Annual Report and Accounts 2012

Where People Matter

Financial Highlights

(all amounts are in thousands unless stated)

€290,240
Revenue

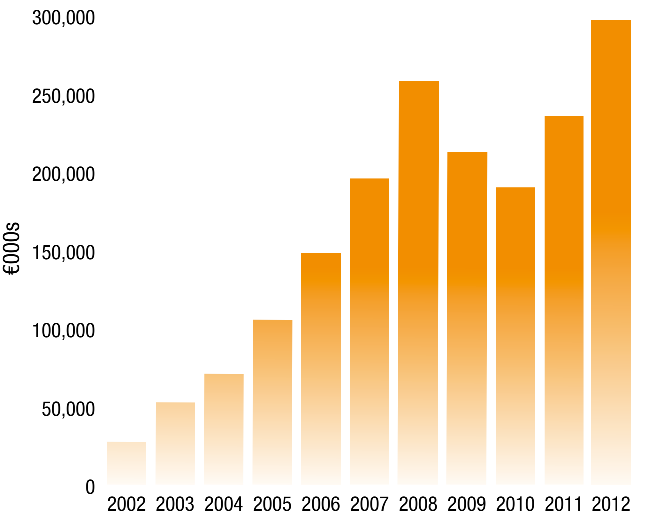
€10,015
Operating profit

€43,538
Gross profit

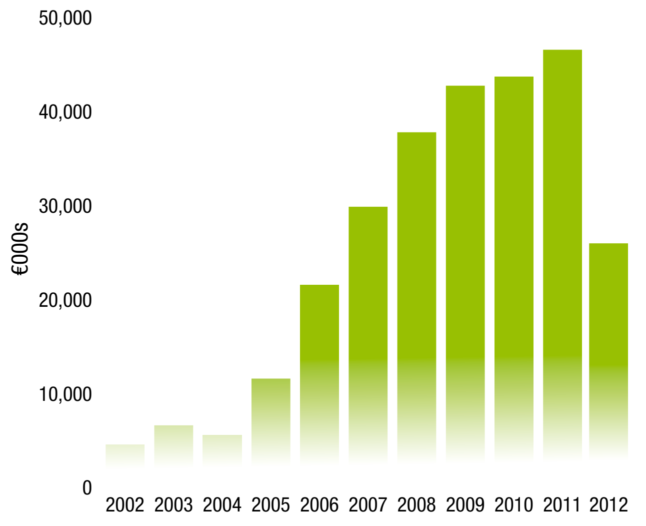
€9,754
Profit before tax

25.6 cent
Basic earnings per share

Revenue Growth



Net Cash



Cpl Values

Respect
Accountability
Customer Focus
Effective Communication
Empowerment

At CPL our Core Values are an intrinsic part of our company's culture. They inform every part of how the business operates and guide the behaviour and attitudes of our employees in their everyday working lives. We believe that our Core Values provide us with the means to better meet the needs of our clients and candidates and give us a competitive advantage. We strive to adhere to these values and hold them to be the cornerstone of all of our activities both internally and externally.

Respect

which encompasses integrity, fairness, listening, co-operation, responsiveness and perceptiveness.

Accountability

it is not just about your part of the job or task; it is about seeing the whole job through to the end.
"It is not done until it's all done."

Customer Focus

excellence in everything we do for our clients and internal customers, including a commitment to innovation.

Effective Communication

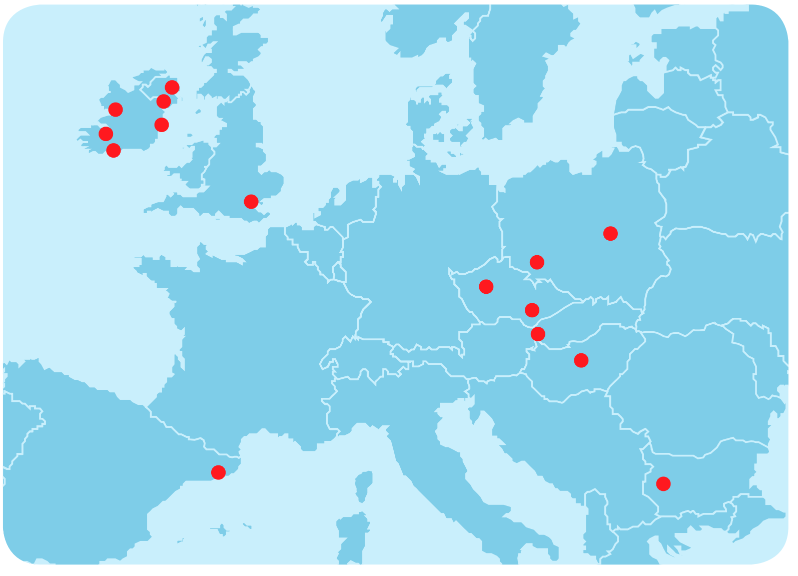
clarity in communication, an openness and willingness to listen which ensures understanding of the request.

Empowerment

enabling and supporting people to maximise their potential. An entrepreneurial spirit and a passion for the work we do.

Cpl has founded its business on forging strong relationships and delivering an exceptional service to clients and candidates. We want to inspire all of our employees to have the same passion to deliver the most exceptional service possible. Cpl endeavours to create a workplace that is welcoming and challenging. Our Core Values underpin all that is required in order to achieve that goal.

Locations



IRELAND

DUBLIN

Cpl Resources plc. – HQ
83 Merrion Square, Dublin 2
T: +353 1 614 6000
E: info@cpl.ie
W: www.cpl.ie

Careers Register
2nd Floor, 49 St Stephens
Green, Dublin 2
T: +353 1 500 5909
E: info@cpl.ie
W: www.careers-register.com

Kate Cowhig
2nd Floor, 49 St Stephens
Green, Dublin 2
T: +353 1 500 5909
E: info@kcr.ie
W: www.kcr.ie

Cpl Healthcare
2nd Floor, 49 St Stephens
Green, Dublin 2
T: +353 1 500 5909
E: info@cplhealthcare.ie
W: www.cplhealthcare.ie

Career Consultants
2nd Floor, 49 St Stephens
Green, Dublin 2
T: +353 1 500 5909
E: info@cpl.ie
W: www.careerconsultants.ie

Flexsource
5 St. Fintans, North Street,
Swords, Co. Dublin
T: +353 1 895 5700
E: swords@flexsource.ie
W: www.flexsource.ie

Interaction
Dublin Multilingual Call Centre,
Maple House,
South County Business Park
Leopardstown, Co. Dublin
T: +353 21 471 0000
E: info@interaction.ie
W: www.interaction.ie

Servisource
International House, Tara Street,
Dublin 2
T: +353 1 473 0474
E: info@servisource.ie
W: www.servisource.ie

Nifast
5 St. Fintans, North Street,
Swords, Co. Dublin
T: +353 818 333 009
E: info@nifast.ie
W: www.nifast.ie

CORK

Cpl Resources plc.
5th Floor, VHI House,
70 South Mall, Cork
T: +353 21 494 4860
E: info@cork.cpl.ie
W: www.cpl.ie

Kenny Whelan & Associates
Unit 1 Joyce House,
Barrack Square,
Ballincollig, Cork
T: + 353 21 466 5400
E: info@kenny-whelan.ie
W: www.kenny-whelan.ie

Interaction
Interaction Headquarters,
West Cork Technology Park,
Clonakilty, Cork
T: +353 21 471 0000
E: info@interaction.ie
W: www.interaction.ie

Nifast
5th Floor, VHI House,
70 South Mall, Cork
T: +353 21 4319 250
E: info@nifast.ie
W: www.nifast.ie

LIMERICK

Cpl Resources plc.
10/11 Steamboat Quay,
Dock Road, Limerick
T: +353 61 317 377
E: info@limerick.cpl.ie
W: www.cpl.ie

GALWAY

Cpl Resources plc.
Ross House,
Merchants Road,
Galway, Co. Galway
T: +353 91 509 740
E: info@galway.cpl.ie
W: info@cpl.ie

BELFAST

Cpl Resources plc.
20 Adelaide Street,
Belfast, BT2 8GD,
BT34 1LR
T: +44 289 072 5600
E: belfast@cpl-ni.com
W: www.cpl.com

NEWRY

Cpl Resources plc.
Granite House,
31 – 35 St Marys Street,
Newry, Co. Down
BT34 1LR
T: +44 2830 253 450
E: newry@cpl-ni.com
W: www.cpl.com

BULGARIA

SOFIA

Cpl Resources plc.
Branch Manager: Danail Kanchev
Cpl Jobs Ltd Bulgaria,
1A Pop Bogomil Str.,
6th Floor, Map, Sofia, Bulgaria
M: +359 888 874 678
T: +359 2 892 910 01
E: danail.kanchev@cpljobs.bg
W: www.cpljobs.bg

CZECH REPUBLIC

PRAGUE

Cpl Resources plc.
Branch Manager: Martina Pavlikova
Cpl Jobs s.r.o.
Burzovni palac
Rybna 14
110 00 Praha, Czech Republic
M: +420 602 126 324
T: +420 221 773 609
E: martina.pavlikova@cpljobs.cz
W: www.cpljobs.cz

BRNO

Cpl Resources plc.
Branch Manager:
Kristina Porubcanova
Cpl Jobs s.r.o.
Masarykova trida 26
602 00 Brno, Czech Republic
M: +420 724 258 614
T: +420 515 800 808
E: Kristina.porubcanova@cpl.cz
W: www.cpljobs.cz

ENGLAND

LONDON

Cpl Resources plc.
Hamilton House,
Mabledon Place,
Bloomsbury, London, WC1H 9BB
T: +44 207 8338830
F: +44 871 9718590
W: www.nursefindersuk.com

HUNGARY

BUDAPEST

Cpl Resources plc.
Country Manager: Beatrix Farkas
Cpl Jobs Kft
1139 Budapest Teve u 1a/c
M: + 36 30 860 8157
T: +361 501 54 62
E: Beatrix.farkas@cpl.hu
W: www.cpljobs.hu

POLAND

WARSAW

Cpl Resources plc.
Country Manager: Gracjan Gozdz
Cpl Jobs Sp Z.o.o
Al Jerozolimskie 81
02 – 001 Warszawa Polska
Orco Tower (7 patro)
M: +48 693 777 375
T: +48 22 488 65 00
E: gracjan.gozdz@cpljobs.pl
W: www.cpljobs.pl

WROCLAW

Cpl Resources plc.
Branch Manager:
Magdalena Nikadon
Cpl Jobs Wroclaw
Cpl Jobs Sp Z.o.o.
ul. Pitsudzkiego 13
50-084 Wroclaw Polska
Budynek Asco (5 patro)
M: +48 693 777 372
T: +48 71 735 6201
E: magdalena.nikadon@cpljobs.pl
W: www.cpljobs.pl

SLOVAKIA

BRATISLAVA

Cpl Resources plc.
Branch Manager: Zuzana Weberova
Cpl Jobs s.r.o.
Vysoka 14, 811 06 Bratislava,
Slovikia
M: +421 918 427 697
T: +421 232 191 203
E: suzana.weberova@cpljobs.sk
W: www.cpljobs.sk

SPAIN

BARCELONA

Cpl Resources plc.
Country Manager: Lorena Diaz
Vía Augusta, 2 bis 5ªplanta,
Barcelona 08006
T: +34 93-2387134
E: Lorena.diaz@cpl.ie
W: www.cpljobs.es

SWEDEN

GÖTEBORG

Cpl Resources plc.
European Human Resources AB
Östra Hamngatan 52
411 09 Göteborg
Sweden
Phone: +46 (0) 31- 745 01 07
Email: info@ehrab.com
Web: www.ehrab.com

Contents

Directors and Other Information

Directors	Breffni Byrne (Non-Executive) Paul Carroll John Hennessy (Non-Executive Chairman) Anne Heraty (Chief Executive) Garret Roche Oliver Tattan (Non-Executive) Josephine Tierney (Finance Director)
Secretary	Wilton Secretarial Limited First Floor Fitzwilton House Wilton Place Dublin 2
Registered office	83 Merrion Square Dublin 2
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Solicitors	William Fry Fitzwilton House Wilton Place Dublin 2
Principal bankers	AIB plc 62 St Brigid's Road Artane Dublin 5
Registrars and paying agents	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18
UK paying agents	Computershare Investor Services plc The Pavilions Bridgewater Road Bristol BS99 6ZZ England

Directors and Other Information

(continued)

Board of Directors

John Hennessy	(Non-Executive - Chairman)
Breffni Byrne *	(Non-Executive)
Oliver Tattan **	(Non-Executive)
Anne Heraty	(Executive)
Paul Carroll	(Executive)
Garret Roche	(Executive)
Josephine Tierney	(Executive)

* Chairman of the Audit Committee and Designated Senior Independent Director

** Chairman of the Nomination and Remuneration Committee

John Hennessy, Breffni Byrne and Oliver Tattan are members of the Audit Committee and of the Nomination and Remuneration Committee.

John Hennessy, Chairman, joined the Board of Cpl Resources plc in 1999. He is a practicing barrister and a chartered accountant.

Breffni Byrne joined the Board of Cpl Resources plc in December 2007. He is chairman of Aviva Insurance Europe SE and is a non-executive director of NCB, Coillte Teoranta, Hikma Pharmaceutical plc, Tedcastle Holdings Limited and a number of other companies. A chartered accountant, he was formerly a Senior Partner of the Audit and Business Advisory practice of Arthur Andersen in Ireland.

Oliver Tattan joined the Board of Cpl Resources plc in December 2007. He was the founder and CEO of Vivas Insurance Limited. He previously held the role of chief executive at VHI Healthcare and was co-founder of Daon.

Anne Heraty, Paul Carroll and Garret Roche each entered into service agreements dated 22 June 1999 with the Company in respect of their appointment as executive directors. Josephine Tierney entered into a service agreement dated 1 July 2001 with the Company in respect of her appointment as an executive director.

