Annual Report 2009

DPA

LINKING KNOWLEDGE

Annual Report 2009

LINKING KNOWLEDGE

Contents

Profile

DPA Group N.V.

DPA's positioning, with the theme 'Linking knowledge', is the dependable partner that will ensure long-term strengthening of the backbone of organisations. That backbone is made up of Supply Chain, IT and Finance, the core areas of DPA. By combining practical knowledge with expertise, creating interconnections within organisations and bringing change to old established routines, DPA provides permanent solutions for problems in the primary process of our clients.

Our consultants are all highly educated and they continually develop their skills thanks to our sophisticated training programme. Since DPA was founded, almost 19 years ago, it has been our aim to support renowned corporate and institutional customers in the Dutch public and private sectors in solving their staffing needs by deploying highly qualified consultants.
Support is provided in the form of secondment or interim management, recruitment & selection or consultancy assignments, business consultancy or project management, or a combination of these services. The result for our clients comes from the added value we create for them, and that continues to be our motivation.
In 2009, DPA achieved a turnover of €51 million with 515 staff.

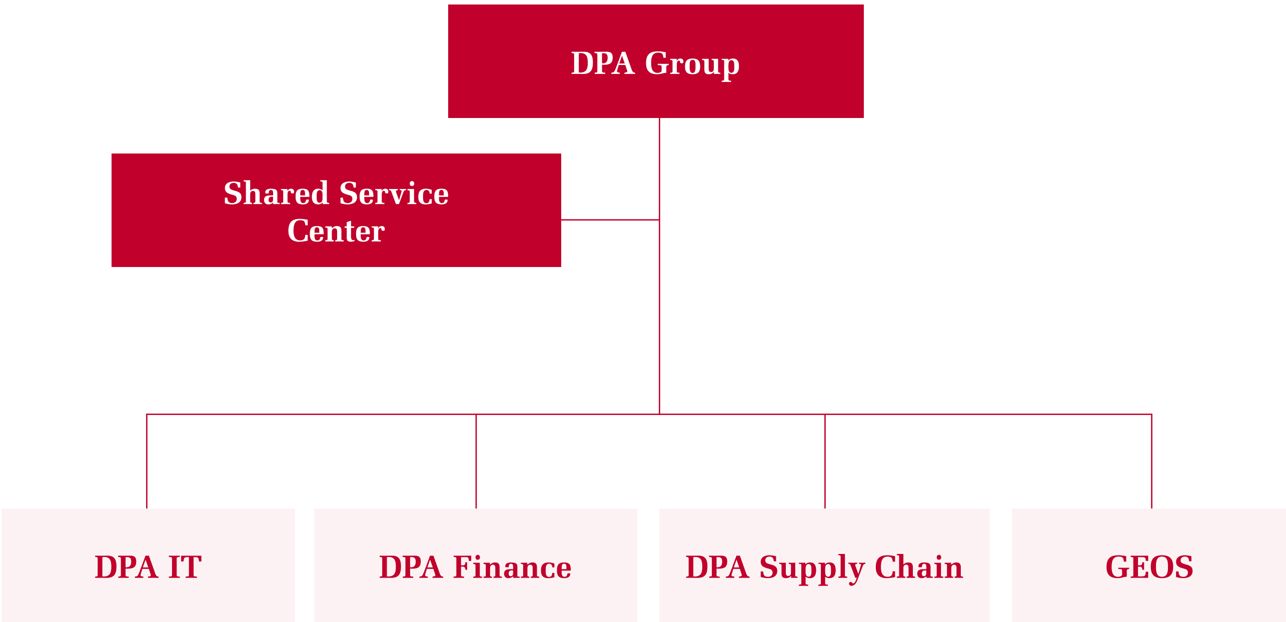
Short History

The company was founded on 29 May 1992 as DPA Audit Detachment B.V., specialising in the secondment of people with purely financial-administrative expertise. On 22 March 1999 the company launched on the stock exchange under DPA Holding N.V. The holding with the official quotation was established by notarial deed on 18 March 1999. In 2005, Falanx Finance B.V. was acquired and in 2006 a merger with FGN Beheer B.V. (Flex Group Nederland) was effected. In 2007, GEOS IT Professionals B.V. and Conink Consultants B.V. were added to the organisation. The resulting single brand company DPA has 3 business lines (Finance, IT and Supply Chain) and 4 labels (DPA Finance, DPA IT, GEOS, and DPA Supply Chain).
The registered office is in Amsterdam and the company is listed in the Amsterdam Chamber of Commerce trade register under number 34112593.

DPA's current location

DPA's office is located in Amsterdam,
Gatwickstraat 11.
Postal address:
PO Box 9396
1006 AJ Amsterdam
The Netherlands.
Telephone: +31 (0)20 5151555
Fax: +31 (0)20 5151551
E-mail info@dpa.nl
Website http://www.dpa.nl

Organisation Chart



The consolidated financial statements of DPA Group N.V. comprise the company and its subsidiaries (together called the "Group"). The consolidated financial statements include the financial data of DPA Group N.V. and the following subsidiaries:

- DPA Beheer B.V., Amsterdam, the Netherlands, (100%)
- DPA Nederland B.V., Amsterdam, the Netherlands, (100%)
- DPA Vast B.V., Amsterdam, the Netherlands, (100%)
- DPA Projects B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Young Professional B.V., Amsterdam, the Netherlands, (100%)
- DPA FIT B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Werving & Selectie B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Interim B.V., Amsterdam, the Netherlands, (100%)
- GEOS IT Professionals B.V., Amsterdam, the Netherlands, (100%) since 1 January 2007
- Conink Consultants B.V., Zwolle, the Netherlands, (100%) since 5 September 2007
- Conink Participaties B.V., Zwolle, the Netherlands, (100%) since 5 September 2007
- DPA Supply Chain People B.V., Amsterdam, the Netherlands, (51%)

Key figures

In € million	2009	2008	2007	2006	2005
Net revenue	**51.3**	70.2	84.3	66.9	29.9
Gross margin	**9.6**	17.9	23.7	16.8	8.9
% of the net revenue	**18.6**	25.5	28.1	25.1	30.5
Operating result	**(9.7)**	(12.8)	4.6	(23.7)	1.0
Profit before tax	**(10.0)**	(13.6)	(0.5)	(24.0)	0.9
Net result	**(8.6)**	(13.5)	(0.5)	(24.8)	0.6
Equity	**15.6**	222	300	305	107
Earnings per share (in euros)	**(0.72)**	(1.10)	(0.05)	(2.44)	0.13
Value added per employee	**0.14**	0.20	0.20	0.11	0.16
Staff seconded at year end	**461**	642	882	924	423
Indirect personnel at year end	**68**	91	152	56	47

Indicators	2009	2008	2007
Net result (x €1,000)	**(7,595)**	(13,491)	(192)
Equity (x €1,000)	**15,641**	22,150	29,991
Solvency (in %)	**39.7**	41.1	46.4
Liquidity	**83.8**	84.6	77.1
Net cash	**(2,115)**	(7,115)	(14,187)
Net debt/EBITDA	**n/a***	2.8	2.4
ICR	**n/a***	3.3	6.8
Net result based on outstanding shares (in euros)	**(0.72)**	(1.10)	(0.05)
Dividend pay-out (in %)	**n/a**	n/a	n/a

	2009	2008	2007
Average number of outstanding shares	**12,187,678**	11,053,366	10,524,262

x Euro	2009	2008	2007
Highest listed price	**3.05**	7.38	10.75
Lowest listed price	**1.55**	2.08	7.02
Year-end listed price	**2.30**	2.82	7.26

** At the end of 2009 DPA entered into negotiations with IFN Finance, because the agreed covenants would not be achievable due to the negative results. A new contract was agreed with IFN Finance on 4 January 2010. The first date for assessment of the covenants is 31-12-2010. A new contract has also been agreed with ABN AMRO for an current account credit. This facility is not being used on the balance sheet date.*

Notice from the Board of Directors

2009

During the first months of 2009, the new Board of Directors continued to implement the course that was set in 2008. The focus in this is on our clients and our business.
With the theme 'Linking knowledge', DPA's positioning is the dependable partner that will ensure long-term strengthening of the backbone of organisations. That backbone is made up of Supply Chain, IT and Finance, the core areas of DPA. By combining practical knowledge with expertise, creating interconnections within organisations and bringing change to old established routines, DPA provides permanent solutions for problems in the primary process of our clients.
DPA also continued to develop its policy in the area of 'social entrepreneurship'. The environment, working conditions, diversity and social engagement are expressed in many different business activities. In 2009 DPA made a contribution to charaties. The environment is given a great deal of attention, for example in the area of the company car fleet and the public transport plan, the bicycle plan, the facilities in the office and the co-ordination of waste. The working conditions are good. Examples are: excellent office layout, equipment and facilities, company fitness and fringe benefits. Approximately 20% of the personnel are of ethnic minority origin.

Economic recession with far-reaching consequences

In 2009 the effects of the economic recession were felt by DPA. This negative development led directly to a decrease in turnover in a deteriorating market.
The number of assignments fell sharply, particularly in the segments IT and Finance. The business unit GEOS mainly supplies professionals to large software houses. The fall in the number of assignments from these software houses resulted in a fall in turnover for GEOS. The goodwill impairment occurred because of downward adjusted expectations due to these events. In the first six months Supply Chain showed a slight turnover growth, but ultimately the turnover of Supply Chain also decreased compared with 2008.

The lower turnovers resulted in negative results since February 2009. In June 2009 there was a share issue of €2.2 million to increase the working capital and enable repayment of the bank overdraft and bank loan. The share issue was in order to avoid exceeding the bank covenants (a problem that occurred in 2008). The immediate payability of the credit facility in 2008, which resulted in uncertainty, was no longer applicable at year-end 2009.

The turnover decline and the market situation compelled us to take stringent measures. In the first six months of 2009 a first cost-cutting operation was put into effect. Introduction of a strict policy regarding costs resulted in, among other things, a reduction in the number of personnel in the Amsterdam office. The other operating costs were also brought more in line with the decreased turnover. In September it became evident that the measures were insufficient.

Additional cost-cutting measures

DPA was not recovering. The market for specialist staffing solutions deteriorated further in the autumn of 2009. This market declined even more. That resulted in to a turnover in 2009 which was 27% lower than in 2008.

In the fourth quarter of 2009, a sudden liquidity shortfall occurred because of the decline in the market, and DPA's credit line came under pressure. To increase liquidity and to assist the efficiency measures, in the last quarter existing investors provided DPA with a subordinated loan of €3 million.

In consequence of this, in the fourth quarter DPA took additional efficiency measures. The total organisation, including the back office and the marketing processes, was further streamlined. Many cut-backs were made in the holding, and further substantial cost-cutting was achieved. In November, the number of personnel was again reduced. In total, the number of office personnel has been halved. The fall in the number of assignments has also led to a decrease in the number of seconded staff. The extensive cost-cutting programme could ultimately bring about cost savings in 2010 of €5 million, half of this being personnel costs.

Perspective

DPA is looking to the future. Consequently, in the last months of 2009 contacts were made between DPA and WR to investigate the possibilities of collaboration. The investigation ultimately led to the conclusion that the two companies will continue to collaborate, but that the announced acquisition transaction will not be executed. (see note to the balance sheet 30 'subsequent events')

Change in the DPA Board of Directors

Jan van Duijn, CFO of DPA, announced his intention to leave the Board of Directors, three years after becoming a member, with effect from 1 March 2010. He will remain with DPA for some time in an advisory capacity. His duties have been reallocated internally.

On the announcement of the intended acquisition of WR and the anticipated participation of Project Holland Fonds, the Supervisory Board gave consideration to its position. All three members of the Supervisory Board have announced that they will resign, in order to give the organisation room to take a new path.

DPA Supply Chain People B.V.

On 3 May 2010 a Letter of Intent was signed with the CEO of DPA Supply Chain People B.V., who is 49% owner of this company. This Letter of Intent provides for the acquisition by DPA of the 49% minority interest during the second quarter of this year. The acquisition will have retroactive effect to 1 January 2010.

Investments

Apart from the above-mentioned investment in Supply Chain, no major investments are planned for 2010.

Issue of shares

In order to finance the acquisition of the minority interest in DPA Supply Chain People and to increase the working capital, DPA will conduct a share issue in the form of a private placement to Project Holland Fonds B.V. and to two of the current major shareholders, by means of conversion of subordinated loans of €2 million. For the total amount of €9 million, Project Holland Fonds will take up at least €7 million. The remaining part (€1 million) of the loan provided to DPA in November 2009 by major shareholders will be repaid. This share issue has the support of the major shareholders of DPA.

Outlook

Restructuring and personnel reductions in our clients' companies made 2009 a difficult year for DPA. Despite the first signs of recovery, it remains difficult for DPA to make estimates about turnover and profit development, and the personnel numbers directly connected with this, for 2010 and beyond.

With a slowly recovering economy and a market that appears to be cautiously stabilising, DPA is in a position, in 2010, to provide clients with optimum service with an organisation that is designed for the future and is willing to go that one step further.

Amsterdam, 5 May 2010
Roland van der Hoek
CEO

Financial

The economic decline was a major cause of the fact that the consolidated revenue of DPA as a group was 27% less than in 2008: it decreased from €70.2 million in 2008 to €51.3 million in 2009.

Figures for 2009 compared with 2008

In € million	2009	2008	% difference
Revenue	51.3	70.2	(27%)
Margin	9.6	17.9	(46%)
Operating expenses*	15.6	17.3	(10%)
EBITDA before restructuring expenses*	(2.6)	4.1	PM
EBITDA*	(4.5)	2.6	PM
Operating result*	(6.1)	0.6	PM
Net result**	(7.6)	(13.5)	PM
In euros			
Earnings per share	(7.2)	(1.10)	PM

* Excluding goodwill impairment of €2.1 million and impairment of the brand name "Flex" of €1.2 million in 2009
** Including goodwill impairment of €2.1 million and impairment of the brand name "Flex" of €1.2 million in 2009

Notes on the 2009 financial results

Specification of the revenue

- The DPA Group revenue decreased by 27% to €51.3 million.
- The DPA Nederland (Finance and IT) revenue decreased by 32% to €31.6 million.
- The Supply Chain revenue decreased by 9% to €12.3 million.
- The GEOS IT Professionals revenue decreased by 29% to €7.4 million.

The decrease in the consolidated revenue was 30% over the second six months of 2009 compared with 24% over the first six months. A major reason for this is the decline in the number of assignments in the banking sector and for government bodies. An increase in the number of idle hours also resulted in reduced productivity.
The operating companies Supply Chain and GEOS provided a contribution of 24% and 14% respectively to Group revenue.
During 2009 the utilisation averaged 75% interim professionals on the DPA payroll and 25% third parties.

Specification of the gross margin

- The DPA Group N.V. gross margin decreased by 46% to €9.6 million.
- The DPA Nederland (Finance and IT) gross margin decreased by 56% to €4.6 million.
- The Supply Chain gross margin decreased by 18% to €3.5 million.
- The GEOS IT Professionals gross margin decreased by 50% to €1.5 million.

On an annual basis the gross margin decreased from 25.5% to 18.6%.
An extra reduction can be attributed to two effects:
- The margin for 2009 includes a one-off expense of some €1.2 million for DPA Nederland, which is an allocation to the restructuring provision.
- For Conink Consultants, a provision of €200 thousand is included in connection with a legal dispute with a client.

Excluding the one-off expense, DPA Nederland would have achieved a margin of 18.0% instead of 14.4%.
Excluding both of the effects mentioned, the margin for the entire organisation would have been 21.3% on an annual basis instead of the 18.6% stated in this annual report.

Gross margin per operating company 2009

In %	2009	2008
Total	**18.6**	25.5
DPA Nederland	**14.4**	22.8
DPA Supply Chain (including Conink)	**28.8**	32.1
GEOS	**20.1**	28.8

Gross margin of DPA Group N.V. second six months 2009

In %	HY2 2009	HY2 2008
Total	**17.8**	25.2
DPA Nederland	**12.5**	22.7
DPA Supply Chain (including Conink)	**28.0**	31.3
GEOS	**23.6**	27.7

Specification of the operating expenses

The operating expenses were reduced by €1.7 million (9.8%) to €15.6 million. These expenses come out at 30.4% of the revenue. We should also note that these operating expenses include one-off expenses in 2009 amounting to €700 thousand for the reduction in the number of indirect personnel to 68 (severance packages). DPA had to incur advisory costs in connection with two legal proceedings and for the renewed financing of the company, which together amount to some €300 thousand. The standardised operating expenses for 2009 are then €14.6 million (2008: €14.8 million).

