26 February 2018

RTC Group Plc

("RTC", "the Company" or "the Group")

Final results for the year ended 31 December 2017

RTC Group Plc (AIM: RTC.L), the engineering and technical recruitment company, is pleased to announce its audited results for the year ended 31 December 2017.

Highlights

- Group revenue: £71.7m (2016: £67.9m). 6% increase.
- Profit before tax: £1.3m (2016: £1.1m). 18% increase.
- Earnings per share (basic): 8.06p (2016: 5.80p). 39% increase.

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share. A final dividend of £321,267 (2016: £277,363) has been proposed but has not been accrued within these financial statements. This represents a payment of 2.3p (2016: 2.0p) per share.

A resolution regarding the recommended final dividend is to be considered at the Company's forthcoming 2018 Annual General Meeting, which is due to be held on 18 April 2018. If shareholders approve the recommended final dividend, then this will be paid on 2 July 2018 to all holders of shares who are on the register of members at the close of business on 8 June 2018, with an ex-dividend date of 7 June 2018.

Commenting on the results Andy Pendlebury, CEO said:

"I am delighted to announce that 2017 was a very successful year for RTC. I believe our success demonstrates that our business model of building and investing in independent and complementary subsidiary businesses is both robust and capable of delivering long term value to our shareholders. We enter 2018 with optimism.

In addition to our incremental organic growth plan the Board now believes the time is right for RTC to pursue a transformational acquisition plan. During 2018 we will continue the process of identifying complementary organisations that offer a broad range of consolidatory and diversification opportunities for our Group to integrate into and alongside our existing subsidiary businesses."

Enquiries:

RTC Group Plc — **Tel: 0133 286 1835**
Bill Douie, Chairman
Andy Pendlebury, Chief Executive

SPARK Advisory Partners Limited (Nominated Adviser) — **Tel: 0203 368 3550**
Matt Davis / Mark Brady
www.Sparkadvisorypartners.com

Whitman Howard Limited (Broker) — **Tel: 020 7659 1234**
Nick Lovering / Francis North
www.Whitman-howard.com

About RTC

RTC has three principal trading subsidiaries engaged in recruitment services:

- ATA is one of the UK's leading engineering and technical recruitment consultancies. Supplying white and blue-collar engineering and technical staff to a broad range of SME clients and vertical markets;
- Ganymede is focused on the supply and operation of blue collar contingent labour into safety critical markets; and
- GSS predominantly provides managed service solutions for international clients.

www.rtcgroupplc.co.uk

Chairman's statement

For the year ended 31 December 2017

I am pleased to present the final report for the year.

Growth strategy on track

I am delighted to report that the growth strategy articulated by the Group CEO is being followed by all subsidiary businesses, which continue to deliver profitable growth as planned. Pre-tax profits were up 18% at £1.3m (2016: £1.1m) leading to a 39% increase in basic earnings per share at 8.06p (2016: 5.80p) and we are confident that there is further improvement to come through organic growth and by acquisition. The Board is committed to achieving these improvements and to ongoing profitable growth.

Acquisition strategy vindicated

In 2014 the Group acquired a company specialising in providing domestic gas engineers for the following reasons: the service provided a fit with Ganymede's 'safety critical' mantra; it would diversify Ganymede's service offering away from rail and it would present an opportunity for growth given the Government's Smart Meter roll-out plans. In 2017, that strategy was vindicated when Ganymede Energy secured a significant long-term contract to train and supply a minimum of 250 dual fuel installers to serve the roll out of SSE Plc's Smart Meter programme.

Building on a solid base

The Group is built on three pillars of recruitment – UK engineering and manufacturing; UK Rail & Infrastructure & Energy; and, internationally, the supply of wide ranging skills in hostile environments. The deliberate positioning on this strong and diverse base enables the Group to capitalise on prevailing market conditions both in the UK and internationally. In addition, around 50% of our total business derives from long-term contracts in UK Rail and Energy and in overseas markets, which are not as sensitive to short term fluctuations in the UK economy, providing a solid foundation on which to maximise permanent and short-term contract revenues.

Our Group businesses support each other –growth in one enables us to invest for future growth in the others. The soundness of this philosophy was proven again in 2017 with our international business, Global Staffing Solutions, enjoying a very good year as operations in Afghanistan continued to rise and other sources of revenue were secured. While ATA, our business which is affected most by the health of the UK economy, delivered exceptional growth in its contract business that offset the continuing difficulty in permanent recruitment being seen across the industry. Ganymede, supplying labour into safety critical environments, continued to prosper with good demand in the Rail industry whilst its energy division prepared to service its new long-term contract.

