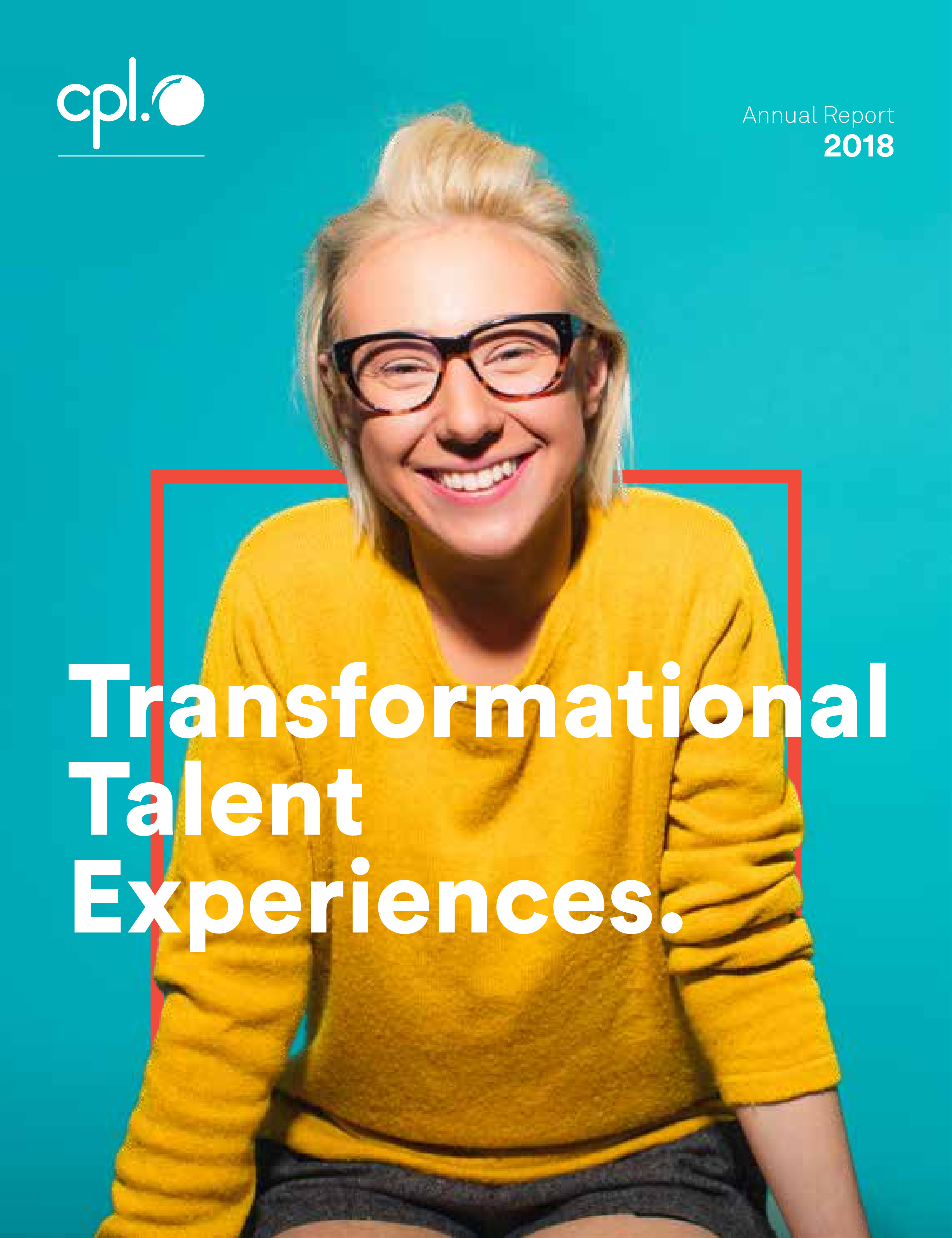
Annual Report
2018



Transformational Talent Experiences.

THE YEAR IN REVIEW

KEY PERFORMANCE INDICATORS

	2018	2017
GROSS MARGIN	15.9%	15.8%
ADJUSTED OPERATING MARGIN	3.8%	3.5%
OPERATING MARGIN	3.4%	3.4%
CONVERSION RATIO - ADJUSTED OPERATING PROFIT	23.7%	22.3%
CONVERSION RATIO - OPERATING PROFIT	21.5%	21.4%
CONVERSION RATIO - ADJUSTED PROFIT BEFORE TAX	24.5%	22.9%
CONVERSION RATIO - PROFIT BEFORE TAX	22.3%	22.0%
FLEXIBLE TALENT FEES AS % OF THE TOTAL GROSS PROFIT	68.4%	63.7%
PERMANENT FEES AS % OF THE TOTAL GROSS PROFIT	31.6%	36.3%
FLEXIBLE TALENT STAFF HEADCOUNT AT THE YEAR END	12,296	11,504
AVERAGE NUMBER OF RECRUITERS DURING THE YEAR	590	547

2018 2017

As the world of work evolves, so too does Cpl. Workforce preferences are shifting globally and driving a demand for more flexible talent solutions. Cpl has responded to this need, achieving 25% growth in our Flexible Talent division during the year.

Matching the right candidate to the right organisation is what we are really good at. We continue to invest in innovative technology solutions for our people, candidates and clients – which enhance how we work and the quality of the services we deliver.

Our vision is to become the world's best at transforming our clients through total talent solutions and experiences and our FY18 results take us one step closer.

CONTENTS

CHAIRMAN'S STATEMENT

“ ＼ ”

The financial year ended 30 June 2018 has been another year of growth for Cpl

Full year highlights

€000s except where indicated	Year ended 2018	Year ended 2017	% change
Revenue	**522,691**	455,194	15%
Gross profit	**83,150**	71,822	16%
Adjusted Operating profit*	**19,737**	16,030	23%
Adjusted Profit before tax*	**20,402**	16,420	24%
Operating profit	**17,881**	15,387	16%
Profit before tax	**18,546**	15,777	18%
Earnings per share	**56.6 cent**	43.7 cent	30%
Dividend per share	**13.5 cent**	11.5 cent	17%
Conversion ratio **			
Adjusted Operating profit	**23.7%**	22.3%	
Adjusted Profit before tax	**24.5%**	22.9%	
Operating profit	**21.5%**	21.4%	
Profit before tax	**22.3%**	22.0%	

** Adjusted operating profit and adjusted profit before tax exclude non-cash charges relating to the Group's Long-Term Incentive Plan (LTIP) and currency translation*

*** As a % of gross profit*

The Group's results for the year ended 30 June 2018 show double-digit growth across all key metrics, reflecting strong growth across our business sectors and markets. This performance reflects the clear focus by our team on continuing to grow our business, evolving our product offering to meet shifting workforce preferences and concentrating on managing our cost base and improving margins.

Our revenue grew by €67.5 million in the financial year, up 15% on the prior year. Group gross profit grew by 16% and profit before tax grew by 18% in the year. The global demand for flexible labour solutions continues to build, with our flexible talent fee income growing by 24.5% during the year.

The impact of changes in regulation in the UK healthcare sector continue to be felt, contributing to modest permanent fee growth to €26.3 million (2017: €26.1m). Our operating profit margin is in line with the previous financial year at 3.4%, which, given the shifting mix of business from permanent recruitment to flexible talent solutions, is a positive performance. Adjusted for non-cash charges relating to the Group's Long-Term Incentive Plan (LTIP) and currency translation, the operating margin increased by 30 basis points to 3.8% in the financial year.

FINANCIAL HIGHLIGHTS OF THE GROUP'S PERFORMANCE INCLUDE

Revenue increased by 15% to

€522.7m

Gross profit increased by 16% to

€83.2m

18% increase in Profit before tax to

€18.5m

CHAIRMAN'S STATEMENT (CONTINUED)

At year end, the Group had a strong balance sheet, with net assets in excess of €92 million, down from €103.7 million in the prior year. We ended the year with net cash in excess of €24 million, after returning €25.0 million to our shareholders and funding the working capital demands of our growing flexible talent business. Cpl is a profitable, cash generative business and the continued strength of the Group's balance sheet, its access to external financing and its capabilities in working capital management positions the Company well for future growth.

Tender Offer

During the year, the Group returned €25.0 million of cash to its shareholders by way of a fixed price tender offer. Having considered a range of strategic and financial options to enhance shareholder value, particularly taking account of the continued generation of positive cash flows by the Group, the Board considered this to be the most effective use of those shareholder funds. The tender offer was over-subscribed and successfully executed, with the Company repurchasing and cancelling 3,703,703 shares at a price of €6.75 per share and reducing the issued share capital by approximately 12%. This process was overseen by an independent committee of the Board.

Corporate Governance

During the past year, the listing rules for the Alternative Investment Market ("AIM"), of which the Group is a member, were updated. Effective 28 September 2018, AIM listed companies are required to 'comply or explain' against a recognised corporate governance code. The Board is committed to adhering to high standards of corporate governance and, as such, welcomed this change. The Group has elected to apply the principles of corporate governance contained in the QCA Corporate Governance Code, as issued by the Quoted Companies Alliance in April 2018 ("the Code"). Throughout the financial year, and up to the date of the report, the Group was fully compliant with all sections of the Code.

People

A key driver of our success is our ability to connect with people and match them to the needs of our clients. We can only do this as well as we do by having great people ourselves. Our success is driven by the talent, expertise and commitment of our people and their dedication to delivering service excellence to our candidates and clients. We are fortunate to have the calibre of people we have in Cpl, who believe deeply in what we do and are committed to delivering service standards to the highest level.

On behalf of the Board, I would like to thank all of our people for their commitment, dedication and hard work during the year. I would also like to thank our clients and candidates for their support and their continued loyalty to the Cpl Group.

Board & Executive announcements

In July 2018, Lorna Conn was appointed to the Board of Cpl. Since joining as CFO in October 2017, Lorna has made a significant impact on all areas of the business and we look forward to having the benefit of her experience, energy and expertise on the Board as Cpl pursues its next phase of growth.

Earnings per Share, Proposed Dividend & Dividend Policy

Cpl has delivered earnings per share in the twelve months to 30 June 2018 of 56.6 cent, a 30% increase on the prior year, reflecting the growth in profitability in the year and the benefit of the reduced share capital base arising from the tender offer. In deciding how best to use our free cash flow, the Board continues to prioritise the maintenance of a strong balance sheet, to allow us to take advantage of opportunities to invest in future growth, both organically and through acquisition. The Group also has a progressive dividend policy which reflects the underlying earnings growth and continued financial strength of Cpl.

The Board is recommending a final dividend of 7.15 cent per share. This will bring the total dividend for the year to 13.5 cent per share. The dividend, if approved by the shareholders, will be payable on 5 November 2018 to shareholders on the Company's register at the close of business on the record date of 12 October 2018.

Outlook

Economic indicators and employment trends are broadly positive in our principal markets. Our industry remains highly competitive and our continued growth is sensitive to the impact of political, regulatory and economic events globally. With the terms of the UK's planned departure from the EU still unclear, Brexit continues to give rise to uncertainty. We will continue to monitor developments closely and assess and respond to their implications for our business.

Current market conditions are favourable with high demand for talent and low unemployment rates in our key markets. We expect that these factors, together with the efforts of our people, will allow us to deliver further growth in our business during the financial year to 30 June 2019.

John Hennessy
Chairman

11 September 2018

CHIEF EXECUTIVE'S REVIEW

" \ "

In the financial year to 30 June 2018, Cpl delivered double-digit growth in revenues, gross profit and profit before tax

Our revenue increased by 15% to €522.7 million, gross profit increased by 16% to €83.2 million and profit before tax increased by 18% to €18.5 million. We returned €25.0 million of cash to our shareholders, closing the year with a net cash balance of €24.2 million and demonstrating the strong cash generating characteristics of the business. We continue to harness the global shift in workforce preferences and our business model has evolved and adapted to meet these needs.

Financial Highlights

The Group increased its revenue by €67.5m to €522.7 million in the year to 30 June 2018 (2017: €455.2 million). Gross profit grew by 16% to €83.2 million (2017: €71.8 million). The Group's gross margin was 15.9% (2017: 15.8%). Profit before tax was €18.5 million (2017: €15.8 million) and our earnings per share was 56.6 cent (2017: 43.7 cent).

Our operating expenses (excluding non-cash charges) were €63.4 million, 14% higher than last year, correlating with our increase in gross profit and reflecting the fact that the majority of our cost base is made up of staff related costs. Our conversion of gross profit to adjusted profit before tax was 24.5% (2017: 22.9%).

Our balance sheet is strong with net assets of €92.5 million at 30 June 2018 (2017: €103.7 million). Cash flow in the year was strong with a closing net cash balance of €24.2 million. This follows the return of €25.0 million of cash to shareholders during the year, demonstrating the profitable, cash generative nature of our business and the effectiveness of our working capital management.

The interim dividend paid was 6.35 cent per share. The Board is recommending a final dividend of 7.15 cent per share for the year to 30 June 2018, resulting in a total dividend per share for the year of 13.5 cent, a 17% increase from the prior year.

Operations Review

Cpl's capability spans the full employment continuum and we deliver a range of services through two operating segments – flexible talent solutions ('Flexible Talent') and permanent recruitment ('Permanent'). Flexible Talent includes managed services, temporary and contract recruitment and strategic talent advisory services. We operate through distinct specialist brands in a wide range of sectors including technology, finance and legal, healthcare, pharmaceutical, life sciences, sales, engineering, HR, light industrial and office administration. We have a diverse range of clients from market leading multinationals to small and medium sized enterprises. Our clients

Net Cash Balance

€24.2m

Earnings per share of

56.6 cent

(2017: 43.7 cent)

Total Dividend per share of

13.5 cent

(2017: 11.5 cent)

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

operate in a challenging labour market, characterised by labour and skill-set shortages, and where the fight for talent has never been more pronounced.

Our managed services business is going from strength to strength, delivering projects to multiple clients including leading organisations in the financial services, technology, healthcare and pharmaceutical sectors. Cpl assumes accountability for selected business processes on behalf of clients, creating measurable improvements and cost savings for our clients. Cpl is typically engaged on multi-year contracts, becoming trusted partners to our clients and it is the strategic nature of these partnerships that add immeasurable value to our clients' businesses.

Our temporary and contract recruitment service offers clients flexible recruitment solutions, including high-volume contingency recruitment and seasonal ramp-ups. Cpl's dedicated recruiters work with clients to identify the best short and long-term solutions, each with the flexibility to increase or decrease headcount around changing business needs.

Strategic talent advisory services cater for the broader supports required by our clients to further evolve and transform their businesses. These cover a wide range of services that include talent strategy development, employee value proposition, employee wellness and employer branding. The complexity of the world's workforce preferences continues to evolve but one thing we can be sure of is this - a people centric approach to talent management is a must in today's fight for talent.

Key Performance Indicators	**2018**	**2017**
Gross margin	**15.9%**	15.8%
Adjusted Operating margin*	**3.8%**	3.5%
Operating margin	**3.4%**	3.4%
Conversion Ratio**		
Adjusted Operating profit	**23.7%**	22.3%
Adjusted Profit before tax	**24.5%**	22.9%
Operating profit	**21.5%**	21.4%
Profit before tax	**22.3%**	22.0%
Permanent fees as % of the total gross profit	**31.6%**	36.3%
Flexible Talent fees as % of the total gross profit	**68.4%**	63.7%
Flexible Talent staff headcount at the year-end	**12,296**	11,504
Average number of recruiters during the year	**590**	547

** Adjusted operating margin excludes non-cash charges relating to the Group's Long-Term Incentive Plan (LTIP) and currency translation*

*** as % of gross profit*

Our gross margin in the year to 30 June 2018 was 15.9%, an increase of 10 basis points from the prior year. Most of our growth occurred in our flexible talent business, where we improved our margin to 11.5% (2017: 10.7%), driven by a continuing focus on margin.

Our permanent placement business which generates almost 100% gross margin represented 31.6% of total gross profit whereas in the year to 30 June 2017 it was 36.3% of total gross profit. Despite the changed business mix, our operating margin was in line with the previous year at 3.4% but ahead by 30 basis points when adjusted for non-cash charges.

Taking a long-term view, we will continue to invest in people, key technology areas and structured innovation processes as our business adapts to new workforce preferences. Through these measures we expect to see further improvement in our operating margin.

Flexible Talent

As the world of work evolves and employee and employer expectations change, the demand for flexible talent solutions has strengthened. As a result, we grew our flexible talent net fee income by 24.5% to €56.9 million during the year (2017: €45.7 million). Margin in the year to 30 June 2018 was 11.5% (2017: 10.7%). We finished the year with 12,296 skilled people working on behalf of Cpl on client engagements.

Flexible talent solutions add a variable cost component to a company's otherwise fixed labour costs. These solutions offer a more dynamic workforce and address a growing need in candidates for greater flexibility. Highly skilled professionals, particularly in ICT, finance and engineering, are choosing to work on a project or contract basis.

