2013

CONNECTING BUSINESS AND CAREER AMBITIONS

RTC GROUP

ANNUAL REPORT & ACCOUNTS

For the year ended 31 December 2013

www.rtcgroupplc.co.uk

Stock Code: RTC

Welcome to RTC Group

RTC Group plc is an AIM listed support services group which predominately provides recruitment activities to both the UK and International Markets.

Its three key businesses of ATA Recruitment, ATA Global Staffing Solutions and Ganymede Solutions provide a wide range of services to small and medium enterprises (SMEs) and international clients. In addition, the Group's headquarters, the Derby Conference Centre provide conferencing and training facilities to both local and national clients.

Investment Headlines

- Group operating profit boosted by increased revenue and operating efficiencies
- ATA Recruitment experienced a strong second half sales performance
- Strong growth in sales in Ganymede Solutions were ahead of management expectations
- A solid performance from ATA Global Staffing Solutions in line with expectations

Look Out For These Icons

See further content for the Annual Report and Accounts 2013 online at **www.rtcgroupplc.co.uk**

View more content within this report

ata ata GSS ata india ganymede safety first, safety always THE DERBY

Highlights

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Operational Highlights

ATA Recruitment

- Restructuring in the first half of 2013 helped secure a successful second half of the year
- Increased head count across UK sales teams contributed to a final quarter increase in revenue against the same period in 2012

Ganymede Solutions

- Under the interim leadership of the Group Chief Executive Officer, Ganymede Solutions experienced unprecedented growth, with revenue up 44% on 2012
- The successful appointment of a new Managing Director at the end of 2013 was received favourably internally and within the rail sector

ATA Global Staffing Solutions

- Delivered a solid performance in 2013
- Significate effeciencies have been achieved through cost management and delivery, securing an increase in gross margin against the previous year

Financial Highlights

Group Revenue

£49m↑

2012: £43m

Operating Profit

£871,000↑

2012: £592,000

Profit Before Tax

55%↑

Basic Earnings per Share

3.79p↓

2012: 4.26p

Net Working Capital

£620,000↑

The reduction in earnings per share is due to a tax credit in 2012 against a tax charge in 2013.

Group at a glance

RTC Group plc has three principal subsidiaries engaged in the recruitment of human capital resources and the provision of managed services. ATA Recruitment is a predominantly UK based recruitment business, Ganymede Solutions is focused on the supply of blue collar contingent labour and ATA Global Staffing Solutions provides managed service solutions for international clients.

In addition, the Group's headquarters at the Derby Conference Centre provide conferencing and training facilities to both local and national clients.

ATA Recruitment

Revenue

£22.5m↑

2012: £20.6m

ATA Global Staffing Solutions

Revenue

£14.8m↑

2012: £13.7m

Ganymede Solutions

Revenue

£9.9m↑

2012: £6.9m

Find Out More About Our Businesses on page 04

ATA Recruitment

With over fifty years' accumulated knowledge and experience, ATA Recruitment is one of the UK's leading engineering and technical recruitment consultancies. ATA Recruitment is strategically focused into key operating divisions, to best meet the specific recruitment needs of their clients within vertical market sectors. Additionally the regional hub locations, with teams of dedicated recruitment experts, concentrate on permanent and contract opportunities within the engineering and manufacturing marketplace.

ATA Recruitment's regional branch network means they are uniquely placed to deal with both regional SME businesses and larger national operations. ATA Recruitment's UK consultants are experts within their locality, keeping abreast of industry and labour market trends within their regions, ensuring that this knowledge is imparted to clients at each stage of the recruitment process.

ATA Recruitment's brand within the UK Engineering and Technical market place holds credibility and value, clients benefit from their partnership approach, with ATA Recruitment strongly positioned to attract the highest calibre of candidates for their business.

Industry sectors covered include:

- General Engineering
- Manufacturing
- Transport
- Built Environment
- Infrastructure
- Commercial
- Construction
- Sales
- Supply Chain & Logistics
- Scientific
- Chemical
- Energy & Utilities
- Defence & Aerospace
- Facilities Management

www.ata-recruitment.co.uk

ATA Global Staffing Solutions

A staffing solutions and resource provider with a track record of delivery in some of the world's most hostile locations, ATA Global Staffing Solutions works with clients across the globe that are focused on delivering successful projects into sectors such as aerospace and defence, ports, mining, oil and gas, infrastructure and civil engineering.

Working closely with these clients, ATA Global Staffing Solutions can provide contract and permanent staffing solutions on an international basis, providing key teams of personnel into new projects and supporting on-going large scale project needs.

Typically ATA Global Staffing Solutions recruit across a range of disciplines and skills from operators and supervisors, through to senior management level, for roles located in both head offices and those hard to fill "remote locations".

Additionally ATA Global Staffing Solutions recruit for international corporate clients on a contingent and retained basis.

www.ata-gss.com

Supporting this international operation, ATA Global Staffing Solutions also manage the RTC Group's Indian office. The India office provides high quality recruitment support to companies looking to recruit staff either into or from India, or looking to set up a new venture in this fast growing economy. Using experience in India along with the Group's leading recruitment methodology, the Indian team source both permanent and contract candidates.

www.ata-india.net

Ganymede Solutions

Ganymede Solutions core business is the supply and operation of contingent labour within the Rail Industry. As a Link-up approved supplier, Ganymede Solutions are a leading provider of blue and white-collar skilled and semi-skilled labour, safety critical track personnel and technical staff on call off and temporary term contracts.

Additionally Ganymede Solutions provide and manage contingent labour within the sectors of construction, infrastructure, highways, general civil engineering and utilities.

www.ganymedesolutions.co.uk

Chairman's statement

I am pleased to present the final report for the year to 31 December 2013.

2013 has been a year of continuing growth both in turnover and operating profit. As a result we have achieved a pleasing improvement in Group operating profits to £871,000 to post a Group pre-tax profit of £736,000.

