the best people for the job

Annual Report & Accounts **2013**

where people **matter**

the best people for the job

we find the best people for the job

we are the best people for the job

Cpl 2013 Financial Highlights

(all amounts are in thousands unless stated)

€330,758
Revenue

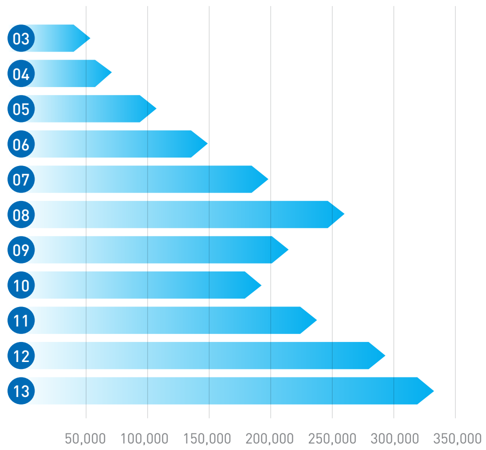
€11,720
Operating profit

€48,843
Gross profit

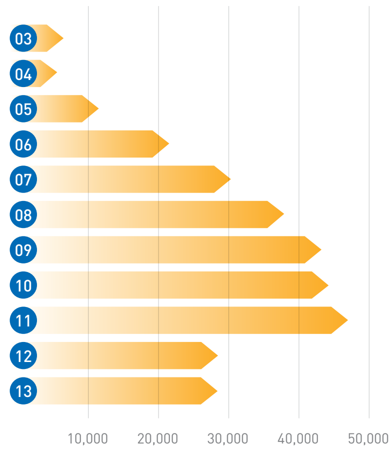
€12,284
Profit before tax

35.0 cent
Basic earnings per share

REVENUE GROWTH €000'S



NET CASH €000'S



FY 2012 €20 million returned to shareholders

14%

Record revenues of €331 million, up 14% on last year

26%

Increase in profit before tax to €12.3 million

8.5c

Total dividend per share (2012: 6.5 cent)

We continue to expand our client base and service offerings. Cpl now has 32 offices in 9 countries.

Our website www.cpl.ie is the only recruitment agency in the top 10 Irish job boards.

Cpl has established a successful new business called Cpl Learning and Development which offers opportunities for people to train and re-skill to where skills are most in demand.

5%

Cpl finished the year with 8,223 people working on behalf of Cpl on client projects.

Our Business

Cpl Resources plc. is a leading provider of recruitment, staffing and outsourcing services. We provide these services to local customers and multinationals through a network of 32 offices in **Canada, Czech Republic, England, Hungary, Ireland, Poland, Slovakia, Spain** and **Tunisia**. Our business is based on matching the capabilities of our candidates and employees with the needs of our clients to get work done.

We achieve this by:

- Placing people in permanent jobs with our clients
- Staffing client projects with our temporary employees and contractors
- Employing staff in our service centres to support our international client base.

In addition to providing these services to customers in Ireland, we serve the European needs of global corporations in Technology, Finance & Accounting, Science & Engineering, Sales & Marketing, International Customer Service and Healthcare.

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Directors and Other Information

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)

* 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 Life & Pensions Ireland Limited and Tedcastles Holdings and is a non-executive director of Citibank Europe plc, Hikma Pharmaceutical plc, 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.

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.

Other Company Information

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

Cpl Values

Core values define who we are as a business. They guide how we behave and make decisions which affect Our Clients, Our Candidates, Our People and Our Shareholders. These 5 values underpin everything we do in the Cpl Group and are representative of where we want to be as a business both now and in the future.

Customer Focus
Accountability
Respect
Effective Communication
Empowerment

Customer Focus: Excellence in everything we do for our clients & internal customers, including a commitment to innovation

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"

Respect: Integrity, fairness, listening, co-operation, responsiveness and perceptiveness

Effective Communication: Clarity in communication, 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

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.

Chairman's Statement

I am pleased to report that the year ended 30 June 2013 has been one of further profitable growth for the Cpl Group ('Cpl', the 'Group' or the 'Company').

Highlights of the Group's performance include:

- Record Revenues of €330.8 million up 14% on prior year
- 17% increase in operating profit to €11.7 million
- Earnings per share of 35.0 cent (2012: 25.6 cent)
- Total dividend per share of 8.5 cent (2012: 6.5 cent)

Full Year Highlights

Highlights	2013 € 000	2012 € 000	% change
Revenue	330,758	290,240	14%
Gross profit	48,843	43,538	12%
Operating profit	11,720	10,015	17%
Profit before tax	12,284	9,754	26%
Earnings per share	35.0 cent	25.6 cent	37%
Dividends per share	8.5 cent	6.5 cent	31%
Conversion ratios**			
Operating profit	24.0%	23.0%	
Profit before tax	25.1%	22.4%	
Net funds	27,931	28,030	

*** as % of gross profit*

The Group's results for the year to 30 June 2013 reflect growth across all our major business areas and locations. This has been achieved in challenging and highly competitive markets and in the face of continuing economic uncertainty in these markets.

Despite this uncertainty, gaps remain between the supply of skills and the emerging demand for people in several sectors in which we operate. We continue to work with our clients and candidates to fill these gaps and to provide appropriate solutions where skills are in short supply.

During the year we experienced growth in demand for both flexible, temporary solutions and for permanent appointments. Fees from permanent placements grew by 16.3% year on year. Despite continuing downward pressure on margins, gross profits from temporary placements grew by 10.6% over the prior year.

We continue to manage our costs closely, and this is reflected in an improved operating profit ratio of 24% (23% in the prior year).

Cpl continues to have a strong balance sheet, with net assets in excess of €63 million at 30 June 2013 and net free funds at that date of €28 million.

People

The Group's strong performance in difficult trading conditions in the year ended 30 June 2013 reflects the continued commitment, talent and dedication of our people. We continue to recruit new talent into the Group and to invest in training and developing our people so that they can meet the changing needs of our clients.

Cpl has a strong culture, supported by clear and practical core principles that are espoused by our people. We aim to deliver to all our clients and candidates a special and personal experience that is consistently excellent across all our locations and business sectors. I am grateful to all the staff of Cpl for the outstanding service they provide through their dedication, their creativity and their adherence to our culture and core principles.

In April 2013 Josephine Tierney left the Group to take up new challenges elsewhere. In her role as Finance Director and CFO, Josephine contributed significantly to the growth and success of Cpl during her tenure. On behalf of the Board I would like to thank Josephine for her outstanding commitment and contribution, and to wish her well in the future.

In July Mark Buckley joined the Group as Chief Financial Officer. I would like to welcome Mark to the team and I look forward to working with him.

Earnings per Share, Dividend and Dividend Policy

The Group has delivered a 37% increase in earnings per share in the twelve months to June 2013, to 35.0 cent.

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 4.5 cent per share. This will bring the total dividend for the year to 8.5 cent per share. The dividend, if approved by the shareholders, will be payable on 4 November 2013 to shareholders on the Company's register at the close of business on the record date of 11 October 2013.

Outlook

Forecasting remains a challenge in the current economic environment. There are some signs of economic recovery in certain markets in which we operate, giving rise to small increases in demand for skills in certain sectors and locations. It is too early to predict whether these signs indicate a sustained recovery. However, on an overall basis we do expect to achieve further profitable growth in the months ahead.

