RTC GROUP

RECRUITMENT & CONFERENCING

ANNUAL REPORT & ACCOUNTS 2010

Contents

Chairman's Statement

Year ended 31 December 2010

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

Highlights

Group operating loss from continuing operations before exceptional items of £490,000 (2009: £1,153,000).

Group pre-tax loss before taxation of £450,000 (2009: loss £1,832,000).

Loss per share of 10.62p (2009: 25.99p).

Recruitment made an operating profit of £212,000 (2009: loss £460,000).

Conferencing made an operating loss of £277,000 (2009: loss £372,000).

Group

Following the appointment of Andy Pendlebury as Chief Executive Officer of the Group in October 2007 a full review of the composition of the Group was conducted and the process of focusing Group activities on recruitment was completed during 2010 with the disposal, outlined in my Interim Statement, of our training subsidiary, Catalis Limited. Although it did not prove possible to find a buyer for the company, the business has continued to trade under new owners who are now a significant tenant of our Derby Conference Centre at London Road, Derby.

Trading

The Recruitment division performed well in 2010. In particular contract recruitment has continued to expand across all areas of our business and this has been significantly accelerated by our second large contract to supply long term support staff to NATO bases in Afghanistan, now expected to reach over 700 personnel during the current year. Although the business environment is still tough and impacting on our branch network, vertical markets, operating from Derby and led by Rail and Energy, have grown strongly. In addition to the permanent recruitment activities we provide to a broad range of European clients we now have recruitment activity in Germany and to support this have established a formal European presence.

Growth has also continued in our labour supply company, Ganymede Solutions Limited, again led by Rail, with opportunities in other industry sectors broadening the portfolio.

The Catalis training business was placed into administration in June and is treated as discontinued in the accounts.

Whilst The Derby Conference Centre made major advances in cost control and gross margin enhancements during 2010 the business continued to experience difficult trading as customers continued to conduct conferencing activities in-house.

Although there can be no room for over-optimism, overall Group trading performance, built on a profitable recruitment division, closely approached breakeven in the second half and consequently had stabilised by the year end.

Capital Investment

During the year, although only essential repairs and maintenance expenditure was incurred, it was possible to continue the upgrade of the Derby Conference Centre premises as further space was brought back into use.

Dividends

Your directors do not feel able to recommend any dividends for 2010.

Management

Building on the achievements of 2009, we continued the expansion of senior management for our operating subsidiaries during 2010. Our management team led by our Chief Executive continues to grow from strength to strength and has successfully captured growth opportunities as they emerged during 2010.

Chairman's Statement

Year ended 31 December 2010

Outlook

We believe that given the prolonged nature of the recessionary impact across the recruitment industry per se, we acquitted ourselves very well in 2010 especially given the scale of some of the challenges we faced. Although we could no longer justify continuing to trade in Railway Training, an area of declining opportunity and increasing costs, the termination of our exposure to training removed the main threat to the future health of RTC Group and this has enabled an increasing focus on recruitment where we believe an upward trend will continue to provide opportunities for the Group.

Although there will undoubtedly be continuing worldwide global economic challenges, trading in the first quarter of 2011 has been satisfactorily ahead of expectations and the general outlook remains encouraging.

Since the year end, having succeeded in securing the second contract with our client in Afghanistan, which will serve to accelerate revenue growth rates, we have also concluded arrangements to establish an office in India to service that business and to pursue opportunities in that fast growing part of the world.

We have also negotiated new five year arrangements with the owners of our premises at London Road, Derby, which, coupled with a five year sublet to a substantial support services company, has markedly improved the outlook for the Derby Conference Centre.

Staff

We continue to enjoy the benefits of a loyal and conscientious team of management and staff. They have my admiration and thanks and I feel privileged to work with them.

W J C Douie
Chairman

20 May 2011

Chief Executive's Statement

Year ended 31 December 2010

In 2009 we outlined a broad ranging plan to reduce our overall group cost base through a combination of branch downsizing within our ATA Recruitment business, efficiency improvements within our Derby Conference Centre, a decision to exit training through the disposal of our Catalis training business and the streamlining of group and central administration costs that support group activities. In the main our plan was successfully achieved and losses in the first half of 2010 were as anticipated with breakeven being achieved in the second half of 2010 for continuing operations.

Whilst we had originally intended to sell Catalis following the Group's decision to exit rail training it was clear that a sale of the business would not be possible given the significant deterioration in the company's trading and the high level of employment transfer costs. The business was consequently placed into administration. Catalis was acquired from the administrator by specialist training provider TQ Training Limited (TQ) and following an agreement to both sell the lease on the Catalis Clapham training facility, which was owned separately by RTC Group, and an agreement to provide an enlarged facility for TQ at the Derby Conference Centre a new long term relationship between RTC Group and TQ will provide broad opportunities for both parties.

In addition to the vital cost cutting and efficiency measures we have carried out and despite another flat year for the United Kingdom and wider International economies, the Group has significantly increased its order book prospects. Our recruitment business, ATA Recruitment ('ATA'), has performed particularly strongly returning to operational profitability during 2010. Even more pleasing is that over the past three years through one of the worst recessions in global recruitment history ATA has transformed itself from a provider of predominantly permanent recruitment services to United Kingdom SME businesses into a provider of recruitment solutions to a large number of major international clients. We now deploy candidates from global locations with broad ranging skill on assignments in many different countries. A good example of this transformation in our business model is our contract in Afghanistan with Kellogg Brown and Root which was secured in 2010. We now have hundreds of individuals from over sixteen different countries deployed on long term contracts to support NATO in their operations across the region. This is a truly unique contract and the effort and contribution made by the team involved in ensuring the successful mobilization of so many individuals from such a broad geographic spread has been outstanding. Furthermore and given the size, location and nationality of the vast number of candidates on the contract we have established a satellite office in Bangalore, India, to act as a recruitment and operational hub for ATA. It is our intention to develop a variety of new contracts and opportunities from this new location to capitalise on the experience we have gained in the region.

