RTC GROUP

RECRUITMENT, TRAINING & CONFERENCING

ANNUAL REPORT & ACCOUNTS

2009

Contents

Chairman's Statement

Year ended 31 December 2009

I am pleased to present the annual report and accounts of the Company.

Highlights

Group operating loss before exceptional items of £1,740,000 (2008: profit £533,000).

Exceptional write down of goodwill given the uncertainty in the market place and the recent performance of the Training Division, an impairment charge of £674,000 has been recognised against the value of the goodwill relating to the training business (2008 : £250,000), writing the goodwill in this business down to £nil.

Group pre-tax loss after exceptional items of £2,419,000 (2008: profit £295,000).

Underlying, fully diluted, loss per share before exceptional items of 18.52p (2008: earnings 4.43p).

Dividends the Board believes that it would not be prudent to use financial resources to pay a final dividend at this time (2008: nil).

Recruitment incurred an operating loss of £718,000 (2008: profit £1,046,000).

Training incurred an operating loss of £631,000 (2008: loss £130,000).

Conferencing incurred an operating loss of £391,000 (2008: loss £383,000).

Group

The deterioration of trading conditions first experienced during 2008, which began to accelerate in the latter part of that year, further intensified in 2009, reaching a climax in the second quarter. By that time all trading activities were badly affected, although the slowdown in Conferencing continued to worsen as the year progressed. Major cost reduction programmes, initiated in 2008, were reinforced and, by the half year, the bulk of actions had been completed.

As a consequence, most of the costs associated with retrenchment occurred in the first half of the year resulting in an amplified operating loss. As projected in the interim results statement, the loss in the second half of the year was substantially reduced (before exceptional items) although the trading performance of Conferencing continued to deteriorate to the year end.

Trading

The Recruitment division performed well in very difficult conditions having engaged in a major programme of cost reduction and stabilisation, enhancing the quality of personnel in the locations. By the end of the first quarter volumes in both permanent and contract reached a low which was maintained for most of the rest of the year. The opportunity was taken to build further the strengths in our vertical markets and, by the end of the year there were encouraging signs that conditions were gradually improving and that the hard work in vertical markets was beginning to bear fruit.

A major drive for business in our labour supply company, Ganymede Solutions Limited, resulted in more than doubled turnover.

The Catalis training business continues to focus primarily in the rail sector where activity fell sharply as Network Rail significantly reduced spend across the industry during 2009. Although a number of serious cost cutting initiatives were deployed to counter this, retaining highly skilled training staff remains pivotal to the long-term success of the business and we believe it would therefore be inappropriate to reduce headcount any further at this stage. By the year end initiatives taken to break even had been achieved but the costs of reduction and trading losses had badly affected the trading account.

The Derby Conference Centre made a promising start to 2009, enjoying enhanced gross margins resulting from major gains in efficiency masterminded by the new Managing Director. The expected slowdown in demand was slow to materialise as many of the regular clients were slow to react to the worsening economic environment. The downward trend in demand quickened during the year and operating losses in the second half increased.

Chairman’s Statement

Year ended 31 December 2009

Although there can be no room for over-optimism, overall Group trading performance appeared to have stabilised by the year end.

Capital Investment

During the year only essential repairs and maintenance expenditure was incurred.

Dividends

Your directors do not feel able to recommend any dividends for 2009.

Management

We completed the appointment of senior management for our operating subsidiaries during 2008 and without exception all experienced unprecedented levels of turbulence and challenges within their respective sectors. I am confident that our management team led by our Chief Executive is well placed to capitalise on growth opportunities as they emerge during 2010.

Corporate Governance

RTC Group is by any standards a small company which punches above its weight in respect of Corporate Governance experience. This is not the time to add unnecessary overheads but we will re-visit the subject of Non-Executive directors at a more stable economic time.

Outlook

We acquitted ourselves reasonably well in 2008, a year which became increasingly difficult. I would have liked to be able to paint a better picture for 2009 but there can be no doubt that conditions were severe verging on extreme in 2009 across the sectors in which we operate, particularly in the middle two quarters. The Company was well placed at the outset of the recession in having no borrowings and available banking facilities, a situation which has contributed greatly to our ability to get through this difficult period.

We have cut our costs significantly in the operating subsidiaries and have managed to markedly enhance the range and quality of central services without any material increase in central costs.

Although the collapse in confidence borne from problems in Banking and Finance in Q1 2009 has now abated, at least for the time being, there remain many problems to overcome before a return to calmer trading waters can be expected. There are credible reasons to fear that the economic shocks are not over and we must expect recovery to be extended. Nonetheless, there are emerging signs of rebuilt confidence and optimism across a number of our sectors. Accordingly, the Board will continue its review of all Group activities to ensure that structure and activities of the Group are appropriate to optimise the speed and extent of our return to profitability.

Trading in the first quarter has been affected to a degree by adverse weather conditions but, that aside, the Group is generally performing at or near to expectations in 2010. You will note that we have delayed the Annual General Meeting this year until June, not least because we expect to have completed our review of Group activities and will have more extensive trading performance under our belt. I expect to issue an update at that time.

Staff

As always, but this year in particular, there can be no more appropriate time for me to thank all our staff for their efforts and loyalty in 2009 and to acknowledge the universal strength and determination they have displayed.

WJC Douie
Chairman

31 March 2010

Chief Executive's Statement
Year ended 31 December 2009

2009 was a very tough year for the RTC Group. What was expected at the end of 2008 to develop into the most damaging economic crisis in recent history became a reality. Its impact across the Group was severe with many of our clients having to take immediate and in some cases brutal cost cutting decisions to ensure their own survival and future competitiveness in their respective sectors.

Each of the Group's operating businesses experienced a significant and rapid decline in revenues caused through a variety of consequences of the global economic meltdown. ATA Selection which supports mainly small to medium size manufacturing and engineering organisations was hit two fold. Firstly, through the enormous deterioration in domestic and international demand and secondly through the reluctance of the banking sector to provide adequate working capital and investment funding for the sector. Our ATA Vertical recruitment business which supports large scale rail, construction and infrastructure projects was equally affected as many developments were either put on hold or shelved indefinitely.

The Derby Conference Centre, our business which provides a complete range of conferencing and private function facilities fell victim to a large scale moratorium on conferencing spend as clients chose to use in house facilities to reduce costs. Whilst Catalis our rail and safety training business operating out of Derby, Clapham and various client premises was, along with many other suppliers in the rail industry, significantly affected as Network Rail generated much lower levels of demand at the beginning of their new five year investment cycle.

To counter these events we initiated our own extensive cost cutting measures around the Group and throughout 2009 we intensified our efforts to improve the business structurally and seek further optimisation of all individual company costs and central administration processes. The combined effects of the cost savings which began to filter through during the second half of 2009, our strong financial position as we entered the downturn and our track record of integrity, quality and professional excellence gives us optimism that despite the continuing fragility of the Global economic environment our strategy is still very sound. Whilst we appreciate that it is going to take considerable hard work, planning and agility, we believe we are now well placed to take advantage of the opportunities for growth which will emerge as the global economy rebounds.

On a positive note, not all our businesses suffered the same fate during this troubled period with Ganymede Solutions, our on track rail business, having picked up significant market share as its reputation in the rail maintenance and renewals market continues to impress major rail customers. Also our newly formed Defence and Aerospace vertical has won a large scale overseas deployment in a new target market for the Group and we successfully integrated the acquisition of Global Choice Recruitment, our oil and gas recruitment business, delivering new international opportunities.

Finally, as we look back at an exceptionally challenging 2009, we would like to acknowledge and thank our shareholders and clients for their continued loyalty and all of our employees who have worked tirelessly to deliver the services we provide to our clients.

Andy Pendlebury
Group Chief Executive

31 March 2010

Finance Director's Statement

Group Trading Summary 2009

Group revenue from continuing operations fell by 26% compared with 2008, with revenue declining across all divisions. Overall gross margin fell by 42% reflecting both reduced revenues per employee in tough market conditions and the impact of the 20% reduction in direct headcount. The operating loss before exceptional items for the year was £1,740,000 compared with an operating profit of £533,000 in 2008.