John Hennessy entered into an engagement letter dated 22 June 1999 with the Company in respect of his appointment as non-executive director of the Company. Breffni Byrne and Oliver Tattan both entered into engagement letters dated 1 December 2007 with the Company in respect of their appointments as non-executive directors of the Company.

All directors are required to present themselves for re-election every three years.

Chairman's Statement

The year ended 30 June 2012 has been one of strong organic growth for the Cpl Group ('Cpl' or the 'Group').

Highlights

- Record revenues of €290 million, up 23% on last year
- 39% increase in operating profit to €10.0 million
- Earnings per share of 25.6 cent (2011: 19.2 cent)
- Total dividend per share of 6.5 cent (2011: 5.0 cent)
- Return of €20 million to our shareholders

The economic uncertainty in Ireland and in other markets in which we operate has not abated significantly. As with many businesses, this uncertainty, and its effects on employment and on business confidence generally, have given rise to very challenging trading conditions for the Group.

Full Year Highlights

Highlights	**2012**	**2011**	**%**
	€ 000	**€ 000**	**change**
Revenue	290,240	235,311	23.30%
Gross profit	43,538	37,041	17.50%
Operating profit	10,015	7,189	39.30%
Profit before tax	9,754	8,132	19.90%
Earnings per share	25.6 cent	19.2 cent	33.30%
Conversion ratios**			
Operating profit	23.0%	19.4%	
Profit before tax	22.4%	22.0%	
Net funds	28,030	46,324	

*** as % of gross profit*

At the end of a challenging year, I am pleased to report that the Group has responded positively to difficult trading conditions, identified opportunities presented by the changed environments in the markets in which we operate, and has consequently been able to deliver growth and improved profitability across the business.

The global economy is currently faced with an ongoing skills mismatch. There is a general oversupply of available workers, but at the same time there is an undersupply of certain skills that are in demand. During the year to 30 June 2012 the Cpl team worked closely with our clients to understand their specific requirements, and with our candidates in order to match their skills to those client requirements. As a result we have delivered an 18.8% increase in gross profit from permanent placements.

Difficult economic conditions have led to businesses improving their ability to predict workforce needs, and therefore the demand for flexible workforce solutions has grown. We have been alive to these developments and we continue to adapt our service offerings to meet our clients' changing requirements. This has resulted in a 17.2% increase in gross profit from the placement of temporary employees. All of this growth has been achieved organically.

There has been continued pressure on prices and margins throughout the 12 months to June 2012. Consistent with prior years the Group has focused on realigning our costs without affecting the quality of the service we give to our clients. These efforts have resulted in an improvement in our ratio of operating profit to gross profit, which has increased in the year to June 2012 to 23.0%, up from 19.4% in the year to 30 June 2011.

During the year we acquired European Human Resources AB, ("EHRAB"). EHRAB is based in Sweden and is engaged in providing human resource solutions for companies within the Scandinavian market. The acquisition of EHRAB represents a further step in Cpl's strategy of extending the Group's international footprint.

I am pleased to record continued profitable growth in our businesses outside Ireland. We now operate in eight countries and our operations in all of those countries are performing well and continuing to grow.

People

During the year we have recruited a number of new professionals into the business across various key roles, and they are most welcome to the team.

Our business is all about ensuring that our clients have the right people when they need them, and we can only do this by having the best people ourselves. I am very proud of the Cpl team. They continue to demonstrate their skills, talents and abilities daily, for the benefit of our clients and our candidates, and I thank them for their ongoing hard work and commitment to the Group.

Tender Offer

During the year to 30 June 2012 we announced a Tender Offer to return up to €20 million in surplus capital to shareholders by acquiring some of their shares in Cpl. The Board was pleased to note that the Tender Offer was fully taken up. The Group purchased 6,666,666 shares at €3 per share. All shares acquired have been cancelled, and this has given rise to a positive effect on the Group's earnings per share.

In the year to 30 June 2011, the Group reported progress against all financial and operating measures. A strong operating cash flow performance within the period increased the Group's net cash balance from €43.4 million to €46.3 million.

Throughout 2011, the Board considered a range of strategic and financial options to enhance shareholder value. The Board, in consultation with its advisors, reviewed a number of factors including:

- the Group's expected capital requirements relative to the strength of its balance sheet together with its ongoing cash flow generation;
- the interest income generated by the Group's cash balance; and
- acquisition and investment opportunities.

Following this review, and having regard to the views of certain institutional shareholders that had made unsolicited approaches relating to a potential return of capital to shareholders, the Board (with the exception of Anne Heraty and Paul Carroll, who absented themselves from deliberations relating to the proposed Tender Offer) unanimously determined that a return of surplus capital is in the best interests of shareholders as a whole. The Board believed that a return of capital in the amount proposed represented the most effective use of those shareholder funds and that the continued strength of the Group's balance sheet, and its cash flow generation after the return of those funds, would be sufficient to pursue the Group's stated growth objectives.

A committee of the Board, comprised of independent non-executive directors Breffni Byrne and Oliver Tattan, was formed to consider and settle the terms and conditions of the Tender Offer, including the Tender Price.

Earnings per Share

The Group has delivered a 33.3% increase in earnings per share in the twelve months to June 2012, to 25.6 cent. This increase reflects the increase in profits and the positive impact of the repurchase of shares in November 2011.

Dividend & Dividend Policy

The Board's current priorities for our free cash flow are to maintain the strength of our balance sheet, to allow the Group to optimise opportunities to drive organic growth and fund Group development through appropriate acquisitions, and to support a sustainable dividend policy. The Group has a progressive dividend policy which reflects underlying earnings growth and the continued strength of the Group's balance sheet.

The Board is recommending a final dividend of 3.5 cent per share. This will bring the total dividend for the year to 6.5 cent per share. The dividend, if approved by the shareholders, will be payable on 5 November 2012 to shareholders on the company's register at the close of business on the record date of 12 October 2012.

Balance Sheet

The Group is cash generative and, despite increased working capital requirements during the year, the Group generated cash from operating activities of €4.3 million for the full year. Cpl has a strong balance sheet, with net free funds at year-end of €28 million. These balances remain after payments to shareholders totalling €21.8 million during the year to 30 June 2012.

Governance

Mr. Oliver Tattan, an independent non-executive Director, has been appointed to the Audit Committee with effect from 27 October 2011. He joins Mr. Breffni Byrne, our Audit Committee Chairman and Senior Independent Director, and myself on the committee.

Outlook

Over the years the Cpl Group, through the vision, versatility and commitment to hard work of all of its people, has demonstrated an ability to overcome challenges posed by economic conditions, and to emerge stronger. The current economic downturn has been the most severe in recent history. Nevertheless, the Group continues to grow profitably through a combination of innovative service offerings, expansion organically and by acquisition, the delivery of high quality service to clients and candidates, and careful management of costs. Although accurate forecasting is very difficult in current conditions, and the markets in which we operate remain challenging, we expect the continued application of these strategies to deliver some further profitable growth in the months ahead.

John Hennessy
Chairman

5 September 2012

Chief Executive's Review

Anne Heraty
Chief Executive

I am pleased to report a strong performance for the Group in the year to June 2012. Against a backdrop of continued uncertainty in the economic and legislative environment, we have delivered record sales of €290.2 million. Our operating profit of €10.0 million is an increase of 39.3% on the previous year. We have a cash balance at June 2012 of €28 million after returning €20 million to our shareholders by way of a Tender Offer. Our earnings per share is 25.6 cent, a 33.3% increase on prior year. Our conversion ratio of gross profit to operating profit is 23.0%.

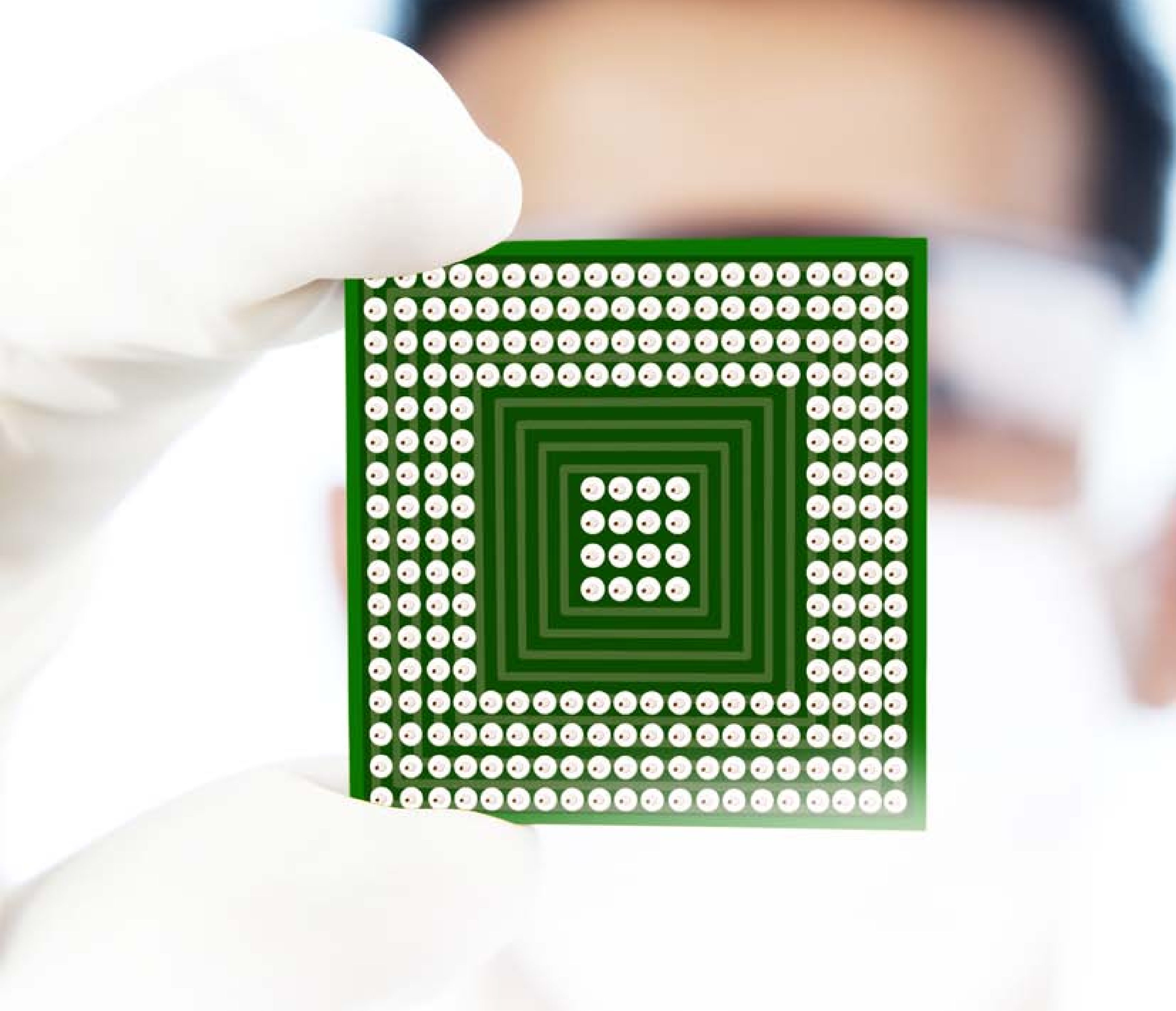
Economic activity continued to decline in Ireland during the year to June 2012, marking the fourth successive year of contraction. The Irish labour market has been hit particularly hard by the recession and unemployment figures remained high throughout the year. The seasonally adjusted unemployment rate was 14.8% in the first quarter of 2012. Further analysis of the figures indicates that the unemployed are finding it difficult to re-enter the market, with a rising number moving into long-term unemployment. At Cpl we believe it is critically important that those that are unemployed are kept aware of opportunities in the market. This increases their opportunity to get back to work so that the valuable skills that exist on the live register are not lost through periods of extended unemployment. In recognition of this need, Cpl staff and management across Ireland ran a National Jobseekers Roadshow during the year to help unemployed individuals identify and build the skills they need to access the opportunities that do exist across the labour market.

On a positive note the demand for skills in certain sectors continues to improve. Key highlights were the technology, digital services and business/shared services sectors where Ireland continues to compete very successfully. This demonstrates Ireland's ability to attract high value and high-tech industries which bring with it a broad range of job opportunities.

During the year to June 2012, Cpl placed over 5,500 people in permanent jobs and over 20,000 people in temporary and long term assignments. Despite the challenging labour market conditions, we finished the year with 7,853 people working on behalf of Cpl on client projects, an increase of 1,928 in the twelve months. The most important ingredient to our success is our talented and hardworking team. They care about our candidates and are committed to getting people back to work along with developing innovative solutions for our clients to meet their changing needs.

The relevant EU legislation on the protection of temporary agency workers has come into law. Despite the short term operational challenges this has presented for the Group, I believe it has also provided us with the opportunity to work closely with our clients and candidates to ensure full compliance with the legislation. Ultimately this will present us with opportunities to deliver innovative workforce solutions.

The Cpl Group is dedicated to providing businesses and individuals with a high-quality, comprehensive and integrated service. Our clients value our commitment to flexibility and appreciate the talents and skills we offer them now more than ever. We are encouraged by the increase in demand for our services. However, we remain cognisant of the investment in working capital required to drive the organic growth in temporary fees and the impact of margin pressures. We are acutely aware of the uncertainty arising from the on-going volatility in the current economic environment, and the impact that this has on job creation. We continue to focus on the quality and flexibility of the services we provide to our clients.



Technology

Stephen Tighe
Technology

Over the past 12 months Cpl has successfully placed 1,000 contract and permanent staff in IT roles throughout Ireland. The technology market both domestically and internationally remains a dynamic and buoyant one, with a considerable demand for skilled candidates across many sectors such as Project Management, development, testing, localisation, infrastructure and RDBMS.

Cpl boasts an expansive customer base and considerable contractor operations working throughout Europe. Cpl Solutions have been instrumental in assisting our global partners to effect a harmonious implementation and support programme of SAP global templates. This project has been of significant benefit for some of the world's largest pharmaceuticals companies.