To accommodate and manage our changing approach to recruitment we have also taken the opportunity to restructure ATA by consolidating our Regional recruitment business and vertical and international divisions into one consolidated recruitment company headed by Gary Hewett. Gary is now Managing Director of both the ATA and Ganymede business and we are confident that under his direction both businesses will continue to develop in terms of sector and geographic coverage. Ganymede and Global Choice Recruitment, the other two businesses in our recruitment portfolio had promising results in 2010 and continued to add new clients and contracts during the year. We are confident that the specialist sectors they support will continue to provide a range of promising opportunities to enable them to secure additional growth in future years.

The Derby Conference Centre entered 2010 with trading still impacted by the significant drop off in conferencing and private function business caused by the severity of the economic downturn. However, as the year progressed bookings began to return to more optimistic levels and the year ended with trading at a significantly enhanced run rate. In addition a new and more favourable ten year lease was agreed with the landlord of the Derby Conference Centre and this coupled with the signing of long term tenancy agreements with both RTC Group and TQ supported by a healthy investment programme for the site will provide a new platform for the business to enable it to become a profitable member of the Group.

Everybody employed in the business has worked tirelessly during the year to ensure that the collection of activities we have undertaken to return the Group to future profitability has happened. This solidarity of effort and belief in the Group's future during such troubled economic times will underpin our future success and the Board of RTC Group are very proud of its employees.

A M Pendlebury
Group Chief Executive

20 May 2011

Finance Statement

GROUP TRADING SUMMARY 2010

Group revenue from continuing operations increased by 21% compared with 2009, with revenue growth across all divisions. Overall gross profit increased by 35% to £3.0m with gross margin up 2% to 15%. This improvement over 2009 reflects both a reduction in cost base and the development of new and existing business. The operating loss before exceptional items for the year was £490,000 compared with an operating loss of £1,153,000 in 2009.

	2010 **£'000**	2009 £'000
Revenue		
Recruitment	**18,664**	15,343
Conferencing	**1,295**	1,136
	19,959	16,479
Gross Margin		
Recruitment	**2,395**	1,713
Conferencing	**563**	475
	2,958	2,188
Operating loss from continuing operations before exceptional items		
Recruitment	**212**	(460)
Conferencing	**(277)**	(372)
Group Costs	**(425)**	(321)
	(490)	(1,153)

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 services a number of markets through ATA Rail, ATA Energy and ATA Defence & Aerospace; Global Choice Recruitment Limited provides Oil and 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, increased by 16% in 2010 to £5.0m (2009: £4.3m).

Permanent placements made in the year increased by 20%, although revenue per placement fell by 13% reflecting the development of lower margin corporate accounts. 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 2010 the average placements per permanent consultant increased by 61% from 2009 reflecting efficiency gains and reduced consultant numbers.

White collar contract revenue increased by 24% compared with 2009, with the closing number of heads out increasing by 19%.

Blue collar labour, supplied through Ganymede Solutions Limited, increased the number of hours worked by 33%. This revenue growth has been achieved by increased volumes with existing customers and the development of new customer business.

Finance Statement

GROUP TRADING SUMMARY 2010

Conferencing

The Conferencing Division consists of The Derby Conference Centre Limited. Its revenue was 14% higher than 2009, largely as a result of improvement in income from the subletting of facilities to third party organisations.

Administrative Expenses

Group administrative overheads increased 3.2% to £3,448,000 (2009: £3,341,000).

Finance Costs

Finance costs of £18,000 (2009: £5,000) reflect the Group's use of its invoice discounting facility during the year.

Cash flow and funding

Net cash used during the year was £2,083,000 (2009: £256,000) leaving the Group with net borrowings of £2,231,000 (2009: £148,000).

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.

A Bailey
Group Finance Director

20 May 2011

Directors’ Biographies

William Douie (71) 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 (50) 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.

Gary Hewett (49) Recruitment Managing Director
Gary was commissioned in the Royal Air Force in 1980 and served over 20 years in the UK, Germany and Belgium. Trained as a fighter navigator and subsequently a qualified weapons instructor, he flew Phantom F4s and Tornado F3s, was selected to attend the Joint Service Staff College in Canberra Australia, and retired as a Wing Commander from a strategic planning tour in Ministry of Defence in 2000. He was awarded an MBE in 1993 and completed a Cranfield University MSc (Corporate Management) in 1999. Gary’s initial role in ‘civvy street’ was as General Manager Service Delivery for Global Crossing, before a short duration in Interim Management being the Business Development Manager for Thales Communications, followed by four years as EMEA Business Development Director for Ocean Software. Gary joined the RTC Group initially as Managing Director of Ganymede Solutions in July 2008, was appointed as a Director of ATA Recruitment in February 2009, and Managing Director of ATA Recruitment in October 2010. He joined the board of RTC Group Plc in May 2011.

