CTAC

ENABLING YOUR AMBITION

2013

ANNUAL REPORT


ALTIJD OPEN VOOR BUSINESS
CLOUD COMPUTING ZONDER POESPAS
Over de cloud wordt vaak erg ingewikkeld gedaan. Bij Ctac houden we het graag helder. Waar het om gaat, is dat al uw processen en applicaties altijd beschikbaar zijn. Dát is ons specialisme. De basis is een open platform waarin we uw business applicaties integreren, terwijl u de volledige regie houdt. U werkt zoals u graag werkt en wij zorgen ervoor dat uw platform groeit als het nodig is, maar ook net zo makkelijk weer krimpt. Daarbij denken we als strategisch partner mee over de te volgen koers, zodat u vandaag alweer klaar bent voor morgen. Kortom, de cloud zoals de cloud bedoeld is. Neem geen genoegen met minder.
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UW REGELS!
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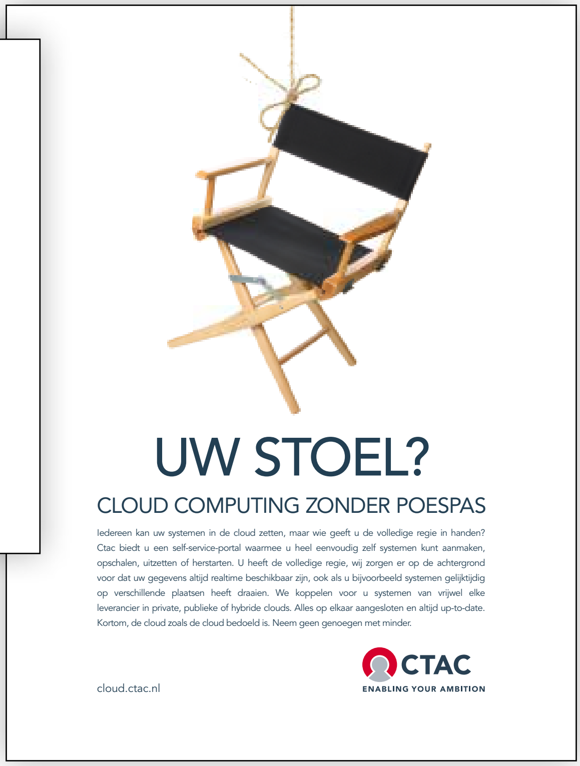
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APPLICATIES KOPPELEN
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Foreword

Following a long period of stagnating ICT markets, 2013 finally showed signs of an initial cautious recovery. Together with the measures introduced in 2012, such as cost reductions and the strategy calling for Ctac to operate as an ICT solution provider under a single Ctac brand label, this has led to positive developments in the second half of last year, resulting in an order portfolio that has grown in both quality and size.

We can conclude from this that the strategy is bearing fruit. We truly want to be a full-service provider in the markets in which we have a good reputation and name, such as the retail, wholesale and manufacturing sectors. Ctac is no longer a product-based company, but a solution company that supplies total solutions for all business processes, ranging from production to invoicing. Ctac does this on the basis of an optimised product portfolio that includes SAP, Microsoft and related products. And in this respect, Enabling your Ambition, our tagline since 2012, is very meaningful. This tagline reflects our core mission: helping customers realise their ambitions by transforming ICT into business value, and towards structurally added value.

To be able to deliver this added value, we will have to be better than our competitors. And this means more than just having the best consultants in-house. We will focus on solutions that are largely already customised. Smart solutions that enable the customer to start work more quickly, that remain closer to the standard, and – just as importantly – enable the customer to minimise maintenance costs.

If we want to create business value for our customers, we must also dare to think outside the box, in other words be willing to introduce innovation. In 2013, this took shape in the form of augmented reality which we offer as a SAP-based technology to speed up and facilitate the order picking process. And by developing innovative cloud solutions that enable the user to make full use of the software for this purpose, we allow the customer to profit from new opportunities. However, innovation is not an objective in itself for Ctac. It is a tool to serve our customers better. We do not all sit together in a room and think of new ideas! What we do, however, is to scan the market for innovative technologies that have the potential of offering our customers new opportunities. For example, our cloud technology offers companies numerous opportunities without the need for them to invest in it themselves. This also adds value.

In 2013, the growth of our hosting and managed services took on a more permanent character. With a managed services portfolio that is as extensive as it is advanced, Ctac is able to compete directly with the major players in the market. Of course, we are specialists in the area of application management, but we also have the capacity required to host entire infrastructures and platforms, whereby companies can simply ‘plug into’ the functionality they require. We are already doing this for existing customers, but by entering new markets, we are also enlarging our market share.

A recovering economy? For the time being Ctac does not want to be overly optimistic. We prefer to focus sharply on our own resources and strategy, with our eye clearly set on quality and added value. Process efficiency continues to be an area of attention as well. For example, we have developed a self-service portal in the cloud that enables users to up or downscale the capacity they need themselves without having to depend on the provider. It is an innovation that reduces our active involvement and at the same time offers companies the opportunity of using their resources more efficiently.

All of this, combined with our commitment to our customers, gives us the strength and confidence for 2014.

Henny Hilgerdenaar, CEO
Douwe van der Werf, CFO

P.S. We do not want to hide the fact that the cloud is currently top-of-mind for Ctac. We advertised about the cloud extensively in 2013 and we will continue to do so in 2014. On the left you will see a selection of advertisements as they appeared in Management Scope, Elsevier, Computable and Automatisering Gids. In addition, you can hear us on radio by listening to our commercial at cloud.ctac.nl. The visuals in this annual report were also borrowed from this 2013 Cloud campaign and clearly demonstrate our priorities...

Contents

Ctac in figures

Key figures	2013	2012
Results (in EUR x 1 million)		
Net turnover	77.0	79.9
Gross margin	56.9	57.6
Operating result	2.2	2.0
Result from ordinary activities before tax	1.7	1.2
Net result	1.2	0.8
Cash flow (net result plus depreciation charges)	2.5	2.3
Employees (in FTE)		
As at 31 December	438	438
Average over the year	439	448
Turnover per employee (per FTE x EUR 1,000)	175	178
Turnover per chargeable employee (per FTE x EUR 1,000)	193	197
Selection of balance sheet figures (in EUR x 1 million)		
Shareholders' equity	8.9	7.0
Net bank debt	3.4	4.5
Total assets	35.9	39.9
Ratios		
Operating result/net turnover	2.8%	2.5%
Net result/net turnover	1.5%	1.0%
Net result/average shareholders' equity	14.6%	12.3%
Shareholders' equity/total assets	24.9%	17.5%
Data per share of EUR 0.24 nominal value		
Number of outstanding weighted average ordinary shares	12,089,519	11,731,147
Net result (before minority shareholders)	0.10	0.07
Cash flow (net result plus depreciation charges)	0.20	0.19
Shareholders' equity	0.74	0.60
Proposed dividend	0	0

Profile

With a great deal of passion and commitment, Ctac helps organisations increase their business value by setting up, maintaining and updating their ICT infrastructure. We have done this since 1992 on the basis of sound technological knowledge combined with in-depth knowledge of sectors and business processes. This expertise constitutes the foundation of a broad range of solutions for supporting all core processes within companies, from financial administration to logistics, from procurement to sales. Ctac operates from the Netherlands, Belgium and France.

Offering customised innovative and future-proof products and services at the interface of business and ICT in order to enable our customers to realise their ambitions, that is how we briefly describe our main objective. This objective is reflected in our tagline: *Enabling your Ambition.*

Enabling your Ambition

The starting point is to deliver quick, practical, suitable and reliable ICT solutions that immediately result in improvement and profitability for the customer. These solutions support organisations as they strive for continuity and profitability, but also in their efforts aimed at growth, flexibility, strength, realising lower costs, even more efficient operations, better products and services and/or a greater market share. In short: more competitive advantage.

Support through reliable ICT infrastructure is a primary requirement for this. This environment must not only be fully in order technologically, but must also be geared to the specific requirements of the sector in which the organisation operates. Only then can an organisation flexibly respond to the dynamics in its sector and reap the rewards of a more efficient and reliable information system.

From IT supplier to Value Partner

Ctac is realising this transformation by presenting itself in a target-oriented manner and by evolving into a Value Partner; this is a strategic ambition for the coming years. Business consultancy plays an important role in this. We look at how we can support, optimise and innovate the customer's business operations and help the customer move forward: how does the customer benefit from improvements as a result of our proposition? Every consultant makes the translation to this added value in his/her work.

In addition to value consultancy, other factors, including strategic factors, are also important. In particular, technological innovation and the provision of so-called Composed Solutions (modular cross-industry solutions) set the tone here. Providing total convenience for the customer by being a Total Solution Provider is another strategy that has been deliberately adopted.

Composed Solutions

Companies generally demand solutions that they can benefit from quickly, with short implementation times and controllable costs. Ctac provides an effective answer to this with Composed Solutions: unique, powerful cross-industry solutions that are composed of ready-made components. Characterised by optimal coordination between software, business processes and employees, they can be easily combined into a broad, modular solution. This could be an end-to-end solution, but does not need to be. One example is the Fit4Retail template, to which we can link a Business Intelligence or document application. The possibilities are endless. The customer benefits from a 'customised standard solution' that is as well scalable as perfectly tailored to the company's needs.

These preconfigured solutions can be taken into use quickly and the benefits can be reaped within a short period. Ctac provides these for the retail, wholesale, real estate, professional services and manufacturing sectors, among others. We fully guide these solutions, i.e. from taking stock of the situation all the way through to implementation. The guiding principle here is that the business operations must not be inconvenienced and that the customer must be able to reap the benefits of the chosen solution as soon as possible.

Many Composed Solutions are realised in cooperation with our partners. Besides SAP and Microsoft, which supply the basic software, these partners include prominent niche players such as Ricoh, ReadSoft, Winshuttle, Qlikview and Redwood.

Total Solution Provider

Complete Portfolio

Scale is crucial in facilitating a customer's ambition. Ctac is large enough to offer customers a fully-fledged package of products and services; the hallmark of a Total Solution Provider. We are therefore able to think up and build, as well as maintain any ICT solution desired. With this combination of think, build & keep-it-running, we provide total convenience for the customer.

In addition to sector-specific solutions, we also supply a broad range of generic solutions such as Business Intelligence, Warehouse Management and CRM, whether or not in the cloud via Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) or Infrastructure-as-a-Service (IaaS). Ctac completes its broad product range with a series of high-quality services that enable customers to make the most of their ICT investments. These range from business consultancy, software development and managed services to mobility, in-memory computing and cloud services, including training and secondment. This is based without exception on a professional approach, an innovative perspective and personal contact.

Ctac guarantees an optimal service level, regardless of whether this concerns implementation of business software or the management of systems. This can also mean that we act as the ICT director for our customers. A role that we are pleased to assume, if necessary, together with critically selected third parties, to implement the total solution together.

Innovation Partner

Focus on the future

Achieving ambitions requires constant innovation of business processes. Technological innovation is therefore high on our agenda. Especially sustainable solutions with added value, because companies invest in technology with a view to long-term profitability. Ctac proactively seeks out innovative possibilities for making the ICT environment of organisations more future-proof. Trends such as in-memory computing, mobility and cloud services are directly translated into added value for the customer. In doing this we anticipate the topical questions from customers: How do you handle Big Data? How can you use apps to work more efficiently? What advantages are there to working in the cloud?

Over the past twenty years, our professionals have built up extensive and in-depth expertise in business processes within various sectors. This knowledge forms the basis for our wide range of innovative solutions for virtually all core processes within companies. Each and every one of these solutions is a relevant solution that has been developed in close cooperation with the market and is therefore optimally tailored to the ambitions of the customer. Due to this process of co-innovation, companies can bring their information processing to the desired level quicker and immediately operate more efficiently.

Structured approach

Innovation will have our full attention in the coming years. All activities in this area will be combined in a dedicated innovation team led by an Innovation Director. More unity results in more cohesion and therefore in more success - this is the underlying reasoning. We have also set up a Radar Team that scans the market for relevant developments. This team's primary task is to transfer knowledge and provide inspiration, via thematic sessions, for instance. Think of a round table for customers from a particular industry, in which we exchange ideas with CIOs and IT managers on their concerns and possible directions in which to seek solutions.
Research & development is thoroughly addressed in our C-Labs, where we research and test the newest technologies extensively. These laboratories provide intensive guidance for the innovation process, from initial concept to concrete business value. By spending time on R&D, we underline our commitment and customer directed, which explain our success in the market.

"ACHIEVING AMBITIONS REQUIRES CONSTANT INNOVATION OF BUSINESS PROCESSES."

Examples

Our focus on innovation in 2013 resulted in a number of successful innovations, such as Pick-by-Vision, an order picking solution supported by Augmented Reality, and the launch of various apps, including the Verbeeten app and an app for housing associations. We were the first to convert our SAP Retail environment, including the Fit4Retail template, to HANA, SAP's in-memory solution that speeds up data processing by a factor of as much as 1,000. Ctac was also the first to seriously devote itself to SAP's cloud solutions. This has resulted in a formal cloud partnership with SAP. This in turn has resulted in our involvement in various initiatives, such as the SAP BusinessByDesign implementation at SNV (Stichting Nederlandse Vrijwiligers). Ctac furthermore is an early adopter when it concerns application of SAP Fiori; a solution that converts complex SAP screens to simple, browser-based screens for mobile devices. Finally, we conducted various Design Thinking and Innovation sessions with customers such as Mastervolt, SAP, Bakker Coevorden and Bavaria, often resulting in surprising new insights.

Focus on the customer

Ctac in 2013 projects greater unity and cohesion than ever before. Collaboration between the different specialised business units has been significantly reinforced, which has further increased effectiveness and efficiency. For instance, various sales departments have been combined into a single company-wide department, managed by a Commercial Director. A measure that is not at the expense of the attention for specific sectors or solutions. Central management in fact boosts consultation among sales employees and increases the possibilities of spotting cross-selling, up-selling and other opportunities. The plenary approach also means that bottlenecks in the sales process are resolved earlier.

More focus on commercial management means more attention to account management as well as professionalisation of the internal sales organisation. The focus in this respect will be on existing and future customers.

Because ICT is and will continue to be the work of people, we have made project management an integral part of our consultancy services. This enhances our capacity of providing direction to the 'soft' side of change: the individual and all of his/her facets – often the decisive factor in transforming projects into a success. Our entire approach in this area (People who Improve) demonstrates how we get the best out of people and consequently achieve the desired project result.

Another part of our consultancy services is Ctac Education, which supports user organisations in preparing an effective and efficient tailor-made training curriculum. The knowledge services it provides with the objective of increasing the skills level in organisations furthermore include practical training courses and workshops that keep employee development in line with the systems and the organisation. To guarantee the highest possible return on training, Ctac Education embraces the High Impact Training (HIT) methodology,

"CTAC'S CONSULTANCY IS FOCUSED ON SPECIFIC SECTOR SOLUTIONS AND GENERAL SOLUTIONS, SUITABLE FOR ANY BUSINESS. "

Domains

Ctac's service comprises two domains that together make up its Total Solution Providership: Consultancy and Managed Services.

1. Consultancy

The basic premise underlying our consultancy service is to create an interplay between business consultancy and technical consultancy such that, in line with our mission, we can convert ICT into business value for the customer. We work together with several software suppliers for this purpose, including SAP and Microsoft. Ctac's field of operation includes the Netherlands, Belgium and France. We offer a project-based as well as secondment-based approach within the consultancy domain. Ctac provides the option of contracting entire projects or of partially resourcing them. In addition, we supply professionals for specialist technical or more business-oriented roles. The use of a project manager alone is also a possibility.

which stands out because of its pragmatism, efficiency and affordability. Finally, Ctac Education conducts professional audits in the Business Intelligence, SAP Security, SAP Financials and ABAP disciplines.

Ctac's Consultancy is focused on specific sector solutions and general solutions, suitable for any business.

Sector solutions – strength from in-depth market knowledge
Corporate life has no room for 'one size fits all'. This is why we develop sector-specific solutions that optimally anticipate the requirements and wishes of the various sectors. They ensure the flexibility and efficiency that organisations have a right to expect of their automation. For our market-oriented activities, it's all about knowledge of the customer and his processes (customer intimacy). To this end, Ctac has developed extensive knowledge of various sectors such as consumer products, retail, logistics, real estate, utilities, wholesale and manufacturing. But we feel just as well at home in the leisure & hospitality, charity and professional services sectors. We support these sectors with solutions such as the Microsoft Dynamics Navision ERP solution. Within these markets we act as business partner and provide tailored solutions. Our people are aware of the challenges, follow new developments closely and speak the company's language. As we are a frontrunner in signalling changes in the market, we can translate trends into innovative ICT solutions that give the customer a leading edge.

General solutions – performance as a result of durable solutions
The knowledge-oriented Ctac business units deliver in-depth product expertise to optimise core processes and solve specific customer issues. They develop innovative state-of-the-art solutions that are sector-independent and therefore can be implemented in any market. The application of innovation helps to create distinctiveness and strengthens the competitive position of customers. So they can achieve this time and again, our consultants combine solid technical know-how with many years of experience. Disciplines in which we excel include Business Intelligence (BI), Mobility and Education. In order to quickly and easily deliver one uniform reality, Ctac has developed the link between the flexible CRM business software of Microsoft Dynamics and SAP. The user-friendly and highly integrated e-business solutions are also part of the portfolio.

2. Managed Services
The market has a need for hosting solutions and managed computer environments that relieve customers from these onerous tasks. Ctac has been active in this area for over fifteen years in the Netherlands, as well as in Belgium. We do this with a dedicated team of specialists who have in-depth knowledge of the various sectors. The strength of the team, the expertise of our people and the focus on result are important distinguishing factors in this. Ctac Managed Services has a strong focus on supporting powerful and complex infrastructures for database-oriented business-critical SAP systems. In terms of the number of customers, we can call ourselves market leader in the Benelux in this respect.

We provide total management services for companies of all sizes, in every sector. No woolly stories or lengthy reports, but fast, practical solutions that immediately lead to improvement and convenience. Primarily designed for organisations that wish to secure a professional infrastructure on their way to operational excellence. We have the highest certifications available in the market for this purpose.

Cloud Services
Technology is developing at an astonishing pace. That is why innovation is high on our agenda. An example is the launch of cCloud 2.0, our new cloud concept. An innovative step in providing flexible and scalable server and storage capacity. With cCloud2.0 Ctac offers a high-quality package of services based on Infrastructure as a-Service (IaaS) and Platform-as-a-Service (PaaS). Among other things it offers a standard framework for communication with mobile devices and Big Data solutions. This makes the platform future-proof.

The concept was developed on the basis of our experience with 230,000 national and international users of SAP, Microsoft and other systems. Thanks to the pay per use model, the services are available 24 hours a day, seven days a week, and customers can achieve substantial savings without making investments themselves.

Specialisms
Ctac is developing solutions that have an impact on the future business operations and positioning of organisations. Sustainable growth and value creation are our strategic starting points in this respect. We deliberately choose product and market combinations with strong growth potential. The SAP and Microsoft solutions amply meet this criterion and furthermore enable us to provide sector-focused applications. The following themes from Ctac's portfolio are among our specialisms:
- Cloud
- Application Management
- User Experience
- Mobility
- Collaboration
- Enterprise Information Management
- Business Intelligence
- Big Data & SAP HANA
- Office Automation

• Cloud

The ability to adapt to a changing market and portfolio with agility is the most important pro-cloud argument for companies. Ctac anticipates this need with a total package of state-of-the-art cloud services that are available 24/7. A scalable solution portfolio that seamlessly fits into an organisation's ICT strategy and that enables an organisation to immediately adapt its business. With the self-service portal included as part of the solution, the user himself maintains control over the use of his systems.

Ctac provides super-fast sector-specific solutions from its own cloud for infrastructure, platforms or software on demand, SAP or Microsoft. By linking on-premise environments with the Ctac Cloud, or the cloud of other vendors, we enable the customer to optimally benefit from opportunities. All systems are connected to each other and always up to date. And furthermore charged on a use basis and therefore cost efficient and fully continuously managed. In short, the cloud as it was meant to be. Furthermore, our platform provides a standard framework for communication with mobile devices and Big Data solutions.

No investments in infrastructure or licenses, always the latest software update and guaranteed availability. Ctac's cloud proposition once again enables the customer to focus on his core business in the secure knowledge that his applications are in good hands.

• Application Management

The demand by companies for having their IT landscape managed and hosted is increasing. Ctac offers technical management and application management services for SAP, Microsoft and office automation. It offers a range of strategies that respond to the customer's specific situation. Each strategy has a different focus – for example, innovation or stability – with a matching set of KPIs, governance and pricing models. This way we establish the foundation for a professional service, supplemented with a self-service portal and a 24/7 service desk. The management model applied is fully focused on excellent collaboration. This model also incorporates tasks, roles and responsibilities, including the definition of their scope at a strategic, tactical and operational level.