A major step forward is that we have done better than forecast and we believe this has resulted in enhanced confidence in our future from both customers and investors. As we demonstrate continuing momentum this year, we believe that it will become ever more evident that the underlying trend is up rather than just short term recovery.

The restructuring of the Group undoubtedly contributed to our success. This included the strategic withdrawal from training and the consequential focus on Ganymede Solutions and ATA Global Staffing Solutions.

Following another year of growth in ATA Recruitment in the UK, in one aspect, local branches, we still have work to do in rebuilding the national coverage, but we now have contract and permanent in all locations including our major vertical markets branch in Derby. The drive is for growth across the board.

Ganymede Solutions has turned in a remarkable performance in 2013 and is now a serious operator in railway and other infrastructure maintenance. Further enhancement of management and the recent recruitment of a rail biased Managing Director positions us well when tendering to enlarge our railway footprint for the next five years.

ATA Global Staffing Solutions is making good progress in diversifying away from reliance on our successful contract in Afghanistan to encompass broader coverage of the Middle East and Africa.

Our objective is to deliver continuing profitable growth in the above areas. To provide opportunities for acceleration and a fast-track to the delivery of economies of scale, carefully selected acquisitions clearly can assist to enhance the relationship between volume growth and earnings per share growth and to achieve significant Group advantages operationally.

Capital investment
Our enhanced trading performance has enabled us to continue carefully focused increases in capital expenditure after providing for working capital to service increased turnover.

Dividends
Your directors are not able to recommend any dividends for 2013. Our objective is to return to payment of dividends as soon as our continued balance sheet enhancement and profits growth permit and to clear the way to that we are seeking authority from shareholders at the upcoming Annual General Meeting (AGM) to transfer share premium account to distributable reserves if that is considered to be appropriate.

The Group Board
There have been no changes to the Group Board since the last AGM. We are giving consideration to appointing a second non-executive director in the near future.

Biographies of the Group Board appear on page 13

Outlook

Our journey from the depths of recession has produced steady progress and we fully expect that to continue. Although there is still work to be done in the regional branch network in ATA Recruitment in the UK to re-establish our stronghold in the SME market, we expect to complete that in 2014 and to drive for further growth in all three core businesses. We have also undertaken and expect to complete our major information technology and systems upgrade in the first half of 2014. Both globally and in our own Group there are important challenges but also many exciting opportunities. We look forward to the future with confidence.

Staff

I should like to thank our staff at all levels for their loyalty, hard work and enthusiasm.

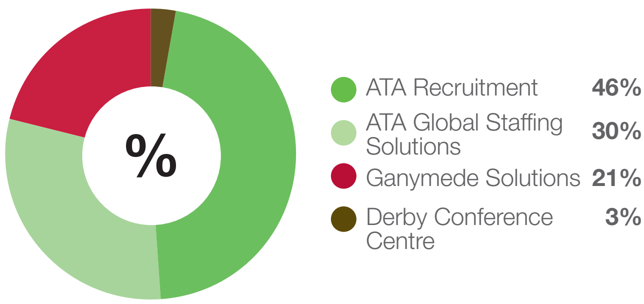
W J C Douie

W J C Douie
Chairman

18 March 2014

Chief Executive's strategic review

Revenue by Segment



Visit our Investor Centre at **www.rtcgroupplc.co.uk**

I am pleased to report that 2013 was another year of significant progress for RTC Group.

Each of our subsidiary businesses made a positive contribution to the Group and established solid competitive positions in their respective markets. Our business mix continues to dilute exposure to any one particular sector or geographical region and our strong discipline to both pricing and cost control has enabled us to maintain and in certain areas increase our profit margins. All of this translates into significantly increased profitability, a continued improvement in cash flow, and a stronger and healthier balance sheet for the shareholders of our Group.

In terms of individual subsidiary performance, our three key business units of ATA Recruitment, ATA Global Staffing Solutions and Ganymede Solutions all had extremely promising years.

ATA Recruitment continued to capture new opportunities in both its regional branch network which is experiencing renewed growth as the UK's manufacturing sector continues to emerge from recession and in its rail, infrastructure and civil business which secured a number of new contracts with a variety of blue chip clients as investment in major projects continues to dominate the UK landscape. A key factor in the growth rate of ATA Recruitment is the number and quality of recruitment consultants employed in the business. The investment in headcount which began during 2013 has started to generate additional net fee income and a plan to continue and accelerate this growth during 2014 is currently being implemented.

Our international business, ATA Global Staffing Solutions which was established as a result of our contract win to support NATO in Afghanistan through Kellogg Brown & Root is now securing business with other overseas clients and is developing a solid track record as a multi country provider of both temporary and permanent staff. The business is in discussions with a range of international clients in both established and emerging market countries and its India operation, in addition to securing indigenous opportunities, is working closely with other parts of the Group to provide access to a rich source of highly skilled candidates.

Ganymede Solutions has had an exceptional year both in terms of increased market share and profit contribution to the Group. It has continued to enhance its growing reputation as a market leader in the provision of blue collar personnel to the rail industry and has secured new business across all areas of maintenance, renewal and investment projects with Network Rail and its primary supply chain. In addition the business has secured further growth on the London Underground with Tube Lines and Transport for London. The business operates in a highly safety critical environment and invests significantly in the quality and safety of its workforce. With Network Rail about to enter Control Period 5 (CP5) and invest approximately £1 billion both directly and indirectly in contingent labour over the next 5 years, Ganymede has a significant opportunity to secure long term business in the largest rail investment programme witnessed in this country. This, coupled with the additional investments committed by Transport for London in both its over-ground and underground rail infrastructure, provides Ganymede with the opportunity to build a substantial order book for the foreseeable future.

Our solid performance has also enabled us to make considerable investments in our information technology and systems infrastructure. We will shortly have a single, centralised recruitment platform, with simplified processes for all Group companies to access and this will be complemented by a new Group wide best in class internet connectivity enabling our consultants to interact much faster with clients and candidates. This will provide a clear competitive advantage as speed of response is increasingly becoming a key differentiator in the battle for market share.