Andrew Bailey (54) Group Finance Director
Andrew spent five years with a provincial accounting practice, qualifying as a Chartered Accountant in June 1982, when he moved to KPMG. Having progressed to departmental manager within a general department, working on audit, accounting, tax, reporting and investigation work, Andrew left in 1987 to join Eagle Trust plc as a divisional financial controller. In 1990 he joined Sanderson CFL Ltd, a computer software and services business, as Finance Director. Andrew was appointed Managing Director of Sanderson CFL Ltd in 1993 and also held a number of non-executive roles within the Sanderson Group. On 24 April 2003, Andrew as appointed to the Board as Commercial Director of RTC Group Plc and became Group Managing Director in January 2006 and Group Chief Operating Officer in October 2007. In June 2009 Andrew left the board to take on the role of Training Division Managing Director. He rejoined the board as Group Finance Director in May 2011.

John White (61) Non-executive Director
John trained as a Mechanical Design Engineer at EMI Ltd then went into Contract Engineering being engaged by various engineering companies to work on specific projects. In 1975 became a Recruitment Contracts Manager in the sales and placement of Contract Engineers. In 1977 John joined Shorterm Engineers Ltd (SEL) as a Director and became a junior equity partner. With backing from Midland Montague Ventures Ltd, he led a Management Buyout taking individual overall control. Shorterm Group Ltd (SGL) continued its expansion programme organically and by acquisition whilst building up a management structure to become one of the largest technical employment agencies in the South of England. In 1999 SGL was sold to Venture Capital Company 3i, who supported a new Management Buy-in. He joined the board of RTC Group Plc as a non-executive in May 2011.

Directors and Advisors

Directors:
WJC Douie
AM Pendlebury
JM Kendall (Appointed 23 March 2010,
Resigned 22 July 2010)
G Hewett (Appointed 18 May 2011)
A Bailey (Appointed 18 May 2011)
JT White (Appointed 18 May 2011)

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

Company Secretary:
J M Kendall (Resigned 22 July 2010)
A Bailey (Appointed 22 July 2010)

Registered Number:
2558971

Nominated advisor and broker:
Evolution Securities Limited
100 Wood Street
London
EC2V 7AN

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

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

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

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

Directors' Report

Year ended 31 December 2010

The directors submit their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2010.

Principal Activity

The Group's principal activities are the provision of recruitment 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 on continuing operations for the year of £450,000 on revenue of £20m (2009: loss before tax on continuing operations of £1,832,000 on revenue of £16.5m).

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 and Chief Executive's Statements and Finance Statement on pages 2 to 6.

Subsequent Event

On 6 May 2011 the company issued 4,489,062 shares at 9p per share raising a total of £404,015 before costs.

Share Capital

Details of share capital are shown in note 18 on page 36.

Directors

The directors who served during the year and up to the date of this report were as follows: –

W J C Douie
A M Pendlebury
J M Kendall (Appointed 23 March 2010, Resigned 22 July 2010)
G Hewett (Appointed 18 May 2011)
A Bailey (Appointed 18 May 2011)
J T White (Appointed 18 May 2011)

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

Substantial Shareholders

As at 11 March 2011, 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
BNY (OCS) Nominees Limited	537,500	5.96
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 2010, 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 3 days purchases (2009: 12 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 (2009: Nil) were paid during the year and no final dividend is proposed.

Provision of Information to Auditor

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 auditor is 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 auditor is 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 Group of its size, increasingly to 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 controlled by the Board of Directors, which included two executive directors up to 23 March 2010, three up to 22 July 2010 and two thereafter. Post year end, on 18 May 2011, two additional executive directors and a non executive were appointed.

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 W J C Douie and A M Pendlebury. It is chaired by W J C Douie. However, W J C 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 W J C Douie and A M Pendlebury, and is chaired by W J C 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 risks 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.

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 £40,535, (representing approximately 30% 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 £40,535 representing approximately 30% 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 1,351,163 ordinary shares (equivalent to approximately 10% 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 5 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 8 will be proposed as a special 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.

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

Auditor

A resolution for the reappointment of PKF (UK) LLP as auditor 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

A Bailey
Secretary

20 May 2011

Statement of Directors' Responsibilities
Year ended 31 December 2010

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 2010

The remuneration committee comprises W J C Douie and A Pendlebury. It is chaired by W J C 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 not been awarded as disclosed in the directors' remuneration table below.

Pensions

The Company contributes 15% of A 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 2010	31 December 2009
W J C Douie	**1,385,606**	1,385,606
A M Pendlebury	**615,175**	615,175
G Hewett	**164,800**	76,800
A Bailey	**256,058**	256,058

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

	Number of options	**Exercise price**	**Exercisable to**
Approved EMI scheme			
W J C Douie	50,000	55.5p	4 June 2016
A M Pendlebury	194,175	51.5p	1 October 2017
	51,282	39.0p	7 May 2018
Unapproved scheme			
A M 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 2010 was 8.5p and the highest and the lowest share prices during the year were 17.5p and 7.5p respectively.

No directors' share options were exercised during the year.

Remuneration Report
Year ended 31 December 2010

Directors' remuneration

	Salary £'000	Bonus £'000	Benefits in kind £'000	Pension contributions £'000	Total 2010 £'000	Total 2009 £'000
W J C Douie	86	–	5	–	91	90
A M Pendlebury	153	–	2	31	186	185
J M Kendall	30	–	1	3	34	–
A Bailey	–	–	–	–	–	78
	269	–	8	34	311	353

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

On behalf of the Board

W J C Douie
20 May 2011

Independent Auditor's Report to the Members of RTC Group Plc

Year ended 31 December 2010

We have audited the financial statements of RTC Group Plc for the year ended 31 December 2010 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 auditor's 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 auditor

As explained more fully in the statement of directors' responsibilities, 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 of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements we consider the implications for our report.