Business continuity for on-premise, cloud or hybrid environments is a top priority in our service. In addition, the customer benefits from ample opportunities to adapt and expand applications to improve their application or performance. The workshops in our Continuous Improvement Programme provide a structured approach for achieving progress.

• User Experience

Users are more and more accustomed to work with the latest technologies at home. Do what you want to do and no longer just what the software has to offer, with few clicks and intuitive screens. This is what your employees consider normal. They do not always encounter this ease of use in their day-to-day work environment.

New technology often goes hand in hand with high training costs but is needed so that that good employees do not disconnect or become less productive because they do not feel comfortable in their new work environment. Indeed, a professional requires the right tools to be productive in his/her work.

Efficient and motivated employees require an optimal user experience.
Ctac believes that if applications are presented in visual form at an early stage through means of mockups it becomes possible to realise this user experience. The environment, the human-machine interaction, ease of use and appearance are determining factors in this respect. Expectations and objectives are crucial to this experience.
Ctac is interested in the challenges in market of our customer. The associated opportunities provided by new technologies which can be offered by Ctac are directive. Through means of Design Thinking sessions combined with our knowledge of user experience we can make your business demonstrably more successful.

• Mobility

SAP and Microsoft are known for their process-driven and rich functionality. To provide mobile access to these environments in a user friendly and secure way often is a challenge. Ctac has devoted itself to this issue. For example, through means of a unique Mobility Framework that provides access to ERP systems to a broad user group. Even for inexperienced users. The Mobile Platform enables commercial users to perform essential tasks and take well-considered decisions anywhere, in the same way they would at the office. Ctac's Mobile Device Management simplifies the management of smartphones and PDAs. All mobile devices are configured, managed and secured from a single online portal, regardless of type, network or operating system. The result: maximally secured company data, maximum control over mobile business applications and low management costs.
Everyone is mobile these days. Thanks to a regular mobile phone, a smartphone, laptop or tablet. In technical terms, enabling mobile access to data is not difficult. But enabling mobile access to the data alone is not necessarily the same as really enabling mobile users to work with the data. Besides the freedom

to choose what device and software to use, mobile users want simplicity and ease of use. At the same time organisations are asking themselves questions, such as what devices should we select? Do we give employees complete freedom to choose their device (Bring Your Own Device) or do we limit their choice to a limited group of devices (Choose Your Own Device)? Which platform do we prefer: iOS, Android, HTML5? Do we need a Device Management tool and an App Management tool?
Ctac offers answers to these and other questions. And we also offer expert advice related to mobile device management and security.

• Collaboration

People determine the success of an organisation. Optimised collaboration among customers, partners and employees is essential to consolidate and enhance this success. When they work with the right solution, employees are in a better position to collaborate, independent of time, location or device. Ctac provides Collaboration on the basis of Microsoft SharePoint, Outlook, Lync, Yammer and CRM technology. The individual experience of users and their needs are the key focus of our vision. By combining different application areas with proven architectural guidelines and governance processes, we have developed a flexible platform that facilitates the new way of collaboration and that the user can permanently maintain himself. This makes information easier to find and allows insights to be more effectively shared. This increases the organisation's productivity and strength.

• Enterprise Information Management (EIM)

With the staggering growth of structured and unstructured data there is a cry from the market to increase the return from information by making data available in the right way and the right form. How does information contribute to the operating result, what does this mean for the information management strategy and how can this strategy best be implemented. This is the terrain of Enterprise Information Management (EIM), which designates the combination of the Enterprise Content Management (ECM) and Business Intelligence (BI) disciplines, in which Business Process Management (BPM) and Retrieval play a major role. Ctac adheres to a vision that unites ECM with BI, with business processes as the backbone of the organisation.

• Business Intelligence

An organisation will have more than its share of sore spots when it does not have access to internal management information. For example, a strategy that is not translated into tactical and operational objectives, lack of management control, reporting that does not match business needs and lack of clarity concerning the origin of management information. The key sore spot no doubt is that a company in that case is unable to manage on the basis of accurate and timely information. Ctac helps customers so that Business Intelligence works for people instead of having people work for Business Intelligence.
We use the BI Customer Scan to measure in a clear, phased approach whether the use of information (in support of strategy, performance and operational management) and the production of information (applications and technology) are in balance and to identify possible improvements. We show how an organisation can make focused investments in this respect and prepare a roadmap for success in joint consultation.

• Big Data

Data comes in all shapes and sizes. With everything they do, with numerous devices – smartphones, RFID, TVs, cameras – people generate a tremendous volume of data. Big Data is the reflection of our real world and lodges a treasure of valuable information that companies can use to their benefit. Analysis of this information enables them to improve their performance. In-memory provides the technology that makes it possible to analyse data at the speed of light However, not all information needs to be available in-memory. To be able to determine this, organisations need to determine the business value to be attributed to data, so that it can then be stored in a suitable medium. Ctac offers help in making the proper choices and contributes to defining the best migration scenario. Our Big Data Workshop demonstrates the relevance of Big Data for companies and provides insight into the results to be expected.

• SAP HANA

The SAP HANA (High-Performance Analytical Appliance) enables real-time analysis of large volumes of data, making it possible for organisations to proactively respond to trends. Ctac offers customers the opportunity of running their business applications on a cloud version of the HANA in-memory database technology. Ctac provides the HANA Enterprise Cloud service from its own data centres.

By using our SAP HANA Readiness Scan we measure what HANA can do for a company and the steps required to implement it, in a very short period of time. Ctac uses the SAP HANA Rapid Deployment Solution (RDS) to develop in-memory solutions that are consistent with the customer's organisation and that are integrated into the IT landscape and the business process. We intensively collaborate with SAP and IBM for this purpose. In addition, we develop apps for SAP HANA.

FIT4Retail Cloud is a sector-oriented ERP solution that we deliver based on HANA. This solution comes with readymade and therefore immediately usable versions for the fashion, food, furniture and electronics sector.

- Office Automation

Business operations are changing quickly and are increasingly shifting to online and cloud. In fact, are companies still going to have an office in five years? A combination of on-premise and online is the new reality for most companies. To make this way of working possible requires internal choices to be made. Ctac provides support in this respect and prepares customers for the future.

Ctac's managed workplace provides users with the certainty that their office is always available. Via our online workplace services, we create secure access to the digital business environment for employees, from any device (with internet access) anywhere in the world. The programs and data are always and everywhere used the same way and customers themselves can compose a tailored package of preferred programs. With our physical workspace services, employees furthermore always have access to a functional desktop or laptop. The benefits: The ability to work at any time and everywhere. Always access to the latest software. Always available. Predictable costs. No investment in own hardware and software.


EXTASY

THE CERTAINTY OF A STRONG PARTNER

PROFESSIONALISM WITHOUT ANY FUSS

CTAC
ENABLING YOUR AMBITION

The Ctac share

Financial schedule 2014/2015

12 March 2014	Publication of 2013 financial figures
2 April 2014	Publication of 2013 annual report
14 May 2014	General Meeting of Shareholders
14 May 2014	Publication of quarterly report for the first quarter 2014
28 August 2014	Publication of half-year figures for 2014
6 November 2014	Publication of quarterly report for the third quarter 2014
11 March 2015	Publication of 2014 financial figures
13 May 2015	General Meeting of Shareholders

Paid-up and called-up capital

The authorised share capital amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,195,497 ordinary shares and 1 priority share.

Development of share capital

The number of outstanding ordinary shares on 31 December 2013 amounted to 12,195,497.

Dividend policy

In principle, Ctac's dividend policy aims to pay out 30 to 40 percent of the net profit to the shareholders. Ctac may depart from this policy in connection with the financing of future growth.

Key figures ordinary shares
Number of weighted average outstanding ordinary shares: 12,089,519
Highest closing price 2013 (EUR): 1.45
Lowest closing price 2013 (EUR): 0.80
Closing price year-end 2013 (EUR): 1.38
Net result per share (EUR): 0.10
Operating result per share (EUR): 0.18
Dividend per share (EUR): 0.0
Dividend yield in % at year-end 2013: 0%
Net asset value (EUR): 0.74

Data per share of EUR 0.24 nominal value	**2013**	**2012**
Number of weighted average outstanding ordinary shares:	12,089,519	11,731,147
Net result attributable to group shareholders	0.09	0.07
Cash flow (net profit plus depreciation)	0.20	0.19
Shareholders' equity	0.74	0.60
Proposed dividend	0	0

Act on disclosure of major Holdings

The register of the Netherlands Authority for the Financial Markets (AFM) in connection with the disclosure of major holdings of shareholders in securities-issuing institutions as at 31 December 2013 contained the following investors with participating interests higher than 5% (source: AFM).

Date of disclosure	**Disclosing Party**	**Interest**
10 March 2008	H.A.M. Cooijmans	28.53%
17 July 2008	Alpha Holding B.V., Elpico B.V., Invenet B.V.	14.26%
4 February 2013	J.P. Visser	5.18% *

* On 4 March 2014, Mr Visser reported a 10.16% interest.

Board of Directors

Mr H.L.J. Hilgerdenaar (1960),
Dutch nationality.

Director under the articles of association
Chief Executive Officer (CEO)

Mr D.G.H. van der Werf (1955),
Dutch nationality.

Director under the articles of association
Chief Financial Officer (CFO)

Supervisory Board

Mr H.G.B. Olde Hartmann (1959),
Dutch nationality.

Chairman of the Supervisory Board

Owner-manager of Financieel Bedrijfsmanagement (FBM) B.V. Member of the supervisory boards of Papierverwerkende Industrie Van den Brink B.V., VSI B.V., Adimec Holding B.V. and Vleems Holding B.V.

Appointed to the Supervisory Board of Ctac in May 2005. The current term is for four years until the date of the 2017 Annual General Meeting of Shareholders.

Mr H.P.M. Jägers (1941),
Dutch nationality.

Emeritus professor at the Faculty of Economics and Business of the University of Amsterdam.

Appointed to the Supervisory Board of Ctac in May 2002. The current term is for four years until the date of the 2014 Annual General Meeting of Shareholders.

Mr E. Kraaijenzank (1956),
Dutch nationality.

Board member, CFO and COO Avebe. Member of the supervisory board of HZPC.

Appointed to the Supervisory Board of Ctac in May 2009. The current term is for three years until the date of the 2016Annual General Meeting of Shareholders.

Report of the board of directors

Introduction

Short summary of the main figures:

Results	2013	2012	2011	2010	2009
(x EUR 1,000)					
Net turnover	77,028	79,861	72,983	71,402	68,366
Net result	1,160	805	(12,737)	201	(2,115)
Personnel					
Average number of employees (FTE)	439	448	472	462	460
Ratios					
Operating result/net turnover	2.8%	2.5%	0.0%*	1.7%	(2.6%)

* Excluding the impairment of goodwill of EUR 11.5 million and one-off restructuring costs of EUR 1.2 million.

Strategy

Enabling Your Ambition

Ctac considers it its mission to facilitate the ambitions of its customers by transforming all of the possibilities offered by information technology into business value for its customers. This also includes giving due consideration to the ambitions of our employees.

Within this context Ctac distinguishes the following objectives:

- To unburden (international) customers in the (larger) SME segment by offering suitable and reliable ICT solutions at acceptable costs. These solutions should also make an important contribution to the profitability of these customers and the continuity of their companies;
- To further evolve from a ERP service provider into a distinctive supplier of composed ICT solutions (Solution Provider);
- To develop the Ctac organisation so that it can capitalise on market opportunities and to guarantee continuity for all stakeholders.

More specifically, Ctac will aim to create added value for her customers and the quality solutions for her customers in the selected market segments will have a recognisable added value. Effectiveness remains very important, with special attention to flexibility, customer-orientation and employee satisfaction.

As reported last year, in 2012 Ctac abandoned the 'Powerhouse' concept. While the above-referenced concept definitely was of benefit to Ctac in past years, at the present time it is no longer attuned to current economic and market conditions. As a result, discussions took place in 2013 with the (co-shareholders and minority) shareholders of Persity and IFS Probity. In both cases this has resulted in agreements that do greater justice to the conditions and circumstances expected to prevail today.

In past years, Ctac has structured the organisation and redefined the strategy such that it has been able to transform itself into a leading ICT Solution Provider. In the coming years, the focus will be on integrated, market and/or knowledge-oriented business units that are optimally structured to provide high quality, specialist solutions to customers. The organisation is structured such that the management teams of the particular countries directly manage these business units.
The organisation is structured such that in the Netherlands, Belgium and France the Management Team provides central and integrated direction to all sales and delivery activities.
Services in the Netherlands are subdivided into three sectors: SAP Consultancy, Managed Services and Microsoft Consultancy. In Belgium and France only SAP related activities take place.
All sales activities are managed centrally across these sectors.

Sectors in which Ctac Netherlands is active

Since 2012, Ctac has approached the sectors in which Ctac is active in a manner that is more in line with her propositions for her customers and her internal organisation has since been structured on this basis. This has taken place as a result of the more clearly defined strategy whereby specialist knowledge about various market sectors prevails over the size of the customer.

Ctac targets existing and newly defined markets and areas where Ctac wishes to and can play an active role, and where the portfolio model based on consultancy, hosting and management, and products can be applied. In this model, Ctac aims for a well-balanced distribution whereby it remains her aim to have Managed Services constitute at least 50% of the turnover.

Similar activities are clustered in the new structure. Ctac Netherlands distinguishes four business units: Ctac Consulting, Ctac Microsoft, Ctac Managed Services and Other. The activities covered by Ctac Managed Services involve providing access to a broad range of specific ICT expertise and offering assistance to organisations that wish to safeguard a professional ICT infrastructure. All SAP-related activities are grouped under Ctac Consulting. Ctac Microsoft contains all Microsoft-related activities, including Dynamics and Yellow & Red's Microsoft-related activities. The activities that cannot be allocated to the other three business units, such as Persity's selection and recruitment services, are grouped together under Other.

Ctac Consulting

This business unit contains all SAP-related activities for industries and cross-industry solutions.

Ctac Microsoft

From this business unit, Ctac is active in the field of Microsoft CRM solutions for companies in various market sectors. Furthermore, the emphasis at present lies on the Leisure & Hospitality market with the Navision ERP Solution. Yellow & Red is also active in this segment.

Ctac Managed Services

This business unit offers Cloud Services (management, hosting and system optimisation) and is not linked to specific market sectors in this respect. With Ctac Managed Services Ctac takes over the management of the systems from her customer. Ctac Managed Services supports the whole life cycle of systems, so that customers can focus fully on their core business. Some of the new users of these services in 2013 are as follows: BDO Global IT Management & Support B.V., Compass Group Nederland Holding B.V. en Nederlands Loodswezen B.V.

Data Centre Facilities

Ctac has moved her new data centre activities for the hosting of SAP and Microsoft services among other things to the TelecityGroup. With this step, Ctac has strengthened its existing hosting position. In addition, it is possible to develop new, advanced cloud services from this new location. Ctac is the first to launch new services like a Self-Service Portal and Ctac Archiving-as-a-Service (AaaS).

With the Self-Service Portal, customers can, at the push of a button, increase or decrease system capacity and obtain real-time insight into their own use. Ctac Archiving-as-a-Service is a full-service solution for SAP archiving and thus forges a link between ICT objectives and the continuing, increasing information requirements of the user organisation. With this archiving concept, customers can archive carefree and faster and users maintain their existing flexibility where it concerns the ability to view and analyse SAP data.

Other

The activities that cannot be allocated to the other three business units, such as Persity's secondment services, are grouped together under Other. With Persity Resourcing, Ctac is active in the field of the secondment of SAP consultants. Persity Search is active in the field of the recruitment and selection of (SAP) professionals and sales, both for Ctac and for third parties.

Key developments

New initiatives

Ctac has made SAP systems SEPA-proof at over fifty companies

Over the past period Ctac has made over fifty companies, including wholesalers, retailers and housing associations, as well as universities and universities of applied sciences, SEPA-proof. Talis, HaagWonen and DELA Vastgoed were among these organisations. Their SAP systems now meet the Single Euro Payments Area (SEPA) rules well ahead of time. Ctac established a SEPA Team one year ago. The Team supports customers and other organisations and makes the necessary SEPA preparations on their behalf.

Ctac migrates SAP Retail ERP environment to SAP HANA

Ctac has migrated its SAP Fit4Retail environment to the SAP HANA platform.
In addition to the 23 scenarios optimised by SAP, Fit4Retail for HANA also offers customers the scenarios optimised by Ctac, such as redistribution, replenishment and allocation calculation. Fit4Retail for HANA enables small and medium-sized retailers to extract more information from their Big Data. This enables them to prepare real-time forecasts and to anticipate market trends and customer needs. This

yields significant competitive advantage.
The data stored globally doubles every two years. By now, companies and consumers together have collected about 3.8 zetabytes of digital data. The ability to distil patterns and correlations from this structured and unstructured data until now was the sole purview of large companies. SAP HANA is an in-memory technique that can increase the processing speed of a SAP system by a factor of 1,000. Companies take a lot of decisions on the basis of information that is a day old because they process batch runs during the night. With SAP HANA it becomes possible to immediately have access to this information.
The migration of Fit4Retail to the SAP HANA platform opens up a large number of possibilities for collecting relevant information. In some cases this migration even makes the need for a separate SAP Business Warehouse system superfluous. This is because Ctac, with the assistance of the HANA Analytic Foundation, has added operational reporting to this facility. Ctac offers customers the option of a Cloud Services-based or an on-premises-based Fit4Retail platform.

Innovation
No company nowadays can afford not to be involved in innovation. In today's world with rapid change and developments it is essential to stay ahead of domestic, as well as international competition. Ctac in recent years has evolved into a highly innovative player. This enables Ctac to provide customers with the right innovative solutions and to guide customers on the road to innovation and renewal.

As a result, numerous Ctac innovations saw the light of day in 2013. During the annual conference of the Association of Dutch SAP Users (VNSG), Ctac demonstrated an entirely new way of order picking. As part of this process the user, equipped with augmented reality glasses, is guided to the right picking location and the required information is literally projected onto the retina. This showcase is part of Ctac's User eXperience & Mobility programme, which is primarily concerned with the usability of information. In other words, the user comes first. Ctac was the first to set up a SAP Retail system in an in-memory HANA environment using Ctac's For4Retail template. This opens up the possibility of radically changing the way in which we process information at the present time.

However, Ctac is not only actively involved in innovation on its own. Ctac regularly supports its customers with Innovation & Inspiration sessions. The innovation sessions are facilitated by Ctac consultants in accordance with a Design Thinking-based technique that makes it possible to conceive of unexpected innovative solutions.
Ctac is increasingly more often viewed as an authority in the field of innovation by the market. Ctac is regularly asked to speak about innovation at conferences and forums. Furthermore, Ctac is rising rapidly in the rankings of the most innovative companies.

SELECTION OF NEW PROJECTS/CONTRACTS

Saint-Gobain Distribution
Ctac facilitates an uniform way of working for the business units of Saint-Gobain Distribution the Netherlands.
Saint-Gobain Distribution the Netherlands has selected Ctac for its SAP ERP implementation. The company's five business units all use different systems. These business units are now migrating to a joint ERP system as a means of adopting a more integral and uniform approach. Ctac was selected as their implementation partner following an intensive tendering project.

FloraHolland
FloraHolland is the first Dutch company to have implemented the SAP Billing and Revenue Innovation Management (BRIM) software. Ctac was responsible for the implementation of this software and FloraHolland now has an integrated solution for handling its complex financial processes. The system, referred to as New Style Financial Processing (FANS) is ideal for processing the large volumes of financial transactions generated by the largest flower auction house in the world with a high degree of reliability. The key reasons for replacing the invoicing systems include the increasing internationalisation, the shift from traditional auction activities to direct sales and the reduction in the time-to-market of new services.

SAP BRIM makes it possible to process the various invoicing flows at FloraHolland in a standardised way. For example, this includes the daily transactions conducted via the auction clock and the direct sales flows. The system supports the full financial processing of a € 4.4 billion annual turnover, involving collections from buyers and payments to growers.

Following an intensive tendering process, FloraHolland selected Ctac as its implementation partner. FloraHolland in close collaboration with Ctac and its subsidiary IFS Probity implemented the SAP BRIM solution within a period of one year. Now that the system has been commissioned, Ctac remains involved with FloraHolland to provide the functional and technical management.

The Greenery
The Greenery, an international vegetable and fruit company, has switched over to SAP ERP as its central business information system. The system is used in support of all of The Greenery's core processes, ranging from procurement and sales to logistics and finance.