This global shift in working preferences presents a huge opportunity for Cpl, with potential for significant growth within our managed services division.

Permanent

Most of our permanent placement work is undertaken on a contingent basis, which means we only generate revenue when the candidate successfully starts in a role. We operate in a competitive environment where the speed and quality of delivery is a differentiator. We will continue to invest in Artificial Intelligence (AI) now and into the future to optimise the placement cycle. However, technology alone is not sufficient to ensure that an individual is the right fit for a business. Cpl combines the power of AI and analytics to support our skilled recruitment professionals who bring the personal touch to the process, focussing on the qualities of the candidate and culture fit in recommending the right recruitment decision for our clients.

International nurse recruitment in the UK remains challenging as a result of changes in regulation and continuing Brexit uncertainty. The demand case remains for nurses and healthcare professionals and we are committed to the UK healthcare market in the longer-term. Divisions such as technology, pharma and financial services performed well during the year.

Permanent net fee income increased by 1% to €26.3 million (2017: €26.1 million). The economic outlook for the geographies in which we operate is favourable and the demand for talent in the technology, pharma and financial services sectors remains strong. Cpl is continuing to add selectively to our teams in certain sectors to support growth in permanent placement fees.

Future of Work & Technology

The world of work is changing and evolving, and Cpl is at the centre of this evolution. Advancements in technology are reshaping how, where and when we work with both employers and employees adapting to a business environment that is more uncertain, global, competitive and diverse. However, people remain at the centre of business success and access to people with the right skills and talent is one of the key issues of concern to CEOs. 77% of those surveyed in the recent World Economic Forum CEO survey voiced concern that skills shortages could threaten their organisation's growth. In parallel, employees are adapting to new ways of working and are looking for more flexibility, which is highlighting a growing trend towards temporary and contract work – a trend which plays to Cpl's strength, with over two thirds of our gross profit coming from our Flexible Talent segment this year.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Technology is revolutionising our industry and changing the way in which we traditionally recruit. As a market leader in our industry we are committed to staying at the forefront of new technology. Working with market leading technology partners, our IT team have developed two scalable AI enabled apps, Apollo and Merlin. Combining machine learning and people skills, Apollo and Merlin empower our consultants to access and source candidates faster and better, making the recruitment process more efficient. By embracing AI we are using valuable data driven insights to improve some of the most important hiring metrics for our clients such as quality of hire, time to hire and cost to hire.

During the year we launched a web and mobile based app ('MyCpl') that deploys the latest in smartphone technology for booking and managing temporary staff. The app manages all aspects of front office administration, enabling workers to roster themselves on available client shifts. To date, MyCpl has been successfully deployed to over 30% of our flexible healthcare workers in Ireland and the feedback has been very positive. People have embraced this new way of working, recognising the efficiency and service excellence it provides.

Our investment in technology always has the dual purpose of making it easier for our clients to work with us and improving the productivity of our people.

GDPR

To build on the existing strong data protection practices within the Group, a number of additional measures were introduced to support compliance with the new EU General Data Protection Regulation that came in to force in May 2018. An updated privacy policy was produced and circulated to all two million of our candidates with options to unsubscribe from our services. Additional automated procedures were implemented to provide further transparency to our candidates on where their data is being stored and transferred. All Cpl staff have also undergone additional online training and assessment to ensure that the regulations are embedded into our core business practices.

Strategy

Over the past 28 years Cpl's growth strategy has evolved and continues to evolve with the changes taking place in the workplace. We are delivering on our strategy of profitably growing our business while developing a balanced business mix in order to avoid an overdependence on any one service, sector or geography.

Our vision as we grow is to be the world's best at transforming our clients through total talent solutions and experiences. The world of work is changing. To help guide us into the future and create solutions for our clients and candidates we have set ourselves three areas of focus:

1. Future Ready - to continue be at the leading edge of the future of work, so we can enable our clients, candidates and consultants to be future ready.

2. Client First - to continue to adopt a people centred, strategic approach to how we deal with our clients, called 'the Cpl Way'.

3. Total Solutions - to continue to design and deploy real world ready integrated solutions that will create transformational value appropriate to the needs of our clients and our candidates.

This combined with our investment in technology and AI will provide us with a strong platform for future growth.

People and Culture

Our talented and experienced people are central to Cpl's success. They are committed to our core values of accountability, respect, customer focus, effective communication and empowerment. By holding ourselves to these values, we have created a culture in Cpl that is engaging and motivating for our people. In 2018, Cpl was recognised in the Great Place to Work program's large category for the fourth consecutive year. This recognition is of great value to Cpl, as attracting and retaining the best talent is key to our continued operational excellence. I would like to thank our colleagues for their commitment to putting our clients and candidates first and for making Cpl a truly great place to work.

Management Team & New Board Member

I am delighted to welcome our CFO, Lorna Conn, to the Board of Cpl. Since joining in October 2017, Lorna has made a valuable contribution to all aspects of Cpl's business and is adding depth to the senior leadership team as we prepare for our next phase of growth. I am delighted to welcome Barry Winkless, into the newly created role of Strategy and Innovation Director, signalling an exciting chapter for Cpl as we move forward with our growth strategy.

I am also delighted to welcome our new colleagues who joined Cpl during the year and I want to thank our loyal clients for their partnership and support during the year.

Outlook

Market conditions across the sectors in which we operate are positive. Economic trends are favourable with strong employment growth in Ireland and across the Eurozone. The unemployment rate in Ireland is the lowest recorded in over a decade at 5.6%. Investment continues to be made within FDI across key sectors including Financial Services, ICT and Pharma, with a renewed focus on regional diversification in Ireland. Our national footprint will serve us well in this regard.

Despite this, risks remain. We are mindful of the remaining uncertainty that Brexit creates in our core markets and we are monitoring any potential impacts, both positive and negative, of Brexit on our business.

From a longer-term point of view, we have a strong business model, operating in attractive markets, with a global client reach. Our priorities for 2019 will be to further develop our strategy, stay focused on growing our net fee income and profit before tax and building on our footprint internationally. Our focus is to support clients in delivering talent solutions that can grow and transform their business, particularly in sectors facing cost or scaling challenges.

Cpl has a strong balance sheet with net assets in excess of €92 million, generated over 28 years of continuous profitability. We believe our balance sheet and strong cash flow generation gives us the resources to invest in the growth and expansion of our business while also providing an attractive return to shareholders.

Anne Heraty
Chief Executive Officer

11 September 2018

“ \ ”

I walked into the office. I knew I wasn’t leaving until I got a job. I loved the energy and the buzz immediately. I met with three members of Office Support that day and luckily, I convinced them I was right for the job. I am now sixteen months in Cpl and I haven’t looked back.

KRISTIN KEOGH
Recruitment Consultant
Cpl Office Support

Connecting Clients with a Community of Talent

Cpl - Providing Talent Solutions for Today and Tomorrow

Over the past 28 years Cpl has evolved and continues to evolve. From its base of excellence in permanent recruitment, we have built, nurtured and acquired a number of businesses that together enable us to provide a unique suite of talent solutions that can transform our clients' business through a people centred approach.

These solutions range from Recruitment, Managed Services and Strategic Talent Advisory to a unique set of future focused solutions that we explore and deploy as part of our on-going Future of Work initiative. By working in partnership with some of the world's most dynamic organisations we have honed our expertise where we are trusted partners.

Our vision is ultimately to be the world's best at transforming our clients through total talent solutions and experiences. We know that the world of work is now, more than ever, changing. New operational models, disruptive platform technologies, and a new set of employee and employer expectations means that nobody really has the answer to what the future of work may hold.

We have learned that by bringing together unique combinations of people, partners, processes and technologies we can create step change solutions for candidates and for clients for today and for tomorrow. At our core are three fundamental islands of focus and activity that will help guide us to the future and create new forms of competitive differentiation.

They are:

- Future Ready
- Client First
- Total Solutions

Future Ready

Client First

Total Solutions

Cpl will be at the cutting edge of the future of work, so we can enable our clients, candidates and consultants to be future ready. We will achieve this through collaborative networks of think and do leadership, co-creation and the continued development of the Future of Work hub - a hub where our stakeholders can help invent the future with us.

We know that a lot of disruption is happening in this space. No one really holds the answer to what the future of work will look like or feel like. We will adopt a curious, collaborative and open mindset and create solutions in areas as broad ranging as diversity and inclusion, talent tech, disruptive workplace operating models, new approaches to employee experience and total wellness. Our aim is to become a trusted and active innovator on the future of work for our clients and build on our existing competencies in this area. We are after all, everyday building future solutions with our clients today.

Cpl is a relational brand. Our success has been predicated on our ability to create authentic human connection with our clients. We will continue to adopt a people centred, strategic approach to how we deal with our clients ('the Cpl Way') and we will create new experiences and client journeys to further understand how we can transform our clients' businesses through total solutions. We will deliver for our clients and candidates by being the best we can be at engaging and supporting our own people and providing the best technology platforms to help them achieve that goal. We will continue to harness the best of our diverse portfolio of unique brands and create new models with focused collaboration across the Cpl Group to better meet the needs of our clients.

Over the years Cpl has developed strong competencies in creating impactful people centred solutions for our clients. We will continue building on these strengths and design and deploy real world ready integrated solutions that will create transformational value appropriate to the needs of our clients and our candidates. These solutions will empower a total talent solutions, end to end set of offerings, that will utilise the best of our expertise, in conjunction with appropriate business and technology partners.

Based on what we see as some of the big future themes in the industry and beyond, we will seek out and work with partners with new and leading-edge capabilities that we have identified as being important to our client's future relevance. Already we are starting to see the fruits of focus on areas as diverse as AI and how it can further empower our people, machine learning targeting tools, and platforms that connect our unique capabilities with intelligence from IT infrastructures.


Bigger, better, deeper relationships
Diversified product and profit mix
STRATEGIC PRIORITIES
Investment in technology platforms & innovation
Targeted growth in key international markets

Our ultimate goal is to be the world's best at transforming our clients through total talent solutions and experiences. As we build toward this, we will focus on four strategic priorities which will inform and guide our decision making:

Build bigger, better, deeper relationships with a more strategic, people-centric approach in partnership with our clients

Diversification of product and profit mix, with a focus on higher margin, value-add service offerings

Continued **investment in technology platforms and future of work initiatives** to drive productivity, enhance service delivery and enable innovative client and candidate solutions

A focused strategy for **targeted growth in key international markets** building on the existing Cpl footprint

BUSINESS MODEL

Our Value Proposition

Recruitment

Cpl provides a set of recruitment solutions, from entry-level to executive search, addressing permanent and temporary workforce recruitment needs. Cpl's recruitment solutions are built on:

- Experience in delivering bespoke solutions
- Consultants' deep specialist and sectoral knowledge
- Customised online talent platforms
- Access to global talent

Cpl consultants will examine current and future business requirements and provide the flexibility to increase or decrease headcount around fluctuating project timeframes - with an emphasis on the ability to ramp up and down to rigid timescales.

Flexible Talent Solutions

Cpl has built significant competence in providing flexible talent solutions including managed services, temporary and contract recruitment and seasonal ramp ups. Cpl's dedicated recruiters work with clients to identify the best short and long-term solutions, each with the flexibility to increase or decrease headcount around changing business needs.

Cpl is one of the largest providers of flexible talent staff in Europe – around 12,000 staff work for our clients every day. We provide the flexibility our clients need, enabling ramping up and down to suit the needs of the business and create the right blend of workforce to enable our clients' success.

As part of our flexible talent solutions suite, Cpl's managed services and outsourcing division improves our clients' productivity by taking ownership of appropriate business functions. These designed solutions enable the outsourcing of functions such as recruitment, HR, telesales, telemarketing, call centres, back office functions and specialised IT service desks. These solutions help control business costs and transform our client's business through operational efficiencies.

techskills resources DEENA Energy Services THORNSHAW scientific recruitment FLEXSOURCE SOLUTIONS servisource cpl. Healthcare Private HomeCare

Cpl is a global provider of talent solutions. The Group comprises 22 brands with expertise across the talent spectrum. We partner with organisations in every sector, from start-ups to multinationals in order to design and execute the most impactful talent solutions for their business. We deliver this through our range of connected service offerings:

Strategic Talent Advisory

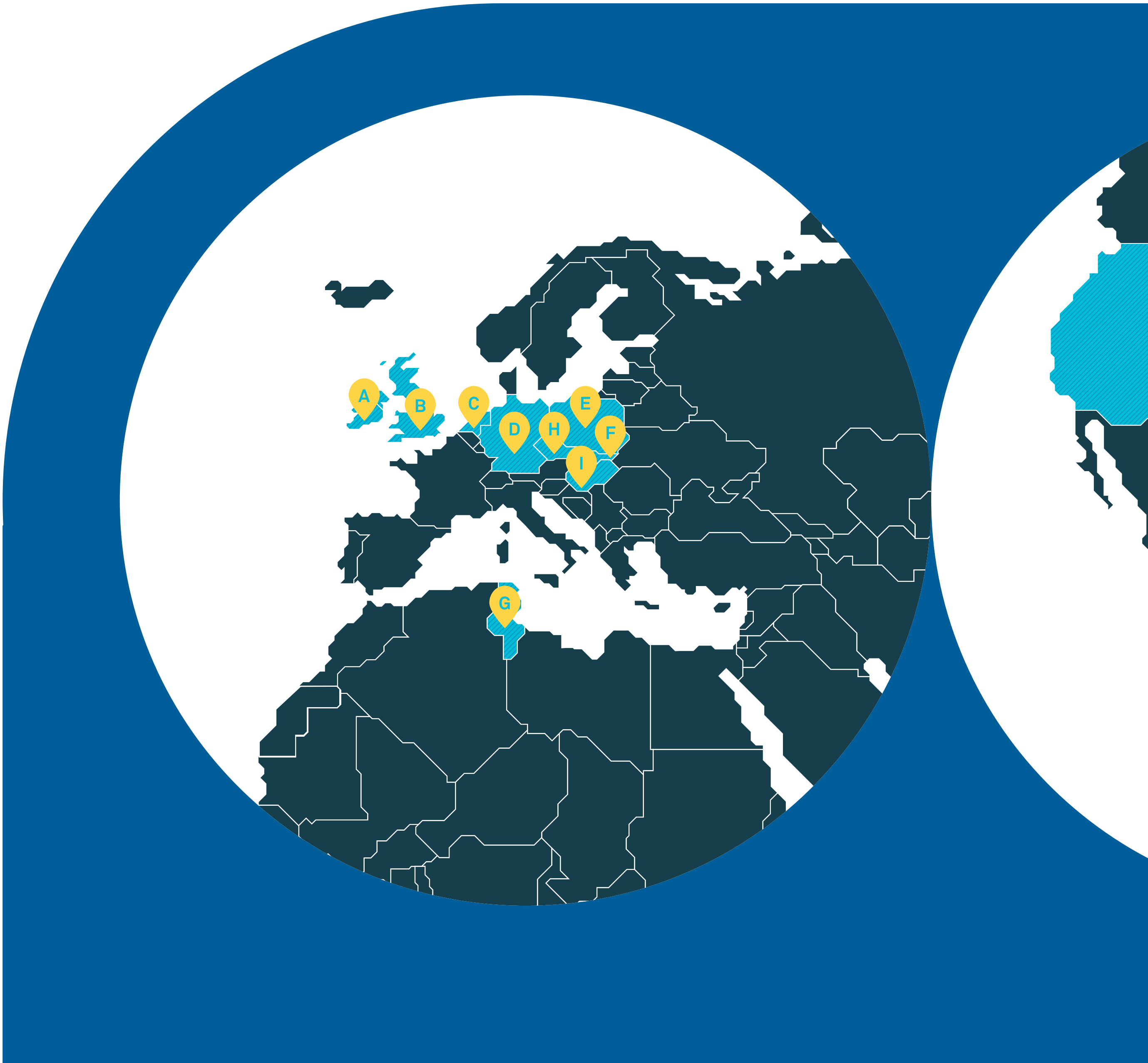
Every day Cpl works with some of the world's most respected businesses. These partnerships have provided Cpl with deep insights into some of the broader supports required by our clients to further evolve and transform their businesses. Cpl's strategic talent advisory solutions cover a broad range of services that include:

- Talent Strategy Development
- Future of Work Programs
- Strategic Workforce Planning
- Employee Development Programs
- Employee Wellness Programs
- Outplacement Design and Deployment
- Employer Branding Development
- Employee Value Proposition
- Assessment and Selection
- Technology Consulting
- Graduate Recruitment Program Management

These advisory services are designed co-operatively with clients to best suit their priorities and tap into the unique expertise of Cpl and its range of partners and collaborators. Cpl consistently seeks out world leading partners to ensure its advisory services are best in class and focused on the future.