JOHN HENNESSY
CHAIRMAN

4 SEPTEMBER 2013

Chief Executive's Review

ANNE HERATY
CHIEF EXECUTIVE

The year to June 2013 was one of solid progress for Cpl. Performance across the Group was strong resulting in a €40.5 million increase in Revenue to €330.8 million, up 14% and a €2.5 million increase in profit before tax to €12.3 million, up 26%. We have strengthened our position within our established sectors and markets. At the same time, we have expanded our international footprint and established a successful new business called Cpl Learning and Development.

Our revenues are focused on some of the areas in greatest demand in the economy today. Sectors and occupations such as ICT, Healthcare and Engineering are experiencing serious skills shortages across Europe. Labour market forecasts suggest a Europe wide shortfall of 700,000 ICT professionals by 2015 and a shortfall of 500,000 Engineers by 2020. Qualified immigration to the EU is being called for as part of the solution. The demand for healthcare professionals has also been constantly increasing. By 2020, almost 1.6 million healthcare professionals will be required, mostly to replace existing people who leave or retire from the workforce. (Source: Cedefop 2012)

Cpl's largest recruitment divisions are ICT, Engineering and Healthcare. We are working with clients to bridge the gap by sourcing people with specialist skills all over the world. In addition, the need for investment in education and training/re-skilling is clear so that the skills of people will better match the jobs that are available. Cpl Learning and Development offers opportunities for people to train and re-skill to where skills are most in demand.

Indicators for the Irish labour market have recently shown some improvement. Annual employment growth is now at its highest level since Q4 2007 and unemployment is down to 13.7%. We are seeing the emergence of a two speed labour market in Ireland with 'white collar' and services occupations having an unemployment rate of 6% or less while the highest unemployment rates are among people previously employed in construction and people with low education attainment. These are also the areas where people are more at risk of long-term unemployment i.e. out of work for over 12 months. In June 2013, 45% of those unemployed had been on the Live Register for longer than one year. This proportion is up from 44% in June 2012 and 41% in June 2011. The government's focus and many of the initiatives in the Action Plan for jobs is on the long-term unemployed. Cpl Learning and Development were delighted to work with the Momentum Project under the Department of Education and Skills which aimed to up-skill 6,500 job seekers to re-enter the workforce. 620 people were in training at the year end with Cpl and work placements are already identified for over 80% of these people, mainly in the healthcare and food industries. Our experience in Cpl tells us that it is critically important that those who are unemployed are kept close to the labour market and constantly updated on where opportunities exist and how to re-skill for these opportunities.

THE BEST IN OUTSOURCING

Our outsourcing business provides customer service and back office solutions to the technology, banking, insurance and pharmaceutical industries across Ireland, the CEE region and Africa.

Proactive and Efficient Solutions

We take responsibility for delivering quality outcomes under structured Service Level Agreements (SLAs) to achieve a successful outcome for the customer. We offer proactive and efficient talent acquisition and management solutions, enabling our clients to increase productivity, reduce turnover and maximise profitability.

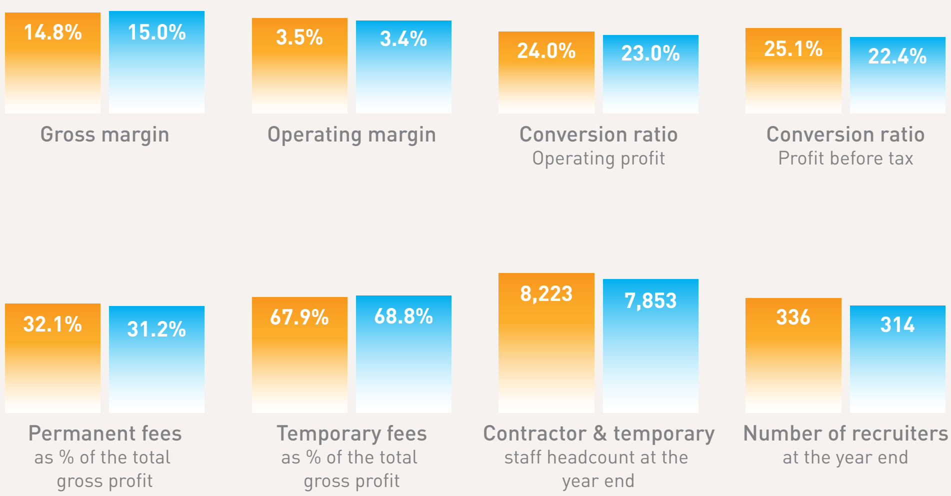
Innovative Work Practices

The key to effective co-sourcing is having a clear understanding of our customers' requirements and being able to put the right resources in place as quickly as possible. We continue to invest heavily in design, building innovative systems to streamline our processes. We recruit only the best people for the job and give them the tools they need to deliver on our promise to clients.

Customer Focus is an integral part of how we do business and our outsourcing divisions truly encompass both innovation and a client-centric ethos.

KEY PERFORMANCE INDICATORS

2013
2012



Our combination of accredited training and access to a wide range of employers, positions Cpl Learning and Development to best help unemployed individuals identify and build the skills to access the opportunities that are available.

We finished the year with 8,223 people working on behalf of Cpl on client projects, an increase of 5% on previous 12 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.

Financial Highlights

The Group increased its revenue by 14% to €330.8 million in the year to June 2013 *(2012: €290.2 million)*. Gross profit increased by 12% to €48.8 million *(2012: €43.5 million)*. The Group's gross margin was 14.8% *(2012: 15%)*. Our Operating Profit increased by 17.0% to €11.7 million *(2012: €10.0 million)*. Profit before tax was up 26% at €12.3 million *(2012: €9.8 million)*. Our earnings per share was 35.0 cent *(2012: 25.6 cent)* an increase of 37% which includes the impact of the share buyback in the prior year.

Our operating expenses were €37.1 million, 10.7% higher than last year. The majority of our cost base circa 71% is staff costs. At year end we had increased our internal staff numbers by 64 from the previous year. We have invested in building both our recruitment teams and support teams to take advantage of any upturn in the market. The other main components of our cost base are property and information technology costs. We continued to invest in our technology infrastructure, upgrading our financial systems and our internet presence. Continued investment in our technology infrastructure is essential in order to increase our operational efficiency and provide excellent service to our clients.

At 30 June 2013 our net cash balance was €28 million, broadly unchanged on the previous year. During this period, we paid our shareholders an interim dividend of 4.0 cent per share. The Board is recommending a final dividend of 4.5 cent per share for the year to June 2013. The total dividend per share for the year is 8.5 cent.

THE BEST FOR INITIATIVE

SIOBHAN KINSELLA
DIRECTOR CPL LEARNING AND DEVELOPMENT

Cpl was awarded 620 places in the Momentum Project, making us one of the programme's largest contractors. The innovative nationwide training programme aims to provide 6,500 job seekers with the necessary skills to re-enter the workforce.

Exciting new initiative

We were delighted to partner with Momentum, a Government led initiative. It allowed us to get even closer to our customers and assess the skills they needed for future business growth. Our record of delivering complex solutions through similar payment-for-results type projects was a distinct advantage.

Innovative flexible solutions

Our success was achieved by virtue of the innovative solutions we proposed and our intimate understanding of the trends and developments within the employment landscape. We were able to develop flexible programmes that met the specific needs of Irish employers and gave sustainable advantage to job seeking participants.