This investment is also enabling our Group companies to collaborate and co-operate more closely to secure new contracts as many of our customers seek broader relationships with fewer suppliers. Our ability to offer turnkey recruitment solutions enables our clients to have a one stop relationship reducing their transaction costs and giving them access to a broad range of international candidates many with specialist, niche or scarce skills. As demand for both domestic and international employment continues to show signs of rebounding from all-time lows, we are cautiously confident that the strategic and structural changes we have made over the past few years to return the Group to its original core competence of recruitment will continue to enhance value for shareholders as our new business model matures and gathers further momentum.

We have also undertaken a thorough review and restructuring of management over the past eighteen months and the senior executive team now overseeing the future of the Group has significant industry experience. This enables us to react swiftly to the immense changes which are constantly taking place in a fast moving global recruitment industry. We believe that our strategy is solid and our performance reflects the quality of the people in the Group at all levels who are responsible for delivering it. We will not let our success foster complacency but rather act as a springboard for bigger and better things for the Group to pursue.

Finally, as a board of directors, our results give us many reasons to be proud but none more than in the quality of our people who continue to work diligently and professionally in pursuit of their own and our collective goals and achievements. The culture we have created within our Group is one of our biggest assets and a vital source of energy to attract new, high quality, employees as we grow. The whole Group rightfully deserves credit for this.

Andy M Pendlebury

Andy M Pendlebury
Group Chief Executive

18 March 2014

Key performance indicators

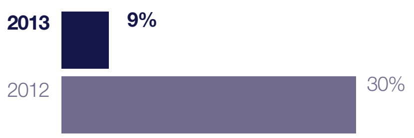
The Group uses the following key performance indicators (KPIs) to measure the performance of our business and progress against our strategic objectives. In 2013 we have made good progress against our KPIs, delivering good growth in net fee income, improved net fee conversion rates and net fee per consultant. Backed by a continued focus on cash generation and improving the strength of our balance sheet.

Net fee income

Net fee income is permanent and contract revenue less contractor wages and is a subset of gross profit which is NFI less direct costs of sale.

Net fee income is a measure of how the Group is growing over time.

The Group increased NFI by 9% in 2013 despite the temporary impact of the restructure in ATA Recruitment.



Net fee conversion rate

Net fee conversion rate is the conversion of net fee income into operating profit (EBIT).

The conversion rate measures the Group's effectiveness in controlling costs and investing wisely for profitable return.

The Group improved its conversion rate in 2013 as the restructure in ATA Recruitment focussed on improving the net fee income generated per consultant.

Gearing ratio

The Group is committed to keeping debt levels to a minimum and increasing the strength of its balance sheet.

In 2013 the Group's gearing ratio has fallen to 2.3 from 3.2. Gearing is calculated as current bank borrowing over equity.

Earnings per share growth

Earnings per share growth is a measure of the underlying improvements in profitability of the Group.

Despite the increase in profits, the Group's basic earnings per share fell slightly in 2013 versus 2012 as a result of corporation and deferred tax charges not incurred in 2012.

Risks and uncertainties

Cyclical nature of our business
The on-going impact on the Group's operations of the cycle of demand for permanent recruitment amongst our clients, coupled with the current economic climate continues to be an uncertainty facing the Group. Strategies are in place to address this which includes building a focus around retained fee permanent placements and a targeted expansion of our client base. The Group's cost base is highly variable and carefully managed to align with business activity. The Group is continually focussed on cash generation and keeping net debt to a minimum.

Business model risk
Longer term the industry is faced with the challenge of continuing to be a preferred option for recruitment as technology advances making it easier for companies to source candidates themselves, for example, through more sophisticated job boards. As a result, through initiatives such as contractor care specialists and a pro-active drive to build partner relationships with our clients, the Group is focussed on establishing itself as the provider of choice within our market sectors. The Group continues to supports a range of skills, customers and markets within the recruitment arena, supplying both permanent and temporary skilled white collar workers, blue collar and contingent labour both in the UK and internationally to mitigate some of this risk.

Talent
The Group is reliant on its ability to recruit, train and retain its staff to deliver its growth plans. We continue to ensure that overall packages are competitive and include performance related commissions to incentivise staff. Annual succession plans are undertaken at Board and management levels across all areas of the business to identify future potential leaders of the business and the Group invests in the training of our staff to optimise NFI efficiencies.

Compliance risks
Increased employment law and regulations specific to certain business sectors and for temporary workers in particular necessitate pre-employment checks. To mitigate these risks all new employees receive relevant training on the operating standards applicable to their role. The Group has independent compliance teams who spot check compliance across the Group. Compliance processes are tailored to specialisms, for example, in ensuring the health and safety of contingent labour supplied into the rail industry.

Credit risk
The inability of a key customer to pay amounts owing to us due to financial difficulties is a risk. To minimise such risks we employ pro-active credit control techniques. We credit check new customers, subscribe to a monitoring service and monitor payment patterns and debt levels against credit limits. In addition the Board is regularly appraised of debt levels and ageing.

Loss of key customers
Loss of a key customer or large contract is a significant risk. To minimise this risk the strategy across all of our businesses is to actively pursue new customers and contracts and to identify new market opportunities to spread the risk. We also take very seriously our commitment to providing excellent service and building and maintaining customer relationships.

Reliance on technology
Failure of our IT systems would cause significant disruption to the business. The Group's technology systems are housed in various data centres and the Group has the capacity to cope with a data centre's loss through the establishment of disaster recover sites based in physical separate locations to on-going operations.

Overseas operations
Risks inherent with overseas operations include: security of cash where cash is used to pay workers, the safety of our contractors when working abroad and foreign exchange risks. The Board and management of our overseas operations are cognisant of such risks and processes and insurances are in place to mitigate them as far as possible. Risks associated with overseas operations are regularly discussed and mitigating controls reviewed and tested.