CPL AROUND THE WORLD

A global reach and network of talent that extends to more than 10 countries and territories.



Cpl employs in excess of 13,000 staff who serve the needs of our candidates and clients across a broad international footprint. We have 48 office locations across Ireland, the United Kingdom and Central Eastern Europe, together with newly established offices in Boston and Munich. Matching the right talent to the right organisation is the core guiding principle in everything we do.

CPL FOOTPRINT

A Ireland
Managed Services, RPO, Recruitment from Entry Level to Executive Search in all sectors

B UK
RPO, Recruitment from Entry Level to Executive Search in Healthcare, Pharma and Life Sciences

C Netherlands
Managed Service in IT

D Germany
RPO, Recruitment from Entry Level to Executive Search in Healthcare, Pharma and Life Sciences

E Poland
Recruitment from Entry Level to Executive Search

F Slovakia
Recruitment from Entry Level to Executive Search

G Tunisia
Managed Service and Recruitment from Entry Level to Executive Search

H Czech Republic
Recruitment from Entry Level to Executive Search

I Hungary
Managed Service and Recruitment from Entry Level to Executive Search

J USA
Executive Search, Recruitment and Sales

> Stephen asked me the right questions. They saw past my CV, they saw me. They saw the drive that was in me, they saw my strengths and weaknesses and who I am as a person rather than just words on a CV. Cpl did unlock my potential.

JONATHAN McDONNELL
Engineering Role IBM

Enhancing our Clients through Transformational Talent Experiences

CORPORATE SOCIAL RESPONSIBILITY

At Cpl, Giving Back is integral to what we do. Through our many active CSR initiatives we aim to better people's lives and the communities in which we operate in.

CSR initiatives and activities are of real importance to our people, our clients, our values and our culture. To reinforce our people's connection with giving back we enable our staff to choose the charities we support and how we support them in four main ways:

1. Volunteering of Staff Time

We encourage all our people to use two paid volunteering days each year. These days can be used individually or as part of a team effort to benefit a cause or community of their choice. Charities our teams have proudly supported include Special Olympics, The Alzheimer's Society of Ireland, MPS, Dublin Simon Community, Bloodwise, Charity Mind, the National Autistic Society and Cancer Research UK.

2. Community Involvement & Skill Sharing

Our people are experts in their fields and are keen to share practical, useful advice with those less fortunate. We have strong relationships with minority and educational groups across Ireland including the Trinity Centre for People with Intellectual Disability, Employment for People from Immigrant Communities (EPIC), Junior Achievement and an award-winning partnership with Jobnet, which helps people to re-enter the workforce.

Trinity Centre for People with Intellectual Disability (TCID)

Cpl has a strong partnership with the Trinity Centre for People with Intellectual Disabilities. Our consultants, directors and managers offer mentoring, CV and interview preparation, mock interviews and an introduction to the world of work.

> "We are incredibly grateful to have Cpl on board with us as a business partner and it is already making a huge difference to both our students and our graduates".
> Marie Devitt, TCID.

Employment for People from Immigrant Communities (EPIC)

The EPIC employment programme works with immigrants and refugees to help them integrate into Irish society. Cpl has been supporting their valuable work since 2008 through conducting mock interviews and providing constructive feedback to interviewees. The participants come to our offices and avail of our interview rooms thus encouraging a "real life" interview experience. In the last 12 months, Cpl has supported a total of 165 interviews.

Jobnet

Jobnet runs five programmes a year to support individuals who are struggling to enter or re-enter the workforce. Cpl supports this award-winning initiative by providing mock interviews, career advice and actionable guidance around networking.

Junior Achievement & Junior Entrepreneur Programme

A selection of our employees work with non-profit Junior Achievement to educate and mentor children in disadvantaged schools, inspiring them to continue to Leaving Certificate and beyond.

Cpl are also strong supporters of JEP, which opens up the idea of practical learning to children, parents and our education system.

3. Using Digital for Good

As Ireland's largest recruitment agency, we have an extensive global network of candidates and clients online. To raise awareness on a national and international level we use our social media platforms to promote charities and share our CSR ethos through the hashtag #CplGivingBack.

Charities and causes we have promoted successfully through digital campaigns include: MPS Blue Day, Cliona's Foundation, Paint it Pink for Breast Cancer Awareness, Temple Street and Darkness into Light.

4. Philanthropy

Cpl has collaborated with charities to host several internal fundraising events including Cpl's Annual Easter Bake Off in association with The Alzheimer's Society of Ireland, Football vs Homophobia in association with The Rainbow Project, a sleep out for The Welcome Organisation in Northern Ireland and the Christmas Gift Tree for the Society of St. Vincent De Paul.

Cpl also makes direct donations to charities that are of importance to our people and our local communities, these charities include Crumlin Medical Research Foundation, Irish Down Syndrome, Irish Heart Foundation, Charity Mind, St. Michael's Hospice in the UK and many more.

DIVERSITY AND INCLUSION

Diverse talent is essential to creating effective solutions and processes for our people, our clients and our candidates and we're proud to have employees of over 100 nationalities, who each come from different backgrounds and share a unique perspective.

Diversity is just one part of the solution, which is insignificant without encouraging and embracing inclusion. At Cpl we use our 6 core pillars as a guide to drive inclusion, which has helped us to improve employee retention, increase productivity, generate more diverse strategies and improve our client and candidate relationships.

Our diversity pillars are:

1. Multicultural
2. Disability
3. LGBT
4. Generations
5. Working Parents and Carers
6. Gender Balance

Multicultural

Our hiring policies reflect a culture where decisions are made based on talent, potential and cultural fit. This has resulted in a multicultural staff network of over 100 nationalities. Our diverse network has enriched the Cpl Group, within our workforce, our client sites and the communities in which we operate.

Disability

We firmly believe a disability can be a strength, rather than a barrier. In our recent D&I Diagnostic Survey "Cpl Sense of Us Survey" 10% of our employees indicated they have a disability. We have implemented training, partnerships with disability groups and inclusive hiring methods to ensure an equal and accessible work environment that supports those with disabilities.

LGBT

Cpl has built a dynamic and accepting LGBT committee, led by our BeProud@Cpl committee. Our goal is to create an environment where all employees feel respected and are treated equally, regardless of sexual orientation.

We are the first recruitment agency in Ireland to invest in a LGBT & Ally community, we proudly marched in Dublin Pride 2018 and recently appointed a new chairperson to our BeProud@Cpl committee.

Generations

The entrepreneurial mindset within Cpl thrives on different perspectives and collaboration, enriched by the various generations working within the Group:

- 5% Baby Boomers, those born after 1946 and before 1964 and who are in the age range of 53 to 71 years
- 27% Generation X, those born after 1964 and before 1981 and who are in the age range of 37 to 52 years
- 63% Millennials, those born after 1981 and before 1995 and who are in the age range of 23 to 36 years
- 5% Generation Z, those born typically between 1995 and 2012

Working Parents and Carers

Flexible working options and our Working Parents and Carers Network enable us to hire and support a more varied workforce and encourages working mothers and fathers to re-join the workforce, bringing with them a fresh outlook and valuable skills.

Gender Balance

Closing the gender gap is an essential part of tackling global workplace challenges. All people, regardless of gender, should have access to and enjoy the same pay, benefits and opportunities. Our workforce in Ireland is 70% female and we have a balance of genders in leadership and management roles across our organisation.

To inspire gender balance outside of our organisation, we are active members of the 30% Club, who are committed to creating better gender balance at all levels of organisations. Members of our group are also active in the Irish Management Institute – 30% Club Mentoring Programme, which is a cross-company mentor program that matches experienced leaders with mid-career high potential mentees, of which at least 50% are female. We welcome and support government initiatives to promote gender equality, including the expected mandatory gender pay gap reporting.

OUR BOARD OF DIRECTORS

John Hennessy | Non-Executive Chairman

John Hennessy, Chairman, has been a member of the Board of Cpl Resources plc since 1999, and is a member of the Audit Committee and of the Nomination and Remuneration Committee. He is a practising Barrister, a Chartered Accountant and a Chartered Director. He is also Non-Executive Chairman of Dalata Hotel Group plc and a Non-Executive Director of a number of other companies, including H & K International. John Hennessy entered into service agreements dated 22 June 1999 with the Company in respect of his appointment as Non-Executive Director.

Breffni Byrne | Non-Executive Director

Breffni Byrne joined the Board of Cpl Resources plc in December 2007. He is Chair of the Audit Committee and a member of the Nomination and Remuneration Committee. He is a Non-Executive Director of Citibank Europe plc, Tedcastles Holdings and Zurich Insurance plc. He is a former Chairman of Aviva Ireland and NCB Stockbrokers and a former Director of Hikma Pharmaceuticals plc, Irish Life & Permanent plc and Coillte Teoranta. A Chartered Accountant, he was formerly a senior partner in Arthur Andersen. Breffni Byrne entered into service agreements dated 7 December 2007 with the Company in respect of his appointment as Non-Executive Director.

Anne Heraty | Group Chief Executive

Anne Heraty is Chief Executive of Cpl Resources plc. Anne established Cpl in 1989 and has played a key role in developing it to become Ireland's leading employment services company. Anne holds a BA degree in Mathematics and Economics from University College Dublin. Anne Heraty entered into service agreements dated 22 June 1999 with the Company in respect of her appointment as Executive Director.

Mark Buckley | Chief Operating Officer/Deputy Chief Executive

Mark Buckley is Chief Operating Officer and Deputy Chief Executive of Cpl Resources plc since April 2017, prior to this he was Chief Financial Officer of the Group since July 2013. Mark is a senior executive, with global commercial, operational and financial experience of both public and private companies, with over 15 years' experience at senior executive and Board level. Mark is a Fellow of Chartered Accountants Ireland. Mark Buckley entered into service agreements dated 15 July 2013 with the Company.

KEY TO BOARD MEMBERSHIP

- Chairman of the Audit Committee and Designated Senior Independent Director.
- Chairman of the Nomination and Remuneration Committee.
- Lorna Conn was appointed to the Board on 12 July 2018.

Oliver Tattan | Non-Executive Director

Oliver Tattan joined Cpl Resources plc in December 2007. He is Chair of the Nomination and Remuneration Committee and is a member of the Audit Committee. He is the founder of two health insurers, an investment manager, a consumer buying network and a biometric identity manager. Oliver is currently Chairman of Fadata, an insurance software developer; also of Brookson, an online accountancy platform; and ARCH, a research centre in connected health. He is also an INED with AGF International, an investment manager. Oliver Tattan entered into service agreements dated 7 December 2007 with the Company in respect of his appointment as Non-Executive Director.

Colm Long | Non-Executive Director

Colm joined Cpl Resources plc in March 2017 and is a member of the Audit Committee. He is the Managing Director of Clairmar Consulting Ltd and previously held the roles of VP, Global Operations at Facebook and Director, Online Sales and Operations at Google. He also holds a Non-Executive Director role on Facebook Payments International Ltd. Colm Long entered into service agreements dated 13 March 2017 with the Company in respect of his appointment as Non-Executive Director.

Paul Carroll | Business Development Director

Paul Carroll is Business Development Director of Cpl Resources plc. His expertise combines 10 years in HR practice, working for companies such as KPMG, Intel, Gateway and ARI with an additional 18 years in recruitment with Cpl. A graduate from Maynooth NUI in Physics and Maths in 1985, he holds a Higher Diploma in Education. Paul worked as a HR management consultant in KPMG for 5 years before joining the senior management team in Gateway 2000 to establish their HR function. Paul Carroll entered into service agreements dated 22 June 1999 with the Company in respect of his appointment as Executive Director.

Lorna Conn | Chief Financial Officer

Lorna Conn joined Cpl plc in October 2017 as Chief Financial Officer. Lorna has previously held senior roles in a number of public companies, residing in both Ireland and America during this time. Lorna is a qualified Chartered Accountant and trained with Deloitte. Lorna graduated with a commerce degree from University College Dublin and holds a Masters in Accounting from the Michael Smurfit Business School. She is also a Fellow of Chartered Accountants Ireland. Lorna Conn entered into service agreements dated 2 October 2017 with the Company.

Secretary
Wilton Secretarial Limited
Sixth Floor, 2 Grand Canal Square
Dublin 2, D02 A342

Registered office
83 Merrion Square
Dublin 2, D02 R299

Auditor
KPMG, Chartered Accountants
1 Stokes Place, St. Stephen's Green
Dublin 2, D02 DE03

Principal bankers
AIB plc, 62, St. Brigid's Road
Artane, Dublin 5, D05 CP23

Solicitors
William Fry, Sixth Floor
2 Grand Canal Square
Dublin 2, D02 A342

Registrars and paying agents
Computershare Investor Services
(Ireland) Limited, Heron House
Corrig Road, Sandyford Industrial
Estate, Dublin 18, D18 Y2X6

UK Paying agents
Computershare Investor Services
plc, The Pavilions, Bridgewater
Road, Bristol, BS99 6ZZ, England

DIRECTORS' REPORT

The Directors present their Annual Report and audited consolidated and Company financial statements for the year ended 30 June 2018.

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 and flexible talent positions and the provision of talent advisory 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 forty five subsidiaries which are detailed in note 13.

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 and methods to mitigate each risk to be as follows:

Risks	Mitigation
1. 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. It is also conscious of the impact global, political, regulatory and economic events may have on its business.	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.
2. The Group continues to face competitor risk in the markets where the provision of permanent and flexible talent recruitment is most competitive and fragmented. There is strong competition for clients and candidates and the Group faces pricing and margin pressures in its flexible talent 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.	Management actively monitor competitor activity in the market, and the services, pricing and margins being offered by existing and new competitors. 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.
3. 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.	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.
4. The Group is always subject to the risk that a large customer might default on its payments.	Management actively manage cash collection, working capital days and customer payment terms of all debtor accounts.
5. 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. The EU General Data Protection Regulation (GDPR) was enacted in May 2018 and imposes increased obligations on companies regarding data protection. Non-compliance may result in severe penalties for the Group.	Management continually monitors the performance and robustness of its IT suppliers and systems to ensure business-critical processes are safeguarded as far as it 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. A number of additional measures were introduced to ensure compliance with the new GDPR legislation.

Risks	Mitigation
6. As employment laws are changed they bring with them new risks and opportunities. The flexible workforce market is more heavily regulated and changes in legislation (e.g. changes to flexible workforce worker rights) may impact the Group's operations.	The Group's management are actively monitoring proposed and suggested changes to labour laws and the impacts they may have on our service offering. The Group's cost base is highly variable and is carefully managed to align with business activity or major change that may occur.
7. 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 difference and changes in labour laws and regulations, foreign exchange fluctuations, and difficulties staffing and managing foreign offices as a result of distance, language and cultural differences.	Prior to entering new markets a full review of the risks in the specific market is completed. The Group on entry has a mix of local, international and head office staff to assist to manage the relevant new market risk. Foreign exchange risk in our markets are monitored by Group management.
8. 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.	The Group continues to build a strong multi-disciplined management team. The Group adds resources to ensure that we have the organisational capacity to identify and integrate acquisitions and optimise organic growth opportunities.
9. 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 Group continues to invest in our people and have put in place incentives and a Long Term Incentive Plan for staff. We continue to invest in our brand to ensure we become the number one provider of talent delivery solutions in the markets in which we operate.
10. The Group holds confidential information for clients, candidates, suppliers and staff. Today's online environment presents a very real threat of Cyber-attacks. Such an event would prove not only financially costly but simultaneously detrimental to the reputation of the Group.	Within the Cpl Group the issue of Data Protection is paramount and the Group has a Data Protection Officer at director level. Access to Cpl Databases is strictly controlled and only granted based on business need and privacy policy. Data Protection training is provided to all employees and mandatory compliance testing is now in place. In 2016 the Office of the Data Protection Commissioner published a very positive report on how Data Protection is managed and designed into the Group's business flows.
11. The Group is a cash generative business with significant cash on hand and on deposit in bank accounts.	The Group has qualified and experienced staff, with segregation of duties and multiple approval levels for receipts and payments of cash. The Group spreads 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 continues to be a KPI for the senior team this year.
- Management review the number of flexible talent employees placed with the Group's clients. The number of new starters and leavers are reviewed on a regular 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, service quality targets are implemented focusing on both client and candidate needs. The Group continues to increase client satisfaction levels, which are independently measured, and to experience a high level of repeat business.

Financial risk management

Details of the Group's financial risk management are outlined in Note 25 of the financial statements.

Results and dividends

The Chief Executive's review on pages 6 to 11 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 46 to 91.

Operating profit for the year ended 30 June 2018 amounted to €17.9 million (2017: €15.4 million). The profit after tax for the financial year ended 30 June 2018 amounted to €16.1 million (2017: €13.4 million). Basic and adjusted fully diluted earnings per share for the year amounted to 56.6 cent (2017: 43.7 cent).