At Cpl, our core values are instrumental in everything we do, and the value of accountability was the cornerstone of our activities in the Momentum Project. It encouraged us to take responsibility for our actions and be accountable to our learners, trainers, employers, employees and overall brand.

€40.5m
Growth in Revenues

€12.3m
Profit Before Tax
[up from €9.8m 2012]

Our revenues grew by €40.5 million, resulting in an increased investment in working capital. Trade and other receivables grew to €61.9 million in June 2013 from €52.0 million in June 2012. We continue to actively manage our debtors and have not experienced any increase in the level of bad debts during the year.

Our gross margin decreased slightly by 0.2% to 14.8% in the year to June 2013. We are still experiencing margin pressure in our temporary business although pricing has improved in our permanent placement business. The permanent revenue increased by 16.3% to €15.8 million. Gross profit from permanent placement accounts for 32.1% of the total gross profit.

Our conversion rate of gross profit to operating profit is one of our key performance metrics in the Group. We improved our conversion rate to 24.0% from 23.0% in 2012.

Operational Review

Cpl provide recruitment, workforce solutions and people-based services in each of the markets in which we operate. We continue to build on our deeply rooted long-term customer relationships and our ability to attract and retain the best people for our business. Cpl offers a diverse range of services to over 1,500 clients each year. These services broadly comprise of temporary staffing, permanent recruitment, managed services and outsourcing. The majority of our gross profit (67.9%) is derived from temporary staffing/managed services. Permanent placement accounts for 32.1%. Our recruitment business further breaks down into professional/specialist recruitment and generalist recruitment.

Our professional/specialist recruitment is a significant part of the Cpl business and operates under a number of different services and business lines. These are broadly Information Technology (IT), Finance and Accounting, Engineering & Science, Sales & Marketing, Contact Centre, Human Resources (HR) and Healthcare. These business lines have the potential for better margins particularly in sectors where there are skills shortages. Recent data indicates that unemployment among 'white collar workers' is 6% and we believe it is less than this in some of our key sectors e.g. ICT and Healthcare. Our generalist business is a lower margin business and cost is often a major factor in successful tenders.

Our managed services and outsourcing business is the platform for delivering a wide range of services that help client's source staff and manage their workforce in an efficient and flexible manner. Some of the services provided by these divisions are Recruitment Process Outsourcing (RPO), Managed Staffing, Contact Centre Outsourcing, Business Process Outsourcing, Career Transition and Training. This platform will be a key driver of growth for Cpl as clients look for greater efficiencies and cost savings combined with flexibility.

THE BEST IN CLASS

KATE COWHIG
MANAGING DIRECTOR, KCR

For over 23 years now, Kate Cowhig International Healthcare Recruitment (KCR) has been a leading recruitment specialist for registered nurses, midwives, allied health professionals and doctors in Ireland, the UK and the Middle East.

In the past 12 months, KCR has placed a total of 900 candidates in healthcare roles throughout Ireland, England, Channel Islands, Qatar, Saudi Arabia and Australia.

Reputation for Success

With offices in Dublin, London, Barcelona and Lisbon, we develop a partnership approach with our clients and candidates, building close relationships based on open and regular communication. Our reputation for success is demonstrated by our results and the testimonials of our clients. Professor Nancy Fontaine, Chief Nurse at the Princess Alexandra Hospital NHS Trust had this to say:

"I just wouldn't use any other recruitment company. Kate and her team are always very efficient, and deliver the exact brief before the deadline; how many organisations can boast that?"

The core value of respect is central to how we operate. Our consultants work hard to develop an intimate knowledge of our client's hiring needs so we can find the best candidates for every job. Whatever the need or requirement, our clients can be assured of one thing; we're the best people for the job.

31%
Growth in permanent fees generated in offices outside Ireland

Permanent Placement

There was a welcome improvement in the Irish labour market in the past year, with a decline in the unemployment rate and an increase in the number of people employed. Foreign direct investment into Ireland remained strong with some notable gains in technology, pharma and financial services sectors. These are all areas in which Cpl has a strong presence. We also noted some increase in demand in the second half of the year from indigenous companies.

In the year to June 2013 permanent fees increased by 16.3% to €15.8 million *(2012: €13.6 million)*. Permanent fees generated in offices outside Ireland grew by 31%. We experienced growth across our entire business, with international healthcare, financial and ICT showing particular strength.

Temporary Staffing

We continue to see strong demand from our clients for flexible workforce solutions such as temporary staffing and outsourcing. Revenues generated from temporary assignments in the year to June 2013 were €315.0 million *(2012: €276.7 million)* representing 13.8% growth. We generated €33.2 million gross profit, 10.6% higher than the year to June 2012. Against this backdrop we are very pleased to have increased the number of people working on client sites by 5% over the course of the year.

Overseas business

We had a successful year in our international divisions in the year to June 2013. We continue to expand our client base and service offerings. We now have 32 offices in 9 countries. During the year we expanded into Tunisia and opened an office in Canada. We have now firmly established Cpl as a provider of managed service solutions outside Ireland. We have increased our net fee income from outside Ireland by 35%. 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.

Disposal

We disposed of the Swedish business European Human Resources AB, ("ERHAB"). As the bulk of the consideration for the 2012 transaction was to be payable through an earn-out, there is no material financial impact on the Group.

Strategy

Cpl is a robust and well-developed business with a solid earnings history and good earnings potential. The Group has many strengths including our reputation, our client base and the quality of our candidate and client relationships. The management team are committed to building on these strengths and driving the business forward to deliver our long-term strategy.

THE BEST IN TECHNOLOGY

At Cpl, we recognise that online digital platforms have been a game changer in the modern job search. Candidates are spending more time online and we're constantly adapting to changing consumer needs. Over the past 12 months, we have invested heavily in our website – www.cpl.ie – in order to develop our online presence and improve the candidate experience.

68% increase in web traffic

Through our on-going social media and SEO development projects, Cpl.ie now receives an average of 125,000 unique visitors per month, which represents a 68% increase in overall traffic, year on year. In a recent online recruitment survey by Social Talent, Cpl.ie is the only recruitment agency website ranked among the Top 10 Irish job boards.

Enhanced online experience

By continuously refining our online offerings, Cpl.ie is delivering a more intuitive and user-friendly candidate experience. In 2011, we were the first to market with an integrated job search app for Apple and Android devices. This year, we have launched a more advanced version, allowing us to engage more immediately with candidates to provide a richer job search experience.

www.cpl.ie

We are the only recruitment agency in the top 10 Irish job boards

This includes building a profitable, cash generative business with good predictability in earnings, improving our infrastructure and building a balanced portfolio of service lines and customers.

In the year to June 2013 we invested in our online capability and presence. We made it easier and faster for candidates and clients to access us online. Our website www.cpl.ie is the only recruitment agency in the top 10 Irish job boards. We also launched the first mobile job app in Ireland. Our clients have benefited from these initiatives because we are able to present candidates with the right skills to them more quickly. This is crucial in a skills scarce market.

People

I would like to thank all our employees for delivering for our candidates and clients. Their talent, skills and ability are fundamental to our ability to deliver value to our clients. I would also like to extend my appreciation to our customers for their continued loyalty and support.