	2009 £'000	2008 £'000
Revenue		
Recruitment	**15,343**	20,646
Training	**2,694**	3,773
Conferencing	**1,136**	1,429
	19,173	25,848
Gross Margin		
Recruitment	**1,713**	3,607
Training	**813**	1,239
Conferencing	**475**	338
	3,001	5,184
Operating profit from continuing operations before exceptional items		
Recruitment	**(718)**	1,046
Training	**(631)**	(130)
Conferencing	**(391)**	(383)
	(1,740)	533

Recruitment

The Recruitment Division consists of three trading entities. ATA Recruitment Limited, which operates both ATA Selection servicing the UK SME engineering market through its network of regional offices and ATA Verticals which provides to a number of markets through ATA Rail, ATA Energy and ATA Defence & Aerospace. Global Choice Recruitment Limited provides Oil & Gas recruitment and Ganymede Solutions Limited supplies blue collar labour into rail and other markets.

Recruitment Net Fee Income, representing total fees earned net of contractor wages, reduced by 41% in 2009 to £4.3m (2008: £7.2m).

Permanent placements made in the year fell by 54%, although revenue per placement rose 4% reflecting a higher level of fees in our vertical markets. The number of permanent placements made is a key measure of performance of the business and is measured on the basis of the vacancies filled per individual consultant. In 2009 the average placements per permanent consultant fell 17% from 2008 reflecting tougher market conditions.

White collar contract revenue fell by 36% compared with 2008, with the closing number of heads out falling by 37%.

Blue collar labour, supplied through Ganymede Solutions Limited, increased the number of hours supplied by 129%. This revenue growth has been achieved through a significant investment in the Company that resulted in gaining a contract to supply Network Rail for a further five years and from being a preferred supplier to a number of its tier 1 suppliers.

Training

The Training Division consists of Catalis Limited, a leading training supplier into the rail market.

Revenue in 2009 was down 29% on 2008, impacted by renegotiated prices to secure signalling contracts in 2008, reduced market volumes in Rail Safety and the restructuring of the TRS & Operations division to reflect market demand. The Company responded to these lower revenues by reducing its cost base, such that trainer headcount was reduced by 25% and that utilisation per trainer was down by only 8%.

Finance Director's Statement

Group Trading Summary 2009

Conferencing

The Conferencing Division consists of The Derby Conference Centre Limited. Its revenue was down 21%, largely as a result of its largest customer to take much of its conferencing in-house.

Costs have been reduced significantly such that the division was able to achieve a 40% reduction in direct costs year on year.

Overheads

Group overheads increased slightly to £4,741,000 (2008: 4,651,000), which reflects additional costs of making headcount reductions and also of investing in Ganymede Solutions. These costs have off-set savings that have been made across the businesses.

Finance Costs

Finance costs of £5,000 (2008: £12,000 investment income) reflect the Group's use of its invoice discounting facility during the year.

Tax

A tax credit of £74,000 has arisen during the year as a result of some losses being able to be carried back.

Cash flow and funding

Net cash used during the year was £256,000 leaving the Group with net borrowings of £148,000. As revenues declined the Group benefited from reducing its working capital, with debtors falling from £4.9m to £2.3m.

The Group is funded through an invoice discounting facility with Lloyds TSB. This facility will allow the Group to fund future increases in working capital as revenues recover.

Principal Risks and Uncertainties

The ongoing impact on the Group's operations of the current economic climate continues to be the principal risk and uncertainty to the Group.

JM Kendall
Finance Director

31 March 2010

Directors' Biographies

William Douie (70) Group Executive Chairman

After two years in export sales, commencing in 1962, with British Oxygen, he moved into banking with Midland Bank and qualified as an associate of the Institute of Bankers. In 1969 he moved into Merchant Banking, joining Keyser Ullmann Limited and spent six years in Investment Management before joining the Bank Board in 1975. In 1981, following the merger of Keyser Ullmann and Charterhouse Japhet, he left to buy out, and become Chairman of, the Group's Instalment Credit subsidiary, Broadcastle Plc, and to become Chairman of British Benzol Limited, a fully listed company in the solid fuel industry. Following the acquisition by Broadcastle of Harton Securities Limited, he oversaw the merger of Broadcastle Plc and ATA Selection Plc, a USM listed recruitment company, before becoming Chairman of the Group in 1990. He joined with Clive Chapman in 1992 to purchase the ailing ATA Recruitment business from the Group, and remains Executive Chairman.

Andy Pendlebury (49) Group Chief Executive Officer

Andy held a number of senior management positions during his long career with British Aerospace Plc. In 1992 he joined the Board of Wynnwith Engineering and was appointed Managing Director in 1995 establishing the business as one of the United Kingdom's fastest growing recruitment businesses. In 2002 Andy joined GKN Plc as interim Managing Director of the company's in-house recruitment business Engage and guided it through the Board's divestment strategy. From 2004 to 2007, as Chief Executive, he engineered a trading turnaround and subsequent sale to the Morson Group of White & Nunn Holdings. He joined the Board of RTC Group Plc as a Non-Executive in July 2007, becoming Group Chief Executive in October 2007.

Mark Kendall (40) Group Finance Director

Mark began his career with Coopers & Lybrand, qualifying as a chartered accountant in 1994. Having moved into group roles with Manders plc and then Dennis Group Plc, he became finance director of subsidiary companies of the Mayflower Corporation Plc and subsequently of LTG Technologies Group Plc. In 2004, he joined SRS Technology Group Plc, an AIM quoted company, as finance director. Following the sale of this business, Mark joined RTC Group Plc in May 2007 as Group Financial Controller, a position which he held until his appointment to the Board of the Company.

Directors and Advisors

Directors:
WJC Douie
AM Pendlebury
JM Kendall (appointed 23 March 2010)

Company Secretary:
JM Kendall

Nominated Advisor and Broker:
Evolution Securities Limited
100 Wood Street
London
EC2V 7AN

Auditors:
PKF (UK) LLP
Century House
St. James Court
Friar Gate
Derby
DE1 1BT

Bankers:
Lloyds TSB
Butt Dyke House
33 Park Row
Nottingham
NG1 6GY

Registered Office:
The Derby Conference Centre
London Road
Derby
DE24 8UX

Registered Number:
2558971

Solicitors:
Lawrence Graham LLP
4 More London Riverside
London
SE1 2AU

Registrars:
Computershare Services Plc
P O Box 82
The Pavilions
Bristol
BS99 7NH

Directors' Report
Year ended 31 December 2009

The directors submit their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2009.

Principal Activity
The Group's principal activities are the provision of recruitment, training and conference services. The Company's principal activity is that of a holding company.

Results and Review of the Business
The Group recorded a loss before taxation for the year of £2,419,000 on revenue of £19.2m (2008: profit before tax of £295,000 on revenue of £25.8m).

A review of the business including relevant key performance indicators, and comments on the principal risks and uncertainties and future prospects is contained in the Chairman's, Chief Executive's and Finance Director's Statements on pages 2 to 6.

Share Capital
Details of share capital are shown in note 18 on page 34.

Directors
The directors who served during the year were as follows:

WJC Douie
AM Pendlebury
A Bailey (resigned 30 June 2009)

JM Kendall was appointed after the year end on 23 March 2010

Directors' interests in the 1p ordinary shares of the Company and their share options are shown in the Remuneration Report on page 14. A Pendlebury retires by rotation and offers himself for re-election.

Substantial Shareholders
As at 2 February 2010, the following substantial shareholdings have been notified to the Company:

	Number of shares	% of issued share capital
Alison Chapman	1,520,340	16.85
Chase Nominees Limited	763,735	8.46
Giltspur Nominees Limited	726,715	8.05
Pershing Nominees Limited	608,065	6.74
Graham J Chivers	503,809	5.58
HSBC Global Custody Nominee (UK) Limited	470,000	5.21

Other than the interests noted above and the directors' interests disclosed on page 14, the directors are not aware that any person has an interest in more than 3% of the issued share capital.

Employees' Shareholdings
The directors consider that it is in the interest of the Group and its shareholders that employees should have the opportunity to acquire shares in the Company, thus benefiting from the Group's future progress. To achieve this objective an Executive Share Option Scheme and an Enterprise Management Incentive Scheme, which have both received formal Inland Revenue approval, are in operation. In addition unapproved share options have been issued where EMI thresholds have been exceeded.

Employees
The Group has continued to give full and fair consideration to all applications made by disabled persons, having regard to their respective aptitudes and abilities, and to ensure that they benefit from training and career development programmes, in common with all employees. The Group has continued its policy of employee involvement by making information available to employees through periodic staff meetings and presentations, together with personal appraisals and feedback sessions.