An interim dividend of 6.35 cent per share (2017: 5.75 cent) was paid during the year. A final dividend of 7.15 cent per share (2017: 5.75 cent) is proposed by the Directors. No further dividends or transfers to reserves are recommended by the Directors.

Shareholders' equity at 30 June 2018 amounted to €92.5 million (2017: €103.7 million).

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

On 12 July 2018 Lorna Conn, Chief Financial Officer, was appointed to the Board.

The Directors and Secretary who held office at 30 June 2018 had no interests other than those shown below in the shares in the Company or Group companies.

	No. of shares 30 June 2018	No. of shares 1 July 2017
Shares in Cpl Resources plc Ordinary shares of €0.10 each		
Anne Heraty *	**8,092,264**	9,195,280
Paul Carroll *	**1,613,844**	1,833,819
John Hennessy	**90,298**	102,606
Breffni Byrne	**7,225**	8,209
Mark Buckley	**46,514**	52,854
Oliver Tattan	**-**	-
Colm Long	**-**	-
Wilton Secretarial Limited	**-**	-

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

On 25 October 2017, the Group returned €25 million of cash to its shareholders by way of a fixed price tender offer. The tender offer was fully subscribed and successfully executed, with the Company repurchasing and cancelling 3,703,703 shares at a price of €6.75 per share, thereby reducing the issued share capital by approximately 12%. The interests of the Directors and the Secretary in the share capital of the Company between 30 June 2018 and 30 June

2017 reflects their respective disposals pursuant to the tender offer.

Mark Buckley was awarded 55,000 Long Term Incentive Plan III awards during the year ended 30 June 2018, with a vesting date of 18 September 2020. He also has a total of 100,000 Long Term Incentive Plan II awards with a vesting date of 15 September 2018. Lorna Conn was awarded 50,000 Long Term Incentive Plan III awards during the year ended 30 June 2018, with a vesting date of 18 September 2020. No other awards to Directors were awarded, exercised, forfeited or vested in the year. Other than as disclosed above, as described in note 29 and under the Directors' service agreements referred to on pages 28 and 29, 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 2018.

Significant shareholdings and share price

At 30 June 2018, A. Heraty and P. Carroll together held 35.7% (2017: 35.7%) of the share capital of the Company.

During the year, the highest and lowest share prices were €6.75 and €5.70 respectively. At year end, the share price was €5.84.

Post balance sheet events

There were no material events subsequent to the year end which require disclosure in the financial statements.

Political donations

The Group made no political donations during the year (2017: €Nil).

Accounting records

The Directors believe that they have complied with the requirements of Section 281 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at the Company's premises at 8 - 34 Percy Place, Dublin 4.

Corporate governance

Principles

The Board of Cpl Resources plc is firmly committed to business integrity, high ethical values and professionalism in all of its activities and operations. It is therefore committed to maintaining the highest standards of corporate governance. As outlined in the statement from the Chairman, as an AIM listed company, the Group is now required to apply the principles of a recognised corporate governance code, or explain any departures from the guidance of that code. The Board confirms that the Group complies with the principles and provisions of the QCA Corporate Governance Code, as issued by the Quoted Companies Alliance in April 2018. This report describes the corporate governance arrangements in place.

The Board and its role

The Group is controlled by its Board of Directors. The Board's primary 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. The Board is also responsible for developing and promoting the Group's purpose together with the values, culture and behaviours needed to conduct business and to achieve its strategic objectives.

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

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

Each Director retires by rotation every 3 years and no specific term of appointment is prescribed. The Board meets at least eight times each year and has a fixed schedule for reviewing the Group's operating performance. Additional meetings are arranged as required to deal with specific issues or transactions. There is a schedule of formal matters specifically reserved for Board approval. Outside of this, the Chairman and Non-Executive Directors make themselves available for consultation with the executive team as often as necessary. All Directors have access to advice from the Company Secretary and from independent professional advisors at the Group's expense.

Board Independence

The Board currently comprises the Non-Executive Chairman, four Executive Directors and three other Non-Executive Directors, which includes the Senior Independent Director, Breffni Byrne. The Board considers all of its Non-Executive Directors to be independent in character and judgement and each has wide ranging business 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.

Board Changes

The Board are very aware of the benefits of periodic refreshment of its membership, which fosters the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies. As part of our commitment to Board refreshment, the Board will appoint a further Non-Executive to the Board later this year. This appointment will follow the recent appointments to the Board of Colm Long, in March 2017, and Lorna Conn, Chief Financial Officer, in July 2018. Oliver Tattan and Breffni Byrne will retire from the Board in the 2019 and 2020 financial years, respectively, and the Chairs of the Audit and Nomination and Remuneration Committees will rotate accordingly.

Performance evaluation

Boards should continuously challenge themselves and regularly consider whether they are effective. In order to ensure the Board continues to operate effectively, it recognises the importance of continuing evaluation of its performance and the performance of its Committees. Such a review of the operation and performance of the Board and its Committees is undertaken annually. During the past financial year, this review was conducted internally by the Chairman in the form of one-to-one meetings where the Chairman assessed any training and development needs in respect of individual Directors and any skillset gaps at Board unit level. The Chairman also considers feedback from Directors and, where appropriate, acts upon that feedback. The evaluation of the Chairman's performance is led by the Senior Independent Director. In line with best practice corporate governance principles, it is the Board's intention to facilitate an external evaluation at least every three years.

Professional development

On appointment, the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision-making, the terms of reference and membership of the principal Board Committees and the powers delegated to those Committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. Throughout their period in office, the Directors are regularly updated on the Group's business and the environment in which it operates, by written briefings and by meetings with senior management, who are invited to attend and present at Board meetings from time to time. They are also updated on any changes to the legal and governance requirements of the Group and those which affect them as Directors and are able to obtain training, at the Group's expense, to ensure they are kept up to date on relevant new legislation and changing commercial risks.

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, Colm Long and Oliver Tattan. Breffni Byrne is the Committee Chairman. The Board is satisfied that Breffni Byrne has 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 the Audit Committee meetings by invitation. The Chief Executive, Chief Operating Officer/Deputy Chief Executive and the Chief Financial Officer also attend parts of the meeting by invitation. 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.

During the year ended 30 June 2018, the Audit Committee, operating under its terms of reference, discharged its responsibilities by:

- reviewing risks associated with the business.
- reviewing the appropriateness of the Group's accounting policies.
- reviewing the external auditor's plan for the audit of the Group's 2018 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 2018 audit fee and reviewing non-audit fees payable to the Group's external auditor in 2018.
- reviewing the external auditor's reports to the Audit Committee in relation to year end audits and reviewing the financial statements prior to issue.
- reviewing the effectiveness of the external audit process.
- 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 effectiveness of the Group's internal control system and overseeing the internal audit function.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

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 as required and at least once a year. It comprises three Non-Executive Directors and the Chief Executive attends part of the meeting 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 responsibilities, 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 and LTIP awards, 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. The overarching principle of the Group's remuneration arrangements is to promote the long-term success of the business by supporting the implementation of strategy while encouraging and rewarding the right behaviours, value and culture.

In respect of potential nominations to the Board, the Committee meets at least once a year. Annually, 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 continues to operate effectively in discharging its responsibilities.

The Committee considers succession plans for the Group Board and other senior managers over the short and longer-term, keeping in mind the balance of skills and experience required to ensure that the Group's commitment to deliver sustainable shareholder value is met. A clear career progression for employees and a talent pipeline is key to the Group's growth and helps to attract and retain talented individuals. The Group is committed to maximising career opportunities through significant investment in training and professional development at all levels. The Committee supports internal development programmes to build the skills required of future leaders amongst relevant employees.

Attendance at Board and Committee meetings

Attendance at scheduled Board meetings and Committee meetings during the year ended 30 June 2018:

	Full Board	Audit Committee	Nomination & Remuneration Committee
Number of meetings held in year ended 30 June 2018	**8**	**3**	**2**
Directors and position held:			
John Hennessy - Non-Executive Chairman	8	3	2
Breffni Byrne* - Non-Executive	8	3	2
Oliver Tattan - Non-Executive	8	3	2
Colm Long - Non-Executive**	6	2	N/A
Anne Heraty - Chief Executive Officer	8	N/A	N/A
Mark Buckley - Executive	8	N/A	N/A
Paul Carroll - Executive	8	N/A	N/A

** Designated Senior Independent Director*

*** Colm Long was appointed to the Audit Committee in October 2017*

The Chief Financial Officer (joined October 2017 and appointed to the Board July 2018) was invited to attend all board meetings and attended 6 meetings.

Relations with shareholders

There are regular meetings between the representatives of the Group and representatives of its principal investors. Announcements of interim and annual results are communicated promptly to all shareholders and presentations by the executive team are made to discuss the Group's results and any key developments. All shareholders are welcome at the Annual General Meeting where they have the opportunity to ask questions of the Board. All Directors normally attend the Annual General Meeting. The Non-Executive Chairman also gives a statement on the current trading conditions at the Annual General Meeting. The Chairman and the Executive Directors are ultimately responsible for shareholder liaison and make themselves available to shareholders as required. The views of shareholders and market perceptions are regularly communicated to the Board.

Stakeholder engagement

The Company has a range of stakeholder groups both internal (our employees) and external (suppliers, customers, regulators and others) whose good relations its long term success relies upon. The Board is firmly aware that stakeholder views can be hugely informative in terms of operational effectiveness and strategy development. The Company's strategy takes into account the needs of each stakeholder group and where applicable seeks feedback from these stakeholders directly.

Internal control & Risk management

The Directors have considered the importance of internal control on the Group's operations and on its ability to execute and deliver its strategy. 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 an effective internal control environment appropriate for the Group's size.

The Directors are responsible for ensuring that the Group maintains a system of internal control and risk management. 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.

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 internal and external auditors.

The Board will actively monitor the continued adequacy of the Group's risk management and control system to ensure that as the Group develops and delivers on its strategic objectives, appropriate resources are available for this purpose.

Internal audit

An Internal Audit function was established during the year ended 30 June 2018. The Audit Committee oversees and monitors the work of the Internal Audit function, including the resources, scope and effectiveness of the function. A third party service provider, BDO, will conduct a range of financial, operational and strategically-focused internal audits in order to provide the Board and management with assurance on the adequacy of internal control arrangements, including risk management and governance. BDO will have direct access to the Board and Audit Committee. A three-year internal audit plan, approved by the Audit Committee for the 30 June 2019 financial year, is underway. This audit plan has been developed to assist Cpl in the effective mitigation of risk and to provide assurance to the Audit Committee and management in carrying out their responsibilities.

The three-year internal audit plan is aimed at evaluating:

- The reliability and integrity of the financial and operating information systems and the information itself;
- The systems established to ensure compliance with objectives, policies, plans, procedures, laws, regulations and contracts;
- The controls to ensure that risks are effectively identified and managed and that assets are accounted for properly and safeguarded, and
- The effectiveness of governance processes.

The plan will be continually developed during the three year period to reflect emerging risks and any change in priorities.

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.

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. 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.

Directors' Compliance Statement

The Directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

(a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;

(b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and

(c) tax law.

Pursuant to Section 225(2)(b) of the Act, the Directors confirm that:

(i) a compliance policy statement has been drawn up by the Company in accordance with Section 225(3)(a) of the Act setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;

(ii) appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and

(iii) a review has been conducted, during the financial year, of the arrangements and structures referred to in paragraph (ii).

Auditor

In accordance with Section 383 (2) of the Companies Act, 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

11 September 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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. Under that law and in accordance with AIM/ESM Rules, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

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;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility 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. Under applicable law, the Directors are also responsible for preparing a Directors' Report that complies with the Companies Act 2014.

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	**Anne Heraty**
Director	Director

11 September 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CPL RESOURCES PLC

1 Opinion: our opinion is unmodified

We have audited the financial statements of Cpl Resources plc ("the Company") for the year ended 30 June 2018 which comprise the Group Income Statement, 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 Statement of Cash Flows and the related notes including the accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 30 June 2018 and of its profit for the year then ended;
- the Company Statement of Financial Position gives a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2018;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Company financial statements and Group financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities are further described in the *Auditor's Responsibilities* section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Accounting and Auditing Supervisory Authority (IAASA) as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Group audit matters

Trade receivables and accrued income €99.0m Gross (2017: €95.4m Gross)

As described in the Group Accounting Policies in Note 1 and the Trade receivables and other receivables Note 15, the Group had €74.5m of trade receivables and €24.5m of accrued income at 30 June 2018.

The key audit matter

The recoverability of trade receivables and accrued income is considered to be a significant risk given the magnitude of the balance in the context of the Group's financial statements taken as a whole, the importance of cash collection with reference to the working capital management of the business, and the inherent judgement involved in the assessment of

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPL RESOURCES PLC (CONTINUED)

recoverability of the balance. As 30 June 2018, trade receivables and accrued income was €99.0m (2017: €95.4m).

Our response

Our audit procedures in this area included the following:

- Evaluating the design and implementation of the internal controls in place and the testing of the operating effectiveness of relevant key controls relating to trade receivables and monitoring of recovery;
- Inspecting the aging of trade receivables and accrued income disaggregated to a customer level;
- Challenging management regarding the level and ageing of receivables and accrued income, along with considering the consistency and appropriateness of receivables and accrued income provisioning by assessing recoverability with reference to post year end cash received in respect of trade receivables and post year end conversion to invoices in respect of accrued income. Our challenge was based on our assessment of the historical accuracy of the Group's estimates in previous periods, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions. In addition, we have compared the Company's previous experience of bad debt exposure and the individual counter-party risk to year end receivable balances to assess the adequacy of provisioning at 30 June 2018.
- Critically assessing the recoverability of overdue unprovided debt by evaluating the Group's assumptions, taking account of available dates on potential exposure using our knowledge of the profile of the Group's customers and recent bad debt experience in the industry. We tested these balances on a sample basis through agreement of year end receivable balances to post year end cash receipts as evidenced by external bank statements, counterparty external confirmations, post year invoicing for accrued income balances or agreement to the terms of the contract in place, as appropriate.
- Considering the consistency of judgements regarding the recoverability of trade receivables and accrued income made year on year to consider whether there is evidence of management bias.
- We did this through discussion with management on their rationale for any key judgements and obtaining corroborating evidence of recoverability to support management's assessment of judgemental areas on a sample basis. The key corroborating evidence obtained for judgements relating to accrued income was agreeing that the service had been performed by testing customer approved timesheets and then agreeing that a revenue invoice was raised subsequent to year end. For year end trade receivables balances the audit evidence obtained included agreeing outstanding balances to post year end cash receipts, as evidence by external bank statements.

We found that the carrying value of trade receivables and accrued income and the required related disclosures were appropriate at 30 June 2018. We noted no material errors arising from our testing.

Revenue €522.7m (2017: €455.2m)

As described in the Group Accounting Policies in Note 1 and the Operating segment Note 2, the Group generated revenues of €495.9m from flexible talent and €26.8m from permanent placements during the year to 30 June 2018.

The key audit matter

There are significant accounting judgements made by management in applying the Group's revenue recognition policies. Judgement is required in the determination of the appropriate amount of revenue to recognise in the accounting period and the calculation of accrued income at year end, with flexible talent placement revenue recognised over the period that flexible talent workers are provided and permanent placements on their start date. The nature of these judgements results in them being susceptible to error and management override and accordingly there is a significant inherent risk of misstatement in revenue at period-end. Total revenue was €522.7m in 2018 (2017: €455.2m).

Our response

Our audit procedures in this area included the following:

- Evaluating the design and implementation of the internal controls in place and the testing of the operating effectiveness of relevant key controls relating to revenue recognition.
- Evaluating the relevant IT systems and tested the internal controls that the Group uses to ensure the completeness, accuracy and timing of revenue recognised.
- Evaluating whether revenue has been recognised in accordance with IAS 18 'Revenue' and with the Group's accounting policy by reviewing details of the Group revenue recognition policy, the application of this to a sample of revenue transactions, and any significant new contracts.
- Examining and challenging any significant management judgements made in respect of revenue recognised during the year.
- Considering the appropriateness and accuracy of year end revenue cut-off by considering the start date of permanent placements and the services provided by flexible talent placements with reference to year end date, evidenced by customer acknowledgement for permanent placements or customer approved timesheets for flexible talent placements.
- Testing the conversion of revenue invoices to cash receipts, disaggregated to customer level.
- Assessing the accuracy of the accrued income balance based on the conversion of accrued income to invoiced revenue subsequent to the year end.
- Performing of substantive analytical procedures in respect to revenue and accrued income using data and analytical tools.

We found that the revenue recognised in the year ended 30 June 2018 was appropriate. We noted no material errors and no instances of inappropriate revenue recognition arising in our testing.

Company audit matter

Due to the nature of the Company's activities, there are no key audit matters that we are required to communicate in accordance with ISAs (Ireland).