Rewarding our shareholders

Whilst we continue to grow through investing in our existing business and, as the opportunity arises, through carefully selected acquisitions, rewarding our shareholders for their loyalty and their confidence in our business model and management is very important to us. Accordingly, our progressive dividend policy remains a central part of our investment proposition. As a sign of our confidence in the Group's future performance, an interim dividend of 1.2p has been paid (2016: 1.1p). The Directors are now proposing a final dividend for the 2017 year of 2.3p per share (2016: 2.0p), subject to approval at the annual General Meeting on 18th April 2018.

Chairman's statement

For the year ended 31 December 2017

Our ambition

The medium-term strategy for the Group is to grow through the continuing organic growth of our existing footprint and clients both in the UK and internationally and by acquisition. In a very fragmented industry we believe there is much room for progress in both areas and for consolidation into larger more efficient enterprises. Through our Ganymede Energy acquisition, we have clearly demonstrated our ability to identify a strategic opportunity and harvest the gains and we have great confidence in our ability to continue to do so.

We enter 2018 with optimism following a strong performance in 2017. ATA and Ganymede are well placed to take advantage of economic growth and increases in infrastructure spending. Global Staffing Solutions is benefitting from increased demand from Afghanistan and across other regions from its longstanding client KBR and has also secured new clients in the regions in which it operates. Within Central Services, the Derby Conference Centre has now completed its improvement programme and is experiencing increasing demand for its products.

Our people

Our most important asset continues to be our people. We have a highly engaged and productive workforce led by an experienced and established management team fully capable of achieving our ambitions. I should like to thank all our staff at all levels for their loyalty, hard work and enthusiasm.

W J C Douie
Chairman

25 February 2018

Chief executive's operational and strategic review

For the year ended 31 December 2017

Overview

I am delighted to announce that 2017 was a very successful year for RTC, with the Group recovering strongly from the disappointing drop in profits in the second half of 2016, which was caused through the impact of the UK decision to exit the European Union. Our results are especially pleasing, as many of our peer group have failed to regain the lost ground from 2016. I believe our success demonstrates that our business model, first outlined in our 2014 annual report, of building and investing in independent and complementary subsidiary businesses is both robust and capable of delivering long term value to our shareholders.

All our subsidiary businesses make a profitable contribution to the Group and have built long term strategic partnerships with key players in their respective sectors. This has enabled the Group to capture around 50% of its annual turnover as secured order book business with a visible revenue stream exceeding £125m over the next 3 years.

The Group's overall financial position is now much stronger than it has been at any point and it is worth noting that since our return to profitability in 2012 we have increased our revenues by over 65%, our operating profit by over 136% and our basic earnings per share by over 87%. This financial strengthening has been achieved at the same time as making significant capital and operating investments in each of our subsidiary businesses to make them fitter and stronger to compete in highly populated markets. At the same time, we have doubled the total equity underpinning the Group and returned over £1.4m of dividends to our shareholders, giving exceptional year on year dividend yield and growth. Our long-term strategy of investing in all our stakeholder groups is working and I now believe we have a value proposition to attract and retain the best employees, candidates, clients and investors.

Whilst there remains some uncertainty and mixed opinion about short and medium-term prospects for the UK economy we believe that the sectors and clients we have built relationships with have fundamental long-term growth trends which will continue to provide a significant and recurring upside for our Group to secure greater shareholder value. Furthermore, I am also delighted that our international business which recruits personnel from over 30 countries and places them in hostile environments is now entering a welcomed growth phase having secured new long-term contracts with existing and new clients and we now have good visibility of solid revenue for the foreseeable future.

In 2016, I outlined in detail a full SWOT analysis for the Group to provide a roadmap of challenges for each of our businesses to improve operational effectiveness and increase long term profitability. I am pleased to say that our relentless focus on establishing best practise across the Group has seen a range of performance enhancements which have driven up efficiencies that have fed through into a higher net contribution on a constant gross margin. These operational improvements, coupled with the strategic growth plans identified for each of our businesses, will have a growing influence on our profitability as our key markets fully rebound from the current uncertainties affecting the recruitment sector.

One disappointing note at the end of the year was the collapse of Carillion PLC which had an impact on our Ganymede business. It was a harsh reminder of the risks the recruitment sector faces, regardless of the size of client organisations and thankfully our financial diligence process ensured our exposure was kept both manageable and within our internal debt cap approved by our financial directorate.