Creditor Payment Policy
It is the Group's payment policy for the year ending 31 December 2009, in respect of suppliers, to settle agreed outstanding accounts in accordance with the terms and conditions agreed with suppliers when placing orders. The Group will abide by these terms of payment. Group creditors at the year-end represented 17 days purchases (2008: 17 days).

Directors' Indemnities
The Company has qualifying third party indemnity provisions for the benefit of its directors which remains in force at the date of this report.

Dividends
No dividends (2008: 1.5p) were paid during the year and no final dividend is proposed.

Provision of Information to Auditors
Each of the persons who are a director at the date when this report was approved has confirmed:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that they have taken all the steps they had ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Going Concern
After making enquiries, the directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Corporate Governance
As the Group grows it intends, as far as it is practicable for a Company of its size, to increasingly observe the principles of good governance as set out in The Combined Code as annexed to the Listing Rules of the UK Listing Authority. The Board believes that the cost of full compliance with The Combined Code would not be justified at this stage of its development however, it is committed to complying with all areas of Section 1 of the Combined Code, where appropriate.

Board
The Company is managed by the Board of directors, which included three executive directors up to 30 June 2009 and two directors thereafter.

The Board of directors has a schedule of matters specifically reserved for its decision. The Board meets regularly and is responsible for formulating the Group's corporate strategy, monitoring financial performance, acquisitions, approval of major capital expenditure, treasury and risk management policies. Board papers are sent out to all directors in advance of each Board meeting including management accounts and accompanying reports from the executive directors. Annual budgets are approved by the full Board. Operational control is delegated by the Board to the executive directors. All directors have access to the advice of the Company Secretary and can take independent advice, if necessary, at the Company's expense.

Board Committees
The Board has established a remuneration committee and an audit committee.

Remuneration Committee
The remuneration committee is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance-related bonus schemes. The committee comprises WJC Douie, JM Kendall and A Pendlebury. It is chaired by WJC Douie. However, WJC Douie is not involved in determining his own remuneration.

The Remuneration Report, which includes details of directors' remuneration and directors' interests in share options together with information on service contracts, is set out on page 14.

Audit Committee
The audit committee comprises WJC Douie and A Pendlebury, and is chaired by WJC Douie. The committee meets as necessary to monitor the Group's internal control systems and major accounting and audit related issues.

Internal Control
Internal control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the directors have established with a view to providing effective internal financial control are as follows:

- **Management Structure**
  The Board has overall responsibility for the Group and there is a schedule of matters specifically reserved for decision by the Board.
- **Quality and Integrity of Personnel**
  The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment.
- **Identification of Business Risks**
  The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate courses of action to manage those risks.
- **Budgetary Process**
  Each year the Board approves the annual budget. Key risk areas will be identified. Performance is monitored and relevant action taken throughout the year through the monthly reporting to the Board of variances from the budget and preparation of updated forecasts for the year together with information on the key risk areas.
- **Authorisation Procedures**
  Capital and revenue expenditure is regulated by a budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals are submitted to and approved by the Board. Once authorised, expenditure is reviewed and monitored by the Board.

Board of Directors
The Board meets formally no less than six times per year and receives a defined supply of information.

The Company has two executive directors and no Non-Executive directors. The Company is on the lookout for a Non-Executive director but, in the meantime, it continues to enjoy the services of the Chairman, a qualified Banker with twelve years in investment management and corporate finance, who continues to ensure probity and shareholder focus.

Directors' Report
Year ended 31 December 2009

Authorities to Allot Shares
It is proposed to renew the authorities to allot shares at the forthcoming Annual General Meeting.

Resolution 6 will be proposed as an ordinary resolution to renew the general authority of the directors to allot ordinary shares up to an aggregate nominal amount of £45,113, (representing approximately 50% of the ordinary share capital of the Company in issue), such authority to expire 15 months after the passing of the resolution or at the conclusion of next year's Annual General Meeting (whichever is the earlier). The directors have no present intention of allotting ordinary shares pursuant to this authority.

Resolution 7 will be proposed as a special resolution to authorise the directors to allot equity securities for cash (otherwise than pro rata to existing shareholders), in connection with a rights issue which is made not strictly in accordance with Section 551 of the Companies Act 2006 or otherwise up to a maximum aggregate nominal value of £45,113 representing approximately 50% of the current issued share capital. Such authority is to expire 15 months after the passing of the resolution or at the conclusion of next year's Annual General Meeting (whichever is the earlier).

Purchase of Own Shares
It is proposed to seek authority for the Company to purchase up to 1,353,385 ordinary shares (equivalent to approximately 15% of the current issued share capital) at a maximum price, excluding expenses, of an amount equal to 105% of the average of the middle market quotations for the five business days immediately preceding the date of purchase and a minimum price, excluding expenses, of the nominal value of the shares. The authority shall expire 15 months after the passing of the resolution or at the conclusion of next year's Annual General Meeting (whichever is the earlier).

Resolution 7 will be proposed as an ordinary resolution to approve such market purchases. The directors believe such authority is beneficial and provides flexibility in the management of the Group's capital resources. Purchases would only be made if the directors were satisfied that such purchases were in the best interests of the Company and of the Group, and would result in an increase in expected earnings per share. There is no immediate intention of using such authority. Purchases pursuant to the authority would be financed from distributable reserves.

Risk Management
Treasury activities take place under procedures and policies approved by and monitored by the Board. They are designed to minimise the financial risks faced by the Group, which arise primarily from interest rate and liquidity risk. The Group's policy throughout the period has been to ensure the continuity of funding by the use of an overdraft facility as required.

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. All transactions are invoiced and paid in sterling so there is no foreign currency risk.

The Group's approach to financial risks is set out in note 21.

Auditors
A resolution for the reappointment of PKF (UK) LLP as auditors to the Company and to authorise the directors to agree their remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the Board

JM Kendall
Secretary

31 March 2010

Statement of Directors' Responsibilities
Year ended 31 December 2009

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union
- state, with regard to the parent company financial statements, whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Remuneration Report

Year ended 31 December 2009

The remuneration committee comprises WJC Douie, JM Kendall and A Pendlebury. It is chaired by WJC Douie. The committee determines an overall remuneration package for executive directors in order to attract and retain high quality executives capable of achieving the Group's objectives. The package consists of basic salary, benefits, performance related bonuses and pensions. The remuneration committee continues to give full consideration to provisions set out in section 1B (directors' remuneration) of The Combined Code in determining remuneration packages.

The individual components of the remuneration package are discussed below.

Basic Salary and Benefits

Salary and benefits are reviewed annually. Benefits comprise private healthcare.

Share Options

The Group has formulated a policy for the granting of share options to directors and full-time employees.

Performance Related Bonuses

For the year under review, bonuses have been awarded as disclosed in the directors' remuneration table below.

Pensions

The Company contributes 15% of AM Pendlebury's basic salary (excluding cash for car alternatives) to a money purchase pension scheme. The Company does not make any contributions in respect of any other director.

Directors' Interests

The interests of the directors in the ordinary shares of the Company at the start and end of the year were as follows:

	31 December 2009	31 December 2008
WJC Douie	**1,385,606**	1,385,606
AM Pendlebury	**615,175**	615,175

Details of the options of directors who served during the year are as follows:

	Number of options	**Exercise price**	**Exercisable to**
Approved EMI scheme			
WJC Douie	50,000	55.5p	4 June 2016
AM Pendlebury	194,175	51.5p	1 October 2017
	51,282	39.0p	7 May 2018
Unapproved scheme			
AM Pendlebury	133,825	51.5p	1 October 2017
	67,022	39.0p	7 May 2018

The market price of the Company's shares on 31 December 2009 was 14.5p and the highest and the lowest share prices during the year were 27.5p and 9.0p respectively.

No directors' share options were exercised during the year.

Remuneration Report
Year ended 31 December 2009

Directors' remuneration

	Salary £'000	Bonus £'000	Benefits in kind £'000	Pension contributions £'000	Total 2009 £'000	Total 2008 £'000
WJC Douie	86	–	4	–	90	106
AM Pendlebury	162	–	2	21	185	209
A Bailey	68	–	1	9	78	176
	316	–	7	30	353	491

A Bailey's remuneration is disclosed for the period he was a director of RTC Group Plc.

Service contracts
A Pendlebury has a service agreement with the Company, which is terminable upon 12 months notice in writing by either party. WJC Douie has a service agreement which is terminable upon 6 months notice in writing by either party.