Customer focus is at the forefront of everything we do for our clients and internal customers. This value underpins our commitment to Innovation and proactive engagement with our business customers. We achieve this by assisting them with forecasting requirements to ensure continuity of service and efficiencies. At present, Cpl has a wealth of language based technology opportunities abroad in countries such as Germany, Czech Republic, Hungary, Poland, Spain and Sweden.

Accountancy & Finance

Lisa Holt
Accountancy & Finance

Cpl Finance has placed a total of 789 candidates in jobs in the last 12 months. Of that figure, 692 were permanent positions and 97 were temporary or contract staff. The market in Ireland is regaining confidence and we are well placed to exploit new opportunities. Current roles in Ireland are very specialist in terms of their requirements and employers are likely to hire candidates with International Financial Reporting experience or niche banking exposure. Internationally, there is a higher level of confidence in hiring at a more senior level. There is a strong appetite for Irish Financial & Legal professionals in locations such as London, the Middle East and Hong Kong.

Newly qualified accountants, and 2-3 years post qualified are most in demand. Treasury accountants and Finance team leaders and general ledger analysts are also highly sought after. In Financial services, opportunities exist in the areas of fund accounting, transfer agency and arrears. We pride ourselves in our recruitment expertise and our offering of market knowledge to candidates. We offer a boutique service and have a reputation for partnering with our candidates from the beginning of their search to the day they commence their first job.

We really believe revisiting all our values is of utmost importance to us as a team. Accountability is about seeing the whole job through to the end. We care what happens to our candidates and we work hard to find them the perfect role. They recommend us to their friends and family and that is a testament to the quality of our service. At Careers Register we will continue to build on our accountability as individuals and as a team.

Chief Executive's Review

(continued)

Financial Highlights

The Cpl Group increased its revenue by 23.3% to €290.2 million in the year to June 2012 *(2011: €235.3 million)*. Gross profit increased by 17.5% to €43.5 million *(2011: €37.0 million)*. The Group's gross margin declined by 0.7% to 15.0% *(2011: 15.7%)*. Our operating profit increased by 39.3% to €10.0 million *(2011: €7.2 million)*. Profit before tax was up 19.9% at €9.8 million *(2011: €8.1 million)*. Our earnings per share was 25.6 cent *(2011: 19.2 cent)*.

Our operating expenses were €33.5 million, 12.3% higher than last year. As our performance improved throughout the year we invested in hiring skilled people, staff training and our IT systems. We continue to balance cost management with the need to invest in the future.

As at 30 June 2012 we had a net cash balance of €28.0 million *(2011: €46.3 million)*. During the year we returned €20.0 million to our shareholders by way of a Tender Offer. We also returned €1.8 million by way of dividends. During this period, we paid our shareholders an interim dividend of 3.0 cent per share. The Board is recommending a final dividend of 3.5 cent per share for the year to June 2012; thus the total dividend per share for the year is 6.5 cent.

€5.6 million cash was generated from operations in the full year to June 2012. Our revenues grew by €54.9 million, resulting in an increased investment in working capital. Trade debtors grew to €35.5 million in June 2012 from €29.6 million in June 2011. We continue to actively manage our debtors and have not experienced any increase in the level of bad debts during the year. Despite our strong cash conversion, our interest income declined by 48.2%. This was due to lower cash balances following the Tender Offer.

Operations Review

Cpl is a successful group with a strong balance sheet that has grown over the last 22 years, both organically and through acquisition. The Cpl Group offers a flexible portfolio of recruitment, outsourcing and HR solutions to the public and private sectors.

Cpl offers a diverse range of services to over 1,500 clients each year. These services can be broadly categorised as temporary staffing, permanent recruitment, managed services and outsourcing. Our principal activities cover many sectors including: Technology, Sales, Marketing, Science, Engineering, Supply Chain, Healthcare, Pharmaceuticals, Retail, Human Resources, Multilingual, Industrial, Accountancy & Finance and Customer Services.

We provide these services to local customers and multinationals through a network of 24 offices in Ireland, Bulgaria, Czech Republic, England, Hungary, Poland, Slovakia, Spain and Sweden. Our business is based on matching the capabilities of our candidates and employees with the need of our clients to get work done. We achieve this by:

- Placing candidates in jobs with our clients
- Staffing client projects with our agency employees and contractors
- Employing staff in our service centres to work on a subcontract basis

Some of our key performance indicators are outlined below:

Key Performance Indicators

	2012	2011
Gross margin	15.0%	15.7%
Operating margin	3.4%	3.1%
Conversion ratio		
Operating profit as % of gross profit	23.0%	19.4%
Profit before tax as % of gross profit	22.4%	22.0%
Permanent fees as % of the total gross profit	31.2%	30.8%
Temporary fees as % of the total gross profit	68.8%	69.2%
Contractor and temporary staff headcount at the year end	7,853	5,925
Number of recruitment consultants at the year end	314	307

Chief Executive's Review
(continued)

We grew our revenue from temporary business to €276.7 million, an increase of 23.6%. However, as highlighted previously, there have been continued demands from clients for cost reductions and lower margins. This has had a negative impact on our average margin earned on temporary revenues. Our gross margin fell by 0.7% to 15.0% in the year to June 2012. Permanent revenue increased by 19.3% to €13.6 million. Gross profit from permanent placement accounts for 31.2% of the total gross profit.

One of our stated objectives last year was to improve our operational leverage. We achieved this in the year to June 2012 by converting 23.0% of our gross profit to operating profit *(2011: 19.4%)*. On the back of strong revenue growth we achieved an improvement in our operating margin to 3.4% in the year to June 2012, up from 3.1% in the year to 30 June 2011.

Permanent Placement

In recent years, firms have placed a greater focus on productivity in an effort to win market share. However, there comes a point at which increasing volume of activity necessitates greater levels of employment. Employment is expected to rise moderately in 2012-2013 and this increase, allied to the shortage of skills in certain sectors, should continue to drive demand for permanent placement. In our permanent business we focus on hiring talent for clients predominantly in financial services, technology, retail, pharma/healthcare, and support services.

In the year to June 2012 permanent fees increased by 19.3% to €13.6 million *(2011: €11.4 million)*. Permanent fees generated in offices outside Ireland grew by 18.0%.

Temporary Staffing

Economic slowdown and uncertainty results in fluctuating demand for products and services. We are seeing companies hire "just in time", adjusting talent as they would any other resource. Companies are relying on innovative temporary solutions that allow them to recruit personnel based on the variable demands of the business. Our clients wish to remain versatile and this leads to greater demand for a flexible workforce.

In the year to June 2012 Cpl has continued to develop our competence in the provision of fully outsourced services that are complex and difficult to replicate, which usually require a combination of a European language and a technical skill. These include regulated activities in insurance and banking call centres and sales activities that are focused on successful outcomes.

Fees generated from temporary assignments continued to grow in the year to June 2012. Temporary revenue was €276.7 million *(2011: €223.9 million)* representing 23.6% growth. We generated €30 million gross profit, 17.2% higher than the year to June 2011. The temporary staffing market is highly competitive. Against this backdrop we are very pleased to have increased the number of people placed with our clients, on behalf of Cpl Group, by 32.5%.

Overseas Business

We had a successful year in our international divisions in the year to June 2012. We continue to expand our client base and service offerings overseas and have become firmly established as a provider of managed service solutions outside Ireland. The number of people employed in our international locations has increased by 550 in the year. 37.0% of our permanent fees and 7.0% of our temporary fees now come from outside of Ireland. We are focused on organic growth in Central and Eastern Europe as we believe many of these markets are still in the early stage of growth. We have made our first investment in Scandinavia and plan to build scale in the coming years.

Legal Environment

The EU Directive on Temporary Agency Work has been enacted. Cpl is well positioned to protect our clients and candidates by ensuring we are compliant with the legislation.

Science & Engineering

Judith Moffett
Science & Engineering

Cpl has placed over 900 candidates in permanent and contract positions in the science and engineering area in the past 12 months. Placement locations include Ireland, Northern Ireland, UK, US, Nigeria, Norway, Sweden, Poland, Hungary, Czech Republic, China and Canada. The market has become increasingly buoyant in the technical space, although voluntary redundancies are still occurring at a senior level in many manufacturing sites. The Life Science industry in Ireland comprises leading multinationals with 15 of the top 25 medical devices and 9 of the top 10 pharma/bio companies located here.

In the Engineering Sector in Ireland and internationally, openings are available in the following industries: Manufacturing, R&D, Electronic, Semi-conductor, Oil & Gas, Precision Engineering, Tool-Making and Automotive.

Cpl Science & Engineering is a specialist division comprising of highly qualified technical consultants who recruit for the contracting and permanent markets in Ireland and internationally. They provide candidates and clients with an exceptional, individualised, quality service, which is tailored to our customers' needs. Our team truly appreciates and values finding the "perfect technical match" and hence has gained a significant reputation for success in this space.

Cpl's correspondence with our candidates and clients necessitates an effective communication process that shows our customers that we truly understand and appreciate the importance of the right skill set for a role.

Healthcare

Niall McDevitt
Healthcare

Cpl Healthcare specialises in placing candidates in exciting permanent and temporary roles across the healthcare industry in Ireland and abroad. On average we recruit more than 1,600 temporary staff on a weekly basis and 715 permanent staff annually across a number of Healthcare categories including Nursing, Allied Health, Social Care and Healthcare Assistants. A considerable quantity of opportunities currently exists across a range of senior and specialised healthcare disciplines; these include Theatre, Midwifery, Radiography and Cardiac Technicians. Our highly motivated team of specialist recruiters possess a wealth of experience in the healthcare industry. They are committed to delivering candidates with a comprehensive training and placement service.

We provide full compliance screening; comprehensive training and FETAC level 5 qualifications, for permission to work in the Public and Private Health Sector. Our social care training includes such courses as Child Protection, Suicide & Self Harm Awareness, Managing challenging behaviour and Therapeutic Crisis Intervention. The value of respect is a central tenet of our candidate-focused ethos. Our qualified healthcare professionals understand the challenging environments in which our candidates will work. We hope that through our interactions we are leading them by example and demonstrating respect in every step of their journey.

Chief Executive's Review
(continued)

Acquisitions

During the year Cpl acquired European Human Resources AB, ("EHRAB") in Göteberg, Sweden. EHRAB is engaged in providing human resource solutions for companies within the Scandinavian market. We plan to use this as a platform and drive organic growth within the Scandinavian market.

Strategy

We continued to focus on delivering our strategy. Key elements of that strategy outlined in last year's report include developing a balanced business mix and therefore avoiding overdependence on any one service, sector, or geography. Our focus has been mainly on organic expansion, while using selective acquisitions to build platforms in new sectors or markets with good long term potential. To deliver our strategy, one of our goals is to build on our organisation capacity by attracting and retaining key skills and talent, building world class business processes underpinned by effective IT systems and increasing our productivity. To meet this goal we are building a strong culture that is based on a clear set of values that guide how the business operates. Our values guide how we behave and make decisions that affect our clients, our candidates, our colleagues and our shareholders. We believe our culture has a strong impact on performance. In January 2012 we committed to 'Raising the Bar' and re-engaging with our values. Our five values underpin everything that we do in the Cpl Group and are representative of where we want to be as a business both now and in the future.

Respect - which encompasses integrity, fairness, listening, co-operation, responsiveness and perceptiveness.

Accountability - it is not just about your part of the job or task, it is about seeing the whole job through to the end. "It is not done until it is all done".

Customer Focus - excellence in everything we do for our clients and internal customers, including a commitment to innovation.

Effective Communication - clarity in communication, an openness and willingness to listen ensures understanding of the request.

Empowerment - enabling and supporting people to maximise their potential. An entrepreneurial spirit and passion for the work we do.

People

Our results are a team effort and I would like to thank our clients, colleagues and our Board for their continued commitment and support. As we continue to grow our business we are committed to enhancing the work environment for all Cpl employees through living our values and investing in their ongoing training and development.

Outlook

2012 was a year of significant progress for Cpl. Our revenue was the highest in the company's 22 year history and we have again demonstrated resilience in difficult market conditions. Our focus will continue to be on looking for opportunities in those sectors and geographies that are doing well, while continuing to carefully monitor our cost base. We are mindful of the economic environment and its impact on our business. However, we believe that by giving our clients a competitive edge through delivery of efficient and flexible staffing solutions we will continue to grow our market share.

Anne Heraty
Chief Executive

5 September 2012

Cpl Corporate Social Responsibilities

Cpl prides itself on providing clients and candidates with a fully integrated and professional recruitment service. We value the experience and specialist skills that each member of our staff brings to the organisation. Our success as Ireland's leading recruitment and outsourcing solutions provider is built upon inspiring our people to build positive relationships with our customers and partners. However this ethos extends beyond the remit of our normal day-to-day responsibilities. Cpl aspires to forge productive relationships that benefit the wider community as a whole.

Altruism and the willingness to engage in civic society, voluntary and charity groups is an intrinsic part of Cpl's culture. Our Corporate Social Responsibility programme seeks to provide our personnel with an outlet to 'give back' as well as socialise and develop an enjoyable work-life balance. We are involved in a diverse range of CSR activities; these include fundraising, diversity awareness, jobseekers' supports, career support and partner sponsorship programmes.

As Ireland's first children's hospice, the Children's Sunshine Home/Laura Lynn House is Cpl's chosen charity for 2012. The home cares for children with life limiting conditions. The organisation works in partnership with a child's family, hospitals and community teams to offer support for children from birth to 18.

LauraLynn IRELAND'S CHILDREN'S HOSPICE

On 25 September 2012 four Cpl employees; Paul McClatchie, Richard Minchin, Jennifer Doddy and Arleen Quigg will undertake a 400km cycle in Italy beginning in Venice and concluding in Treviso for Fighting Blindness. Their final fundraising target is €14,000.

Fighting Blindness

This year the annual Ireland Funds conference took place in Cork at the breath-taking Castlemartyr mansion. Cpl is a proud supporter of the organisation, which seeks to develop a global network of Irish diaspora and friends of Ireland for the purpose of funding worthwhile Irish-centric programmes. These programmes include investment in high-quality education initiatives, philanthropic activities, community development and cultural heritage promotion. To date the organisation has raised over $380 million for these causes.