Chief executive's operational and strategic review

For the year ended 31 December 2017

Subsidiary company review

ATA

2017 was an important year for ATA, as it reshaped operations following the decline in permanent revenue in its projects business during 2016. The slowdown in permanent recruitment activity in the infrastructure sector which began following the UK decision to leave the European Union continued to impact industry wide throughout 2017. However, whilst permanent revenue was down in ATA projects, the division had significant success in capturing new contract opportunities as clients' hiring strategies reflected a more cautious approach to headcount growth and project deployment. Our consolidated branch network which supports UK manufacturing and engineering clients with a mix of permanent and temporary staffing solutions had a strong year as UK exports continued to be boosted by favourable exchange rate conditions. Whilst both the projects and branch network have individual business models appropriate to target sectors, collective operational improvements have been gained through new systems, procedures and work methodologies. These improvements have seen revenues and contribution grow while headcount has remained constant giving rise to greater efficiencies across the business.

Ganymede

Ganymede had another highly successful year with its long-term contract with Network Rail operating at its expected run rate. We have been delighted with the performance of the business and its successful positioning as Network Rail's largest manpower provider on its contingency labour framework for renewals and maintenance. Ganymede is now an industry leader in the provision of contingency labour to the rail industry and this is recognised through its apprentice investment programme which has trained and integrated over 100 new young employees into the sector over the past 3 years. This commitment to the training, development and deployment of new personnel to the sector is a vital differentiator and will ensure a strong competitive advantage in the tender process for CP6. In addition to the direct contract with Network Rail Ganymede is successfully securing a wide range of contracts with other tier one suppliers of Network Rail and given the recent collapse of Carillion PLC we are confident that Ganymede will secure further additional business from the sector.

2017 also saw Ganymede's energy acquisition secure a significant contract with Scottish and Southern Electric Plc (SSE). The contract with SSE to provide a minimum 250 engineers on their Smart Meter roll out programme is the first of its kind in the industry with Ganymede identifying, training and deploying operatives over a 3-5-year period. The acquisition of RIG Energy was completed in 2014 and having already paid back the cost of purchase the business is set to generate around £28m revenue from this contract win. Ganymede Energy is now firmly placed as the country's leading provider of Smart Meter engineers and having developed its talent acquisition and development programme is set to capitalise on the huge growth prospect the industry is set to experience as the Government's Smart Meter roll out programme gathers momentum.

Chief executive's operational and strategic review

For the year ended 31 December 2017

GSS

Having weathered a number of difficult years of declining revenue, our international business GSS has had an outstanding year increasing its net contribution to Group by over 40%. New contracts have been secured with KBR its long standing international partner to provide staff to a range of territories including Afghanistan, Iraq, Somalia, Oman, UAE and Bahrain and new contracts have been won with another major US outsourcing organisation providing staff to support international operations on a wide range of large value projects. GSS is now firmly positioned as one of this country's leading providers of personnel to large value international contracts supporting NATO and its partner companies.

Central Services

The conference centre at our headquarters in Derby (the Centre) fully reopened for business in 2017 having undergone an extensive refurbishment programme. As well as providing first class accommodation for our Group headquarters, our Ganymede and ATA subsidiaries have substantial operating units located at the site and this attracts many of our collective clients to the facility. This has resulted in complementary revenue being generated for the Centre and many of our clients have developed long term relationships directly with the business. The refurbishment programme modernised all available office accommodation at the facility and I am delighted to say that we have now secured long-term tenants for all space not being utilised by our Group and its subsidiary businesses. In addition, the Centre through its grade 2 listed main building is also a thriving hub of activity in the East Midlands with regular large-scale events, the largest in 2017 catering for 1,000 people, daily conferencing attracting companies from throughout the region and a Business Centre providing vital networking and flexible office space for a variety of start-ups and new business ventures. Initial indications are that the new facility is fast becoming the go to place in the region. Further investments to enhance the quality of the site are planned for this year and we believe once completed will position the Centre as the leading conference centre in the East Midlands.

People

Our success is fundamentally based around our people and therefore attracting and retaining the best talent across all our businesses is key to achieving the strategic challenges we set ourselves. We have dedicated employees across all our subsidiary businesses and within our Group headquarters and their collective effort, quality and commitment is the driving force that enables us to grow our businesses ahead of our competition. I would therefore like to extend a huge thank you on behalf of the Board of Directors to everybody in our Group.