We announced in January 2013 that Josephine Tierney our Finance Director had resigned. I would like to take this opportunity to thank Josephine for her contribution to the Group and wish her every success in her future career. In July, Mark Buckley joined the Group as Chief Financial Officer. His experience in private equity and in the support services sector in both public and private companies will have a strong impact on the Group as we expand into new markets and launch new services.

Outlook

Cpl made solid progress on many fronts last year. We grew our revenues, broadened our services offerings and client base and expanded geographically. We have demonstrated resilience in difficult market conditions over the last five years and we intend to move forward from a position of strength. The nature of our business, particularly permanent placement, is such that we have limited visibility on demand for our services. However, our goals are clear: continue to deepen our customer relationships, expand our service lines and drive profitable growth. Our strategic advantages are our client base and the quality of our client and candidate relationships.

ANNE HERATY
CHIEF EXECUTIVE

4 SEPTEMBER 2013

THE BEST FOR KNOWLEDGE

As Ireland's leading recruitment and outsourcing company, we have extensive knowledge of industry. We have established ourselves as Thought Leaders across all sectors of the labour market and become a respected authority on topics of interest to our clients and candidates.

Recognised Experts and Thought Leaders

We have published numerous influential industry publications such as our Cpl Salary Guide and the Jobs Monitor Employment Market Sentiment Survey. Our senior management team are regular commentators in their area of expertise and actively participate in industry groups such as the National Recruitment Federation (NRF), Institute of Directors (IOD) and Dublin Web Summit.

Respected Public Commentators

Over the past 12 months, many of our consultants have publically represented Cpl through their engagement with online and offline media platforms such as RTÉ and Newstalk. Also, by staying true to our core values, we empower our recruiters to act as knowledge authorities by producing candidate-focused career advice blogs, which are regularly published on www.irishtimes.com.

Philanthropy and Corporate Social Responsibility

Cpl prides itself on providing our clients and candidates with a fully integrated and professional recruitment service. We value the experience and specialist skills that each of our people bring 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 clients, candidates 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.

At Cpl our Corporate Social Responsibility programme seeks to provide all of our people with an opportunity to participate in a range of CSR activities that are important to them. These activities include but are not limited to fundraising, volunteering time off work to work with their chosen charity and jobseekers' support.

This year Cpl introduced two new CSR initiatives. In February of this year we launched a **'Charities of the Year Programme'** and encouraged our people to nominate their preferred charity. Over 30 charities were proposed and after an internal voting process, the following charities were announced as 'Charities of the Year': **St Francis Hospice, MS Ireland** and **Pieta House.**

Cpl has introduced a **Volunteering Time Off Policy** – our people can donate up to two days paid time off to one of our chosen charities or another charity that is important to them. We have also introduced a **Charitable Giving Scheme**, which allows employees to donate to the chosen charities through their monthly pay. All of our initiatives have been a great success and clearly demonstrate the commitment of Cpl and our people in this important area.

Cpl is a proud supporter of **The Ireland Funds**, which seeks to develop a global network of Irish diaspora and friends of Ireland for the purpose of funding worthwhile Irish-centric programmes.

MS Ireland: Cpl's Caroline Roche and Clodagh Smithers with Senator David Norris at World MS Day

Cpl staff at the Pieta House Darkness into Light Walk 2013

Avril Mc Hugh, Cpl (Centre) and The Ireland Funds Committee member on a visit to Barretstown Camp. Barretstown is one of the many Irish organisations that receive support from The Ireland Funds

These programmes include investment in high-quality education initiatives, philanthropic activities, community development and cultural heritage promotion. To date the Worldwide Ireland Funds Promising Ireland Campaign has exceeded its initial goal of $100 million and will achieve $150 million by its close at the end of 2013.

We at Cpl are delighted to be associated with all of these charities and will work closely with them to raise awareness and support for their fundraising efforts.

Cpl has proudly supported the EPIC programme (Employment for People from Immigrant Communities) for the past number of years. Our Recruitment Consultants, with expertise and experience in career advice and job placement, provide one-to-one support on the various steps in seeking new employment or education. Recruitment Consultants assist with CV development, interview preparation and general advice on the job market and further education.

Cpl recognises that by supporting a comprehensive CSR programme, there are huge benefits for our people, for Cpl and most of all, for the community in which we do business.

Paul Mc Clatchie, Manager at Careers Register (Centre) getting involved on a visit to the Rebel Wheelers in Limerick: a multi-sports club for children of all physical disabilities

EPIC EMPLOYMENT FOR PEOPLE FROM IMMIGRANT COMMUNITIES Business in the Community Ireland

THE IRELAND FUNDS PROMISING IRELAND CAMPAIGN

Directors' Report

The directors present their annual report and audited consolidated and Company financial statements for the year ended 30 June 2013.

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 thirty 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 Healthcare Recruitment Limited
- Flexsource Limited
- Kate Cowhig International Healthcare Recruitment Limited (UK)
- Cpl Healthcare Limited
- Nursefinders UK Limited
- Cpl (Northern Ireland) Limited
- Cpl Learning and Development 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 Resources 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
- Occipital Sarl
- Acompli Limited
- Cpl Jobs Limited

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.

The directors consider the principal risks and uncertainties the Group faces to be 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.
- 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.

Directors' Report (continued)

- 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.

The directors believe that these risks are managed as follows:

- 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 has adopted clear policies and procedures which ensure that we are in compliance in providing our employees with their employment rights. We have a dedicated internal employment lawyer who works closely with all of our business areas to ensure we operate effectively within our code of practice and relevant legislation.
- 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 that the necessary specialist resources are available and that a clear project management process is followed.
- The Group continues to build a strong multi-disciplined management team and 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 continues 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.

Directors' Report (continued)

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 8 to 16 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 28 to 64.

Operating profit for the year ended 30 June 2013 amounted to €11.7 million *(2012: €10.0 million)*. The profit for the financial year ended 30 June 2013 amounted to €10.7 million *(2012: €8.4 million)*. Basic earnings per share for the year amounted to 35.0 cent (2012: 25.6 cent), while adjusted fully diluted earnings per share for the year amounted to 35.0 cent *(2012: 25.6 cent)*.

An interim dividend of 4.0 cent per share *(2012: 3.0 cent)* was paid during the year. A final dividend of 4.5 cent per share (2012: 3.5 cent) is proposed by the directors. No further dividends or transfers to reserves are recommended by the directors.

Shareholders' equity at 30 June 2013 amounted to €63.3 million *(2012: €54.9 million)*.

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

Josephine Tierney resigned as a director on 19 April 2013. There were no other changes in directors or secretary during the year.

The directors and secretary who held office at 30 June 2013 had no interests other than those shown below in the shares in the Company or Group companies.

	No. of shares 30 June 2013	No. of shares 1 July 2012
Shares in Cpl Resources Plc		
Ordinary shares of €0.10 each		
Anne Heraty*	**10,595,280**	10,595,280
Paul Carroll*	**1,833,819**	1,833,819
John Hennessy	**102,606**	102,606
Breffni Byrne	**8,209**	8,209
Oliver Tattan	**-**	-
Garret Roche	**51,871**	51,871
Wilton Secretarial Limited (Secretary)	**-**	-

** 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 2013 and 4 September 2013.

Other than as disclosed above, in note 25 and the directors' service agreements with the company as disclosed on page 4, 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 2013. The directors did not hold any share options at 30 June 2013 *(30 June 2012: nil)*.