The strategic report was approved by the Board on 18 March 2014 and signed on its behalf by:

Sarah Dye

Sarah Dye
Secretary

18 March 2014

Finance Director's statement

In the year ended 31 December 2013, Group revenue increased by 14% to £49m (2012: £43m) reflecting strong growth across the Group's recruitment division, in particular Ganymede Solutions where revenues were up 44% on 2012 at £10m.

Revenue growth has flowed through to an overall operating profit of £871,000, an increase of 47% on last year. Gross margin was 11.3% (2012: 12.2%) reflecting the temporary impact of the restructuring in ATA Recruitment. Gross margin is budgeted to improve in 2014.

Recruitment
ATA Recruitment returned a solid performance for the year with the anticipated benefits of the new structure hinted at in the early part of the second half but most notably evident in the final quarter of 2013 with revenue up 16% versus the final quarter of 2012.

Revenue generated by ATA Global Staffing Solutions increased by £1.1m reflecting the levelling out of the contract in Afghanistan as it reaches maturity. Gross margin increased to 10.1% (2012: 9.2%) as a result of efficiencies gained from experience in managing the contract.

Revenue from blue collar labour supplied by Ganymede Solutions increased by 44% with the number of hours worked up 44% (2012: 37%). This revenue growth was principally achieved by increased volumes with existing customers.

Conferencing
Income from the Derby Conference Centre, which houses the Group's head office, was maintained near 2012 levels.

Taxation
The total tax charge for the year of £224,000 (2012: credit £101,000 relating to deferred tax) is higher than would be expected if a 23.5% charge to corporation tax was applied to the profit for the year. The reason for this is that the overall tax charge comprises a charge to corporation tax for the year of £95,000 and a deferred tax charge of £129,000. The actual charge to corporation tax of £95,000 is lower due to the utilisation of tax losses brought forward. The deferred tax charge of £129,000 relates to the unwinding of the deferred tax asset as the tax losses brought forward are utilised (see notes 7 and 10 to the Group financial statements).

Earnings per share
The basic earnings per share figure is 3.79p (2012: 4.26p). The decrease reflects the tax charge as noted above. Profit before tax is up 55% at £736,000 (2012: £474,000).

Dividends
The directors are unable to recommend any dividend payment, at least until there are positive reserves brought forward in RTC Group plc.

Statement of financial position
The Group balance sheet has again strengthened during the year, with net working capital increasing by £620,000 to £1,182,000 (2012: £562,000) and a slightly increased ratio of current assets to current liabilities of 1.14 (2012: 1.07). The Group's gearing ratio has fallen to 2.3 from 3.2. Gearing is calculated as current bank borrowing over equity and interest cover has increased to 6.5 (2012: 5.0) further evidence of improvement in the Group's financial position.

Trade receivables have only increased by £397,000 despite the increased trading levels across the Group. This is predominantly a result of increased trading in Ganymede Solutions (revenue up 44%) which is also reflected in the slight increase in ageing debtor profile as a number of Ganymede's key customers have extended payment terms. The increase in other debtors reflects a marked increase in sales activity in week 52 compared to prior year, including a new contract in ATA Recruitment. Week 52 sales that have not been invoiced at the year end are treated as other receivables (prior year: trade receivables).

Financing and cash flow
The Group's current bank facilities include an overdraft of £50,000 and a confidential invoice discounting facility of up to £7.0m with HSBC. Both are renewable annually with the next review due in February 2015. The Group is currently operating well within its facility cap.

The Board closely monitors the level of facility utilisation and availability to ensure that there is sufficient headroom to manage current operations and support the growth of the business.

Post tax cash generation during the year has improved and our pro-active approach to debtor management has succeeded in limiting our working capital utilisation despite the 14% increase in revenue.

The Group continues to be focussed on cash generation and building a robust balance sheet to support the growth of the business.

Sarah Dye

Sarah Dye
Group Finance Director

18 March 2014

Directors' report

The directors submit their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2013.

Principal activity

The Group's principal activity is the provision of recruitment services. The Company's principal activity is that of a holding company.

Results and review of the business

Group revenue for the year was up 14% at £49m. The Group recorded an operating profit for the year of £871,000 (2012: £592,000).

A review of the Group's business and developments during the year are set out in the overview, strategy and performance sections of this report.

Share capital

Details of share capital are shown in note 14 to the Group financial statements.

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
A Bailey (resigned 20 February 2013)
J T White
S Dye (appointed 20 February 2013)

Directors' interests in the 1p ordinary shares of the Company and their share options are set out in note 5 to the Group financial statements. W J C Douie retires by rotation and offers himself for re-election.

Significant shareholders

The interests in excess of 3% of the issued ordinary share capital of the Company which have been notified at 20 February 2014 were as follows:

	Number of shares	% issued share capital
W J C Douie	2,280,541	16.88%
J T White	2,262,986	16.75%
Alison Chapman	1,520,340	11.25%
A M Pendlebury	1,351,163	10.00%
Chase Nominees Limited	763,735	5.65%
Brewin Nominees Limited	624,598	4.62%
Graham J Chivers	573,428	4.24%
JIM Nominees Limited	475,000	3.52%

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, under its EMI scheme, the Group issued share options to some senior managers during the year and is considering further grants in future under the same scheme.

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 2013, 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.

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 (2012: Nil) were paid during the year and no final dividend is proposed.

Post balance sheet events

There have been no significant events to report since the date of the balance sheet.

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 ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Going concern
The Group has made a pre-tax profit of £736,000 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 £1,701,000, its bank facilities which have been agreed until March 2015 and the Group's trading and cash forecasts for the next 12 months, that the going concern basis of preparation is appropriate and the directors have reasonable expectation that the Group will continue in operational existence for the foreseeable future (in accordance with the guidance "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" issued by the Financial Reporting Council).

Financial risk management objectives and policies
Treasury activities take place under procedures and policies approved 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 and an invoice discounting facility.

The Group 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 17 to the Group financial statements.

Notice of the AGM can be found on page 43.