Chief Executive's operational and strategic review

For the year ended 31 December 2017

Outlook and future growth strategy

Our business model of growing independent subsidiary businesses has provided a sound and stable platform for the Group to capture significant value for its shareholders. Since returning to profitability in 2012, the Group has continued to grow despite macro-economic issues which have destabilised the UK economy and created volatility in an already fragile recruitment sector. Despite this our businesses have secured some of the largest contracts being tendered in their respective sectors and we believe we can build on this success as the bid pipeline across our chosen sectors remains extremely healthy. We are confident that our organic growth plan will continue to increase shareholder value by capitalising on our strong market positions in the industries and sectors that we support. We enter 2018 with optimism.

In addition to our incremental organic growth plan the Board now believes the time is right for RTC to pursue a transformational acquisition plan. During, 2018 we will continue the process of identifying complementary organisations that offer a broad range of consolidatory and diversification opportunities for our Group to integrate into and alongside our existing subsidiary businesses. We believe we have a proven senior executive team to attract both the debt finance and new capital support that our ambition plans will necessitate. We see consolidation as a key industry imperative over the next 5 years and believe it is in the long-term interests of all our stakeholders that we begin to position ourself to capitalise on the opportunities that the shift in industry dynamics will present.

A M Pendlebury 25 February 2018
CEO

Finance Director's statement

For the year ended 31 December 2017

Financial highlights

The Group delivered a 20% increase in profit from operations of £1.4m (2016: £1.2m) from planned efficiencies in administrative expenses. Correspondingly gross profit conversion to operating profit increased to 12% (2016: 10%).

ATA maintained its gross profit levels and increased its contribution to Group despite the difficult trading conditions experienced in UK technical and engineering recruitment markets.

Ganymede continued to deliver on its core contract with Network Rail and its Energy division secured a new long-term high value contract with SSE plc to supply dual fuel meter installers for its smart-meter rollout programme that commenced in November 2017.

GSS won a new overseas contract and grew its existing core contract significantly increasing its contribution to Group.

Within Central Services, the conference centre bounced back from the disruption experienced during refurbishment in 2016 and showed it is well on the way to achieving the increased levels of activity expected from Group's investment in its facilities.

Taxation

The tax charge for the year was £0.2m (2016: £0.3m). The variance between this and the expected charge if a 19.25% corporation tax rate was applied to the profit for the year is explained in note 3.

Dividends

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share.

Statement of financial position, cash generation and financing

Net working capital has increased to £2.2m (2016: £1.4m). This increase reflecting increased turnover with new and existing clients in ATA and GSS who typically have 60 days credit terms. This also impacted the ageing profile for the Group - overall debtor days were 42 (2016: 36). Included in trade debtors is £92,000 relating to Carillion Construction Limited which has been fully provided in the statement of comprehensive income.

The ratio of current assets to current liabilities has improved slightly at 1.2 (2016: 1.1). The Group's gearing ratio, which is calculated as total borrowings over net assets was 1.1 (2016: 1.3). The Group has no term debt and is financed solely using its confidential invoice discounting facility with HSBC. Interest cover was 17.5 (2016: 11.3).

The Group's current bank facilities include an overdraft of £50,000 and a confidential invoice discounting facility of up to £9.0m with HSBC. Both are renewable annually. The Group is currently operating well within its facility. The Board closely monitors the level of facility utilisation and availability, to ensure that there is sufficient headroom to manage current operations and support the growth of the business. The Group continues to be focused on cash generation and building a robust balance sheet.

S L Dye
Group Finance Director

25 February 2018

Consolidated statement of comprehensive income

For the year ended 31 December 2017

	Notes	**2017** £'000	2016 £'000
Revenue	2	**71,687**	67,900
Cost of sales		**(59,710)**	(55,794)
Gross profit		**11,977**	12,106
Administrative expenses		**(10,559)**	(10,929)
Profit from operations		**1,418**	1,177
Finance expense		**(81)**	(104)
Profit before tax		**1,337**	1,073
Tax expense	3	**(216)**	(273)
Total comprehensive income for the year		**1,121**	800
Earnings per ordinary share			
Basic	4	**8.06p**	5.80p
Fully diluted	4	**7.53p**	5.44p