The Ireland Funds

Cpl launched the National Jobseekers Roadshow in 2011 and held it again this year in April. This was an initiative targeted at Jobseekers to help them to stay motivated, provide tips and advice on how to improve their CV thus improving their chances of getting a job. More than 1,300 jobseekers attended the nationwide event, which was comprised of 11 seminars in 10 different locations throughout Ireland. Survey results following the event found that jobseekers believed the National Jobseekers Roadshow had a positive impact on their lives.

Peter Cosgrove Director, Cpl~Recruitment *(left)*,
Richard Bruton Minister for Jobs, Enterprise and Innovation *and*
Anne Heraty, Chief Executive of Cpl Plc.

Outsourcing

Liam Foley
Outsourcing

Suzanne Dolan
Outsourcing

Our outsourcing business provides customer service and back-office solutions to the Technology, Banking, Insurance and Pharmaceutical industries. We take responsibility for delivering quality outcomes under structured Service Level Agreements (SLAs) to achieve a successful outcome for the customer. Our approach is to focus on growing our business in areas that require multilingual, technical or professional skills, and have a regulatory or other obligation to achieve high quality standards. This involves helping global brands to service and sell to their customers across Europe through lean and cost-effective direct channels and empowering our customer facing people to make timely and relevant decisions by giving them the appropriate training (e.g. MSCE for Technology or CIP for Insurance) and a structured career path.

This year we have supplemented our Dublin based IT service desk business with the addition of over 600 new multilingual staff to our team in Hungary, and we plan to drive further growth in the IT sector in central Europe and Africa. Our investment in the financial services sector is also starting to show results with 110 new staff hired in our Dublin centre to service banking customers in nine languages across three continents and four new contracts signed with Insurance customers to provide claims administration and telesales services. The value of empowerment is the cornerstone of our day-to-day operations. We are dedicated to empowering our highly driven staff in all of their customer facing responsibilities. This differentiates us from our competitors, and keeps everyone committed to a shared goal.

Directors' Report

The directors present their annual report and audited consolidated and Company financial statements for the year ended 30 June 2012.

Principal activities, business review (including principal risks and uncertainties) and future developments

Cpl Resources Plc is the leading Irish employment services organisation, specialising in the placement of candidates in permanent, temporary and contract positions and the provision of human resources consultancy services. The Group's principal activities cover the areas of: technology, accounting and finance, sales, engineering, light industrial, healthcare/pharmaceutical, and office administration. Cpl Resources Plc is the holding company for the Group's twenty seven subsidiaries:

- Computer Placement Limited
- Cpl Solutions Limited
- Careers Register Limited
- Multiflex Limited
- Tech Skills Resources Limited
- Medical Recruitment Specialists Limited
- Richmond Recruitment Limited
- Occipital Limited
- Kate Cowhig International Recruitment Limited
- Flexsource Limited
- Cpl Healthcare Limited
- Nursefinders UK Limited
- Cpl (Northern Ireland) Limited
- Cpl Training Limited
- Cpl Jobs S.r.o. – Czech Republic
- Cpl Jobs S.r.o. – Slovakia
- Cpl Jobs Sp z.o.o.
- Cpl Recruitment S.L.
- Cpl International Holdings Limited
- Cpl Resources Ireland Holdings Limited
- Servisource Healthcare Limited
- Servisource Recruitment Limited
- Cpl Jobs Kft
- PHC Care Management Limited
- Runway Personnel Limited
- Emoberry Limited
- European Human Resources AB

The directors are satisfied with the performance of the Group and are committed to improving the performance of the Group by growing revenue and profitability. As described in the Chairman's Statement, the Group returned €20 million in surplus capital to shareholders during the year by way of a Tender Offer.

The directors believe that these risks are managed as follows:

- The performance of the Group has a very close relationship with and dependence on the underlying growth of the economies of the countries in which it operates.
- The Group continues to face competitor risk in the markets where the provision of permanent and temporary recruitment is most competitive and fragmented. There is strong competition for clients and the Group faces pricing and margin pressures in its temporary business across its major specialist activities.
- The Group faces a number of industry risk factors in a competitive environment, notably the increasing use of social media.
- The Group is not overly reliant on any single key client. However, if the Group were to lose a number of large accounts simultaneously, there would be a temporary negative profit impact.
- The Group is always subject to the risk that a large customer might default on its payments. Against this current economic backdrop there is a risk that Cpl could experience an increased level of bad debts.
- The Group relies heavily on its information systems to store, process manage and protect large amounts of financial, candidate and client information. If it fails to properly develop and implement technology the business could be harmed.
- As employment laws are changed they bring with them new risks and opportunities. The temporary market is more heavily regulated and changes in legislation (e.g. changes to temporary worker rights) may impact the Group's profitability.

Directors’ Report
(continued)

- As the Group increases its international activities, it will be exposed to a number of risks that it would not face if it conducted its business solely in Ireland. Any of these risks could cause a material negative effect on the Group’s profitability. Such risks include less flexible labour laws and regulations, foreign exchange fluctuations, and difficulties staffing and managing foreign offices as a result of distance, language and cultural difference.

- The Group has acquired several companies and it may continue to acquire companies in the future. Entering into an acquisition entails many risks, any of which could harm the Group’s business, including diverting management’s attention away from the core business and failing to successfully integrate the acquisitions.

- Cpl’s success depends on its ability to attract and retain key management and recruitment consultants. Loss of a team or key members of a team could disrupt the business.

- Cpl management monitor economic developments to ensure that they can react quickly to any changes that may have an impact on the business. Management are also aware of the need to ensure that the business can be scaled in line with economic developments. Management prepare rolling forecasts to ensure that they have as much visibility as possible on the impact economic events may have on the performance of the business.

- Management actively manage cash collection, working capital days and customer payment terms to ensure all debtor accounts are paid within agreed terms.

- The Group’s cost base is highly variable and is carefully managed to align with business activity. The Group is highly cash generative, requiring low levels of asset investment.

- The Group monitors changes in the market in terms of industry trends including social media and continues to invest in its online presence to provide a high quality customer experience.

- Management continue to work closely with the Group’s clients to ensure a quality of service that will differentiate the Group from its competitors and thus minimise the risk of losing business to a competitor.

- The Group continually monitors the performance and robustness of its IT suppliers and systems to ensure business-critical processes are safeguarded as far as is practicably possible. The Group has put in place clear governance structures to review project status when replacing certain key operational and financial systems, ensuring the necessary specialist resources are available and by following a clear project management process.

- The Group continues to build a strong multi-disciplined management team. We are adding resources and specialties to ensure that we have the organisational capacity to identify and integrate acquisitions and optimise organic growth opportunities.

- The Group continue to invest in our people and our brand to ensure we become the number one provider of talent delivery solutions in the markets in which we operate.

- We spread our cash deposits across a variety of institutions and locations in order to minimise credit risk.

Key performance indicators that are focused on by management include:

- Management review team productivity including monitoring average fees per consultant and activity levels. Management also monitor average margins achieved per team and sector. The objective to increase the Group’s average margins has been set as the primary KPI for the senior team this year.

- Management review the number of temporary employees placed with the Group’s clients. The number of new starters and leavers are reviewed on a weekly basis. Management also review all margins to try to limit margin erosion.

- Management prepare rolling forecasts to evaluate performance against budget and to evaluate any impact external economic factors may be having on the profitability of the business.

- Management monitor debtor days to ensure the Group remains cash generative and maximises its cash balances.

- The quality and range of services delivered to clients is critical to Cpl’s success. As part of the Group’s performance improvement plan, new service quality targets were implemented focusing on both client and candidate needs. The Group continues to increase client satisfaction levels, which are independently measured, and to experience a high level of repeat business.

Financial risk management

Details of the Group’s financial risk management policies are outlined in Note 23 of the financial statements.

Results and dividends

The Chief Executive’s review on pages 6 to 13 contains a comprehensive review of the operations of the Group for the year. The audited financial statements for the year are set out on pages 25 to 60.

Directors' Report
(continued)

Results and dividends (continued)

Operating profit for the year ended 30 June 2012 amounted to €10.0 million *(2011: €7.2 million)*. The profit for the financial year ended 30 June 2012 amounted to €8.4 million *(2011: €7.2 million)*. Basic earnings per share for the year amounted to 25.6 cent *(2011: 19.2 cent),* while adjusted fully diluted earnings per share for the year amounted to 25.6 cent *(2011: 19.2 cent).*

An interim dividend of 3.0 cent per share *(2011: 2.5 cent)* was paid during the year. A final dividend of 3.5 cent per share *(2011: 2.5 cent)* is proposed by the directors. No further dividends or transfers to reserves are recommended by the directors.

Shareholders' equity at 30 June 2012 amounted to €54.9 million *(2011: €68.3 million).*

Directors and secretary and their interests (and those of their spouses and minor children)

The directors and secretary who held office at 30 June 2012 had no interests other than those shown below in the shares in the Company or Group companies.

	No. of shares 30 June 2012*	No. of shares 1 July 2011
Shares in Cpl Resources Plc Ordinary shares of €0.10 each		
Anne Heraty **	**10,595,280**	12,907,764
Paul Carroll**	**1,833,819**	2,234,061
John Hennessy	**102,606**	125,000
Breffni Byrne	**8,209**	10,000
Oliver Tattan	**-**	-
Garret Roche	**51,871**	63,192
Josephine Tierney	**32,834**	40,000
Wilton Secretarial Limited (Secretary)	**-**	-

** The reduction in shareholdings during the year was due to the Tender Offer as each director sold shares in proportion to their shareholding.*

*** Anne Heraty and Paul Carroll are husband and wife.*

There have been no changes in the interests of the directors, the secretary and their families in the share capital of the Company between 30 June 2012 and 5 September 2012.

Other than as disclosed above, in note 25 and the directors' service agreements with the company as disclosed on page 5 of the financial statements, none of the directors had a beneficial interest in any material contract with the Company or any of its subsidiaries during the year ended 30 June 2012. The directors did not hold any share options at 30 June 2012 *(30 June 2011: nil)*.

Significant shareholdings and share price

At 30 June 2012, A. Heraty and P. Carroll together held 40.7% *(2011: 40.7%)* of the share capital of the Company. State Street Nominees Limited and Polar Capital Limited had shareholdings in excess of 5% at 30 June 2012.

During the year, the lowest and highest share prices were €2.44 and €3.15 respectively. At year end, the share price was €2.85.

Post balance sheet events

There have been no significant post balance sheet events that would require disclosure in the financial statements.

Political donations

The Company made no political donations during the year.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at the Company's premises at Merrion Place, Dublin 2.

Corporate governance

Principles

The Board of Cpl Resources plc is firmly committed to business integrity, high ethical values and professionalism in all its activities and operations. It is therefore committed to maintaining the highest standards of corporate governance. As an Enterprise Securities Market 'ESM' listed company, Cpl Resources Plc is not required to comply with the principles and provisions of the UK Corporate Governance Code as issued by the Financial Reporting Council in May 2010 (formerly the Combined Code). However, the Board has undertaken to comply with the UK Corporate Governance Code, as far as practicable, having regard to the size and nature of the Group.

This following report describes how the principles and provisions of the UK Corporate Governance Code have been applied.

Directors' Report
(continued)

Corporate Governance (continued)

The Board

The Group is controlled through its Board of Directors. The Board's main roles are to create value for shareholders, to provide leadership to the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable them to meet those objectives.

Specific responsibilities reserved to the Board include: setting Group strategy and approving an annual budget and medium-term projections; reviewing operational and financial performance; approving major acquisitions, divestments and capital expenditure; reviewing the Group's systems of financial control and risk management; ensuring that appropriate management development and succession plans are in place; approving appointments of directors and Company secretary; approving policies relating to directors' remuneration and the severance of directors' contracts; and ensuring that a satisfactory dialogue takes place with shareholders.

The Board has delegated the following responsibilities to the executive management team: the development and recommendation of operational plans for consideration by the Board that reflect the longer-term objectives and priorities established by the Board; implementation of the strategies and policies of the Group as determined by the Board; monitoring the operating and financial results against plans and budgets; monitoring the quality of the investment process against objectives; prioritising the allocation of capital, technical and human resources; monitoring the composition and terms of reference of divisional management teams; and developing and implementing risk management systems.

The Board currently comprises the non-executive Chairman, four executive directors and two other non-executive directors, including the senior independent director. Each director retires by rotation every 3 years and no specific term of appointment is prescribed. The Board considers all of its non-executive directors to be independent in character and judgement and each has wide ranging business skills and other skills and commercial acumen. The Board has determined that there are no relationships or circumstances that are likely to affect, or could appear to affect, the independent judgement of any of the non-executive directors.

No non-executive director:

- has been an employee of the Group within the last five years
- has now, or has had at any time prior to or since his appointment to the Board, a material business relationship with the Group
- receives remuneration other than a director's fee
- has close family ties with any of the Group's advisers, directors or senior employees; or
- represents a significant shareholder.

Board meetings are held at least eight times each year with agendas and Board papers circulated in advance of each meeting. There is a schedule of formal matters reserved for Board approval. All directors have access to advice from the Company Secretary and from independent professional advisors at the Group's expense.

Board Committees

The Board has established an Audit Committee and a Nomination and Remuneration Committee. These committees have written terms of reference.

Audit Committee

The Audit Committee is comprised of Breffni Byrne, John Hennessy and Oliver Tattan. Breffni Byrne is the Committee Chairman. The Board considers Breffni Byrne to have recent and relevant financial experience.

The Audit Committee meets at least twice each year. The Audit Committee reviews the accounting principles, policies and practices adopted in the preparation of the interim and annual financial statements, as well as reviewing the scope and performance of the Group's internal finance function and reviewing the Group's systems of financial control and risk management. It also discusses the scope and results of the audit with the external auditor and reviews the effectiveness and independence of the auditor. The external auditor attends Audit Committee meetings. The Chief Executive and the Finance Director also attend. The external auditor has the opportunity to meet with the members of the Audit Committee in the absence of executives of the Group at least once a year.