Directors' responsibilities statement
The directors are responsible for preparing the annual 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 elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the 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 Group and company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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, subject to any material departures disclosed and explained in the financial statements;
- state with regard to the parent company financial statements whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication
The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Sarah Dye

Sarah Dye
Secretary

18 March 2014

Corporate governance statement

Statement by the Directors on compliance with the UK Corporate Governance Code (the code)
As a company listed on the Alternative Investment Market (AIM) of the London Stock Exchange, RTC Group plc is not required to comply with the code. This report therefore does not describe how the Group has complied with the code and does not explain any departures from it. However, the Group has considered the main principles of the code as they relate to an effective Board, being leadership, effectiveness, accountability, remuneration and relations with shareholders and taken steps to comply.

The Group also supports the Quoted Companies Alliance 'Corporate Governance Code for Small and Mid-Size Companies 2013' (the guide) which is seen to set the standard that AIM companies should seek to adhere to. As the Group grows it intends, as far as practical to increasingly observe the principles in the guide. A brief outline of the Board and its committees, together with the Group's systems of internal financial control is set out below.

The Board
The Board comprises the Group Chairman, the Group Chief Executive, the Group Finance Director and one non-executive Director.

The Board 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.

The Board meets formally no less than six times per year.

The Group believes that it has at its disposal, in its non-executive director, J T White, its Chairman with his banking background and experience and its other Executive Directors, an appropriate range of skills and experience to ensure the interests of all stakeholders in the Group are fully accommodated.

Board committees
The Board has established a remuneration committee and an 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.

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 J T White. It is chaired by W J C Douie. However, W J C Douie is not involved in determining his own remuneration.

William Douie, Group 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, 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.

Corporate governance statement

Sarah Dye, Group Finance Director
Sarah is a qualified chartered accountant with significant experience in strategic planning, commercial and operational finance. Her career has seen her work in both the public and private sectors in the UK and overseas. Sarah qualified with BDO in 1991 before moving to The Post Office Plc and then The Boots Company Plc gaining experience in risk management, internal audit and commercial finance. In 1998, Sarah joined Allied Domecq plc, a global spirits and wine company, becoming Finance and Planning Manager for Europe. In 2004 Sarah joined Nottingham Trent University where she held a number of senior finance positions. Sarah has spent a total of five years in New Zealand with the Office of the Auditor-General, working with central and local government entities and the tertiary sector. In March 2011 Sarah joined Staffline Group Plc as Group Financial Controller. Sarah was appointed as Group Finance Director of RTC Group Plc in February 2013.

John White, 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 he 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 2012.

Relations with shareholders
The Board values the views of its shareholders. The Annual General Meeting is used to communicate with all investors and they are encouraged to participate. The Directors are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a formal resolution to approve the Annual Report.

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 decisions 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. The Boards of our Group businesses also actively identify risks, for example, through risk workshops, and ensure mitigating controls are in place.
- **Budgetary process**
  Each year the Board approves the annual budget. Key risk areas are 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.

An annual programme of specialist audit reviews that is focused on key risk areas is approved by the audit committee. The audit committee ensures that these reviews are carried out by experts who are independent of the Group's external auditors.

Remuneration report

Policy on Executive Directors' remuneration

The Executive Directors' remuneration packages are designed to attract and retain high quality xecutives capable of achieving the Group's objectives. The Group's policy is to provide remuneration packages for Executive Directors at market levels for comparable jobs in the sector whilst recognising the relative size of the Group. The remuneration committee continues to give full consideration to provisions set out in section D (remuneration) of the UK Corporate Governance Code in determining remuneration packages.

The individual components of the remuneration package are discussed below.

Basic salary

Salary and benefits are reviewed annually by the remuneration committee. The Committee takes into account independent research on comparable companies and general market conditions.

Benefits

Benefits comprise private healthcare and car allowances.

Share options

The Group has formulated a policy for the granting of share options to directors and full-time employees. Details are set out in note 5 to the Group financial statements.

Performance related bonuses

Bonuses are paid at the discretion of the remuneration committee as an incentive and to reward performance during the financial year. Details are set out in note 5 to the Group financial statements.

Pensions

For the year ended 31 December 2013, the Company contributed an amount equal to the following % of directors' basic salaries to money purchase pension schemes:

A M Pendlebury	15%
S Dye	7.5% (appointed 20 February 2013)
A Bailey	10% (resigned 20 February 2013)

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. S Dye has a service agreement which is terminable upon 6 months' notice in writing by either party. G Hewett and A Bailey's service contracts were terminable on 6 months' notice in writing by either party.

Details of Directors' remuneration can be found in note 5 to the Group financial statements.

On behalf of the Board

W J C Douie

W J C Douie
Chairman

18 March 2014

Governance

Independent auditor's report to the members of RTC Group Plc

We have audited the financial statements of RTC Group plc for the year ended 31 December 2013 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position and company balance sheet, the consolidated statement of cash flows 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 reporting framework that has been applied in 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's 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 matters prescribed by the Companies Act 2006
In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Richard Wilson

Richard Wilson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Nottingham

18 March 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive Income

	Notes	**2013 £'000**	2012 £'000
Revenue	2,3	**48,817**	42,963
Cost of sales		**(43,295)**	(37,735)
Gross profit		**5,522**	5,228
Administrative expenses		**(4,651)**	(4,636)
Profit from operations	4	**871**	592
Financing expense	6	**(135)**	(118)
Profit before tax		**736**	474
Tax (expense)/credit	7	**(224)**	101
Net profit and total comprehensive income for the year		**512**	575
Earnings per ordinary share			
Basic	8	**3.79p**	4.26p
Diluted	8	**3.69p**	4.26p