The use of SAP enables The Greenery to make its processes more efficient and to enhance its reliability as a supplier to retail and trade. The company has been using SAP ERP for some time in its Zaltbommel and Barendrecht branches. Ctac provided extensive support for the company-wide implementation at The Greenery. With SAP The Greenery has laid the foundation for growth. The company wants to sharply profile itself as a reliable partner of retailers, in part by supplying customers directly from grower sites. The use of SAP supports The Greenery in this regard.

Maxeda DIY Group
Ctac will be implementing its XV Retail Suite at the Maxeda DIY Group, the largest do-it-yourself retailer in the Benelux. This total solution supports the settlement process from a single application and as such lays the foundation for a sound check-out environment for the next ten years. In addition, the platform offers new opportunities for omnichannel retailing, customer intimacy, CRM and in-store marketing. XV Retail has a robust and intelligent interface with SAP enabling store employees to easily retrieve item details, such as price, promotions and stock data, from the SAP system. XV Retail operates as a user friendly portal across a wide range of sources, data and functionalities (e.g. from SAP). The system consolidates information and makes it available to the various sales outlets. This way the employees in the subsidiaries of the Maxeda DIY Group have access to user friendly cash registers with a modern ICT infrastructure.

PARTNERSHIPS AND CERTIFICATIONS

Quadira
Ctac and Quadira have signed a full partnership agreement that enables Ctac to provides its customers with Quadira's Advanced Forms solution. Advanced Forms is the Output Management solution for the layout, enrichment, distribution and digital archiving of documents. Advanced Forms provides a seamless interface with Dynamics NAV, as well as Dynamics AX, but can also be integrated with SAP. This enables Ctac to provide its customers with a solution that responds to the increasingly demanding requirements related to the digitisation of outgoing document flows.

SAP Partner Award
ICT Solution Provider Ctac was distinguished for the eleventh time by SAP with a Partner Award. The company received the SAP Business All-in-One Partner Award 2013 during the annual SAP Partner Award event on 20th of March 2014.
Every year SAP presents the Business All-in-One Partner Award to the channel partner that has been the most successful in the past year with the SAP Business All-in-One solution for small and medium-sized organisations.

"CTAC CONSIDERS IT ITS MISSION TO FACILITATE THE AMBITIONS OF ITS CUSTOMERS BY TRANSFORMING INFORMATION TECHNOLOGY INTO BUSINESS VALUE."

SAP Excellent Hosting Partner
SAP Netherlands once again awarded Ctac the highest possible certification for hosting in 2013. Ctac was once again granted the status of SAP Excellent Hosting Partner. Ctac is the only Dutch SAP partner that has received this Excellent certification from the Dutch SAP organisation. Ctac has been providing SAP hosting and management services since 1995. Ctac in 2013 continued to invest in enriching its cloud platform. For instance, Ctac chose to develop a self-service portal in-house for metering and billing, system deployment, dashboarding and self-service scenarios. Ctac further refined its internal processes and also focused on expanding its cloud portfolio with SAP HANA; the first customers are now running on this platform.

ISAE 3402
In March 2014, Ernst & Young issued an Independent Service Auditor's Report in the context of the audit of the structure, existence and also operation (Type 2) of Ctac's SAP Hosting Services organisation. The above-referenced report concerns the so-called ISAE 3402 (Assurance Report on Controls at a Service Organisation) and received an unconditional unqualified opinion.

Turnover by unit and by segment	2013	2012	%
(EUR x 1,000)			
The Netherlands			
Ctac Managed Services	26,506	21,942	21%
Ctac SAP Consulting	25,271	32,940	(23%)
Ctac Microsoft	5,595	5,273	6%
Other	4,539	3,028	50%
Intercompany turnover	941	2,669	-
Total: the Netherlands	**62,852**	**65,852**	**(5%)**
Belgium	15,006	15,836	(5%)
Other activities	1,260	3,003	(58%)
Elimination of intercompany turnover	(2,090)	(4,830)	-
Grand total	**77,028**	**79,861**	**(4%)**

FINANCIAL TRENDS

Turnover and gross margin

The total net turnover in 2013 amounted to EUR 77.0 million, which represents a 3.5% decrease compared to the turnover in 2012 (EUR 79.9 million).

Turnover from consultancy, hosting and management fell from EUR 66.7 million in 2012 to EUR 64.6 million in 2013, a decrease of 3.2%. Because external hiring declined by 11.7% to EUR 11.9 million in 2013 (EUR 13.4 million in 2012), the gross margin decreased by only 1.0% to EUR 51.8 million (2012: EUR 52.3 million).

Turnover from software fell by 25.5% from EUR 6.9 million in 2012 to EUR 5.1 million in 2013. Because the share of the software developed in-house increased in 2013, the decline in the gross margin was limited to 17.3%. The gross margin on this turnover amounted to EUR 2.2 million for 2013 (2012: EUR 2.7 million).

The turnover from maintenance contracts rose by 16.3% from EUR 6.3 million in 2012 to EUR 7.3 million in 2013, which caused the gross margin on this activity to increase by EUR 0.3 million to EUR 2.9 million.

The turnover per employee (based on the average number of FTEs on an annual basis) fell in 2013 to EUR 175,300 (2012: 178,300).

Expenses

Personnel costs in 2013 decreased by net EUR 0.4 million, or 0.9%, compared to the previous year. The average number of FTEs fell from 448 in 2012 to 439 in 2013.

Other operating expenses declined by EUR 0.3 million, or 2.3%, to EUR 12.6 million (2012: EUR 12.9 million).

Total depreciation charges decreased from EUR 1.5 million in 2012 to EUR 1.3 million in 2013. The amortisation of intangible fixed assets decreased by EUR 0.4 million because the software developed in-house was written off in full at year-end 2012. The depreciation of tangible fixed assets increased by EUR 0.2 million because there was a book profit of EUR 0.2 million in 2012.

Operating result

The operating result amounted to EUR 2.2 million in 2013 (2012: EUR 2.0 million). The 9% increase in the operating result in comparison to 2012 is the net result of a decline in the gross margin by EUR 0.7 million and a decline in the operating expenses by EUR 0.9 million.

The operating result was EUR 1.3 million in the fourth quarter of 2013. The increase compared to the fourth quarter of 2012 (EUR 0.8 million) is in line with the gradual improvement of the underlying results evident in the second half of 2013.

Financial income and expenses

The net bank debt amounted to EUR 3.4 million at year-end 2013 (2012: EUR 4.5 million). The related interest charges remained approximately EUR 0.2 million.
The addition to the earn-out obligations also included in this item fell from EUR 0.7 million in 2012 to EUR 0.3 million in 2013.

This has resulted in an expense of EUR 0.5 million in 2013 compared to an expense of EUR 0.8 million (including the income on participating interests in the amount of EUR 0.1 million) in 2012.

Taxes
The tax burden was 30.8% in 2013 (2012: 35.7%). The tax burden is higher than the nominal rate, primarily due to the non-deductible or partially deductible amounts in the Netherlands and Belgium.

Net result and result per share
The net result over 2013 amounted to EUR 1.2 million (2012: EUR 0.8 million). This translates into a net result per outstanding weighted average ordinary share of EUR 0.10 based on 12,089,519 shares. The total number of outstanding ordinary shares on 31 December 2013 was 12,195,497.

Balance sheet structure
As the result of the addition of the net result for 2013 in the amount of EUR 1.1 million, the issue of shares in the context of the earn-out obligations in the amount of EUR 0.3 million and a transaction with a minority shareholder in the amount of EUR 0.5 million, the shareholders' equity increased by EUR 1.9 million to EUR 8.9 million.

The trade receivables and other receivables decreased by approximately EUR 3.2 million as of year-end 2013 to EUR 17.3 million. The balance sheet total decreased by EUR 4.0 million from EUR 39.9 million at year-end 2012 to EUR 35.9 million at year-end 2013.

The solvency (shareholders' equity/total assets) subsequently improved from 17.5% at year-end 2012 to 24.9% at year-end 2013.

Thanks to active working capital management, the net bank debt decreased from EUR 4.5 million at year-end 2012 to EUR 3.4 million at year-end 2013. The facility agreed with ABN AMRO Bank was EUR 8.2 million at year-end 2013. A pledge right on receivables, company equipment and IP rights has been granted as security.

Cash flow and investments
The cash flow from operations amounted to EUR 4.1 million positive in 2013 (2012: EUR 4.4 million positive).

EUR 1.0 million was invested in tangible fixed assets in 2013 (2012: EUR 1.5 million). The investments consisted mainly of the replacement of ICT infrastructure and new computers. Furthermore, in 2012 investments were made in the new office building which was taken into use in the spring of 2012. The cash flow from financing activities mainly involved the payment of earn-out obligations in the amount of EUR 1.1 million (2012: EUR 0.5 million). The net cash flow amounted to EUR 0.9 million positive in 2013 (2012: EUR 1.6 million).

Proposal for incorporation of result
After considering the impact on shareholders' equity, its composition and other balance sheet components, it is proposed to the General Meeting of Shareholders that no dividend be paid out for the 2013 financial year and that the result be added in its entirety to the (negative) other reserves, recognised under shareholders' equity.

PERSONNEL DEVELOPMENTS

Focus on employees
For an ICT Solution Provider such as Ctac, employees are the company's most important assets. Ctac can only grow further because of its employees. The theme of the strategy more clearly defined during the year is enabling ambitions. An important part of this is that we enable our employees to realise their ambitions in Ctac. Ctac's Human Resources (HR) policy therefore aims to create a working climate in which there is room for growth, development and new challenges. Integrity, loyalty, respect, openness, commitment and entrepreneurship are core values.

Ctac invests in its employees and offers them the opportunity to develop. Ctac does this via personal development plans that are drawn up at the beginning of the year. The company's objectives and the ambitions of the employee are used as input.

Development projects take place in technical areas, but also in the field of personal and management skills. As Ctac is active in many branches of ICT, there is ample opportunity for growth and development. This is an essential part of Ctac's HR policy; the work/personal life balance is also given a lot of attention. Furthermore, Ctac further developed and finetuned the implemented new salary structure and job classification system.

EMPLOYEE SATISFACTION SURVEY (MBO)
Due to the fact that in the past year all efforts were focused on implementing the 2012 survey's findings, no Employee Satisfaction Survey (MBO) was conducted in the Netherlands in 2013.

The most important areas for attention were the collaboration among the various business units, as well as communications, particularly concerning the objectives. Furthermore, attention was focused on optimising the personal/work life balance.

Diversity
The ICT sector is by nature a world that has a greater appeal to men than to women. Approximately 20% of employees at Ctac are female. Ctac considers diversity to be important within the company; however, quality and motivation will always be the guiding factors when recruiting new employees. Ctac seeks to increase its diversity by means of offering certain employment conditions, such as working part-time, flexible working hours, education and internal career opportunities.

Absence due to illness
Ctac pursues an active policy to prevent lengthy absenteeism by providing information on recognising the first symptoms of illness and on possible (preventive) measures. In this way, Ctac tries to reduce the absence due to illness. The average absence due to illness declined to 3,0% in 2013 (2012: 4.3%).

Scarcity on the labour market
Once the economy recovers, the first signs of scarcity on the labour market will become visible again. By absorbing the earlier decrease in demand by reducing the hiring in of external staff, Ctac has been able to safeguard the positions of its own in-house professionals and it will have a good starting position when the market recovers.

Employee participation in decision making
At year-end 2013, the Works Council comprised 5 persons. The Board of Directors sincerely supports attempts aimed at bringing the Works Council back up to full strength.

Intensive contact is maintained with the Works Council and its effort in helping choose a new pension insurer in particular was a positive contribution.

The Works Council met with the Board of Directors a number of times in 2013, whereby also a member of the Supervisory Board attended one of the meetings. Recurring agenda items in these meetings are market and result trends. Specific subjects that were discussed in 2013 were: Ctac's strategy 2013-2016, the necessary measures to mitigate the effects of the lower demand for ICT projects, and the possibilities for improving Ctac's market position. The Works Council provided advice and/or consent with regard to various matters.

Corporate Social Responsibility within Ctac
The long-term vision and continuity of the organisation are the most important points of departure of corporate social responsibility within Ctac. In addition, there is a clear awareness within the ICT market regarding sustainable business practices. The scarcity of natural resources and the exhaustibility of fossil fuels also have an impact on the sector. For instance, the Dutch government strives to purchase all of its products and services in a sustainable manner, including the procurement of ICT services. Ctac subscribes to the importance of sustainability in the provision of services both to its customers and to society in general.

Therefore, a project was started in mid-2010 aimed at further entrenching sustainability in Ctac's business operations and services. The project is divided into four parts whereby first an organisation scan regarding sustainability was performed. This was the starting point whereby the most important information regarding Ctac and sustainability was collected, analysed and interpreted. Subsequently, an environment scan was performed to draw up an inventory of the trends in the field of sustainability in the ICT sector. The third phase consisted of making an inventory of the energy consumption and preparing a Carbon Footprint report.

Using the outcome of this project, a sustainability programme was then drawn up in 2011 whose implementation was started in 2012 and continued in 2013. The programme is based on the three Ps of corporate social responsibility (People, Planet, Profit). This comprehensive approach enabled Ctac to achieve progress in the area of sustainability, socially and societally, as well as economically.

For the P of People, the DNA (The New Approach) programme is aimed at further increasing the flexibility of working hours and the working environment. As a result, Ctac distinguishes itself as good employer both for its existing and future employees.

For the P of Planet, an energy and environment management system is being set up. For the reduction of the energy consumption, Ctac is examining whether it can endorse the targets that have been laid down in the Long-term Agreements (MJA's) for the ICT sector. A project for the certification of the environment management system in accordance with the ISO 14001 standard will be started in order to reduce pressure on the environment. The Carbon Footprint report shows that the majority of the CO_2 emissions is caused by the fuel consumption of lease cars. In order to reduce this, a mobility plan has been drawn up with the aim of realising a reduction of 25% by the end of 2014 compared to the end of 2011.

For the P of Profit, products and services are being developed whereby the focus lies on sustainability. These products will realise savings for our customers in the field of energy, waste and CO_2 emissions. To this end, we will work together with customers, suppliers and business partners on innovative projects, in order to contribute to a healthier environment.

Sustainability

Sustainability can no longer be eliminated from social debate. This also applies to Ctac and most certainly to its customers as well. Most customers have developed a sustainability policy that generally devotes very little attention to the role of ICT, while ICT can play an important role in curbing energy consumption, in part based on the use of software.

Ctac is co-signer of the Bossche Energy Covenant in which some fifty companies have set the objective of reducing their energy consumption by at least 10% by the end of 2013 in comparison to 2009. Ctac has amply achieved this objective, in part on the basis of moving to a new energy-efficient head office and by moving its own data centre in 's-Hertogenbosch to an external, more energy-efficient, data centre. In 2014, new objectives for the coming years will be set by the participants in the Bossche Energy Covenant.

One of the objectives that Ctac has set for itself as part of the sustainability plans developed in 2010, is to reduce the fuel consumption of its lease cars. The objective is to reduce CO_2 emissions by 25% by the end of 2014 in comparison to 2010. This objective was already achieved by the end of 2013.

Ctac considers it important to monitor the CO_2 emissions resulting from its operations. This is why it has been preparing a Carbon Footprint for several years in a row. This makes it possible to analyse the differences between years and it provides a point of reference for taking measures designed to increase the organisation's level of sustainability.

Ctac 2013 Carbon Footprint

The energy consumption data related to accommodations, the internal and external data centres, and employee mobility were used to calculate Ctac's 2013 Carbon Footprint.
The Ctac organisation's total CO_2 emission was calculated on the basis of this data.

The categories incorporated into the international Greenhouse Gas Protocol (GHG Protocol) guideline were used to establish the operational scope. This protocol makes a distinction between three sources of emission; Scope 1, 2 and 3. The CO_2-generating activities that Ctac has included in its calculations are defined for each scope.

Ctac's total emissions in the 2013 calendar year amounted to 1,878 tonnes of CO_2. This represents a decrease in emissions of almost 20% compared to the 2012 calendar year. The primary reason for this decrease is the centralisation of accommodations in the new office building at the Meerendonkweg in 's-Hertogenbosch. The energy-efficient installations in that office building translate into significantly lower energy consumption. In addition, since 2013, Ctac has exclusively made use of external data centres that are far more energy-efficient than the data centre in our former office building.

Scope 1

Scope 1 is concerned with the direct emission of greenhouse gases. The direct emission of CO_2 is caused by the use of fossil energy carriers (natural gas, petrol, etc). To calculate the CO_2 emissions, the use of fossil fuels is identified and converted into CO_2 emissions using predetermined specific conversion factors.

Ctac records the use of natural gas by its Barneveld branch and the fuel consumed by its lease cars. Taking together this resulted in the emission of 1,589 tonnes of CO_2 in 2013. The Scope 1 CO_2 emission accounts for the largest share of the total emissions. This is generally the case for companies involved in providing commercial services. Within this, emissions produced by fuel consumption are the most important contributing factor. A positive aspect, however, is that the CO_2 emissions of Ctac's lease cars have dropped by approximately 36% in comparison to 2012, while the number of cars has remained roughly the same.

Scope 2

Aside from the direct emission of greenhouse gases (Scope 1), the CO_2 footprint also includes the indirect CO_2 emissions resulting from the consumption of electricity. While the conversion of electric power into 'usable' energy does not release any CO_2 emissions (in other words, there is no combustion inside an electric appliance), this is nevertheless the case when electricity is produced in a power plant. Through its purchase of electricity Ctac is therefore indirectly responsible for these CO_2 emissions.

Ctac's total Scope 2 CO_2 emission was 288 tonnes in 2013. In comparison to 2012, there was a major CO_2 reduction within this scope due to the relocation of the servers to an external energy-efficient data centre. This has resulted in a 47% reduction in the Scope 2 emissions in comparison to 2012.

Scope 3

Finally, an organisation releases indirect CO_2 emissions that are a consequence of the company's activities, but that are generated by sources that are not owned or managed by the company. For example, CO_2 emissions are generated by employee commuting traffic, business travel using personal cars, the processing of waste generated by the organisation, the production of the materials purchased by the organisation, etc. The organisation cannot directly influence the emissions that are released in this respect. These indirect emissions fall under Scope 3.

In the context of Scope 3, Ctac has identified a limited number of CO_2 emission sources. Ctac's total Scope 3 CO_2 emission in the 2013 calendar year amounted to 2 tonnes.

RISK PROFILE AND RISK MANAGEMENT

Risk attitude
In general, the Board of Directors strives to limit risks to a minimum and not to enter into any substantial risks without being able to control these risks.

General
Ctac's long-term strategy is directed at the continuity of the company and value creation for all stakeholders through means of growth and a positive profitability trend. When carrying out this strategy, Ctac is confronted with various risks. Risks of a strategic, operational or financial nature, but also risks in connection with the market in which Ctac operates. It is the responsibility of the Board of Directors to identify risks and to minimise risks by taking appropriate measures. Ctac gives a high priority to internal controls. The internal controls are constantly evaluated and further professionalised.

The risk management system analyses the risks and regularly measures the effectiveness of the measures as these apply to all business processes within Ctac. Risk management is an integral part of the planning and control cycle. This system includes determining the strategy and the budget. The Board of Directors is responsible for this. The strategy is discussed extensively with the Supervisory Board every year. Strategic objectives are translated into business plans and budgets together with the directors of the various business units. The business plan contains both a financial budget and a number of specific business objectives per business unit that are translated into a number of Key Performance Indicators (KPIs), which are measured consistently during the year as to progress. Important KPIs at Ctac include the capacity utilisation rate, prices, number of direct and indirect FTEs and efficiency of the processes. Ctac's Board of Directors assesses the capacity utilisation rate every week. The results per business unit are compared by the Board of Directors and the directors of the various business units with the results of the previous year and the budgets drawn up for the current year (if necessary, further actions are defined). Once every quarter, the Board of Directors and the responsible directors evaluate the operational and financial performance of each business unit and adjust the expectations for the particular business unit. Standardised working processes, procedures and information systems are used at Ctac. Responsibilities, authorities, the segregation of functions, guidelines, procedures and processes have been laid down within Ctac in a clear and accessible manner in the C-work guide. The most important processes at Ctac are elaborated in this computerised tool.

By means of a constant process of internal controls and measurements, Ctac provides for an optimal as possible monitoring and timely identification and, if necessary, mitigation of risks that arise.

This risk management system with its control mechanisms and mitigating measures is a regularly recurring item on the agenda of the Supervisory Board. In addition, each year the administrative organisation and the internal controls are audited in terms of structure, existence and operation as part of the audit of the financial statements by the external auditor. Ctac worked on the further optimisation of risk management and internal control systems in 2013. Ctac is aware that such systems do not offer absolute certainty that no material errors can occur.

The following important elements can be distinguished in Ctac's system of risk management and control:
- strategic risks/market risks;
- financial risks;
- operational risks.