The decrease in operating expenses is mainly attributable to the reduction in the number of indirect FTEs from 91 at year-end 2008 to 68 at year-end 2009, and to a decrease in the cost of sales.

Specification of the operating result

The operating result before depreciation and amortisation decreased to a loss of €4.5 million. This was caused by the decrease in revenue and gross margin. The reduction in operating expenses by €0.5 million was insufficient to fully compensate the decrease in gross margin. The EBITDA over the first six months was €1.6 million negative compared with €2.9 million negative in the second six months. We should also note that in the second six months restructuring expenses totalling €1.4 million were included.

Specification of the net profit

The net profit for 2009 was €7.6 million negative. This includes a downward revaluation (impairment) of the group company GEOS IT Professionals B.V., which was acquired in 2007.
The annual impairment test resulted in a one-off impairment of €2.1 million of the goodwill paid in 2007 for GEOS IT Professionals B.V. The impairment of the brand name Flex, amounting to €1.2 million, is also included in the result. These impairments are non-cash events and do not influence the liquidity position of DPA.

Specification of the earnings per share

The earnings per share declined compared with 2008. The loss per share amounted to €0.72 for 2009.

Notes to the balance sheet items

- The receivables balance of the Group reduced from €14 million to €9.5 million, with the DSO (Days Sales Outstanding) working out at 53 days. Even though we notice that clients are paying less quickly and the larger clients are pushing their payment terms out to 90 days, the DSO was reduced because DPA was able to greatly decrease the number of receivables of more than 60 days.
- For the full year 2009 the cash flow developed positively by €5 million. This is due in particular to a successful share issue in June 2009 (proceeds €2.2 million), a subordinated loan of €3 million provided by existing shareholders in the second six months of 2009, and greater emphasis on cash management.
- The positive cash flow was used to decrease DPA's debt position. Consequently, the net debt burden was reduced from €7.1 million to €2.1 million. DPA will continue stringent cash flow management in 2010 in order to further reduce the net debt.

At year-end the IFN covenants (interest coverage ratio, debt service coverage ratio, net debt/EBITDA) are exceeded, due in particular to the losses that were suffered in 2009. In 2009 DPA entered into discussion with IFN, which resulted in a new agreement on 4 January 2010. The first date for testing the covenants under the new agreement is 31 December 2010. The amount of advance financing (factoring) by IFN on 31 December 2009 is: €3,351 thousand.

The maximum credit facility of this factoring is €8 million. The interest is variable and is based on the Euribor. In the past year the company's liquidity and solvency were placed under pressure by the poor results. The liquidity crisis was resolved by means of the subordinated loan of €3 million provided by shareholders in November 2009 and the more drastic cost-cutting measures. DPA has reduced its debt position with the banks. DPA's liquidity position will improve in the near future as a result of the planned share issue, with which the subordinated loans of €3 million provided in November 2009 will be repaid or converted and €3 million will be added to the company's working capital. (see 'Events after the reporting period') On the basis of the scenario analysis made, the review of the strategy and the implemented organisational changes, DPA looks to the future with confidence. Due to the above, the formulation of the financial statements is based on the assumption of continuity.

For a lease obligation for former premises, there is a loss-making contract. Against this obligation there is a receivable for an equal amount, totalling €2.7 million and with a duration until the beginning of 2018, as set-off for this obligation. With this receivable, DPA runs a debt risk, if the party concerned does not fulfil its obligations.
There is also a loss-making contract in connection with empty space in the new premises, of €0.3 million.

Report from the Supervisory Board

We hereby present the DPA Group N.V. financial statements for 2009 as drawn up by the Board of Directors. These financial statements were discussed in the meetings of the Supervisory Board on 8 March 2010, 27 April 2010 and 3 May 2010 and are accompanied by an unqualified auditor's report from Mazars Paardekooper Hoffman Accountants N.V.

We propose that the General Meeting adopt and approve the DPA Group N.V. financial statements for 2009 and the proposal for the absorption of loss. After accounting for the loss of €4.5 million EBITDA, the equity base remains at €15.6 million at 31 December 2009. We also request you to discharge the Board of Directors of any liability for their management and the Supervisory Board of any liability for their supervision.

Meetings

In 2009, the Supervisory Board held fourteen formal meetings with the Board of Directors. At the beginning of the year, one meeting with the Board of Directors was dedicated to the continuation of the strategy of the company that was approved the previous year, and the design and effectiveness of the internal control system and risk management. The auditor was present at two meetings. Risk management within the company was discussed at one of these meetings with the auditor. All Supervisory Board members were present during all these formal meetings.

The need to hold a large number of meetings was connected with the difficult market conditions and the unexpectedly sharp decline in DPA activities and the ensuing need for restructuring. During its frequent meetings with the Board of Directors, the Supervisory Board focused on the following points, among others:

- the need to develop new framework agreements;
- the implementation of the necessary cost reductions;
- the assessment of the Group's liquidity position;
- the co-operation within and performance of the Board of Directors team;
- the future organisation and cost structure.

The Supervisory Board wished to use the extra meetings to closely monitor the implementation of the necessary changes by the Board of Directors. Within this framework also fit the various meetings of the Chairman with the Board of Directors concerning the implementation of the various steps in the cost-reduction plan.

From the beginning of 2009, the Supervisory Board gave considerable attention to the performance of the Board of Directors as a whole and the individual members in particular.

Finally, there were various meetings between the individual members of the Supervisory Board. Subjects for discussion included the performance of the Supervisory Board as a whole, the profile, competences and performance of the individual members, and conclusions were drawn from these discussions. In view of its size, DPA has not appointed separated committees; the areas of attention concerned were during the course of this year allocated to individual members of the Supervisory Board. Mrs Schaberg supervises topics in the area of Human Resources and Remuneration Structures and Mr Blaauboer supervises topics relating to the Audit. These areas of attention were also the subject of discussion and qualification within the Supervisory Board.

In October intensive discussions commenced between the Boards of Directors of DPA and WR Leading in Finance, with a view to a possible acquisition. The Supervisory Board asked Mr Blaauboer to closely monitor these discussions on behalf of the Supervisory Board.

In November the Supervisory Board established that there was an unforeseen temporary liquidity shortfall, which could only be resolved by means of a subordinated loan of €3 million from three major shareholders. After this, the cost-cutting programme was continued with greater intensity, in order to bring the costs further into line with the reduced financial strength of the company.

The negotiations with WR entered a final phase during January 2010. In that phase, Project Holland Fonds also announced its interest in participating in the capital of the future combined entity. These developments led in February 2010 to the concluding of a Letter of Intent with the shareholders of WR for the 100% acquisition of WR, and the associated announcement of two share issues. On 17 March it was announced that DPA and WR had reached the decision not to execute the acquisition transaction. (see explanatory note to the balance sheet 30 'Events after the reporting period')

At the same time, DPA announced in the press release that the discussions with Project Holland Fonds to achieve completion of the anticipated strengthening of the working capital position in the foreseeable future were continuing. This has now resulted in the signing of a financing proposal that will be submitted to the shareholders for approval. (see 'Events after the reporting period')

In view of the substantial involvement of Mr Blaauboer on behalf of the Supervisory Board in the discussions and monitoring of the implemented cost reductions, the previously anticipated acquisition and the strengthening of the capital, the Supervisory Board will propose to the General Meeting of Shareholders that it grants to Mr Blaauboer a one-off payment of €20 thousand for this work, which during the reporting year exceeded the normal scope of the Supervisory Board.

Internal developments

2009 was an exceptionally turbulent year for DPA. Externally in that the consequences of the credit crisis and the ensuing economic decline continued with greater intensity throughout the year. Internally because of the radical intervention in the organisation structure, accompanied by a substantial shrinkage of the company.

At the beginning of 2009, Roland van der Hoek was appointed as CEO. On 8 January 2009, Michel van Hemele formally transferred his duties as (interim) CEO to the new CEO. With effect from 8 January 2009, Arend de Roever resigned his position as supervisory director and with this his role as Chairman of the Supervisory Board. From the same date, Mr Van Hemele was appointed by the Meeting of Shareholders as a member of the Supervisory Board. He has also taken on the role of Chairman of the Supervisory Board.

In June 2009 DPA, within the authorisation granted by the Annual General Meeting of Shareholders, conducted a successful private share issue, which resulted in proceeds of approximately €2.2 million. As mentioned above, in November three major shareholders provided a subordinated loan of €3 million to DPA.

Remuneration policy

At the beginning of the year, the remuneration of the directors was discussed at a meeting of the members of the Supervisory Board. In consultation, it was decided to maintain the fixed part of the directors' remuneration at the level of 2008. In addition, agreements were made about the variable part of the remuneration. For the financial criteria, it is possible to determine whether the performance criteria have been met by looking at the financial statements. For the non-financial criteria, concrete agreements are made about the trajectories to be achieved. Where possible, they are also to be measured by means of reference to external criteria.

During the course of the year, the financial position of the company worsened, and in consultation with the directors it was decided to reduce the fixed part of the salary. This reduction was implemented in December 2009, and will be retained for 2010. No new bonus policy is foreseen for 2010.

Directors remuneration 2009

The directors' honorarium consists of a fixed remuneration and, for the CEO, a possible bonus which depends on attaining pre-defined targets. The DPA Group N.V. remuneration policy is reviewed annually with reference to the policy of comparable companies in the Netherlands.

The remuneration policy was changed in 2009 compared with the previous year. No bonus agreements were made with the CFO. The variable part for the CEO was divided into a short-term bonus and a long-term incentive.

	Fixed remuneration	Variable remuneration short-term 1)	Pension contribution/costs Lease car (other)	Termination payment
Roland van der hoek				
2009	295,833	0	88,500	n/a
Jan van Duijn [2)]				
2009	287,583	n/a	83,989	n/a
2008	290,000	599,000	64,000	n/a
Michel van Hemele [3)]				
2009	24,000	n/a	n/a	n/a
2008	384,000	130,000	4,000	n/a
Peter Smit [4)]				
2008	150,000	n/a	51,489	483,000

1) In view of the adverse results, no variable bonus for the short term was paid for the year 2009.
2) Resigned as director in March 2010
3) Resigned as director in January 2009
4) Resigned as director in July 2008

Short-term bonus

Annual bonus is a maximum of 33% of the fixed annual salary.

- 2/3 of it is linked to the attainment of the annual EBITDA target
- 1/3 of it is linked to a number of annual substantive renewal trajectories (new contracts, new range of services provided, higher market positioning with higher prices and higher profiles of secondees)
- at least 50% of the bonus is payable in shares
- a lock-up period of 5 years applies for the shares
- normal taxation

Long-term incentive

In 2010 the long-term incentive will be granted in the form of a 3-yearly bonus amounting to at least 100% of the fixed salary, fully payable in shares, if the pre-defined Group targets (EBITDA/share price increase) are attained. Normal taxation applies for this bonus. It is a gross bonus. A lock-up period of 5 years applies for the shares.

The chosen performance criteria provide, in the view of the Supervisory Board, a good balance between short- and long-term objectives and aim at the creation of shareholder value. For the financial criteria, it is possible to determine whether the performance criteria have been met by looking at the financial statements. For the non-financial criteria, concrete agreements are made about the trajectories to be achieved. Where possible, they are also to be measured by means of reference to external criteria.

The targets set by the Supervisory Board for 2009 were not attained. Consequently, no short-term bonus was paid for 2009. No annual bonus was agreed for the CFO Jan van Duijn. In addition, the Supervisory Board also agreed with the Board of Directors a reduction of the fixed directors' remuneration with effect from December 2009, in view of the difficult financial situation in which DPA found itself at year-end 2009.

For a statement of the amounts concerned, see explanatory note to the annual report 33. The remuneration report will be published via www.dpa.nl in the near future.

Change in the membership of the Board of Directors

At the beginning of 2010, CFO Jan van Duijn announced his intention to leave the Board of Directors, three years after becoming a member. He resigned with effect from 1 March 2010 and will remain with DPA for some time in an advisory capacity. His termination payment is 9 months' salary including pension contributions, and falls within the rules of the Corporate Governance Code. His duties have been reallocated internally.
Following the departure of Mr Van Duijn, the Board of Directors is in the hands of CEO Roland van der Hoek. Since the aim is to have a Board of Directors consisting of more than one member, it is currently proposed to add two new members to the Board of Directors.

Issue of shares

As also mentioned in the Message from the Board of Directors, DPA is preparing a share issue amounting to €9 million. The share issue has the support of the major shareholders of DPA.
At least €7 million of the shares will be issued to Project Holland Fonds B.V. and the remainder to two major shareholders. These major shareholders will convert the subordinated loan totalling €2 million that they provided in November 2009. The proceeds of the share issue will be used for the acquisition of the 49% interest in DPA Supply Chain People, which is anticipated after the forthcoming annual meeting. The proceeds of the share issue will also be used to pay off the subordinated loan from major shareholders (€1 million) and to increase the working capital.

Position of the Supervisory Board

On the announcement of the intended acquisition of WR and the anticipated participation of Project Holland Fonds, the Supervisory Board gave consideration to its position. While both of the said intended transactions have the complete and unconditional support of all the members of the Supervisory Board, the Supervisory Board took the view that it must create room for a review of the profile for the Supervisory Board, possibly leading to a change in the composition of the Supervisory Board. For this reason, the Supervisory Board announced in February that it wishes to resign as of the date of the General Meeting of Shareholders, whereby the individual members will make themselves available for reappointment.

Rules on appointment and dismissal of directors and supervisory directors

These rules are laid down in the Articles of Association of the company.
The power to appoint, suspend and dismiss directors is vested in the General Meeting of Shareholders.
A resolution to suspend or dismiss a director can only be adopted by the general meeting by a majority of at least two-thirds of the votes cast, representing more than half of the issued capital.
The Supervisory Board also has the power to suspend directors. Suspension of directors of the company by the Supervisory Board can at any time be lifted by the General Meeting of Shareholders.
The General Meeting of Shareholders appoints the members of the Supervisory Board of the company.
A member of the Supervisory Board can be appointed for a period of a maximum of four years and can have a seat on the Supervisory Board for a maximum of three periods of a maximum of four years. The members of the Supervisory Board retire by rotation in accordance with a schedule to be determined by the Supervisory Board. Members of the Supervisory Board can at any time be suspended or dismissed by the general meeting. A resolution to suspend or dismiss a member of the Supervisory Board can only be adopted by the general meeting by a majority of at least two-thirds of the votes cast, representing more than half of the issued capital.

Amsterdam, 5 May 2010

Supervisory Board
M.M.G. van Hemele
E.J. Blaauboer
A.W. Schaberg

Members of the Supervisory Board and Board of Directors

The Supervisory Board of DPA Group N.V. consists of:

M.M.G. van Hemele (1956)

Michel van Hemele (age 53, Belgian nationality) graduated in 1979 cum laude from the Katholieke Universiteit Leuven where he studied commercial engineering. He continued his studies at EHSAL in Brussels, obtaining his Master's magna cum laude in international business economics and management in 1983. He has also completed various Management Programs at NorthWestern (US), Manchester Business School (UK) and Stanford University (US). Mr Van Hemele is one of the founders and managing partners of Essensys, supplier of highly qualified executive interim managers, and he was chairman of the Board of Directors of Carestel and of Solvus. From 27 May 2008 to 8 January 2009 Mr Van Hemele was interim CEO of DPA Group N.V.. Prior to that, since the end of 2006, he was a member of the Supervisory Board of DPA. He is also a respected professor of international management and corporate strategy at the Hogeschool-Universiteit Brussel (HUBrussel). Mr Van Hemele has a seat on the Supervisory Board of several well-known international companies, in some cases as chairman.
In January 2009 Mr Van Hemele was appointed as a supervisory director of DPA Group N.V.. Mr Van Hemele is chairman of the Supervisory Board. He owns 200,084 shares in the company.

Drs. E.J. Blaauboer (1946)

Ellard Blaauboer (age 63, Dutch nationality) attained his Master's in business economics in 1973 at the Erasmus University Rotterdam. Besides being director of the Bluefarmers Trust, Ellard Blaauboer is also a member of various Supervisory Boards, including that of DIM Vastgoed N.V.. From 1983 to 1997 he was managing director of the venture capital company NeSBIC Groep B.V. and he was also co-founder and first chairman of the Nederlandse Vereniging van Participatiemaatschappijen (NVP), which was established in 1984. From 1973 to 1983 he fulfilled various positions at Pakhoed Holding N.V., VNU N.V. and Deli-Universal N.V. Ellard Blaauboer was appointed as a supervisory director of DPA Group N.V. in 2006. Mr Blaauboer is vice-chairman of the Supervisory Board. He does not own any shares or options in the company.