On behalf of the Board

WJC Douie
Chairman

31 March 2010

Independent Auditors' Report to the Members of RTC Group Plc

Year ended 31 December 2009

We have audited the financial statements of RTC Group Plc for the year ended 31 December 2009 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows, the Company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial accounting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of RTC Group Plc

Year ended 31 December 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Gareth Singleton *(Senior statutory auditor)*
for and on behalf of PKF (UK) LLP, Statutory auditors
Derby, UK

31 March 2010

Consolidated Statement of Comprehensive Income

Year ended 31 December 2009

	Notes	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Revenue	2/3	**19,173**		25,848	
Cost of sales		**(16,172)**		(20,664)	
Gross Profit			**3,001**		5,184
Administrative expenses – normal		**(4,741)**		(4,651)	
Operating (loss)/profit before exceptional items	2/4		**(1,740)**		533
Administrative expenses – impairment of goodwill	7	**(674)**		(250)	
Operating (loss)/profit after exceptional items			**(2,414)**		283
Investment income		–		12	
Finance costs	8	**(5)**		–	
			(5)		12
(Loss)/profit before tax			**(2,419)**		295
Income tax expense	9		**74**		(157)
(Loss)/profit for the year attributable to equity holders			**(2,345)**		138

There are no further components of other comprehensive income which are not included in the (loss)/profit for the year.

	Notes	2009	2008
(Loss)/earnings per share			
– continuing operations	11	**(25.99)**	1.58p
Fully diluted (loss)/earnings per share			
– continuing operations	11	**(25.99)**	1.58p

All profits are generated from continuing operations.

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2009	**90**	**2,117**	**50**	**33**	**1,865**	**4,155**
Loss for the year	–	–	–	–	(2,345)	(2,345)
Total recognised income and expense for 2009	**90**	**2,117**	**50**	**33**	**(480)**	**1,810**
Shares issued	–	–	–	–	–	–
Share-based payment reserve	–	–	–	5	–	5
Dividends – note 10	–	–	–	–	–	–
At 31 December 2009	**90**	**2,117**	**50**	**38**	**(480)**	**1,815**

Year ended 31 December 2008

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2008	82	1,817	50	25	2,088	4,062
Profit for the year	–	–	–	–	138	138
Total recognised income and expense for 2008	82	1,817	50	25	2,226	4,200
Shares issued	8	300	–	–	–	308
Share-based payment reserve	–	–	–	8	–	8
Dividends – note 10	–	–	–	–	(361)	(361)
At 31 December 2008	90	2,117	50	33	1,865	4,155

The Share-based payment reserve comprises of the cumulative share option charge under IFRS 2 less the value of any share options that have been exercised or have lapsed.

The Group has not recorded any minority interests in respect of Ganymede Solutions Limited (10%) or Global Choice Limited (25%) as both companies made a loss in the year and have net liabilities.

Consolidated Statement of Financial Position

31 December 2009

	Notes	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Assets					
Non-current assets					
Intangible assets	12	**–**		674	
Property, plant and equipment	13	**691**		757	
Deferred tax asset	14	**55**		73	
			746		1,504
Current assets					
Inventories	15	**9**		8	
Trade and other receivables	16	**2,919**		5,420	
Cash and cash equivalents		**505**		108	
			3,433		5,536
Total assets			**4,179**		7,040
Liabilities					
Current liabilities					
Trade and other payables	17	**(1,711)**		(2,810)	
Current borrowings	17	**(653)**		–	
Current tax payable	17	**–**		(75)	
Total liabilities			**(2,364)**		(2,885)
Net assets	2		**1,815**		4,155
Equity attributable to equity holders of the parent					
Share capital	18		**90**		90
Share premium			**2,117**		2,117
Capital redemption reserve			**50**		50
Share-based payment reserve			**38**		33
Retained earnings			**(480)**		1,865
Total equity			**1,815**		4,155

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 31 March 2010 by

WJC Douie *Director*

JM Kendall *Director*

Consolidated Statement of Cash Flows
Year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Cash flows from operating activities			
Operating result from continuing operations		**(2,414)**	283
Adjustments for:			
Employee equity settled share options		**5**	8
Depreciation		**312**	311
Impairment of goodwill		**674**	250
Profit on sale of property, plant and equipment		**4**	(4)
Change in inventories		**(1)**	–
Change in trade and other receivables		**2,593**	(505)
Change in trade and other payables		**(1,099)**	145
Cash generated from operations		**74**	488
Interest received		**–**	12
Interest paid		**(5)**	–
Income taxes paid		**(75)**	(275)
Net cash from/(used in) operating activities		**(6)**	225
Cash flows from investing activities			
Purchases of property, plant and equipment		**(254)**	(334)
Proceeds from sale of property, plant and equipment		**4**	8
Net cash from/(used in) investing activities		**(250)**	(326)
Cash from/(used in) before financing		**(256)**	(101)
Cash flows from Financing activities			
Capital element of finance lease rental payments		**–**	(4)
Issue of ordinary share capital		**–**	308
Equity dividends paid		**–**	(361)
Net cash used in financing activities		**–**	(57)
Net (decrease)/increase in cash and cash equivalents	19	**(256)**	(158)
Cash and cash equivalents at the beginning of the period		**108**	266
Cash and cash equivalents at the end of the period		**(148)**	108

1. Statement of Accounting Policies

The principal accounting policies applied in the preparation of the Group financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRC Interpretations as adopted by the European Union issued and effective at 1 January 2009 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies which follow set out those policies which apply in preparing financial statements for the Group and the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements relate to the impairment of goodwill and are disclosed in note 12.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The Group has made a post-tax loss of £2.3m and the directors have taken this into account when assessing the going concern basis of preparation. The directors are satisfied that taking account of the Group's net assets of £1.8m, its bank facilities which have been agreed until May 2011 and the Group's trading and cash forecasts for the next 18 months, that the going concern basis of preparation is appropriate.

Adoption of standards

I. The following standards and amendments have been applied by the Group from 1 January 2009:

- IFRS 2 (Amendment) Share-based payment
- IFRS 8 Operating segments
- IAS 1 (Revised) Presentation of financial statements

IFRS 2 (Amendment) – clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

IFRS 8 – Replaces IAS 14 and requires listed entities to adopt the 'management approach' to reporting the financial performance and position of its operating segments. There is no longer a requirement to make disclosures based on primary and secondary reporting formats, nor is there a requirement to distinguish between business and geographical segments.

IAS 1 (Revised) – introduces a 'statement of comprehensive income' to enable readers to analyse changes in an entity's equity resulting from transactions with owners separately from 'non-owner' changes. The revisions give an option of presenting items of income and expense components of other comprehensive income either in a single statement, or in two separate statements. The revisions include changes in the titles of the primary statements to reflect their function more clearly (for example, the balance sheet is renamed a 'statement of financial position').

1. Statement of Accounting Policies (continued)

II. The following standards, amendments and interpretations were mandatory for the Group's accounting period, but are not relevant to the operations of the Group:

- IFRS 1 – First time adoption of IFRS
- IFRS 7 (Amendment) Financial instruments: Disclosures
- IAS 23 (Amendment) Borrowing costs
- IAS 27 (Amendment) Consolidated and separate financial statements
- IAS 32 (Amendment) Financial instruments presentation
- IAS 39 (Amendment) Financial instruments: Recognition and measurement
- IFRIC 13 – Customer loyalty programmes
- IFRIC 15 – Agreements for the construction of real estate
- IFRIC 16 – Hedges of net investment in a foreign operation

Other standards, amendments and interpretation that have been issued but that are not yet effective are not expected to have a material impact on the financial statements.

b) Basis of Consolidation

The Group financial statements consolidate the financial statements of RTC Group Plc and subsidiaries drawn up to 31 December each year.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies so as to obtain benefit from their activities. Subsidiaries are fully consolidated from the date on which control is transferred until the date that the control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent company and are based on consistent accounting policies.

The purchase method of accounting is used to account for acquisition of companies by the Group.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

c) Revenue

Recruitment

Revenue represents fee income derived from permanent and temporary to permanent contract candidate placements made during the year, together with the full value of contract labour supplied excluding value added tax.

Training & Conferencing

Revenue represents the sales value of training and conferencing provided that have occurred during the year, excluding value added tax.

Consideration received is recognised to the extent that the Group has performed its contractual obligations.