In the year ended 30 June 2012, the Audit Committee, operating under its terms of reference, discharged its responsibilities by:

- reviewing risks associated with the business.
- reviewing the appropriateness of the Group's accounting policies.
- reviewing the external auditor's plan for the audit of the Group's 2012 financial statements, which included an assessment of the audit scope, key risk areas,

Directors' Report
(continued)

confirmation of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit.

- reviewing and approving the 2012 audit fee and reviewing non-audit fees payable to the Group's external auditor in 2012.
- reviewing performance improvement observation reports on internal controls in the Group's businesses prepared by the external auditor as part of the Group's audit process.
- reviewing the Group's interim results prior to Board approval.
- reviewing the Group's draft 2012 financial statements prior to Board approval and reviewing the external auditor's detailed reports thereon.
- reviews releases to the market.
- reviewing the effectiveness of the Group's internal control system up to and including the date of approval of the financial statements.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of Breffni Byrne, John Hennessy and Oliver Tattan. Oliver Tattan is the Committee Chairman.

The Nomination and Remuneration Committee meets at least once a year. It comprises three non-executive directors and the Chief Executive attends by invitation but is not present for the determination of her own remuneration. Emoluments of executive directors are determined by the Committee. In the course of each financial year, the Committee determines basic salaries as well as the parameters for any possible bonus payments. The Committee applies the same philosophy in determining executive directors' remuneration as is applied in respect of all employees. The underlying objective is to ensure that individuals are appropriately rewarded relative to their responsibility, experience and value to the Group. The Committee is mindful of the need to ensure that in a competitive environment the Group can attract, retain and motivate executives who can perform to the highest levels of expectation. Annual bonuses, if any, are determined by the Committee on the basis of objective assessments based on the Group's performance during the year measured by reference to key financial indicators, as well as by a qualitative assessment of the individual's performance.

In respect of potential nominations to the Board, the Committee meets at least once a year. The Committee considers the mix of skills and experience that the Board requires and seeks to propose the appointment of directors to meet its assessment of what is required to ensure that the Board is effective in discharging its responsibilities.

Relations with shareholders

There are regular meetings between the representatives of the Group and representatives of its principal investors. Announcements of results are communicated promptly to all shareholders. Management gives feedback to the Board of meetings between directors and shareholders. All directors normally attend the Annual General Meeting. All shareholders are welcome at the Annual General Meeting where they have the opportunity to ask questions of the Board. The Non-Executive Chairman also gives a statement on the current trading conditions at the Annual General Meeting.

Attendance at Board and Committee meetings

Attendance at scheduled Board meetings and Committee meetings during the year ended 30 June 2012:

	Full Board	Audit Committee	Nomination & Remuneration Committee
Number of meetings held in 2012	**9**	**2**	**1**
Directors and position held:			
John Hennessy – Non-Executive Chairman	9	2	1
Breffni Byrne – Non-Executive	9	2	1
Oliver Tattan – Non-Executive	9	1	1
Anne Heraty – Chief Executive Officer	9	-	-
Paul Carroll – Executive	9	-	-
Garret Roche – Executive	9	-	-
Josephine Tierney – Executive	9	-	-

Directors' Report
(continued)

Internal control

The directors have considered the implications of the Turnbull Report on internal controls on the Group's operations. Having reviewed the effectiveness of its current controls, procedures and practice, the directors believe that the Group, throughout the year and up to the date of approval of the financial statements, has complied with the principles and provisions of the UK Corporate Governance Code relating to internal control.

The directors are responsible for ensuring that the Group maintains a system of internal control. This system is designed to provide reasonable but not absolute assurance against material misstatement or loss.

Key elements of this control system, including internal financial control, are:

- an organisation structure with defined lines of responsibility and delegation of authority.
- a budgeting system with actual performance being measured against budget on a regular basis.
- regular reviews of the key business risks relevant to the Group's operations. These risks are reviewed annually for the purpose of ensuring that they remain appropriate to the business and the current trading environment.
- control procedures to address the key business risks, including policies and procedures appropriate to the operations of the business. The Board considers the adequacy of the control procedures at the same time as it reviews the key business risks. In addition, certain prescribed matters are reserved for Board approval.
- a management review of the operation of the system of internal controls.

The Audit Committee has reviewed the effectiveness of the Group's internal control system up to and including the date of approval of the financial statements. This review includes a consideration of issues raised in performance improvement observation reports received from the external auditor.

Going forward, the Board will actively monitor the continued adequacy of the Group's management and control system to ensure that as the Group develops, appropriate resources are available for this purpose.

Internal audit

While the Group is not required to comply with the UK Corporate Governance Code, the Group has voluntarily undertaken to review the need for an internal audit function. The Group does not have an Internal Audit department. The Board believes that the internal controls currently operated by the Group are adequate and that the Group's present size does not justify the establishment of an internal audit function. However, the Board and the Audit Committee continue to keep the matter under review.

Non-audit services

The Audit Committee monitors the non-audit services being provided to the Group by its external auditor. A formal Auditor Independence Policy has been developed to check that the non-audit services do not impair the independence or objectivity of the external auditor. The policy sets out four key principles which underpin the provision of non-audit services by the external auditor. These are that the auditor should not: audit its own firm's work; make management decisions for the Group; have a mutuality of financial interest with the Group; or be put in the role of advocate for the Group. Activities that may be perceived to be in conflict with the role of the external auditor must be submitted to the committee for approval prior to engagement, regardless of the amounts involved.

Going concern

The Group has considerable financial resources. As a consequence, the directors believe that Cpl is well placed to manage its business risks successfully despite the current uncertain economic outlook and difficult trading conditions experienced by the Group. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Auditor

In accordance with Section 160 (2) of the Companies Act, l963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. As required by the ESM Rules the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law and have elected to prepare the Company financial statements on the same basis as applied in accordance with the Companies Acts, 1963 to 2012.

The Group and Company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and Company. The Companies Acts, 1963 to 2012 provide in relation to such financial statements that references in the relevant part of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

Under applicable law, the directors are also responsible for preparing a Directors' Report.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Independent Auditor's Report
to the members of Cpl Resources Plc

We have audited the Group and Company financial statements ("the financial statements") of Cpl Resources Plc for the year ended 30 June 2012 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Statement of Directors' Responsibilities on page 22 sets out the directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you our opinion as to: whether proper books of account have been kept by the Company; whether at the balance sheet date there exists a financial situation requiring the convening of an extraordinary general meeting of the Company under Section 40(1) of the Companies (Amendment) Act, 1983; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

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

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Chief Executive's Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 30 June 2012 and of its profit for the year then ended;
- the parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2012, of the state of the parent Company's affairs as at 30 June 2012; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

Independent Auditor's Report
to the members of Cpl Resources Plc *(continued)*

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 16 to 21 is consistent with the financial statements.

The net assets of the Company, as stated in the Company Balance Sheet on pages 28 and 29, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 30 June 2012 a financial situation, which under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

Tom McEvoy
5 September 2012

For and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2

Group Statement of Comprehensive Income
for the year ended 30 June 2012

	Note	2012 €'000	2011 €'000
Revenue	*1*	**290,240**	235,311
Cost of sales		**(246,702)**	(198,270)
Gross profit		**43,538**	37,041
Distribution expenses		**(2,555)**	(2,354)
Administrative expenses		**(30,968)**	(27,498)
Operating profit	*1*	**10,015**	7,189
Financial income	*2*	**501**	967
Financial expenses	*2*	**(762)**	(24)
Profit before tax	*3*	**9,754**	8,132
Income tax expense	*6*	**(1,364)**	(973)
Profit for the financial year – all attributable to equity shareholders		**8,390**	7,159
Other comprehensive income			
Foreign currency translation differences – foreign operations		**49**	28
Total comprehensive income for the year – all attributable to equity shareholders		**8,439**	7,187
Basic earnings per share	*8*	**25.6 cent**	19.2 cent
Diluted earnings per share	*8*	**25.6 cent**	19.2 cent

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Group Statement of Changes in Equity

for the year ended 30 June 2012

	Share capital €'000	Share premium €'000	Capital redemption reserve fund	Capital conversion reserve fund €'000	Merger reserve €'000	Currency translation reserve €'000	Retained earnings €'000	Share holders' equity €'000	Non-controlling interest €'000	Total equity €'000
Balance at 30 June 2010	3,720	1,705	-	57	(3,357)	-	60,869	**62,994**	71	**63,065**
Total comprehensive income for the year										
Profit for the financial year	-	-	-	-	-	-	7,159	**7,159**	-	**7,159**
Foreign currency translation effects	-	-	-	-	-	28	-	**28**	-	**28**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	(1,860)	**(1,860)**	-	**(1,860)**
Purchase of non-controlling interest	-	-	-	-	-	-	11	**11**	(71)	**(60)**
Balance at 30 June 2011	**3,720**	**1,705**	**-**	**57**	**(3,357)**	**28**	**66,179**	**68,332**	**-**	**68,332**
Balance at 1 July 2011	3,720	1,705	-	57	(3,357)	28	66,179	**68,332**	-	**68,332**
Total comprehensive income for the year										
Profit for the financial year	-	-	-	-	-	-	8,390	**8,390**	-	**8,390**
Foreign currency translation effects	-	-	-	-	-	49	-	**49**	-	**49**
Transactions with owners										
Capital redemption	(667)	-	667	-	-	-	(20,000)	**(20,000)**	-	**(20,000)**
Dividends paid	-	-	-	-	-	-	(1,847)	**(1,847)**	-	**(1,847)**
Balance at 30 June 2012	**3,053**	**1,705**	**667**	**57**	**(3,357)**	**77**	**52,722**	**54,924**	**-**	**54,924**

Company Statement of Changes in Equity
for the year ended 30 June 2012

	Share capital €'000	Share premium €'000	Capital redemption reserve fund €'000	Capital conversion reserve fund €'000	Retained earnings €'000	Total equity €'000
Balance at 1 July 2010	3,720	1,705	-	57	4,603	10,085
Total comprehensive income for the year						
Profit for the financial year	-	-	-	-	21,030	21,030
Transactions with shareholders						
Dividends paid	-	-	-	-	(1,860)	(1,860)
Balance at 30 June 2011	3,720	1,705	-	57	23,773	29,255
Balance at 1 July 2011	3,720	1,705	-	57	23,773	29,255
Total comprehensive income for the year						
Profit for the financial year	-	-	-	-	2,397	2,397
Transactions with shareholders						
Capital redemption	(667)	-	667	-	(20,000)	(20,000)
Dividends paid	-	-	-	-	(1,847)	(1,847)
Balance at 30 June 2012	**3,053**	**1,705**	**667**	**57**	**4,323**	**9,805**

Group and Company Balance Sheets
as at 30 June 2012

		Group		Company	
		2012	2011	**2012**	2011
Assets	*Note*	**€'000**	€'000	**€'000**	€'000
Non-current assets					
Property, plant and equipment	*10*	**1,233**	1,236	**226**	236
Goodwill and intangible assets	*11*	**12,752**	11,709	**45**	49
Investments in subsidiaries	*12*	**-**	-	**14,828**	12,398
Deferred tax asset	*13*	**483**	467	**65**	45
Total non-current assets		**14,468**	13,412	**15,164**	12,728
Current assets					
Trade and other receivables	*14*	**52,012**	41,106	**46,676**	38,856
Current tax recoverable		**719**	-	**9**	-
Short term bank deposits	*15*	**4,176**	8,000	**4,176**	8,000
Cash and cash equivalents	*15*	**23,871**	38,372	**14,974**	30,863
Total current assets		**80,778**	87,478	**65,835**	77,719
Total assets	*1*	**95,246**	100,890	**80,999**	90,447
Equity					
Issued share capital	*16*	**3,053**	3,720	**3,053**	3,720
Share premium	*16*	**1,705**	1,705	**1,705**	1,705
Other reserves	*16*	**(2,556)**	(3,272)	**724**	57
Retained earnings		**52,722**	66,179	**4,323**	23,773
Total equity		**54,924**	68,332	**9,805**	29,255

Group and Company Balance Sheets
(continued) as at 30 June 2012

		Group		Company	
		2012	2011	**2012**	2011
	Note	**€'000**	€'000	**€'000**	€'000
Liabilities					
Non-current liabilities					
Financial liabilities	*17*	**25**	45	**-**	-
Provisions	*18*	**1,740**	625	**1,740**	625
Total non-current liabilities		**1,765**	670	**1,740**	625
Current liabilities					
Bank overdraft	*15*	**17**	48	**-**	-
Financial liabilities	*17*	**8**	79	**-**	-
Trade and other payables	*19*	**37,181**	31,235	**68,624**	60,161
Current tax payable		**521**	121	**-**	1
Provisions	*18*	**830**	405	**830**	405
Total current liabilities		**38,557**	31,888	**69,454**	60,567
Total liabilities	*1*	**40,322**	32,558	**71,194**	61,192
Total equity and liabilities		**95,246**	100,890	**80,999**	90,447

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Group and Company Cash Flow Statements

for the year ended 30 June 2012

		Group		Company	
		2012	2011	**2012**	2011
	Note	**€'000**	€'000	**€'000**	€'000
Cash flows from operating activities					
Profit for the financial year		**8,390**	7,159	**(1,623)**	21,030
Adjustments for:					
Depreciation on property, plant and equipment	*10*	**330**	467	**37**	35
Amortisation of intangible assets	*11*	**255**	874	**35**	32
Financial income	*2*	**(501)**	(967)	**(620)**	(998)
Financial expense	*2*	**762**	24	**750**	-
Income tax expense	*6*	**1,364**	973	**-**	47
Operating cashflows before changes in working capital and provisions		**10,600**	8,530	**(1,421)**	20,146
(Increase) in trade and other receivables		**(10,655)**	(6,945)	**(6,280)**	(16,124)
Increase/(decrease) in trade and other payables and provisions		**5,622**	3,978	**9,863**	(5,491)
Cash generated from operations		**5,567**	5,563	**2,162**	(1,469)
Interest (paid)		**(12)**	(24)	**-**	-
Income tax (paid)		**(1,724)**	(697)	**(10)**	(2)
Interest received		**465**	1,470	**440**	1,501
Net cash from operating activities		**4,296**	6,312	**2,592**	30
Cash flows from investing activities					
Acquisition of business, net of cash acquired	*20*	**(204)**	(1,215)	**(300)**	(1,199)
Deferred consideration paid	*18*	**(100)**	(9)	**(100)**	-
Purchase of property, plant and equipment	*10*	**(334)**	(264)	**(58)**	(134)
Purchase of intangible assets	*11*	**(14)**	(31)	**-**	(36)
Transfer from/(to) short term deposits	*15*	**3,824**	(8,000)	**3,824**	(8,000)
Proceeds from sale of land previously classified as held for sale		**-**	150	**-**	-
Net cash from/(used in) investing activities		**3,172**	(9,369)	**3,366**	(9,369)

Group and Company Cash Flow Statements

(continued) for the year ended 30 June 2012

	Note	Group 2012 €'000	Group 2011 €'000	Company 2012 €'000	Company 2011 €'000
Cash flows used in financing activities					
Decrease in finance leases		**(91)**	(160)	**-**	-
Dividends paid	*7*	**(1,847)**	(1,860)	**(1,847)**	(1,860)
Acquisition of non-controlling interests		**-**	(60)	**-**	-
Repurchase of own shares		**(20,000)**	-	**(20,000)**	-
Net cash (used in) financing activities		**(21,938)**	(2,080)	**(21,847)**	(1,860)
Net (decrease) in cash and cash equivalents		**(14,470)**	(5,137)	**(15,889)**	(11,199)
Cash and cash equivalents at beginning of year		**38,324**	43,461	**30,863**	42,062
Cash and cash equivalents at end of year	*15*	**23,854**	38,324	**14,974**	30,863

Significant Accounting Policies
for the year ended 30 June 2012

Cpl Resources Plc (the "Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Group and Company financial statements were authorised for issue by the directors on 5 September 2012.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU. The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2012 which permits a company, that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company income statement and related notes that form part of the approved Company financial statements.