Drs. A.W. Schaberg (1956)

During the first few years of her career, in addition to her work, Mienke Schaberg (age 53, Dutch nationality) completed her studies at the University of Leiden and later the University of Amsterdam, graduating with a Master's in History of Art and Archaeology. Since 1998, Mrs Schaberg has been partner and managing director of Metaplan Consultants B.V. (executive search) and also partner and managing director at Wolters & Schaberg (deal making). From 1996 to 1998 she was responsible for the television facilities at the Nederlands Omroepproduktie Bedrijf (NOB). Prior to that she worked for many years at Elsevier / Bonaventura (now Reed Business Information) in various editorial and commercial positions. In the last 5 years at Reed she was a business magazine publisher, responsible for titles such as FEM Business. Mrs Schaberg also fulfils various board positions for a range of associations and foundations. Mienke Schaberg was appointed as a supervisory director of DPA Group N.V. in 2008. She does not own any options or shares in the capital of the company.

Mrs Schaberg and Mr Blaauboer are

independent within the meaning of best practice provision III.2 of the Dutch Corporate Governance Code. This is not the case for Mr Van Hemele. He fulfilled the position of interim CEO of DPA for a period of 8 months in 2008. The exception as specified in the best practice provision III.2.1 is applicable to Mr Van Hemele.

Schedule for retirement by rotation, resignation of Supervisory Board

On the announcement of the intended acquisition of WR and the anticipated participation of Project Holland Fonds as a shareholder, the Supervisory Board gave consideration to its position. While both of the said intended transactions have the complete and unconditional support of all the members of the Supervisory Board, the Supervisory Board took the view that it must create room for a review of the profile for the Supervisory Board, possibly leading to a change in the composition of the Supervisory Board.
For this reason, the Supervisory Board announced in February that it wishes to resign as of the date of the General Meeting of Shareholders, whereby the individual members will make themselves available for reappointment.

As a result of this resignation, the schedule for retirement by rotation is not applicable; as soon as the new Supervisory Board has been appointed, a new schedule will be drawn up.

The Board of Directors of DPA Group N.V. consists of: (*)

R.A.M.R. van der Hoek (1958) – CEO

For the last six years Roland van der Hoek was general manager of Thremen B.V., which became part of Tempo Team B.V. within Randstad Holding in 2007. Prior to that Mr Van der Hoek held senior management positions at Sun Microsystems, Lacis Groep Benelux and CSS Holding N.V. During this period Mr Van der Hoek gained international management experience in various positions for the organisations mentioned and as an independent consultant.
In 2007 he was voted "Social Entrepreneur of the Year". He is also involved in the KidsRights foundation as a member of the board, and he is a board member of The Cuddle Company (a KidsRights initiative) and of the Anagenesis Trees Corporation. He is one of the initiators of the Children's Peace Prize, which was awarded in the Ridderzaal in The Hague on 3 December 2009. This was the fifth time the prize was awarded. Roland van der Hoek was appointed as CEO of DPA Group N.V. in 2009. He owns 20,000 shares in the capital of the company.

J. van Duijn (1963) - CFO (*)

Jan van Duijn is a member of the Board of Directors and CFO of DPA Group N.V. Jan van Duijn has previous experience as a finance director, as managing director of Shared Service Center and as a director (Corporate Vice President F&A and ICT and Executive Committee member) of companies such as USG People, Unique International and Multi Services. Jan van Duijn was appointed as a member of the Board of Directors of DPA Group N.V. in 2007. He owns 137,999 shares in the capital of the company.

(*) *Mr J. van Duijn left DPA Group N.V. on 1 March 2010; he will remain with DPA for some time in an advisory capacity. His termination payment is 9 months' salary including pension contributions. His duties have been reallocated internally.*

Corporate Governance

Structure and policy

DPA Group N.V. is a limited company under Dutch law, with registered offices in Amsterdam, the Netherlands.
The authorised capital consists of ordinary shares made out to bearer. No share certificates or cumulative preference shares have been issued. DPA is listed on the NYSE Euronext in Amsterdam. A large proportion the shares are owned by private equity funds and institutional investors.
The company focuses exclusively on the Dutch market.

The management of DPA consists of a Board of Directors and a Supervisory Board.

DPA works in principle with a Board of Directors consisting of more than one member, which is responsible for the day-to-day management of the company and the long-term strategy. With the departure of the CFO as of 1 March 2010, there is temporarily just one member of the Board of Directors. An attempt will be made to increase the number of members in the coming months. The Supervisory Board is responsible for the supervision of the management and for advising the Board of Directors.

Three people have a seat on the Supervisory Board. The Supervisory Board does not have separate committees and, in view of its size, does not expect to do so in the foreseeable future. Ellard Blaauboer has the audit in his portfolio, and there is not a separate audit committee. Mrs Schaberg has remuneration in her portfolio and, if applicable, selection and appointment.

Implementation and non-applications

Since the introduction of the Dutch Corporate Governance Code in December 2003, DPA began to apply its principles. The Board of Directors is of the opinion that the current corporate governance structure of DPA during the past year, and considering the size of the organisation, is almost entirely in compliance with the Code.

The company reserves the right not to apply best practice provisions in incidental circumstances, while always complying with the principle formulated in the code that non-applications will be reported, with statement of reasons.

The company meets almost all the best practice provisions stated in the Dutch Corporate Governance Code, with the exception of the following few provisions:

(I).Best practice provision II.1.1

- Appointment of the Board of Directors for a maximum period of four years.

DPA has elected to agree employment contracts with members of the Board of Directors for an indefinite period. The best practice provision is not applied because, in view of the size of DPA, it would present too great a risk for continuity.

(II).Best practice provision III.4.2.

- The chairman of the Supervisory Board shall not be a former member of the Management Board of the company.
Contrary to the best practice provision, Mr. Van Hemele is chairman of the Supervisory Board although he was CEO of DPA on an interim basis.

(III) Principle III.5.

- Composition and role of three key committees of the Supervisory Board.

In view of the size of the Supervisory Board (fewer than 4 members), it is not deemed to be worthwhile to appoint such committees. All issues are discussed with the plenary board. In addition to the general responsibility of all Supervisory Board members, a division has been made into certain areas of attention. Mrs Schaberg concentrates on remuneration and, if applicable, on selection and appointment. Mr Blaauboer, who represents the financial expertise in the Supervisory Board, gives special attention to the audit.

(IV) Best practice provisionIV.3.1

- Provision shall be made to follow meetings with analysts, presentations and press conferences, for example by means of webcasting or telephone lines.

The size of the company is currently insufficient to be able to make these facilities available. Furthermore the company considers that only a very limited number of shareholders would make use of such facilities, which does not justify the cost of implementing such a system. DPA considers that it is sufficient to both make announcement of meetings and to provide information via the company website before and after the meeting.

(V) Best practice provision V.3.13

– The company shall formulate an outline policy on bilateral contacts with the shareholders and publish this policy on its website.

This is an addition to the Corporate Governance Code which was published at the end of 2008. DPA will formulate its policy relating to this provision this year, and will publish it on its website.

(VI) Best practice provisionV.3.3

– If there is no internal audit function, the audit committee shall review annually the need for an internal auditor. Based on this review, the Supervisory Board shall make a recommendation on this to the management board in line with the proposal of the audit committee, and shall include this recommendation in the report of the Supervisory Board.

Because of the size of the organisation and the risk profile, DPA does not have a separate internal audit function. The Supervisory Board has reviewed this situation and at present does not consider an internal audit function to be needed.

Changes compared with 2008

In 2009 no significant changes were made regarding the best practice provisions operational within the organisation.

Regulations

In 2008 a revised version of the regulations for the Board of Directors was drawn up and published via the DPA website. No changes were made to this in 2009.

The relevant documentation, including the Articles of Association of the company and the various regulations, is published on the website: www.dpa.nl or can be requested from the company.

Risk factors

Risks and risk management

Risks are an integral part of doing business. DPA endeavours to minimise the risks arising from normal business practice by striving to provide high quality service, and this is embedded in a strong and professional organisation. In order to guarantee the quality as well as the efficiency of the services provided, DPA invests in training its personnel. Continuous attention is given to the administrative processes and we provide transparency in our costs and revenues. The communications and information systems support this. In addition DPA is ISO 9001:2000 certified. The six-monthly ISO audits clearly demonstrate how DPA has anchored continuous quality improvement in the operating procedures.

Temporary risk

In addition to the ordinary risks, there is a temporary risk in consequence of the recent situation. This risk can be eliminated in the near future. It is the risk arising from the fact that DPA currently has just one member of the Board of Directors. This makes the company somewhat vulnerable. A solution for the management has been found by means of extra services that are provided by the supervisory director Mr Blaauboer. A solution has also been realised for the authority to sign. The intention is to appoint a new member of the Board of Directors as soon as possible.

Risks arising from activities

The risks associated with the business activities, market position and development of DPA are mainly determined by the quality and quantity of projects being carried out by our interim professionals for our clients. Factors determining the success of DPA are the ability to recruit and hold on to suitable professionals and the ability to manage the costs of our internal processes.

Quality and quantity of projects

Absence due to sickness decreased in the past year. The average hourly rate remained virtually the same compared with 2008. The number of projects carried out for clients during the year decreased compared with 2008. This is reflected in the increased number of idle hours.
From a commercial point of view, management attention is divided between gaining the position of preferred supplier with large clients and deploying interim professionals in medium-sized enterprises. The large clients mainly ensure continuity in our assignments, while it is usually possible to realise a higher margin for assignments with medium-sized enterprises. As a result of this dual focus DPA is able to realise turnover from a wide client base. In addition a great deal of attention is given to expanding and extending agreements with existing clients. DPA endeavours to respond rapidly to changing circumstances by means of accurate and timely management information.

Recruiting and holding on to professionals

The changes to the organisation and job descriptions implemented during 2009 have paved the way to better ensure the development, coaching and deployment of the interim professionals within the existing operating companies. The responsibility for the healthy growth in the number of interim professionals in tune with demand from the market lies with the operating companies themselves. Each operating company has its own profile, enabling interim professionals to identify themselves with the operating company that best meets their own wishes and requirements. In this way DPA endeavours to optimise the recruitment of interim professionals and strengthen the bond between DPA and these professionals. Current economic trends have resulted in reduced demand, particularly in the general positions more sensitive to economic cycle effects and less noticeably in the specialist positions. With the new strategy, DPA focuses precisely on these specialist positions.

Employee information

	2009	2008
Year-end numbers		
Employees with permanent contract (IPs)	**324**	457
Employees with temporary contract	**21**	29
Third parties (freelancers, ex. brokers)	**116**	156
	461	642
Own personnel (internal)	**68**	91
	529	733
Average numbers		
Employees with permanent contract (IPs)	**375**	475
Employees with temporary contract	**25**	93
Third parties (freelancers, ex. brokers)	**115**	149
	515	717
Own personnel (internal)	**80**	105
	595	822

In 2009 the organisation structure with operating companies was further implemented. DPA Nederland now has business units for Finance and IT which operate independently. This is reflected in DPA's branding policy.
As is the case in most organisations, IT plays a key supporting role in our processes. Our IT systems are stable and perform sufficiently well. Continual investment will always be necessary but is limited. The current IT applications will be continued and will be modified further to meet the wishes and requirements of the organisation.

A key factor in the costs is when interim professionals are not productive. In 2009, taking the whole year into consideration, this factor increased. This despite the operating companies giving extra attention to limiting unproductive time and keeping costs under control.

Unproductive time is due to the period between two assignments but may also be the result of a particular professional's qualifications no longer meeting demand. We aim to limit the first cause by signalling the end of an assignment well in advance, and to limit the second cause by maintaining the level of knowledge and expertise of our personnel; in addition, during 2009 we discontinued the services of a large number of professionals because their qualifications no longer met the demand. These two measures are anchored within the operating companies by means of implemented procedures.

Financial risks

The acquisitions of GEOS IT Professionals B.V. and Conink Consultants B.V. in 2007 were financed by a working capital facility in the form of factoring. The amount written off for bad and doubtful debts in 2009 was negligible. DPA only operates within the euro zone and therefore bears no currency risks. The goodwill arising from the acquisitions will perhaps have to be revalued downward (impairment) due to a deteriorating market.

The maximum credit facility of this factoring is €8 million. The interest is variable and is based on the Euribor. In the past year the company's liquidity and solvency were placed under pressure by the poor results. The liquidity crisis was resolved by means of the subordinated loan of €3 million provided by shareholders in November 2009 and the more drastic cost-cutting measures. DPA has reduced its debt position with the banks. DPA's liquidity position will improve in the near future as a result of the planned share issue, with which the subordinated loans of €3 million provided in November 2009 will be repaid or converted and €3 million will be added to the company's working capital. (see 'Events after the reporting period') On the basis of the scenario analysis made, the review of the strategy, the implemented organisational changes and the participation of Project Holland Fonds as a major shareholder, DPA looks to the future with confidence. Due to the above, the formulation of the financial statements is based on the assumption of continuity.

DPA not only leases the current location on Gatwickstraat, but also still leases the premises at the former location on Thomas R. Malthusstraat in Amsterdam. These premises are sublet to the intermediary that arranged the premises on Gatwickstraat. The current premises on Gatwickstraat in Amsterdam are leased in their entirety by DPA. One-third of the premises on Gatwickstraat is used by DPA itself. The other space is sublet. The part that is empty is refunded by the intermediary.
In total, the intermediary guarantees €2.7 million up to 2018. DPA runs a debt risk on this future receivable.

In 2009 the effects of the economic recession were felt by DPA. This negative development led directly to a decrease in turnover in a deteriorating market.

The number of assignments and hence of secondees fell sharply, particularly in the segments IT and Finance. The business unit GEOS mainly supplies professionals to large software houses. The fall in the number of assignments from these software houses resulted in a fall in turnover for GEOS. In the first six months Supply Chain showed a slight turnover growth, but ultimately the turnover of Supply Chain also decreased compared with 2008. The goodwill impairment occurred because of downward adjusted expectations due to these events.

Market risks

Sensitivity to the economic cycle
The secondment sector is strongly influenced by the effects of the economic cycle. Any deterioration in the economy has a major impact on DPA. After all, the demand for temporary staff depends on the economic situation in the markets in which we operate. In order to move with our markets we have established a flexible layer, consisting of both freelancers and employees with a temporary contract. In the event of a decline in the market this layer can be easily diminished. These flexible numbers of employees enable us to keep salary costs in line with the order portfolio. In this way, we make our fixed costs variable. Trends and changes within each operating company are monitored as part of our internal processes. Information about these is brought forward in the management team meetings and the commercial meetings.

Competition
The secondment market is very competitive. There are many different types of service provider. Because the cost of entering the market is low, it is relatively easy to enter the market. Pressure from competitors is not expected to decline in the future. There is stiff competition in the markets where DPA aims to win clients and recruit experienced interim professionals and qualified personnel. With the acquisition of contracts as 'preferred supplier' DPA strives to secure market share. These contracts exclude non-contracted service providers for a specific period of time, but can also place margins under pressure.

Internal control system

The DPA Board of Directors is responsible for the performance of the system of internal control and risk management. Our risk management focuses on recognising and managing the risks associated with the company's financial and operational objectives, and also establishes effective measures to manage these risks.

DPA's internal control and risk management system consists of the following key elements:
- Guidelines and consultation structures;
- Reporting and analysis;
- Internal audit.

Guidelines and consultation structures
Within DPA the following key control measures (guidelines and policy rules) have been established:

- Guidelines pertaining to financial reporting;
- Corporate governance structure, documented in the Articles of Association of the company and the internal regulations;
- Guidelines pertaining to budgeting and annual plans;
- Periodic consultation with the Supervisory Board, when the most important risks and mitigating measures are discussed;
- Planned weekly meetings within the Board of Directors and planned monthly meetings with management to discuss the progress of the operation and the various projects.

Board of Directors
The company is managed by the Board of Directors, consisting of one or more members. The Board of Directors represents the company. The Board of Directors can be designated by the general meeting as the body that is authorised to issue or repurchase shares up to 10% of all outstanding shares in the capital of the company. The Board of Directors is then permitted, within that authorisation, to make decisions about this, with the prior or simultaneous approval of the Supervisory Board.