1. Statement of Accounting Policies (continued)

d) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight line basis in order to write off the cost, less residual value of each asset over its estimated useful life as follows:

Short-term lease improvements	33.3% per annum or the lease term
Fixtures and office equipment	25.0% – 33.3% per annum
Training equipment	4.0% – 33.3% per annum
Other non training equipment	8.0% – 25.0% per annum
Motor vehicles	25.0% – 33.3% per annum

Residual values and remaining useful economic lives are reviewed annually and adjusted if appropriate. Gains and losses on disposal are included in the statement of comprehensive income.

e) Impairment of assets

The Group assesses at each statement of financial position date whether there is any indication that any of its assets have been impaired. If any indication exists, the asset's recoverable amount is estimated and compared to its carrying values.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

f) Goodwill

Goodwill on acquisitions comprises of the excess of the fair value of the consideration plus any associated costs for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired. Adjustments are made to fair values to bring the accounting policies of acquired businesses into alignment of those of the Group. The costs of integrating and reorganising acquired businesses are charged to the post acquisition statement of comprehensive income.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

g) Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in-first-out basis. Cost comprises purchase cost of goods, direct labour and those overheads related to manufacture and distribution based on normal activity levels.

h) Leasing and Hire Purchase Commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are passed to the Group, and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of their expected useful lives or the lease period. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of comprehensive income so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases charged to the statement of comprehensive income on a straight-line basis over the term of the lease. Operating lease incentives are credited to the statement of comprehensive income over the lease term.

i) Income Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Income tax is charged or credited directly to equity if it related to items that are credited or charged to equity; otherwise income tax is recognised in the statement of comprehensive income.

1. Statement of Accounting Policies (continued)

j) *Deferred Taxation*

Deferred taxation is provided in full using the statement of financial position liability method. Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations; the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

The Group does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries as it is not considered probable that the temporary differences will reverse in the foreseeable future. It is the Group's policy to reinvest undistributable profits arising in Group companies.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

k) *Retirement Benefits*

Contributions to money purchase pension schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

The Group also operates a defined benefit pension scheme which is a multi-employer defined benefit scheme. As the Company is unable to identify its share of the assets and liabilities it is accounted for as a defined contribution scheme in accordance with IAS 19.

l) *Financial Instruments*

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

m) *Share-Based Payments*

The Group issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the date of the grant of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimates of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The effect of this is shown in note 18.

Fair value is measured by use of a Black–Scholes model.

n) *Trade Payables*

Trade payables are stated at their original invoiced value. They are recognised on the trade date of the related transaction.

o) *Trade Receivables*

Trade receivables are stated at their original invoiced value reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised on the trade date of the related transactions. Balances are written off when the probability of recovery is assessed as being remote.

p) *Cash and Cash Equivalents*

Cash in the statement of financial position comprises cash at bank.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash as defined above, net of outstanding overdrafts.

q) *Borrowings*

Interest-bearing borrowings are stated at amortised cost.

2. Segmental Analysis

The Group is a provider of Recruitment, Training and Conferencing Services and operates a division for each, made up from a number of legal entities. The primary reporting segment is based on the management structure of the Group, which also approximates to the trading divisions. Segmental information is provided below in respect of Recruitment, Training and Conferencing operations. As part of the reporting process within the Group, central costs are allocated to each division. The Group manages its divisions trading performance and working capital by monitoring operating profit before exceptional items and centrally manages Group taxation, capital structure and spend including net equity and net debt.

Each of the three divisions are primarily conducted in the United Kingdom although there is a small international element (see note 3), which is deemed to be immaterial by management.

Revenues are generated from permanent and temporary recruitment in the Recruitment Division, from rail and other regulated training in the Training Division and from the provision of a conferencing and hotel facility in Derby for the Conferencing Division. Further details of these activities are described in the Chief Executive's statement.

All revenues have been invoiced to external customers. No single customer accounts for more than 10% of the Group's revenue.

The segmental analysis of turnover, gross margin, operating profit before exceptional goodwill write off and net assets is as follows:

	2009	2008
	£'000	£'000
Revenue		
Recruitment	**15,343**	20,646
Training	**2,694**	3,773
Conferencing	**1,136**	1,429
	19,173	25,848
Gross Margin		
Recruitment	**1,713**	3,607
Training	**813**	1,239
Conferencing	**475**	338
	3,001	5,184
Operating profit from continuing operations before exceptional items		
Recruitment	**(718)**	1,046
Training	**(631)**	(130)
Conferencing	**(391)**	(383)
	(1,740)	533

2. Segmental Analysis (continued)

	2009 £'000	2008 £'000
Other information		
Depreciation:		
Recruitment	**89**	88
Training	**114**	121
Conferencing	**109**	102
	312	311
Capital expenditure:		
Recruitment	**117**	66
Training	**31**	64
Conferencing	**106**	204
	254	334

	2009 £'000 Assets	**2009 £'000 Liabilities**	**2009 £'000 Net**	2008 £'000 Assets	2008 £'000 Liabilities	2008 £'000 Net
Recruitment	**2,790**	**(1,562)**	**1,228**	4,574	(1,996)	2,578
Training	**659**	**(420)**	**239**	1,082	(453)	629
Conferencing	**472**	**(152)**	**320**	626	(225)	401
Non-trading/Group	**258**	**(230)**	**28**	758	(211)	547
	4,179	**(2,364)**	**1,815**	7,040	(2,885)	4,155

All assets and liabilities are held in the United Kingdom.

3. Revenue

	2009 £'000	2008 £'000
The geographical analysis of revenue is as follows:		
United Kingdom	**18,839**	25,756
Rest of the world	**334**	92
	19,173	25,848

4. Operating (Loss)/Profit Before Exceptional Items

	2009 £'000	2008 £'000
Group operating (loss)/ profit before exceptional items for the year is stated after charging/ (crediting):		
Depreciation of owned tangible fixed assets	**312**	311
Depreciation of finance leased tangible fixed assets	**–**	–
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**23**	20
Fees payable to the Company's auditor for other services:		
– the audit of the Company's subsidiaries pursuant to legislation	**22**	22
– other services relating to taxation	**7**	7
Operating lease expense in respect of:		
– land and buildings	**467**	403
– other equipment and motor vehicles	**–**	–
Profit on disposal of fixed assets	**4**	(4)

5. Directors' Emoluments

	2009 £'000	2008 £'000
Total emoluments (excluding pension contributions)	**323**	451
Pension contributions	**30**	40
Share-based payment charge/(credit)	**5**	8
Highest paid (excluding pension contributions)	**164**	188
Highest paid pension contribution	**21**	21

One (2008: Two) directors are accruing benefits under a money purchase pension scheme.

6. Staff Numbers and Costs

	2009 Number	2008 Number
The number of employees can be categorised as follows:		
Sales and marketing	**73**	86
Administration	**47**	49
Training and support staff	**57**	77
Labour supply	**30**	70
	207	282

	£'000	£'000
Staff costs comprise:		
Wages and salaries	**6,022**	8,651
Social security costs	**609**	928
Share-based payments	**5**	8
Other pension costs	**162**	183
	6,798	9,770

7. Exceptional Administrative Costs

	2009 £'000	2008 £'000
Impairment of goodwill (note 12)	**674**	250

The impairment of goodwill has no tax effect.

8. Finance Cost

	2009 £'000	2008 £'000
Bank and other loans (repayable within five years) and overdrafts	**5**	–
Other interest	**–**	–
	5	–

9. Income Tax

	2009 £'000	2008 £'000
Analysis of tax:		
Current Tax		
UK corporation tax	**–**	172
Adjustment in respect of previous periods	**(92)**	3
	(92)	175
Deferred Tax		
Origination and reversal of temporary differences	**18**	(18)
Adjustment in respect of previous periods	**–**	–
Tax	**(74)**	157

Factors affecting the tax expense:
The tax assessed for the year is greater than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 28% (2008: 28%). The differences are explained below:

	2009 £'000	2008 £'000
(Loss)/profit on ordinary activities before tax	**(2,419)**	295
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28%)	**(677)**	83
Non deductible expenses	**250**	71
Losses utilised	**445**	–
Adjustment in respect of previous periods	**(92)**	3
Income Tax (credit) / charge for the year	**(74)**	157

10. Dividends

	2009 £'000	2008 £'000
Interim dividend paid nil p per share (2008: 1.5p)	**–**	136
Final dividend 2007, declared April 2008 (2.0p per share)	**–**	225
Final dividend 2008, declared April 2009 (nil p per share)	**–**	–
	–	361

No final dividend in respect of the year ended 31 December 2009 was proposed by the directors in March 2010.