Consolidated statement of changes in equity

For the year ended 31 December 2017

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	**145**	**96**	**(473)**	**50**	**95**	**3,455**	**3,368**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,121**	**1,121**
Dividends	**-**	**-**	**-**	**-**	**-**	**(445)**	**(445)**
Share options exercised	**1**	**24**	**-**	**-**	**-**	**-**	**25**
Share based payment charge	**-**	**-**	**-**	**-**	**120**	**-**	**120**
At 31 December 2017	**146**	**120**	**(473)**	**50**	**215**	**4,131**	**4,189**

The information for the prior reporting period is as follows:

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2016	143	66	(473)	50	54	3,080	2,920
Total comprehensive income for the year	-	-	-	-	-	800	800
Dividends	-	-	-	-	-	(430)	(430)
Share options exercised	2	30	-	-	(5)	5	32
Share based payment charge	-	-	-	-	46	-	46
At 31 December 2016	145	96	(473)	50	95	3,455	3,368

Consolidated statement of financial position

As at 31 December 2017

	2017	2016
	£'000	£'000
Assets		
Non-current		
Goodwill	**132**	132
Other intangible assets	**472**	642
Property, plant and equipment	**1,410**	1,260
Deferred tax asset	**84**	33
	2,098	2,067
Current		
Cash and cash equivalents	**161**	60
Inventories	**6**	12
Trade and other receivables	**13,223**	11,183
	13,390	11,255
Total assets	**15,488**	13,322
Liabilities		
Current		
Trade and other payables	**(6,310)**	(5,429)
Corporation tax	**(209)**	(132)
Current borrowings	**(4,712)**	(4,289)
	(11,231)	(9,850)
Non-current liabilities		
Deferred tax liabilities	**(68)**	(104)
Net assets	**4,189**	3,368

Equity		
Share capital	**146**	145
Share premium	**120**	96
Capital redemption reserve	**50**	50
Own shares held	**(473)**	(473)
Share based payment reserve	**215**	95
Retained earnings	**4,131**	3,455
Total equity	**4,189**	3,368

Consolidated statement of cash flows

For the year ended 31 December 2017

	2017	2016
	£'000	£'000
Cash flows from operating activities		
Profit from operations	**1,418**	1,177
Adjustments for:		
Depreciation and amortisation	**399**	382
Loss on disposal	**-**	5
Employee equity settled share options charge	**120**	46
Change in inventories	**6**	1
Change in trade and other receivables	**(2,040)**	560
Change in trade and other payables	**881**	(483)
Cash inflow from operations	**784**	1,688
Income tax paid	**(226)**	(270)
Net cash inflow from operating activities	**558**	1,418
Cash flows from investing activities		
Purchase of property, plant and equipment	**(379)**	(1,129)
Purchase of intangible assets	**-**	(79)
Net cash used in investing activities	**(379)**	(1,208)
Cash flows from financing activities		
Interest payments	**(81)**	(104)
Lease purchase payments	**-**	(11)
Dividends paid	**(445)**	(430)
Proceeds from exercise of share options	**25**	30
Net cash outflow from financing activities	**(501)**	(515)
Net decrease in cash and cash equivalents from operations	**(322)**	(305)
Total net decrease in cash and cash equivalents	**(322)**	(305)
Cash and cash equivalents at beginning of period	**(4,229)**	(3,924)
Cash and cash equivalents at end of period	**(4,551)**	(4,229)

1. Corporate information and basis of preparation

RTC Group Plc is a public limited company incorporated and domiciled in England whose shares are publicly traded.

The announcement of results of the Group for the year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 25 February 2018.

The financial information included in this announcement has been compiled in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees, and as adopted by the EU. This announcement does not itself however contain sufficient information to comply with IFRS.

The accounting policies adopted are consistent with those described in the annual financial statements for the year ended 31 December 2017. There have been no significant changes in the basis upon which estimates have been determined, compared to those applied at 31 December 2016 and no change in estimate has had a material effect on the current period.

2. Segment analysis

The Group is a provider of recruitment services that has its headquarters at the Derby Conference Centre which is contained within the Central Services segment. The recruitment business comprises three distinct business units – ATA predominantly servicing the UK engineering market; GSS servicing the international market and Ganymede supplying labour into safety critical environments.

Segment information is provided below in respect of ATA, Ganymede, GSS and the Central Services which, as well as being the headquarters and providing all central services for the Group, generates income from excess space at the Derby site including rental and conferencing facilities.

The Group manages the trading performance of each segment by monitoring operating contribution and centrally manages working capital, borrowings and equity.