The sections below outline the most relevant risks with which Ctac is confronted at present. Risks that have not been identified at present or that are not considered to be material are not included below.

Strategic risks/market risks
- The developments in the market in which Ctac operates are occurring at a rapid pace. There is a risk that Ctac is insufficiently able to be innovative. In order to avoid this, Ctac seeks to maintain a leading position, together with the customer, in improving the customer's processes. In this way Ctac is able to develop ICT solutions in as adequate a manner as possible. The increasing desire of customers to enter into a fully-fledged partnership continues to be manifest. Being able to count on each other in difficult times remains very valuable. Organisations depend on optimally functioning ICT systems to support their business processes. Consequently, customers want a one-stop-shop solution, offering in-depth knowledge of the vertical market in combination with a broad range of solutions. Because of the mature market

for ICT services in combination with less favourable economic conditions, there is pressure on prices and margins. Therefore it is even more important to make clear strategic choices regarding the strategic positioning, as indicated in the report of the Board of Directors.
- The year 2013 was also a difficult year for the ICT sector and therefore also for Ctac, in which the willingness to invest in ICT projects remained low in general due to the uncertain economic conditions. In connection with this, our strategy was already defined more clearly at the end of 2011. This also meant that activities were more critically assessed with regard to profitability and cash-generating ability. The disposal of business activities that have insufficient potential to satisfy profitability requirements within a reasonable period of time or that are no longer in line with Ctac's strategy is one of the possibilities in this case. Ctac aims to realise approximately 50% of its total annual turnover from long-term management and hosting contracts and from the daily services demanded by our existing customer base. This percentage is now around 45%. Ctac services approximately six hundred customers. By means of a broad diversification of customers over various sectors and a broad exposure to larger customers, Ctac minimises the downward risk in respect of the turnover.
- Ctac has attempted to limit the consequences of the lower demand for ICT services and projects by making efficient and flexible use of its own employees and by reducing the hiring of external staff or outsourcing to a minimum.

Financial risks
- Ctac is subject to a number of financial risks, such as market risk (interest-rate risk and currency risk), credit risk, liquidity risk and capital risk. A detailed description of these financial risks and the management of these risks can be found under item 4 in the financial statements. Ctac aims to identify these risks in a timely manner and if possible take mitigating actions.

Operational risks
- Project and assignment control: one of the most important pillars for Ctac is carrying out projects and assignments. This pillar has its origin in the customer's increasingly large and complex demand for new products and services. The quality of the execution of these projects and assignments can have an important influence on Ctac's performance and results. In order to minimise the risks in connection with this, an optimally functioning internal quality and control system is essential. Ctac has positioned its risk management system separately in its organisation in order to be able to identify and mitigate risks as effectively as possible. Where a direct and complete influence of a risk on the result to be achieved can be attributed to Ctac, Ctac will of course assume this responsibility. Ctac can bear this responsibility completely as it has management with the right breadth and depth of competencies and business/ICT knowledge.
- In order to ensure continuity in the event of claims, Ctac has general and professional liability insurance. Ctac has never submitted a claim under these insurance policies.
- Acquisitions: In the event Ctac acquires companies, its ultimate objective is to integrate these companies within the Ctac organisation. It is important that the integration process is successful in order to keep the undesired outflow of staff to a minimum.
- Labour market: employees are the company's most important assets for an ICT Solution Provider such as Ctac. Ctac can only grow further because of its employees. Ctac's Human Resources (HR) policy therefore aims to create a working climate in which there is room for growth, development and new challenges. Scarcity on the labour market can curb growth in ICT knowledge or absolute growth. The retention and recruitment of skilled personnel is an important objective and will remain a prime focus in the coming years together with recruiting talented employees.
- Quality management: if Ctac is not able to deliver the agreed upon quality, Ctac runs the risk that performance and results are not or only partially achieved. Consequently, quality management is an important pillar for the organisation. Ctac is constantly working on improving the services that it provides to customers in whatever form. Information security is an important aspect of quality management. Providing services in accordance with the applicable NEN/ISO standard is embedded in the organisation as a regular process. An important requirement is constantly working on the measuring and reporting of the effectiveness and efficiency of the implemented measures. This is regularly evaluated via an audit by external parties as well as by means of an internal audit process with regard to effectiveness, suitability and correspondence with the agreed upon standards. No critical findings have come to light in the various audits.

Conclusion

Based on the evaluations carried out, the Board of Directors concludes that the risk management system as well as the control of the business processes and the internal controls within Ctac are sufficiently professional, appropriate and effective.
The Board of Directors is of the opinion that the risk management system with its controls and measurements offers a sufficient degree of certainty regarding the reliability of the financial information and management information generated by this system and is in accordance with the relevant laws and regulations.

Outlook

The improved financial position, the operational progress achieved in 2013, and particularly the improvement in the result in the second half of the year have put Ctac in a better starting position for 2014. Although it is not to be expected that the ICT services markets will have fully recovered in 2014, there is every reason to presume that it will be possible to continue the ascending trend in 2014.

Provided there are no special exogenous developments, Ctac expects to achieve a higher result in 2014 than it did in 2013.

A word of thanks

The Board of Directors looks back on 2013 as a year of major and necessary changes. In combination with the challenging market conditions, this required great commitment and flexibility on the part of employees. We are therefore greatly indebted to them.

’s-Hertogenbosch, 24 March 2014

The Board of Directors

Mr H.L.J. Hilgerdenaar (CEO)
Mr D.G.H. van der Werf (CFO)

ALWAYS ON THE LOOKOUT FOR THE BEST COMBINATION

COLLABORATION WITHOUT ANY FUSS

CTAC
ENABLING YOUR AMBITION

Compliance with the Dutch Corporate Governance Code

In principle, the Supervisory Board and the Board of Directors, which are jointly responsible for Ctac's corporate governance structure, subscribe to and apply as much as possible all the principles and best practices laid down in the Dutch Corporate Governance Code. Ctac only departs from this Code on a limited number of points (the numbers in brackets refer to the relevant provisions of the Corporate Governance Code).

- The present members of the Board of Directors have not been appointed for a fixed term (II.1.1). The board members act on the basis of a strategic long-term perspective; limiting the term of appointment would not be in accordance with this long-term perspective.

- A possible compensation payable upon the dismissal of Mr Hilgerdenaar has not been laid down in a contract and therefore this has not been maximised (II.2.8). In the event of involuntary dismissal as referred to in the above-mentioned best practice provision, a compensation shall be paid that is deemed reasonable based on the contractual relationship, social trends and case law, and is consistent with the applicable legal provisions. The compensation in case of dismissal for Mr Van der Werf has been maximised in accordance with the provisions of the Code.

- The remuneration of the Board of Directors is specified in the financial statements as part of the annual report (II.2.14). The annual report is published on the website. The remuneration policy, which has been approved by the General Meeting of Shareholders, is also published on the website. The Supervisory Board has determined the remuneration of the individual members of the Board of Directors based on the remuneration policy.

- Ctac has not appointed a secretary for the Board of Directors, as this position does not fit in with its management structure (III.4.3). Ctac fills in this position in a different manner than prescribed by the Code.

- With due consideration to that provided by law in this respect, the members of the Board of Directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Priority Foundation. A binding nomination is drawn up within a term that commences on the date the vacancy occurs and ends seven days prior to the date of the notice convening the General Meeting of Shareholders in which the vacancy is filled. The General Meeting of Shareholders is free to make an appointment if no binding nomination has been made within this term. In derogation of the Code (IV.1.1), the General Meeting of Shareholders may resolve that a nomination is not binding by means of a resolution adopted by a majority of at least two thirds of the votes cast representing more than half of the subscribed share capital. If the binding nomination is for a candidate for a position to be filled, then a resolution concerning the nomination will result in the candidate's appointment, unless the binding character of the nomination is revoked.

- Ctac has decided not to make use of webcams and/or other technical devices to enable third parties to follow analyst meetings and other meetings, and shareholders to participate in meetings (IV.3.1). However, the presentations that Ctac gives to these target groups are made available to everyone via the website.

Detailed information about Ctac's Corporate Governance can be found on Ctac's website (www.ctac.nl) under Investor Relations, Corporate Governance.

The Corporate Governance Code Monitoring Committee

On 1 October 2013 the former Corporate Governance Code Monitoring Committee (Streppel Committee) presented the Committee's final report.

The Committee prepared its final report to conclude the past four years of monitoring. In addition, the report outlines a number of areas for attention for future monitoring and devotes attention to a number of issues concerning the substance of the Code.

Most important findings of the final report:

- The Committee's dialogue with executive directors, supervisory directors and shareholders contributes to lasting and strengthened support for the Code.
- The quality of the explanation of departures from the Code remains an area for attention. Further guidance and/or the provision of examples of good explanations could potentially lead to improvements.
- Calling companies individually to account in relation to their compliance or failure to comply has worked. This has increased the Committee's insight into where compliance with the Code sometimes causes friction and companies have made adjustments that have

resulted or will result in increasing the degree of compliance.
- Supervisory directors have gone through a professionalisation process. However, responsibilities must not transcend boundaries. A supervisory director is not an executive director. It is important that the different roles be clearly defined.
- Shareholders perceive the importance of good corporate governance and increasingly more often are pursuing an active dialogue with companies. Corporate Social Responsibility is assuming an increasingly greater role. It is good that companies are increasingly held to account in this respect.

Issues as described in the final report:

- The remuneration structure used by companies must be simple and transparent. This is not always the case in the annual reporting of remuneration structures and remuneration policy, and complex contracts and legal regulations do not help in this respect. The question is whether the best practices in the Code contribute to clear reporting and structuring of remunerations. Listed companies can increase transparency by simplifying their remuneration policy.
- Insufficient insight in the reasoning why is being provided at the time of the departure of executive directors and supervisory directors. What comes to mind here is identifying the reason for dismissal, clarity concerning severance payments and information supporting a nomination for appointment. It is also important to provide the reason for the appointment or departure of the external auditor at the time of such appointment or departure.
- The quality of the information concerning the policy pursued and the performance of executive directors and supervisory directors is important. The issue here is more the quality, than the quantity. The quality of the report of supervisory boards has been improving year-by-year. The quality of the overall annual report requires permanent attention.
- The Code is no longer in line with the Management and Supervision (Public and Private Companies) Act. It is recommended that the Code be brought in line with the new Act.

Management and Supervision (Public and Private Companies) Act

This law took effect on 1 January 2013. Ctac has amended its articles of association in line with the Management and Supervision (Public and Private Companies) Act in May 2013.

Law regarding the implementation of recommendations of the Corporate Governance Code Monitoring Committee

This law took effect on 1 January 2013. The aim of this law is to contribute to the strengthening of the Dutch corporate governance system by, for instance, improving the balance between executive directors and shareholders and improving control over the possible risks connected to excessive involvement of shareholders. To this end, a motion has been submitted to amend the Financial Supervision Act, the Securities (Bank Giro Transactions) Act and the Dutch Civil Code.

The most important amendments are the following:

- in the event of a three percent equity interest, shareholders must report their control and equity interest in listed companies (previously five percent);
- shareholders in listed companies are obliged to announce their intentions in the case of an equity interest of at least three percent, after which each subsequent change of intentions must be reported;
- a statutory regulation enables listed companies to trace the identity of their investors, in combination with a regulation for communication between listed companies and their investors and, indirectly, among investors;
- the threshold for making use of the right to place an item on the agenda for the General Meeting of Shareholders is raised from one percent to three percent.

Law to amend Book 2 of the Dutch Civil Code and the Financial Supervision Act in connection with the power to adjust and demand repayment of bonuses and profit-sharing of board members and executives and a competency test for supervisory board members (Claw back Act)

This law took effect on 1 January 2014. This law contains a regulation of the power to adjust and demand repayment of bonuses of executive directors. In addition, a statutory competency test for supervisory directors of financial companies is introduced. The regulation specifies that the supervisory board may adjust the value of an agreed bonus and may demand repayment of a paid bonus on behalf of the company. It also specifies the conditions under which this may take place. The law also includes an adjustment obligation for bonuses that become unconditional in the event of a public bid and the obligation to account for the use of the powers in the annual report.

Board of Directors

The Board of Directors of Ctac is responsible for formulating objectives and strategy and for carrying out the company's strategic and operational policy. In fulfilling their tasks, the Board of Directors focuses on the interests of the company and the companies that are affiliated with it. In doing so, the Board of Directors takes the interests of all stakeholders into account.
In 2013, the Board of Directors of Ctac consisted of Messrs Henny Hilgerdenaar and Douwe van der Werf. For details about the members of the Board of Directors, we refer to page 20.

Supervisory Board

The Supervisory Board is primarily responsible for supervising the policy and management of the Board of Directors, both from a strategic and an operational point of view. In addition, the Supervisory Board acts as an advisory body to the Board of Directors. The procedures and the profile of the Supervisory Board are laid down in rules of procedure and in a profile description, which is published on our website.
The Supervisory Board currently consists of Messrs Herman Olde Hartmann (Chairman), Hans Jägers and Ed Kraaijenzank. Hans Jägers maintains contact with the Works Council on behalf of the Supervisory Board. For details about the members of the Supervisory Board, we refer to page 21.

General Meeting of Shareholders

A General Meeting of Shareholders is convened once a year. All decisions are taken based on the 'one share, one vote' principle. Resolutions are adopted by an absolute majority of votes, unless a larger majority is prescribed by law or by the articles of association.
The main powers of the General Meeting of Shareholders of Ctac are:
- adopting the financial statements;
- adopting the profit appropriation and the dividend;
- discharging the Board of Directors from liability for the policy pursued;
- discharging the Supervisory Board from liability for the supervision of the policy pursued and the management of the company by the Board of Directors;
- appointment, suspension and dismissal of the members of the Board of Directors and the Supervisory Board;
- appointing the external auditor;
- resolving to amend the articles of association following a motion by the Priority Foundation;
- authorising the Board of Directors to repurchase the company’s own shares;
- determining the remuneration of the members of the Supervisory Board;
- approving important decisions of the Board of Directors.

Communication

Ctac attaches great value to open and transparent communication with the financial community in general and with its financiers in particular. Ctac maintains regular contact with analysts and investors, as well as with the financial media that form the most important sources of information for private investors. In its communication with these target groups, Ctac relies on information published by means of press releases. In a disclosure policy, Ctac has laid down which information is published and when this information is published. This guarantees the accurate and simultaneous provision of information to all shareholders.

Report of the Supervisory Board

Introduction

The strategy started in the fourth quarter of 2011 and pursued in the financial year 2012 to enable the organisation to function as an ICT Solution Provider was continued with verve and success in 2013. This strategy already resulted in organic growth and a positive result in 2012. The above-referenced trend continued in 2013.

Composition of the Board of Directors

Mr Henny Hilgerdenaar served as Chief Executive Officer (CEO) and Chairman of the Board of Directors for the entire year. Mr Douwe van der Werf served as Chief Financial Officer (CFO) on the Board of Directors throughout the year.

Composition of the Supervisory Board

In the year under review, no changes were made to the composition of the Supervisory Board. The Supervisory Board consists of the following three members: Mr Herman Olde Hartmann (Chairman), Mr Hans Jägers and Mr Ed Kraaijenzank. In the General Meeting of Shareholders, held on 15 May 2013, Mr Olde Hartmann was reappointed for another 4-year term. This appointment will be his last term. In the same meeting Mr Ed Kraaijenzank was reappointed for 4-years and after that eligible for one more term.

The Supervisory Board has two separate committees: the audit committee and the remuneration committee. The composition of both committees is the same as that of the Supervisory Board, with Mr Kraaijenzank being the chairman of the audit committee and Mr Jägers serving as the chairman of the remuneration committee.

Further information regarding the current members of the Supervisory Board can be found on page 21 of this annual report. The composition of the Supervisory Board complies with the Corporate Governance Code guidelines. The composition is well-balanced and such that the combination of experience, expertise and independence enables the Supervisory Board to carry out its tasks properly. In the opinion of the Supervisory Board, the stipulations of best practice provision III.2.1 have been satisfied. All Supervisory Board members are independent in the sense of best practice provision III.2.2.

Activities of the Supervisory Board

Activities

In the reporting year 2013, the Supervisory Board met seven times in the presence of the Board of Directors and four times as audit committee, as scheduled. All of the Supervisory Board members were present at practically all of the meetings. During the meetings with the Board of Directors, a number of fixed agenda items were discussed, including the strategy, the budget, financial developments and results, market trends, employees' issues – among which the Works Council –, the organisational structure, the general and operational course of affairs, the remuneration policy and the execution and implications of this policy, as well as the corporate governance. In addition, the strategy pursued by the company and the sharpening of its focus for the coming years was discussed during several meetings and attention was regularly paid to the most important risks attached to the company's business operations. Reference is made to pages 32-33 of this annual report for more information on this. The structure and functioning of the internal risk management and risk control systems in connection with this were evaluated periodically and did not require any further action.

Specific items that were discussed in 2013 were the strategic spear points, the necessary measures to mitigate the effects of the lower demand for ICT projects and the available opportunities to further improve Ctac's market position, also under less favourable economic conditions. Specific themes such as the future funding of Ctac and data centre facilities were also discussed in detail. A last topic of discussion was providing for a successor to Mr Jägers, who will be stepping down in May 2014.

In 2013, the full Supervisory Board met twice without the Board of Directors or held consultations otherwise. During these meetings, the functioning of the Supervisory Board itself as well as the functioning and the composition of the Board of Directors was discussed. Various subjects were discussed during these meetings. This concerns subjects such as the quality and timeliness of the information, the substantiation of proposals and evaluation of decisions taken within the context of the company strategy and the grip on foreseen and unforeseen events. In addition, issues such as the balance between involvement and keeping distance, the interaction between the Board of Directors, Supervisory Board and Works Council, the communication and personal relationships, the balance in the composition of the Board of Directors, knowledge and expertise, the profile of the Supervisory Board and the fulfilment of the role of chairman of the Supervisory Board were discussed.

In addition to the formal meetings, there were regular contacts in the interim about current developments, both among the Supervisory Board members themselves as with the members of the Board of Directors. A member of the Supervisory Board also attended a meeting of the Works Council in 2013. In this meeting, the vision of the Supervisory Board was discussed regarding the consequences of the economic developments and the measures to be taken by Ctac, among other things. The members of the Works Council were then also given the opportunity to

exchange ideas with the members of the Supervisory Board.
The Supervisory Board has taken note of the management letter and discussed it with the external auditor in the presence of the Board of Directors. Special attention was devoted to the IFRS provisions that are applicable to Ctac and compliance with the Dutch Corporate Governance Code.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is not linked to the results of the company. The General Meeting of Shareholders determines the remuneration of the Supervisory Board. None of the Supervisory Board members owns Ctac shares and/or options on Ctac shares. Reference is made to page 77 of this report for the remuneration report of the Supervisory Board.

"DURING THE MEETINGS WITH THE BOARD OF DIRECTORS, A NUMBER OF FIXED AGENDA ITEMS WERE DISCUSSED, INCLUDING THE STRATEGY"

Finally, the annual meeting with the 'Stichting Continuïteit' (Continuity Foundation) took place in the presence of the Board of Directors.

Remuneration of the Board of Directors

As is the case every year, in the last quarter of the year, the remuneration policy was assessed by the remuneration committee in terms of trends and basic principles, and elements based on this were either confirmed or adjusted. This assessment did not lead to the adjustment of any remuneration elements this year.

In line with these basic principles, the members of the Board of Directors receive a remuneration that is determined each year and consists of a base salary and a variable remuneration. The fixed part of the remuneration is in line with the remuneration of comparable companies and the variable part of the remuneration is linked to a minimum and a maximum and related to the fixed part of the remuneration. The variable part of the remuneration of the members of the Board of Directors is based on a number of Key Performance Indicators (KPIs). These KPIs together form a weighted average of the percentage of the variable part of the remuneration. In this context, it should also be pointed out that the continuity of the company in the longer term was decisive in putting together and weighting the KPIs. The KPIs consist of financial data, such as the balance sheet strength, the income statement, cash flow and price trends. For additional details about the remuneration policy and the remuneration of the members of the Board of Directors reference is made to the remuneration report on page 77 of this report and to the Ctac corporate website (www.ctac.nl).

Financial statements and discharge

The 2013 financial statements and annual report prepared by the Board of Directors were submitted to the Supervisory Board and discussed in detail. BDO Audit & Assurance B.V. has audited the 2013 financial statements and has issued an unqualified audit opinion on them. This audit opinion is included on page 92 of this annual report.

The Supervisory Board has established that the report of the Board of Directors over 2013 satisfies the requirements of transparency and that the financial statements give a true and fair view of the financial position and the profitability of the company. Therefore, it is proposed that the General Meeting of Shareholders adopt the financial statements and discharge the Board of Directors for the management of the company and the Supervisory Board for the supervision of the management of the company over the past financial year.