3 Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at €925k *(2017: €780k).*

This has been calculated as 5% of the benchmark of expected Group profit before taxation (2017: 5%), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group. Materiality for the parent Company financial statements was set at €925k (2017: €780k), determined with reference to a benchmark of total assets €163.0m, of which it represents 0.57% (2017: 0.4%).

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of €45k *(2017: €39k)*, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The structure of the Group's finance function is such that certain transactions and balances are accounted for by the central Group finance team, with the remainder accounted for in the Group's reporting components. We performed comprehensive audit procedures, including those in relation to the significant risks set out above, on those transactions and balances accounted for at Group and component level. At a component level, audits for Group reporting purposes were performed for identified key reporting components. Our audits covered 96% of total Group revenue, 96% of total Group profit before tax and 96% of Group's net assets. The entities not covered by audit have been subject to specific audit procedures. The work on 4 of the 9 components (2017: 4 of the 9 components) was performed by component auditors and the rest, including the audit of the parent Company, was performed by the Group team.

The audits undertaken for Group reporting purposes at the key reporting components were all performed to component materiality levels. These component materiality levels were set individually for each component and ranged from €10k to €740k. Detailed audit instructions were sent to the auditors in all of these identified locations. These instructions covered the significant audit areas to be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported to the Group audit team.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team visited all significant components in order to assess the audit risk and strategy and work undertaken. Telephone conference meeting were also held with these component auditors. At these visits and meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor. The results of the component audits were discussed with group management by members of the Group audit team.

4 We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5 We have nothing to report on the other information in the annual report

The Directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the Chairman's Statement, the Chief Executive's Review, the Strategy Report, the Corporate Responsibility Statement, the Diversity and Inclusion Report and the Directors' Report. The financial statements and our Auditors' report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on the work on the other information, we report that

- we have not identified material misstatements in the Directors' Report;
- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We also report that, based on the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

6 Our opinions on other matters prescribed the Companies Act 2014 are unmodified

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

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's Statement of Financial Position is in agreement with the accounting records.

7 We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out in the annual report, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf

8 The purpose of our audit work and to whom we owe our responsibilities

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

Cliona Mullen

for and on behalf of

KPMG

Chartered Accountants, Statutory Auditor Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

11 September 2018

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 €'000	2017 €'000
Revenue	2	**522,691**	455,194
Cost of sales		**(439,541)**	(383,372)
Gross profit		**83,150**	71,822
Distribution expenses		**(4,144)**	(4,134)
Administrative expenses*		**(61,125)**	(52,301)
Operating profit	2	**17,881**	15,387
Financial income	3	**862**	438
Financial expenses	3	**(197)**	(48)
Profit before tax	4	**18,546**	15,777
Income tax expense	7	**(2,410)**	(2,337)
Profit for the financial year - all attributable to equity shareholders		**16,136**	13,440
Profit attributable to:			
Owners of the Parent		**16,089**	13,394
Non-controlling interests	21	**47**	46
		16,136	13,440
Other comprehensive income - items that are or may be reclassified to profit or loss			
Foreign currency translation differences - foreign operations		**(335)**	(453)
Total comprehensive income for the financial year - all attributable to equity shareholders		**15,801**	12,987
Basic earnings per share (cent)	9	**56.6**	43.7
Diluted earnings per share (cent)	9	**56.6**	43.7

The notes to the financial statements are an integral part of these consolidated financial statements.

* Includes €1,693,000 of non-cash LTIP charge (2017: €388,000)

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital €'000	Share premium €'000	Other undenominated capital fund €'000	Merger reserve €'000	Currency translation reserve €'000	Put option reserve €'000	Share based payment reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total Shareholders' equity €'000
Balance at 30 June 2016	3,053	1,705	724	(3,357)	(593)	(400)	2,164	90,444	**93,740**	(29)	**93,711**
Total comprehensive income for the year											
Profit for the financial year	-	-	-	-	-	-	-	13,394	**13,394**	46	**13,440**
Foreign currency translation effects	-	-	-	-	(460)	-	-	-	**(460)**	7	**(453)**
Transactions with shareholders											
Share based payment charge (Note 29)	-	-	-	-	-	-	388	-	**388**	-	**388**
Dividends paid	-	-	-	-	-	-	-	(3,512)	**(3,512)**	(31)	**(3,543)**
Shares issued	33	-	-	-	-	-	-	-	**33**	-	**33**
Put option granted	-	-	-	-	-	(740)	-	-	**(740)**	-	**(740)**
Non controlling interest on acquisition in year	-	-	-	-	-	-	-	735	**735**	124	**859**
Balance at 30 June 2017	**3,086**	**1,705**	**724**	**(3,357)**	**(1,053)**	**(1,140)**	**2,552**	**101,061**	**103,578**	**117**	**103,695**
Balance at 1 July 2017	3,086	1,705	724	(3,357)	(1,053)	(1,140)	2,552	101,061	**103,578**	117	**103,695**
Total comprehensive income for the year											
Profit for the financial year	-	-	-	-	-	-	-	16,089	**16,089**	47	**16,136**
Foreign currency translation effects	-	-	-	-	(332)	-	-	-	**(332)**	(3)	**(335)**
Transactions with shareholders											
Share based payment charge (Note 29)	-	-	-	-	-	-	1,693	-	**1,693**	-	**1,693**
Dividends paid	-	-	-	-	-	-	-	(3,501)	**(3,501)**	(30)	**(3,531)**
Capital redemption	(370)	-	370	-	-	-	-	(25,161)	**(25,161)**	-	**(25,161)**
Balance at 30 June 2018	**2,716**	**1,705**	**1,094**	**(3,357)**	**(1,385)**	**(1,140)**	**4,245**	**88,488**	**92,366**	**131**	**92,497**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share Capital €'000	Share Premium €'000	Other undenominated capital fund €'000	Share based payment reserve €'000	Put option reserve €'000	Retained earnings €'000	Shareholders equity €'000
Balance at 30 June 2016	3,053	1,705	724	2,164	(400)	522	7,768
Total comprehensive income for the year							
Profit for the financial year	-	-	-	-	-	29,698	29,698
Transactions with shareholders							
Share based payment charge	-	-	-	388	-	-	388
Dividends paid	-	-	-	-	-	(3,512)	(3,512)
Shares issued	33	-	-	-	-	-	33
Put option granted	-	-	-	-	(740)	-	(740)
Balance at 30 June 2017	**3,086**	**1,705**	**724**	**2,552**	**(1,140)**	**26,708**	**33,635**
Balance at 1 July 2017	3,086	1,705	724	2,552	(1,140)	26,708	33,635
Total comprehensive income for the year							
Profit for the financial year	-	-	-	-	-	9,791	9,791
Transactions with shareholders							
Share based payment charge	-	-	-	1,693	-	-	1,693
Dividends paid	-	-	-	-	-	(3,501)	(3,501)
Capital redemption	(370)	-	370	-	-	(25,161)	(25,161)
Balance at 30 June 2018	**2,716**	**1,705**	**1,094**	**4,245**	**(1,140)**	**7,837**	**16,457**

GROUP AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2018

		Group		Company	
	Note	**2018 €'000**	2017 €'000	**2018 €'000**	2017 €'000
Assets					
Non current assets					
Property, plant and equipment	*11*	**2,239**	1,870	**1,793**	1,603
Goodwill and intangible assets	*12*	**25,887**	26,002	**1,201**	1,316
Investments in subsidiaries	*13*	**-**	-	**34,135**	31,065
Deferred tax asset	*14*	**952**	710	**154**	70
Total non current assets		**29,078**	28,582	**37,283**	34,054
Current assets					
Trade and other receivables	*15*	**104,070**	99,664	**58,412**	119,286
Cash and cash equivalents	*16*	**29,823**	38,819	**15,691**	9,659
Total current assets		**133,893**	138,483	**74,103**	128,945
Total assets		**162,971**	167,065	**111,386**	162,999
Equity					
Capital and reserves attributable to the owners of the Parent					
Issued share capital	*17*	**2,716**	3,086	**2,716**	3,086
Share premium	*17*	**1,705**	1,705	**1,705**	1,705
Other reserves	*17*	**(543)**	(2,274)	**4,199**	2,136
Retained earnings		**88,488**	101,061	**7,837**	26,708
		92,366	103,578	**16,457**	33,635
Non-controlling interests	*21*	**131**	117	**-**	-
Total equity		**92,497**	103,695	**16,457**	33,635

GROUP AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2018 (CONTINUED)

		Group		Company	
	Note	**2018 €'000**	2017 €'000	**2018 €'000**	2017 €'000
Current liabilities					
Trade and other payables	*20*	**69,334**	61,415	**93,789**	127,409
Total current liabilities		**69,334**	61,415	**93,789**	127,409
Non current liabilities					
Contingent consideration	*18*	**-**	815	**-**	815
Put option liability	*19*	**1,140**	1,140	**1,140**	1,140
Total non current liabilities		**1,140**	1,955	**1,140**	1,955
Total liabilities		**70,474**	63,370	**94,929**	129,364
Total equity and liabilities		**162,971**	167,065	**111,386**	162,999

The notes to the financial statements are an integral part of these consolidated financial statements.

On behalf of the Board

John Hennessy
Director

Anne Heraty
Director

GROUP AND COMPANY CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		Group		Company	
	Note	**2018 €'000**	2017 €'000	**2018 €'000**	2017 €'000
Cash flows from operating activities					
Profit for the financial year		**16,136**	13,440	**9,791**	29,698
Adjustments for:					
Depreciation on property, plant and equipment	*11*	**524**	770	**605**	544
Share based payment charge	*29*	**1,693**	388	**-**	-
Amortisation of intangible assets	*12*	**465**	459	**465**	450
Financial income	*3*	**(862)**	(438)	**-**	-
Financial expense	*3*	**197**	48	**-**	-
Income tax expense/(credit)	*7*	**2,410**	2,337	**(31)**	(7)
Operating cash flows before changes in working capital		**20,563**	17,004	**10,830**	30,685
(Increase)/decrease in trade and other receivables		**(3,780)**	(3,320)	**59,497**	2,975
Increase/(decrease) in trade and other payables		**5,936**	6,590	**(34,481)**	(30,881)
Cash generated from operations		**22,719**	20,274	**35,846**	2,779
Interest (paid)		**(197)**	(48)	**-**	-
Income tax (paid)		**(2,090)**	(1,825)	**(7)**	(6)
Interest received		**47**	22	**-**	-
Net cash from operating activities		**20,479**	18,423	**35,839**	2,773
Cash flows from investing activities					
Investment in subsidiaries	*26*	**-**	-	**-**	(9,544)
Purchase of property, plant and equipment	*11*	**(894)**	(667)	**(795)**	(426)
Acquisition of business (net of cash and loans acquired)	*26*	**-**	(13,359)	**-**	-
Purchase of intangible assets	*12*	**(350)**	(345)	**(350)**	(345)
Net cash (outflow) from investing activities		**(1,244)**	(14,371)	**(1,145)**	(10,315)

GROUP AND COMPANY CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

		Group		Company	
	Note	**2018 €'000**	2017 €'000	**2018 €'000**	2017 €'000
Cash flows from financing activities					
Shares issued		**-**	33	**-**	33
Dividends paid	*8*	**(3,531)**	(3,543)	**(3,501)**	(3,512)
Repurchase of own shares	*17*	**(25,161)**	-	**(25,161)**	-
Net cash (used in) financing activities		**(28,692)**	(3,510)	**(28,662)**	(3,479)
Net (decrease)/increase in cash and cash equivalents		**(9,457)**	542	**6,032**	(11,021)
Cash and cash equivalents at beginning of year		**33,634**	33,092	**9,659**	20,680
Cash and cash equivalents at end of year	*16*	**24,177**	33,634	**15,691**	9,659

The notes to the financial statements are an integral part of these consolidated financial statements.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

1. Statement of accounting policies

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 11 September 2018.

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 Act 2014 which permits a company, that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 304(2) of the Companies Act 2014, from presenting to its members its Company income statement and related notes that form part of the approved Company financial statements.

Changes in accounting policies and disclosures

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 30 June 2018. The IASB have issued the following standards, policies, interpretations and amendments which were effective for the Group for the first time in the year ended 30 June 2018:

- Amendments to IAS 7: Disclosure Initiative
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to IFRS 2014 - 2016 Cycle

The adoption of the above new standards and interpretations did not have a significant impact on the Group's consolidated financial statements.

New standards and amendments issued by the IASB but not yet EU endorsed

The following are amendments to existing standards and interpretations that are effective for the Group's financial year from 1 July 2017:

- IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- IFRIC Interpretation 23: Uncertainty over Income Tax Treatments
- IFRS 17: Insurance Contracts
- Amendments to IAS 28: Long-term interests in Associates and Joint Ventures
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS 2015 - 2017 Cycle
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above standards and amendments have not yet been EU endorsed. These standards and amendments will be applied for the purposes of the Group and Company financial statements with effect from their respective effective dates.

These standards are not expected to have a significant impact on the Group's financial statements. A project is ongoing to assess the impact to the Group.

NOTES (CONTINUED)

1. Statement of accounting policies (continued)

New standards and amendments issued by the IASB but not yet effective

- IFRS 15: Revenue from Contracts with Customers
- IFRS 9: Financial Instruments
- Amendments to IFRS 2: Classification and measurement of share-based payment transactions
- Amendments to IAS 40: Transfers of Investment Property
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The above standards and amendments are not yet effective. These standards and amendments will be applied for the purposes of the Group and Company financial statements with effect from their respective effective dates.

An assessment of the impact of IFRS 15 has been completed following a comprehensive review of the contracts that exist across the Group's revenue streams. The review has concluded that revenue recognition under IFRS 15 is expected to be consistent with current practice for the Group's revenue and had IFRS 15 been applied in the current reporting period, it would not have had a material impact on the financial statements. An assessment of the impact of IFRS 9 has been completed following a comprehensive review of the Group's bad debt policy. The review has concluded that the bad debt provision under IFRS 9 is expected to be consistent with current practice and had IFRS 9 been applied in the current reporting period, it would not have had a material impact on the financial statements.

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. 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 all 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 the recoverability of trade receivables and accrued income, the recognition of revenue arising from temporary and permanent placements, judgemental provisions and accruals, share based payments, and impairment testing of goodwill.

1. Statement of accounting policies (continued)

Accounting for subsidiaries

Group financial statements
Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 with the Company.

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.

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 flexible talent division 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 Executive Officer 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 flexible talent, 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 reporting date, and any adjustment to tax payable in respect of previous years.

NOTES (CONTINUED)

1. Statement of accounting policies (continued)

Taxation (continued)

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. 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 reporting 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.

Retirement Benefits and other post-employment benefits

Retirement benefit 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 reporting 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.

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 reporting rate and the exchange differences are dealt with in the income statement.

Group companies

Results and cash flows of subsidiaries which do not have 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 reporting 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.

1. Statement of accounting policies (continued)

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. Land is not depreciated. 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 & 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 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 as 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.

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 as follows:

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

NOTES (CONTINUED)

1. Statement of accounting policies (continued)

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. Lease incentives are recognised over the lease term on a straight line basis.

1. Statement of accounting policies (continued)

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 payables

Trade and other payables are initially recorded at fair value and subsequently at the higher of cost or payment or settlement amounts. Where the time value of money is material, payables are carried at amortised cost.

Trade and other receivables

Trade receivables 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.

Put/call options

The fair value of all put/call options are based on market price calculations using financial models. If a put option is held by a non-controlling interest ("NCI") in a subsidiary undertaking, whereby the holder of the put option can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a put option. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by NCI continuing to have a right to the receipt of dividends, or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the put option holders continue to have a present ownership interest, the Group applies the present access method as follows:

NOTES (CONTINUED)

1. Statement of accounting policies (continued)

Put/call options (continued)

a) the Group continues to recognise the amount that would have been recognised for the NCI, including an update to reflect its share of profit and losses, dividends and other changes

b) the Group recognises a financial liability in accordance with IAS 32 being the estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and records this in a separate reserve in equity; and

c) changes in the fair value of the financial liability are reflected as a movement in the put option reserve.

If the NCI put option is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the put option exercise. If the put option expires unexercised, the position is unwound so that the NCI is recognised as the amount it would have been as if the put option had never been granted and the financial liability is derecognised with a corresponding credit to equity.

If the NCI does not have present ownership rights from the put option, then the transaction is accounted for as if the Group had acquired the NCI at the date of entering into the put option.

If the Group has a call option over the shares held by a NCI in a subsidiary undertaking, where the Group can require the NCI to sell its shareholding in the subsidiary at a future date, the option is classified as a derivative and is recognised as a financial instrument on inception with fair value movements recognised in the income 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.