Supervisory Board
The Supervisory Board supervises the policy of the Board of Directors and the general course of events within the company and its related business. In performing this duty, the Supervisory Board should take account of the interests of the various stakeholders. The Supervisory Board must approve the following decisions of the Board of Directors:

- acquiring, disposing of, encumbering, renting, letting or otherwise acquiring or giving the use or enjoyment of property subject to registration;
- taking legal action, including conducting arbitration proceedings, but with the exception of taking legal action that cannot be delayed;
- concluding and changing employment contracts, by which a remuneration is granted which exceeds an amount per year to be determined by the Supervisory Board and notified in writing to the Board of Directors;
- drawing up pension schemes and granting pension entitlements in addition to those arising from existing schemes;
- casting a vote on shares that the company has in other companies, including determination of the direction in which a vote will be cast;
- the operational and financial objectives of the company;
- the strategy intended to result in realisation of the objectives;
- the preconditions applied in the strategy;
- the issue or repurchase of shares up to 10% of all outstanding shares in the capital of the company;
- those matters regarding which the Supervisory Board has clearly stipulated, in its decision to that effect, that decisions of the Board of Directors on such matters must be subject to its approval.

The Supervisory Board can stipulate that a decision as referred to in the above points is not subject to its approval if the interest involved does not exceed a value to be determined by the Supervisory Board and notified in writing to the Board of Directors.

In addition, the Supervisory Board decides on the establishment of the remuneration and other terms of employment for each member of the Board of Directors individually, with due observance of the policy established by the General Meeting of Shareholders, and approves the annual financial statements.

General Meeting of Shareholders
The powers of the general meeting include:

- Establishing the number of members of the Board of Directors;
- Appointing the members of the Board of Directors;
- Suspending or dismissing members of the Board of Directors. This resolution can only be adopted by a majority of at least two-thirds of the votes cast, representing more than half of the issued capital;
- Establishing the policy in the area of remuneration of the Board of Directors;
- Appointing supervisory directors;
- Suspending or dismissing supervisory directors. This resolution can only be adopted by a majority of at least two-thirds of the votes cast, representing more than half of the issued capital;
- Approving arrangements in the form of shares or entitlements to take shares;
- Designating the Board of Directors as the body authorised to issue or repurchase shares up to 10% of all outstanding shares in the capital of the company;
- Adopting the annual financial statements;
- Deciding to amend these Articles of Association or to effect a legal merger, legal split-up or dissolution of the company.

In addition, the general meeting must approve decisions of the Board of Directors concerning important changes in the identity or character of the company or the business, including in any case:

- the transfer of the business or almost all the business to a third party;
- entering into or discontinuing long-term collaboration of the company or a subsidiary company with another legal person or company or as a fully liable partner in a limited partnership or commercial partnership, if this collaboration or discontinuation is of major significance to the company;
- taking or disposing of a participation in the capital of the company, the value of which is at least one-third of the amount of the assets according to the balance sheet with explanatory notes or, if the company draws up a consolidated balance sheet, according to the consolidated balance sheet with explanatory notes, according to the annual financial statements of the company most recently adopted by that company or a subsidiary company.

Reporting and analysis

Our reporting is designed to provide timely insight into the extent to which strategic and financial objectives are being realised. The communication about financial and management information takes place according to the guidelines documented within the reporting system. The main reports are:

- Annual budget, including the business plan;
- Daily report on the position of cash and cash equivalents;
- An extensive financial report detailing the expected realisation of the annual budget generated every six months;
- A quarterly interim statement on the general financial course of events during the previous period;
- Detailed monthly information covering the financial results compared with the budget and the results from the previous year;
- Continuously available detailed qualitative information (development of projects in the pipeline, utilisation rates of our interim professionals and our order portfolio);
- Monthly (written) statements from the management concerning relevant issues such as the receivables balance, personnel matters, claims, market expectations, competitive position, analysis of the monthly results and other risks.

Internal audit

DPA operates a framework of internal audit measures. This framework supports the underlying financial reporting and procedures. The internal audit framework can be subdivided as follows:

- **Basic principles of policy**
  The basic strategic principles, as expressed in the Long-term Strategy section, are evaluated regularly and revised as necessary. These principles are a reflection of DPA's ambitions and the manner in which these are to be achieved. The evaluation takes place during the regular meetings between the Board of Directors and the Supervisory Board.
- **Strategic objectives**
  Strategic plans have been drawn up for all operating companies, and are presented in the section Market Developments. The strategic plans have been translated into objectives and budgets. Every month the management and the Board of Directors check the results against the objectives and budgets.
- **Internal audit**
  This audit is in place to ensure that all reports contain reliable information and are drawn up on time and that the risk management policy and the control measures are executed effectively. At the same time, where necessary, measures are documented to further optimise the internal control system.

Declaration concerning the performance of the internal control system

In the past year the internal control system has been further optimised and embedded in the DPA organisation. Emphasis was placed on:

- Centralising documentation and information;
- Shifting audit moments (less in arrears and more before and during processes);
- Clarifying tasks and responsibilities;
- Increasing insight into processes and identifying further improvements of them.

The organisational changes within the company delayed plans to embed the internal control system. Nevertheless we were able to realise the goals that we set.

Even though we have taken great care in designing and implementing our risk management and audit systems, these measures can never offer absolute certainty that the objectives for strategy, operational activities, financial and other reporting and compliance with legislation and regulations are always met in full. We know from experience that when taking decisions errors of judgement may occur, that there must always be a balancing process when accepting risks and taking control measures, that agreements within the organisation may be ignored, and that even simple errors or mistakes can have serious consequences.

The Board of Directors (Roland van der Hoek, CEO) declares on 5 May 2010 that no evidence was found indicating that in 2009 the internal control system did not function properly. Bearing in mind the above-mentioned constraints which are inevitably associated with all internal risk management and audit systems, and taking into account the opportunities for improvement identified, the Board of Directors is of the opinion that to the best of its knowledge the internal risk management and audit systems in place in our organisation offer reasonable assurance that the financial reporting does not contain any material misstatements. This can also be seen from the external audit for 2009.

The actual effectiveness of our internal control system can only be assessed on the basis of the results over a longer period and/or on the basis of a specific review of the design, existence and performance of the internal control measures.
In a rapidly changing world with a continuous stream of new challenges, additional requirements are constantly being placed on the internal risk management processes and the checking of these so that there are always aspects of these processes that can be improved.
The policy remains focused on the continual review and improvement of the risk management system in order to optimise as far as possible the reliability and effectiveness of these processes and their checking, and to adjust these processes where necessary.

In this context, 'reasonable assurance' refers to a degree of certainty that, under the given circumstances, would be acceptable to a prudent manager in the management of affairs.

Declaration of the Board of Directors

Declaration of the Board of Directors pursuant to the Transparency Directive.
The Board of Directors of DPA Group (Roland van der Hoek, CEO) declares on 5 May 2010 that to the best of his knowledge:
- the financial statements of DPA Group give a true and fair picture of the assets, the liabilities, the financial position and the profit or loss of the issuing organisation and of the companies included together in the consolidation; and
- the annual report of DPA Group gives a true and fair picture of the situation on the balance sheet date, the course of events during the financial year of DPA Group and of the affiliated companies whose data are included in its financial statements and that the actual risks with which DPA Group is confronted are set down in the annual report.

Corporate Governance declaration

This declaration is included pursuant to Article 2a of the decree on additional requirements for annual reports of 1 January 2010 (hereafter the 'Decree'). For the statements in this declaration as referred to in Articles 3, 3a and 3b of the Decree, see the relevant sources in this annual report.
The following statements must be deemed to be inserted and repeated here:
- Compliance with the principles and best practice provisions of the Code (page 19 'Implementation and non-applications')
- The main characteristics of the control and audit system relating to the process of financial reporting of DPA (page 25 'Internal control system')
- The functioning of the shareholders' meeting and its principal powers and the rights of the shareholders and how these can be exercised (page 24 'General Meeting of Shareholders')
- The composition and functioning of the Board of Directors (page 17 et seq.)
- The composition and functioning of the Supervisory Board and its committees (page 17 'Supervisory Board')
- The rules for appointing and replacing members of the Board of Directors and the Supervisory Board (page 16 'Rules on appointment and dismissal of directors and supervisory directors' and page 24 'Board of Directors' and 'Supervisory Board')
- The rules for amending the Articles of Association of the company (page 28 'Shareholder information')

- The powers of members of the Board of Directors or the Supervisory Board regarding the possibility of issuing or repurchasing shares (page 24 et seq. 'Board of Directors' 'Supervisory Board' and 'General Meeting of Shareholders')
- The 'change of control' provisions in important agreements (page 21 'Risk factors')
- The transactions with related parties (explanatory note 29 'Related parties')

EU Takeover Directive 10

In relation to the required information that is specified in Article 10 of the EU Takeover Directive, the following can be stated with regard to takeovers:

a. only 12,755,652 ordinary shares made out to bearer have been issued and paid-up; this is 42.5 % of the authorised capital; (explanatory note 23 'Equity attributable to shareholders of DPA Group N.V.')
b. no restrictions are made by the company on the transfer of shares; (see Articles of Association)
c. there are shareholdings in the company for which there is a disclosure obligation pursuant to Articles 5:34, 5:35 and 5:43 of the Financial Supervision Act (Wft); a list of these shareholdings is given in the chapter 'Shareholder information';
d. there are no special control rights attaching to shares;
e. the system of control of a scheme that gives employees rights to take or acquire shares in the capital of the company or a subsidiary company, where the control rights are not exercised directly by the employees;
f. there are no restrictions on voting rights;
g. there are no agreements between shareholders which are known to the company and may result in restrictions on the transfer of shares or certificates of shares issued with the company's cooperation, or in restrictions on voting rights;
h. the rules governing the appointment and dismissal of members of the Board of Directors and the Supervisory Board and amendment of the Articles of Association have been stated earlier in this annual report;
i. the powers of the members of the Board of Directors, and in particular the power to issue or repurchase shares of the company have been stated earlier in this annual report;
j. ethere are no significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a public takeover bid within the meaning of Article 5:70 of the Financial Supervision Act (Wft);
k. there are no agreements in effect between the company and members of the Board of Directors or employees providing for compensation if their employment ceases because of a public takeover bid within the meaning of Article 5:70 of the Financial Supervision Act (Wft).

DPA Group N.V. is a company listed on the stock exchange (NYSE Euronext Amsterdam). The two-tier board rules are not applicable to DPA.

Safe harbour statement:

This annual report contains a number of forward-looking announcements and/or statements. The forward-looking announcements and/or statements are subject to risks, uncertainties and other factors, as a result of which actual results and/or the expectations thereof could differ materially from the information presented in the forward-looking announcements and/or statements. Important causes and/or factors that could give rise to this are the following:

(i) conditions of the IT and/or Finance market
(ii) the general economic situation
(iii) the performance of the financial markets
(iv) the level of the interest rate
(v) dthe competitive conditions at the global, national and/or regional level
(vi) change(s) in the legislation and regulations.

The factors and/or causes listed here are not exhaustive. Many factors and/or causes are involved, outside of the company's immediate sphere of control. Partly as a result of this, the company advises the reader to exercise caution and restraint in the interpretation of forward-looking announcements and/or statements.

Shareholder information

Reservations and dividend policy

The DPA Group N.V. dividend policy is based on:

- A dividend pay-out ratio of 30-40% of the net profit;
- Payment of dividend in cash.

The company only pays a final dividend which is made payable after the General Meeting of Shareholders. From the flotation of the company in 1999 up to and including 2002 approximately 40% was paid each year. Since 2003 no dividend has been paid. In 2003 and 2004 the negative results did not permit dividend pay-out. In 2005 to 2008 dividend was not paid out to prevent further weakening of the company's capital position.

In the future, the Board of Directors can decide to grant holders of ordinary shares an optional dividend in the form of cash and/or partially in shares.

Issuing of shares

The meeting of shareholders can annually authorise the Board of Directors to issue shares in any year up to a maximum of 10% of the number of outstanding shares. For other share issues, normal consent of the shareholders is required.

Amend ment of the Articles of Association

A resolution to amend the Articles of Association can only be adopted by the general meeting of shareholders. If a motion to amend the Articles of Association is tabled, this must always be announced in the notice to convene the general meeting. A copy of the motion in which the proposed amendment is set out verbatim must also be available for inspection at the office of the company for every shareholder and usufructuary of shares with voting rights, until the end of the meeting. If these conditions are not fulfilled, a resolution concerning the motion to amend the Articles of Association can only be adopted unanimously in a meeting at which all the issued capital is represented.
The Board of Directors is obligated to provide a copy of the motion, free of charge, to the shareholders and the usufructuaries of shares with voting rights who so request. A motion to amend the Articles of Association will be submitted to Euronext Amsterdam N.V.

Take over defenses

There are otherwise no takeover defences nor special rights or control under the Articles of Association in effect for the company.

Securities transactions
Members of the Board of Directors and the Supervisory Board are bound by the 'insider trading regulations'. These rules stipulate how transactions in DPA securities must be handled. The rules prohibit, among other things, trading during the so-called 'closed period'. Monitoring of compliance with the 'insider trading regulations' is the responsibility of the Central Officer of DPA. The regulations impose no restrictions with regard to trading in shares of direct competitors..

Voting rights

All outstanding shares are ordinary shares and all have voting rights attached.

2.3 Proposal for the absorption of loss 2009

The loss incurred in 2009 of € 7,595 thousand will be charged to the equity base.

Outstanding shares

Based on the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Act (Wmz) and our own information, there are 8 major shareholders of the share DPA known at the time of publication of this annual report:

Kempen Oranje paricipaties N.V.	11.3 %
Janivo Beleggingen B.V.	10.2 %
Gestion Deelnemingen II B.V.	10.1 %
Gestion Deelnemingen V B.V.	6.2 %
Delta Lloyd Levensverzekering N.V.	15.0 %
A. Strating	8.4 %
Inter-him N.V.	6.3 %
Mr Drs. M.O. de Ruiter RA Beheer B.V.	6.1 %

Number of outstanding shares at 31 December 2009 with a nominal value of €0.10 per share € 12,755,652

2007	2008	**2009**
10,524,262	11,053,366	**12,187,678**

Important dates in 2010

14 May	Trading update 1st quarter
20 May	General Meeting of Shareholders
27 August	Publication of half-year figures 2010
5 November	Trading update 3rd quarter

Contact

For further information concerning Investor Relations, please contact the DPA secretariat, tel.: 020 – 51 51 555. You may also send an e-mail to investorrelations@dpa.nl

Quality

DPA stands for high-quality service. In order to guarantee the quality and efficiency of the services we provide, we invest in permanent education and training of our professionals, we invest continually in our own organisation, and we offer clients an overview of the transparent structure of our costs and income. Permanent quality improvement is deeply rooted in our business operations. To emphasis this, DPA is ISO 9001:2000 certified.

Financial Statements 2009

Consolidated statement of total result 2009

x €1,000	Explanatory notes	2009		2008	
Net revenue	6, 32.	**51,337**		70,207	
Cost of services	7.	**41,766**		52,308	
Gross profit			**9,571**		17,899
Cost of sales	8.	**6,309**		7,432	
General administrative expenses	9.	**10,828**		9,924	
Impairment of goodwill	12.	**2,138**		13,305	
Total operating expenses			**19,275**		30,661
Operating result			**(9,704)**		(12,762)
Financial income	13.		**19**		647
Financial expenses	13.		**(346)**		(1,440)
Result before tax			**(10,031)**		(13,555)
Taxation on profit	14.		**2,131**		64
Result for the financial year from continuing operations			**(7,900)**		(13,491)
Result for the financial year from discontinued operations	17.		**305**		-
Net result for the year			**(7,595)**		(13,491)
Attributable to:					
Shareholders of the company (net result)			**(8,740)**		(12,168)
Minority interests of third parties			**1,145**		(1,323)
			(7,595)		(13,491)
Earnings per share attributable to the ordinary shareholders of DPA Group N.V. during the year (in euros per ordinary share):					
Continuing operations					
Basic and diluted net earnings per average ordinary share	15.		**(0.72)**		(1.10)
Discontinued operations					
Basic and diluted net earnings per average ordinary share	15.		**0.02**		0.00

Consolidated balance sheet at 31 December 2009 before proposed appropriation of the result

x €1,000	Explanatory notes	2009		2008	
ASSETS					
Property, plant and equipment	18.	1,675		2,082	
Intangible assets	19.	20,992		25,283	
Trade and other receivables	20.	1,949		2,068	
Deferred tax assets	21.	1,030		926	
Fixed assets			25,646		30,359
Trade and other receivables	20.	12,411		21,308	
Cash and cash equivalents	22.	1,236		-	
Current assets			13,647		21,308
Total assets			39,293		51,667
EQUITY AND LIABILITIES					
Issued capital	23.	1,276		1,157	
Share premium	23.	32,235		30,142	
Reserves	23.	(9,130)		3,019	
Undistributed earnings	23.	(8,740)		(12,168)	
Equity attributable to shareholders of DPA Group N.V.			15,641		22,150
Minority interests	23.		(27)		(907)
Total equity			15,614		21,243
Deferred tax liabilities	24.	782		1,359	
Loans	25.	3,000		-	
Provisions	26.	2,166		2,238	
Creditors and other liabilities	27.	1,444		1,644	
Non-current liabilities		7,392		5,241	
Creditors and other liabilities	27.	9,860		14,718	
Current tax liabilities	21.	-		824	
Bank overdrafts	25.	3,351		7,115	
Provisions	26.	3,076		2,526	
Current liabilities		16,287		25,183	
Liabilities			23,679		30,424
Total equity and liabilities			39,293		51,667

N.B. The following explanatory notes form an integral part of these financial statements.

Consolidated statement of changes in equity

x duizend Euro	Expla-natory notes	Issued capital	Share premium	Reserves			Total equity attributable to shareholders of DPA Group N.V.	Minority interests	Total
		Ordinary		General reserve	Net result	Total reserves			
Position at 1 January 2008	**23.**	**1,052**	**26,173**	**3,298**	**(532)**	**2,766**	**29,991**	**416**	**30,407**
Appropriation of profit/loss 2007		-	-	(532)	532	-	-	-	-
Share issue		105	3,969	-	-	-	4,074	-	4,074
Share-based payments				253		253	253		253
Net result 2008		-	-	-	(12,168)	(12,168)	(12,168)	(1,323)	(13,491)
Position at 31 December 2008	**23.**	**1,157**	**30,142**	**3,019**	**(12,168)**	**(9,149)**	**22,150**	**(907)**	**21,243**
Appropriation of profit/loss 2008				(12,168)	12,168				
Share issue		111	2,093				2,204		2,204
Share-based payments		8		19		19	27		27
Dividend pay-out								(265)	(265)
Net result 2009					(8,740)	(8,740)	(8,740)	1,145	(7,595)
Position at 31 December 2009		**1,276**	**32,235**	**(9,130)**	**(8,740)**	**(17,870)**	**15,641**	**(27)**	**15,614**

Consolidated cash flow statement 2009

x €1,000	Explanatory notes	2009		2008	
Net result		**(7,595)**		(13,491)	
Impairment of goodwill	19.	**2,138**		13,305	
Impairment of brand name	19.	**1,189**		-	
Corporate income tax	14.	**(2,131)**		(64)	
Interest paid	13.	**346**		1,440	
Interest received	13.	**(19)**		(647)	
Operating result		**(6,072)**		543	
Adjustment for:					
Depreciation of property, plant & equipment	18.	**489**		697	
Amortisation of other intangible assets	19.	**1,072**		1,345	
Share-based payments		**27**		253	
Provisions	31.	**478**		2,595	
Taxation on profit received	21.	**680**		1,274	
Taxation on profit paid	21.	**(54)**		-	
Operating cash flow before operating working capital			**(3,380)**		6,707
Trade and other receivables	31.	9,016		(1,304)	
Creditors and other liabilities	31.	(5,058)		1,224	
Operating working capital			**3,958**		(80)
Net cash flow from operations			**578**		6,627
Investments in property, plant & equipment	18.	**(82)**		(1,774)	
Investments in intangible assets	19.	**(108)**		-	
Divestments of property, plant & equipment	18.	**-**		188	
Net cash flow from investing activities			**(190)**		(1,586)
Free cash flow			**388**		5,041
Loans obtained	25.	**3,000**		-	
Loans repaid	25.	**-**		(1,250)	
Share issue		**2,204**		4,074	
Dividend paid to minority shareholder		**(265)**		-	
Financial expenses paid	13.	**(327)**		(793)	
Net cash flow from financing activities			**4,612**		(2,031)
Net increase(/decrease) in cash and cash equivalents and bank overdrafts			**5,000**		7,072
Cash and cash equivalents and bank overdrafts at 1 January			**(7,115)**		(14,187)
Net increase(/decrease) in cash and cash equivalents and bank overdrafts			**5,000**		7,072
Cash and cash equivalents and current bank overdrafts at 31 December	31.		**(2,115)**		(7,115)

Notes to the consolidated financial statements

(all amounts x €1,000 unless otherwise stated)

1. General information

DPA Group N.V. is a public limited company incorporated and domiciled in the Netherlands and listed on the Euronext Amsterdam. The company was founded on 18 March 1999. The registered office of the company is in Amsterdam and the address is Gatwickstraat 11. The name of the company was changed on 9 June 2009 to DPA Group N.V.

The consolidated financial statements of DPA Group N.V. comprise the company and its subsidiaries (together called the "Group"). The consolidated financial statements include the financial data of DPA Group N.V. and the following subsidiary companies:

- DPA Beheer B.V., Amsterdam, the Netherlands, (100%)
- DPA Nederland B.V., Amsterdam, the Netherlands, (100%)
- DPA Vast B.V., Amsterdam, the Netherlands, (100%)
- DPA Projects B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Young Professional B.V., Amsterdam, the Netherlands, (100%)
- DPA FIT B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Werving & Selectie B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Interim B.V., Amsterdam, the Netherlands, (100%)
- GEOS IT Professionals B.V., Amsterdam, the Netherlands, (100%) from 1 January 2007
- Conink Consultants B.V., Zwolle, the Netherlands, (100%) from 5 September 2007
- Conink Participaties B.V., Zwolle, the Netherlands, (100%) from 5 September 2007
- DPA Supply Chain People B.V., Amsterdam, the Netherlands, (51%)

Activities

The main activities of the Group are providing specialist staffing solutions for financial-administrative and IT specialist personnel (such as controllers, heads of finance and payroll accountants, system administrators and network managers) and interim management solutions.

Authorisation date of the financial statements

The financial statements were drawn up by the Board of Directors on 5 May 2010. The financial statements were signed and authorised for issue by the Board of Directors and the Supervisory Board on 5 May 2010. The adoption of the financial statements is reserved for the shareholders at the Annual General Meeting of Shareholders (AGM) to be held on 20 May 2010.

2. Summary of the key reporting policies

Compliance with IFRS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as accepted within the European Union.

In 2009, IFRIC 12, 13, 14, 15, 16, 17, 18 and 19 came into force. However, these interpretations are not relevant for the company. In addition, in 2009 amendments of IFRS 1, 2 and 7, IAS 1, 23, 27, 32 and 39, and IFRIC 9 came into force. These amendments had only a limited impact on the annual report 2009. The amended IAS 1 and IFRS 8, in particular, had an impact on the company's explanatory notes and a limited impact on the presentation of the financial statements. The company already applied the amended IFRS 3 and IAS 27 in 2008.

The Group has not opted for early application of other new guidelines, amendments and interpretations of existing IFRS guidelines which have been published but are applicable to the reporting years commencing on 1 January 2010 or later. These are expected to have only a slight influence on the Group's financial statements.

Policies for preparing the financial statements

These financial statements are presented in euros: the functional currency of DPA Group N.V. All amounts are shown in € 1,000 unless otherwise stated.

The financial statements are prepared under the historical costs convention, with fair value adjustments where applicable.

For both current (less than 1 year) and non-current (longer than 1 year) assets and liabilities the corresponding presentation is used on the face of the balance sheet. Current assets and liabilities are not discounted.

In the preparation of the financial statements, estimates and assumptions are made that could affect the value of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the given circumstances. The actual outcome may differ from these estimates and assumptions. Judgements made by management that could have significant effect on the financial statements and estimates with a significant risk of material adjustments are further explained in explanatory note 3.

All subsidiaries have applied the policies for valuation and determination of results consistently.

The company applies the exceptional provisions as stated in Book 2 Article 402 of the Netherlands Civil Code to the company income statement.

Accounting policies for consolidation

The consolidated financial statements comprise the financial data of DPA Group N.V. and its subsidiaries. Subsidiaries are legal persons in which DPA Group N.V. has the power, directly or indirectly, to govern the financial and operational policies, based on a shareholding of more than 50% of the voting power, or in any other way controls the financial and operational activities. Potential voting power that is executable or convertible is taken into account. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

Intra-group balances and income and expenses arising from intra-group transactions are eliminated, as well as any unrealised gains from these transactions. Unrealised losses from intra-group transactions are also eliminated unless there is evidence of impairment of the assets transferred.

Minority interests in the equity of a subsidiary are disclosed separately as part of the equity of the Group. The share of the result attributable to minority interests is added to / deducted from the minority interests in the equity of the Group, even if this means that the balance of the minority interests becomes negative.

If transactions take place between majority and minority shareholders, this is treated as a transaction between two shareholders, with results on these transactions being included in the capital.

Impaired assets

The book values of the Group's assets, with the exception of deferred tax assets, are reviewed on each balance sheet date to determine whether there are any indications of an asset which could be subject to impairment.
If there are such indications the recoverable amount of the asset concerned is determined.
If it is not possible to determine the recoverable amount of the individual asset, then this will be determined for the cash-generating unit to which this asset belongs. For purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash–generating units). An asset is impaired if its book value is higher than its recoverable value; the recoverable value is the higher of an asset's net realisable value and its value-in-use.
Impairments are immediately recognised as expenses in the income statement.

Goodwill is attributed to cash-generating units for the purpose of impairment testing and is tested for impairment at least annually based on a discounted cash flow calculation. Goodwill is attributed from the moment of acquisition to cash-generating units that are expected to achieve synergy benefits. Goodwill is the positive difference between the acquisition price and the fair value of the acquired net assets attributable to the Group. Any negative difference is charged directly to the income statement.

Impairments recognised in respect of a cash-generating unit are first allocated to the book value of the goodwill of the related cash-generating unit and then deducted from the book value of the other assets of that cash-generating unit on a pro rata basis.

Impairment in respect of goodwill is not reversed.

Impairment in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable value.

Impairment is reversed only to the extent that the asset's book value does not exceed the book value that would have been determined, net of depreciation or amortisation, if the impairment had not been recognised.

Foreign currency conversion

The Group operates particularly in the Netherlands with the euro as the functional currency. The presentation currency is also the euro.

Transactions in currencies other than the functional currency of the subsidiary concerned are converted at the foreign exchange rate valid for the date of the transaction.

Monetary balance sheet items in currencies other than the functional currency of the group company concerned are converted at year-end exchange rates.
The Group has no non-monetary balance sheet items in currencies other than euros.

Exchange differences on cash and cash equivalents and borrowings are included in net finance costs. Exchange differences on other balance sheet items are included in other operating expenses.

Segment reporting

The management approach is used to distinguish the segments within the company. The information that is reported to the Board of Directors is the guiding factor in this. On the basis of the organisational and reporting structure, the segments Financial specialist staffing, IT specialist staffing and Supply Chain Management are identified. The revenue realised in these segments relates to the income from rendering of services.

Net revenue

DPA provides knowledge and capacity solutions in the areas of IT, Finance and Supply Chain Management by supplying highly-qualified professionals. In these segments, the revenue comprises the rendering of services (secondment of specialist professionals). In addition, the Group acts as an intermediary, whereby professionals are seconded via other companies which are not affiliated with the Group.

The net revenue comprises the fair value of the sum received or receivable for services rendered in the year to third parties, excluding tax and discounts. For transactions in which the Group only acts as intermediary only the appropriate commission amount is recognised as net revenue. The net revenue from rendered services is recognised in the income statement in proportion to the stage of completion of the contract as of the balance sheet date. No revenue is recognised if there are significant uncertainties regarding recovery of the amount

Operating expenses

Operating expenses are classified on the basis of the functional model.

Gross profit is the balance of net revenue and the cost of services in relation to secondees.

Cost of sales comprises personnel and accommodation expenses in relation to operational activities, advertising and marketing and other selling expenses.

General administrative expenses comprise personnel and accommodation expenses in relation to the activities, and IT and other general management expenses.

Operating expenses are recognised in the year to which they relate.

Leasing

Lease contracts in which the majority of risks and rewards inherent to ownership do not lie within the Group, are classified as operating leases. Expenses in respect of operating leases are included in the income statement based on linear redemption over the term of the lease.

Lease contracts in which the majority of risks and rewards inherent to ownership lie with the Group, are classified as finance leases. Upon initial recognition, the related assets are valued at the lower of the fair value of the assets and the discounted value of the minimum lease payments. These assets are depreciated based on the same depreciation period for similar Group assets or the lease term, if shorter.

The lease instalments to be paid are divided using the annuity method and a fixed interest percentage, into a repayment and an interest portion. The lease liabilities are recognised under non-current liabilities, excluding interest. The interest portion included in the periodic lease payments is included as interest expense in the income statement.

Grants

An unconditional grant is recognised in the income statement when the grant becomes receivable. Any other grant is recognised when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it. Grants that compensate the Group for expenses incurred are credited to the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for investment in an asset are deducted from the capitalised expenses of the related asset and recognised in the income statement as part of the depreciation and/or amortisation charges.

Financial income and expenses

The financial expenses comprise interest expenses and the financial income comprises interest income, and exchange differences on cash and cash equivalents and borrowings. Interest expenses are recognised in the income statement using the effective interest method. Interest income is recognised proportionately to time in the income statement using the effective interest method.

Taxation on profit, deferred tax assets and liabilities

Taxation on profit is the sum of tax levied on the results before tax, in the countries where those results were generated, based on local tax regulations and using tax rates enacted at year-end or tax rates that are substantially enacted at year-end. Tax-exempt profit is taken into account when calculating taxation on profit. Taxation on profit or loss comprises current and deferred tax. Losses made by subsidiaries included in the consolidated income statement are taken into account when calculating taxation on profit in so far as the amounts are considered recoverable. Tax is recognised in the income statement with the exception of tax relating to items recognised directly in equity. In such cases the corresponding tax is also directly recognised in equity.

Deferred tax assets and liabilities are recognised for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation on profit relates to the same tax authority. Deferred tax assets, including those resulting from tax losses carry-forward, are recognised in so as far as they are considered recoverable. Deferred tax assets on account of tax-deductible losses are recognised as far as it is probable that taxable profit will be available with which losses can be compensated and set-off opportunities can be used.

Deferred tax assets and liabilities are valued using tax rates enacted at year-end or tax rates that are substantially enacted at year-end, for the years in which it is expected that the book value of the assets and liabilities will be realised or settled. Deferred tax assets and liabilities are stated at nominal value.

No deferred tax liability is created for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences in relation to investments in subsidiaries, to the extent that these will probably not reverse in the foreseeable future.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment of assets. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Subsequent expenditures (including repair and maintenance) are capitalised only when it is probable that the asset will generate future economic benefits and the cost of the asset can be measured reliably. All other expenditures are charged directly to the income statement. Interest expenses on borrowings to finance the procurement of property, plant and equipment are accounted for in the period in which they incurred.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to the income statement on a linear basis over their estimated useful lives. Property, plant and equipment is depreciated from the date the asset is available for use.

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and adjusted if necessary.

Gains and losses arising upon disposal are included in the income statement.

Intangible assets

Goodwill

All business acquisitions are accounted for by applying the purchase method. The purchase price of an acquisition is determined as the fair value of the identified assets given and liabilities incurred or assumed at acquisition date (deferred tax liabilities are recognised at nominal value). Directly attributable acquisition costs are recognised directly in the income statement. The assets and liabilities of an acquired business are valued at fair value at acquisition date, including the estimated fair value of identified intangibles and contingent liabilities. The excess of the purchase price of an acquisition over the fair value of the net assets acquired is recorded as goodwill.

Goodwill is included as cost less accumulated impairment.

Goodwill is recognised in the income statement at the time of disposal of the cash-generating unit to which it is allocated.

Negative goodwill arising at the time of acquisition is recognised directly in the income statement.

Other intangible assets

Other intangible assets (client relationships, brand names, software and personnel databases or CVs) that are acquired by the Group have finite useful lives and are recognised at cost price less accumulated amortisation and impairment.

When an intangible asset is acquired in a business acquisition, its cost at the acquisition date is the fair value on an active market on that date. If no active market exists for an asset, the cost is determined on a basis that reflects the amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available.

Expenditures concerning internally generated client relationships, brand names and personnel databases are recognised in the income statement as expenses.

Amortisation of other intangible assets is charged to the income statement on a linear basis over their estimated useful lives. Other intangible assets are amortised from the date they are available for use.

The residual value and useful life of other intangible assets are reviewed at each balance sheet date and adjusted if necessary.

Software

Purchased software (licenses) and developed software are stated at cost less accumulated amortisation and impairment.

Internally developed software is capitalised to the extent that the cost arises from the development phase of an internal project and when it can be demonstrated that the project is technically feasible and there is the intention to complete the project and to actively use it.

Amortisation of software applications is charged to the income statement on a linear basis over their estimated useful lives. Software is amortised from the date it is available for use.

The residual value and useful life of software applications are reviewed at each balance sheet date and adjusted if necessary.

Financial assets

Financial assets are divided into various categories. Classification of these assets depends on the purposes for which the investments were acquired. Management determines the classification at the time they are first included in the financial statements and re-evaluates this classification at each subsequent balance sheet date.

The Group makes use in particular of simple financial instruments (receivables, payables and cash and cash equivalents).The financial assets are all covered by the IAS 39 category "loans and receivables".

Purchases and sales of all financial assets are recognised on the date of the transaction. Any additional transaction costs are included in the purchase price.

Financial receivables

Third-party loans and receivables (financial receivables) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
These financial assets are initially stated at fair value and subsequently at amortised cost, less a value correction for irrecoverability if applicable.

Trade and other receivables

Trade and other receivables are initially stated at fair value, which generally corresponds to the nominal value. Subsequent valuation is at amortised cost less a provision for impairment. A provision for impairment of trade and other receivables is established when it becomes conceivable that the Group will not be able to collect the amounts receivable. The amount of the provision is equal to the difference between the receivable's book value and the present value of estimated future cash flows. The impairment is charged to the income statement.

The trade receivables are prefinanced by means of advance financing by a factoring company.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, time deposits and current highly liquid investments with original maturities of less than 3 months.

Equity

Ordinary shares are classified as equity. The distribution of the dividend on ordinary shares is recognised as a current liability in the period in which the dividend is adopted by the company's shareholders.

On a transaction resulting from the issue of new ordinary shares, the proceeds less the directly attributable costs are recognised in shareholders' equity within issued capital and, if applicable, within share premium.

On the repurchase of own ordinary shares that are included in shareholders' equity in the balance sheet, the amount paid, including directly attributable costs, is recorded as a change in shareholders' equity. Repurchased ordinary shares are classified as treasury shares and presented as deduction from the total equity.

At the sale (re-issue) of treasury shares, the proceeds less the directly attributable costs are recognised under treasury shares for the original sum paid; the remainder is recognised under the general reserve.

A statutory reserve is created for the internally developed software.

Interest-bearing loans and borrowings

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

Provisions

Provisions are created for legally enforceable or constructive obligations as a result of a past event, for which the settlement is likely to require an outflow of resources and the magnitude of which can be reliably estimated. If the effect is material, the amount of the provisions is determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise severance payments for personnel. There is no provision for future operating losses.

The current part of the provisions are the obligations that are payable within 1 year.

Creditors and other liabilities

Creditors and other liabilities are initially stated at fair value, which generally corresponds to the nominal value, and are subsequently stated at amortised cost.

Pensions and other employee benefits

The Group has various pension schemes. All of these pension schemes are defined contribution plans, which are funded through payments to entities independent of the Group. The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic costs for the year in which they are due and are included within personnel expenses and/or costs of services.

Remuneration based on shares

The costs of performance-related shares are measured on the basis of the fair value of the DPA Group N.V. shares on the allocation date and are recognised in the income statement (Personnel expenses including the payroll tax and social security contributions with respect to these shares borne by the company) during the period in which the shares are not yet actually acquired, with an equivalent increase in the equity as contra posting (General reserve).

Fixed assets held for sale and discontinued operations

The valuation of assets is brought up to date immediately prior to classification as held for sale (and all balance sheet items of a group of discontinued assets) in accordance with IFRS guidelines. The fixed assets and groups of assets to be divested on initial designation as held for sale are valued at the lower of the book value and the fair value less selling expenses.

Impairments on initial designation as held for sale are included in the income statement, even if there is a revaluation. The same applies to profits and losses in the event of revaluation at a later stage.

A discontinued operation is part of the Group's activities representing a special business sector or a key geographical business area, or is a subsidiary that was acquired with the sole purpose of being sold on. Classification as a discontinued operation takes place on disposal or when the operation meets the criteria for classification as held for sale, whichever is the earlier. A group of assets to be disposed of may also meet this condition.

3. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting amounts will, by definition, seldom equal the actual outcome. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following estimates and assumptions have an inherent significant risk of potentially causing material adjustments to the book values of assets and liabilities within the next financial year.

Impairment of intangible assets
The Group tests, at least annually and in the event of a trigger, whether intangibles have suffered any impairment. One of the means of calculating the recoverable amounts of cash-generating units are the value-in-use calculations. These calculations require the use of estimates. Based on impairment tests performed, no impairments were detected. However, should the actual performance of these cash-generating units become materially worse, this could result in impairment. This impairment could have a material effect on the book values of the intangible assets.

Trade receivables
When it is considered that a receivable is no longer collectible, a provision is made. This provision is an estimate made at the time of reporting. The amount ultimately received can nevertheless differ from the amount estimated at the time of reporting.

Provisions
Due to the general nature of provisions, the determination of provisions is largely based on estimates and/or judgements, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences from the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved.

Taxation on profit
The Group is subject to taxation on profit. Significant judgment is required in determining the deferred tax assets on the basis of elements such as tax losses carry-forward and deferred tax liabilities. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognises deferred tax assets on tax losses carry-forward based on its best estimates. When the actual results differ from the amounts initially estimated, such differences will impact the taxation on profit in the income statement and the deferred tax assets and/or deferred tax liabilities in the period in which these differences occur.

4. Consolidated cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash in the cash flow statement comprises the balance sheet items cash and cash equivalents and current borrowings, as current borrowings form an integral part of the Group's cash management. Cash flows in foreign currencies have been converted at average exchange rates. Exchange rate differences concerning cash items are shown separately in the cash flow statement. Taxation on profit paid/received is included in the cash flow from operating activities. Interest paid and received and dividends paid are included in the cash flow from financing activities.
The purchase price paid for subsidiaries acquired, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. Changes in assets and liabilities resulting from acquisition and disposal of subsidiaries are taken into account in the calculation of cash flows.

5. Financial risk management

The Group's activities expose it to a variety of financial risks, including the effect of changes in market prices of debt (and equity) and interest rates. The Group's overall policy focuses on the unpredictability of the financial markets and on minimising potential adverse effects on the financial performance of the Group. Risk management procedures are carried out under policies approved by the Board of Directors.
The aim of the Group for capital risk management is to secure the continuity of the Group and to make income available for the shareholders and commitments to other stakeholders, and to maintain an optimum capital structure in order to reduce the costs of capital.

Interest rate risk
The Group's results and operating cash flows are largely independent of changes in interest rates. The Group has no significant interest-bearing assets. Interest on almost all borrowings is variable. Floating interest rates are considered a natural hedge against the development in operating results. Where necessary from a risk management perspective, the Group will consider fixed interest rates over longer periods or incorporating an interest ceiling. Interest coverage is the leading parameter in managing interest rate exposure.

If the interest rate had been one percentage point higher, and all other variables remained constant, then the net interest burden in the year under review would have been approximately €20,000 higher.

Credit risk
The Group is exposed to limited concentrations of credit risk. There are policies in place to ensure that services are only provided to clients with an appropriate credit history. The Group's financial partners are high quality financial institutions with sound credit ratings. The Group has policies in place that limit the amount of credit exposure to any one financial institution. The maximum exposure to credit risk is included in the explanatory notes to the financial statements (section 25).

Liquidity risk
DPA Group N.V. has the availability of sufficient funding through a number of committed credit facilities, in order to minimise liquidity risk. The Group aims to maintain flexibility in funding by keeping committed credit facilities available. Within the Group, derivative financial instruments are not used nor are hedging activities undertaken.

An analysis of the loans and other liabilities, and the contractual term, is shown in the table below:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Loans			3,000	
Creditors and other liabilities	9,860	200	600	644

Continuity risk

At the end of 2008 the company had a net debt of €7.1 million, consisting of an overdraft facility, a loan and working capital financing. At 31 December 2009 there was only working capital financing. The balance of the working capital financing and the asset at the bank was €2.1 million.

Because of the lower turnovers, the company's result from February 2009 was negative.

In June 2009 there was a share issue of €2.2 million to increase the working capital and to repay the overdraft and the bank loan.

In addition, we were able, by means of stringent cash management, to turn the bank debt around into an asset. The DSO (Days Sales Outstanding) was reduced from 63 days to 53 days. Apart from a subordinated loan provided by the shareholders in November 2009, on the balance sheet at 31 December 2009 there remained only a factoring for advance financing of receivables.

At year-end the IFN covenants (interest coverage ratio, debt service coverage ratio, net debt/EBITDA) are exceeded, due in particular to the losses that were suffered in 2009. In 2009 DPA entered into discussion with IFN, which resulted in a new agreement on 4 January 2010. The first date for testing the covenants under the new agreement is 31 December 2010. The amount of advance financing by IFN at 31 December 2009 is: €3,351 thousand.

The maximum credit facility of this factoring is €8 million. The interest is variable and is based on the Euribor. In the past year the company's liquidity and solvency were placed under pressure by the poor results. The liquidity crisis was resolved by means of the subordinated loan of €3 million provided by shareholders in November 2009 and the more drastic cost-cutting measures. DPA has reduced its debt position with the banks. DPA's liquidity position will improve in the near future as a result of the planned share issue, with which the subordinated loans of €3 million provided in November 2009 will be repaid or converted and €3 million will be added to the company's working capital. (see 'Events after the reporting period'.)

On the basis of the scenario analysis made, the review of the strategy and the implemented organisational changes, DPA looks to the future with confidence. Due to the above, the formulation of the financial statements is based on the assumption of continuity.

Cash flow and fair value interest rate risk

Because the Group has very few interest-bearing assets, its income is not greatly dependent on changes in the interest rate. The Group's cash flow and fair value interest rate risk is mainly a consequence of the long- and short-term loans. In order to limit the cash flow and fair value interest rate risk, some of the loans have been concluded for a longer term with a fixed interest rate. During both 2008 and 2009 all loans were issued in euros..

Price risk

The Group runs no other price risks.

For the other risks, see the risk factors described in the annual report.

Notes to the consolidated income statement

(all amounts x €1,000 unless otherwise stated)

6. Net revenue

This is the revenue from secondment of financial-administrative and IT specialist personnel and interim management solutions.
Further details of the revenue are given in explanatory note 33.

The service concepts within the Group are offered in the Netherlands.

7. Cost of services

	2009	2008
Cost of services includes the costs of secondees:		
Personnel expenses	**25,446**	31,668
Other costs of services	**16,320**	20,640
	41,766	52,308

8. Cost of sales

	2009	2008
Personnel expenses and related expenses	**4,948**	5,345
Advertising and marketing	**749**	1,741
Cost of premises	**612**	346
	6,309	7,432

9. General administrative expenses

	2009	2008
Personnel expenses	**4,385**	5,229
Depreciation of property, plant and equipment	**489**	697
Amortisation of intangible assets	**1,072**	1,345
Impairment of brand name	**1,189**	0
Travel and accommodation expenses	**772**	568
Cost of premises	**612**	1,146
Other	**2,309**	939
	10,828	9,924

10. Wages and salaries, social security costs and pension costs

	2009	2008
Total amount of wages and salaries, social security costs and pension costs included in the operating result:		
Wages and salaries	**28,580**	37,414
Social security costs	**3,047**	3,229
Pension costs - defined contribution plans	**700**	757
	32,327	41,400
Other personnel costs	**2,096**	842
Total	**34,423**	42,242
These personnel costs are charged to the following headings in the income statement:		
Cost of services	**25,446**	31,668
Cost of sales	**4,592**	5,345
General administrative expenses	**4,385**	5,229
	34,423	42,242

The average number of employees during the financial year was as follows:

	2009	2008
Secondees with permanent contract (interim professionals)	**354**	575
Secondees with temporary contract	**25**	36
Own personnel (internal)	**80**	109
	458	720

This is the average number of employees excluding third parties, because the costs of third parties are not charged to 'Wages and salaries' but to 'Other costs of services' (Cost of services). The comparative figures have been adjusted, because last year the average number of employees including third parties was presented.

Remuneration based on shares

In 2009 the company provided a total of 76,465 shares to a member of the Board of Directors, a member of the Supervisory Board (former CEO) and a member of personnel (2008: 0).
The shares were provided as follows:

Mr Van Duijn	55,000 shares (assigned in 2008)
Mr Van Hemele	14,165 shares (assigned in 2008)
Personnel member	7,300 shares (assigned in 2009)

No further conditions were attached to the provision of these shares. The shares are recognised as costs in the year in which they were assigned. The total amount of costs is based on the fair value of the shares at the time that they were assigned plus the income tax (which is paid by the Group). In 2009 the total of costs recognised in relation to this arrangement was €56,000 (2008: €524,000).

The costs are included in the item 'Wages and salaries'.

The company provides the remunerations gross, i.e. the tax to be withheld is added to the net assigned amount.

For the CEO the following (variable) bonus agreements were made, divided into a short-term bonus and a long-term bonus.

Short-term bonus
Annual bonus is a maximum of 33% of the fixed annual salary.
- 2/3 of it is linked to the attainment of the annual EBITDA target
- 1/3 of it is linked to a number of annual substantive renewal trajectories (new contracts, new range of services provided, higher market positioning with higher prices and higher profiles of secondees)
- at least 50% of the bonus is payable in shares
- a lock-up period of 5 years applies for the shares
- normal taxation

Long-term incentive
3-yearly bonus: €50 thousand in shares if the share price increase is greater than the share price increase of the basket of specialist listed secondment agencies over the period from 1-1-2010 to 31-12-2012. The ING will be asked to perform this calculation. Normal taxation applies for this bonus. It is a gross bonus. A lock-up period of 5 years applies for the shares.

For a statement of the amounts concerned, see explanatory note to the annual report 33. The remuneration report will be published via www.dpa.nl in the near future.

11. Operating lease expenses

The operating result includes operating lease and rental expenses of €4,331,000 (2008: €4,806,000).

12. Impairment of goodwill

In 2009 the effects of the economic recession were felt by DPA. This negative development led directly to a decrease in turnover in a deteriorating market.
The number of assignments and hence of secondees fell sharply, particularly in the segments IT and Finance. The business unit GEOS mainly supplies professionals to large software houses. The fall in the number of assignments from these software houses resulted in a fall in turnover for GEOS. In the first six months Supply Chain showed a slight turnover growth, but ultimately the turnover of Supply Chain also decreased compared with 2008. The goodwill impairment occurred because of downward adjusted expectations due to these events.

This impairment is specified as follows:

Company	**2009**	2008
GEOS IT Professionals B.V.	**2,138**	4,577
DPA Beheer B.V. (formerly FGN Beheer B.V.)	-	8,728
	2,138	13,305

For further explanation see explanatory note 19.

13. Financial income and expenses

	2009	2008
Interest income	19	647
Interest and similar expenses	(346)	(1,440)
	(327)	(793)

14. Taxation on profit

	2009	2008
Current tax expense/(income)	(1,450)	1,213
Deferred tax expense/(income)	(681)	(1,277)
	(2,131)	(64)

The effective taxrate on the result is specified as follows:

	2009	2008
Result before tax	(9,726)	(13,555)
Taxcalculated from the localrate 25.5%	(2,480)	(3,457)
Prior Years adjustments	(196)	-
Permanent differences	545	3.393
Average effective tax rate (21,9% resp, 0,5%)	(2,131)	(64)

15. Earnings per ordinary share (in euros)

	2009	2008
Net earnings attributable to ordinary shareholders of DPA Group N.V.	(8,740,000)	(12,168,000)
Average number of outstanding ordinary shares	12,187,678	11,053,366
Basic net earnings per ordinary share	(0.72)	(1.10)

16. Dividend per ordinary share

No dividend was paid out over the years 2003 up to and including 2008.

A proposal will be submitted to the Annual General Meeting of Shareholders, to be held on 20 May 2010, not to pay dividend over the 2009 financial year.

17. Discontinued operations

The operations in Spain which were discontinued earlier resulted in income in 2009. The costs of winding-up were lower than estimated. The proceeds from, in particular, receivables payments that were honoured were higher than expected. Tax on this amount had already been paid in Spain. The amount was received via the bank. This is not stated separately in the segment reporting.

Notes to the consolidated balance sheet

(all amounts x €1,000 unless otherwise stated)

18. Property, plant and equipment

Movements in property, plant and equipment in 2008 and 2009 were as follows:

	Renovations, furnishings and fittings and equipment	Computer hardware	Total
Purchase price	3,239	3,415	**6,654**
Accumulated depreciation	(2,263)	(3,230)	**(5,493)**
Book value at 1 January 2008	976	185	**1,161**
Assets acquired	1,765	9	**1,774**
Assets of discontinued operations			
Purchase price of disposals and retirements	(477)	(37)	**(514)**
Accumulated depreciation of disposals and retirements	321	37	**358**
Depreciation	(602)	(95)	**(697)**
Book value at 31 December 2008	1,983	99	**2,082**
Purchase price	4,527	3,387	**7,914**
Accumulated depreciation	2,544	3,288	**5,832**
Book value at 31 December 2008	1,983	99	**2,082**
Assets acquired	82	-	**82**
Purchase price of disposals and retirements	-	-	**-**
Accumulated depreciation of disposals and retirements	-	-	**-**
Depreciation	(456)	(33)	**(489)**
Book value at 31 December 2009	1,609	66	**1,675**
Purchase price	4,609	3,387	**7,996**
Accumulated depreciation	3,000	3,321	**6,321**
Book value at 31 December 2009	1,609	66	**1,675**

The expected useful life and the associated annual depreciation rate for each category of property, plant and equipment are as follows:

	Useful life	Percentage
Renovations, furnishings and fittings and equipment	5 years	20%
Computer hardware	3 years	33%

19. Intangible assets

Movements in intangible assets in 2008 and 2009 were as follows:

	Goodwill	Clients	CV's	Software	Brand name	**Total**
Book value at 1 January 2008	**33,695**	**4,382**	**126**	**34**	**1,586**	**39,823**
Acquisition of subsidiaries	(435)	472	-	-	73	**110**
Discontinued operations						
Impairment	(13,305)	-	-	-	-	**(13,305)**
Amortisation	-	(998)	(41)	(34)	(272)	**(1,345)**
Book value at 31 December 2008	19,955	3,856	85	-	1,387	**25,283**
Purchase price	59,741	6,299	185	102	2,055	**68,382**
Accumulated amortisation and impairment	(39,786)	(2,443)	(100)	(102)	(668)	**(43,099)**
Book value at 31 December 2008	**19,955**	**3,856**	**85**	**-**	**1,387**	**25,283**
Investments	-	-	-	108	-	**108**
Impairment	(2,138)	-	-	-	(1,189)	**(3,327)**
Amortisation	-	(846)	(28)	-	(198)	**(1,072)**
Book value at 31 December 2009	17,817	3,010	57	108	-	**20,992**
Purchase price	59,741	6,299	185	210	2,055	**68,490**
Accumulated amortisation and impairment	41,924	3,289	128	102	2,055	**47,498**
Book value at 31 December 2009	**17,817**	**3,010**	**57**	**108**	**-**	**20,992**

The item 'Investments' in 2009 relates to the development of a platform for third parties.

The costs of amortisation of €1,072,000 and brand name impairment of €1,189,000 are included in the item 'General administrative expenses' in the consolidated statement of total result. The goodwill impairment is included in the item 'Impairment of goodwill' in the consolidated statement of total result.

Company	% shareholding	Acquisition date	Earn-out commitments	Book value 2009	Book value 2008
GEOS IT Professionals B.V.	100%	1-1-2007	No	5,707	7,845
DPA Beheer B.V. (formerly FGN Beheer B.V.)	100%	2-2-2006	No	8,887	8,887
Conink Consultants B.V.	100%	5-9-2007	No	3,223	3,223
				17,817	**19,955**

The average expected useful life, the remaining useful life and the associated amortisation rate per category of intangible assets are as follows:

	Expected useful life	Remaining useful life	Percentage
Clients	5 - 8 years	2 - 6 years	12.5 - 20%
CV's	3 - 5 years	2 years	20 - 33.3%
Software	3 years	n/a	33.3%
Brand name	10 years	n/a	10.0%

Impairment testing for cash-generating units

The recoverable value of the various cash-generating units for which goodwill is capitalised is based on its value-in-use. When determining the value-in-use, the future cash flows based on the current operating results and the expected future results are used; the latter are based on the management's estimates and judgements concerning turnover growth and developments in the operating margins over a five-year period. Cash flows after this period will be extrapolated using a growth percentage of 0%. The forecast cash flows are discounted at a discount rate before tax of 10% for GEOS, 10% for DPA Beheer BV and 13% for Conink Consultants.

The margin is also an important assumption in the impairment testing. The management used an average margin of 23.8% for GEOS, an average margin of 22.9% for DPA Beheer BV and an average margin of 27.4% for Conink Consultants.

The results of the calculations show that an impairment of the goodwill of GEOS IT Professionals B.V. is necessary in 2009, because the value-in-use of this cash-generating unit is lower than the book value. The number of assignments and hence of secondees fell sharply, particularly in the segments IT and Finance. The business unit GEOS mainly supplies professionals to large software houses. The fall in the number of assignments from these software houses resulted in a fall in turnover for GEOS. The goodwill impairment occurred because of downward adjusted expectations due to these events.

The impairment testing includes an assessment of whether or not changes considered reasonable in the most important judgements will cause the recoverable value to fall below the book value. A reduction in the operating margin of one percentage point would mean a further reduction in the value of GEOS IT Professionals B.V. of €0.4 million. A one percentage point increase in the discount rate would result in a further €0.5 million reduction in value.

The brand name Flex Group Nederland is no longer used, and consequently in 2009 there was impairment amounting to €1,189,000.

The accumulated impairment relates to the goodwill and amounts to €41,924,000 at 31 December 2009 (2008: €39,786,000). The accumulated impairment relating to the brand name amounts to €1,189,000 at 31 December 2009 (2008: zero).

20. Trade and other receivables

	2009	2008
Trade receivables less provision for impairment	**9,453**	14,885
Other receivables	**4,907**	8,491
	14,360	23,376
Less the non-current part	**1,949**	2,068
Current part	**12,411**	21,308

This includes a receivable to cover the risk of empty space as specified in explanatory note 26. This receivable is discounted at 4%. The book value of the other receivables is equal to the fair value.

As the Group has a large number of clients in a wide range of business sectors, the credit risk is only slightly concentrated.

Movements in the provision for impairment of trade receivables are as follows:

	2009	2008
Position at 1 January	**146**	99
Allocations	**150**	60
Receivables written-off as uncollectible	**(133)**	(13)
Position at 31 December	**163**	146

The allocations are included in the income statement under 'Cost of sales'. Generally speaking the amounts charged to the provision for impairment are written-off at the point in time when no additional incoming cash flows are expected. The trade receivables subject to impairment are stated excluding VAT.

The age of the trade receivables is:

Categorieën	2009	2008
0 – 30 days	**5,242**	6,791
30 – 60 days	**2,523**	4,414
60 – 90 days	**966**	1,607
90 days or more	**885**	2,219
Not written-down	**9,616**	15,031
Written-down	**163**	146
Position at 31 December	**9,453**	14,885

Trade receivables neither overdue nor written-down amount to €6,503,000 (2008: €8,998,000); an amount of €3,113,000 (2008: €6,033,000) is overdue but not yet written-down.

21. Tax assets and liabilities

The total movements in the balance sheet items relating to corporate income tax are as follows:

	Deferred asset Tax-offsettable losses	Deferred liability Temporary difference Intangible assets	Tax asset/ liability	Total
Position at 1 January 2008	-	(1,571)	1,666	95
Acquisitions		(139)		(139)
Charged to equity	-	-	-	-
Credited to income statement	926	351	(1,213)	64
Receipt (payment)	-	-	(1,277)	(1,277)
Position at 31 December 2008	926	(1,359)	(824)	(1,257)
Credited to income statement	104	577	1,450	2,131
Charged to equity	-	-	-	-
Receipt (payment)	-	-	(626)	(626)
Position at 31 December 2009	**1,030**	**(782)**	**-**	**248**

The company has tax-offsettable losses of €5,104,000, of which €4,039,000 is included in the deferred tax. The tax-offsettable losses have a limited term to the end of 2018.

Restructuring and personnel reductions in our clients' companies made 2009 a difficult year for DPA. Various measures have been introduced to increase the profitability of DPA. The total organisation, including the back office and the marketing processes, has been further streamlined. Many cut-backs have been made in the holding, and further substantial cost-cutting has been achieved. In addition, the number of personnel was again reduced in November. In total, the number of office personnel has been halved.
The budget approved by the Supervisory Board shows that, due in part to the above-mentioned measures, there is the prospect of profitable years in the future, such that sufficient taxable profits will be created to offset the capitalised tax-offsettable losses.

22. Cash and cash equivalents

	2009	2008
Cash at bank and in hand	1,236	-

The cash and cash equivalents are held with ABN AMRO Bank N.V. and are readily available to the company. ABN AMRO Bank N.V. is given a Short-term A-1 Rating and a Long-term A+ Rating by Standard & Poor's.

23. Equity attributable to shareholders of DPA Group N.V.

Additional information concerning the equity is provided in the consolidated statement of changes in equity.

The authorised capital is €3,000,005 and consists of 30,000,050 ordinary shares with a nominal value of €0.10 each. At year-end 2009 the issued share capital was 12,755,652 ordinary shares.

On 26 June 2009 the company issued 1,102,500 new ordinary shares in a private placement at €2.00 per share (closing price on 20 April 2009 = €1.82). The total proceeds of this share issue were €2,205,000. In addition, 76,465 new ordinary shares were issued to personnel members in 2009. (see explanatory note 10 'Remuneration based on shares')

Capital management

The Group is seeking to achieve a financially healthy foundation which will guarantee the future of the company.
To this end, the credit facilities available are used to their full potential. The Group does not have an explicit return target in relation to the capital deployed. The Group understands capital to mean the equity.

Dividend policy

The DPA Group N.V. dividend policy is based on:

- A dividend pay-out ratio of 30-40% of the net profit;
- Payment of dividend in cash.

The company only pays a final dividend which is made payable after the General Meeting of Shareholders. From the flotation of the company in 1999 up to and including 2002 approximately 40% was paid each year. Since 2003 no dividend has been paid. In 2003 and 2004 the negative results did not permit dividend pay-out. In 2005 to 2008 dividend was not paid out to prevent further weakening of the company's capital position.

In the future the Board of Directors may decide to pay an optional dividend to holders of ordinary shares in the form of cash and/or partially in shares.

24. Deferred tax liabilities

Deferred tax liabilities
Movements in the deferred tax liabilities, which relate to temporary differences, were as follows:

	2009	2008
Position at 1 January	**1,359**	1,571
Acquisitions	**-**	139
Charged to income statement	**(577)**	(351)
Total deferred tax liabilities	**782**	1,359

The deferred tax liabilities resulting from temporary differences comprise liabilities calculated over the difference between the book value of intangible assets for financial reporting purposes and the book value of these items for tax purposes. These deferred tax liabilities are determined using the balance sheet method.

The current part of the deferred tax liabilities is estimated at approximately €218,000 (2008: €263,000).

25. Interest-bearing loans and borrowings

	2009	2008
Non-current		
Loan	**3,000**	-
Current		
Bank loans and overdrafts including current part of the loan	**3,351**	7,115
Total interest-bearing loans and borrowings	**6,351**	7,115

The loan was provided by major shareholders to increase the working capital and has a subordinated character.
The loan is subject to a fixed interest rate of 8% and the bank overdrafts are subject to an interest rate based on the average one-month Euribor with a floating charge. The fair value of the loan at 31 December 2009 is more or less equal to the book value. The loan must be fully repaid no later than 1 January 2012.

For clarity in the presentation of the cash flow statement, the current interest-bearing loans and borrowings are classified as cash and cash equivalents.

26. Provisions

	2009	2008
Bonus commitments	**1,045**	1,485
Loss-making contract	**2,919**	2,992
Restructuring provision	**1,278**	287
	5,242	4,764
Less non-current part	**2,166**	2,238
Current part	**3,076**	2,526

A commitment is noted as current if it is due to be paid within twelve months.

The bonus commitments under provisions relate to the accumulated bonus entitlements of secondees (interim professionals). For a lease obligation for former premises, there is a loss-making contract. The provision for the loss-making contract is discounted at 4%. Against this obligation there is a receivable for an equal amount, totalling €2,655,000 and with a duration until the beginning of 2018, as set-off for this obligation (2008: €2,992,000). With this receivable, DPA runs a debt risk, if the party concerned does not fulfil its obligations. There is also financially empty space in the new premises, of €264,000.

In 2008 the restructuring provision was included under 'Creditors and other liabilities'.
The comparative figures have been adjusted for this in 2009 and there is no effect on equity or result.
The allocations to the restructuring provision are a consequence of the restructuring that is needed because of the financial and economic situation.

Movements in the provisions in 2008 and 2009 were as follows:

	2009	2008
Position at 1 January	**4,764**	2,169
Allocations	**3,310**	6,422
Withdrawals	**(2,832)**	(3,827)
Position at 31 December	**5,242**	4,764

27. Creditors and other liabilities

	2009	2008
Trade creditors	**3,218**	5,618
Other tax and social security costs	**3,396**	3,808
Pension contributions		77
Wages, salaries and deferred remuneration components	**104**	103
Amounts received in advance	**1,644**	1,844
Other liabilities	**2,942**	4,912
	11,304	16,362
Less the non-current part	**1,444**	1,644
Current part	**9,860**	14,718

The book value of the creditors and other liabilities is more or less equal to their fair value.

28. Guarantees and commitments not included in the balance sheet

	2009	2008
Liabilities falling due within 1 year	**2,367**	2,219
Liabilities falling due between 1 year and 5 years	**8,982**	10,827
Liabilities falling due after 5 years	**6,058**	8,079
	17,407	21,125
Bank guarantees to third parties	**746**	1,111

These liabilities relate almost entirely to business premises leases and car leases.

No guarantees have been provided other than guarantees relating to lease commitments.

Claims: There are various court cases pending to which DPA is party. The management anticipates a positive verdict in these cases and therefore considers it unnecessary to make a provision.

29. Related parties

No transactions with related parties were conducted in 2009 other than the Board of Directors and Supervisory Board remunerations. See also explanatory notes 33 and 34. In 2009 subordinated loans were provided by shareholders. See also explanatory note 25.

30. Subsequentevens

DPA Group N.V. acquires WR Leading in Finance

In the last months of 2009 contacts were made between DPA and WR, resulting in the signing in February 2010 of a Letter of Intent for the acquisition of WR. During the ongoing acquisition trajectory it has been decided that the transaction by which DPA would acquire WR, under certain conditions, will not be effected. The current market conditions make it necessary to give priority to the management of the two companies at the operational level. The intended acquisition and subsequent integration of operations would demand a disproportionate amount of attention at the managerial and operational levels. The two companies will, however, continue to collaborate on specific elements.

Departure of Jan van Duijn

Jan van Duijn, the CFO of DPA, announced his intention to leave the Board of Directors, three years after becoming a member, with effect from 1 March 2010. He will remain with DPA for some time in an advisory capacity. His termination payment is 9 months' salary, including pension contributions. .

Acquisition of minority interest/issue of shares

As also stated in the Message from the Board of Directors, DPA is preparing a share issue amounting to €9 million. The share issue has the support of the major shareholders of DPA.
At least €7 million of the shares will be issued to Project Holland Fonds B.V. and the remainder to two major shareholders. These major shareholders will convert the subordinated loan totalling €2 million that they provided in November 2009. The proceeds of the share issue will be used for the acquisition of the 49% interest in DPA Supply Chain People for €3.5 million, which is anticipated after the forthcoming annual meeting. The proceeds of the share issue will also be used to pay off the subordinated loan from major shareholders (€1 million) and to increase the working capital.

Notes to the consolidated cash flow statement

(all amounts x €1,000 unless otherwise stated)

31. Explanatory notes to the consolidated cash flow statement

Most elements of the consolidated cash flow statement are covered by a reference to the explanatory notes to the consolidated income statement and the consolidated balance sheet. With respect to the other material elements of the cash flow statement, the breakdown given below provides a reconciliation between the cash flow statement on the one hand and the income statement and balance sheet on the other.
In the financial statements 2008, the issue of shares was stated under the investing activities instead of the financing activities. The comparative figures have been adjusted for this in 2009 and there is no effect on equity or result.

Cash
For the purpose of the cash flow statement, cash comprises cash and cash equivalents and current interest-bearing loans and borrowings:

	2009	2008
Cash and cash equivalents	**1,236**	-
Current interest-bearing loans and borrowings (see explanatory note 25)	**(3,351)**	(7,115)
	(2,115)	(7,115)

Trade and other receivables	2009	2008
Position at 1 January	**23,376**	22,072
Movements in cash flow statement	**(9,016)**	1,304
Position at 31 December	**14,360**	23,376

Creditors and other liabilities	2009	2008
Position at 1 January	**16,362**	15,138
Movements in cash flow statement	**(5,058)**	1,224
Position at 31 December	**11,304**	16,362

Provisions	2009	2008
Position at 1 January	**4,764**	2,169
Movements in cash flow statement	**478**	2,595
Position at 31 December	**5,242**	4,764

Information per segment

(all amounts x €1,000 unless otherwise stated)

32. Segmentation information

Although the Group's service concepts are coordinated centrally within the Group, they are marketed in different business segments. The Group primarily meets the need of clients for temporary staff in the fields of Finance and IT. Consultancy and specialist staffing services are also provided in the field of Procurement & Logistics. On the basis of the organisational and reporting structure, the following segments are identified:

- Financial specialist staffing
- IT specialist staffing
- Supply Chain Management (Procurement & Logistics)

Net revenue	2009	2008
Financial specialist staffing	**13,373**	22,067
IT specialist staffing	**25,708**	34,719
Supply Chain Management	**12,256**	13,421
Group	**51,337**	70,207

Gross margin	2009	2008
Financial specialist staffing	**783**	4,588
IT specialist staffing	**5,262**	9,010
Supply Chain Management	**3,526**	4,301
Group	**9,571**	17,899

Personnel	2009	2008
Financial specialist staffing	**191**	322
IT specialist staffing	**222**	351
Supply Chain Management	**102**	89
Group	**515**	762

This also includes the number of freelancers, who are not on the Group's payroll. On the other hand, indirect personnel are not included in this summary.

With regard to the amortisation of intangible assets, the depreciation of property, plant and equipment, the total assets and the investments in intangible assets and property, plant and equipment, it is not possible to give a breakdown on the basis of segmentation.

Remuneration and share-based payments

(all amounts x €1,000 unless otherwise stated)

33. Remuneration of the Board of Directors

The following amounts, relating to the remuneration paid to the members of the Board of Directors, were included in the income statement in 2009 and 2008:

	R.A.M.R. van der Hoek		J. van Duijn		M.M.G. van Hemele		P.C. Smit		Totaal	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Basic salary	**296**	-	**288**	290	**24**	384	**-**	150	**608**	824
Result-related remuneration	**-**	-	**-**	75		-	**-**	-	**-**	75
Remuneration based on shares	**-**	-	**-**	524		130	**-**	-	**-**	654
Termination payment	**-**	-	**-**	-		-	**-**	800	**-**	800
Other expenses	**89**	-	**84**	64		4	**-**	(266)	**173**	(198)
	385	-	**372**	953	**24**	518	**-**	684	**781**	2,155

The other expenses for Mr Van Duijn concern mainly pension costs. For Mr Van der Hoek, they concern pension costs and a car allowance.

The Group has not provided any loans or guarantees to members of the Board of Directors.

In 2009 no termination packages were agreed that resulted in additional remuneration.

At 31 December 2009 the members of the Board of Directors, Mr Van der Hoek (20,000) and Mr Van Duijn (137,999), and the member of the Supervisory Board, Mr Van Hemele (200,084), together owned 358,083 shares.

The amounts included for the remuneration based on shares are inclusive of the payable taxes and social security costs.

34. Remuneration of the Supervisory Board

The following amounts, relating to the remuneration paid to members of the Supervisory Board, were included in the income statement in 2009 and 2008:

Remuneration per member of the Supervisory Board	**2009**	2008
Drs. E.J. Blaauboer	**30**	30
M.M.G. van Hemele	**40**	9
Dr. A.G. de Roever		40
Mw.Drs. A.W. Schaberg	**30**	18
Total	**100**	97

The Group has not provided any loans or guarantees to members of the Supervisory Board.

Company income statements 2009

(all amounts x €1,000 unless otherwise stated)

Company income statement 2009

	Explanatory notes	2009	2008
Result of subsidiaries after tax	37.	**(5,854)**	528
Other income and expenses after tax		**(2,886)**	(12,696)
Result after tax		**(8,740)**	(12,168)

Company balance sheet at 31 December 2009

(all amounts x €1,000 unless otherwise stated)

(before proposed appropriation of the result)

	Explanatory notes	31 december 2009		31 december 2008	
Assets					
Fixed assets					
Goodwill	36.	**17,817**		19,955	
Financial fixed assets	37.	**25,175**		31,110	
			42,992		51,065
Current assets					
Receivables	38.	**529**		401	
Cash and cash equivalents	39.	**386**		-	
			915		401
			43,907		51,466

	Explanatory notes	31 december 2009		31 december 2008	
Equity and liabilities					
Equity					
Share capital	40.	**1,276**		1,157	
Statutory reserve	40.	**33**		-	
Share premium		**32,235**		30,142	
Other reserves	40.	**(9,163)**		3,019	
Net result for the year	40.	**(8,740)**		(12,168)	
			15,641		22,150
Non-current loans and borrowings	41.	**3,000**		-	
			3,000		-
Current loans and borrowings	42.		**25,266**		29,316
			43,907		51,466

Notes to the company balance sheet and income statement

35. General

Accounting policies for drawing up the company financial statements
The financial statements of the company are drawn up in accordance with the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code. The provisions of Book 2 Article 362 sub 8 of the Netherlands Civil Code are adopted, whereby the accounting policies for valuation and determination of results (including the accounting policies for presentation of financial instruments such as equity or external funds) applied to the consolidated financial statements are also applied to the company financial statements. The subsidiaries are valued at net asset value based on the valuation policies for balance sheet items as stated in the explanatory notes to the consolidated financial statements.
An outline of the valuation policies is included in sections 2 and 3 of the explanatory notes to the consolidated financial statements..

Accounting policies for valuation and for determining results
The company applies the same accounting policies for valuation and determination of results to the company financial statements and the consolidated financial statements. If no further accounting policies are mentioned, see the explanatory notes to the consolidated financial statements with reference to accounting policies.

36. Goodwill

For movements in goodwill in 2009 see explanatory note to the consolidated financial statements 19.
In the financial statements 2008 the intangible fixed assets were presented separately. In 2009 the goodwill is presented separately, and the other intangible fixed assets are part of the financial fixed assets. The comparative figures have been adjusted for this and there is no effect on equity or result.

37. Financial fixed assets

Participating interests in subsidiaries

Participations in subsidiaries and other companies in which the company can exercise a controlling influence or over which it has the central management, are valued at net asset value. The net asset value is determined by valuing the assets, provisions and debts and by calculating the results according to the accounting policies which are followed for the consolidated financial statements. The transition to IFRS reporting has not resulted in an adjustment in the net asset value of the group companies.

Subsidiaries; treatment of losses

If the share of losses attributable to the company exceeds the book value of the subsidiary (including goodwill presented separately and other receivables not covered by assurances), the further losses are not included, unless the company has given assurances to the subsidiary, or has accepted the liability, or makes payments on behalf of the subsidiary. In that case the company will make a provision for such liabilities.

Subsidiaries; treatment of unrealised results

Results on transactions between the company and its group companies are eliminated proportionally to the size of the company participation in these subsidiaries in so far as these results are not realised through transactions with third parties. Losses are not eliminated if the transaction with a subsidiary shows that an asset is impaired.

An outline of movements in 2008 and 2009 of the financial fixed assets consisting of participating interests in subsidiaries is presented below:

	2009	2008
Book value at 1 January	**31,110**	29,838
Investments	**191**	744
Dividend payment	**(272)**	-
Result from subsidiaries	**(5,854)**	528
Book value at 31 December	**25,175**	31,110

	31 december 2009	31 december 2008
Subsidiaries	**25,175**	31,110
Provision for subsidiaries	**-**	-
Book value	**25,175**	31,110

For information concerning the DPA Group N.V. subsidiaries, see explanatory note to the consolidated financial statements 1.

38. Receivables

	31 december 2009	31 december 2008
Other taxes and social security contributions	**432**	-
Other receivables	**97**	393
Prepayments and accrued income	**-**	8
	529	401

The receivables fall due within one year. The other receivables do not include receivables from shareholders (2008: €300,000).

39. Cash and cash equivalents

	2009	2008
Cash at bank and in hand	**386**	-
	386	-

The cash and cash equivalents are payable on demand.

40. Equity

Share capital
The company's authorised capital at 31 December 2009 was €3,000,005 divided into 30,000,050 ordinary shares of €0.10 each.

The issued and paid-up share capital is €1,275,565.20 and consists of 12,755,652 ordinary shares with a nominal value of €0.10 each.

On 26 June 2009 the company issued 1,102,500 new ordinary shares in a private placement at €2.00 per share (closing price on 20 April 2009 = €1.82). The total proceeds of this share issue were €2,205,000. In addition, 76,465 new ordinary shares were issued to personnel members in 2009.

A dividend of €265 thousand for 2005 up to and including 2007 was paid to the minority shareholder. A proportionate amount was made available to the majority shareholder (€276 thousand), but this has not yet been claimed and is therefore held in reserve.

Additional information concerning the equity is provided in the consolidated statement of changes in equity.

Statutory reserve
In 2009 an item of €33,000 was included under intangible assets for capitalised internally developed software. A statutory reserve was created for this.

Other reserves

Appropriation of profit/loss 2008

At the General Meeting of Shareholders held on 21 April 2009, the net result for 2008 was appropriated as follows:

Charged to share premium account	-
Charged to the other reserves	(12,168)
Net result after tax	(12,168)

Dividend 2009

The proposed dividend per share is €0.

Treasury shares

With due regard for the statutory restrictions on capital reduction and the repurchase of shares, set out in Book 2 Article 207 of the Netherlands Civil Code, the number of shares repurchased by the company at year-end was 0 shares (previous year 0 shares) with a nominal value of €0.10 each.

41. Non-current loans and borrowings

	2009	2008
Loan	**3,000**	-
	3,000	-

The loan was provided by major shareholders to increase the working capital and has a subordinated character.
The loan has a fixed interest rate of 8%. The fair value of the loan at 31 December 2009 is more or less equal to the book value. The loan must be fully repaid no later than 1 January 2012.

42. Current loans and borrowings

	31 december 2009	31 december 2008
Amounts owed to banks	-	1,331
Trade creditors	**142**	340
Subsidiaries	**24,837**	25,246
Taxation on profit	**23**	610
Other taxes and social security contributions	-	1,495
Other loans and borrowings	**264**	294
	25,266	29,316

43. Employees

The average number of employees on the company payroll in 2009 was 3.

	2009	2008
Work location:		
The Netherlands	**3**	5

44. Guarantees and commitments not included in the balance sheet

Notice of liability

The company has issued and filed a notice of liability in the sense of Book 2 Article 403 of the Netherlands Civil Code concerning the subsidiaries included in the consolidation DPA Nederland B.V., Amsterdam and DPA Projecten B.V., Amsterdam.

Together with::

- DPA Beheer B.V.
- DPA Nederland B.V.
- DPA Vast B.V.
- DPA Projects B.V.
- DPA FIT B.V.
- DPA Flex Young Professional B.V.
- DPA Flex Werving & Selectie B.V.
- DPA Flex Interim B.V.
- GEOS IT Professionals B.V.
- Conink Consultants B.V.
- Conink Participaties B.V.

the company forms a tax group for corporate income tax. Based on the standard conditions, the company and the subsidiaries added to the tax group are each jointly and severally liable for the tax levied on the combination.

The company together with DPA Beheer B.V., DPA Flex Young Professional B.V. and DPA Flex Werving & Selectie B.V. have made themselves jointly and severally liable for meeting the liabilities arising from the factoring agreement.

Treatment of tax within the tax group

In the financial statements of the subsidiaries a current tax expense is calculated on the basis of the commercial results achieved. DPA Group N.V. settles with the subsidiaries on the basis of the commercial results of the subsidiary.

45. Transactions with related parties

All companies in the Group are considered to be related parties. See also explanatory note to the consolidated financial statements 29.

46. Events after the reporting period

DPA Group N.V. acquires WR Leading in Finance

In the last months of 2009 contacts were made between DPA and WR, resulting in the signing in February 2010 of a Letter of Intent for the acquisition of WR. During the ongoing acquisition trajectory it has been decided that the transaction by which DPA would acquire WR, under certain conditions, will not be effected. The current market conditions make it necessary to give priority to the management of the two companies at the operational level. The intended acquisition and subsequent integration of operations would demand a disproportionate amount of attention at the managerial and operational levels. The two companies will, however, continue to collaborate on specific elements.

Departure of Jan van Duijn

Jan van Duijn, the CFO of DPA, announced his intention to leave the Board of Directors, three years after becoming a member, with effect from 1 March 2010. He will remain with DPA for some time in an advisory capacity. His termination payment is 9 months' salary, including pension contributions.

Acquisition of minority interest/issue of shares

As also stated in the Message from the Board of Directors, DPA is preparing a share issue amounting to €9 million. The share issue has the support of the major shareholders of DPA.

At least €7 million of the shares will be issued to Project Holland Fonds B.V. and the remainder to two major shareholders. These major shareholders will convert the subordinated loan totalling €2 million that they provided in November 2009. The proceeds of the share issue will be used for the acquisition of the 49% interest in DPA Supply Chain People for €3.5 million, which is anticipated after the forthcoming annual meeting. The proceeds of the share issue will also be used to pay off the subordinated loan from major shareholders (€1 million) and to increase the working capital.

47. Auditor's fees

The following fees of Mazars are recognised in the income statements for 2009 and 2008:

			2009			2008
	Mazars Accountants	**Other Mazars Network**	**Mazars total**	Mazars Accountants	Overig Mazars Network	Mazars total
Examination of the financial statements	110	-	110	171	-	171
Other auditing assignments	27	-	27	35	-	35
Tax consultancy services	-	66	66	-	117	117
Other non-auditing services	-	127	127	-	10	10
Total	**137**	**193**	**330**	**206**	**127**	**333**

Amsterdam, 5 May 2010

Board of Directors

R.A.M.R. van der Hoek

Supervisory Board

M.M.G. van Hemele

Drs. E.J. Blaauboer

Drs. A.W. Schaberg

Other information

AUDITOR'S REPORT

To the General Meeting of Shareholders of DPA Group N.V.

Report On The Financial Statements
We have audited the accompanying financial statements 2009 of DPA Group N.V., Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet at 31 December 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet at 31 December 2009, the company income statement for the year then ended and the explanatory notes.

Management's Responsibility
The management of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Article 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Article 9 Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining a system of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor takes into account the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion With Respect To The Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of DPA Group N.V. at 31 December 2009, and of its result and its cash flow for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with Article 9 Book 2 of the Netherlands Civil Code.

Opinion With Respect To The Company Financial Statements

Naar ons oordeel geeft de enkelvoudige jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van DPA Group N.V. per 31 december 2009 en van het resultaat over 2009 in overeenstemming met Titel 9 Boek 2 BW.

Report On Other Legal And Regulatory Requirements

Pursuant to the legal requirement under Book 2 Article 393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by Book 2 Article 391 sub 4 of the Netherlands Civil Code.

Amsterdam, 5 May 2010

Mazars Paardekooper Hoffman Accountants N.V.

Drs R.C.H.M. Horsmans RA RV

Profit appropriation provisions in the Articles of Association

Stipulations of the Articles of Association regarding profit appropriation

Under the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, with the proviso that profit distributions by the company are permitted only in so far as its equity exceeds the paid-up and called-up part of the capital plus the reserves that must be maintained by law or by virtue of the Articles of Association.

Proposal for the appropriation of the result

Absorption of the loss for the financial year

The result for the financial year 2009 of the amount of €7,595,000 negative will be charged to the other reserves.

Events after the reporting period

DPA Group N.V. acquires WR Leading in Finance

In the last months of 2009 contacts were made between DPA and WR, resulting in the signing in February 2010 of a Letter of Intent for the acquisition of WR. During the ongoing acquisition trajectory it has been decided that the transaction by which DPA would acquire WR, under certain conditions, will not be effected. The current market conditions make it necessary to give priority to the management of the two companies at the operational level. The intended acquisition and subsequent integration of operations would demand a disproportionate amount of attention at the managerial and operational levels. The two companies will, however, continue to collaborate on specific elements.

Departure of Jan van Duijn

Jan van Duijn, the CFO of DPA, announced his intention to leave the Board of Directors, three years after becoming a member, with effect from 1 March 2010. He will remain with DPA for some time in an advisory capacity. His termination payment is 9 months' salary, including pension contributions.

Acquisition of minority interest/issue of shares

As also stated in the Message from the Board of Directors, DPA is preparing a share issue amounting to €9 million. The share issue has the support of the major shareholders of DPA.
At least €7 million of the shares will be issued to Project Holland Fonds B.V. and the remainder to two major shareholders. These major shareholders will convert the subordinated loan totalling €2 million that they provided in November 2009. The proceeds of the share issue will be used for the acquisition of the 49% interest in DPA Supply Chain People for €3.5 million, which is anticipated after the forthcoming annual meeting. The proceeds of the share issue will also be used to pay off the subordinated loan from major shareholders (€1 million) and to increase the working capital.

DPA

LINKING KNOWLEDGE

Gatwickstraat 11
1043 GL Amsterdam

T +31 (0)20 51 51 555
F +31 (0)20 51 51 551
info@dpa.nl

www.dpa.nl