Appropriation of the result

Ctac ended the financial year 2013 with a net result of EUR 1,160,000. It is proposed that this result be added in its entirety to the other reserves, recognised under shareholders' equity.

Assuming the adoption of the 2013 financial statements, the General Meeting of Shareholders is requested to grant their approval of the proposed appropriation of the result, as this has been determined by the Board of Directors with the approval of the Supervisory Board.

Corporate governance

Ctac's corporate governance structure is a joint responsibility of the Supervisory Board and the Board of Directors. At least once a year, the Supervisory Board evaluates the corporate governance regulations that apply to the company and gives advice on any changes. In addition, corporate governance is placed on the agenda and discussed during the annual General Meeting of Shareholders. Since 2003, Ctac has also dedicated a separate section of the annual report to compliance with the Dutch Corporate Governance Code.

The Supervisory Board and the Board of Directors subscribe to and apply almost all of the principles and best practices in the Dutch Corporate Governance Code. Ctac departs from this code only on a limited number of points. Reference is made to page 36-38 of this report for a list of these points.

A word of thanks

2013 was also a year of various major changes for Ctac. These changes drew heavily on our employees' flexibility and resilience, among other things. These changes helped bring about a positive result for 2013 for Ctac, as well as a further improvement in the starting position for the future.

The Supervisory Board would like to express its appreciation to all employees, the management and the Board of Directors for their contribution.

's-Hertogenbosch, 24 March 2014

The Supervisory Board

Mr H.G.B. Olde Hartmann, chairman
Mr H.P.M. Jägers
Mr E. Kraaijenzank

ABILITY TO WITHSTAND ROUGH WEATHER

RELIABILITY WITHOUT ANY FUSS

ENABLING YOUR AMBITION

Financial Statements

Consolidated balance sheet as at 31 December 2013		2013		2012
(EUR x 1,000)				
ASSETS				
Fixed assets				
7) Intangible fixed assets	15,516		16,057	
8) Tangible fixed assets	2,385		2,218	
9) Deferred tax credits	558		979	
		18,459		**19,254**
Current assets				
10) Trade receivables and other receivables	17,299		20,528	
11) Cash and cash equivalents	95		111	
		17,394		**20,639**
		35,853		**39,893**
LIABILITIES				
12) Shareholders' equity				
Paid-up and called-up capital	2,927		2,825	
Share premium reserve	11,232		10,986	
Other reserves	(6,327)		(7,631)	
Result for the financial year	1,098		809	
		8,930		**6,989**
Minority interests		**737**		**52**
13) Non-current liabilities				
13.1) Amounts owed to banks	215		399	
13.2) Other liabilities	1,028		2,369	
9) Deferred tax liabilities	325		465	
		1,568		**3,233**
Current liabilities				
Amounts owed to banks	3,297		4,204	
14) Provisions	681		636	
15) Trade creditors and other debts	20,237		24,331	
Corporation tax due	403		448	
		24,618		**29,619**
		35,853		**39,893**

Consolidated profit and loss account for 2013		**2013**		**2012**
(EUR x 1,000)				
6) Net turnover		77,028		79,861
Cost of hardware and software	8,267		8,868	
Outsourced work	11,871		13,437	
Cost of goods sold		(20,138)		(22,305)
Gross margin		**56,890**		**57,556**
16) Personnel costs	40,840		41,220	
Depreciation and amortisation	1,304		1,474	
17) Other operating expenses	12,579		12,872	
Total operating expenses		(54,723)		(55,566)
Operating result		**2,167**		**1,990**
Interest income and similar income	48		2	
Interest expenses and similar expenses	(254)		(189)	
Other financial expenses	(284)		(696)	
18) Total financial income and expenses		(490)		(883)
Sales result participations		-		93
Result from ordinary activities before taxes		**1,677**		**1,200**
19) Taxes		(517)		(395)
Net result		**1,160**		**805**
Accruing to minority interests		62		(4)
Accruing to group shareholders		1,098		809
20) Earnings per share				
Net result (before share minority shareholders) per share (EUR)		**0.10**		**0.07**
Net result per share after dilution (EUR)		**0.07**		**0.05**
Number of shares at year-end		12,195,497		11,771,586
Number of weighted average outstanding ordinary shares		12,089,519		11,731,147
Number of weighted average outstanding ordinary shares for the calculation of the diluted earnings per share		14,905,761		17,538,645

Consolidated statement of the total result for 2013	**2013**	**2012**
(EUR x 1,000)		
Net result for the financial year	1,160	805
Other total result, not recognised in the result	-	-
Total result for the financial year	**1,160**	**805**

Consolidated statement of changes in shareholders' equity in 2013

(EUR x 1,000)

	Issued Share Capital	**Agio-Reserve**	**Statutory Reserves**	**Other Reserves**	**Undis-tributed Profit**	**Accruing to Group Shareholders**	**Minority Interests**	**Group Equity**
Balance as at 1 January	2,825	10,986	-	(6,822)	-	6,989	52	7,041
Change in intangible fixed assets						-		-
Net result					1,098	1,098	62	1,160
Issue of shares	102	246				348		348
Transaction with minority shareholder				495		495	1,052	1,547
Dividend						-	(429)	(429)
Balance as at 31 December	**2,927**	**11,232**	**-**	**(6,327)**	**1,098**	**8,930**	**737**	**9,667**

See Section 22.1 on page 77 for the explanatory notes on the transaction with the minority shareholder.

In 2013 a dividend was paid out to minority interests

Consolidated statement of changes in shareholders' equity in 2012

(EUR x 1,000)

	Issued Share	**Agio-Reserve**	**Statutory Reserves**	**Other Reserves**	**Undis-tributed Profit**	**Accruing to Group Shareholders**	**Minority Interests**	**Group Equity**
Balance as at 1 January	2,796	10,920	1,801	(9,432)	-	6,085	71	6,156
Change in intangible fixed assets			(1,801)	1,801		-		-
Net result					809	809	(4)	805
Issue of shares	29	66				95	-	95
Dividend						-	(15)	(15)
Balance as at 31 December	**2,825**	**10,986**	**-**	**(7,631)**	**809**	**6,989**	**52**	**7,041**

In 2012 a dividend was paid out to minority interests.

Consolidated cash flow statement for the year 2013		2013		2012
(EUR x 1,000)				
CASH FLOW STATEMENT				
Operating result	2,167		1,990	
Depreciation and amortisation	1,328		1,685	
		3,495		3,675
Changes in working capital				
Receivables	3,229		(3,823)	
Short-term debts	(2,642)		4,517	
		587		694
Cash flow from business operations		**4,082**		**4,369**
Interest received	48		2	
Interest paid	(256)		(189)	
Tax on profits paid	(349)		(486)	
		(557)		(673)
Cash flow from operating activities		**3,525**		**3,696**
Investments in tangible fixed assets	(954)		(1,476)	
Cash flow from investment activities		**(954)**		**(1,476)**
Long-term financing taken/repaid	(184)		9	
Earn-out obligations paid	(1,067)		(503)	
Dividend minority interests	(429)		(15)	
Sale of participations	-		(60)	
Cash flow from financing activities		**(1,680)**		**(569)**
		891		**1,651**
Cash and cash equivalents	111		349	
Short-term debts owed to banks	(4,204)		(6,093)	
Balance of cash and cash equivalents as at 1 January		(4,093)		(5,744)
Cash and cash equivalents	95		111	
Short-term debts owed to banks	(3,297)		(4,204)	
Balance of cash and cash equivalents as at 31 December		(3,202)		(4,093)
		891		**1.651**

Notes to the consolidated financial statements

1. General information about Ctac

Ctac is an ICT service provider specialised in ERP solutions. Activities consist of the implementation, integration and management of, among others, SAP systems and Microsoft systems and related activities such as system upgrades and system optimisations. The company is a SAP Gold Partner and a Microsoft Gold Partner in the Netherlands and Belgium. In addition, Ctac is the largest SAP reseller in the Netherlands for medium-sized companies. Approximately six hundred organisations of every size and in various sectors belong to Ctac's customer base. At year-end 2013, Ctac employed 464 people. Ctac is active in the Netherlands, Belgium and France; its head office is located in 's-Hertogenbosch. The company is listed on Euronext Amsterdam (ticker: CTAC).

2. Main accounting principles for the financial statements

Ctac N.V.'s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretation of these standards as laid down by the International Accounting Standards Board (IASB) and accepted for use within the European Union. Ctac N.V.'s financial statements have been prepared in Dutch and in English, with the Dutch version prevailing. The financial statements are presented in euros. Amounts are stated in thousands of euros, unless indicated otherwise. The euro is Ctac N.V.'s functional and presentation currency.

Preparing the consolidated financial statements in accordance with IFRS regulations requires the management to make assessments, estimates and assumptions that influence the application of the guidelines and the valuation of assets, liabilities, revenues and expenses. The estimates and assumptions that were made are based on historical experiences and various other factors that are deemed realistic under the given circumstances.
The estimates and assumptions that were made have served as the basis for the assessment of the value of the reported assets and liabilities. However, actual results and circumstances can differ from the estimates that were made. Estimates and underlying assumptions are constantly assessed and if necessary adjusted. Changes in estimates and assumptions are recorded in the period in which the estimates are revised if the revision only concerns the period in question, or in the period of revision and future periods if the revision influences both the current and future periods.

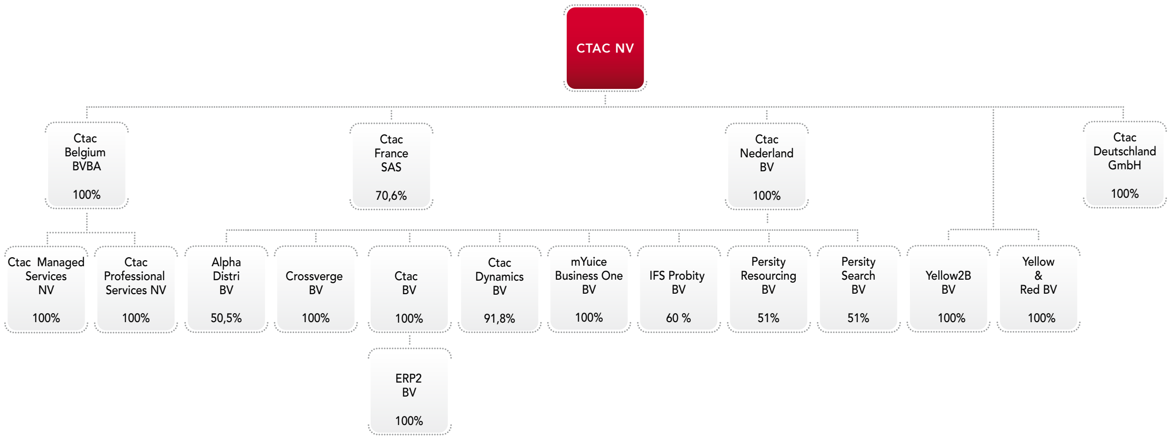
Application of amended and new International Financial Reporting Standards (IFRS)
A number of new standards, amended standards and interpretations did not yet come into force in 2013 and consequently these have not been applied to the consolidated financial statements, unless otherwise noted:

IFRS 10	Consolidated Financial Statements: this standard stipulates somewhat different criteria in respect of the current IFRS standard for determining the scope of the consolidation. Ctac does not expect this standard to affect the scope of consolidation for the 2014 financial year.
IFRS 11	Joint Arrangements: this new standard eliminates the choice between the equity method and proportional consolidation for interests in joint ventures. Instead, the actual rights to assets and liabilities, and income and expenses determine the classification as joint operation or joint venture. In the case of joint operations, the assets and obligations that accrue to the company are fully recognised; in the case of joint ventures, the equity method is used. Ctac does not expect the recognition of its interests in joint arrangements to change for the 2014 financial year.
IFRS 12	Disclosure of Interest in other entities: This standard contains more detailed requirements for the disclosure of interests in other companies. Ctac expects that some disclosures will be more detailed in the 2014 financial year.

When preparing the financial statements, the management examines the impact of these amendments on the financial statements. The amendments will be applied for the first time in the financial year as from the time that the amendments become effective.

The following new standards and interpretations became effective in 2013 but are not currently relevant to the Ctac N.V. reporting:

IAS 1	Presentation of Financial Statements
IAS 19	Employee Benefits
IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
IFRS 13	Fair Value Measurement



2.1 Accounting principles for consolidation

Ctac N.V. and all participations in which Ctac N.V. holds a direct or indirect interest of more than 50% and in which Ctac N.V. can exercise decisive control are included in the consolidation. For a list of the companies, see appendix 1, page 98.

With effect from 1 January 2013 the companies Ctac MKB B.V. and Ctac Nederland B.V. merged to form a single company: Ctac Nederland B.V. Furthermore the companies Ctac Business Services B.V., Ctac NetIT Services B.V., mYuice Logistics B.V., Ctac Wholesale & Manufacturing B.V. and Ctac B.V. also merged to form a single company: Ctac B.V.
The companies Ctac Healthcare B.V. and Ctac Warehouse Optimization B.V. were dissolved at the end of 2013.

The financial statements of the majority participations have been included in the consolidated financial statements as from the date on which decisive control was acquired until the time that decisive control ceased to exist.

The cost price of a newly acquired participation is determined based on the fair value on the transaction date of the liquid assets and, if applicable, the equity instruments (in this case shares) used to finance the acquisition. Goodwill is determined based on the difference between the cost price of the acquisition and the net fair value of the acquired identifiable assets and liabilities, including contingent liabilities at the time of the acquisition. If the cost price of the participation is lower than the fair value of the assets and liabilities, including contingent liabilities of the participation in question, this difference is recognised in favour of the result.

Inter-company balance sheet positions, transactions and unrealised profits on such transactions are eliminated when preparing the consolidated financial statements.

The accounting principles for valuation and determination of the results as included in these financial statements are applicable to the balance sheets and the profit and loss accounts of all group companies included in the consolidation.

2.2 Segmented reporting

In accordance with IFRS 8, segmented information is based on operational segments, which are monitored by managers and used by them as a basis for making their operational decisions. These operational segments have been identified on the basis of internal reporting that is periodically assessed by the Board of Directors with a view to allocating working capital to components and to determining the performance of the components.

2.3 Intangible fixed assets

2.3.1 Goodwill

Acquisitions are recognised using the purchase method of accounting. Goodwill that may result from the acquisition of participations is determined based on the difference between the cost price of the acquisition and the net fair value of the acquired identifiable assets and liabilities, including contingent liabilities at the time of the acquisition. Goodwill is valued at cost price minus cumulative impairments. Inclusion of a deferred tax obligation in the event of adjustments to fair value affects the level of the goodwill. Goodwill is attributed to cash-flow generating units.
An impairment of goodwill, where relevant, is charged to the profit and loss account. An impairment relating to goodwill is never reversed. Upon the sale of an entity, the book value of the goodwill is included in the result.

Value adjustments of earn-out obligations are recognised in the result and no retrospective adjustments are made to the goodwill. In addition, directly attributable acquisition costs are not taken into account in the calculation of the acquisition price and goodwill. These costs are charged directly to the result.

In the situation of a minority interest, without agreements about acquiring the share of third parties, goodwill is determined as the difference between the acquisition price and the proportional part of the fair values of the acquired assets and liabilities.

Insight into the contingent liabilities and a description of the factors that have contributed to the cost price that results in the recognition of goodwill cannot always directly be provided because in some cases business plans are not yet sufficiently clear. The fair value that must be accorded, if applicable, to the intangible fixed assets will later be worked out and determined. Where applicable, this will take place within 12 months from the acquisition date.

2.3.2 Intangible fixed assets related to customers
The intangible fixed assets related to customers pertain to the intangible fixed assets of acquisitions identified in accordance with IFRS 3 (Business Combinations) and include customer and contract portfolios and are valued at fair value at the time of acquisition. Amortisation is based on the useful life of each individual component.

2.3.3 Intellectual property rights related to developed products
These intangible fixed assets pertain to purchased intellectual property rights and/or distribution rights connected thereto. These purchased intellectual property rights are recognised at fair value at the time of acquisition. Amortisation is based on the useful life of each individual component.

2.3.4 Intangible fixed assets produced in-house
Development costs of intangible fixed assets produced in-house are only capitalised when it is probable that economic benefits arising from the investment will be generated for a period longer than one year. The costs of company staff related directly to the intangible fixed assets developed in-house are capitalised at cost. The costs of any services rendered by third parties in connection with the in-house produced intangible fixed assets are capitalised at cost. If material, interest charges are also a component of the capitalised costs. Intangible fixed assets produced in-house are amortised from the date that they are taken into use.

2.3.5 Expenditure after initial investment
Expenditure on capitalised intangible fixed assets after initial investment is only capitalised when this expenditure results in increasing the future economic benefits arising from the investment. All other expenses are recognised as charges in the profit and loss account.

2.3.6 Amortisation of intangible fixed assets
Amortisation charges are charged to the profit and loss account in accordance with the straight-line method based on the useful life of an intangible asset. Goodwill is assessed annually on the balance sheet date for impairments. Other intangible fixed assets are amortised from the date that they are taken into use. The useful life of the intangible fixed asset based upon which the amortisation is determined is as follows:

- customer bases 7 years
- intellectual property rights 7 years
- intangible fixed assets related to developed products 5-10 years

The amortisation periods are evaluated annually and adjusted when necessary.

2.4 Tangible fixed assets

2.4.1 Tangible fixed assets owned by the company
Tangible fixed assets are stated at cost less cumulative depreciation and impairments. The cost includes the additional costs that are directly attributable to the acquisition or production of the asset. Costs incurred after the asset is initially recognised in the financial statements are included in the book value of the asset or are recognised as a separate asset when it is probable that the future economic benefits generated by the asset will accrue to Ctac and the costs of the asset can be determined in a reliable manner. Maintenance costs are recognised in the profit and loss account in the period in which they are incurred.

Book losses and gains upon divestment of tangible fixed assets are recognised in the profit and loss account.

2.4.2 Depreciation of tangible fixed assets

The tangible fixed assets are recognised at acquisition price minus depreciation, calculated on a straight-line basis, based on the expected useful life. The annual depreciation rates are as follows for:

- structural modifications to leased buildings	10% - 20%
- computer equipment and software	20% - 33 ⅓%
- fixtures and fittings	10% - 25%

Renovations are depreciated over the remaining term of the lease agreements of the buildings in question or the service life if this is shorter. The residual value, which is often set at zero, and the useful life of the tangible fixed asset are assessed each year on the balance sheet date and adjusted if necessary.

2.5 Trade receivables and other receivables

Trade receivables, turnover still to be invoiced for services that have already been provided, other receivables, as well as prepayments and accrued income are reported under this item.

Trade receivables and other receivables are initially recognised in the financial statements at fair value, after which they are valued at amortised cost price. A provision for bad debt is formed at the time that it is assumed that a receivable or part of a receivable will not be collected. The amount of the provision is determined as being the difference between the book value of the receivable and the present value of the estimated future cash flows, discounted at the effective rate of interest; the addition to the provision is recognised in the profit and loss account under other operating expenses.

Prepayments and accrued income include amounts to be received in connection with projects in progress on the balance sheet date insofar as these amounts exceed the already invoiced amounts in connection with these projects. When in connection with projects in progress, the already invoiced amounts are higher than the total of the costs incurred plus the realised profit, the balance regarding these projects is accounted for under other debts.

2.6 Cash and cash equivalents

The cash and cash equivalents relate to cash in hand and cash balances at banks and are stated at fair value. The amounts under the credit facility in current account are recognised under current liabilities.

2.7 Impairments of non-financial assets

An intangible asset with an indefinite useful life as well as an intangible asset that is not yet ready for use is not amortised but assessed annually for impairment. Assets with a specified useful life are amortised and assessed for impairment each time when there is an indication that the book value differs from the realisable value. An impairment is determined at the amount that the book value exceeds the realisable value.

2.7.1 Calculation of the realisable value

The realisable value of an asset or cash-flow generating unit is the highest amount of the fair value less disposal costs and the value in use. The fair value is the realisable value resulting from the sale of a cash-flow generating unit to a third party (in an 'at arm's length transaction'). The value in use is the present value of the expected cash flows from an asset or cash-flow generating unit. When determining the value in use, the present value of the estimated future cash flows is calculated using a discount rate before tax that reflects both the current market estimates of the time value of money and the specific risk relating to the asset. For an asset that does not generate cash flows which can be determined individually, the economic value is determined for the cash-flow generating unit to which the asset belongs.

2.7.2 Reversal of impairments

An impairment relating to goodwill is never reversed.