The IFRSs adopted by the EU as applied by the Company and Group in the preparation of these financial statements are those that were effective at 30 June 2012.

Basis of preparation

The Group and individual financial statements of the Company which are presented in euro rounded to the nearest thousand, have been prepared under the historical cost convention except for assets held for sale. The accounting policies applied in the preparation of these consolidated financial statements have been applied consistently during the year and the prior year. The accounting policies have been applied consistently by Group entities.

Judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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. Particular areas which are subject to accounting estimates and judgements in these financial statements are judgemental provisions and accruals, and impairment testing. Estimates in respect of goodwill are disclosed in note 11 to the financial statements.

Accounting for subsidiaries

Group financial statements

Subsidiaries are those entities over which the Group has the power to control the operating and financial policies so as to obtain economic benefit from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The amounts included in these financial statements in respect of subsidiaries are taken from their latest financial statements prepared up to their respective year ends, together with management accounts for the intervening periods to the year end where necessary. All significant subsidiaries have coterminous financial year ends.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent that they provide evidence of impairment.

Significant Accounting Policies
(continued)

Accounting for subsidiaries *(continued)*

Company financial statements

Investments in subsidiaries are carried at cost less impairment, if any. Dividend income is recognised when the right to receive payment is established.

Revenue recognition

Revenue represents the fair value of amounts receivable for services provided in the normal course of business, net of trade discounts and Value Added Tax. Revenue in respect of permanent placements is recognised when the candidate commences employment. Revenue in respect of the Group's contractors and temporary employees is recognised when the related hours have been worked. Revenue recognised but not yet billed is included as accrued income within receivables.

Operating segment reporting

Operating segments are distinguishable components of the Group that have been established based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. The Group has determined that its operating segments of recruitment of temporary staff, and permanent placement of candidates are its reportable operating segments.

Financial income and expenses

Financial expenses comprise interest payable on borrowings calculated using the effective interest rate method. Financial income comprises interest receivable on cash deposits. All financial expenses are recognised in profit or loss, except to the extent that they arise on the acquisition or construction of a qualifying asset.

Taxation

Income tax for the year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is provided for any differences that exist between the tax base and the carrying value of intangible assets arising from business combinations. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. If the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, it is not recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Pensions and other post-employment benefits

Pension contributions to defined contribution pension schemes are charged to the income statement in the period to which they relate. Any amounts of contributions due or paid in advance at the balance sheet date are included in accruals or prepayments as appropriate.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Significant Accounting Policies
(continued)

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in euro which is the Company's functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, which is primarily euro.

Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the income statement.

Group companies

Results and cash flows of subsidiaries which do not have the euro as their functional currency are translated into euro at actual rates of exchange or average exchange rates for the year where this is a reasonable approximation and the related balance sheets are translated at the rates of exchange ruling at the balance sheet date. Any material adjustments arising on translation of the results of such subsidiaries at average rates and on the restatement of the opening net assets are dealt with in other comprehensive income and presented within a separate translation reserve in the balance sheet.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment. Depreciation is provided on a straight line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

	Years
Buildings	50
Equipment	5
Fixtures and fittings	5
Motor vehicles	3

The residual value of assets, if not insignificant, and the useful life of assets is reassessed annually.
Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Business combinations

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries, joint ventures and associates by the Group. The Group availed of the exemption under IFRS 1, "*First-time Adoption of International Financial Reporting Standards*", whereby business combinations prior to the transition date of 1 July 2004 have not been restated. IFRS 3, "*Business Combinations (2004)*", was applied with effect from the transition date of 1 July 2004 and goodwill amortisation ceased from that date. IFRS 3 (2008) has been applied to acquisitions from 1 July 2009.

The fair value of the consideration paid in a business combination is measured as the aggregate of the fair value of assets transferred, liabilities incurred or assumed and equity instruments issued in exchange for control. Deferred consideration arising on business combinations is determined through discounting the amounts payable to their present value. The discount element is reflected as an interest charge in the income statement over the life of the deferred payment. Contingent consideration is measured at fair value, with subsequent changes therein recognised in profit or loss. In the case of a business combination, the assets and liabilities are measured at their provisional fair values at the date of acquisition. Adjustments to provisional values allocated to assets and liabilities are made within 12 months of the acquisition date and reflected as a restatement of the acquisition balance sheet, where material.

Significant Accounting Policies
(continued)

Goodwill

Goodwill on acquisitions is initially measured at cost being the excess of the fair value of the consideration for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. When the excess is negative, a bargain purchase gain is recognised immediately in the profit or loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill arising on acquisitions prior to the date of transition to International Financial Reporting Standards as adopted by the EU, 1 July 2004, has been retained at the previous Irish GAAP amount being its deemed cost and is tested annually for impairment. Goodwill relating to acquisitions from 1 July 2004 and goodwill carried in the balance sheet at 1 July 2004 is not amortised. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Intangible assets other than goodwill

Intangible assets acquired separately are capitalised at cost and intangible assets acquired in the course of a business combination are capitalised at fair value being their deemed cost as at the date of acquisition. Subsequent to initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement. The amortisation of intangible assets is calculated to write-off the book value of intangible assets over their useful lives on a straight-line basis. Amortisation rates used are as follows:

Software assets	5 years
Brands	1-5 years
Customer contracts & databases	1-5 years

Impairment reviews

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

Where the Group has entered into lease arrangements on land and buildings, the lease payments are allocated between land and buildings and each is assessed separately to determine whether it is a finance or operating lease.

Significant Accounting Policies
(continued)

Leases *(continued)*

Finance leases, which transfer to the Group substantially all the risks and benefits of ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of financial expenses. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

Guarantees

The Company guarantees certain liabilities of subsidiary companies. These are considered to be insurance arrangements and are accounted for as such i.e. treated as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Financial instruments

Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as financial assets available for sale within current assets and stated at fair value in the balance sheet.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Trade and other receivables

Trade receivables, which generally have 30 to 60 day terms, are initially recognised at fair value and subsequently carried at amortised cost less an allowance for any incurred losses. An estimate of incurred losses is made when collection of the full amount is no longer probable.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits would be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Forthcoming requirements

There are a number of new standards, amendments to standards and interpretations published but not yet effective, and not applied in preparing these consolidated financial statements. These new standards are not expected to have a material impact on the Group's financial statements.

1. Operating segment reporting

Segment information is presented in respect of the Group's operating segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Cpl's primary activity is recruitment. The Group's operations are divided into:

- Recruitment of temporary staff
- Permanent placement of candidates

Information regarding the results of each operating segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board.

	2012 €'000	2011 €'000
Temporary staff	**276,668**	223,885
Permanent placements	**13,572**	11,426
Revenue	**290,240**	235,311
Temporary staff	**7,452**	5,258
Permanent placements	**2,563**	1,931
Operating profit	**10,015**	7,189
Financial income – centrally controlled income	**501**	967
Financial expense – centrally controlled expense	**(762)**	(24)
Profit before tax	**9,754**	8,132
Temporary staff	**281**	387
Permanent placements	**49**	80
Group depreciation	**330**	467

Notes
(continued)

1. Operating segment reporting *(continued)*

	2012 €'000	2011 €'000
Temporary staff	**255**	871
Permanent placements	**-**	3
Group amortisation	**255**	874

Temporary staff	**58,350**	47,719
Permanent placements	**8,849**	6,799
	67,199	54,518
Centrally controlled assets	**28,047**	46,372
Group assets	**95,246**	100,890

At 30 June 2012, centrally controlled assets constitute cash and cash equivalents of €23.9 million *(2011: €38.4 million)* and short term bank deposits of €4.2 million *(2011: €8.0 million).*

	2012	2011
Temporary staff	**37,442**	30,360
Permanent placements	**2,880**	2,198
Group liabilities	**40,322**	32,558

Temporary staff	**314**	230
Permanent placements	**20**	34
Group capital additions	**334**	264

2. Financial income and expenses

	2012 €'000	2011 €'000
Interest (income) on cash deposits	**(501)**	(967)
Interest expense		
Interest expense on interest bearing borrowings	**-**	11
Finance lease interest	**12**	13
	12	24
Other finance expense		
Change in fair value of financial liabilities	**750**	-
	762	24

Notes
(continued)

3. Statutory and other information

Group

Profit before tax is stated after charging the following:

	2012	2011
	€'000	€'000
Auditor's remuneration - audit services	**90**	85
- other assurance services	**23**	30
- tax advisory services	**95**	57
- other non-audit services	**-**	-
Operating lease rentals, principally in respect of premises	**232**	223
Depreciation	**330**	467
Amortisation of intangible assets	**255**	874

In accordance with the requirements of Regulation 120 of Statutory Instrument 220/2010, *'European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010',* the auditor's remuneration figures represent fees paid to KPMG Dublin only and are exclusive of VAT. Audit services relates to the audit of the Group financial statements only. Audit fees in relation to the audit of subsidiary companies by KPMG Dublin are classified as other assurance services. Audit fees paid to other KPMG offices, not included above, amounted to €22,000 *(2011: €8,500).*

Company

Profit before tax is stated after charging the following:

	2012	2011
	€'000	€'000
Auditor's remuneration - audit services	**4**	4
- other assurance services	**-**	-
- tax advisory services	**30**	34
- other non-audit services	**-**	-

Audit services relates to the audit of the Company financial statements only.

Notes
(continued)

4. Directors' remuneration

Directors' remuneration for the year was as follows:

	Salaries and other emoluments €'000	Fees €'000	Pension €'000	Total 2012 €'000	Total 2011 €'000
Executive directors					
Anne Heraty	288	-	98	**386**	363
Paul Carroll	260	-	76	**336**	318
Garret Roche	219	-	11	**230**	226
Josephine Tierney	243	-	11	**254**	250
	1,010	-	196	**1,206**	1,157
Non-executive directors					
John Hennessy	-	77	-	**77**	77
Breffni Byrne	-	50	-	**50**	50
Oliver Tattan	-	50	-	**50**	50
	-	177	-	**177**	177
Total	1,010	177	196	**1,383**	1,334

5. Staff numbers and costs

Staff numbers

The average number of persons employed by the Group (excluding non-executive directors) during the year, analysed by category, was as follows:

	Number of employees	
	2012	2011
Temporary staff	**6,752**	4,773
Recruitment and on-site consultants	**343**	316
Management and administration	**117**	106
	7,212	5,195

Staff costs (excluding non-executive directors)

The aggregate payroll costs of the persons employed by the Group were as follows:

	2012 €'000	2011 €'000
Wages and salaries	**180,873**	143,727
Social security costs	**19,444**	15,451
Pension costs (note 22)	**260**	284
	200,577	159,462

The weighted average number of persons employed by the Company (comprising the executive directors) during the year was four *(2011: four)* and their remuneration is disclosed in Note 4.