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2013	**135**	**2,468**	**50**	**—**	**(1,482)**	**1,171**
Profit and total comprehensive income for the year	**—**	**—**	**—**	**—**	**512**	**512**
Share acquisition	**—**	**—**	**—**	**—**	**—**	**—**
Share based payment reserve	**—**	**—**	**—**	**18**	**—**	**18**
At 31 December 2013	**135**	**2,468**	**50**	**18**	**(970)**	**1,701**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2012	135	2,468	50	33	(2,049)	637
Profit and total comprehensive income for the year	—	—	—	—	575	575
Share acquisition	—	—	—	—	(41)	(41)
Share based payment reserve	—	—	—	(33)	33	—
At 31 December 2012	135	2,468	50	—	(1,482)	1,171

The share based payment reserve comprises 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

	Notes	2013 £'000	2012 Restated £'000
Assets			
Non-current			
Property, plant and equipment	9	**431**	403
Deferred tax asset	10	**110**	239
		541	642
Current			
Cash and cash equivalents		**232**	336
Inventories	11	**15**	13
Trade and other receivables	12	**9,127**	8,059
		9,374	8,408
Total assets		**9,915**	9,050
Liabilities			
Current			
Trade and other payables	13	**(4,230)**	(4,001)
Corporation tax		**(95)**	—
Current borrowings	13	**(3,867)**	(3,845)
		(8,192)	(7,846)
Non-current liabilities			
Creditors falling due after one year — finance leases	13	**(22)**	(33)
Net assets		**1,701**	1,171
Equity			
Share capital	14	**135**	135
Share premium		**2,468**	2,468
Capital redemption reserve		**50**	50
Share based payment reserve		**18**	—
Accumulated losses		**(970)**	(1,482)
Total equity		**1,701**	1,171

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 18 March 2014 by:

Andy M Pendlebury
Director

18 March 2014

Sarah Dye
Director

18 March 2014

Consolidated statement of cash flows

	Notes	2013 £'000	2012 £'000
Cash flows from operating activities			
Profit before tax		**736**	474
Adjustments for:			
Depreciation, loss on disposal and amortisation		**181**	149
Profit on sale of property, plant and equipment		**3**	—
Employee equity settled share options		**18**	—
Change in inventories		**(2)**	1
Change in trade and other receivables		**(1,068)**	(1,621)
Change in trade and other payables		**245**	938
Cash generated from operations		**113**	(59)
Net cash from/(used) in operating activities		**113**	(59)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(212)**	(260)
Purchases of shares in subsidiary companies		**—**	(41)
Net cash used in investing activities		**(212)**	(301)
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		**(27)**	—
Net increase/(decrease) in cash and cash equivalents from operations		**(126)**	(360)
Total net (decrease) in cash and cash equivalents	16	**(126)**	(360)
Cash and cash equivalents at beginning of period		**(3,509)**	(3,149)
Cash and cash equivalents at end of period	15	**(3,635)**	(3,509)

Notes to the Group financial statements

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 under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and IFRC Interpretations as adopted by the European Union issued and effective at 1 January 2013 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:

- Deferred tax asset — a prudent estimate is made as to the extent that it is probable 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 management's 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.

Restatement of prior year figures

Invoice discounting balances were previously netted off cash and cash equivalents in the prior year. In the current year, the directors have restated them to borrowings resulting in no impact on reported profits or net assets.

The company's accounting reference date is 31 December. These financial statements are for the period 31 December 2012 to 29 December 2013. The comparative figures are for the period 2 January 2012 to 30 December 2012.

The Group has made a pre-tax profit of £736,000 (2012: £474,000) 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 £1,701,000, its bank facilities which have been agreed until March 2015 and the Group's trading and cash forecasts for the next 12 months, that the going concern basis of preparation is appropriate.

Adoption of standards

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors anticipate that the adoption of these standards will not result in significant changes to the Group's accounting policies. The Group has commenced its assessment of the impact of these standards but is not yet in a position to state whether these standards would have a material impact on its results of operations and financial position.

- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements (effective 1 January 2014)
- IFRS 11 Joint Arrangements (effective 1 January 2014)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2014)
- Offsetting Financial assets and Financial Liabilities (Amendments to IAS 32 and IFRS 7) (effective 1 January 2014)

Notes to the Group 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 accounts of Accurate Recruitment and Training Services PBT Limited have not been consolidated with those of the Company as the directors consider that the amounts involved are not material.

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

c) Revenue

Recruitment

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The overriding principle is that revenue is recognised when the Group has fulfilled its contractual obligations. Contractual obligations may vary from client to client, however, generally:

- revenue arising from the placement of permanent candidates is recognised at the time the candidate commences full-time employment;
- revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided; and
- revenue from amounts billed to clients for expenses incurred on their behalf (principally contractor expenses) is recognised when the expense is incurred.

Conferencing

Revenue is recognised when the service is provided and represents

- the sales value of conferencing provided that has occurred during the year, excluding value added tax; and
- the sales value of rental income received from subletting areas of the conferencing site, excluding VAT. Rental income received is recognised on a straight line basis over the lease term.

Revenue arising from bar and restaurant sales and from the provision of hotel accommodation within the Group's conferencing facilities are recognised when the service is provided.

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% equally per annum or equally over the lease term
Fixtures and office equipment	25%–33.3% per annum straight line
Motor vehicles	25%–33.3% per annum straight line

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 for the period.

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. The recoverable amount being the higher of fair value less cost to sell and value in use. Impairment losses are recognised in the statement of comprehensive income for the period.

f) Inventories

Inventories comprise of goods for resale and are stated at the lower of cost and net realisable value on a first-in-first-out basis.

g) Leasing

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

h) 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 to profit or loss for the period unless it relates to items that are recognised in other comprehensive income, when the tax is also recognised in other comprehensive income, or to items recognised directly to equity, when the tax is also recognised directly in equity.

i) 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 distributable profits arising in Group companies.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax asset is 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.

j) Retirement Benefit

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

k) 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.

l) 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 5. Fair value is measured by use of a Black–Scholes model.

Notes to the Group financial statements

1. Statement of accounting policies continued

m) Trade Payables

Trade payables are stated at their original invoiced value. Where not materially different to fair value, as the effect of discounting is not significant, they are stated at original invoice value. They are recognised on the trade date of the related transaction.

n) Trade receivables

Trade receivables are stated at their original invoiced value reduced by appropriate allowances for estimated irrecoverable amounts. Where not materially different to fair value, as the effect of discounting is not significant, they are stated at original invoice value. 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.

o) Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, net of outstanding overdrafts and amounts due under invoice discounting arrangements.

The overdrafts and invoice discounting arrangements are an integral part of the Group's cash management and are therefore included as cash and cash equivalents.

p) Borrowings

Interest-bearing borrowings are stated at amortised cost.

q) 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 statement of comprehensive income for the period.

(r) Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Segment analysis

The Group is a provider of recruitment services that is based at the Derby Conference Centre. The recruitment business comprises three distinct business units — ATA Recruitment servicing the UK SME engineering market and a number of vertical markets; ATA Global Staffing Solutions servicing the international market and Ganymede Solutions supplying blue collar labour into rail, trades and labour and other markets.

Segment information is provided below in respect of ATA Recruitment, ATA Global Staffing Solutions, Ganymede Solutions and the Derby Conference Centre which also provides hotel and conferencing facilities.

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

Revenues are generated from permanent and temporary recruitment in the Recruitment division. Revenue is analysed by origin of customer/point of invoicing and as such all recruitment division revenues are supplied in the United Kingdom (see note 3 to the financial statements). Hotel and conferencing services are wholly provided in the UK at the Derby Conference Centre.

All revenues have been invoiced to external customers. During 2013, one customer in the ATA Global Staffing Solutions segment contributed 10% or more of that segment's revenues being £14.8m (2012: £13.7m).

2. Segment analysis continued

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

	Recruitment			**Conferencing**	
	ATA Recruitment 2013 £'000	**ATA Global Staffing Solutions 2013 £'000**	**Ganymede Solutions 2013 £'000**	**Derby Conference Centre 2013 £'000**	**Total Group 2013 £'000**
External sales revenue	**22,500**	**14,840**	**9,938**	**1,539**	**48,817**
Cost of sales	**(20,545)**	**(13,340)**	**(8,687)**	**(723)**	**(43,295)**
Segment gross profit	**1,955**	**1,500**	**1,251**	**816**	**5,522**
Administrative expenses	**(954)**	**(575)**	**(461)**	**(678)**	**(2,668)**
Depreciation	**(27)**	**—**	**(8)**	**(78)**	**(113)**
Segment contribution	**974**	**925**	**782**	**60**	**2,741**
Group costs					**(1,870)**
Operating profit per statement of comprehensive income					**871**

The segmental information for the previous reporting period was as follows:

	Recruitment			Conferencing	
	ATA Recruitment 2012 £'000	ATA Global Staffing Solutions 2012 £'000	Ganymede Solutions 2012 £'000	Derby Conference Centre 2012 £'000	Total Group 2012 £'000
External sales revenue	20,601	13,736	6,885	1,741	42,963
Cost of sales	(18,292)	(12,472)	(6,228)	(743)	(37,735)
Segment gross profit	2,309	1,264	657	998	5,228
Administrative expenses	(988)	(641)	(225)	(777)	(2,631)
Depreciation	(20)	(2)	(14)	(60)	(96)
Segment contribution	1,301	621	418	161	2,501
Group costs					(1,909)
Operating profit per statement of comprehensive income					592

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

3. Revenue

Revenue is analysed by origin of customer/point of invoicing. All goods and services are supplied in the United Kingdom (2012: United Kingdom).

Notes to the Group financial statements

4. Profit on Group operations

	2013 £'000	2012 £'000
Profit on Group operations for the year is stated after charging:		
Depreciation of owned tangible fixed assets	**165**	140
Depreciation of assets held under finance leases	**16**	9
Fees payable to the company's auditor for the audit of the company's annual accounts	**14**	14
Fees payable to the company's auditor for other services:		
— the audit of the company's subsidiaries pursuant to legislation	**34**	29
— tax compliance	**7**	6
— other non-audit services	**4**	2
Operating lease expense in respect of:		
— land and buildings	**317**	340

5. Directors and employees remuneration

The expense recognised for employee benefits (including directors) employed by the Group during the year is analysed below:

	2013 £'000	2012 £'000
Wages and salaries	**5,056**	5,013
Social security costs	**497**	473
Share based payments	**18**	—
Other pension costs	**93**	85
	5,664	5,571

The average number of employees, including executive directors, during the year was:

	2013 Number	2012 Number
Sales and administration staff	**129**	112
Conference support staff	**55**	55
Direct labour	**35**	33
	219	200

Directors' remuneration

The remuneration of the directors was as follows:

2013	Fees £'000	Salary £'000	Bonus £'000	Benefits in kind £'000	Pension contributions £'000	Total 2013 £'000
W J C Douie	—	30	20	5	—	55
A M Pendlebury	—	150	50	10	35	245
S Dye (appointed 20 Feb 2013)	—	71	12	1	5	89
J T White	14	4	—	—	—	18
A Bailey (resigned 20 Feb 2013)*	—	41	—	2	1	44
	14	296	82	18	41	451

*Included within the salary figure above for A Bailey is £32,550 compensation for loss of office.