An impairment relating to other assets is reversed in the event that the estimates on the basis of which the realisable value was determined have changed. An impairment is only reversed insofar as the book value of the asset after the reversal does not become higher than the book value which, after the deduction of depreciation or amortisation, would have been determined at that time if no impairment had been recognised. Each year it is assessed whether there are indications that an impairment that was recognised in earlier periods for an asset, with the exception of goodwill, no longer exists or has possibly decreased. If such an indication exists, the realisable value of the relevant asset is determined again and the impairment is adjusted insofar as the assessment gives cause for adjustment.

2.8 Shareholders' equity

2.8.1 Paid-up and called-up capital

The authorised share capital amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital at year-end 2013 consists of 12,195,497 ordinary shares and 1 priority share. All issued shares are fully paid up.

Changes in the volumes of outstanding shares are as follows:

	2013		2012	
	Ordinary	**Priority**	**Ordinary**	**Priority**
Balance as at 1 January	11,771,586	1	11,650,269	1
Repurchases of shares during the financial year	-	-	-	-
Sale/issue of shares during the financial year	423,911	-	121,317	-
Balance as at 31 December	12,195,497	1	11,771,586	1

No changes have taken place with regard to the preference and priority shares. Reference is made to page 86 'Other information' for information regarding the rights, preference rights and restrictions that apply to each category of shares.

2.8.2 Repurchase of own shares

When Ctac N.V. repurchases its own shares (so-called Treasury Shares), the amount of the compensation for this repurchase, including any directly attributable costs (less taxes) is charged to the other reserves until the time that the shares in question are cancelled, reissued or sold. If repurchased own shares are sold or reissued, then the amount received, less directly attributable costs (less taxes) is recognised in favour of the other reserves.

As at 31 December 2013, no own shares are held by Ctac N.V. or by one of its subsidiaries.

2.8.3 Dividends

A dividend payment to the Ctac N.V. shareholders is recognised as a liability at the time that the General Meeting of Shareholders passes the resolution to that end.

2.8.4 Option plan

The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares.
'Share appreciation rights' allotted to employees are recognised as liabilities as the services are rendered. These share appreciation rights are initially recognised (and subsequently at each reporting date until settlement) at the fair value of the share appreciation rights. An option valuation model is used whereby the conditions are taken into account under which the share appreciation rights were allotted and the degree in which the employees have rendered the services up to the relevant moment. The most important assumption with regard to determining the fair value concerns the probability that the conditions of the share appreciation rights will be realised.

2.9 Long-term liabilities

2.9.1 Loans

On initial recognition in the financial statements, loans are valued at fair value plus transaction costs. After initial recognition, loans are valued at amortised cost price.

2.9.2 Obligation to purchase minority interests

Minority interests in consolidated subsidiaries in respect of which a put option has been granted to the minority shareholders are presented as a liability separately from shareholders' equity. This right on the part of minority shareholders to sell their interest constitutes an obligation for Ctac to buy the shares of minority shareholders. The obligation is valued at estimated fair value. The valuation methods that are used are in line with the underlying agreements. In particular, the development of the result is a determining factor in the valuation. Regarding a part of the purchase obligation, Ctac can choose whether to pay in cash or in a number of Ctac N.V. shares still to be determined. The goodwill in connection with this earn-out obligations amounted to EUR 3.2 million at year-end 2013 (year-end 2012: EUR 4.5 million) and is recognised on the asset side of the balance sheet as an intangible fixed asset.

A discount rate of 10% is taken into account in the calculation of the purchase obligation of minority interests. In addition, assumptions were made regarding turnover growth, profitability, etc. Differences from these assumptions can result in a different fair value. The effects of this depend on the extent of the difference and are recognised in the profit and loss account as valuation differences.

Changes in the purchase obligations arising from the accrual of interest are recognised in the profit and loss account under other financial expenses.

2.10 Provisions

A provision is included in the balance sheet if the following conditions are met:

1. A legally enforceable or actual obligation of Ctac exists as a result of an event in the past;
2. It is probable that the settlement of this obligation will result in an outflow of funds;
3. A reliable estimate can be made of the outflow of funds, which are deemed necessary for the settlement of the obligation.

An anniversary payments provision is made in connection with future anniversary payments. This provision is valued at the nominal value of the future payments in the context of the anniversary, with due consideration being provided to expected future employee turnover.

Regarding existing guarantee obligations at year-end, an 'other provision' is made for the amount of the estimated work following from these obligations. This provision is formed based on the cost price of the estimated work that still has to be carried out.

In the event of a loss-making project, a provision is also formed for this under Other provisions in the amount by which the expected benefits from the agreement for Ctac are lower than the unavoidable costs required in order to satisfy the obligations under the particular agreement.

2.11 Trade payables and other debts

On initial recognition in the financial statements, trade payables and other debts are valued at fair value plus transaction costs. After initial recognition, trade payables and other debts are valued at amortised cost price.

2.12 Recognition of turnover

Net turnover is defined as the revenue, excluding turnover tax, from services rendered to third parties and goods supplied to third parties in the year under review. The manner in which turnover is recognised depends on the nature of the services that were rendered and the contractual terms governing the relevant services.

Revenue is recognised at fair value.

2.12.1 Contracts based on contractual rates and retrospective costing

Turnover resulting from services under contracts based on contractual rates and retrospective costing is recognised at the time the services are provided, irrespective of the duration of the contracts.

2.12.2 Fixed-price contracts

In the case of contracts with a fixed pricing, turnover is recognised proportionally to the total contract price in accordance with the percentage of completion (POC) in the year under review insofar as the extent to which the services were rendered on the balance sheet date can be determined reliably and the costs already incurred for the transaction and the costs to complete the transaction can be estimated reliably. When applying the POC method, turnover is recognised on the basis of total costs incurred on the balance sheet date in relation to the total estimated costs that must be incurred for fulfilling the contract obligations.

Estimates are adjusted when circumstances occur that lead to a change in the original estimates of turnover, costs or work still to be carried out. These adjustments can influence still to be realised turnover or costs; such adjustments are recognised in the period in which the circumstances occur that give rise to an adjustment of the estimates.

2.12.3 Licences

Turnover arising from the sale of licences, the delivery of which does not impose any additional obligations on Ctac, is fully recognised at the time of delivery.

When a licence is part of a project and the licence is not separately identifiable, the turnover generated by the sale of the licence is recognised as part of the total project price prorated to the percentage of completion (POC) in the year under review. In this respect, additional services are rendered by Ctac with respect to the licence, such as integration, modification and customisation. Turnover resulting from the sale of purchased and re-sold licences where no material additional services are rendered by Ctac is recognised up to the amount of the realised margin at the time of delivery.

2.13 Expenses

2.13.1 Expenses relating to the purchase value of hardware, software and outsourced work

Expenses relating to the purchase value of hardware, software and outsourced work are recognised at historical cost in the period in which these expenses were incurred.

2.13.2 Pension costs

Employees at Ctac build up their pensions for their own account and at their own risk (defined contribution pension scheme). Ctac's pension contribution is recognised under personnel costs.

2.13.3 Operational lease payments/rents

Operational lease payments are recognised in the profit and loss account on a straight-line basis over the lease period. Rent for buildings is also recognised in the profit and loss account on a straight-line basis over the lease period.

2.13.4 Financing income and expenses

Financing income includes the interest received on current account balances with financial institutions and interest received in connection with the settlement of tax credits. Financing expenses include interest charged by financial institutions on borrowed funds, interest paid in connection with the settlement of tax liabilities and the accrued interest on earn-out obligations.
The valuation differences concern the changes in fair value of the earn-out obligations and purchase obligations in respect of minority interests, which result from changes in the growth, profitability, risk and other estimates.

2.14 Taxes on the result

Taxes on the result of the financial year comprise taxes due and available for set-off and deferred taxes over the period under review. Tax on the result is recognised in the profit and loss account unless the tax relates to items recognised directly in shareholders' equity. In that case, the related taxes are also recognised directly in shareholders’ equity.

The taxes due over the period under review and available for set-off consist of profit tax on the taxable result, which is calculated based on applicable tax rates, taking into account exempt profit components and non-deductible amounts as well as corrections to taxation in previous financial years.

Deferred taxes are calculated based on established tax rates and laws that are applicable or which have already been materially decided upon on the balance sheet date, and that are expected to be applicable at the time that the deferred tax credit is realised or the deferred tax liability is paid.

Deferred tax credits in connection with losses available for set-off against taxes are only capitalised to the extent that it is probable the settlement can take place against profits to be achieved in the coming years. Deferred tax credits and liabilities with the same term and at the same tax entity are set-off against each other in the balance sheet provided that such setting off is permitted by law.

3. Accounting principles for the cash flow statement

The cash flow statement has been prepared using the indirect method. In the cash flow statement, a distinction is made between the cash flows from operational activities, investment activities and finance activities. Income and expenditure relating to tax on profits and interest income and interest expenses are part of the net cash flow from operational activities. Cash flows resulting from the acquisition or disposal of financial interests (participations and investments) are included under the cash flow from financing activities, taking into account the presence of liquid assets within these interests. Paid dividends are included in the cash flow from financing activities. The balance of liquid assets is recorded in the cash flow statement including the amounts drawn from the current account as stated under the short-term liabilities.

4. Financial Risk Management

Ctac is confronted with various financial risks, such as market risks, credit risks and liquidity risks. The general risk management within Ctac, as supervised by the Board of Directors, covers a broader field than simply financial risks. More information is provided in the risk management section of the Report of the Board of Directors on page 32 of this annual report. The aim of risk management is to draw up an inventory of the most important risks and to effectively control these risks on the basis of regulations, procedures, systems, best practices, controls and audits. The financial risk management focuses in particular on the risks that are relevant for Ctac in this context.

4.1 Market risk

4.1.1 Interest rate risk

Ctac is exposed to interest rate risks that are exclusively limited to the Eurozone. To minimise these risks, the goal of the interest rate risk policy is to limit the interest rate risks related to the financing of the company. The interest rate risk pertains to the company's long-term financing as well as its short-term financing.
At year-end 2013, Ctac's total long-term interest-bearing bank loans amounted to approximately EUR 0.2 million (year-end 2012: EUR 0.4 million). The interest rate is one-month Euribor plus 1.858%. In view of the projected interest rate trends, interest rate levels, the term and repayment schedule of the loan, Ctac has decided not to hedge the interest rate risk for the long-term loan.
Ctac has taken out the short-term interest-bearing bank loans at a variable base rate. The interest rate is one-month Euribor plus a mark-up. The mark-up is dependent on the ratio of the EBITDA and Ctac's net debt position and can vary from 1.95% to 3.20%.
If during 2013, the interest rate on the long-term and short-term bank loans with a variable interest rate would have been 0.1% higher or lower, while other variables remained constant, this would not have had a material effect on the result after tax. The 0.1% rate used here is based on the volatility of interest rates during 2013.

4.1.2 Exchange rate risk

All companies within Ctac are located in the Eurozone. The large majority of turnover is generated within the Eurozone. Consequently, the euro is Ctac's reporting and functional currency. Ctac does not have any assets or liabilities outside of the Eurozone. The Board of Directors of Ctac considers the exchange rate risks to be very limited at year-end 2013.

4.2 Credit risk

Credit risk management is centralised at Ctac. The credit risk arises from liquid assets and transactions with customers, including outstanding receivables. Ctac only accepts professional parties in the Netherlands as banks and financial institutions. Ctac's financing facility has been made available by the ABN AMRO Bank. The creditworthiness of customers is determined in advance on the basis of project acceptance criteria. If available, external credit ratings are used for this purpose. If no external credit ratings are available, Ctac assesses the customer's creditworthiness on the basis of its financial position, past experiences and other factors. Credit risks relating to clients are continually assessed. Although economic conditions were not favourable in 2013, Ctac N.V.'s Board of Directors is of the opinion that the credit risk relating to clients still remains limited.

4.3 Liquidity risk

Liquidity management is centralised at Ctac. To this end use is made of the centrally managed credit facilities at the ABN AMRO Bank in the amount of EUR 8.3 million in total at year-end 2013 (year-end 2012: EUR 9.5 million).This facility will be reduced by EUR 62,500 per quarter until it reaches EUR 7.5 million at 1 January 2017. A pledge right on receivables, fixtures and fittings and IP rights has been granted as security.
The aim of the liquidity management is to make the most optimal use of the available liquid assets and credit facilities within Ctac. To this end, liquidity forecasts are drawn up periodically for both the short term and the medium term. These forecasts are adjusted periodically based on realisation and any adjusted projections.

4.4 Capital risk management

The management of capital is centralised at Ctac and is aimed at, on the one hand, ensuring the continuity of Ctac and, on the other, optimising the capital structure.

Instruments to achieve an optimal capital structure include the dividend policy, the possibility of repurchasing own shares and the possibility of issuing shares, in particular, in connection with the financing of possible acquisitions or the reduction of debt positions.

5. Key estimates and assumptions

5.1 Estimates with regard to impairment of goodwill

The realisable value is the estimated immediate market value or the value in use if this is higher. When determining the value in use of an asset, the present value of the estimated future cash flows is calculated using a discount rate that reflects both the current market estimates of the time value of money and the specific risks relating to the asset.

The future cash flows are estimated using current and historical results per asset. For each asset, a detailed forecast is made for the coming year and forecasts are made for the future based on assumptions for turnover growth and margin development. Cash flows after a period of five years are extrapolated with low growth percentages. The assumptions used are acceptable in the sector in which Ctac is active.

5.2 Estimates with regard to risks on projects and debtors

If there is a case of a loss-making project, a provision is formed in the amount by which the expected benefits from the agreement for Ctac are lower than the unavoidable costs required in order to satisfy the obligations under the particular agreement. A provision for bad debt is formed at the time that it is assumed that a receivable or part of a receivable will not be collected.

5.3 Estimates with regard to earn-out obligations

For the purpose of the earn-out obligations, the future results for each entity are estimated on the basis of a detailed forecast for the coming year and forecasts based on conservative assumptions for turnover growth and margin development for future years. The calculation of the obligations based on the estimated results is consistent with the underlying contracts.

6. Information by segment

Ctac provides a range of closely related services in the SAP consultancy market, generally on a project or on management basis. The management of Ctac directs the company on the basis of two geographic segments, i.e. 'the Netherlands' and 'Belgium', and one segment referred to as 'Other' which consists of the other activities, including the holding.
There are no valuation differences between the management information with regard to the segments and the information in the financial statements. The prices and conditions for the transactions between the segments are determined at arm's length.

The segmented results over the year 2013 can be specified as follows:

Results 2013
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Turnover by segment	62,852	15,006	1,260	(2,090)	77,028
Operating result	3,811	(240)	(1,404)	-	2,167
Financial income	-	81	144	(177)	48
Financial expenses	(161)	(172)	(98)	177	(254)
Financial income and expenses earn-out obligations	-	-	(284)	-	(284)
Result before tax	3,650	(331)	(1,642)	-	1,677
Taxes	(931)	11	403	-	(517)
Net result	**2,719**	**(320)**	**(1,239)**	**-**	**1,160**

The segmented results over the year 2012 can be specified as follows:

Results 2012
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Turnover by segment	65,852	15,836	3,003	(4,830)	79,861
Operating result	3,942	182	(2,134)	-	1,990
Financial income	3	86	57	(144)	2
Financial expenses	(57)	(146)	(130)	144	(189)
Financial income and expenses earn-out obligations	-	-	(696)	-	(696)
Sales result participation	-	53	40	-	93
Result before tax	3,888	175	(2,863)	-	1,200
Taxes	(907)	(116)	628	-	(395)
Net result	**2,981**	**59**	**(2,235)**	**-**	**805**

The other segmented information regarding the profit and loss account of 2013 is as follows:

Depreciation and amortisation 2013
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Intangible fixed assets	421	120	-	-	541
Tangible fixed assets	353	34	400	-	787
Total depreciation and amortisation	**774**	**154**	**400**	**-**	**1,328**

Investments in 2013
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	627	4	323	-	954
Total investments	**627**	**4**	**323**	**-**	**954**

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The other segmented information regarding the profit and loss account of 2012 is as follows:

Depreciation and amortisation 2012
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Intangible fixed assets	392	120	390	-	902
Tangible fixed assets	301	36	446	-	783
Total depreciation and amortisation	**693**	**156**	**836**	**-**	**1,685**

Investments in 2012
(EUR x 1,000)

	The Netherlands	Belgium	Other	Inter-segment Eliminations	Consolidated
Intangible fixed assets	-	-	(73)	-	(73)
Tangible fixed assets	471	58	947	-	1,476
Total investments	**471**	**58**	**874**	**-**	**1,403**

7. Intangible fixed assets

The following statement provides an overview of the changes in the assets recognised in this balance sheet item.

(EUR x 1,000)

	Goodwill		Intangible fixed assets related to customers and orders		Intangible fixed assets related to developed products		Intangible fixed assets produced in-house		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Book value as at 1 January	14,658	14,560	840	1,256	559	783	-	335	16,057	16,934
Investments	-	-		-		-	-	-	-	-
Divestments and investments as a result of the sale/acquisition of group companies	-	98		(73)	-	-	-	-	-	25
Amortisation	-	-	(317)	(343)	(224)	(224)	-	(335)	(541)	(902)
Book value as at 31 December	**14,658**	**14,658**	**523**	**840**	**335**	**559**	**-**	**-**	**15,516**	**16,057**
Total acquisition value	26,198	26,198	2,086	2,086	1,564	1,564	2,238	2,238	32,086	32,086
Total amortisation	(11,540)	(11,540)	(1,563)	(1,246)	(1,229)	(1,005)	(2,238)	(2,238)	(16,570)	(16,029)
Book value as at 31 December	**14,658**	**14,658**	**523**	**840**	**335**	**559**	**-**	**-**	**15,516**	**16,057**

7.1 Impairments and reversals of impairments

Ctac did not recognise any impairment of intangible fixed assets in 2013 (2012: EUR 0). Nor were any impairments recognised in earlier years reversed in 2013.

7.2 Impairment test for cash-flow generating units (CGUs) to which goodwill can be attributed

The realisable value is the estimated immediate market value or the value in use if this is higher. When determining the value in use of an asset, the present value of the estimated future cash flows is calculated using a discount rate that reflects both the current market estimates of the time value of money and the specific risks relating to the asset.

The future cash flows are estimated using current and historical results per asset. A detailed forecast is prepared per CGU for the coming year based on the 2014 budgets and for the following years forecasts are prepared based on assumptions for turnover growth and margin development. Cash flows after a period of five years are extrapolated with low growth percentages. The assumptions used are acceptable in the sector in which Ctac is active.

Ctac has four Dutch CGUs: (1) 'Ctac Consulting', which encompasses all SAP consultancy activities, (2) 'Ctac Microsoft' for the Microsoft-related activities, (3) 'Ctac Managed Services' for hosting and functional management, (4) 'Other' for the other Dutch activities. Abroad Ctac distinguishes a separate CGU for the Belgian activities and one for the other foreign activities.

The goodwill attributed to the CGUs did not change in 2013 compared to 2012: goodwill in the amount of EUR 12.2 million has been allocated to Ctac Consulting; goodwill of EUR 1.0 million has been allocated to Ctac Microsoft; goodwill in the amount of EUR 0.4 million has been allocated to Ctac Managed Services; goodwill in the amount of EUR 0.3 million has been allocated to Other; goodwill in the amount of EUR 0.0 million has been allocated to Ctac Belgium; and goodwill in the amount of EUR 0.8 million has been allocated to Ctac Foreign Other.

The following assumptions were used for the impairment test.
Ctac's WACC before tax varies between 11.5% and 18.8%. The WACC for Ctac Consulting is 11.5%; for Ctac Microsoft 14.1%; for Ctac Managed Services 12.4%; for Other 13.3%; for Ctac Belgium 14.1% and for Ctac Foreign Other it is 18.8%. This is based on a ten-year interest rate of 2.0%, a minimum market premium of 5% and a unit market premium that varies between 5% and 12.0%, a Beta of 0.96 and an (E/(D+E)) ratio of 0.3.
The risk premium for the impairment differs per activity depending on market and size, depending on consultancy or product sales and depending on size and growth.
Growth of approximately 2% is used for all CGUs outside the five-year period.
On the basis of the impairment test based on the above-referenced assumptions, no impairment is required in 2013.
A sensitivity analysis in which the WACC is increased by 3% and the expected EBITA is lowered by 10% results in an impairment of 15% for Ctac Foreign Other.

8. Tangible fixed assets

The following statement provides an overview of the changes in the assets recognised in this balance sheet item.