Long Term Incentive Plan (LTIP)

The Remuneration Committee of the Company's Board of Directors has granted conditional share awards (the "LTIP awards") to certain employees under the Group's Long Term Incentive Plan. The LTIP awards give eligible employees a conditional right to subscribe for ordinary shares in the Company upon payment of the nominal value (€0.10 each) of those shares. The fair value of these awards is determined at the date of grant and is charged to the income statement on a straight-line basis over the period from the date of grant to the vesting date. The fair value is determined using a Black-Scholes model, applied as at the date of grant and excluding the impact of any non-market conditions. At each reporting date the Group estimates the number of awards that are expected to vest, and any change in a previous estimate is recognised in the income statement, with a corresponding adjustment to equity. In estimating the number of awards that are expected to vest, the Group takes account of non-market vesting conditions.

1. Statement of accounting policies (continued)

Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which include as appropriate awards under share award schemes to employees where such awards are dilutive.

2. 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 and placement of flexible talent
- 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.

	2018 €'000	2017 €'000
Revenue total		
Flexible Talent	**495,899**	428,641
Permanent	**26,792**	26,553
	522,691	455,194
Operating profit total		
Flexible Talent	**11,741**	7,880
Permanent	**6,140**	7,507
	17,881	15,387
Financial income - centrally controlled income	**862**	438
Financial expenses - centrally controlled expense	**(197)**	(48)
Profit before tax	**18,546**	15,777
Flexible Talent	**445**	654
Permanent	**79**	116
Group depreciation	**524**	770

NOTES (CONTINUED)

2. Operating segment reporting (continued)

	2018 €'000	2017 €'000
Group amortisation		
Flexible Talent	**465**	459
Permanent	**-**	-
	465	459
Group assets		
Flexible Talent	**115,839**	111,574
Permanent	**17,309**	16,672
	133,148	128,246
Centrally controlled assets	**29,823**	38,819
	162,971	167,065

At 30 June 2018, centrally controlled assets constitute cash and cash equivalents of €29,823k (30 June 2017: €38,819k).

	2018 €'000	2017 €'000
Group liabilities		
Flexible Talent	**65,541**	58,934
Permanent	**4,933**	4,436
	70,474	63,370
Group capital expenditure		
Flexible Talent	**840**	627
Permanent	**54**	40
	894	667

2. Operating segment reporting (continued)

Geographical segment information

The Group considers that its geographical segments are Ireland, UK and Rest of the World. Revenues by country outside Ireland and the UK are not considered sufficiently significant to warrant separate reporting.

Group revenues by geographical segment are as follows:

Revenue

	2018 €'000	2017 €'000
Ireland	**435,063**	405,709
UK	**61,921**	25,461
Rest of the world	**25,707**	24,024
Revenue	**522,691**	455,194

Non current assets (excluding deferred tax asset balances) by geographical segment are as follows:

Non current assets

	2018 €'000	2017 €'000
Ireland	**26,412**	26,488
UK	**1,552**	1,279
Rest of the world	**162**	105
Non current assets (excluding deferred tax asset)	**28,126**	27,872

3. Financial income and expenses

Group

	2018 €'000	2017 €'000
Interest (income) on cash deposits	**(47)**	(32)
Change in fair value of financial liabilities	**(815)**	(406)
	(862)	(438)
Interest expense		
Interest payable	**197**	48

NOTES (CONTINUED)

4. Statutory and other information

Group

Profit before tax is stated after charging the following:

	2018 €'000	2017 €'000
Auditors' remuneration - audit services	**165**	160
- other assurance services	**20**	74
- tax advisory services	**51**	48
- tax compliance	**43**	37
Operating lease rentals, principally in respect of premises	**1,688**	1,601
Depreciation	**524**	770
Amortisation of intangible assets	**465**	459

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 RIG Healthcare Group ("RIG") companies (2017: RIG & Clinical Professionals) by KPMG Dublin are classified as other assurance services. Audit fees paid to other KPMG offices, not included above, amounted to €19,000 (2017: €19,000).

Company

Profit before tax is stated after charging the following:

	2018 €'000	2017 €'000
Auditors' remuneration - audit services	**4**	4
- other assurance services	**-**	-
- tax advisory services	**40**	40
- other assurance services	**-**	-

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

5. Directors' remuneration

Directors' remuneration for the year was as follows:

	Salaries and Other Emoluments €'000	Fees €'000	Retirement Benefits €'000	Total 2018 €'000	Total 2017 €'000
Executive Directors					
Anne Heraty	458	-	-	**458**	463
Paul Carroll	159	-	-	**159**	207
Mark Buckley	367	-	27	**394**	383
	984	-	27	**1,011**	1,053
Non-Executive Directors					
John Hennessy	-	85	-	**85**	84
Breffni Byrne	-	55	-	**55**	54
Oliver Tattan	-	55	-	**55**	54
Colm Long	-	55	-	**55**	17
	-	250	-	**250**	209
Total	984	250	27	**1,261**	1,262

Mark Buckley was awarded 55,000 Long Term Incentive Plan III awards with a vesting date of 18 September 2020 during the year ended 30 June 2018 and holds 100,000 Long Term Incentive Plan II awards with a vesting date of 15 September 2018. No other awards in relation to the Directors were exercised, forfeited or vested in the year. In accordance with IFRS 2 Share Based Payments, an expense of €456,047 (2017: €115,448) has been recognised in the Group Statement of Comprehensive Income in respect of awards made to Executive Directors.

On 12 July 2018 Lorna Conn was appointed as Director.

NOTES (CONTINUED)

6. Staff numbers and costs

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	
	2018	2017
Flexible Talent	**9,955**	9,215
Recruitment and on-site consultants	**632**	594
Management and administration	**211**	208
	10,798	10,017

Staff costs (excluding Non-Executive Directors)

	2018 €'000	2017 €'000
Wages and salaries	**319,744**	290,571
Social security costs	**34,372**	31,236
Other retirement benefit costs	**699**	591
	354,815	322,398

The weighted average number of persons employed by the Company (comprising the Executive Directors) during the year was three (2017: four) and their remuneration is disclosed in Note 5. For comparative purposes the prior year amounts have been restated.

7. Income tax expense

	2018 €'000	2017 €'000
Recognised in income statement:		
Current tax expense		
Current year	**2,679**	2,276
Adjustments in relation to prior years	**(27)**	6
Current tax expense	**2,652**	2,282
Deferred tax		
Origination and reversal of temporary differences	**(250)**	106
Adjustments in relation to prior years	**8**	(51)
Total tax in the income statement	**2,410**	2,337

7. Income tax expense (continued)

Reconciliation of effective tax rate

	2018 €'000	2017 €'000
Profit before tax	**18,546**	15,777
Tax based on Irish corporation tax rate of 12.5%	**2,318**	1,972
(Non-taxable)/non-deductible items	**(70)**	122
Other deductions	**-**	104
Differences in effective tax rates on overseas earnings	**(37)**	29
Losses on which deferred tax not recognised	**187**	154
Income taxed at higher rate	**31**	1
(Over) provision in prior years	**(19)**	(45)
Total tax in the income statement	**2,410**	2,337

The effective rate of tax on profit of 13 per cent (2017: 14.8 per cent) is higher than the underlying tax rate of 12.5 per cent as the effective tax rate reflects the mix of profits earned in Ireland and in jurisdictions with different tax rates such as the UK, Czech Republic and Hungary.

At 30 June 2018 the Group recognised deferred tax assets on tax losses of €272k (2017: €337k). The tax losses arose in the Irish, UK and Polish tax jurisdictions and their utilisation is dependent on future profits earned by entities in these jurisdictions. The Directors have concluded that it is more likely than not that the Irish and UK sub-groups will earn sufficient future profits to utilise the losses carried forward.

8. 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:

	2018 €'000	2017 €'000
Final dividend paid in respect of previous financial year of 5.75 cent (2017: 5.75 cent) per ordinary share	**1,775**	1,756
Interim dividend paid in respect of current financial year of 6.35 cent (2017: 5.75 cent) per ordinary share	**1,726**	1,756
Dividend paid in respect of Non-controlling interest	**30**	31
	3,531	3,543

The Directors have proposed a final dividend in respect of the 2018 financial year of 7.15 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.

NOTES (CONTINUED)

9. Earnings per share

	2018 €'000	2017 €'000
Numerator for basic and diluted earnings per share:		
Profit for the financial year attributable to equity shareholders	**16,089**	13,394
Denominator for basic earnings per share:		
Weighted average number of shares in issue for the year	**28,406,721**	30,655,391
Denominator for diluted earnings per share:	**28,406,721**	30,655,391
Basic and diluted earnings per share (cent)	**56.6**	43.7

10. Profit for the financial year

As permitted by Section 304(2) of the Companies Act 2014, 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 €9,791,000 (2017: €29,698,000).

11. Property, plant and equipment

Group

	Land and buildings €'000	Equipment €'000	Fixtures & fittings €'000	Motor Vehicles €'000	Total €'000
Cost					
Balance at 30 June 2016	672	4,102	2,485	353	7,612
Additions	-	567	58	42	667
Foreign exchange revaluation	(7)	(8)	(16)	(2)	(33)
Balance at 30 June 2017	665	4,661	2,527	393	8,246
Additions	-	333	536	25	894
Foreign exchange revaluation	-	(3)	-	-	(3)
Balance at 30 June 2018	**665**	**4,991**	**3,063**	**418**	**9,137**
Depreciation					
Balance at 30 June 2016	245	3,368	1,669	336	5,618
Depreciation charge for the year	31	454	281	4	770
Foreign exchange revaluation	(4)	(2)	(4)	(2)	(12)
Balance at 30 June 2017	272	3,820	1,946	338	6,376
Depreciation charge for the year	34	200	258	32	524
Foreign exchange revaluation	-	(2)	-	-	(2)
Balance at 30 June 2018	**306**	**4,018**	**2,204**	**370**	**6,898**
Net book value					
At 30 June 2018	**359**	**973**	**859**	**48**	**2,239**
At 30 June 2017	393	841	581	55	1,870

NOTES (CONTINUED)

11. Property, plant and equipment (continued)

Company

	Land and buildings €'000	Equipment €'000	Fixtures & fittings €'000	Motor Vehicles €'000	Total €'000
Cost					
Balance at 30 June 2016	552	4,028	2,326	291	7,197
Additions	-	347	34	45	426
Balance at 30 June 2017	552	4,375	2,360	336	7,623
Additions	-	441	354	-	795
Balance at 30 June 2018	**552**	**4,816**	**2,714**	**336**	**8,418**
Depreciation					
Balance at 30 June 2016	214	3,343	1,628	291	5,476
Depreciation charge for the year	11	275	249	9	544
Balance at 30 June 2017	225	3,618	1,877	300	6,020
Depreciation charge for the year	11	331	254	9	605
Balance at 30 June 2018	**236**	**3,949**	**2,131**	**309**	**6,625**
Net book value					
At 30 June 2018	**316**	**867**	**583**	**27**	**1,793**
At 30 June 2017	327	757	483	36	1,603

12. Goodwill and intangible assets

Group

	Goodwill €'000	Brands €'000	Customer Contracts & databases €'000	Software €'000	Total €'000
Cost					
Balance at 30 June 2016	24,342	1,214	1,520	3,176	30,252
Additions	-	-	-	345	345
Acquisition (note 26)	8,500	-	-	-	8,500
Adjustment for acquisition in prior year	127	-	-	-	127
Balance at 30 June 2017	32,969	1,214	1,520	3,521	39,224
Additions	-	-	-	350	350
Balance at 30 June 2018	**32,969**	**1,214**	**1,520**	**3,871**	**39,574**
Amortisation					
Balance at 30 June 2016	8,295	1,214	1,520	1,734	12,763
Amortisation for the year	-	-	-	459	459
Balance at 30 June 2017	8,295	1,214	1,520	2,193	13,222
Amortisation for the year	-	-	-	465	465
Balance at 30 June 2018	**8,295**	**1,214**	**1,520**	**2,658**	**13,687**
Net book value					
At 30 June 2018	**24,674**	**-**	**-**	**1,213**	**25,887**
At 30 June 2017	24,674	-	-	1,328	26,002

NOTES (CONTINUED)

12. Goodwill and intangible assets (continued)

Company

	Brands €'000	Customer Contracts & databases €'000	Software €'000	Total €'000
Cost				
Balance at 30 June 2016	1,214	1,520	2,233	4,967
Additions	-	-	345	345
Balance at 30 June 2017	1,214	1,520	2,578	5,312
Additions	-	-	350	350
Balance at 30 June 2018	**1,214**	**1,520**	**2,928**	**5,662**
Amortisation				
Balance at 30 June 2016	1,214	1,520	812	3,546
Amortisation for the year	-	-	450	450
Balance at 30 June 2017	1,214	1,520	1,262	3,996
Amortisation for the year	-	-	465	465
Balance at 30 June 2018	**1,214**	**1,520**	**1,727**	**4,461**
Net book value				
At 30 June 2018	**-**	**-**	**1,201**	**1,201**
At 30 June 2017	-	-	1,316	1,316

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.

12. Goodwill and intangible assets (continued)

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. 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 a growth rate of 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 7.36% (2017: 6.92%), reflecting the risk associated with the individual future cash flows and the risk free rate.

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 2018 or 30 June 2017.

The results of impairment testing undertaken provide sufficient headroom such that any reasonably 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 acquisitions made by the Group. The brands and customer contracts and databases were assessed as having a maximum finite life at their respective dates of acquisition of 5 years. The brands and customer databases have been amortised over their estimated useful lives.

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

13. Investments in subsidiaries - Company

Investment in subsidiary undertakings

	2018 €'000	2017 €'000
Cost		
Balance at 1 July 2017	**31,065**	21,132
Additions	**3,070**	9,933
Balance at 30 June 2018	**34,135**	31,065

NOTES (CONTINUED)

13. Investments in subsidiaries - Company (continued)

At 30 June 2018, in the opinion of the Directors, the investments are worth at least their carrying values. At 30 June 2018, the investments in wholly owned 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 Solutions International 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
Servisource Limited	UK	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
Occipital Sp Z.o.o	Poland	Ordinary
Deena Energy Services Limited (*)	Ireland	Ordinary
Cpl Healthcare Global Limited	UK	Ordinary

13. Investments in subsidiaries - Company (continued)

Company	Country of incorporation	Class of shares held
Kate Cowhig Healthcare Recruitment Portugal LDA	Portugal	Ordinary
Cpl Jobs Tunisie Sarl	Tunisia	Ordinary
Cpl Jobs GmbH (*)	Germany	Ordinary
Clinical Professionals Limited (*)	UK	Ordinary
Only Medics Recruitment Limited (*)	UK	Ordinary
Pharma Professionals Group Limited (*)	UK	Ordinary
Regulatory Professionals Consulting Limited (*)	UK	Ordinary
Scientific Professional Limited (*)	UK	Ordinary
Deena Energy Services Middle East DMCC (*)	UAE	Ordinary
RIG Locums Limited (*)	UK	Ordinary
RIG Medical Recruit Limited (*)	UK	Ordinary
Cpl Professionals Inc	USA	Ordinary

(*) All subsidiaries are wholly owned with the exception of the following 10 companies:-

1. Deena Energy Services Limited (Cpl Resources plc is the beneficial owner of a 51% stake and registered owner of 70% of the issued share capital).
2. Cpl Jobs GmbH (Cpl Resources plc is the beneficial owner of a 89.8% stake).
3. Clinical Professionals Limited (Cpl Resources plc is the beneficial owner of a 89.8% stake).
4. Only Medics Recruitment Limited (Cpl Resources plc is the beneficial owner of a 89.8% stake).
5. Pharma Professionals Group Limited (Cpl Resources plc is the beneficial owner of a 89.8% stake).
6. Regulatory Professionals Consulting Limited (Cpl Resources plc is the beneficial owner of a 89.8% stake).
7. Scientific Professional Limited (Cpl Resources plc is the beneficial owner of a 89.8% stake).
8. Deena Energy Services Middle East DMCC (Cpl Resources plc is the beneficial owner of a 51% stake and registered owner of 70% of the issued share capital).
9. RIG Locums Limited (Cpl Resources plc is the beneficial owner of a 91% stake).
10. RIG Medical Recruit Limited (Cpl Resources plc is the beneficial owner of a 91% stake).

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 Solutions International Limited, Nursefinders UK Limited, Occipital Sarl, Occipital Sp z.o.o, Kate Cowhig International Healthcare Recruitment Limited (UK), Servisource Limited, Cpl Jobs Kft, Deena Energy Services Limited, Deena Energy Services Middle East DMCC, Cpl Healthcare Global Limited, Kate Cowhig Healthcare Recruitment Portugal LDA, Cpl Jobs Tunisie Sarl, Cpl Jobs Gmbh, Clinical Professionals Limited, Only Medics Recruitment Limited, Pharma Professionals Group Limited, Regulatory Professionals Consulting Limited, Scientific Professional Limited, RIG Locums Limited, RIG Medical Recruit Limited and Cpl Professionals Inc have their registered offices at 8 - 34 Percy Place, Dublin 4.