Significant shareholdings and share price

At 30 June 2013, A. Heraty and P. Carroll together held 40.7% (2012: 40.7%) of the share capital of the Company. State Street Nominees Limited and Polar Capital Limited had shareholdings in excess of 5% of June 2013.

During the year, the lowest and highest share prices were €2.70 and €6.20 respectively. At year end, the share price was €5.65.

Post balance sheet events

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

Political donations

The Group 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 83 Merrion Square, 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.

Directors' Report (continued)

Corporate governance (continued)

The following sections describe how the principles and provisions of the UK Corporate Governance Code have been applied.

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 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, three executive directors and two other non-executive directors, including the senior independent director. Each director retires by rotation every three 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 three times 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 Chief Financial Officer 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 2013, 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.

Directors' Report (continued)

Corporate governance (continued)

- reviewing the external auditor's plan for the audit of the Group's 2013 financial statements, which included an assessment of the audit scope, key risk areas, confirmation of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit.
- reviewing and approving the 2013 audit fee and reviewing non-audit fees payable to the Group's external auditor in 2013.
- 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 2013 financial statements prior to Board approval and reviewing the external auditor's detailed reports thereon.
- reviewing 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.

Attendance at Board and Committee meetings

Attendance at scheduled Board meetings and Committee meetings during the year ended 30 June 2013:

	Full Board	Audit Committee	Nomination & Remuneration Committee
Number of meetings held in 2013	**9**	**3**	**2**
Directors and position held:			
John Hennessy – Non-Executive Chairman	8	3	2
Breffni Byrne – Non-Executive	9	3	2
Oliver Tattan – Non-Executive	9	3	2
Anne Heraty – Chief Executive Officer	9	-	-
Paul Carroll – Executive	8	-	-
Garret Roche – Executive	8	-	-
Josephine Tierney – Executive *(Resigned 19/04/13)*	6	-	-

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.

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, 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

John Hennessy	**Anne Heraty**
Director	Director

4 September 2013

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 and 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 parent company financial statements (''financial statements'') of Cpl Resources Plc for the year ended 30 June 2013, 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, a summary of significant accounting policies and related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Acts 1963 to 2012.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 26 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of its profit for the year then ended;
- the parent company balance sheet gives a true and fair view, in accordance with IFRSs as adopted by the EU 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 2013; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The financial statements are in agreement with the books of account and, in our opinion, proper books of account have been kept by the company.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet 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 2013 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Tom McEvoy
4 September 2013

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 2013

	Note	2013 €'000	2012 €'000
Revenue	1	**330,758**	290,240
Cost of sales		**(281,915)**	(246,702)
Gross profit		**48,843**	43,538
Distribution expenses		**(2,930)**	(2,555)
Administrative expenses		**(34,193)**	(30,968)
Operating profit	1	**11,720**	10,015
Financial income	2	**573**	501
Financial expenses	2	**(9)**	(762)
Profit before tax	3	**12,284**	9,754
Income tax expense	6	**(1,591)**	(1,364)
Profit for the financial year– all attributable to equity shareholders		**10,693**	8,390
Other comprehensive income			
Foreign currency translation differences – foreign operations		**(67)**	49
Total comprehensive income for the year – all attributable to equity shareholders		**10,626**	8,439
Basic earnings per share	8	**35.0 cent**	25.6 cent
Diluted earnings per share	8	**35.0 cent**	25.6 cent

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Group Statement of Changes in Equity

for the year ended 30 June 2013

	Share capital	Share Premium	Capital redemption reserve fund	Capital conversion reserve fund	Merger reserve	Currency translation reserve	Retained earnings	Share holders' equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 July 2011	3,720	1,705	-	57	(3,357)	28	66,179	**68,332**
Total comprehensive income for the year								
Profit for the financial year	-	-	-	-	-	-	8,390	**8,390**
Foreign currency translation effects	-	-	-	-	-	49	-	**49**
Transactions with owners								
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**	**(3,357)**	**77**	**52,722**	**54,924**
Balance at 1 July 2012	3,053	1,705	667	57	(3,357)	77	52,722	**54,924**
Total comprehensive income for the year								
Profit for the financial year	-	-	-	-	-	-	10,693	**10,693**
Foreign currency translation effects	-	-	-	-	-	(67)	-	**(67)**
Transactions with owners								
Dividends paid	-	-	-	-	-	-	(2,291)	**(2,291)**
Balance at 30 June 2013	**3,053**	**1,705**	**667**	**57**	**(3,357)**	**10**	**61,124**	**63,259**

Company Statement of Changes in Equity

for the year ended 30 June 2013

	Share capital	Share premium	Capital redemption reserve fund	Capital conversion reserve fund	Retained earnings	Total equity
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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**
Total comprehensive income for the year						
Profit for the financial year	-	-	-	-	2,155	2,155
Transactions with shareholders						
Dividends paid	-	-	-	-	(2,291)	(2,291)
Balance at 30 June 2013	**3,053**	**1,705**	**667**	**57**	**4,187**	**9,669**

Group and Company Balance Sheets
as at 30 June 2013

		Group		Company	
		2013	2012	**2013**	2012
Assets	*Note*	**€'000**	€'000	**€'000**	€'000
Non-current assets					
Property, plant and equipment	*10*	**1,168**	1,233	**227**	226
Goodwill and intangible assets	*11*	**11,701**	12,752	**202**	45
Investments in subsidiaries	*12*	**-**	-	**13,538**	14,828
Deferred tax asset	*13*	**457**	483	**36**	65
Total non-current assets		**13,326**	14,468	**14,003**	15,164
Current assets					
Trade and other receivables	*14*	**61,920**	52,012	**59,108**	46,676
Current tax recoverable		**756**	719	**-**	9
Short term bank deposits	*15*	**-**	4,176	**-**	4,176
Cash and cash equivalents	*15*	**27,931**	23,871	**21,240**	14,974
Total current assets		**90,607**	80,778	**80,348**	65,835
					-
Total assets	*1*	**103,933**	95,246	**94,351**	80,999
Equity					
Issued share capital	*16*	**3,053**	3,053	**3,053**	3,053
Share premium	*16*	**1,705**	1,705	**1,705**	1,705
Other reserves	*16*	**(2,623)**	(2,556)	**724**	724
Retained earnings		**61,124**	52,722	**4,187**	4,323
Total equity		**63,259**	54,924	**9,669**	9,805

Group and Company Balance Sheets (continued)

as at 30 June 2013

		Group		Company	
		2013	2012	**2013**	2012
	Note	**€'000**	€'000	**€'000**	€'000
Liabilities					
Non-current liabilities					
Financial liabilities	*17*	**-**	25	**-**	-
Provisions	*18*	**-**	1,740	**-**	1,740
Total non-current liabilities		**-**	1,765	**-**	1,740
Current liabilities					
Bank overdraft	*15*	**-**	17	**-**	-
Financial liabilities	*17*	**-**	8	**-**	-
Trade and other payables	*19*	**40,524**	37,181	**84,531**	68,624
Current tax payable		**-**	521	**1**	-
Provisions	*18*	**150**	830	**150**	830
Total current liabilities		**40,674**	38,557	**84,682**	69,454
Total liabilities	*1*	**40,674**	40,322	**84,682**	71,194
Total equity and liabilities		**103,933**	95,246	**94,351**	80,999