(EUR x 1,000)	Operational Adjustments Leased Buildings		Computers		Fixtures and Fittings		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Book value as at 1 January	1,000	523	1,044	921	174	84	2,218	1,528
Investments	70	930	1,143	1,524	24	231	1,237	2,685
Divestments/investments as a result of sale/purchase of group companies	-	-	-	(3)	-	-	-	(3)
Divestments	-	(335)	(283)	(803)	-	(71)	(283)	(1,209)
Depreciation	(114)	(118)	(623)	(595)	(50)	(70)	(787)	(783)
Book value as at 31 December	**956**	**1,000**	**1,281**	**1,044**	**148**	**174**	**2,385**	**2,218**
Total acquisition value	1,150	1,080	7,059	6,223	1,119	1,095	9,328	8,398
Total depreciation	(194)	(80)	(5,778)	(5,179)	(971)	(921)	(6,943)	(6,180)
Book value as at 31 December	**956**	**1,000**	**1,281**	**1,044**	**148**	**174**	**2,385**	**2,218**

8.1 Investments and divestments

The investments in computers during 2013 mainly concern investments in laptops, servers and storage capacity. The divestments in computers concern the sale and lease back of servers and storage capacity for the expansion of the data centre.

8.2 Impairments and reversals of impairments

Ctac did not recognise any impairment of tangible fixed assets in 2013. Furthermore, no impairments recognised in earlier years were reversed in 2013.

9. Deferred taxes

Deferred taxes can be specified as follows:

	2013	**2012**
(EUR x 1,000)		
Deferred tax credits	558	979
Deferred tax liabilities	325	465
Total deferred taxes	**233**	**514**

Changes in deferred tax credits can be specified as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	979	1,170
Withdrawal in connection with carry forward	(415)	(163)
Addition in connection with deductible losses	59	72
Withdrawal in connection with unrealised inter-company results	(65)	(65)
Elimination as a result of sale of participation	-	(35)
Balance as at 31 December	**558**	**979**

The rights to compensate losses against taxable profits are recognised when it is expected that compensation of the off-settable losses will be possible (total year-end 2013: approximately EUR 0.8 million, year-end 2012: approximately EUR 2.2 million). The amount is recognised at the nominal rate as applicable to future financial years, without taking any discounting into account.
The total of the off-settable losses amounted to approximately EUR 1.1 million at year-end 2013 (year-end 2012: approximately EUR 2.5 million). No deferred tax credit has been recognised in the past with regard to off-settable losses of approximately EUR 0.3 million because it is insufficiently probable that these will be compensated by future profits.

Changes in deferred tax liabilities can be specified as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	465	680
Intangible fixed assets related to customers, orders and developed products		
Withdrawal in connection with amortisation	(138)	(144)
Discounting of earn-out obligation		
Addition/withdrawal in connection with new obligations and/or valuation differences	67	31
Withdrawal in connection with interest accruals	(69)	(102)
Balance as at 31 December	**325**	**465**

10. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

	2013	2012
(EUR x 1,000)		
Trade receivables	13,767	16,507
Provision for doubtful debts	(1,048)	(962)
Trade receivables - net	12,719	15,545
Turnover still to be invoiced in connection with services already provided	3,255	3,065
Other receivables	96	342
Prepayments and accrued income	1,229	1,576
Total Trade receivables and other receivables	**17,299**	**20,528**

The fair value of the trade receivables and other receivables is close to the book value. This also applies on 31 December 2013 for an amount of trade receivables of EUR 4.1 million (31 December 2012: EUR 2.6 million) for which the payment term has expired. Although the payment period has lapsed, as at the balance sheet date there are no indications that the relevant trade debtors will not fulfil their payment obligations. Other provisions have been created for a few of these debtors because there are still outstanding issues in relation to the performance of the projects.
During 2013, Ctac had to write off EUR 0.1 million in receivables due to bankruptcies. At year-end 2013, the provision for receivables considered uncollectible stood at EUR 1.0 million (year-end 2012: EUR 1.0 million).

The age of the trade receivables is as follows:

	2013	2012
(EUR x 1,000)		
Trade receivables which are not deemed to be uncollectible and for which the payment period has not yet lapsed	8,668	12,957
Trade receivables which are not deemed uncollectible and for which the payment period has lapsed		
less than 1 month	2,404	1,705
between 1 and 2 months	461	192
between 2 and 3 months	278	190
more than 3 months	908	501
	4,051	2,588
Total trade receivables - net	**12,719**	**15,545**

The changes in the provision for doubtful debts are as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	962	909
Addition to the provision in the year under review	267	201
Write offs due to uncollectibility	(81)	(142)
Release	(100)	(1)
Elimination as a result of sale of participation	-	(5)
Balance as at 31 December	**1,048**	**962**

The receivables in respect of trade debtors are exclusively in euros. The addition to and the release of the provision are recognised in the profit and loss account under other operating expenses. Amounts included in the provision are usually written off at the time that there is no expectation that any payments in respect of the receivable will take place.

The other items in the trade receivables and other receivables do not contain any assets with an impairment.

The prepayments and accrued income include prepaid costs, receivables in connection with current contracts with a fixed contract price and amounts to be received. The other receivables have a duration of less than one year both at year-end 2013 and year-end 2012.

11. Cash and cash equivalents

The balances stated under this balance sheet item are at the company's disposal.

The amounts drawn under the current account credit facility totalling EUR 8.3 million at year-end 2013 (Year-end 2012 EUR 9.5 million) have been recognised under short-term liabilities. The majority of the group companies are jointly and severally liable for the current account credit facility. A pledge right on receivables, company equipment and IP rights has been granted as security.

No financial derivatives were present within Ctac on the balance sheet date.

The cash and cash equivalents have been placed with professional market parties that have a credit quality that is qualified as good.

12. Shareholders' equity

At year-end 2013, the authorised share capital amounted to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,195,497 ordinary shares and 1 priority share. All issued shares are fully paid up.

The composition of and the changes in shareholders' equity over the years 2013 and 2012 are stated on page 48 of the financial statements.

The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares. There are no outstanding option rights

13. Long-term liabilities
The composition of the long-term liabilities is as follows:

13.1 Amounts owed to banks
The loans concluded by the Belgian companies Ctac Belgium BVBA and Ctac Managed Services N.V., with a total original principal of EUR 690,000, are recognised under long-term bank loans. The interest rate is one-month Euribor + 1.858%. The shares of Ctac Managed Services N.V. and Ctac Enterprise Technology N.V. have been pledged as security and the loan of Ctac Belgium BVBA at Ctac N.V. (EUR 0.8 million) has been subordinated.

The changes in the amounts owed to banks are as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	399	390
Loan taken out	-	19
Transfer to current liabilities	(184)	(184)
Balance as at 31 December	**215**	**399**

The due dates and the expected interest payments on the amounts owed to banks are as follows:

(EUR x 1,000)	1-2 Years	>2 Years	Total
Maturity dates long-term loans year-end 2013	184	31	215
Expected interest payments	3	0	3

13.2 Other liabilities
This concerns Ctac's long-term obligations to minority shareholders of (sub)subsidiaries of Ctac N.V. with which earn-out and/or subsequent payment agreements have been made.

Changes in the other liabilities are as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	2,369	3,471
Valuation differences	(53)	264
Transfer to current liabilities	(1,558)	(1,766)
Accrual of earn-out obligation	270	400
Balance as at 31 December	**1,028**	**2,369**

The due dates for the earn-out obligations are as follows:

(EUR x 1,000)	1-2 Years	> 2 Years	Total
Maturity dates earn-out obligations year-end 2013	386	642	1,028

The economic conditions in 2013 did not provide any justification for materially adjusting turnover projections. The difference between the expected and realised EBITA in 2013 resulted in a payment variance of negative EUR 53,000. Of these earn-out obligations, EUR 0.3 million can be paid out optionally either in shares or in cash. Level 3, as specified in IFRS 7, applies to the valuation of these earn-out obligations.

14. Provisions

Het verloop van de voorzieningen is als volgt.

(EUR x 1,000)			2013	2012
	Anniversary Payments	**Other**	**Total**	
Balance as at 1 January	-	636	636	966
Additions charged to the result	121	203	324	271
Released to the result	-	(159)	(159)	(235)
Allocated	(21)	(99)	(120)	(366)
Balance as at 31 December	**100**	**581**	**681**	**636**

Approximately EUR 0.1 million (2012: approximately EUR 0.1 million) of the provisions have a term of more than a year.

14.1 Provision for Anniversary Payments

The terms and conditions of employment of the various group companies includes an anniversary scheme pursuant to which employees receive a gross payment that is independent of their salary when they reach a certain number of years of service. In accordance with the IAS 19 Employee Benefits, a provision has been made for the conditional obligation resulting from this anniversary scheme. The provision is made on the basis of the projected average number of years of service per employee and the size of the payment, and is recognised at the nominal value.

14.2 Other provisions

These provisions relate to work carried out under guarantee or work still to be carried out on loss-making projects that are charged to the financial year in accordance with the accounting principles for the financial statements.

15. Trade payables and other debts

The composition of the trade payables and other debts is as follows:

(EUR x 1,000)	2013	2012
Trade payables	4,592	6,830
Taxes and social security contributions	3,684	3,259
Other liabilities	3,165	4,703
Accruals and deferred income	8,796	9,539
Total trade payables and other liabilities	**20,237**	**24,331**

The item other debts includes short-term liabilities arising from earn-out agreements and obligations arising from a financial lease. The liability arising from the financial lease amounts to EUR 37,000 at year-end 2013. Of the short-term earn-out obligations, an amount of EUR 2.8 million can be paid out optionally either in shares or in cash. All other liabilities have a term of less than 1 year.

The accrued liabilities item includes liabilities relating to holiday pay, annual leave and bonuses, as well as other items to be paid that are charged to the financial year in accordance with the accounting principles for the determination of the result.

16. Personnel costs

The composition of the personnel costs is as follows:

(EUR x 1,000)	2013	2012
Wages	32,836	33,190
Social security charges	4,941	4,694
Pension costs	1,450	1,596
Other personnel costs	1,613	1,740
Total personnel costs	**40,840**	**41,220**

The pension costs concern the payment of contributions in connection with a defined contribution pension scheme. The other personnel costs include costs such as travel and accommodation costs and training costs. The average staffing (FTEs) over 2013 amounts to 439 (2012: 448).

17. Other operating expenses
The other operating expenses can be specified as follows:

(EUR x 1,000)	2013	2012
Car expenses	4,855	5,207
Accommodation expenses	2,231	2,064
Marketing and sales costs	1,264	1,637
Other costs	4,229	3,964
Total other operating expenses	**12,579**	**12,872**

An amount of approximately EUR 3.5 million (2012: approximately EUR 3.7 million) is recognised under car expenses for operational lease contracts relating to cars.

An amount of approximately EUR 1.5 million (2012: approximately EUR 1.4 million) is recognised under accommodation expenses for operational lease contracts.

The other costs include items such as the costs of information management, automation, insurance, auditors' fees and consultancy fees.

The amount and composition of auditors' fees is as follows (EUR x 1,000):

a. audit of the financial statements:	EUR 150
b. other review procedures	EUR 15
c. tax services activities	EUR -
d. other consultancy work:	EUR -
The total auditors' fees thus amount to	EUR 165

18. Financing income and expenses
The financing income and expenses can be specified as follows:

(EUR x 1,000)	2013	2012
Financing income	48	2
Financing expenses	(254)	(189)
Accrual of earn-out obligations	(270)	(400)
Valuation differences earn-out obligation	14	(296)
Total financing income and expenses	**(490)**	**(883)**

The financing expenses include the interest due with regard to the long-term loan, the current account facilities at banks and the interest due in connection with taxes.

19. Taxes

Tax position and tax burden (EUR x 1,000)	2013	2012
Current tax liabilities	(640)	(593)
Deferred tax liabilities	142	181
Correction for prior years	(19)	17
Total taxes	**(517)**	**(395)**

The tax burden on the result before taxes amounts to 30.9% (2012: 35.7%) and can be specified as follows:

	2013	2012
Nominal tax burden	25.0	25.0
Rate differences foreign countries	1.9	1.9
Non-deductible amounts	4.4	6.8
Effects of lower first bracket	(2.0)	(3.1)
Impairment and valuation differences	0.2	6.7
Incidental differences	1.4	(1.6)
Tax burden according to the consolidated financial statements	**30.9**	**35.7**

The effective tax burden has been calculated based on the result exclusive of the sales result on participations.

20. Results per share

Profit per share and diluted profit per share
The calculation of the base profit and the diluted profit per share accruing to the shareholders of the parent company is based on the following data:

Profit/(loss) per share	**2013**	**2012**
Net result (EUR x 1,000)	1,160	805
Net result from continued activities (EUR x 1,000)	1,160	805
Net result from continued activities accruing to group shareholders (EUR x 1,000)	1,098	809
Number of shares		
Number of ordinary shares at the beginning of the year	11,771,586	11,650,269
Number of ordinary shares at the end of the year	12,195,497	11,771,586
Number of weighted average outstanding ordinary shares	12,089,519	11,731,147
Net result per weighted average number of outstanding ordinary shares (EUR)	0.10	0.07
Fair value earn-out obligations optionally to be settled in shares or cash (EUR x 1,000)	3,098	4,833
Average price (EUR)	1.10	0.83
Potential dilution of ordinary shares	2,816,242	5,807,498
Number of potential shares in connection with the diluted profit per share	14,905,761	17,538,645
Net result per share after potential dilution (EUR)	**0.07**	**0.05**

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21. Off-balance sheet contingent and contractual obligations

The company and its participations have guarantees for a total amount of approximately EUR 0.4 million (2012: approximately EUR 0.7 million) outstanding. These guarantees have been issued in connection with current lease obligations.

At year-end 2013, Ctac made investment commitments regarding the expansion of the data centre for an amount of EUR 0.9 million. These investments will be brought into an operational lease.

Cars made available to employees were generally obtained based on operational lease with a contract term varying from 36 to 60 months. The company and its participations have lease obligations with respect to cars for an amount of approximately EUR 6.2 million (2012: EUR 6.7 million) in total. This concerns operational lease obligations regarding the lease of passenger cars in the Netherlands and Belgium for personnel with a term varying from one to five years.

The new hardware for the fit-up of the data centres was for the most part obtained on the basis of an operational lease with a contract term varying from 36 to 60 months. The total lease obligations for Ctac in connection with these operational leases at year-end 2013 amounted to EUR 4.8 million (2012: EUR 4.7 million).

All buildings in which group companies are housed are rented. Ctac does not own any buildings. The company and its participations have rent obligations for an amount of approximately EUR 9.1 million (2012: EUR 9.5 million) in total. This concerns rent obligations in connection with office buildings in the Netherlands ('s-Hertogenbosch, Barneveld and Hilversum), Belgium (Wommelgem), France (Paris) and Germany (Ratingen). All buildings are rented from non-related parties.

The composition of the rent and lease obligations is as follows:

(EUR x 1,000)	Lease Obligations Passenger Cars	Lease Obligations Data Centre Fit-Up	Rent Obligations Office Buildings	2013	2012
Terms shorter than one year	2,803	1,752	1,293	5,848	5,588
Terms longer than one year but shorter than five years	3,409	3,038	4,589	11,036	11,130
Terms longer than five years	-	-	3,234	3,234	4,124
	6,212	**4,790**	**9,116**	**20,118**	**20,842**

Ctac N.V. and most of its Dutch group companies form one fiscal entitie for corporation tax purposes and the turnover tax, as a result of which the companies in question are jointly and severally liable for the obligations of the fiscal entity.

Claims have been made against Ctac N.V. and/or its group companies that they dispute. Although it is impossible to predict the outcome of these disputes with certainty, based on the legal advice obtained and the available information it is assumed that they will not have any significant adverse effect on the consolidated financial position.

22. Acquisitions and divestments

There were no acquisitions or divestments in 2013. However, the earn-out agreements with two groups of minority shareholders were reviewed.

22.1 IFS Probity B.V.

In relation to IFS Probity B.V., Ctac's originally agreed upon repurchase obligation of the minority interest in IFS Probity B.V. has expired. The minority shareholders retain their 40% interest with policy-setting influence. The minority interest has been recorded as share of a third party at net asset value and the remaining release of the earn-out obligation has been directly added to shareholders' equity.

22.2 Persity Resourcing B.V.

In relation to Persity Resourcing B.V., Ctac's repurchase obligation of the minority interest in Persity Resourcing B.V. in four equal tranches of 12.5% over the period 2014 till 2017 inclusive has been converted into a repurchase obligation in 10 equal tranches of 4.9% spread over a period of 2013 till 2022 inclusive.

23. Related parties

23.1 Identity of related parties

The group companies, the members of the Supervisory Board, the members of the Board of Directors and the major shareholders qualify as related parties of Ctac N.V.

23.2 Transactions with the members of the Board of Directors and of the Supervisory Board

23.2.1 Remuneration policy

The aim of Ctac N.V.'s remuneration policy is to provide a clear picture of the policy that should be followed with regard to the remuneration of the members of the Board of Directors and managers, this also in view of being able to ensure that the company can attract and retain qualified and experienced managers. Such a policy cannot be viewed separately from the following basic principles:

- The customer's interest is the central focal point. This interest is served when the members of the Board of Directors and the managers satisfy the most stringent professional requirements, for whom an adequate remuneration is required.
- The remuneration reflects the expertise, commitment and involvement demonstrated by the members of the Board of Directors and the managers for the benefit of Ctac N.V.
- The level of the remuneration is in line with the remuneration of the members of boards of directors and the managers at comparable companies and contains a fixed and a variable component.
- The remuneration must be partly in line with the results achieved by Ctac N.V., and therefore it is an annual item on the agenda for the Supervisory Board meeting in which, among other things, the performance criteria upon which an assessment will take place are determined.
- This policy governs the members of the Board of Directors and the most senior management level and is an instrument in the remuneration structure of the management within Ctac N.V.

23.2.2 Remuneration members of the Board of Directors

With regard to the remuneration of the members of the Board of Directors, the following amounts have been recognised in the result of 2013 and 2012 respectively.

	2013	2012
(EUR x 1,000)		
Board of Directors		
H.L.J. Hilgerdenaar		
Salary	213	218
Once-only allotment	-	85
Pension and disability benefit insurance	28	32
Variable remuneration	33	24
Total remuneration	274	359
D.G.H. van der Werf (from 19 March 2012)		
Salary	213	166
Pension and disability benefit insurance	36	31
Variable remuneration	33	24
Total remuneration	282	221

The level of the variable remuneration depends on the extent to which the targets agreed in advance have been realised. The most important targets are defined as targets for development in turnover and result, working capital control and customer and employee satisfaction. Expense reimbursement and a presentable company car are also provided to the members of the Board of Directors.

No loans, advances or guarantees have been provided to the directors under the Articles of Association.
Any compensation payable upon the dismissal of Mr Hilgerdenaar has not been laid down in a contract and therefore this has not been maximised. Any compensation payable upon the dismissal of Mr Van der Werf may not exceed one yearly salary.

23.2.3 Shares held by the members of the Board of Directors
The members of the Board of Directors did not hold any shares or option rights at year-end 2013; this was also the case at year-end 2012.

23.2.4 Option rights allocated to and held by the members of the Board of Directors
The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares.

23.2.5 Share appreciation rights
Share appreciation rights were allocated to H.L.J. Hilgerdenaar in 2010. If on an agreed date in 2014 the price of Ctac rises above a determined level, a one-off maximised bonus is paid. The fair value that could be attributed to these share appreciation rights upon allocation was recognised in 2010 as an expense in the profit and loss account under 'Personnel costs'. The fair value of the share appreciation rights remained unchanged in 2013, as was also the situation in 2012.

23.2.6 Remuneration of the members of the Supervisory Board
With regard to the remuneration of the members of the Supervisory Board, the following amounts have been recognised in the result of 2013 and 2012 respectively.

	2013	**2012**
(EUR x 1,000)		
Supervisory Board		
H.G.B. Olde Hartmann	30	30
H.P.M. Jägers	25	25
E. Kraaijenzank	25	25

23.2.7 Shares held by the members of the Supervisory Board
The members of the Supervisory Board do not hold any shares. No option rights have been allotted to the members of the Supervisory Board.

24. Events after the balance sheet date
No events occurred after 31 December 2013 that have a material impact on or would require adjustments to the balance sheet positions at year-end 2013 as presented in the financial statements.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013 (AFTER PROFIT APPROPRIATION)		2013		2012
(EUR x 1,000)				
ASSETS				
Fixed assets				
25) Tangible fixed assets		117		84
26)Intangible fixed assets		3,223		3,223
27) Financial fixed assets		17,891		15,975
		21,231		**19,282**
Current assets				
28)Trade receivables and other receivables	66		268	
Cash and cash equivalents	-		-	
		66		**268**
		21,297		**19,550**
LIABILITIES				
29) Shareholders' equity				
Issued and paid-up capital	2,927		2,825	
Share premium	11,232		10,986	
Other reserves	(5,229)		(6,822)	
		8,930		**6,989**
30) Long-term liabilities				
30.1 Other liabilities	14		754	
30.2 Deferred tax liabilities	-		20	
		14		**774**
Current liabilities				
Amounts owed to banks	345		1,048	
31) Trade payables and other debts	12,008		10,739	
		12,353		**11,787**
		21,297		**19,550**

COMPANY PROFIT AND LOSS ACCOUNT FOR 2013	2013	2012
(EUR x 1,000)		
Result from group companies after tax	1,080	949
Other income and expenses after taxes	18	(140)
Net result	**1,098**	**809**

EXPLANATORY NOTES TO THE COMPANY BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

General
The company financial statements of Ctac N.V. are drawn up in accordance with the statutory provisions laid down in Title 9 Book 2 of the Dutch Civil Code. Use has been made of the option offered in Book 2, Article 362 of the Dutch Civil Code to use the same principles for valuation and determination of the result that are used in the consolidated financial statements for the company financial statements (IFRS).