11. Earnings Per Share

The calculation of earnings per share is based on a loss after tax expense of £2,345,000 (2008: profit £138,000) and a weighted average of 9,022,564 (2008: 8,751,394) shares in issue. Details of share options in place may be found in note 18.

The outstanding share options were not considered to be dilutive in 2009 nor 2008.

The earnings per share before exceptional items is calculated by using the loss after tax of £1,671,000 (2008: profit £138,000) and adding back the exceptional administrative charge of £674,000 (2008: £250,000) relating to the impairment of goodwill (see note 12).

	2009	2008
(Loss)/earnings per share before exceptional items	**(18.52)p**	4.43p

12. Intangible Assets

Year ended 31 December 2009	**2009 £'000**
Goodwill at Cost	
At 1 January 2009 and at 31 December 2009	**1,310**
Accumulated impairment	
At 1 January 2009	**636**
Impairment	**674**
As at 31 December 2009	**1,310**
Carrying value	
At 31 December 2009	**–**
At 1 January 2009	**674**

Year ended 31 December 2008	2008 £'000
Goodwill at Cost	
At 1 January 2008 and at 31 December 2008	1,310
Accumulated impairment	
At 1 January 2008	386
Impairment	250
As at 31 December 2008	636
Carrying value	
At 31 December 2008	674
At 1 January 2008	924

12. Intangible Assets (continued)

The cash generating unit ('CGU') giving rise to the goodwill is the Training Division, in respect of the business of Catalis Limited.

The Group tests annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGU is determined from value in use calculations.

Key assumptions used in the value in use calculations:

The key assumptions for the value in use calculations are those regarding the discount rates and expected changes to operating results and cash flows during the period of ten years from the statement of financial position date. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks in relation to the CGU. Changes in operating results and cash flows are based on past results and expectations of the future markets.

The Group prepares cash flow forecasts for the next two to five years derived from the most recent budget information. Cash flows between five and ten years have been extrapolated based on an estimated growth rate of 0%. The rate used to discount the forecast cash flows is 7.5%.

The impairment of goodwill of £674,000 recorded in the year arose due to the uncertainty in the current market place arising from the current economic environment and the recent performance of the Training Division. In accordance with applicable accounting standards management have excluded from their forecasts any potential amendments to the underlying cost structure of the CGU which were not committed at the year end.

Budgeted cash flow is expressed as the compound annualised growth rates in the initial five years of the Group's approved management plans.

Long-term growth rate is expressed as the compound annual growth rates in from year five to year ten of the value in use calculation.

Sensitising the growth rate and discount rate by plus or minus 1% has no impact on the impairment charge.

13. Property Plant & Equipment

Year ended 31 December 2009

	Short leasehold improvements £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2009	445	5,079	182	5,706
Additions	12	229	13	254
Disposals	(15)	(101)	(103)	(219)
At 31 December 2009	442	5,207	92	5,741
Accumulated depreciation				
At 1 January 2009	391	4,394	164	4,949
Depreciation	34	270	8	312
Disposals	(15)	(101)	(95)	(211)
At 31 December 2009	410	4,563	77	5,050
Carrying value				
At 31 December 2009	32	644	15	691
At 1 January 2009	54	685	18	757

Year ended 31 December 2008

	Short leasehold improvements £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2008	428	4,840	222	5,490
Additions	17	317	–	334
Disposals	–	(78)	(40)	(118)
At 31 December 2008	445	5,079	182	5,706
Accumulated depreciation				
At 1 January 2008	349	4,217	186	4,752
Depreciation	42	255	14	311
Disposals	–	(78)	(36)	(114)
At 31 December 2008	391	4,394	164	4,949
Carrying value				
At 31 December 2008	54	685	18	757
At 1 January 2008	79	623	36	738

There is a charge over Group's fixed assets in respect of the Group's overdraft and invoice discounting facilities.

There were no contractual commitments for the acquisition of property, plant and equipment (2008: £Nil).

14. Deferred Tax Asset

	2009 £'000	2008 £'000
At 1 January 2009	**73**	55
Charge for the year	**(18)**	18
At 31 December 2009	**55**	73

15. Inventories

	2009 £'000	2008 £'000
Food, drink and goods for resale	**9**	8
	9	8

16. Trade and Other Receivables

	2009 £'000	2008 £'000
Amounts falling due within one year		
Gross trade receivables	**2,281**	4,851
Provisions	**(44)**	(145)
Net trade receivables	**2,237**	4,706
Corporation tax	**94**	–
Other receivables and prepayments	**588**	714
	2,919	5,420

Allowances for credit losses on trade receivables (provision for doubtful debt)

	2009 £'000	2008 £'000
Allowances as at 1 January	**145**	268
Additions – charged to statement of comprehensive income	**69**	210
Allowances used	**(136)**	(228)
Allowances reversed	**(34)**	(105)
Allowances as at 31 December	**44**	145

	Total £'000	Current £'000	Past due by 30 days or less £'000	Past due between 31 to 60 days £'000	Past due over 61 days £'000
2009 Trade receivables	**2,237**	**1,675**	**544**	**18**	**–**
2008 Trade receivables	4,706	2,586	1,297	621	202

The Company does not hold any collateral in respect of the above balances.

17. Liabilities

	2009 £'000	2008 £'000
Trade and other payables		
Trade payables	**547**	709
Other taxes and social security costs	**455**	701
Other payables and accruals	**709**	1,400
	1,711	2,810
Borrowings:		
Bank loans and overdrafts	**653**	–
Finance leases	**–**	–
	653	–
Tax liabilities:		
Corporation tax	**–**	75

Maturity of trade payables is between one and three months.

Included within Bank loans and overdrafts are bank overdrafts and an invoice discounting facility. During the year the Group has used its bank overdraft and invoice discounting facility, which is secured by a cross guarantee and debenture over all Group trading companies. There have been no defaults or breaches of interest payable during the current or prior year.

18. Share Capital

	2009 £'000	2008 £'000
Allotted, issued and fully paid – ordinary shares of 1p each:		
As at 1 January 2009 9,022,564 shares (2008: 8,202,331 shares)	**90**	82
Issued during the year Nil shares (2008: 820,233 shares)	**–**	8
As at 31 December 2009 9,022,564 shares (2008: 9,022,564 shares)	**90**	90

18. Share Capital (continued)

The share options under each of the schemes remaining are as follows:

Year	**As at 1 January 2009**	**No. of Options Granted in 2009**	**Lapsed in 2009**	**As at 31 December 2009**	**Option Price**	**Exercise Period**
Approved EMI						
2000	4,348	–	–	4,348	69.0p	May 2003 to May 2010
2001	5,000	–	–	5,000	57.5p	September 2004 to September 2011
2002	25,000	–	–	25,000	96.1p	July 2005 to July 2012
2003	59,500	–	1,500	58,000	91.0p	May 2006 to May 2013
2004	4,000	–	–	4,000	114.5p	May 2007 to May 2014
2005	13,000	–	3,000	10,000	97.5p	June 2008 to June 2015
2007	20,000	–	–	20,000	53.0p	May 2010 to May 2017
2007	108,652	–	–	108,652	55.5p	June 2010 to June 2017
2007	246,117	–	–	246,117	51.5p	October 2010 to October 2017
2008	67,734	–	–	67,734	39.0p	May 2011 to May 2018
Unapproved						
2007	145,883	–	–	145,883	51.5p	October 2010 to October 2017
2008	67,022	–	–	67,022	39.0p	May 2011 to May 2018

Share options outstanding at 31 December 2009 had a weighted average exercise price of 59p, and a weighted average remaining contractual life of 7 years.

