Amounts falling due within one year)

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Deferred income (note 13)	5,151,991	2,880,096	5,151,991	2,880,096
Accruals	372,039	225,190	365,275	220,099
Other creditors	109,477	196,641	109,477	196,641
Value added tax (VAT)	36,221	22,643	36,221	22,643
	<u>5,669,728</u>	<u>3,324,570</u>	<u>5,662,964</u>	<u>3,319,479</u>
CREDITORS: Amounts falling due after more than one year				
Capital related deferred income (note 8)	<u>275,853</u>	<u>140,227</u>	<u>275,853</u>	<u>140,227</u>

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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13. DEFERRED INCOME – PARENT COMPANY

(Amounts falling due within one year)

	NTF €	EU €	Other €	Total €
Opening as at 01 January 2022	1,409,107	-	-	1,409,107
Received during the year	51,155,000	61,682	-	51,216,682
Income Recognised	(49,684,011)	(61,682)	-	(49,745,693)
At 01 January 2023	2,880,096			2,880,096
Received during the year	61,141,000	582,932	120,349	61,844,281
Income Recognised	(59,394,233)	(176,967)	(1,185)	(59,572,385)
At 31 December 2023	<u>4,626,863</u>	<u>405,965</u>	<u>119,164</u>	<u>5,151,991</u>

The company receives exchequer funding from the National Training Fund (NTF) and EU funding for 6 European projects. Other includes funding received from IDB Pilot and Entire Hub.

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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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 (2022: €Nil).

15. RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASHFLOW

	2023 €	2022 €
(Loss) before taxation	(4,233)	-
Depreciation (note 8)	101,922	164,514
Loss on disposal of fixed assets	-	1,810
(Increase) in debtors	(42,631)	(1,357,569)
Increase in creditors	2,314,316	1,668,957
Tax Paid (note 7)	30,842	-
Net Cash inflow from operating activities	2,400,216	431,858

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 was 11 (2022: 12), 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.

Amounts paid to representative organisations /employers for Director services excluding VAT

Hubert Fitzpatrick	to Construction Industry Federation
Ian Talbot	to Chambers Ireland
Laura Bambrick	to Irish Congress of Trade Union
Maeve Kearns	to Construction Industry Federation
Tish Gibbons	to University of Limerick

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

Anthony Murphy	to Anthony Murphy
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Irrecoverable VAT

	2023 €	2022 €
	-	7,695
	7,695	7,695
	-	3,206
	5,337	-
	9,214	-
	<hr/>	<hr/>
	22,246	18,596
	<hr/>	<hr/>
	7,695	7,695
	<hr/>	<hr/>
	7,695	7,695
	<hr/>	<hr/>
	2,997	3,540
	<hr/>	<hr/>
	32,939	29,831
	<hr/> <hr/>	<hr/> <hr/>

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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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 commencement date of 1 January 2018. The terms of the lease indicated that a rent review was due on 1 January 2023 and the review was concluded in February 2024. The current annual commitment on this occupational lease is €215,083. The actual charge in 2022 was €211,147.

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

	2023 €	2022 €
Within one year	215,083	211,147
Between one and five years	645,248	844,587
After five years	-	-
	<hr/> 860,331 <hr/>	<hr/> 1,055,734 <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 €280,566 (2022: €175,648). The amount owing at 31st December 2023 was €Nil (2022: €Nil).

20. SUBSEQUENT EVENTS

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

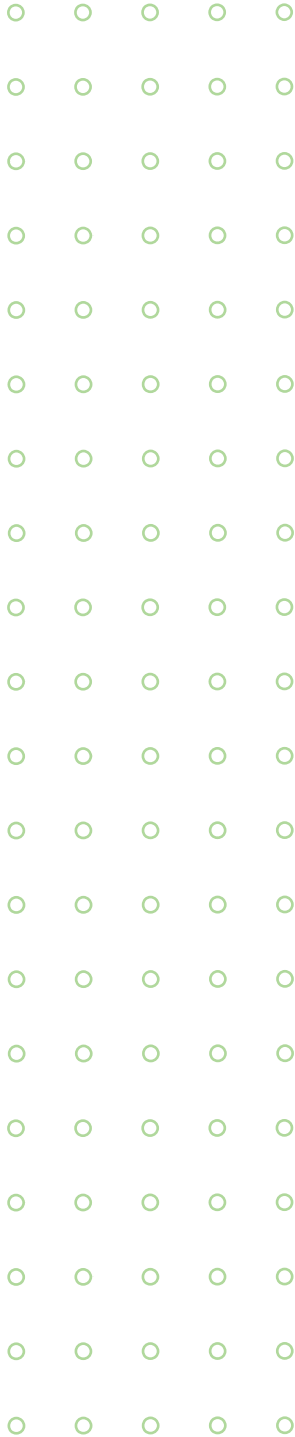
A woman with long brown hair, wearing a blue blazer over a black and white striped shirt, is smiling and shaking hands with another person whose hand is visible in the bottom right corner. The background is a blurred office setting.

**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 2023**

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• SKILLNET IRELAND BUSINESS NETWORKS AND INITIATIVES 2023

In **2023** our Industry Partners supported businesses in a wide range of sectors and regions across Ireland.

A

Aviation Skillnet

B

BioPharmaChem Skillnet

C

Carlow Kilkenny Skillnet

CILT Mobility & Supply Chain Skillnet

CitA Skillnet

Cobotics Skillnet

Connected Health Skillnet

Construction Professionals Skillnet

Cork Chamber Skillnet

County Tipperary Chamber Skillnet

County Wexford Chamber Skillnet

CPA Ireland Skillnet

Cultural & Creative Industries 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

Industry 4.0 Skillnet

IRDG Innovation Skillnet

Irish Hotels Federation Skillnet

Irish Medtech Skillnet

ISME Skillnet

itag Skillnet

L

L&D Skillnet

Law Society Skillnet

Leading Healthcare Providers Skillnet

Learning Waves Skillnet

Leisure, Health & Fitness Skillnet

Limerick Chamber Skillnet

• SKILLNET IRELAND BUSINESS NETWORKS AND INITIATIVES 2023

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
 Rural Enterprise Skillnet
 Rural Food Skillnet

S

Skillnet Climate Ready Academy
 Skillnet Innovation Exchange
 Shannon Chamber Skillnet
 SIMI Skillnet
 Sligo Chamber Skillnet
 South Kerry Skillnet
 South West Gnó Skillnet
 Space Industry Skillnet
 Sustainable Enterprise Skillnet
 Sustainable Finance Skillnet
 Sustainable HRM Skillnet

T

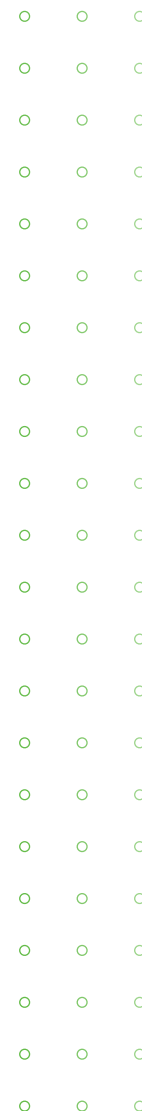
Taste 4 Success Skillnet
 Tech Industry Alliance Skillnet
 Tech North West Skillnet
 Technology Ireland DIGITAL Skillnet
 Technology Ireland ICT Skillnet

W

Waterford Chamber Skillnet

X

XL Vets Skillnet





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Rialtas na hÉireann
Government of Ireland



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