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 2010 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 Auditor's Report to the Members of RTC Group Plc

Year ended 31 December 2010

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 auditor
Derby, UK

20 May 2011

Consolidated Statement of Comprehensive Income

Year ended 31 December 2010

		2010		2009	
	Notes	£'000	£'000	£'000	£'000
Revenue	1/2/3	**19,959**		16,479	
Cost of sales		**(17,001)**		(14,291)	
Gross Profit			**2,958**		2,188
Administrative expenses – normal		**(3,448)**			(3,341)
Operating (loss) before exceptional items	2/4		**(490)**		(1,153)
Administrative income/ (expenses) – exceptional	8		**58**		(674)
Operating (loss) after exceptional items			**(432)**		(1,827)
Financing expense	9		**(18)**		(5)
(Loss) before tax			**(450)**		(1,832)
Income tax	10		**18**		40
Net loss from continuing operations			**(432)**		(1,792)
Loss from discontinued operations	5		**(526)**		(553)
Loss for the year and total comprehensive expense for the year attributable to equity holders of the parent			**(958)**		(2,345)
Loss per share – continuing operations (pence)	11		**(4.79)**		(19.86)
Loss per share – discontinued operations (pence)	11		**(5.83)**		(6.13)
Loss per share – continuing and discounted operations (pence)	11		**(10.62)**		(25.99)

There is no dilutive impact of share options

Consolidated Statement of Changes in Equity

Year ended 31 December 2010

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2010	**90**	**2,117**	**50**	**38**	**(480)**	**1,815**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(958)**	**(958)**
Share based payment reserve	**–**	**–**	**–**	**(8)**	**–**	**(8)**
At 31 December 2010	**90**	**2,117**	**50**	**30**	**(1,438)**	**849**

Year ended 31 December 2009

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2009	90	2,117	50	33	1,865	4,155
Total comprehensive expense for the year	–	–	–	–	(2,345)	(2,345)
Share based payment reserve	–	–	–	5	–	5
At 31 December 2009	90	2,117	50	38	(480)	1,815

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.

Consolidated Statement of Financial Position

Year ended 31 December 2010

	Notes	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Assets					
Non current assets					
Property, plant and equipment	13	**279**		691	
Deferred tax asset	14	**70**		55	
			349		746
Current assets					
Inventories	15	**10**		9	
Trade and other receivables	16	**4,787**		2,919	
Cash and cash equivalents		**–**		505	
			4,797		3,433
Total assets			**5,146**		4,179
Liabilities					
Current liabilities					
Trade and other payables	17	**(2,066)**		(1,711)	
Current borrowings	17	**(2,231)**		(653)	
Total current liabilities			**(4,297)**		(2,364)
Net assets	2		**849**		1,815
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			**30**		38
Accumulated losses			**(1,438)**		(480)
Total equity			**849**		1,815

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 May 2011 by:

W J C Douie *Director*

A M Pendlebury *Director*

Consolidated Statement of Cash Flows

Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Cash flows from operating activities			
Operating result from continuing operations		**(432)**	(1,827)
Adjustments for:			
Employee equity settled share options		**(8)**	5
Depreciation		**153**	203
Impairment of goodwill		**–**	674
Loss on sale of property, plant and equipment		**–**	4
Change in inventories		**1**	1
Change in trade and other receivables		**(2,400)**	2,266
Change in trade and other payables		**652**	(941)
Cash generated from operations		**(2,034)**	385
Interest paid		**(18)**	(5)
Income tax received		**97**	(109)
Net cash from/(used in) operating activities		**(1,955)**	271
Cash flows from investing activities			
Purchases of property, plant and equipment		**(24)**	(226)
Proceeds from sale of property, plant and equipment		**40**	4
Net cash from/(used in) investing activities		**16**	(222)
Net (decrease)/increase in cash and cash equivalents from continuing operation		**(1,939)**	49
Cash movement from discontinued operations			
Operating Activities		**(130)**	(277)
Cash movements from discontinued operations investing activities		**(14)**	(28)
Net (decrease) in cash and cash equivalents from discontinued operations		**(144)**	(305)
Total net (decrease) in cash and cash equivalents	20	**(2,083)**	(256)
Cash and cash equivalents at the beginning of the year		**(148)**	108
Cash and cash equivalents at the end of the year		**(2,231)**	(148)

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 2010 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 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 following:

- Impairment of goodwill in the previous year – details of the estimates and judgements applied is provided in note 12;
- Deferred tax asset – a prudent estimate is made as to the extent that it is possible that future taxable profits will be available to be utilised against unused tax losses; and
- Depreciation of property, plant and equipment – the depreciation policy is calculated by reference to managements estimates of the useful economic life of the property plant and equipment.

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 £432,000 from continuing operations 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 £849,000, its bank facilities which have been agreed until May 2012 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, amendments and interpretations were mandatory for the Group's accounting period, but are not relevant to the operations of the Group or did not have a material impact on the financial statements:

- IFRS 1 – First time adoption of IFRS
- IFRS 3 (Amendment) – Business combinations
- IAS 27 (Amendment) – Consolidated and separate financial statements
- IAS 39 (Amendment) – Financial instruments: Recognition and measurement
- IFRIC 17 – Distributions of non-cash assets to owners
- IFRIC 18 – Transfers of assets from customers

II. The following amendment was issued and available for early application but has not yet been applied by the Group in these financial statements. The Group intends to apply this amendment when it becomes effective:

- IAS 24 (Amendment) – Provides a revised definition of a related party

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.