Revenues are generated from permanent and temporary recruitment and long-term contracts for labour supply in the recruitment division. Revenue is analysed by origin of customer/point of invoicing.

During 2017, one customer in GSS contributed 10% or more of total revenue being £9.8m (2016: £9.6m) and one customer in Ganymede also contributed 10% or more of total revenue being £20.4m (2016: £21.2m).

The segment information for the current reporting period is as follows:

	Recruitment ATA	GSS	Ganymede	Central Services	Total Group
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
External sales revenue	**29,166**	**10,259**	**30,683**	**1,579**	**71,687**
Cost of sales	**(24,056)**	**(9,047)**	**(25,862)**	**(745)**	**(59,710)**
Gross profit	**5,110**	**1,212**	**4,821**	**834**	**11,977**
Administrative expenses*	**(3,710)**	**(673)**	**(2,716)**	**(3,062)**	**(10,161)**
Amortisation of intangibles*	**(48)**	**-**	**(131)**	**-**	**(179)**
Depreciation*	**(52)**	**(2)**	**(33)**	**(132)**	**(219)**
Profit from operations	**1,300**	**537**	**1,941**	**(2,360)**	**1,418**
Tax expense					**(216)**

*combine to represent administrative expenses of £10,559,000 in the consolidated statement of comprehensive income.

The segment information for the prior reporting period is as follows:

	Recruitment ATA	GSS	Ganymede	Central Services	Total Group
	£'000	£'000	£'000	£'000	£'000
External sales revenue	25,692	9,575	31,345	1,288	67,900
Cost of sales	(20,469)	(8,409)	(26,190)	(726)	(55,794)
Gross profit	5,223	1,166	5,155	562	12,106
Administrative expenses*	(3,854)	(787)	(2,795)	(3,105)	(10,541)
Amortisation of intangibles*	(41)	-	(132)	-	(173)
Depreciation*	(87)	(1)	(28)	(99)	(215)
Profit from operations	1,241	378	2,200	(2,642)	1,177
Tax expense					(273)

*combine to represent administrative expenses of £10,929,000 in the consolidated statement of comprehensive income.

All operations are continuing. All assets and liabilities are held in the United Kingdom.

3. Tax expense

Continuing operations	2017 £'000	2016 £'000
Analysis of tax		
Current tax		
UK corporation tax	**285**	235
Adjustment in respect of previous period	**5**	35
	290	270
Deferred tax		
Origination and reversal of temporary differences	**(74)**	3
Tax	**216**	273

Factors affecting the tax expense
The tax assessed for the year is less than (2016: greater than) would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

Factors affecting tax expense

	2017 £'000	2016 £'000
Result for the year before tax	**1,337**	1,073
Profit multiplied by standard rate of tax of 19.25% (2016: 20%)	**257**	215
Non-deductible expenses	**24**	45
Tax credit on exercise of options	**(8)**	(22)
Origination and reversal of temporary differences	**(62)**	-
Adjustment in respect of previous period	**5**	35
	216	273

4. Basic and diluted earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of all fully diluted earnings per share is based on the basic earnings per share adjusted to allow for dilutive potential ordinary shares.

	Basic		**Fully diluted**	
	2017	2016	**2017**	2016
Earnings £'000	**1,121**	800	**1,121**	800
Basic weighted average number of shares	**13,907,304**	13,783,879	**13,907,304**	13,783,879
Dilutive effect of share options			**971,937**	933,326
Fully diluted weighted average number of shares	**13,907,304**		**14,879,241**	14,717,206
Earnings per share (pence)	**8.06p**	5.80p	**7.53p**	5.44p

5. Dividends

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share. A final dividend of £321,267 (2016: £277,363) has been proposed but has not been accrued within these financial statements. This represents a payment of 2.3p (2016: 2.0p) per share.

6. Report and accounts

The above financial information does not constitute the Company's statutory accounts for the years ended 31 December 2017 or 2016 but is derived from those accounts. The auditor has reported on these accounts; their report was unqualified, did not draw any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006 or equivalent preceding legislation. The statutory accounts for 2016 have been filed with the Registrar of Companies.

Full audited accounts of RTC Group Plc for the year ended 31 December 2017 will be made available on the Company's website at www.rtcgroupplc.co.uk later today and will be dispatched to shareholders on 15 March 2018 and then be available from the Company's registered office - The Derby Conference Centre, London Road, Derby, DE24 8UX.

The Company's Annual General meeting will be held at 12 noon on 18 April 2018 at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU.