

Cpl Resources plc

Group Statement of Comprehensive Income for the year ended 30 June 2019

	2019 €'000	2018 €'000
Revenue	564,858	522,691
Cost of sales	<u>(468,600)</u>	<u>(439,541)</u>
Gross profit	96,258	83,150
Distribution expenses	(4,837)	(4,144)
Administrative expenses*	(66,541)	(61,140)
Expected credit loss (charged)/utilized	<u>(62)</u>	<u>15</u>
Operating profit	24,818	17,881
Financial income	93	862
Financial expenses	<u>(327)</u>	<u>(197)</u>
Profit before tax	24,584	18,546
Income tax expense	<u>(3,256)</u>	<u>(2,410)</u>
Profit for the financial year - all attributable to equity shareholders	21,328	16,136
	<u><u> </u></u>	<u><u> </u></u>
Profit attributable to:		
Owners of the Parent	21,186	16,089
Non-controlling interests	142	47
	<u>21,328</u>	<u>16,136</u>
	<u><u> </u></u>	<u><u> </u></u>
Other comprehensive income		
Foreign currency translation differences - foreign operations	<u>(221)</u>	<u>(335)</u>
Total comprehensive income for the financial year - all attributable to equity shareholders and non controlling interests	21,107	15,801
	<u><u> </u></u>	<u><u> </u></u>
Basic earnings per share (cent)	77.3	56.6
Diluted earnings per share (cent)	77.2	56.5

* Includes €895,000 of non-cash LTIP charge (2018: €1,693,000)

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Group Statement of Changes in Equity

for the year ended 30 June 2019

	Share capital €'000	Share premium €'000	Other undominated 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 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	-	-	-	-	-	-	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

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Group Statement of Changes in Equity

(continued)

for the year ended 30 June 2019

	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 1 July 2018	2,716	1,705	1,094	(3,357)	(1,385)	(1,140)	4,245	88,488	92,366	131	92,497
Total comprehensive income for the year											
Profit for the financial year	-	-	-	-	-	-	-	21,186	21,186	142	21,328
Foreign currency translation effects	-	-	-	-	(291)	-	-	-	(291)	70	(221)
Transactions with shareholders											
Share based payment charge	-	-	-	-	-	-	895	-	895	-	895
Dividends paid	-	-	-	-	-	-	-	(4,158)	(4,158)	-	(4,158)
Unvested share options	-	-	-	-	-	-	(67)	67	-	-	-
Share options exercised	27	1,911	-	-	-	-	(1,911)	-	27	-	27
Balance at 30 June 2019	2,743	3,616	1,094	(3,357)	(1,676)	(1,140)	3,162	105,583	110,025	343	110,368

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Company Statement of Changes in Equity

for the year ended 30 June 2019

	Share Capital €'000	Share Premium €'000	Other undominated capital fund €'000	Share based payment reserve €'000	Put option reserve €'000	Retained earnings €'000	Shareholders equity €'000
Balance at 30 June 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
Balance at 1 July 2018	2,716	1,705	1,094	4,245	(1,140)	7,837	16,457
Total comprehensive income for the year							
Profit for the financial year	-	-	-	-	-	5,272	5,272
Transactions with shareholders							
Share based payment charge	-	-	-	895	-	-	895
Dividends paid	-	-	-	-	-	(4,158)	(4,158)
Unvested share options	-	-	-	(67)	-	67	-
Share options exercised	27	1,911	-	(1,911)	-	-	27
Balance at 30 June 2019	2,743	3,616	1,094	3,162	(1,140)	9,018	18,493

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Group and Company Balance Sheets

as at 30 June 2019

	Group		Company	
	2019	2018	2019	2018
Assets	€'000	€'000	€'000	€'000
Non current assets				
Property, plant and equipment	2,320	2,239	1,903	1,793
Goodwill and intangible assets	25,658	25,887	972	1,201
Investments in subsidiaries	-	-	33,118	34,135
Deferred tax asset	851	952	113	154
Total non current assets	28,829	29,078	36,106	37,283
Current assets				
Trade and other receivables	116,611	104,070	63,789	58,412
Cash and cash equivalents	45,755	29,823	15,912	15,691
Total current assets	162,366	133,893	79,701	74,103
Total assets	191,195	162,971	115,807	111,386
Equity				
Capital and reserves attributable to the owners of the Parent				
Issued share capital	2,743	2,716	2,743	2,716
Share premium	3,616	1,705	3,616	1,705
Other reserves	(1,917)	(543)	3,116	4,199
Retained earnings	105,583	88,488	9,018	7,837
	110,025	92,366	18,493	16,457
Non-controlling interests	343	131	-	-
Total equity	110,368	92,497	18,493	16,457
Current liabilities				
Trade and other payables	79,687	69,334	96,174	93,789
Put option liability	1,140	-	1,140	-
Total current liabilities	80,827	69,334	97,314	93,789
Non current liabilities				
Put option liability	-	1,140	-	1,140
Total non current liabilities	-	1,140	-	1,140
Total liabilities	80,827	70,474	97,314	94,929
Total equity and liabilities	191,195	162,971	115,807	111,386

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Group and Company Cash Flow Statements
for the year ended 30 June 2019

	Group		Company	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Cash flows from operating activities				
Profit for the financial year	21,328	16,136	5,272	9,791
<i>Adjustments for:</i>				
Depreciation on property, plant and equipment	845	524	656	605
Share based payment charge	895	1,693	-	-
Amortisation of intangible assets	511	465	511	465
Financial income	(93)	(862)	-	-
Financial expense	327	197	-	-
Income tax expense/(credit)	3,256	2,410	38	(31)
Operating cash flows before changes in working capital	27,069	20,563	6,477	10,830
(Increase)/decrease in trade and other receivables	(13,745)	(3,780)	(3,465)	59,497
Increase/(decrease) in trade and other payables	10,352	5,936	2,442	(34,481)
Cash generated from operations	23,676	22,719	5,454	35,846
Interest (paid)	(327)	(197)	-	-
Income tax (paid)	(2,221)	(2,090)	(60)	(7)
Interest received	93	47	-	-
Net cash from operating activities	21,221	20,479	5,394	35,839
Cash flows from investing activities				
Purchase of property, plant and equipment	(927)	(894)	(766)	(795)
Purchase of intangible assets	(282)	(350)	(282)	(350)
Net cash (outflow) from investing activities	(1,209)	(1,244)	(1,048)	(1,145)
Cash flows from financing activities				
Share options exercised	27	-	27	-
Dividends paid to parent	(4,158)	(3,501)	(4,158)	(3,501)
Dividends paid to non-controlling interests	-	(30)	-	-
Repurchase of own shares	-	(25,161)	-	(25,161)
Net cash (used in) financing activities	(4,131)	(28,692)	(4,131)	(28,662)
Net increase/(decrease) in cash and cash equivalents	15,881	(9,457)	215	6,032
Cash and cash equivalents at beginning of year	24,177	33,634	15,691	9,659
Cash and cash equivalents at end of year	40,058	24,177	15,906	15,691

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Notes

1. Financial income and expenses	2019	2018
	€'000	€'000
Group		
Change in fair value of financial liabilities	-	(815)
Interest (income) on cash deposits	(93)	(47)
	<u>(93)</u>	<u>(862)</u>
<i>Interest expense</i>		
Interest payable	<u>327</u>	<u>197</u>
2. Income tax expense	2019	2018
	€'000	€'000
Recognised in income statement:		
<i>Current tax expense</i>		
Current year	3,155	2,679
Adjustments in relation to prior years	-	(27)
	<u>3,155</u>	<u>2,652</u>
Current tax expense	3,155	2,652
<i>Deferred tax</i>		
Origination and reversal of temporary differences	12	(250)
Adjustments in relation to prior years	89	8
	<u>101</u>	<u>(242)</u>
Total tax in the income statement	3,256	2,410
Reconciliation of effective tax rate	2019	2018
	€'000	€'000
Profit before tax	<u>24,584</u>	<u>18,546</u>
Tax based on Irish corporation tax rate of 12.5%	3,073	2,318
Non-deductible/(non-taxable) items	58	(70)
Differences in effective tax rates on overseas earnings	32	(37)
Losses on which deferred tax not recognised	-	187
Income taxed at higher rate	4	31
Under/(over) provision in prior years	89	(19)
	<u>3,256</u>	<u>2,410</u>
Total tax in income statement	3,256	2,410

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Notes

(Continued)

3. 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:

	2019	2018
	€'000	€'000
Final dividend paid in respect of previous financial year of 7.15 cent (2018: 5.75 cent) per ordinary share	1,962	1,775
Interim dividend paid in respect of current financial year of 8.00 cent (2018: 6.35 cent) per ordinary share	2,196	1,726
Dividend paid in respect of Non-controlling interest	-	30
	<u>4,158</u>	<u>3,531</u>

The directors have proposed a final dividend in respect of the 2019 financial year of 11.0 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.

4. Earnings per share

	2019	2018
	€'000	€'000
<i>Numerator for basic and diluted earnings per share:</i>		
Profit for the financial year attributable to equity shareholders	<u>21,186</u>	<u>16,089</u>
<i>Denominator for basic earnings per share:</i>		
Weighted average number of shares in issue for the year	<u>27,398,638</u>	<u>28,406,721</u>
<i>Denominator for diluted earnings per share:</i>		
	<u>27,433,838</u>	<u>28,469,099</u>
Basic earnings per share (cent)	<u>77.3</u>	<u>56.6</u>
Diluted earnings per share (cent)	<u>77.2</u>	<u>56.5</u>

Cpl Resources plc

Notes

(Continued)

5. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Trade receivables	81,670	74,699	-	-
Expected credit loss	(316)	(254)	-	-
Accrued Income	29,232	24,524	-	-
Prepayments	2,595	2,330	1,380	1,258
Other debtors	1,676	1,638	862	779
Corporation Tax	1,754	1,133	-	-
VAT	-	-	493	338
Amounts due from subsidiary undertakings	-	-	61,054	56,037
	116,611	104,070	63,789	58,412

Amounts due from subsidiary undertakings are repayable on demand.

6. Net funds

	Group		Company	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Cash and cash equivalents	45,755	29,823	15,912	15,691
Bank overdraft	(6)	(4)	(6)	-
Invoice discounting facility	(5,691)	(5,642)	-	-
	40,058	24,177	15,906	15,691
Cash and cash equivalents in the cash flow statement	40,058	24,177	15,906	15,691
Net funds	40,058	24,177	15,906	15,691

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Notes
(Continued)

7. Share capital, share premium, and other reserves	2019 €'000	2018 €'000
<i>Authorised</i>		
50,000,000 ordinary shares at €0.10 each	<u>5,000</u>	<u>5,000</u>
<i>Allotted, called up and fully paid</i>		
27,443,935 (2018: 27,172,153) ordinary shares at €0.10 each	<u>2,743</u>	<u>2,716</u>

On 17 September 2018 271,782 new ordinary shares of nominal value €0.10 each in the Company ("Ordinary Shares") were issued. The issue of these shares was made pursuant to the vesting of awards granted in 2015 under the terms of the Company's 2013 Long Term Incentive Plan.

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 2019 amounted to €3,616,000 (2018: €1,705,000).

Other reserves comprise an other undenominated capital fund of €1,094,000 (2018: €1,094,000), a merger reserve of €3,357,000 negative (2018: €3,357,000 negative), a currency translation reserve of €1,676,000 negative (2018: €1,385,000 negative), a share based payment reserve of €3,162,000 (2018: €4,245,000) and a put option reserve of €1,140,000 negative (2018: €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 2018 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.

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Notes

(Continued)

8. Trade and other payables

Amounts falling due in less than one year:

	Group		Company	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Trade creditors	3,665	2,800	2,125	1,395
Invoice discounting facility	5,691	5,642	-	-
Bank overdraft	6	4	6	-
Accruals	45,248	38,145	4,409	2,368
Corporation Tax	-	-	4	55
VAT	13,547	11,892	-	-
PAYE/PRSI	11,530	10,851	-	-
Amounts due to subsidiary undertakings	-	-	89,630	89,971
	79,687	69,334	96,174	93,789

Amounts due to subsidiary undertakings are repayable on demand.

9. Basis of preparation

The financial information included in this preliminary result statement has been extracted from the Group's financial statements for the year ended 30 June 2019 and is prepared based on accounting policies set out therein. As permitted by EU law and in accordance with AIM / ESM rules, the Group financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board as adopted by the EU. The Group Financial Statements will be filed with the Irish Registrar of Companies and circulated to shareholders in due course.