Notes
(continued)

6. Income tax expense

	2012 €'000	2011 €'000
Recognised in the income statement:		
Current tax expense		
Current year	**1,377**	1,185
Adjustments in relation to prior years	**40**	(45)
	1,417	1,140
Current tax expense		
Deferred tax		
Origination and reversal of temporary differences (note 13)	**(53)**	(167)
Total tax in the income statement	**1,364**	973

Reconciliation of effective tax rate		
	€'000	€'000
Profit before tax	**9,754**	8,132
Tax based on Irish corporation tax rate of 12.5%	**1,219**	1,017
Non-deductible items	**158**	31
Income taxed at higher rate	**94**	183
Loss relief	**(94)**	(183)
Foreign income taxed at higher rate	**14**	(5)
Effect of change in tax rate	**10**	-
Under / (over) provision in prior year	**40**	(45)
Recognition of deferred tax on assets held in prior year	**(77)**	(25)
Total tax in income statement	**1,364**	973

Notes
(continued)

7. Dividends to equity shareholders

Interim dividends to equity shareholders in Cpl Resources Plc are recognised when the interim dividend is paid by the Company. The final dividend in respect of each financial year is recognised when the dividend has been approved by the Company's shareholders. During the financial year, the following dividends were recognised:

	2012	2011
	€'000	€'000
Final dividend paid in respect of previous financial year		
of 2.5 cent *(2011: 2.5 cent)* per ordinary share	**930**	930
Interim dividend paid in respect of current financial year		
of 3.0 cent *(2011: 2.5 cent)* per ordinary share	**917**	930
	1,847	1,860

The directors have proposed a final dividend in respect of the 2012 financial year of 3.5 cent per ordinary share. This dividend has not been provided for in the Company or Group balance sheet as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

8. Earnings per share

	2012	2011
	€'000	€'000
Numerator for basic and diluted earnings per share:		
Profit for the financial year attributable to equity shareholders	**8,390**	7,159
Denominator for basic earnings per share:		
Weighted average number of shares in issue for the year	**32,767,381**	37,211,825
Effect of dilutive potential ordinary shares	**-**	-
Denominator for diluted earnings per share:	**32,767,381**	37,211,825
Basic earnings per share	**25.6 cent**	19.2 cent
Diluted earnings per share	**25.6 cent**	19.2 cent

9. Profit for the financial year

As permitted by Section 148(8) of the Companies Act, 1963, a separate income statement for the Company is not presented in these financial statements. The profit for the financial year of the holding Company was €2,397,000 *(2011: Profit €21,030,000).*

Notes
(continued)

10. Property, plant and equipment – Group

	Land & Buildings €'000	Equipment €'000	Fixtures & Fittings €'000	Motor vehicles €'000	Total €'000
Cost					
Balance at 30 June 2010	552	2,568	1,033	334	4,487
Acquisitions (note 20)	-	-	20	-	20
Additions	-	164	100	-	264
Foreign exchange revaluation	-	2	(4)	(2)	(4)
Balance at 30 June 2011	552	2,734	1,149	332	4,767
Additions	-	156	178	-	334
Foreign exchange revaluation	-	(4)	(3)	1	(6)
Balance at 30 June 2012	**552**	**2,886**	**1,324**	**333**	**5,095**
Depreciation					
Balance at 30 June 2010	148	2,049	618	248	3,063
Depreciation charge for the year	11	314	110	32	467
Foreign exchange revaluation	-	1	-	-	1
Balance at 30 June 2011	159	2,364	728	280	3,531
Depreciation charge for the year	11	193	103	23	330
Foreign exchange revaluation	-	-	-	1	1
Balance at 30 June 2012	**170**	**2,557**	**831**	**304**	**3,862**
Net book value					
At 30 June 2012	**382**	**329**	**493**	**29**	**1,233**
At 30 June 2011	393	370	421	52	1,236

Included in motor vehicles are assets with a net book value of €Nil *(2011: €51,875)* which were acquired under finance leases.

Notes
(continued)

10. Property, plant and equipment – Company

	Equipment €'000	Fixtures & fittings €'000	Total €'000
Cost			
Balance at 30 June 2010	178	19	197
Additions	72	78	150
Balance at 30 June 2011	250	97	347
Additions	28	30	58
Transfer to intangible assets	(84)	-	(84)
Balance at 30 June 2012	**194**	**127**	**321**
Depreciation			
Balance at 30 June 2010	51	9	60
Depreciation charge for the year	23	12	35
Transfer to intangible assets	16	-	16
Balance at 30 June 2011	90	21	111
Depreciation charge for the year	31	6	37
Transfer to intangible assets	(53)	-	(53)
Balance at 30 June 2012	**68**	**27**	**95**
Net book value			
At 30 June 2012	**126**	**100**	**226**
At 30 June 2011	160	76	236

Notes
(continued)

11. Goodwill and intangible assets

Group

	Goodwill €'000	Brands €'000	Customer contracts & databases €'000	Software €'000	Total €'000
Cost					
Balance at 30 June 2010	19,206	614	1,320	1,131	22,271
Acquisitions (note 20)	459	600	200	-	1,259
Additions	-	-	-	31	31
Balance at 30 June 2011	19,665	1,214	1,520	1,162	23,561
Acquisitions (note 20)	951	250	50	-	1,251
Additions	-	-	-	14	14
Fair value adjustment (i)	33	-	-	-	33
Balance at 30 June 2012	**20,649**	**1,464**	**1,570**	**1,176**	**24,859**
Amortisation					
Balance at 30 June 2010	8,295	564	1,320	799	10,978
Amortisation for the year	-	600	150	124	874
Balance at 30 June 2011	8,295	1,164	1,470	923	11,852
Amortisation for the year	-	62	53	140	255
Balance at 30 June 2012	**8,295**	**1,226**	**1,523**	**1,063**	**12,107**
Net book value					
At 30 June 2012	**12,354**	**238**	**47**	**113**	**12,752**
At 30 June 2011	11,370	50	50	239	11,709

(i)This fair value adjustment relates to the finalisation of provisional fair values used in relation to prior year acquisitions.

Notes
(continued)

11. Goodwill and intangible assets (continued)

Company	Software	Total
	€'000	€'000
Cost		
Balance at 30 June 2010	102	102
Additions	19	19
Balance at 30 June 2011	121	121
Transfer from property, plant & equipment	84	84
Balance at 30 June 2012	**205**	**205**
Amortisation and impairment		
Balance at 30 June 2010	57	57
Amortisation for the year	32	32
Transfer from property, plant & equipment	(17)	(17)
Balance at 30 June 2011	72	72
Amortisation for the year	35	35
Transfer from property, plant & equipment	53	53
Balance at 30 June 2012	**160**	**160**
Net book value		
At 30 June 2012	**45**	**45**
At 30 June 2011	49	49

Goodwill

Goodwill arises in connection with business combinations and has been allocated to groups of Cash Generating Units (CGUs) for the purpose of impairment testing. A CGU represents the lowest level within the Group at which associated goodwill is monitored for management purposes and is not bigger than the segments determined in accordance with IFRS 8, *Operating Segments.*

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of CGUs are based on value in use calculations.

Key assumptions used in the value in use calculations
The key assumptions in the value in use calculations used to assess impairment are outlined below:

These calculations use cash flow forecasts based on expected future operating results and cashflows and exclude incremental profits derived from acquisition activities. The computations use five year forecasts. For individual CGUs, one year forecasts have been approved by senior management. The remaining years' forecasts have been extrapolated using growth rates of between 0% and 2% based on the current operating results and budgeted performance of individual CGUs. For the purposes of calculating terminal values, a terminal growth rate of 0% has been adopted. The cashflow forecasts are discounted using appropriate risk adjusted discount rates averaging 10.5% *(2011: 10.5%)*, reflecting the risk associated with the individual future cash flows and the risk free rate.

Notes
(continued)

11. Goodwill and intangible assets (continued)

Any significant adverse change in the expected future operating results and cash flows may result in the value in use being less than the carrying value of a CGU and would require that the carrying value of the CGU be stated at the greater of the value in use or the recoverable amount of the CGU.

Impairment losses
Applying the techniques and assumptions outlined above, no impairment losses arose in the years ended 30 June 2012 and 30 June 2011.

The results of impairment testing undertaken provide sufficient headroom such that any reasonable realistic movement in any of the underlying assumptions would not give rise to an impairment charge on the relevant CGUs.

Brands, customer contracts and databases, and software

Intangible assets comprise brands and customer contracts and databases which were acquired as part of the acquisitions made by the Group. The brands and customer contracts and databases were assessed as having a maximum finite life at their respective dates of acquisition of 5 years. During the year, the brands and customer databases have been amortised over their estimated useful lives. The amortisation has been recorded in administration expenses within the Group income statement.

Software assets are amortised over their estimated useful life of 5 years.

12. Investments in subsidiaries – Company

Investment in subsidiary undertakings

	2012 €'000	2011 €'000
Cost		
Balance at start of year	**12,398**	11,199
Acquisitions in the year	**2,430**	1,199
Closing balance	**14,828**	12,398

12. Investments in subsidiaries – Company (continued)

At 30 June 2012, in the opinion of the directors, the investments are worth at least their carrying value.

At 30 June 2012, the investments in subsidiaries comprised the following:

Company	**Country of incorporation**	**Class of shares held**
Computer Placement Limited	Ireland	Ordinary
Cpl Solutions Limited	Ireland	Ordinary
Careers Register Limited	Ireland	Ordinary
Multiflex Limited	Ireland	Ordinary
Tech Skills Resources Limited	Ireland	Ordinary
Medical Recruitment Specialists Limited	Ireland	Ordinary
Richmond Recruitment Limited	Ireland	Ordinary
Occipital Limited	Ireland	Ordinary
Kate Cowhig International Recruitment Limited	Ireland	Ordinary
Flexsource Limited	Ireland	Ordinary
Cpl Healthcare Limited	Ireland	Ordinary
Cpl Training Limited	Ireland	Ordinary
Cpl (Northern Ireland) Limited	Northern Ireland	Ordinary
Nursefinders UK Limited	UK	Ordinary
Cpl Jobs S.r.o.	Czech Republic	Ordinary
Cpl Jobs S.r.o.	Slovakia	Ordinary
Cpl Jobs Sp z.o.o	Poland	Ordinary
Cpl Recruitment S.L.	Spain	Ordinary
Cpl Resources International Holdings Limited	Ireland	Ordinary
Cpl Resources Ireland Holdings Limited	Ireland	Ordinary
Servisource Healthcare Limited	Ireland	Ordinary
Servisource Recruitment Limited	Ireland	Ordinary
Cpl Jobs Kft	Hungary	Ordinary
Runway Personnel Limited	Ireland	Ordinary
PHC Care Management Limited	Ireland	Ordinary
Emoberry Limited	Ireland	Ordinary
European Human Resources AB	Sweden	Ordinary

Notes
(continued)

12. Investments in subsidiaries – Company (continued)

All subsidiaries are wholly owned with the exception of Servisource Healthcare Limited and Servisource Recruitment Limited (which are legally 80% owned with a put and call option over the remaining 20%).

All companies, other than Cpl Jobs S.r.o. (Czech Republic), Cpl Jobs S.r.o. (Slovakia), Cpl Jobs Sp z.o.o., Cpl Recruitment S.L., Cpl (Northern Ireland) Limited, Nursefinders UK Limited, Cpl Jobs Kft and European Human Resources AB have their registered offices at 83 Merrion Square, Dublin 2.

The registered office of Cpl Jobs S.r.o. is Dita Velcevova, Truhlarska 13-15, Praha 1, 110 00, Czech Republic.

The registered office of Cpl Jobs S.r.o. is Vysoka 14, 811 06, Bratislava, Slovakia.

The registered office of Cpl Jobs Sp z.o.o. is ORCO Tower Al. Jerozolimskie 81, 02-001 Warsaw, Poland.

The registered office of Cpl Recruitment S.L. is Avenue Portal De L'angel, 42 - Plt 3. Pta A, 08002 Barcelona, Spain.

The registered office of Cpl (Northern Ireland) Limited is Granite House, 31/35 St. Mary's Street, Newry, Co Down.

The registered office of Nursefinders UK Limited is 146A High Street, Tonbridge, Kent, TN9 1BB, UK.

Cpl Jobs Kft has a registered office at Teve U.1/ac, 1139 Budapest, Hungary.

European Human Resources AB has a registered office at Östra Hamngatan 52, 411 09 Göteborg, Sweden.

13. Deferred tax assets

The movement in temporary differences during the year was as follows:

Group	1 July 2011 €'000	Arising in profit or loss €'000	Arising on acquisitions €'000	30 June 2012 €'000
Property, plant and equipment	71	(12)	-	**59**
Employee benefits	30	18	-	**48**
Losses forward	281	117	-	**398**
Intangible assets	75	(64)	(37)	**(26)**
Finance leases	10	(6)	-	**4**
Net deferred tax asset	**467**	**53**	**(37)**	**483**

	1 July 2010 €'000	Arising in profit or loss €'000	Arising on acquisitions €'000	30 June 2011 €'000
Property, plant and equipment	42	29	-	71
Employee benefits	3	27	-	30
Losses forward	266	15	-	281
Intangible assets	14	86	(25)	75
Finance leases	-	10	-	10
Net deferred tax asset	325	167	(25)	467

Company

At 30 June 2012, the Company has a deferred tax asset of €64,778 *(2011: €45,179).*

Notes
(continued)

14. Trade and other receivables

	Group		Company	
	2012	2011	**2012**	2011
	€'000	€'000	**€'000**	€'000
Trade receivables	**35,489**	29,577	**-**	-
Accrued income	**14,605**	9,850	**-**	-
Prepayments and other debtors	**1,918**	1,679	**896**	795
Amounts due from subsidiary undertakings	**-**	-	**45,680**	38,000
VAT recoverable	**-**	-	**100**	61
	52,012	41,106	**46,676**	38,856

Amounts due from subsidiary undertakings are repayable on demand.

15. Net funds

	Group		Company	
	2012	2011	**2012**	2011
	€'000	€'000	**€'000**	€'000
Cash and cash equivalents	**23,871**	38,372	**14,974**	30,863
Bank overdraft	**(17)**	(48)	**-**	-
Cash and cash equivalents in the cash flow statement	**23,854**	38,324	**14,974**	30,863
Short term bank deposits	**4,176**	8,000	**4,176**	8,000
Net funds	**28,030**	46,324	**19,150**	38,863

Notes
(continued)

16. Share capital, share premium, and other reserves

	2012	2011
	€'000	€'000
Authorised		
50,000,000 ordinary shares at €0.10 each	**5,000**	5,000

	€'000	€'000
Allotted, called up and fully paid		
30,545,159 *(2011: 37,211,825)* ordinary shares at € 0.10 each	**3,053**	3,720

During the year, no shares *(2011: nil)* were issued but 6,666,666 were repurchased and cancelled in November 2011.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium at 30 June 2012 amounted to €1,705,000 *(2011: €1,705,000)*.