The share options remaining at 31 December 2008 under each of the schemes were as follows:

Year	As at 1 January 2008	No. of Options Granted in 2008	Lapsed in 2008	As at 31 December 2008	Option Price	Exercise Period
Approved EMI						
1999	14,000	–	14,000	–	96.0p	March 2002 to March 2009
2000	31,015	–	26,667	4,348	69.0p	May 2003 to May 2010
2001	10,000	–	5,000	5,000	57.5p	September 2004 to September 2011
2002	60,000	–	35,000	25,000	96.1p	July 2005 to July 2012
2003	70,500	–	11,000	59,500	91.0p	May 2006 to May 2013
2004	13,000	–	9,000	4,000	114.5p	May 2007 to May 2014
2005	18,000	–	5,000	13,000	97.5p	June 2008 to June 2015
2007	55,000	–	35,000	20,000	53.0p	May 2010 to May 2017
2007	122,333	–	13,681	108,652	55.5p	June 2010 to June 2017
2007	246,117	–	–	246,117	51.5p	October 2010 to October 2017
2008	–	67,734	–	67,734	39.0p	May 2011 to May 2018
Unapproved						
2007	145,883	–	–	145,883	51.5p	October 2010 to October 2017
2008	–	67,022	–	67,022	39.0p	May 2011 to May 2018

	2009 £'000	2008 £'000
Total (income)/expense recognised in the statement of comprehensive income in respect of share-based payment	**5**	8

19. Reconciliation of Net Cash Flow to Movement in Net Funds

	2009 £'000	2008 £'000
(Decrease)/increase in cash in the year	**(256)**	(158)
Cash outflow from changes in debt and lease financing	**–**	4
Movement in net funds in the year	**(256)**	(154)
Net funds/(debt) at 1 January	**108**	262
Net funds/(debt) at 31 December	**(148)**	108

20. Analysis of Net Debt

	At 1 January 2009 £'000	Cash Flows £'000	Other non-cash movements £'000	At 31 December 2009 £'000
Cash at bank and in hand	108	397	–	**505**
Bank overdraft	–	(653)		**(653)**
Finance leases	–	–	–	**–**
Net funds/(debt)	108	(256)	–	**(148)**

21. Financial Instruments

Treasury activities take place under procedures and policies approved by and monitored by the Board. They are designed to minimise the financial risks faced by the Group.

Interest rate risk

The Group has financed its operations through a mixture of retained profits and bank borrowings and has sourced its main borrowings through a variable rate overdraft facility and an invoice discounting facility. The Group manages interest rate risk in respect of surplus cash balances by making deposits with suitable financial institutions and therefore does not consider the downside risk to be significant.

Given the level of net funds during the year, the impact of a 1% increase or decrease in the rate of interest rates would not be material.

Liquidity risk

The Group seeks to mitigate liquidity risk by effective cash management. The Group's policy throughout the year has been to ensure the continuity of funding by the use of an overdraft facility and an invoicing discount facility as required.

Credit risk

The Group extends credit to recognised creditworthy third parties. Trade receivable balances are monitored to minimise the Group's exposure to bad debts. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board. Independent credit ratings are used if available to set suitable credit limits. If there is no independent rating, the Board assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. At the year end none of the trade receivable balances that were not past due or specifically provided against exceed set credit limits and management does not expect any losses from non-performance by these counterparties. Credit risk also arises from cash and cash equivalents deposited with financial institutions. The Group deposits its surplus funds with only high quality banks and financial institutions with a minimum independent credit rating of A1. Such deposits have a maturity of no more than one month. The maximum exposure to credit risks is the total of the financial assets set out below.

21. Financial Instruments (continued)

Borrowing facilities

The Group has an invoice discounting facility of £4,000,000 and an overdraft facility of £50,000.

There have been no changes in the financial risks from the previous year.

Carrying amount of financial instruments

The Group has the following financial assets:

- Cash and deposits
- Trade receivables (see note 14)
- Other debtors excluding prepayments of £382,000 (2008: £447,000)

Each of the financial assets would be classified as loans and receivables under the relevant IAS 39 category.

The Group's financial liabilities consist of Trade and other payables and would be classified as financial liabilities at amortised cost under the relevant IAS 39 category.

There is no difference between the fair value and carrying value of financial instruments.

22. Contingent Liability

The Company has entered into a cross guarantee and debenture charge with the Group's bankers in respect of net £50,000 (2008: £50,000) overdraft facilities extended to certain of the Company's subsidiaries.

At 31 December 2009 there is a gross contingent liability in respect of this facility of £Nil (2008: £Nil).

23. Operating Lease Commitments

As a lessee the future minimum lease payments under non-cancellable operating leases on land and buildings expiring:

	2009 **£'000**	2008 £'000
Within one year	**42**	17
Between one and two years	**312**	85
Between two and five years	**367**	1,034
After five years	**–**	–
	721	1,136

The Group does not sub-lease any of its leased premises.

As a lessee the future minimum lease payments under non-cancellable operating leases on plant and equipment expiring:

	2009 **£'000**	2008 £'000
Within one year	**–**	–
Between two and five years	**–**	–
	–	–

There were no capital expenditure commitments at the year end (2008: none).

24. Retirement Benefit Obligations

The Group operates money purchase pension schemes for eligible employees. The total pension cost for the Group for the year ended 31 December 2009 for the schemes was £105,000 (2008: £115,000) and as at 31 December 2009 there were contributions of £7,000 (2008: £2,000) outstanding.

The Group also operates an industry wide funded defined benefit pension scheme for the benefit of those employees who are eligible to be members of the Omnibus Section of the Railways Pension Scheme.

In accordance with IAS 19, the pension scheme meets the criteria of a multi employer scheme and is accounted for as a defined contribution scheme in the accounts. This is because the scheme assets that specifically relate to the Group cannot be separated, as it is not practicable to determine the present value of the Group's obligation or the related current service cost as the plan computes its obligations on a basis that differs materially from the basis used in the Group's financial statements. As at the last valuation date of 31 December 2007, the scheme was funded to the value of 107%. The total pension cost for the Group for the year ended 31 December 2009 for the scheme was £58,000 (2008: £68,000).

The amount recognised in the statement of comprehensive income of this scheme is therefore considered to be equal to the contributions payable by the Company.

25. Related Party Transactions

RTC Group Plc is the parent company of the Group that includes the following trading entities that have been consolidated:

ATA Management Services Limited
ATA Recruitment Limited
Catalis Limited
The Derby Conference Centre Limited
Ganymede Solutions Limited
Global Choice Recruitment Limited

The Group, as permitted by the scope paragraph of IAS 24, Related Party Disclosures, has not disclosed transactions with other Group companies that are eliminated on consolidation.

26. Capital Management

The Group's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Group uses its overdraft and invoice discounting facilities to manage its short-term working capital requirements and has a policy of not having a long use of finance leases.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Company Balance Sheet
31 December 2009

	Notes	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Assets					
Non-current assets					
Investments	C		**25**		1,523
Current assets					
Debtors	D	**1,641**		3,221	
Cash and cash equivalents		**13**		–	
			1,654		3,221
Creditors					
Amounts falling due within one year	E	**(39)**		(1,553)	
			(39)		(1,553)
Net current assets			**1,615**		1,668
Net assets			**1,640**		3,191
Equity attributable to equity holders of the parent					
Share capital	H		**90**		90
Share premium			**2,117**		2,117
Capital redemption reserve			**50**		50
Share-based payment reserve	F		**38**		33
Profit and loss account	F		**(655)**		901
Total equity	G		**1,640**		3,191

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 31 March 2010 by

WJC Douie *Director*

JM Kendall *Director*

Notes to the Company's Financial Statements
Year ended 31 December 2009

A. Accounting Policies
RTC Group Plc ("the Company") was incorporated and is domiciled in the United Kingdom. Its registered office and principal place of business is The Derby Conference Centre, London Road, Derby, DE24 8UX and its registered number 2558971.

(a) Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice ('United Kingdom Accounting Standards and applicable law').

(b) Investments
Shares in subsidiary companies are stated at cost less provision for any impairment in value.

(c) Deferred Taxation
As required by Financial Reporting Standard 19 'Deferred Tax', full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. Deferred tax assets are recognised to the extent that there are more likely than not anticipated to be sufficient profits against which the asset can be relieved. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax is not discounted.

(d) Pension Costs
Contributions to money purchase pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(e) Financial Instruments
The only financial instruments held by the Company are Sterling financial assets and liabilities. They have been included in the financial statements at their undiscounted respective asset or liability values.

(f) Share-Based Payments
The Company has applied the requirements of Financial Reporting Standard 20 Share-based Payments – as detailed in note 18 of the consolidated accounts.

The Company issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the date of the grant of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimates of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The effect of this is shown in note 18.

Fair value is measured by use of a Black–Scholes model.

B. Company Profit and Loss Account
The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's loss after taxation for the year amounted to £1,551,000 (2008: loss of £676,000).