NOTES (CONTINUED)

13. Investments in subsidiaries - Company (continued)

The registered offices of Cpl Jobs S.r.o. are Jindrisska 16, 110 00 Prague 1, 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. is Al. Jerozolimskie 81, 02-001 Warsaw, Poland, Sw. Mikolaja 7, 50-125 Wroclaw, Poland, and ul. Szyperska 14, 61-754 Poznan, Poland.

The registered office of Occipital Sp z.o.o. is ul. Wadowicka 6, 30-415 Krakow, 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 Solutions International Limited is Royal House, 1 - 3 Arthur Street, Belfast, BT1 4GA, Northern Ireland.

The registered office of Nursefinders UK Limited is 5 Old Bailey, London, EC4M 7BA, England.

The registered office of Cpl Jobs Kft is Terez krt. 55, A building 2nd floor, 1062 Budapest, Hungary.

The registered office of Servisource Limited is 5 Old Bailey, London, EC4M 7BA, England.

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 5 Old Bailey, London, EC4M 7BA, England.

The registered office of Deena Energy Services Limited is 1/2 High Street, Balbriggan, Co. Dublin.

The registered office of Deena Energy Services Middle East DMCC is Unit No: 1528, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates.

The registered office of Cpl Healthcare Global Limited is Bridge House, 4 Borough Street, London, SE1 9QR.

The registered office of Kate Cowhig Healthcare Recruitment Portugal LDA is Rua Pinto Bessa, 522, RC, ESQ., 4300-428 Porto, Portugal.

The registered office of Cpl Jobs Tunisie Sarl is Boulevard de la Terre, Sana Business Center, Centre Urbain Nord, Bureau A7, Tunis, Tunisia.

The registered office of Cpl Jobs GmbH is Konigstrabe 10c, 70180, Stuttgart, Germany.

The registered office of Clinical Professionals Limited, Only Medics Recruitment Limited, Pharma Professionals Group Limited, Regulatory Professionals Consulting Limited and Scientific Professional Limited is First Floor, 33 Blagrave Street, Reading, Berkshire, England, RG1 1PW, United Kingdom.

The Registered office of RIG Locums Limited and RIG Medical Recruit Limited is Northside House, 69 Tweedy Road, Bromley, Kent, England, BR1 3WA.

The registered office of Cpl Professionals Inc is 725 Atlantic Avenue, Boston, MA 02111, USA.

14. Deferred tax asset

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

Group

	1 July 2017 €'000	Arising in profit or loss €'000	Foreign exchange retranslation €'000	30 June 2018 €'000
Property, plant and equipment	40	90	-	**130**
Share based payment	297	211	-	**508**
Employee benefits	36	6	-	**42**
Losses forward	337	(65)	-	**272**
Deferred tax asset	710	242	-	**952**

A deferred tax asset of €Nil (2017: €131,739) has not been recognised in respect of losses in the Spanish operations and certain brands on the basis that the future benefit is not expected to be recovered.

Company

At 30 June 2018, the Company has a deferred tax asset of €153,940 (2017: €70,035).

15. Trade and other receivables

	Group		Company	
	2018 €'000	2017 €'000	**2018 €'000**	2017 €'000
Trade receivables	**74,445**	74,841	**-**	-
Accrued Income	**24,524**	20,581	**-**	-
Prepayments and other debtors	**3,968**	3,710	**2,037**	1,667
Corporation Tax	**1,133**	532	**-**	-
VAT	**-**	-	**338**	395
Amounts due from subsidiary undertakings	**-**	-	**56,037**	117,224
	104,070	99,664	**58,412**	119,286

Trade receivables are stated net of a provision for impairment of €254,000 (2017: €269,000).

Amounts due from subsidiary undertakings include a receivable due from Deena Energy Services Limited of €1,863,950 (2017: €1,414,083), a receivable from Clinical Professionals Limited of €9,120 (2017: €38,490) and a receivable from RIG Medical Recruit Limited of €123,024 (2017: €Nil) which are subsidiaries not wholly owned. Amounts due are repayable on demand.

NOTES (CONTINUED)

16. Net funds

	Group		Company	
	2018 €'000	2017 €'000	**2018 €'000**	2017 €'000
Cash and cash equivalents	**29,823**	38,819	**15,691**	9,659
Bank overdraft (note 20)	**(4)**	(6)	**-**	-
Invoice discounting facility (note 20)	**(5,642)**	(5,179)	**-**	-
	24,177	33,634	**15,691**	9,659
Cash and cash equivalents in the cash flow statement	**24,177**	33,634	**15,691**	9,659
Net funds	**24,177**	33,634	**15,691**	9,659

17. Share capital, share premium, and other reserves

	2018 €'000	2017 €'000
Authorised		
50,000,000 ordinary shares at €0.10 each	**5,000**	5,000
Allotted, called up and fully paid		
27,172,153 (2017: 30,875,856) ordinary shares at €0.10 each	**2,716**	3,086

During the year, the Group returned €25,000,000 of cash to its shareholders by way of a fixed price tender offer. Pursuant to this, the Company repurchased and cancelled 3,703,703 shares, reducing the issued share capital by approximately 12%.

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 2018 amounted to €1,705,000 (2017: €1,705,000).

Other reserves comprise an other undenominated capital fund of €1,093,666 (2017: €723,666), a merger reserve of €3,357,000 negative (2017: €3,357,000 negative), a currency translation reserve of €1,385,000 negative (2017: €1,053,000 negative), a share based payment reserve of €4,245,000 (2017: €2,552,000) and a put option reserve (note 19) of €1,140,000 negative (2017: €1,140,000 negative). 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. The translation reserve movement comprises all foreign exchange differences from 1 July 2017 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.

17. 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.

18. Provisions

Contingent consideration

	Group €'000	Company €'000
Balance at 1 July 2017	**815**	815
Fair value revaluation	**(815)**	(815)
Balance at 30 June 2018	**-**	-

The opening provision represented management's best estimate of the fair value of the contingent consideration relating to the Clinical Professionals Limited acquisition which was discounted using a Weighted Average Cost of Capital of 6.92%. The fair value was estimated by assigning probabilities, based on management's expectations, to the potential pay out scenarios. The significant unobservable inputs were the performance of the acquired businesses. The earnout period expired during the year and targets were not achieved by the acquired business. As a result the provision has been released as detailed in note 3.

19. Financial Instruments

Put/call option liability

There is a put/call option in existence in relation to the Clinical Professionals Limited non-controlling interest ("NCI") whereby the NCI shareholders can serve notice on the Group to acquire the NCI at the NCI shareholders' option after September 2019. There is a put/call option in existence in relation to the RIG non-controlling interest ("NCI") whereby the NCI shareholders can serve notice on the Group to acquire the NCI at the NCI shareholders option after June 2020. The value of the put/call option represents management's best estimate of the fair value of the amounts that may be payable and discounted using a Weighted Average Cost of Capital of 7.36%. The fair value was estimated by assigning probabilities, based on management's current expectations, to the potential pay out scenarios. The significant unobservable inputs are the performance of the acquired businesses and the timing of the execution of the put/call option.

The estimated fair value at date of acquisition for the consideration on exercise of these put options was €400k for Clinical Professionals Limited and €740k for RIG. These put option liabilities have been recognised in a put option reserve attributable to the equity holders of the parent. The Group has elected to apply the present access method of accounting for the put/call option, where the initial recognition of the liability is recorded in other equity. The Group will apply the cumulative accounting policy where any subsequent changes to the fair value will also be reflected in other equity.

NOTES (CONTINUED)

19. Financial Instruments (continued)

Put/call option liability (continued)

If a put option is held by a non-controlling interest ("NCI") in a subsidiary undertaking, whereby the holder of the put option can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a put option. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by the NCI continuing to have a right to the receipt of dividends, or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the put option holders continue to have a present ownership interest, the Group applies the present access method as follows:

a) the Group continues to recognise the amount that would have been recognised for the NCI, including an update to reflect its share of profit and losses, dividends and other changes;

b) the Group recognises a financial liability in accordance with IAS 32 being the estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and records this in a separate reserve in equity; and

c) changes in the fair value of the financial liability are reflected as a movement in the put option reserve.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the put option exercise. If the put option expires unexercised, the position is unwound so that the NCI is recognised as the amount it would have been as if the put option had never been granted and the financial liability is derecognised with a corresponding credit to equity.

If the NCI does not have present ownership rights from the put option, then the transaction is accounted for as if the Group had acquired the NCI at the date of entering into the put option.

20. Trade and other payables

Amounts falling due in less than one year:

	Group		Company	
	2018 €'000	2017 €'000	**2018 €'000**	2017 €'000
Trade creditors	**2,800**	2,802	**1,395**	940
Invoice discounting facility	**5,642**	5,179	**-**	-
Bank overdraft	**4**	6	**-**	-
Accruals	**38,145**	33,515	**2,423**	2,494
VAT	**11,892**	10,064	**-**	-
PAYE/PRSI	**10,851**	9,849	**-**	-
Amounts due to subsidiary undertakings	**-**	-	**89,971**	123,975
	69,334	61,415	**93,789**	127,409

Amounts due to subsidiary undertakings are repayable on demand.

21. Non-controlling interests

In 2017 Cpl acquired a 100% shareholding in RIG Healthcare Group ("RIG"). RIG Healthcare Group is the trading name of RIG Locums Limited and RIG Medical Recruit Limited. On 30 June 2017 the existing management team of RIG subscribed for a 9% shareholding in RIG. In 2016 the Group acquired an 89.8% stake in Pharma Professionals Limited ("PPG"). PPG is the parent company of Clinical Professionals Limited a leading UK based pharmaceutical and Life Sciences recruitment company. In 2015 the Group subscribed for shares in a new start up company - Deena Energy Services Limited. Cpl Resources plc is the beneficial owner of a 51% stake in Deena Energy Services Limited and the registered owner of 70% of the issued share capital of Deena, but by way of a Declaration of Trust and Agreement dated 18 December 2014, it holds 190 shares (being 19% of the issued share capital) in trust.

	Total 2018 €'000	Total 2017 €'000
Balance at 1 July 2017	**117**	(29)
Profit after tax attributable to non-controlling interest	**47**	46
Foreign Currency Translation effects	**(3)**	7
Dividends paid	**(30)**	(31)
Non controlling interest on acquisition in year	**-**	124
Balance at 30 June 2018	**131**	117

22. Details of Borrowings

Maturity Analysis

	Within 1 year €'000	**Between 1 & 2 years €'000**	**Between 2 & 5 years €'000**	**After 5 years €'000**	**Total €'000**
Repayable other than by instalments					
Invoice discounting facility	5,642	-	-	-	5,642
Repayable by instalments					
Bank overdraft	4	-	-	-	4
At end of year	**5,646**	**-**	**-**	**-**	**5,646**

NOTES (CONTINUED)

23. 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, €1,687,846 (2017: €1,601,434) 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.

	2018 €'000	2017 €'000
Payable in:		
Less than one year	**1,851**	1,561
Between one and five years	**5,812**	3,245
Greater than five years	**3,352**	794
	11,015	5,600

24. Retirement benefits

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 5. Amounts due to pension schemes at 30 June 2018 amounted to €343,107 (2017: €292,456).

25. 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. The Group typically does not enter into deposits with a duration of more than 12 months.

The cash and cash equivalents are held with bank and financial institution counterparties, which are AA2 to BA3, based on rating agency ratings.

25. Financial instruments and risk management (continued)

(a) Credit risk (continued)

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

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

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

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

Group

	Gross Value 30 June 2018 €'000	**Impairment 30 June 2018 €'000**	Gross Value 30 June 2017 €'000	Impairment 30 June 2017 €'000
Not past due	**59,994**	**-**	60,410	-
Past due 0 - 30 days	**7,301**	**-**	7,327	-
Past due 31 - 120 days	**6,572**	**-**	5,489	-
Past due 121 - one year	**310**	**(44)**	1,273	(46)
More than one year	**522**	**(210)**	611	(223)
Total	**74,699**	**(254)**	75,110	(269)

Company

The Company had no trade receivables outstanding at 30 June 2018 (2017: €Nil).

Group

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

	30 June 2018 €'000	30 June 2017 €'000
Balance at start of year	**269**	265
(Utilised)/charged in year	**(15)**	4
Balance at end of year	**254**	269

NOTES (CONTINUED)

25. Financial instruments and risk management (continued)

(a) Credit risk (continued)

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

	30 June 2018 €'000	30 June 2017 €'000
Euro	**58,295**	59,115
Sterling	**10,396**	10,463
Hungarian Forint	**2,849**	2,940
Czech Koruna	**778**	578
Tunisian Dinar	**1,782**	1,418
Polish Zloty	**249**	327
USD	**96**	-
	74,445	74,841

(b) Liquidity risk

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

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

The following are the contractual maturities of the financial liabilities:

Group - 2018

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	+ 1 year €'000
Non - derivative financial liabilities					
Trade and other payables	**63,688**	(63,688)	(63,688)	-	-
Invoice discounting facility	**5,642**	(5,642)	(5,642)	-	-
Bank overdraft	**4**	(4)	(4)	-	-
Put option liability	**1,140**	(1,140)	-	-	(1,140)
	70,474	(70,474)	(69,334)	-	(1,140)

25. Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

Group - 2017

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	+ 1 year €'000
Non - derivative financial liabilities					
Trade and other payables	**56,230**	(56,230)	(56,230)	-	-
Invoice discounting facility	**5,179**	(5,179)	(5,179)	-	-
Bank overdraft	**6**	(6)	(6)	-	-
Put option liability	**1,140**	(1,140)	-	-	(1,140)
Contingent consideration	**815**	(815)	-	(815)	-
	63,370	(63,370)	(61,415)	(815)	(1,140)

Company - 2018

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	+ 1 year €'000
Non - derivative financial liabilities					
Trade and other payables	**93,789**	(93,789)	(93,789)	-	-
Put option liability	**1,140**	(1,140)	-	-	(1,140)
	94,929	(94,929)	(93,789)	-	(1,140)

Company - 2017

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	+ 1 year €'000
Non - derivative financial liabilities					
Trade and other payables	**127,409**	(127,409)	(127,409)	-	-
Put option liability	**1,140**	(1,140)	-	-	(1,140)
Contingent consideration	**815**	(815)	-	(815)	-
	129,364	(129,364)	(127,409)	(815)	(1,140)

The financial instruments disclosed in note 19 have a contracted maturity of over one year.

NOTES (CONTINUED)

25. 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 2018, the average interest rate being earned on the Group's cash and cash equivalents and short term deposits was 0.1% (2017: 0.1%). 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 2017.

	50 basis point increase		**50 basis point decrease**	
	Income Statement	Equity	Income Statement	Equity
30 June 2018				
Variable rate adjustments	**142**	**-**	**(142)**	**-**
30 June 2017				
Variable rate adjustments	289	-	(289)	-

(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. In the context of Brexit fluctuations, the Group's exposure to sterling currency risk is naturally hedged through the deployment of local invoice discounting lines.

(e) 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.

Trade and other payables

For all short term and current liabilities the carrying value is deemed to reflect fair value.

Put/call options and contingent consideration

The put/call option disclosed in note 19 and the contingent consideration in note 18 are recorded at fair value which has been determined using financial models. They are therefore considered to be a level 3 fair value measurement. The valuation models consider the present value of expected payments, discounted at a risk adjusted discount rate.

26. Acquisitions

In 2017 Cpl acquired a 100% shareholding in RIG Healthcare Group ("RIG") for a cash consideration of €9.5m. RIG Healthcare Group is the trading name of RIG Locums Limited and RIG Medical Recruit Limited. On 30 June 2017 the existing management team of RIG subscribed for a 9% shareholding in RIG. The acquisition is Cpl's entry to the locum doctor market and enhances the group's operating presence in the UK.

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

	Book Value €'000	Fair Value adjustment €'000	Fair Value €'000
Property, plant and equipment	3	-	3
Trade and other receivables	7,597	-	7,597
Trade and other payables	(2,741)	-	(2,741)
Cash acquired	144	-	144
Loans acquired	(3,959)	-	(3,959)
Net identifiable assets and liabilities acquired	1,044	-	1,044
Goodwill arising on acquisition			8,500
			9,544

Satisfied by:	
Cash consideration	9,544
Total consideration	**9,544**

The group incurred €234k of acquisition related costs which were included in administration expenses in 2017. The goodwill is attributable mainly to the synergies expected to be achieved from integrating RIG into the Group.

27. Commitments and contingencies

The Company has guaranteed the liabilities of all of its subsidiaries incorporated in the Republic of Ireland (see note 13) for the purpose of obtaining exemptions allowed under Section 357 of the Companies Act 2014, in relation to filing financial statements. These irrevocable guarantees cover the financial year ended 30 June 2018.

NOTES (CONTINUED)

28. 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 was charged €197,772 in 2018 (2017: €197,772) in respect of one of its offices in Dublin 2, which is leased by the Group from an entity connected to Executive Directors, Anne Heraty and Paul Carroll, at a rate based on the advice of an independent property advisor. The lease expired and was extended in November 2017 and is subject to rent reviews every 3 years. The annual commitment is €197,772 with an amount of €Nil outstanding at the year end (2017: €16,481).

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. The remuneration of key management personnel for the year ended 30 June 2018 comprises of short term benefits (salary, bonus, incentives) of €1,234k (2017: €1,223k) and post-employee benefits of €27k (2017: €39k). The Directors' interests in shares are set out in the Directors' Report. A final dividend of 7.15 cent per share (2017: 5.75 cent) is proposed by the Directors. The Directors' shareholdings are disclosed in the Directors Report.

A loan is due to the Group from the management team of the RIG Healthcare Group (''RIG'') of €711k at 30 June 2018 (2017: €711k). The management team of RIG used this loan to subscribe for a 9% shareholding in RIG. This loan would be netted against any amounts payable under the put option liability disclosed in note 19.

Company

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

	2018 €'000	2017 €'000
Dividends received from subsidiaries	**9,436**	35,242
Group expenses recharged to subsidiaries	**12,109**	8,574

Directors of the Company and their immediate relatives control 35.9% (2017: 35.9%) of the voting shares of the Company. The Executive Directors are employees of the Company and details of their remuneration is set out in note 5 of the financial statements.

29. Share Based Payments

The Group's employee share schemes are equity settled share based payments as defined in IFRS 2 Share Based Payments. The total share based payments expense for the year charged to the income statement was €1,693,000 (2017: €388,000), analysed as follows:

Income statement charge

	2018 €'000	2017 €'000
Share Based Payment charge	**1,693**	388

Long Term Incentive Plan

The Group established a share option scheme, the 2013 Long Term Incentive Plan (the "LTIP") which was adopted at the AGM in October 2013, which entitles certain employees to purchase shares in Cpl Resources plc.

- On 27 February 2014, the Remuneration Committee of Cpl granted conditional share awards (the "LTIP I Awards") under the adopted LTIP. LTIP I vested during the year ended 30 June 2017;
- On 20 October 2015, the Remuneration Committee of Cpl granted conditional share awards (the "LTIP II Awards") under the adopted LTIP; and
- On 29 January 2018, the Remuneration Committee of Cpl granted conditional share awards (the "LTIP III Awards") under the adopted LTIP.

In accordance with the provisions of the plan, executives and senior employees were granted a conditional right to subscribe for ordinary shares subject to performance conditions.

The LTIP I, LTIP II and LTIP III Awards grant eligible employees a conditional right to subscribe for ordinary shares of nominal value €0.10 each in the Company ("Ordinary Shares") upon payment of the nominal value. Each share award will equate to one ordinary share of Cpl Resources plc on vesting and awards do not carry rights to dividends nor voting rights until vested. The awards may be exercised at any time from the date of vesting to the date of their expiry. The awards vest subject to the achievement of certain service and non-market performance conditions.

NOTES (CONTINUED)

29. Share Based Payments (continued)

A summary of the awards granted during the year ended 30 June 2018 (including assumptions used in the Black Scholes binominal model for calculating the fair value of the share options granted) is set out below:

	2018 LTIP III	2017 LTIP II
Grant date	**29 January 2018**	20 October 2015
Share price at date of award	**€6.20**	€5.78
Grant date fair price	**€6.10**	€5.68
Exercise price	**€0.10**	€0.10
Number of employees	**27**	22
Number of share awards	**352,000**	338,500
Vesting date	**18 September 2020**	15 September 2018
Expected volatility	**20%**	20%
Award life	**3 years**	3 years
Risk free rate	**1%**	1%
Expected dividend rate	**0%**	0%

The resulting weighted average fair value of options granted in the year was €6.10 (2017: €Nil).

LTIP II

The number of shares that are expected to vest under LTIP II (271,782) are based on the expectations of management including the probability and behavioural considerations of meeting service and non-market conditions attaching to the award and is not necessarily indicative of exercise patterns that may occur. As expectations regarding probability of vesting changes, the charge to profit or loss will be amended.

If, over the three year period from 1 July 2015 to 30 June 2018, the average annualised EPS is less than €0.48, no LTIP Awards will vest. 50% of the LTIP II Awards will vest for adjusted EPS of €0.48, rising on a straight-line basis to full vesting for average annualised EPS of €0.54 or higher. The LTIP II Awards will vest subject to meeting the vesting conditions and the right to subscribe for vested LTIP II Award shares must be exercised within six months of the vesting date.

Under the vesting terms of LTIP II and in addition to the EPS target explained above, employees were required to purchase shares in Cpl Resources plc to the value of 5% of their gross salary by 31 December 2016 and remain employed by Cpl Resources plc at vesting date.

29. Share Based Payments (continued)

LTIP III

The number of shares that are expected to vest under LTIP III (176,000) are based on the expectations of management including the probability and behavioural considerations of meeting service and non-market conditions attaching to the award and is not necessarily indicative of exercise patterns that may occur. As expectations regarding probability of vesting changes, the charge to profit or loss will be amended.

If, over the three year period from 1 July 2017 to 30 June 2020, the average annualised EPS is less than €0.62, no LTIP Awards will vest. 50% of the LTIP III Awards will vest for average annualised EPS of €0.62, rising on a straight-line basis to full vesting for average annualised EPS of €0.66 or higher. The LTIP III Awards will vest subject to meeting the vesting conditions and the right to subscribe for vested LTIP III Award shares must be exercised within six months of the vesting date.

Under the vesting terms of LTIP III and in addition to the EPS target explained above, employees were required to purchase shares in Cpl Resources plc to the value of 5% of their gross salary by 31 December 2018 and remain employed by Cpl Resources plc at vesting date.

A reconciliation of all share awards granted under the LTIP II and LTIP III schemes are as follows:

	2018 Number	2017 Number
Outstanding options at beginning of year	**338,500**	873,500
Options granted during year	**352,000**	-
Forfeited during year	**-**	(5,000)
Expired unvested during year[1]	**-**	(199,303)
Exercised during year[1]	**-**	(330,697)
Outstanding options at end of year	**690,500**	338,500

[1]330,697 LTIP I awards vested and were exercised, and 199,303 expired in the financial year to 30 June 2017.

Included in the income statement charge is €456,047 (2017: €115,448) in relation to Executive Directors.

At 30 June 2018 and 30 June 2017 none of the LTIPs were exercisable as the conditions for exercise were not fulfilled before the year-end.

30. Post balance sheet events

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

31. Approval of financial statements

The consolidated financial statements were approved by the Directors on 11 September 2018.

CPL LOCATIONS

IRELAND

Dublin

Cpl Resources plc - HQ
8 - 34 Percy Place, Dublin 4,
D04 P5K3
T: +353 1 614 6000
E: info@cpl.ie
W: www.cpl.ie

Kate Cowhig International Healthcare Recruitment
83 Merrion Square,
Dublin 2, D02 R299
T: +353 1 671 5557
E: info@kcr.ie
W: www.kcr.ie

Servisource
83 Merrion Square,
Dublin 2, D02 R299
T: +353 42 935 2723
E: info@servisource.ie
W: www.servisource.ie

Cpl Healthcare
8-34 Percy Place,
Dublin 4, D04 P5K3
T: +353 1 482 5491
E: info@cplhealthcare.com
W: www.cplhealthcare.com

Flexsource
5 St Fintan's, North Street,
Swords, Co. Dublin, K67 F9P6
T: +353 1 895 5700
E: swords@flexsource.ie
W: www.flexsource.ie

Interaction
Trigon House,
Arena Road,
Sandyford,
Dublin 18, D18 DW35
T: +353 1 696 5400
E: info@interaction.ie
W: www.interactioneurope.com

Tech Skills
25 Merrion Square North,
Dublin 2, D02 E392
T: +353 1 639 0390
E: resources@techskills.ie
W: www.techskills.ie

Flexsource
3 Main Street, Blanchardstown,
Dublin 15, D15 KAV6
T: +353 1 829 5800
E: blanch@flexsource.ie
W: www.flexsource.ie

Private Home Care
2 Newcastle Road, Lucan,
Co. Dublin, K78 NY56
T: +353 1 621 9101
E: info@privatehomecare.ie
W: www.privatehomecare.ie

The Cpl Institute
5 St Fintan's, North Street,
Swords, Co. Dublin, K67 F9P6
T: +353 1 895 5755
E: info@thecplinstitute.ie
W: www.thecplinstitute.ie

Thornshaw
Barton House, 6 Old Dublin
Road,
Stillorgan, Co. Dublin,
A94 X8C3
T: +353 1 278 4671
E: info@thornshaw.com
W: www.thornshaw.com

Deena Energy Services Limited
1 High Street,
Balbriggan, Co. Dublin,
K32 DD40
T: +353 1 8410481
E: info@deenaenergy.com
W: www.deenaenergy.com

Kildare

Flexsource
Unit F & G Naas Town Centre,
Wolfe Tone Street, Naas,
Co. Kildare
W91 A2YV
T: +353 45 898 900
E: naas@flexsource.ie
W: www.flexsource.ie

The Cpl Institute
Unit F & G Naas Town Centre,
Wolfe Tone Street, Naas,
Co. Kildare
W91 A2YV
T: +353 4 590 7104
E: info@thecplinstitute.ie
W: www.thecplinstitute.ie

Cork

Cpl Resources plc
Ground Floor,
11 Anglesea Street,
Cork, T12 CYR8
T: +353 21 494 4860
E: corkjobs@cpl.ie
W: www.cpl.ie

Kenny Whelan & Associates
Unit 1 Joyce House,
Barrack Square,
Ballincollig,
Cork, T12 CYR8
T: + 353 21 466 5400
E: info@kenny-whelan.ie
W: www.kenny-whelan.ie

Servisource
Ground Floor,
11 Anglesea Street,
Cork, T12 CYR8
T: +353 21 427 9916
E: info@servisource.ie
W: www.servisource.ie

The Cpl Institute
Ground Floor,
11 Anglesea Street,
Cork, T12 CYR8
T: +353 21 462 6129
E: info@thecplinstitute.ie
W: www.thecplinstitute.ie

Flexsource
Ground Floor,
11 Anglesea Street,
Cork, T12 CYR8
T: +353 21 462 6100
E: corkjobs@flexsource.ie
W: www.flexsource.ie

Servisource
Unit 18,
South Ring Business Park,
Kinsale Road,
Cork
T12 E22A
T: +353 42 935 2723
E: info@servisource.ie
W: www.servisource.ie

Waterford

Cpl Resources plc
No 4 Wallace House,
Canada Street,
Waterford.
T: +353 51 511 180
E: southeastjobs@cpl.ie
W: www.cpl.ie

Limerick

Cpl Resources plc
10/11 Steamboat Quay,
Dock Road, Limerick, V94 V1KX
T: +353 61 317 377
E: limerickjobs@cpl.ie
W: www.cpl.ie

Flexsource
10/11 Steamboat Quay,
Dock Road,
Limerick, V94 V1KX
T: +353 61 317 377
E: limerickjobs@flexsource.ie
W: www.flexsource.ie

Galway

Cpl Resources plc
Unit 19, Dockgate,
Merchants Road,
Galway,
Co. Galway, H91 P6CF
T: +353 91 509 740
E: galwayjobs@cpl.ie
W: www.cpl.ie

Flexsource
Unit 19, Dockgate,
Merchants Road,
Galway,
Co. Galway, H91 P6CF
T: +353 91 509 740
E: galwayjobs@flexsource.ie
W: www.flexsource.ie

The Cpl Institute
Unit 19, Dockgate,
Merchants Road,
Galway,
Co. Galway, H91 P6CF
T: +353 91 507 517
E: info@thecplinstitute.ie
W: www.thecplinstitute.ie

Kate Cowhig International Healthcare Recruitment
Unit 16A,
Sandyford Business Centre
Bohermore,
Galway
H91 WC1P
T: +353 1 6715557
E: info@kcr.ie
W: www.kcr.ie

Dundalk

Servisource
Block 3, 2nd Floor,
Quayside Business Park,
Mill Street, Dundalk,
Co. Louth, A91 WNH1
T: +353 42 935 2723
E: info@servisource.ie
W: www.servisource.ie

UNITED KINGDOM

Belfast

Cpl Resources plc
Royal House,
1-3 Arthur Street,
Belfast, BT1 4GA
T: +44 289 072 5600
E: belfast@cpljobs.com
W: www.cpljobs.com

ENGLAND

London

Kate Cowhig Healthcare Recruitment
5 Old Bailey,
London EC4M 7BA
T: +44 207 833 8830
E: info@kcrjobs.com
W: www.kcrjobs.com

Clinical Professionals
5 Old Bailey,
London EC4M 7BA
T: +44 20 7822 1710
E: apply@clinicalprofessionals.co.uk
W: www.clinicalprofessionals.co.uk

Reading

Clinical Professionals
First Floor, 33 Blagrave Street,
Reading, Berkshire, England,
RG1 1PW
T: +44 118 959 4990
E: apply@clinicalprofessionals.co.uk
W: www.clinicalprofessionals.co.uk

Cpl Resources plc
First Floor, 33 Blagrave Street,
Reading, Berkshire, England,
RG1 1PW
T: +44 118 952 2796
E: info@cpl.com
W: www.cpl.com

Kent

RIG Healthcare Recruit
4th Floor,
Northside House,
69 Tweedy Road,
Bromley, England, BR1 3WA,
T: +44 345 363 1187
E: info@righealthcare.co.uk
W: www.righealthcare.co.uk

North Yorkshire

RIG Healthcare Recruit
Copthall Bridge House,
Station Bridge, Harrogate,
North Yorkshire,
England, HG1 1SP
T: +44 142 3 79 0115
E: info@righealthcare.co.uk
W: www.righealthcare.co.uk

Milton Keynes

RIG Healthcare Recruit
Midsummer Court,
314 Midsummer Boulevard,
Milton Keynes,
England, MK9 2UB
T: +44 (0) 1908 847 400
E: info@righealthcare.co.uk
W: www.righealthcare.co.uk

CZECH REPUBLIC

Prague

Cpl Jobs s.r.o.
Jindrisska 16, 110 00 Prague 1,
Czech Republic
T: +420 221 773 631
E: praha@cpljobs.cz
W: www.cpljobs.cz

Brno

Cpl Jobs s.r.o.
Masarykova 26, 60200 Brno,
Czech Republic
T: +420 515 800 800
E: brno@cpljobs.cz
W: www.cpljobs.cz

HUNGARY

Budapest

Cpl Jobs Kft.
Terez krt. 55,
A building 2nd floor,
1062 Budapest,
Hungary
T: +36 1 501 5460
E: budapest@cpljobs.hu
W: www.cpljobs.hu

POLAND

Warsaw

Cpl Jobs Sp. z o.o.
Al. Jerozolimskie 81,
02-001 Warszawa, Poland
T: +48 22 488 6500
E: warsaw@cpljobs.pl
W: www.cpljobs.pl

Wroclaw

Cpl Jobs Sp. z o.o.
Sw. Mikolaja 7,
50-125 Wroclaw, Poland
T: 48 717 356 6200
E: wroclaw@cpljobs.pl
W: www.cpljobs.pl

Poznan

Cpl Jobs Sp. z o.o.
ul. Szyperska 14,
61-754 Poznan, Poland
T: +48 61 626 8800
E: poznan@cpljobs.pl
W: www.cpljobs.pl

Krakow

Buma Square
ul. Wadowicka 6
30-415 Kraków
T: +48 12 379 08 00
E: krawkow@cpljobs.pl
W: www.cpljobs.pl

SLOVAKIA

Bratislava

Cpl Jobs S.r.o
Vysoka 14,
811 06 Bratislava,
Slovakia
T: +421 232 191 200
E: bratislava@cpljobs.sk
W: www.cpljobs.sk

TUNISIA

Tunis

Occipital Sarl
Delta Center Chargtiia Ii, BP 210
Tunis Cedex - Tunisie
Phone +216 71 941 588/882

Cpl Jobs Tunisie Sarl
Boulevard de la Terre,
Sana Business Center,
Centre Urbain Nord,
Bureau A7, Tunis, Tunisie.
Phone: + 216 29 33 70 24

GERMANY

Munich

Cpl Jobs GmbH
Munich Regus
Laim GmbH,
Landsberger Straße 302,
80867 Munchen, Deutschland,
T: +49 89 380 35 925
E: muenchen@cpljobs.com
W: www.cpljobs.com

USA

Boston

Cpl Physicians
625 Massachusetts Avenue,
Cambridge, MA 02139,
T: +1 617 844 1434
E: info@cplphysicians.com
W: www.cplphysicians.com

Cpl Resources plc
83 Merrion Square, Dublin 2, D02 R299

T +353 1 614 6000
E info@cpl.ie
W www.cpl.ie