1. Statement of Accounting Policies (continued)

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.

The Group has not recorded any non controlling interests in respect of Ganymede Solutions Limited (10%) or Global Choice Limited (25%) as these are not considered material.

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.

Conferencing

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

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

d) *Property, Plant and Equipment*

Property, plant and equipment are 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.

1. Statement of Accounting Policies (continued)

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 assets 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 Benefit

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.

Until June 2010 the Group also operates a defined benefit pension scheme which is a multi-employer defined benefit scheme. As the company was unable to identify its share of the assets and liabilities it was 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.

1. Statement of Accounting Policies (continued)

q) *Borrowings*

Interest-bearing borrowings are stated at amortised cost.

r) *Foreign Currencies*

Transactions in foreign currencies are recorded in sterling using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling using the rate of exchange ruling at the balance sheet date and any gains or losses on translation are included in the profit and loss account.

2. Segmental Analysis

The Group is a provider of Recruitment and Conferencing Services and operates a division for each, made up from a number of legal entities. Segmental information is provided below in respect of Recruitment and Conferencing operations. The Group manages its divisions, the 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 divisions are primarily conducted in the United Kingdom although there is an international element (see note 3), within the Recruitment division.

Revenues are generated from permanent and temporary recruitment in the Recruitment division and from the provision of a conferencing and hotel facility in Derby for the Conferencing division.

All revenues have been invoiced to external customers. Revenues of £2.2m (2009: Nil) were derived from a single external customer. These revenues are attributable to the Recruitment division.

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

	2010 £'000	2009 £'000
Revenue		
Recruitment	**18,664**	15,343
Conferencing	**1,295**	1,136
	19,959	16,479
Gross Margin		
Recruitment	**2,395**	1,713
Conferencing	**563**	475
	2,958	2,188
Operating (loss) from continuing operations before exceptional items		
Recruitment	**212**	(460)
Conferencing	**(277)**	(372)
Group costs	**(425)**	(321)
	(490)	(1,153)

2. Segmental Analysis (continued)

	2010 £'000	2009 £'000
Other information		
Depreciation:		
Recruitment	**86**	94
Conferencing	**122**	109
	208	203
Capital expenditure:		
Recruitment	**24**	120
Conferencing	**14**	106
	38	226

	2010 £'000 Assets	**2010 £'000 Liabilities**	**2010 £'000 Net**	2009 £'000 Assets	2009 £'000 Liabilities	2009 £'000 Net
Recruitment	**4,548**	**(3,977)**	**571**	2,790	(1,562)	1,228
Conferencing	**403**	**(212)**	**191**	472	(152)	320
Non-trading/Group	**195**	**(108)**	**87**	258	(230)	28
Continuing	**5,146**	**(4,297)**	**849**	3,520	(1,944)	1,576
Discontinued						
Training	**–**	**–**	**–**	659	(420)	239
Total	**5,146**	**(4,297)**	**849**	4,179	(2,364)	1,815

All assets and liabilities are held in the United Kingdom.

3. Revenue

	2010 £'000	2009 £'000
The geographical analysis of revenue is as follows:		
United Kingdom	**17,525**	16,145
Rest of the world	**2,434**	334
	19,959	16,479

4. Loss on Group Operations before Exceptional Items

	2010 **£'000**	2009 £'000
Loss on Group operations before exceptional items for the year is stated after charging/(crediting):–		
Depreciation of owned tangible fixed assets	**208**	312
Fees payable to the company's auditor for the audit of the company's annual accounts	**12**	23
Fees payable to the company's auditor for other services:–		
– the audit of the company's subsidiaries pursuant to legislation	**31**	22
– other services relating to taxation	**5**	7
– corporate finance services	**5**	–
Operating lease expense in respect of:–		
– land and buildings	**417**	467
Profit on disposal of fixed assets	**–**	4

5. Loss from Discontinued Operations

On 25 June 2010, the Board decided to discontinue funding the Group's Training Division and hence the Board of Catalis Limited put this company into Administration. The loss for the discontinued operation is stated after charging:

	2010 **£'000**	2009 £'000
Revenue	**1,138**	2,694
Cost of sales	**(763)**	(1,881)
Gross Profit	**375**	813
Administrative expenses – normal	**(657)**	(1,400)
Operating loss	**(282)**	(587)
Financing income/(expense)	**–**	–
Loss on ordinary activities before taxation	**(282)**	(587)
Attributable income tax expense	**–**	34
Loss on disposal of discontinued operations	**(244)**	–
Net loss attributable to discontinued operations	**(526)**	(553)

5. Loss from Discontinued Operations (continued)

Details of net assets disposed as a result of the administration of Catalis Limited and the associated loss for the period resulting from this are as follows:

	2010 £'000
Non current assets	
Property plant and equipment	202
Current assets	321
Current liabilities	(279)
Net assets disposed of	244
Consideration	–
Loss on disposal	(244)

6. Directors' Emoluments

	2010 £'000	2009 £'000
Total emoluments (excluding pension contributions)	277	323
Pension contributions	34	30
Share based payment charge/(credit)	–	5