C. Investments

	2009	2008
	£'000	£'000
Shares in subsidiary undertakings – Company		
Cost at 1 January	1,541	1,541
Investment in subsidiary company	12	–
Redemption of preferred shares in subsidiary undertaking	–	(500)
Allotment of shares in subsidiary undertaking	–	500
Cost at 31 December	1,553	1,541
Provisions at 1 January	18	18
Charge in the Year	1,510	–
Provisions at 31 December	1,528	18
Net Book Value at 31 December	25	1,523

With the exception of the Derby Conference Centre Limited, at 31 December 2009 the Company held the entire share capital of the following subsidiary undertakings, which are incorporated in England and Wales and operate in the United Kingdom, with the exception of ATA Services GmbH which is incorporated in Switzerland.

	Business activities
ATA Management Services Limited	Management Services
ATA Recruitment Limited	Recruitment
Catalis Limited	Training Provider
The Derby Conference Centre Limited	Conferencing Services
Ganymede Solutions Limited	Labour supply
Global Choice Recruitment Limited	Recruitment
ATA Services GmbH	Recruitment

Subsidiary undertakings that are dormant have not been included in the above list.

On 6 January 2009 the Company sold 10% of the shares in Ganymede Solutions Limited for a consideration of £1 to Gary Hewett, the Managing Director of that company.

On 24 April 2009 the trade and assets of Global Choice Solutions Limited, an oil and gas recruitment business, were acquired for a consideration of £1. Subsequently, 25% of the shares were sold to management of the Company.

On 30 September 2009 the Company established ATA Services GmbH in Switzerland, with an investment of £12,000.

D. Debtors

	2009	2008
	£'000	£'000
Amounts owed by group undertakings	1,629	3,214
Deferred tax asset	4	1
Other debtors and prepayments	8	6
	1,641	3,221

E. Creditors – Amounts Falling Due Within One Year

	2009 £'000	2008 £'000
Trade and other payables		
Bank loans and overdraft	**–**	22
Amounts owed to group undertakings	**1**	1,417
Other taxes and social security costs	**10**	–
Other creditors and accruals	**28**	114
	39	1,553

F. Reserves Reconciliation

	Share-based payment reserve £'000	Profit and loss account £'000
At 1 January 2009	**33**	**901**
Loss for the year	**–**	**(1,556)**
Share-based payment reserve	**5**	**–**
At 31 December 2009	**38**	**(655)**

G. Shareholders' Funds

	2009 £'000	2008 £'000
Shareholders' deficit at 1 January 2009	**3,191**	3,899
Profit/(loss) for the year	**(1,556)**	(1,037)
Share capital issued during the year	**–**	8
Increase in share premium in the year	**–**	300
Share-based payment	**5**	21
Shareholders' deficit at 31 December 2009	**1,640**	3,191

H. Share Capital

	2009 £'000	2008 £'000
Allotted, issued and fully paid – ordinary shares of 1p each:		
As at 1 January 2009 9,022,564 shares (2008: 9,022,564 shares)	**90**	82
Issued during the year nil shares (2008: 820,233 shares)	**–**	8
As at 31 December 2009 9,022,564 shares (2008: 9,022,564 shares)	**90**	90

I. Financial Instruments

Treasury activities take place under procedures and policies approved by and monitored by the Board. They are designed to minimise the financial risks faced by the Company, which arise primarily from interest rate and liquidity risk. The Company has taken advantage of the exemption in Financial Reporting Standard 13 to exclude short-term debtors or creditors.

Interest rate risk

The Company has financed its operations through a mixture of retained profits and bank borrowings and has sourced its main borrowings through a variable rate overdraft facility. The facility was not being used as at 31 December 2009.

Liquidity risk

The Company's policy throughout the period has been to ensure the continuity of funding by the use of an overdraft facility as required.

Financial assets

The only financial asset held by the Company other than short-term debtors is its cash balance. The balance is held in short-term interest bearing accounts.

Financial liabilities

There was no significant financial liability at the year end.

Borrowing facilities

The Company has access to the Group's overdraft facility of £50,000 (2008: £50,000).

Appendix 1 – Five-Year Record

	2005 £'000	2006 £'000	2007 £'000	2008 £'000	**2009** **£'000**
Revenue	18,321	18,134	23,615	25,848	**19,173**
Cost of Sales	(12,617)	(13,692)	(18,379)	(20,664)	**(16,172)**
Gross Profit	5,704	4,442	5,236	5,184	**3,001**
Net operating expenses – normal	(5,170)	(4,558)	(4,489)	(4,651)	**(4,741)**
Operating profit before exceptional items	534	(116)	747	533	**(1,740)**
Net operating expenses – exceptional	–	974	–	(250)	**(674)**
Net investment income/finance costs	(34)	(3)	(1)	12	**(5)**
Profit on disposal of fixed assets	–	73	–	–	**–**
Profit before tax	500	928	746	295	**(2,419)**
Income tax expense	(78)	(315)	(248)	(157)	**74**
Profit from continuing operations	422	613	498	138	**(2,345)**
Loss on discontinued operations	–	(174)	–	–	**–**
Profit attributable to equity holders	422	439	498	138	**(2,345)**
Earnings/(loss) per share – continuing and discontinued operations (in pence)	5.15	5.35	6.07	1.58	**(25.99)**

This summary does not form part of the audited accounts.

Appendix 2 – Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of RTC Group Plc will be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London, SE1 2AU on 22 June 2010 at 12.00 noon for the following purposes: -

To consider, and if thought fit, pass the following resolutions which will be proposed as to resolutions 1 to 6 and 8, as ordinary resolutions, and as to resolution 7 as a special resolution:

1. To receive and adopt the directors' and Auditors' Report and the Financial Statements for the year ended 31 December 2009.

2. To receive and approve the Remuneration Report for the year ended 31 December 2009.

3. To re-elect A Pendlebury as a director of the Company.

4. To re-appoint JM Kendall as a director of the Company

5. To re-appoint PKF (UK) LLP as auditors to the Company until the conclusion of the next Annual General Meeting, and to authorise the directors to fix their remuneration.

6. That in substitution of all previous authorities to the extent unused, the directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £45,113, this authority to expire 15 months after the passing of this resolution or the conclusion of the Annual General Meeting to be held in 2011 (whichever is earlier) unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the directors may allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

7. That, subject to the passing of resolution 5 above, the directors be and are hereby generally and unconditionally empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) wholly for cash pursuant to the authority conferred by Resolution 5 above as if section 561 of the said Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
   (a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any shareholder holding shares as treasury shares) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates, legal or practical problems arising in, or pursuant to, the laws of any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
   (b) otherwise than pursuant to paragraph 10(a) above, up to an aggregate nominal amount of £45,112.82, provided that this power shall expire 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2011, (whichever is earlier) unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry and the directors may allot equity securities, in pursuance of such offer or agreement as if this power had not expired.

8. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 1p each in the capital of the Company provided that:

Appendix 2 – Notice of Annual General Meeting

(a) the maximum number of ordinary shares 1p each in the capital of the Company hereby authorised to be acquired is 1,353,385;

(b) the minimum price (exclusive of all expenses) which may be paid for such shares is 1p per share;

(c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent. of the average of the middle-market prices shown in the quotations for ordinary shares of the Company in the Daily Official List of the London Stock Exchange on the five business days immediately preceding the day on which the share is contracted to be purchased;

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting following the date upon which this resolution was passed or 15 months following the date upon which this resolution was passed (whichever is earlier); and

(e) the Company may contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuant of any such contract.

31 March 2010

By Order of the Board

Registered Office:
The Derby Conference Centre
London Road
Derby
DE24 8UX

Notes to the Notice of Annual General Meeting

NOTES:

1. Only those members registered on the Company's register of members at

   - 6 p.m. on 18 June 2010; or
   - If this meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting;

   shall be entitled to attend and vote at the Meeting.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A member of the Company may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member is not entitled to appoint more than one proxy to exercise rights attached to any one share. Please contact the Company's Registrar if you wish to appoint more than one proxy.

4. A proxy form for use in connection with the meeting accompanies this report and accounts. Additional copies may be obtained from the registered office. The proxy form and any power of attorney under which it is signed must be lodged at the address printed on the proxy form not less than 48 hours before the time appointed for holding the meeting. The fact that members may have completed forms of proxy will not prevent them from attending and voting in person should they afterwards decide to do so.

5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Copies of the directors' service contracts and a copy of the Memorandum and Articles may be inspected during usual business hours on any weekday (public holidays excepted) at the registered office from the date of this Notice of Meeting until the date of the meeting and on 18 June 2010 at the place of the meeting from 11.45 a.m. until the meeting's conclusion.

Shareholder Notes

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