Other reserves comprise a capital redemption reserve fund of €666,666 *(2011: €nil),* a capital conversion reserve of €57,000 *(2011: €57,000),* a merger reserve of €3,357,000 negative *(2011: €3,357,000 negative)* and a currency translation reserve of €77,000 *(2011: €28,000).* The merger reserve arose in 1998 when the Company acquired by way of a share for share exchange the share capital of two group companies formerly under common ownership, management, and control. As permitted by Irish GAAP and Company Law, the distributable reserves of those companies were deemed to be distributable by the Company. The translation reserve comprises all foreign exchange differences from 1 July 2011 arising from the translation of the net assets of the Group's non-euro denominated operations including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date.

Capital management

The Board regularly reviews and monitors the Company's capital structure with a view to maintaining a strong capital base. This involves considering dividends paid to shareholders, the amount of liquid assets on the balance sheet and return on capital. The Company has the authority to purchase its own shares. This authority permits the Company to buy up to 10 per cent of the issued share capital at a price which may not exceed 105% of the average price over the previous five trading days. Any shares which may be purchased will be acquired and cancelled. Any purchases should have a positive effect on earnings per share.

Notes
(continued)

17. Financial liabilities

Details of the interest-bearing loans and borrowings in the Group and Company are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	€'000	€'000	**€'000**	€'000
Non-current liabilities				
Finance lease liabilities	**25**	45	**-**	-
Current liabilities				
Finance lease liabilities	**8**	79	**-**	-

Analysis of debt:

	Group	
	2012	2011
Debt can be analysed as falling due as follows:	**€'000**	€'000
In one year or less, or on demand	**8**	79
Between one and two years	**25**	39
Between two and five years	**-**	6
	33	124

Total future minimum lease payments on finance leases amounts to €48,059 *(2011: €149,114).*

18. Provisions

Deferred and contingent consideration

	Group	Company
	€'000	**€'000**
Balance at 30 June 2011	1,030	1,030
Amount recognised in respect of current year acquisitions (note 20)	990	990
Net amount recognised in respect of previous acquisitions	650	650
Paid during the year	(100)	(100)
Balance at 30 June 2012	**2,570**	**2,570**
Current	830	830
Non-current	1,740	1,740
	2,570	**2,570**

Total deferred acquisition consideration amounting to €2,570,000 *(2011: €1,030,000)* is payable over the period from 30 June 2012 to 30 June 2016 subject to certain conditions.

Notes
(continued)

19. Trade and other payables

Amounts falling due in less than one year:

	Group		Company	
	2012	2011	**2012**	2011
	€'000	€'000	**€'000**	€'000
Trade creditors	**1,877**	1,035	**309**	304
Accruals and deferred income	**25,590**	23,468	**1,156**	912
VAT	**4,675**	3,129	**-**	-
PAYE/PRSI	**5,039**	3,603	**-**	-
Amounts due to subsidiary undertakings	**-**	-	**67,159**	58,945
	37,181	31,235	**68,624**	60,161

Amounts due to subsidiary undertakings are repayable on demand.

20. Business combinations

On 15 March 2012, the Group acquired European Human Resources AB.

The provisional fair values of the assets and liabilities which were acquired, determined in accordance with IFRS, were as follows:

	Book Value 2012 €'000	**Fair Value adjustment 2012 €'000**	**Fair Value 2012 €'000**
Brands	-	250	250
Customer databases	-	50	50
Trade and other receivables	204	-	204
Trade and other payables	(224)	-	(224)
Deferred tax liability	-	(37)	(37)
Net identifiable assets and liabilities acquired	(20)	263	243
Goodwill arising on acquisition			951
			1,194

Satisfied by:	
Cash consideration	300
Cash acquired	(96)
Deferred consideration accrued	990
Total consideration	1,194

Notes
(continued)

20. Business combinations (continued)

The acquisition contributed profit before tax of €27,000 on revenues of €340,000 for the period from the acquisition date to 30 June 2012. The combined profit before tax for the period assuming the business had been purchased on 1 July 2011 would have been approximately €90,000 on revenues of approximately €1.3 million.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of the above business combination. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be reflected in the 2013 Annual Report as stipulated by IFRS 3, *Business Combinations.*

Prior year acquisitions

The Group made a number of acquisitions in the prior year. On 11 November 2010, the Group acquired PHC Care Management Limited and Emoberry Limited. On 13 April 2011, the Group acquired Runway Personnel Limited.

The provisional fair values of the assets and liabilities which were acquired, determined in accordance with IFRS, were as follows:

	Book Value 2011 €'000	Fair Value adjustment 2011 €'000	Fair Value 2011 €'000
Property, plant and equipment	20	-	20
Brands	-	600	600
Customer databases	-	200	200
Trade and other receivables	928	(33)	895
Trade and other payables	(637)	-	(637)
Deferred tax liability	-	(25)	(25)
Net identifiable assets and liabilities acquired	311	742	1,053
Goodwill arising on acquisition			492
			1,545

Satisfied by:	
Cash consideration	1,510
Cash acquired	(444)
Bank overdraft assumed on acquisition	149
Deferred consideration accrued	330
Total consideration	1,545

The acquisitions contributed profit before tax of €109,000 on revenues of €1.9 million for the period from their acquisition date to 30 June 2011. The combined profit before tax for the year ended 30 June 2011 assuming the businesses had been purchased on 1 July 2010 would have been approximately €366,000 on revenues of approximately €6.8 million.

21. Operating leases

The Group leases certain property, plant and equipment under operating leases. The leases typically run for an initial lease period with the potential to renew the leases after the initial period. During the year, €232,764 *(2011: €222,898)* was recognised as an expense in the income statement in respect of operating leases.

Non-cancellable operating lease rentals are payable as set out below. These amounts represent the minimum future lease payments, in aggregate, that the Group is required to make under existing lease agreements.

	2012	2011
	€'000	€'000
Payable in:		
Less than one year	**198**	198
Between one and five years	**791**	791
Greater than five years	**82**	280
	1,071	1,269

22. Pension arrangements

The Group contributes to defined contribution schemes for certain senior executives by way of contributions to unit linked funds. The Group's annual contributions are charged to the income statement in the year to which they relate. Details of contributions made on behalf of the directors during the year are set out in note 4. Amounts due to pension schemes at 30 June 2012 amounted to €392,206 *(2011: €228,978).*

23. Financial instruments and risk management

The Group and Company are exposed to various financial risks that include credit risk and liquidity risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

(a) *Credit risk*

Credit risk arises from credit to customers and on outstanding receivables and cash balances.

The Group holds significant cash balances, which are invested on a short-term basis and are classified as either cash equivalents or short-term deposits. These deposits give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty through regular review of market-based ratings, Tier 1 capital and other factors. Some of the Group's cash deposits have been placed with financial institutions that are part of the Irish Government's bank deposit guarantee scheme. The Group typically does not enter into deposits with a duration of more than 12 months.

Notes
(continued)

23. Financial instruments and risk management (continued)

(a) Credit risk (continued)

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group's exposure to credit risk is influenced by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at which point the amount is considered irrecoverable and is written off directly against the trade receivable.

The following table details the ageing of the gross trade receivables and the related impairment provisions in respect of specific amounts:

Group	**Gross 30 June 2012 €'000**	**Impairment 30 June 2012 €'000**	Gross 30 June 2011 €'000	Impairment 30 June 2011 €'000
Not past due	**30,737**	**-**	25,336	-
Past due 0 - 30 days	**2,978**	**-**	3,417	-
Past due 31 - 120 days	**1,672**	**(9)**	845	(215)
Past due 121 days – one year	**94**	**(47)**	192	(43)
More than one year	**294**	**(230)**	453	(408)
Total	**35,775**	**(286)**	30,243	(666)

23. Financial instruments and risk management (continued)

(a) *Credit risk (continued)*

Company

The Company had no trade receivables outstanding at 30 June 2012 *(2011: €nil).*

Group

Movement on the provision for impairment of trade receivables is as follows:

	30 June 2012 €'000	30 June 2011 €'000
Balance at start of year	**666**	736
Charged in the year	**126**	380
Released	**(67)**	(458)
Utilised in the year**	**(439)**	-
Arising on acquisition	**-**	8
Balance at end of year	**286**	666

** This utilisation mainly relates to pre-acquisition trade receivables for which fair value adjustments had been posted at acquisition date.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	Group	
	30 June 2012 €'000	30 June 2011 €'000
Euro	**33,365**	28,437
Sterling	**186**	678
Hungarian Forint	**1,470**	192
Czech Koruna	**377**	165
Polish Zloty	**91**	69
USD	**-**	36
	35,489	29,577

Notes
(continued)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group adopts an efficient working capital model in order to minimise liquidity risk. The Group has significant cash resources to provide flexibility in financing existing operations and acquisitions.

The following are the contractual maturities of the financial liabilities:

Group - 2012	**Carrying amount €'000**	**Contractual cash flows €'000**	**6 months or less €'000**	**6 -12 months €'000**	**+ 1 year €'000**
Non-derivative financial liabilities					
Finance lease liabilities	**33**	(48)	(27)	(14)	(7)
Trade and other payables	**27,467**	(27,467)	(27,467)	-	-
Provisions	**2,570**	(2,570)	(425)	(405)	(1,740)
	30,070	(30,085)	(27,919)	(419)	(1,747)

Group - 2011	**Carrying amount €'000**	**Contractual cash flows €'000**	**6 months or less €'000**	**6 -12 months €'000**	**+ 1 year €'000**
Non-derivative financial liabilities					
Finance lease liabilities	**124**	(149)	(52)	(38)	(59)
Trade and other payables	**24,503**	(24,503)	(24,503)	-	-
Provisions	**1,030**	(1,030)	-	(405)	(625)
	25,657	(25,682)	(24,555)	(443)	(684)

23. Financial instruments and risk management (continued)

(b) *Liquidity risk (continued)*

Company - 2012	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 -12 months €'000	+ 1 year €'000
Non-derivative financial liabilities					
Trade and other payables	**68,624**	(68,624)	(68,624)	-	-
Provisions	**2,570**	(2,570)	(425)	(405)	(1,740)
	71,194	(71,194)	(69,049)	(405)	(1,740)

Company - 2011	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 -12 months €'000	+ 1 year €'000
Non-derivative financial liabilities					
Trade and other payables	**60,161**	(60,161)	(60,161)	-	-
Provisions	**1,030**	(1,030)	-	(405)	(625)
	61,191	(61,191)	(60,161)	(405)	(625)

(c) *Interest rate risk*

The Group's balance sheet contains interest bearing assets.

Cash flow sensitivity analysis

At 30 June 2012, the average interest rate being earned on the Group's cash and cash equivalents and short term deposits was 1.3% *(2011: 1.7%)*. An increase or decrease of 50 basis points in interest rates at the reporting date would have the following effect on the income statement and equity. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2011:

	50 basis point increase		**50 basis point decrease**	
	Income Statement €'000	Equity €'000	Income Statement €'000	Equity €'000
30 June 2012				
Variable rate instruments	**156**	-	**(156)**	-
30 June 2011				
Variable rate instruments	277	-	(277)	-

(d) *Currency risk*

The Group has no material exposure to foreign currency risk as most of the assets and liabilities of the Group are denominated in euro, the functional currency of the Company and the currency in which these financial statements are presented.

Notes
(continued)

24. Commitments and contingencies

The Company has guaranteed the liabilities of all of its subsidiaries incorporated in the Republic of Ireland (see note 12) for the purpose of obtaining exemptions allowed under Section 17 of the Companies (Amendment) Act, 1986, in relation to filing financial statements. These irrevocable guarantees cover the financial year ended 30 June 2012.

25. Related party transactions

Group

Under IAS 24, *Related Party Disclosures*, the Group has a related party relationship with its directors. Transactions with the directors are as follows:

- The Group has an annual commitment of €197,772 in respect of one of its offices in Dublin 2, which is leased by the Group from executive directors, Anne Heraty and Paul Carroll, at a rate based on the advice of an independent property advisor. The lease expires in November 2017 and is subject to rent reviews every 3 years.

IAS 24 also requires the disclosure of compensation paid to the Group's key management personnel. In the case of Cpl, key management personnel is deemed to comprise the directors of Cpl Resources Plc. Details of the remuneration of the directors are set out in Note 4 while their interests in shares are set out in the Directors' Report.

Company

The Company has a related party relationship with its subsidiaries and with the directors of the Company. Transactions with subsidiaries are as follows:

	2012	2011
	€'000	€'000
Dividends received from subsidiaries	**4,000**	24,000
Group expenses recharged to subsidiaries	**4,878**	2,398

Directors of the Company and their immediate relatives control 41.43% *(2011: 41.43%)* of the voting shares of the Company.

26. Non-controlling interests

	2012	2011
	€'000	€'000
Balance at beginning of year	**-**	71
Share of comprehensive income for the year	**-**	-
Purchase of non-controlling interest	**-**	(71)
Balance at end of year	**-**	-

Notes
(continued)

27. Fair values

Cash and cash equivalents

For cash and cash equivalents, all of which have a remaining maturity of less than 3 months, the nominal amount is deemed to reflect fair value.

Trade and other receivables

For receivables and payables with a remaining life of less than 6 months or demand balances, the carrying value less impairment provision, where appropriate, is deemed to reflect fair value.

Finance lease liabilities

Fair value is based on the present value of future cash flows discounted at market rates at the balance sheet date.

28. Post balance sheet events

There have been no significant post balance sheet events that would require disclosure in the financial statements.

29. Approval of financial statements

The consolidated financial statements were approved by the directors on 5 September 2012.

Our Business

Cpl Resources plc. is a provider of recruitment, staffing and outsourcing services. We provide these services to local customers and multinationals through a network of 24 offices in Ireland, Bulgaria, Czech Republic, England, Hungary, Poland, Spain, Slovakia, and Sweden. Our business is based on matching the capabilities of our candidates and employees with the need of our clients to get work done. We achieve this by

- Placing candidates in jobs with our clients,
- Staffing client projects with our agency employees and contractors, and
- Employing staff in our service centres to do work on a subcontract basis.

In addition to providing these services to customers in Ireland, we serve the European needs of global corporations in the Technology, Social Media, Finance and Pharmaceutical sectors in the European market.

Cpl Resources plc. – HQ

83 Merrion Square, Dublin 2

T: +353 1 614 6000

E: info@cpl.ie

W: www.cpl.ie