	Salary and taxable benefits 2010 £'000	Pension contributions 2010 £'000	Total 2010 £'000	Salary and taxable benefits 2009 £'000	Pension contributions 2009 £'000	Total 2009 £'000
A M Pendlebury	155	31	186	164	21	185
W J C Douie	91	–	91	90	–	90
J M Kendall	31	3	34	–	–	–
A Bailey	–	–	–	69	9	78
	277	34	311	323	30	353

The interests of the directors, who served during the year, in the ordinary shares of the Company at the start and end of the year were as follows: –

	2010	2009
W J C Douie	1,385,606	1,385,606
A M Pendlebury	615,175	615,175

6. Directors' Emoluments (continued)

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

	Number of options	Exercise price	Exercisable to
Approved EMI scheme			
W J C Douie	50,000	55.5p	4 June 2016
A M Pendlebury	194,175	51.5p	1 October 2017
	51,282	39.0p	7 May 2018
Unapproved scheme			
A M 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 2010 was 8.5p and the highest and the lowest share prices during the year were 17.5p and 7.5p respectively.

No directors' share options were exercised during the year.

7. Staff Numbers and Costs

	2010 Number	2009 Number
The number of employees can be categorised as follows:–		
Sales and marketing	**66**	73
Administration	**89**	47
Training and support staff	**–**	57
Labour supply	**–**	30
	155	207

	£'000	£'000
Staff costs comprise:–		
Wages and salaries	**4,240**	6,022
Social security costs	**429**	609
Share based payments	**(8)**	5
Other pension costs	**76**	162
	4,737	6,798

Notes to the Financial Statements
Year ended 31 December 2010

8. Exceptional Administrative Costs

	2010 £'000	2009 £'000
Profit on disposal of property plant and equipment	**121**	–
Reorganisation costs	**(63)**	–
Impairment of goodwill	**–**	(674)
	58	(674)

The impairment of goodwill had no tax effect.

9. Finance Cost

	2010 £'000	2009 £'000
Interest charge on bank and other loans (repayable within five years) and overdrafts	**18**	5
	18	5

10. Income Tax

	2010 £'000	2009 £'000
Continuing operations		
Analysis of tax :–		
Current Tax		
UK corporation tax	**–**	–
Adjustment in respect of previous periods	**(3)**	(82)
	(3)	(82)
Deferred Tax		
Origination and reversal of temporary differences	**–**	42
Adjustment in respect of previous periods	**(15)**	–
Tax	**(18)**	(40)

10. Income Tax (continued)

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% (2009: 28%). The differences are explained below:–

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before tax	**(450)**	(1,832)
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	**(126)**	(513)
Non deductible expenses	**46**	200
Losses carried forward	**80**	355
Adjustment in respect of previous periods	**(18)**	(82)
Income Tax (credit)/charge for the year	**(18)**	(40)

Factors that may affect future tax charges

Estimated losses available to offset against future taxable profits on continuing operations in the UK amount to approximately £1,066,000 (2009: £770,000). The Chancellor of the Exchequer has announced that the rate of corporation tax will be reduced each year until 2014 when it will remain at 23%. In accordance with relevant accounting standards, calculation of the deferred tax provision is based on a tax rate of 27%, being the rate which was enacted at the year end date.

11. Loss Per Share

The calculation of loss per share is based on a loss after tax expense of £958,000 (2009: loss £2,345,000) and a weighted average of 9,022,564 (2009: 9,022,564) 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 2010 nor 2009.

12. Intangible Assets

Year ended 31 December 2010	**2010 £'000**
Goodwill at Cost	
At 1 January 2010 and at 31 December 2010	**1,310**
Accumulated impairment	
At 1 January 2010	**1,310**
Impairment	**–**
As at 31 December 2010	**1,310**
Carrying value	
At 31 December 2010	**–**
At 1 January 2010	**–**

12. Intangible Assets (continued)

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

The cash generating unit ('CGU') giving rise to the goodwill brought forward in the prior year related to the Training Division, in respect of the business of Catalis Limited. This goodwill was fully impaired in the prior year ended 31 December 2009 following a detailed impairment review carried out by the Group. The recoverable amount of the CGU used in the impairment review was determined from value in use calculations based on cash flow forecasts for ten years reflecting the latest budgeted management information extrapolated using an estimated growth rate of 0%. The rate used to discount the forecast cash flows was 7.5%.

Catalis Limited was placed into administration in June 2010 which supported the view taken by the Group to impair the goodwill at 31 December 2009.

13. Property Plant & Equipment

Year ended 31 December 2010	**Short leasehold improvements**	**Fixtures and equipment**	**Motor vehicles**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 January 2010	442	5,207	92	5,741
Additions	8	25	5	38
Disposals	(32)	(3,906)	(57)	(3,995)
At 31 December 2010	418	1,326	40	1,784
Accumulated depreciation				
At 1 January 2010	410	4,563	77	5,050
Depreciation	12	193	3	208
Disposals	(50)	(3,651)	(52)	(3,753)
At 31 December 2010	372	1,105	28	1,505
Carrying value				
At 31 December 2010	46	221	12	279
At 1 January 2010	32	644	15	691

13. Property Plant & Equipment (continued)

Year ended 31 December 2009	Short leasehold improvements	Fixtures and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'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

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 at the year end date (2009: nil).

14. Deferred Tax Asset

	2010	2009
	£'000	£'000
At 1 January 2010	**55**	73
Credit/(charge) to the statement of comprehensive income for the year	**15**	(18)
At 31 December 2010	**70**	55

The deferred tax asset is analysed as:

Recognised	**2010**	2009
	£'000	£'000
Accelerated capital allowances	**57**	33
Short-term temporary differences	**13**	22
	70	55

14. Deferred Tax Asset (continued)

Unrecognised	**2010 £'000**	2009 £'000
Tax losses carried forward	**288**	216

Tax losses carried forward have not been recognised due to uncertainty over the availability of future taxable income in the related trading subsidiary against which the asset can be utilised.