With regard to the company profit and loss account, use has been made of the exemption pursuant to Article 402 Book 2 of the Dutch Civil Code.

Group companies are valued in the company balance sheet at net asset value.
Any negative valuation of the participation is deducted from the claim on the relevant group company.

25. Tangible fixed assets
The changes in tangible fixed assets are as follows:

Total Computers	2013	2012
(EUR x 1,000)		
Book value as at 1 January	84	65
Investments	71	50
Depreciation	(38)	(31)
Book value as at 31 December	**117**	**84**
Total acquisition value	219	148
Total depreciation	(102)	(64)
Book value as at 31 December	**117**	**84**

26. Intangible fixed assets

Changes in intangible assets are as follows:

(EUR x 1,000)	Goodwill		Intangible Fixed Assets Produced In-house		Total	
	2013	2012	2013	2012	2013	2012
Book value as at 1 January	3,223	3,223	-	335	3,223	3,558
Investments	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
Amortisation	-	-	-	(335)	-	(335)
Book value as at 31 December	**3,223**	**3,223**	**-**	**-**	**3,223**	**3,223**
Total acquisition value	6,646	6,646	2,238	2,238	8,884	8,884
Total amortisation	(3,423)	(3,423)	(2,238)	(2,238)	(5,661)	(5,661)
Book value as at 31 December	**3,223**	**3,223**	**-**	**-**	**3,223**	**3,223**

27. Financial fixed assets

The composition of the financial fixed assets is as follows:

(EUR x 1,000)	2013	2012
Participations	17,838	15,663
Deferred tax credits	53	312
Total financial fixed assets	**17,891**	**15,975**

27.1 Participations

The changes in the item participations are as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	15,663	14,735
Result of participations	1,080	949
Expansion of capital Ctac Belgium	500	-
Transaction with minority shareholder	495	-
Mutation receivable participations	100	(21)
Balance as at 31 December	**17,838**	**15,663**

For an overview of the name, address and share in capital interests, reference is made to Appendix 1 to the financial statements.

27.2 Deferred tax credits

The changes in the item deferred tax credits are as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	312	467
Withdrawal in connection with carry forward	(259)	(155)
Balance as at 31 December	**53**	**312**

28. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

(EUR x 1,000)	2013	2012
Other receivables	66	268
Total trade receivables and other receivables	**66**	**268**

29. Shareholders' equity

See the statement of assets and liabilities on page 48 of these financial statements.

30. Long-term liabilities

The composition of the long-term liabilities is as follows:

30.1 Other liabilities

This concerns Ctac N.V.'s long-term obligations to minority shareholders of subsidiaries of Ctac N.V. with which earn-out and/or subsequent payment agreements have been made.

(EUR x 1,000)	2013	2012
Balance as at 1 January	754	2,393
Valuation differences	(67)	(133)
Accrual of earn-out obligations	103	217
Transferred to current	(776)	(1,723)
Balance as at 31 December	**14**	**754**

30.2 Deferred tax liabilities
Changes in deferred tax liabilities can be specified as follows:

(EUR x 1,000)	2013	2012
Balance as at 1 January	20	100
Addition in connection with changed/new earn-out obligations or valuation differences	-	(25)
Withdrawal in connection with accrual of interest earn-out obligations	(20)	(55)
Balance as at 31 December	**-**	**20**

31. Trade payables and other debts
The composition of the trade payables and other debts is as follows:

(EUR x 1,000)	2013	2012
Trade payables	1,095	3,149
Taxes and social security contributions	29	29
Other liabilities	2,261	2,496
Other debts inter-company	8,165	4,713
Accruals and deferred income	458	352
Total trade payables and other liabilities	**12,008**	**10,739**

EMPLOYEES

The average staffing (FTE) over the year 2013 amounts to 2.
Ctac N.V. does not employ any employees outside of the Netherlands.

CONTINGENT LIABILITIES

The company forms part of a tax entity for corporation tax; consequently, the company is jointly and severally liable for the tax liabilities of the tax entity as a whole.

DIRECTORS' DECLARATION

Pursuant to new statutory provisions, the directors hereby declare that to the best of their knowledge:

1. the financial statements as included on pages 46 to 85 of this report provide a true and fair picture of the assets, liabilities, the financial position and the profit over the financial year of Ctac N.V. and the companies jointly included in the consolidation;
2. the annual report provides a true and fair view of the situation at the balance sheet date, the course of business during the financial year of Ctac N.V. and of the companies affiliated with Ctac of which the figures have been included in the financial statements.The material risks which Ctac N.V. faces are described in the annual report.

’s-Hertogenbosch, 24 March 2014

Board of Directors
Mr H.L.J. Hilgerdenaar (1960), Dutch nationality.
Director under the articles of association
Chief Executive Officer (CEO)

Mr D.G.H. van der Werf (1955), Dutch nationality.
Director under the articles of association
Chief Financial Officer (CFO)

Other information

Provision in the articles of association regarding profit appropriation

According to article 30 of the articles of association, a dividend is paid out on the priority share that equals six percent (6%) of the nominal amount. The Board of the Directors, subject to the approval of the Supervisory Board, subsequently determines which part of the remaining profit shall be reserved. The remaining profit, after the addition to reserves, is at the disposal of the General Meeting of Shareholders.

Profit appropriation proposal

The proposal submitted to the General Meeting of Shareholders is not to pay out a dividend over 2013.

Special controlling rights under the articles of association

Special controlling rights are attached to the priority share held by the Priority Foundation of Ctac regarding the appointment, suspension or dismissal of board members, share issues, pre-emptive rights, amendments of the articles of association and the dissolution of the company.

Protective measures

Ctac can make use of the following protective measures:

- priority shares, held by the Priority Foundation;
- the option to place preference shares with the Continuity Foundation;
- the issue of depository receipts for shares.

The following conditions apply to implementing the protective measures

Ctac Priority Foundation

The issue of shares takes place following a resolution of the Priority Foundation. The appointment of the Priority Foundation as the body authorised to issue shares can be extended under the articles of association or by a resolution of the General Meeting of Shareholders each time for a period of no longer than five years.

Resolutions to issue preference shares or to grant any right to subscribe for such shares of bodies other than the General Meeting of Shareholders are always subject to the cooperation of the Supervisory Board. A transfer of preference shares requires the approval of the Supervisory Board. The pre-emptive right in connection with an issue of shares can be restricted or excluded by the Priority Foundation. The appropriate authority of the Priority Foundation ends at the point in time at which the authority of the Priority Foundation to issue shares ends. The Priority Foundation also plays a role in the appointment, suspension and dismissal of members of the Board of Directors. The members of the Board of Directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Priority Foundation. A resolution to suspend or dismiss a member of the Board of Directors can, if not passed following a proposal by the Priority Foundation, only be adopted by a majority of two-thirds of the votes cast, which represents more than half of the issued share capital. Finally, the Priority Foundation plays a decisive role in amendments to the articles of association and in the resolution to dissolve the company. Such resolutions can only be adopted following a proposal by the Priority Foundation.

The board members of the Priority Foundation in 2013 were:

1. Mr H.P.M. Jägers (Chairman),
2. Mr A.J.M. van Riet,
3. Mr H.L.J. Hilgerdenaar.

Mr A.J.M. van Riet is lawyer, founder and senior partner of the law firm Van Riet Wijnands Keuter Advocaten. He is also a supervisory board member of a number of construction and development companies. He was formerly a member of the Supervisory Board of Rabobank Utrecht and the Tergooi Hospital.

Ctac Continuity Foundation

The objective of the Continuity Foundation is to promote the interests of Ctac, the companies affiliated with Ctac and its group companies and all parties involved, in such a manner that the interests of the company, the group companies and the companies and all parties involved are safeguarded to the greatest possible extent and that influences that could harm the independence and/or the continuity and/or the identity of the company, the group companies and the companies in violation of those interests are excluded as much as possible, as well as to do anything that is related to or may be conducive to the above. The Continuity Foundation seeks to achieve its objective by acquiring and holding shares - in particular preference shares - in the company's capital and by exercising the rights attached to these shares, including, in particular, the voting rights connected to these shares. The Continuity Foundation can only acquire preference shares as referred to above - without the cooperation of the company's General Meeting of Shareholders - including the acquisition of the right to subscribe for preference shares, up to a maximum amount of one hundred percent (100%) of the total nominal amount of the issued ordinary shares and the issued priority share in the capital of the company. Preference shares can be issued against partial payment, on the understanding that the part of the nominal amount to be paid mandatorily must be the same for each preference share and that when preference shares are subscribed for, at least one quarter (25%) of the nominal amount must have been paid. The Continuity Foundation is authorised to sell, pledge - providing that the voting right attached to the shares in question is not transferred to the pledgee - or otherwise encumber the shares it has acquired with the proviso that the Foundation requires the approval of the Supervisory Board to sell the shares. The board of the Continuity Foundation consists of two board members A and three board members B. The board members A are appointed, subject to the approval of the Supervisory Board, by the Board of Directors of the company from among the members of the Supervisory Board or the Board of Directors. The board members B are appointed by the board of the Continuity Foundation itself, subject to the approval of the Board of Directors of the company, for which the Board of Directors in turn requires the approval of the Supervisory Board. The Continuity Foundation is independent of Ctac. The articles of association of the Continuity Foundation contain safeguards for the independence of the B board members. Furthermore, the Continuity Foundation can only be represented by a board member A and a board member B, acting jointly. If no board member A is in office, the Continuity Foundation is represented by two board members B acting jointly.

The board members A of the Continuity Foundation in 2013 were:

1. Mr H.G.B. Olde Hartmann
   (board member since 18 May 2005),
2. Mr H.L.J. Hilgerdenaar
   (board member since 16 November 2011).

The board members B of the Continuity Foundation in 2013 were:

1. Mr J.A. Dekker (Chairman)
   (board member since 31 October 2005),
2. Mr M.L.M. de Bruijn
   (board member since 5 March 1998),
3. Mr E. Jamin
   (board member since 5 March 1998).

Mr J.A. Dekker was the president of the Dutch Royal Institute of Engineers until 2011. In addition, Mr Dekker also holds two supervisory board memberships in the healthcare sector. Furthermore, he is also a board member of another Continuity Foundation, that of Royal Boskalis. Mr Dekker previously worked at Akzo, GTI and TNO, and was a member of the supervisory board of BAM, ASML, HES, Nimox, Van Wezel, Gamma, De Baak, MCO and Agens. His most recent position was chairman of the Board of Directors of TNO.

Mr M.L.M. de Bruijn is the director and principal shareholder of mr. M.L.M. de Bruijn B.V. Tax, Legal and Financial Engineering. His expertise lies in the field of corporate (re)structuring, mergers and acquisitions, funding of business projects, venture capital etc. Mr De Bruijn is a board member of CMG Pension Fund. In addition, Mr De Bruijn as co-founder and major shareholder is involved in QPaZz B.V., BioSQR B.V. and UniQ-ID-B.V. These companies are involved in the development and marketing of biometric systems combined with certified authentication systems. Mr De Bruijn worked previously as a partner at the law firms DLA Schut Grosheide, De Brauw Blackstone Westbroek and Buruma Maris Advocaten. As of 1 July 2011, Mr De Bruijn is the Managing Director of Ford Sollers Netherlands B.V., an American-Russian joint venture.

Mr E. Jamin is an independent adviser and works on an interim-basis for medium-sized and large companies and non-profit organisations. His specialisations lie in the field of treasury advice, providing support with change processes as a consequence of computerisation or reorganisation, and setting up and structuring financial functions. Mr Jamin was previously connected to, among others, Coopers & Lybrand, Fuji Photo Film and Van Den Boom Group.

The total remuneration received by the board members by virtue of their positions as board members of the Continuity Foundation amounted to EUR 8,208 over the year 2013.

Despite the obligation, pursuant to the Financial Supervision Act, to make a public offer, which obligation applies to shareholders that acquire at least thirty percent (30%) of the voting rights, it remains possible to issue protection preference shares to the Continuity Foundation in the event of a (hostile) public bid.

The obligation to make a public offer does not apply to the Continuity Foundation provided that the Continuity Foundation meets certain requirements, including the required independence of Ctac.
In the opinion of the board members, the Supervisory Directors and the Board of the Continuity Foundation, the requirements of independence are met. The B board members of the Continuity Foundation have signed a declaration of independence, which has been added to this section as a final paragraph.

Right of investigation

In accordance with Article 346, paragraph c of Book 2 of the Dutch Civil Code, Ctac has granted the right of investigation to the Continuity Foundation. The Continuity Foundation is also authorised to demand injunctive relief by virtue of Article 349a of Book 2 of the Dutch Civil Code if the interest of Ctac specifically requires this. The Continuity Foundation will only exercise the right of investigation and the right to demand injunctive relief within the objective of the Continuity Foundation if there are justifiable reasons to doubt the correctness of a policy. The Continuity Foundation only exercises the right of investigation and the right to demand injunctive relief after prior consultation with Ctac's Board of Directors and Ctac's Supervisory Board.

Issue of depository receipts for shares

No depository receipts for shares have currently been issued with the cooperation of the company.

Continuity Foundation Declaration of Independence

The Board of Directors of Ctac N.V. and the board of the Continuity Foundation declare that, in their joint opinion, the Ctac Continuity Foundation is a legal entity independent of Ctac N.V. within the meaning of Section 5:71, subsection 1, part c of the Financial Supervision Act.

's-Hertogenbosch, 24 March 2014

Ctac N.V.
H.L.J. Hilgerdenaar
D.G.H. van der Werf

Ctac Continuity Foundation
J.A. Dekker
H.G.B. Olde Hartmann
M.L.M. de Bruijn
E. Jamin
H.L.J. Hilgerdenaar

RESULTS BASED ON FITTING SOLUTIONS

COMPANY POLICY WITHOUT ANY FUSS

CTAC
ENABLING YOUR AMBITION

Independent auditor's report

To: the General Meeting of Shareholders and the Management of Ctac N.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Ctac N.V., 's-Hertogenbosch. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2013 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 considers 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 Ctac N.V. as at December 31, 2013 its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Ctac N.V. as at December 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Eindhoven, 24 March 2014

For and on behalf of
BDO Audit & Assurance B.V.,

P.P.J.G. Saasen RA

Historical summary

Results (x EUR 1,000)	2013	2012	2011
Net turnover	77.028	79.861	72.983
Operating result before impairment of goodwill and one-off restructuring costs	2.167	1.990	5
Operating result	2.167	1.990	(12.712)
Net result	1.160	805	(12.737)
Amortisation	1.304	1.474	13.890
Cash flow (net result plus depreciation charges)	2.464	2.279	1.153

Assets (x EUR 1,000)			
Tangible fixed assets	2.385	2.218	1.528
Intangible fixed assets	15.516	16.057	16.934
Deferred tax credits	558	979	1.170
Current assets	17.394	20.639	17.725
Current liabilities	24.618	29.619	26.660
Shareholders' equity	8.930	6.989	6.085
Total assets	35.853	39.893	37.357

Personnel			
Number of employees at year-end	464	466	492
Average number of employees (FTE)	439	448	472
Average number of chargeable employees (FTE)	398	406	430
Outflow per year (head count)	60	91	89
Turnover per employee (per FTE x EUR 1,000)	175	178	155
Turnover per chargeable employee (per FTE x EUR 1,000)	193	197	170
Net result per employee (per FTE x EUR 1,000)	3	2	(27)

Ratios			
Operating result/net turnover	2.8%	2.5%	(17.4%)
Net result/net turnover	1.5%	1.0%	(17.5%)
Net result/average shareholders' equity	14.6%	12.3%	(103.4%)
Current assets/current liabilities	0.71	0.70	0.66
Shareholders' equity/total assets	25%	18%	16%

Per share of EUR 0.24 nominal value			
Number of outstanding weighted average ordinary shares	12.089.519	11.731.147	11.619.317
Proposed dividend	0	0	0
Net result (before share minority shareholders)	0.10	0.07	(1.10)
Cash flow	0.20	0.19	0.10

Index of terminology

BI - *(Business Intelligence)*
The process of converting data into information, which then provides business knowledge

CCC - *(Customer Care Centre)*
Centre that provides support for the management activities. Customer questions/issues are handled via the Service Desk and Service Managers ensure the quality of the management service

Cloud (computing) - Cloud computing is the provision of hardware, software and/or data on demand via the internet

Composed Solution - Composed solution for specific markets

CRM - *(Customer Relationship Management)*
Integrated customer management

Discharge - Release from liability

DNA - *(The New Approach)*
The new Ctac way of working, in the new head office

EAM - *(Enterprise Asset Management)*
The automated management of business assets

Hosting - The hosting of software, applications and/or data on a web server

IaaS - *(Infrastructure-as-a-Service)*
The infrastructure is provided virtually (in the cloud). The customer only pays for what is actually used

ICT Solution Provider - ICT & business consultancy supplier

Management - Management of information systems

Microsoft Dynamics NAV - *(Navision)*
Microsoft software that provides administrative support for business processes

PaaS - *(Platform-as-a-Service)*
Service within cloud computing that gives the user the opportunity to use existing applications or develop and operate its own applications, all within a preconfigured infrastructure

Portal - Central internet access to applications and information

SaaS - *(Software-as-a-Service)*
Software that is offered as an online service (in the cloud). The customer does not need to purchase the software but, for instance, can conclude a contract per user per month, possibly in combination with other parameters

SAP Business All-in-One - Complete and integrated sector solutions for all aspects of a medium sized business

SAP ERP System - *(Enterprise Resource Planning)*
SAP software that provides administrative support for business processes

SAP NetWeaver - The application and integration platform for process-oriented management as well as the technical foundation for all SAP applications in the SAP business suite

SCM - *(Supply Chain Management)*
SAP specific software for the management of information, money and goods in networks

Template - A fixed processing element containing a section of code that can be implemented rapidly

Total Solution Provider - Entity that provides the total ICT process, from design to operation (think, build, keep-it-running)

Value Consultancy - Improving our customer's business with our proposition

Value Partner - A partnership that adds essential value to the customer's business

VAR - *(Value-Added Reseller)*
A reseller who provides added value to a solution in the form of knowledge and expertise

VNSG - *(Vereniging van Nederlandse SAP Gebruikers)*
Independent association of Dutch SAP users

WMS - *(Warehouse Management System)*
Automated warehouse solution that manages the location layout in a rack storage area, handles the order flow in the correct planning order and manages the goods flow, for instance

Works Council - Ctac works council

Supplement 1

Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree (Decree article 10 Takeover Directive)

The authorised share capital of Ctac N.V. amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,195,497 ordinary shares and 1 priority share.
Further information about provisions in the articles of association regarding profit appropriation and about special controlling rights under the articles of association of Ctac N.V. are included under 'Other information' in this annual report on page 86.

Pursuant to the Financial Supervision Act and the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree, the following substantial participating interests with regard to Ctac N.V. have been reported to the Netherlands Authority for the Financial Markets:

Group companies / main participating interests	Place of Business	Participation in % year-end 2013
Ctac N.V.		
Yellow2B B.V.	Eindhoven	100
Yellow & Red B.V.	Eindhoven	100
Ctac Nederland B.V.	's-Hertogenbosch	100
Alpha Distri B.V.	's-Hertogenbosch	50.5
Crossverge B.V.	's-Hertogenbosch	100
Ctac B.V.	's-Hertogenbosch	100
ERP 2 B.V.	's-Hertogenbosch	100
Ctac Dynamics B.V.	's-Hertogenbosch	91.8
mYuice Business One B.V.	's-Hertogenbosch	100
IFS Probity B.V.	Barneveld	60
Persity Resourcing B.V.	's-Hertogenbosch	51
Persity Search B.V.	's-Hertogenbosch	51
Ctac Deutschland GmbH	Ratingen, Germany	100
Ctac Belgium BVBA	Wommelgem, Belgium	100
Ctac Managed Services N.V	Wommelgem, Belgium	100
Ctac Professional Services N.V	Wommelgem, Belgium	100
Ctac France SAS	Parijs, France	70.6

All of the above-mentioned companies have been included fully in the consolidation.
All shares confer the same rights.

Colophon

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