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

Group and Company Cash Flow Statements

for the year ended 30 June 2013

		Group		Company	
		2013	2012	**2013**	2012
	Note	**€'000**	€'000	**€'000**	€'000
Cash flows from operating activities					
Profit for the financial year		**10,693**	8,390	**2,155**	2,397
Adjustments for:					
Depreciation on property, plant and equipment	*10*	**327**	330	**47**	37
Amortisation of intangible assets	*11*	**124**	255	**62**	35
Financial income	*2*	**(573)**	(501)	**(533)**	(620)
Financial expense	*2*	**9**	762	**-**	750
Income tax expense	*6*	**1,591**	1,364	**28**	-
Loss on sale of subsidiary	*20*	**167**	-	**297**	-
Operating cashflows before changes in working capital		**12,338**	10,600	**2,056**	2,599
(Increase) in trade and other receivables		**(10,748)**	(10,655)	**(12,879)**	(8,780)
Increase in trade and other payables		**3,702**	5,622	**15,907**	8,343
Cash generated from operations		**5,292**	5,567	**5,084**	2,162
Interest (paid)		**(9)**	(12)	**-**	-
Income tax (paid)/received		**(2,086)**	(1,724)	**11**	(10)
Interest received		**329**	465	**289**	440
Net cash from operating activities		**3,526**	4,296	**5,384**	2,592
Cash flows from investing activities					
Acquisition of business, net of cash acquired	*20*	**-**	(204)	**-**	(300)
Deferred consideration paid	*18*	**(799)**	(100)	**(799)**	(100)
Disposal of business, net of cash disposed of	*20*	**25**	-	**63**	-
Purchase of property, plant and equipment	*10*	**(260)**	(334)	**(48)**	(58)
Purchase of intangible assets	*11*	**(267)**	(14)	**(219)**	-
Transfer from short term deposits	*15*	**4,176**	3,824	**4,176**	3,824
Net cash from investing activities		**2,875**	3,172	**3,173**	3,366

Group and Company
Cash Flow Statements (continued)
for the year ended 30 June 2013

		Group		Company	
		2013	2012	**2013**	2012
	Note	**€'000**	€'000	**€'000**	€'000
Cash flows used in financing activities					
Decrease in finance leases		**(33)**	(91)	**-**	-
Dividends paid	*7*	**(2,291)**	(1,847)	**(2,291)**	(1,847)
Repurchase of own shares		**-**	(20,000)	**-**	(20,000)
Net cash (used in) financing activities		**(2,324)**	(21,938)	**(2,291)**	(21,847)
Net increase/(decrease) in cash and cash equivalents		**4,077**	(14,470)	**6,266**	(15,889)
Cash and cash equivalents at beginning of year		**23,854**	38,324	**14,974**	30,863
Cash and cash equivalents at end of year	*15*	**27,931**	23,854	**21,240**	14,974

Significant Accounting Policies

for the year ended 30 June 2013

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 4 September 2013.

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 2013.

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.

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.

Significant Accounting Policies (continued)

for the year ended 30 June 2013

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.

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.

Significant Accounting Policies (continued)

for the year ended 30 June 2013

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.

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.

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.

Notes
forming part of the 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 financial income and expenses and income tax, as included in the internal management reports that are reviewed by the Board.

	2013	2012
	€'000	€'000
Temporary staff	**314,975**	276,668
Permanent placements	**15,783**	13,572
Revenue	**330,758**	290,240
Temporary staff	**8,673**	7,452
Permanent placements	**3,047**	2,563
Operating profit	**11,720**	10,015
Financial income – centrally controlled income	**573**	501
Financial expense – centrally controlled expense	**(9)**	(762)
Profit before tax	**12,284**	9,754
Temporary staff	**278**	281
Permanent placements	**49**	49
Group depreciation	**327**	330

Notes (continued)

1 Operating segment reporting (continued)

	2013 €'000	2012 €'000
Temporary staff	**124**	255
Permanent placements	**-**	-
Group amortisation	**124**	255
Temporary staff	**66,122**	58,350
Permanent placements	**9,880**	8,849
	76,002	67,199
Centrally controlled assets	**27,931**	28,047
Group assets	**103,933**	95,246

At 30 June 2013, centrally controlled assets constitute cash and cash equivalents of €27.9 million *(2012: €23.9 million)* and short term bank deposits of €Nil *(2012: €4.2 million)*.

	2013 €'000	2012 €'000
Temporary staff	**37,827**	37,442
Permanent placements	**2,847**	2,880
Group liabilities	**40,674**	40,322
Temporary staff	**244**	314
Permanent placements	**16**	20
Group capital additions	**260**	334

Notes (continued)

2 Financial income and expenses

	2013	2012
	€'000	€'000
Interest (income) on cash deposits	(282)	(501)
Change in fair value of financial liabilities	(291)	-
	(573)	(501)
Interest expense		
Finance lease interest	9	12
Other finance expense		
Change in fair value of financial liabilities	-	750
	9	762

3 Statutory and other information

Group

Profit before tax is stated after charging the following:

	2013	2012
	€'000	€'000
Auditor's remuneration - audit services	112	110
- other assurance services	28	28
- tax advisory services	115	95
- other non-audit services	-	-
Operating lease rentals, principally in respect of premises	225	232
Depreciation	327	330
Amortisation of intangible assets	124	255

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 €19,000 *(2012: €22,000)*.

3 Statutory and other information (continued)

Company

Profit before tax is stated after charging the following:

	2013	2012
	€'000	€'000
Auditor's remuneration - audit services	4	4
- other assurance services	-	-
- tax advisory services	30	30
- other non-audit services	-	-

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

4 Directors' remuneration

Directors' remuneration for the year was as follows:

	Salaries and Other Emoluments	Fees	Pension	Total 2013	Total 2012
	€'000	€'000	€'000	€'000	€'000
Executive directors					
Anne Heraty	289	-	98	387	386
Paul Carroll	261	-	76	337	336
Garret Roche	223	-	16	239	230
Josephine Tierney	199	-	-	199	254
	972		190	1,162	1,206
Non-executive directors					
John Hennessy	-	77	-	77	77
Breffni Byrne	-	50	-	50	50
Oliver Tattan	-	50	-	50	50
	-	177	-	177	177
Total	972	177	190	1,339	1,383

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	
	2013	2012
Temporary staff	**7,484**	6,752
Recruitment and on-site consultants	**383**	343
Management and administration	**137**	117
	8,004	7,212

Staff costs (excluding non-executive directors)

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

	2013	2012
	€'000	€'000
Wages and salaries	**218,507**	180,873
Social security costs	**23,490**	19,444
Pension costs (note 22)	**281**	260
	242,278	200,577

The weighted average number of persons employed by the Company (comprising the executive directors) during the year was four *(2012: four)* and their remuneration is disclosed in Note 4.

Notes (continued)

6 Income tax expense

	2013 €'000	2012 €'000
Recognised in the income statement:		
Current tax expense		
Current year	**1,551**	1,377
Adjustments in relation to prior years	**(22)**	40
Current tax expense	**1,529**	1,417
Deferred tax		
Origination and reversal of temporary differences (note 13)	**62**	(53)
Total tax in the income statement	**1,591**	1,364

Reconciliation of effective tax rate	2013 €'000	2012 €'000
Profit before tax	**12,284**	9,754
Tax based on Irish corporation tax rate of 12.5%	**1,535**	1,219
Non-deductible items	**63**	158
Differences in effective tax rates on overseas earnings	**(4)**	14
Effect of change in UK tax rate	**7**	10
(Over)/under provision in prior years	**(22)**	40
Other	**12**	(77)
Total tax in income statement	**1,591**	1,364

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:

	2013	2012
	€'000	€'000
Final dividend paid in respect of previous financial year of 3.5 cent *(2012: 2.5 cent)* per ordinary share	**1,069**	930
Interim dividend paid in respect of current financial year of 4.0 cent *(2012: 3.0 cent)* per ordinary share	**1,222**	917
	2,291	1,847

The directors have proposed a final dividend in respect of the 2013 financial year of 4.5 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

	2013	2012
	€'000	€'000
Numerator for basic and diluted earnings per share:		
Profit for the financial year attributable to equity shareholders	**10,693**	8,390
Denominator for basic earnings per share:		
Weighted average number of shares in issue for the year	**30,545,159**	32,767,381
Effect of dilutive potential ordinary shares	**-**	-
Denominator for diluted earnings per share:	**30,545,159**	32,767,381
Basic earnings per share	**35.0 cent**	25.6 cent
Diluted earnings per share	**35.0 cent**	25.6 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 €2,155,000 *(2012: Profit €2,397,000)*.

Notes (continued)

10 Property, plant and equipment

Group

	Land & Buildings	Equipment	Fixtures & Fittings	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
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
Additions	-	127	133	-	260
Foreign exchange revaluation	-	1	2	(3)	-
Balance at 30 June 2013	**552**	**3,014**	**1,459**	**330**	**5,355**
Depreciation					
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
Depreciation charge for the year	11	183	119	14	327
Foreign exchange revaluation	-	(2)	-	-	(2)
Balance at 30 June 2013	**181**	**2,738**	**950**	**318**	**4,187**
Net book value					
At 30 June 2013	**371**	**276**	**509**	**12**	**1,168**
At 30 June 2012	382	329	493	29	1,233

Notes (continued)

10 Property, plant and equipment (continued)

Company

	Equipment	Fixtures & fittings	Total
	€'000	€'000	€'000
Cost			
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
Additions	23	25	48
Balance at 30 June 2013	**217**	**152**	**369**
Depreciation			
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
Depreciation charge for the year	39	8	47
Balance at 30 June 2013	**107**	**35**	**142**
Net book value			
At 30 June 2013	**110**	**117**	**227**
At 30 June 2012	126	100	226

Notes (continued)

11 Goodwill and intangible assets

Group

	Goodwill	Brands	Customer contracts & databases	Software	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
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
Additions	-	-	-	267	267
Disposals (Note 20)	(951)	(250)	(50)	-	(1,251)
Balance at 30 June 2013	**19,698**	**1,214**	**1,520**	**1,443**	**23,875**
Amortisation					
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
Amortisation for the year	-	33	9	82	124
Disposals (Note 20)	-	(45)	(12)	-	(57)
Balance at 30 June 2013	**8,295**	**1,214**	**1,520**	**1,145**	**12,174**
Net book value					
At 30 June 2013	**11,403**	**-**	**-**	**298**	**11,701**
At 30 June 2012	12,354	238	47	113	12,752

(i) This fair value adjustment related to the finalisation of provisional fair values used in relation to previous years acquisitions.

11 Goodwill and intangible assets (continued)

Company	Software €'000	Total €'000
Cost		
Balance at 30 June 2011	121	121
Transfer from property, plant and equipment	84	84
Balance at 30 June 2012	205	205
Additions	219	219
Balance at 30 June 2013	**424**	**424**
Amortisation		
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
Amortisation for the year	62	62
Balance at 30 June 2013	**222**	**222**
Net book value		
At 30 June 2013	**202**	**202**
At 30 June 2012	45	45

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% *(2012: 10.5%)*, reflecting the risk associated with the individual future cash flows and the risk free rate.

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 2013 or 30 June 2012.

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 five 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 five years.

12 Investments in subsidiaries – Company

Investment in subsidiary undertakings

	2013	2012
	€'000	€'000
Cost		
Balance at start of year	**14,828**	12,398
Acquisitions in the year	**-**	2,430
Disposals	**(1,290)**	-
Closing balance	**13,538**	14,828

Notes (continued)

12 Investments in subsidiaries – Company (continued)

At 30 June 2013, in the opinion of the directors, the investments are worth at least their carrying value. At 30 June 2013, 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 Healthcare Recruitment Limited	Ireland	Ordinary
Acompli Limited	Ireland	Ordinary
Flexsource Limited	Ireland	Ordinary
Kate Cowhig International Healthcare Recruitment Limited (UK)	UK	Ordinary
Cpl Healthcare Limited	Ireland	Ordinary
Cpl Learning and Development 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
Occipital Sarl	Tunisia	Ordinary
Cpl Jobs Limited	Bulgaria	Ordinary

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 Jobs Limited, Cpl (Northern Ireland) Limited, Nursefinders UK Limited, Occipital Sarl, Kate Cowhig International Healthcare Recruitment Limited (UK) and Cpl Jobs Kft have their registered offices at 83 Merrion Square, Dublin 2.

The registered offices of Cpl Jobs S.r.o. are Dita Velcevova, Truhlarska 13-15, Praha 1, 110 00, Czech Republic and Masarykova 26, 602 00 Brno, Czech Republic.

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

The registered offices of Cpl Jobs Sp z.o.o. are Al. Jerozolimskie 81, 02-001 Warsaw, Poland and ASCOPOL Business Centre, ul, Jozefa Pilsudskiego 13, 50-118 Wroclaw, 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 4th Floor, Hamilton House, Marbledon Place, London, WC1H 9BB.

The registered office of Cpl Jobs Kft is Teve U.1/ac, 1139 Budapest, Hungary.

The registered office of Cpl Jobs Limited is 22A Akademic Metodi Popov Street, Sofia-1113 Bulgaria.

The registered office of Occipital Sarl is Bureau N° 124 Rue des entrepreneurs, Imm Delta Centre, Charguia 2 Ariana 2035, Tunisia.

The registered office of Kate Cowhig International Healthcare Recruitment Limited (UK) is Hamilton House, Mabledon Place, Bloomsbury, London, WC1H9BB.

13 Deferred tax assets

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

Group	1 July 2012	Arising in profit or loss	Eliminated on disposals	30 June 2013
	€'000	€'000	€'000	€'000
Property, plant and equipment	59	(18)	-	**41**
Employee benefits	48	(23)	-	**25**
Losses forward	398	(17)	-	**381**
Intangible assets	(26)	-	36	**10**
Finance leases	4	(4)	-	**-**
Net deferred tax asset	483	(62)	36	**457**

Notes (continued)

13 Deferred tax assets (continued)

Group (continued)

	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**

Company

At 30 June 2013, the Company has a deferred tax asset of €36,379 *(2012: €64,778)*.

14 Trade and other receivables

	Group		Company	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Trade receivables	**45,531**	35,489	**-**	-
Accrued income	**14,719**	14,605	**-**	-
Prepayments and other debtors	**1,670**	1,918	**550**	896
Amounts due from subsidiary undertakings	**-**	-	**58,085**	45,680
VAT recoverable	**-**	-	**473**	100
	61,920	52,012	**59,108**	46,676

Amounts due from subsidiary undertakings are repayable on demand.