15. Inventories

	2010 £'000	2009 £'000
Food, drink and goods for resale	**10**	9
	10	9

16. Trade and Other Receivables

	2010 £'000	2009 £'000
Amounts falling due within one year		
Gross trade receivables	**4,191**	2,281
Provisions	**(3)**	(44)
Net trade receivables	**4,188**	2,237
Corporation tax	**–**	94
Other receivables and prepayments	**599**	588
	4,787	2,919

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

	2010 £'000	2009 £'000
Allowances as at 1 January	**44**	145
Additions – charged to statement of comprehensive income	**46**	69
Allowances used	**(34)**	(136)
Allowances reversed	**(53)**	(34)
Allowances as at 31 December	**3**	44

	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**
2010 Trade receivables	**4,188**	**2,790**	**1,098**	**240**	**60**
2009 Trade receivables	2,237	1,675	544	18	–

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

17. Liabilities

	2010 £'000	2009 £'000
Trade and other payables		
Trade payables	**161**	547
Other taxes and social security costs	**803**	455
Other payables and accruals	**1,102**	709
	2,066	1,711

Borrowings:		
Bank loans and overdrafts	**2,231**	653
Finance leases	**–**	–
	2,231	653

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

	2010 £'000	2009 £'000
Authorised		
12,000,000 ordinary shares of 1p each (2009: 12,000,000)	**120**	120
Allotted, issued and fully paid – ordinary shares of 1p each:		
As at 1 January 2010 9,022,564 shares (2009: 9,022,564 shares)	**90**	90
Issued during the year Nil shares (2009: Nil shares)	**–**	–
As at 31 December 2010 9,022,564 shares (2009: 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 2010	No of Options Granted in 2010	Lapsed in 2010	As at 31 December 2010	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	–	15,000	10,000	96.1p	July 2005 to July 2012
2003	58,000	–	57,000	1,000	91.0p	May 2006 to May 2013
2004	4,000	–	4,000	–	114.5p	May 2007 to May 2014
2005	10,000	–	10,000	–	97.5p	June 2008 to June 2015
2007	20,000	–	10,000	10,000	53.0p	May 2010 to May 2017
2007	108,652	–	53,652	55,000	55.5p	June 2010 to June 2017
2007	246,117	–	51,942	194,175	51.5p	October 2010 to October 2017
2008	67,734	–	16,452	51,282	39.0p	May 2011 to May 2018
Unapproved						
2007	145,883	–	12,058	133,825	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 2010 had a weighted average exercise price of 50.0p, and a weighted average remaining contractual life of 7 years.

The share options remaining at 31 December 2009 under each of the schemes were 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

	2010 £’000	2009 £’000
Total (income)/expense recognised in the statement of comprehensive income in respect of share based payment	**(8)**	5

19. Reconciliation of Net Cashflow to Movements in Net Funds

	2010 £'000	2009 £'000
(Decrease) in cash in the year	**(2,083)**	(256)
Cash outflow from changes in debt and lease financing	**–**	–
Movement in net funds in the year	**(2,083)**	(256)
Net (debt)/ funds at 1 January 2010	**(148)**	108
Net debt at 31 December 2010	**(2,231)**	(148)

20. Analysis of Net Debt

	At 1 January 2010 £'000	**Cash Flows £'000**	**Other non cash movements £'000**	**At 31 December 2010 £'000**
Cash at bank and in hand	505	(505)	–	–
Bank overdraft and proceeds of factored debts	(653)	(1,578)	–	(2,231)
Net debt	(148)	(2,083)	–	(2,231)

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 debt during the year, the impact of a 2% increase or decrease in the rate of interest rates is not considered 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.

21. Financial Instruments (continued)

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.

Borrowing facilities

The Group has an invoice discounting facility of £4,180,000 and an overdraft facility of £50,000.

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

The Group has the following financial assets:

- Cash and deposits
- Trade receivables (see note 16)
- Other debtors excluding prepayments of £386,000 (2009: £382,000)

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 (2009: £50,000) overdraft facilities extended to certain of the Company's subsidiaries.

23. Operating Lease Commitments

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

	2010 £'000	2009 £'000
Within one year	**21**	42
Between one and two years	**93**	312
Between two and five years	**154**	367
After five years	**2,127**	–
	2,395	721

The leasing arrangements are for office space for the Group Head Office in Derby and a network of regional offices.

Total future sublease receivables relating to the above operating leases amount to £1.85m (2009: nil).

24. Subsequent Event

On 6 May 2011 the company issued 4,489,062 shares at 9p per share raising a total of £404,015 before costs.

25. 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 2010 for the schemes was £55,000 (2009: £105,000) and as at 31 December 2010 there were contributions of £23,000 (2009: £7,000) outstanding.

26. 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
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 in the Group financial statements.

27. 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
Year ended 31 December 2010

Registered Number: 2558971

		2010		2009	
	Notes	**£'000**	**£'000**	£'000	£'000
Assets					
Non current assets					
Investments	C		**25**		25
Current assets					
Debtors	D	**1,222**		1,641	
Cash and cash equivalents		**–**		13	
			1,222		1,654
Creditors					
Amounts falling due within one year	E	**(111)**		(39)	
			(111)		(39)
Net current assets			**1,111**		1,615
Net assets			**1,136**		1,640
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		**28**		38
Profit and loss account	F		**(1,149)**		(655)
Total equity	G		**1,136**		1,640

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 May 2011 by:

W J C Douie *Director*

A M Pendlebury *Director*

Notes to the Company's Financial Statements
Year ended 31 December 2010

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) Shared 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 £501,000 (2009: loss of £1,551,000).

C. Investments

	2010 £'000	2009 £'000
Shares in subsidiary undertakings – Company		
Cost at 1 January	**1,553**	1,541
Investment in subsidiary company	**–**	12
Cost at 31 December	**1,553**	1,553
Provision for impairment at 1 January	**1,528**	18
Charge in the Year	**–**	1,510
Provision for impairment at 31 December	**1,528**	1,528
Net Book Value at 31 December	**25**	25

With the exception of the Ganymede Solutions Limited and Global Choice Recruitment Limited, at 31 December 2010 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
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.

D. Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**1,196**	1,629
Deferred tax asset	**3**	4
Other debtors and prepayments	**23**	8
	1,222	1,641

There is an unrecognised deferred tax assets in relation to tax losses carried forward of £84,000 (2009: £88,000). The amount has not been recognised due to uncertainty over the availability of future taxable income against which these can be utilised.

E. Creditors – Amounts Falling Due Within One Year

	2010 £'000	2009 £'000
Trade and other payables		
Bank loans and overdraft	**85**	–
Amounts owed to group undertakings	**2**	1
Other taxes and social security costs	**5**	10
Other creditors and accruals	**19**	28
	111	39

F. Reserves Reconciliation

	Share based payment reserve £'000	Profit and loss account £'000
At 1 January 2010	**38**	**(655)**
(Loss) for the year	**–**	**(501)**
Share based payment reserve	**(10)**	**7**
At 31 December 2010	**28**	**(1,149)**

G. Shareholders' Funds

	2010 £'000	2009 £'000
Shareholders' deficit at 1 January 2010	**1,640**	3,191
(Loss) for the year	**(501)**	(1,556)
Share based payment	**(3)**	5
Shareholders' deficit at 31 December 2010	**1,136**	1,640

H. Share Capital

	2010 £'000	2009 £'000
Allotted, issued and fully paid – ordinary shares of 1p each:		
As at 1 January 2010, 9,022,564 shares (2009: 9,022,564 shares)	**90**	90
As at 31 December 2010 9,022,564 shares (2009: 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.

Interest rate risk

The Company has financed its operations through bank borrowings and has sourced its main borrowings through a variable rate overdraft facility. The Company 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 debt during the year, the impact of a 2% increase or decrease in the rate of interest rates is not considered material.

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.

Appendix 1 – Five-Year Record

	2006 £'000	2007 £'000	2008 £'000	2009 £'000	**2010 £'000**
Revenue	18,134	23,615	25,848	16,479	**19,959**
Cost of Sales	(13,692)	(18,379)	(20,664)	(14,291)	**(17,001)**
Gross Profit	4,442	5,236	5,184	2,188	**2,958**
Administrative expenses – normal	(4,558)	(4,489)	(4,651)	(3,341)	**(3,448)**
Operating profit/(loss) before exceptional items	(116)	747	533	(1,153)	**(490)**
Administrative income/(expense) – exceptional	974	–	(250)	(674)	**58**
Financial income/(expense)	(3)	(1)	12	(5)	**(18)**
Profit on disposal of fixed assets	73	–	–	–	**–**
Profit/(loss) before tax	928	746	295	(1,832)	**(450)**
Income tax (expense)/credit	(315)	(248)	(157)	40	**18**
Net profit/(loss) from continuing operations	613	498	138	(1,792)	**(432)**
Loss from discontinued operations	(174)	–	–	(553)	**(526)**
Total comprehensive expense for the period	439	498	138	(2,345)	**(958)**
Earnings/(loss) per share – continuing and discontinued operations (in pence)	5.35	6.07	1.58	(25.99)	**(10.62)**

This summary does not form part of the audited accounts.

Figures for 2006, 2007 and 2008 include the discontinued activity of Catalis Limited which is shown as discontinued operations in 2008 and 2009.

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 2011 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 as ordinary resolutions and as to resolutions 7 and 8 as special resolutions:

1. To receive and adopt the Directors' and Auditors' Report and the Financial Statements for the year ended 31 December 2010.

2. To receive and approve the Remuneration Report for the year ended 31 December 2010.

3. To re-elect WJC Douie as a director of the Company.

4. To re-appoint G Hewett, A Bailey and JT White as directors 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 ('the Act'), 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 £40,535, this authority to expire 15 months after the passing of this resolution or the conclusion of the Annual General Meeting to be held in 2012 (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 6 above, the Directors be and are hereby generally and unconditionally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 6 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 7(a) above, up to an aggregate nominal amount of £40,534,88, 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 2012, (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.

Appendix 2 – Notice of Annual General Meeting

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:

    (a) the maximum number of ordinary shares 1p each in the capital of the Company hereby authorised to be acquired is 1,351,163;

    (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.

20 May 2011 — By Order of the Board

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

NOTES:

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

    - 12 noon on 20 June 2011; or
    - If this meeting is adjourned, 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, copies of letters of appointment between the Company and the Non-Executive Director and a copy of the existing 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 22 June 2011 at the place of the meeting from 11.45 a.m. until the meeting's conclusion.

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