Notes (continued)

15 Net funds

	Group		Company	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Cash and cash equivalents	**27,931**	23,871	**21,240**	14,974
Bank overdraft	**-**	(17)	**-**	-
Cash and cash equivalents in the cash flow statement	**27,931**	23,854	**21,240**	14,974
Short term bank deposits	**-**	4,176	**-**	4,176
Net funds	**27,931**	28,030	**21,240**	19,150

16 Share capital, share premium, and other reserves

	2013	2012
	€'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 ordinary shares at €0.10 each	**3,053**	3,053

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 2013 amounted to €1,705,000 *(2012: €1,705,000)*.

Other reserves comprise a capital redemption reserve fund of €666,666 *(2012: €666,666)*, a capital conversion reserve of €57,000 *(2012: €57,000)*, a merger reserve of €3,357,000 negative *(2012: €3,357,000 negative)* and a currency translation reserve of €10,000 *(2012: €77,000)*. 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 2012 arising from the translation of the net assets of the Group's non-euro denominated operations including the translation of the results of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date.

16 Share capital, share premium, and other reserves (continued)

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.

17 Financial liabilities

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

	Group		Company	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Non-current liabilities				
Finance lease liabilities	**-**	25	**-**	-
Current liabilities				
Finance lease liabilities	**-**	8	**-**	-

Analysis of debt:

	Group 2013	Group 2012
	€'000	€'000
Debt can be analysed as falling due as follows:		
In one year or less, or on demand	**-**	8
Between one and two years	**-**	25
Between two and five years	**-**	-
	-	33

Total future minimum lease payments on finance leases amounts to €nil *(2012: €48,059)*.

18 Provisions

Deferred and contingent consideration

	Group €'000	Company €'000
Balance at 30 June 2012	2,570	2,570
Offset of prepaid amounts	(400)	(400)
Net amount recognised in respect of previous acquisitions	(1,221)	(1,221)
Paid during the year	(799)	(799)
Balance at 30 June 2013	**150**	**150**
Current	150	150
Non-current	-	-
	150	150

Total deferred acquisition consideration amounting to €150,000 *(2012: €2,570,000)* is payable over the period from 30 June 2013 to 30 June 2014.

19 Trade and other payables

Amounts falling due in less than one year:

	Group		Company	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000
Trade creditors	**1,957**	1,877	**1,712**	309
Accruals and deferred income	**24,704**	25,590	**763**	1,156
VAT	**7,502**	4,675	**-**	-
PAYE/PRSI	**6,361**	5,039	**-**	-
Amounts due to subsidiary undertakings	**-**	-	**82,056**	67,159
	40,524	37,181	**84,531**	68,624

Amounts due to subsidiary undertakings are repayable on demand.

Notes (continued)

20 Acquisitions and disposals

There were no acquisitions during the year.

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**

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 2012 would have been approximately €90,000 on revenues of approximately €1.3 million.

20 Acquisitions and disposals (continued)

Disposals

In March 2013 European Human Resources AB was sold by the group.

The effect of the disposal on the financial position of the group was as follows:

	2013
	€'000
Goodwill	(951)
Intangible assets	(245)
Trade and other receivables	(322)
Cash	(38)
Trade and other payables	359
Deferred consideration	930
Deferred tax liability	37
Net assets and liabilities	(230)
Consideration received net of expenses	63
Loss on disposal included in operating expenses	(167)

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, €225,496 *(2012: €232,764)* 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.

	2013	2012
	€'000	€'000
Payable in:		
Less than one year	198	198
Between one and five years	675	791
Greater than five years	-	82
	873	1,071

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 2013 amounted to €320,089 *(2012: €392,206)*.

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 reviews 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.

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 2013 €'000**	**Impairment 30 June 2013 €'000**	Gross 30 June 2012 €'000	Impairment 30 June 2012 €'000
Not past due	**39,036**	**(2)**	30,401	-
Past due 0 - 30 days	**3,443**	**-**	2,715	-
Past due 31 -120 days	**2,056**	**(90)**	1,517	(9)
Past due 121 days – one year	**1,211**	**(145)**	1,021	(47)
More than one year	**22**	**-**	121	(230)
Total	**45,768**	**(237)**	35,775	(286)

Company

The Company had no trade receivables outstanding at 30 June 2013 *(2012: €nil).*

Notes (continued)

23 Financial instruments and risk management (continued)

(a) Credit risk (continued)

Group

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

	30 June 2013 €'000	30 June 2012 €'000
Balance at start of year	**286**	666
Charged in the year	**75**	126
Released	**(66)**	(67)
Utilised in the year*	**(58)**	(439)
Balance at end of year	**237**	286

* This utilisation in prior year mainly related 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 2013 €'000	30 June 2012 €'000
Euro	**41,895**	33,365
Sterling	**1,144**	186
Hungarian Forint	**1,755**	1,470
Czech Koruna	**524**	377
Polish Zloty	**151**	91
USD	**62**	-
	45,531	35,489

(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.

Notes (continued)

23 Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

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 - 2013	Carrying amount	Contractual cash flows	6 months or less	6 -12 months	+ 1 year
	€'000	€'000	€'000	€'000	€'000
Non-derivative financial liabilities					
Finance lease liabilities	**-**	-	-	-	-
Trade and other payables	**26,661**	(26,661)	(26,661)	-	-
Provisions	**150**	(150)	(75)	(75)	-
	26,811	(26,811)	(26,736)	(75)	-

Group - 2012	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	+ 1 year
	€'000	€'000	€'000	€'000	€'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)

Company - 2013	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	+ 1 year
	€'000	€'000	€'000	€'000	€'000
Non-derivative financial liabilities					
Trade and other payables	**84,531**	(84,531)	(84,531)	-	-
Provisions	**150**	(150)	(75)	(75)	-
	84,681	(84,681)	(84,606)	(75)	-

Company - 2012	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	+ 1 year
	€'000	€'000	€'000	€'000	€'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)

Notes (continued)

23 Financial instruments and risk management (continued)

(c) Interest rate risk

The Group's balance sheet contains interest bearing assets.

Cash flow sensitivity analysis

At 30 June 2013, the average interest rate being earned on the Group's cash and cash equivalents and short term deposits was 1.2% *(2012: 1.3%)*. 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 2012:

	50 basis point increase		**50 basis point decrease**	
	Income Statement	Equity	Income Statement	Equity
	€'000	€'000	€'000	€'000
30 June 2013				
Variable rate instruments	**136**	-	**(136)**	-
30 June 2012				
Variable rate instruments	156	-	(156)	-

(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.

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 2013.

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.

Notes (continued)

25 Related party transactions (continued)

Company

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

	2013 €'000	2012 €'000
Dividends received from subsidiaries	**4,381**	4,000
Group expenses recharged to subsidiaries	**5,297**	4,878

Directors of the Company and their immediate relatives control 41.43% *(2012: 41.43%)* of the voting shares of the Company.

26 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.

27 Post balance sheet events

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

28 Approval of financial statements

The consolidated financial statements were approved by the directors on 4 September 2013.

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Tech Skills
708 11th Ave SW Calgary,
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Toll Free in Canada: 1-877-939-0997
E: talent@techskills.ie
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