5. Directors and employees remuneration continued

2012	Fees £'000	Salary £'000	Bonus £'000	Benefits in kind £'000	Pension contributions £'000	Total 2012 £'000
W J C Douie	—	30	11	5	—	46
A M Pendlebury	—	150	24	3	35	212
G Hewett (resigned 4 Apr 2012)	—	68	—	2	3	73
A Bailey	—	97	13	2	8	120
J T White	18	—	—	—	—	18
	18	345	48	12	46	469

Share based employee remuneration

Share options and the weighted average exercise price are as follows for the reporting periods presented:

	Number	**Weighted average exercise price (pence) 2013**	Number	Weighted average exercise price (pence) 2012
Outstanding at start of period	**1,052,081**	**9**	507,304	50
Granted	**655,000**	**16**	1,152,081	9
Lapsed	**(150,000)**	**9**	(607,304)	43
Outstanding at end of period	**1,557,081**	**12**	1,052,081	9

The Group has the following outstanding share options and exercise prices:

Date exercisable (and option life)	**Number 2013**	**Weighted average exercise price (pence) 2013**	**Weighted average contractual life (months) 2013**	Number 2012	Weighted average exercise price (pence) 2012	Weighted average contractual life (months) 2012
2015 (up to 2022)	**902,081**	**9**	**97**	1,052,081	9	112
2016 (up to 2023)	**655,000**	**16**	**113**	—	—	—

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

	At 1 January 2013	Granted	Lapsed	**At 31 December 2013**	Date of grant	Exercise price
W J C Douie	75,000	—	—	**75,000**	27 Jan 2012	9p
A M Pendlebury	675,581	105,000	—	**780,581**	30 May 2013	16p
S Dye	—	100,000	—	**100,000**	30 May 2013	16p
A Bailey (resigned 20 February 2013)	100,000	—	(100,000)	**—**	27 Jan 2012	9p

Financials

Notes to the Group financial statements

5. Directors and employees remuneration continued

The share 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:

	2013	2012
W J C Douie	**2,280,541**	2,209,073
A M Pendlebury	**1,351,163**	1,249,550
S Dye	**43,000**	—
A Bailey (resigned 20 February 2013)	**723,763**	723,763
J T White	**2,262,986**	2,191,517

The market price of the Company's shares on 31 December 2013 was 15.5p and the highest and the lowest share prices during the year were 17p and 11p respectively. The total expense recognised in the statement of comprehensive income in respect of share based payment was £18,000 (2012: NIL).

6. Finance cost

	2013 £'000	2012 £'000
Interest charge on invoice discounting arrangements and overdrafts	**133**	117
Interest charge on finance leases	**2**	1
	135	118

7. Income tax

Continuing operations	**2013 £'000**	2012 £'000
Analysis of tax:		
Current tax		
UK corporation tax	**95**	—
	95	—
Deferred tax		
Origination and reversal of temporary differences	**129**	(107)
Adjustment in respect of previous period	**—**	6
Tax	**224**	(101)

Factors affecting the tax expense

The tax assessed for the year is greater than (2012: less than) would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 23.5% (2012: 23%). The differences are explained below:

Factors affecting tax expense

	2013 £'000	2012 £'000
Result for the year before tax	**736**	474
Profit multiplied by standard rate of tax of 23.5% (2012: 23%)	**173**	116
Non-deductible expenses	**17**	17
Losses carried forward		—
Utilisation of losses	**34**	(240)
Adjustment in respect of previous periods	**—**	6
Tax charge/(credit) for the year	**224**	(101)

7. Income tax continued

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 £449,000 (2012: £813,000).

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Chancellor of the Exchequer has announced that the rate of corporation tax will be reduced each year until 2015 when it will remain at 20%. As at the balance sheet date, the rate of 20% has been substantively enacted when Finance Bill 2013 received its final reading in the House of Commons on 17 July 2013.

8. Basic and diluted earnings per share

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

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

	Basic		Diluted	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000
Earnings £'000	**512**	575	**512**	575
Weighted average number of shares	**13,511,626**	13,511,626	**13,889,918**	13,511,626
Earnings per share (pence)	**3.79p**	4.26p	**3.69p**	4.26p

Details of share options in place can be found in note 5.

9. Property, plant and equipment

	Short leasehold improvements £'000	**Fixtures & equipment £'000**	**Motor vehicles £'000**	**Capital work-in-progress £'000**	**Total £'000**
Cost					
At 1 January 2013	418	1,740	33	-	2,191
Additions	9	86	13	104	212
Disposals		(560)	(22)	-	(582)
At 31 December 2013	**427**	**1,266**	**24**	**104**	**1,821**
Depreciation					
At 1 January 2013	391	1,380	17	—	1,788
Charge for the year	20	152	9	—	181
Disposals		(557)	(22)	—	(579)
At 31 December 2013	**411**	**975**	**4**	**—**	**1,390**
Net book amount					
At 31 December 2013	**16**	**291**	**20**	**104**	**431**
At 31 December 2012	27	360	16	—	403

Financials

Notes to the Group financial statements

9. Property, plant and equipment continued

	Short leasehold improvements £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2012	418	1,495	40	1,953
Additions	—	245	15	260
Disposals	—	—	(22)	(22)
At 31 December 2012	418	1,740	33	2,191
Accumulated depreciation				
At 1 January 2012	382	1,248	31	1,661
Depreciation	9	132	8	149
Disposals	—	—	(22)	(22)
At 31 December 2012	391	1,380	17	1,788
Carrying value				
At 31 December 2012	27	360	16	403
At 31 December 2011	36	247	9	292

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

There were no contractual capital commitments for the acquisition of property, plant and equipment at 31 December 2013 (2012: Nil).

The net book value of assets held under finance leases at 31 December 2013 was £34,000 (2012: £40,000) and are all relating to fixtures and equipment.

10. Deferred tax asset

	2013 £'000	2012 £'000
At 1 January 2013	**239**	132
(Charge)/credit to the profit for the year	**(129)**	107
At 31 December 2013	**110**	239

The deferred tax asset is analysed as:

Recognised	**2013 £'000**	2012 £'000
Depreciation in excess of capital allowances	**99**	135
Tax losses carried forward	**11**	96
Short-term temporary differences	**—**	8
	110	239

Unrecognised	**2013 £'000**	2012 £'000
Tax losses carried forward	**83**	91

Tax losses carried forward of £397,000 (2012: £397,000) 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.

11. Inventories

	2013 £'000	2012 £'000
Food, drink and goods for resale	**15**	13

12. Trade and other receivables

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Gross trade receivables	**7,910**	7,550
Allowance for credit losses	**(21)**	(58)
Net trade receivables	**7,889**	7,492
Other receivables	**53**	86
Prepayments and accrued income	**1,185**	481
	9,127	8,059

Allowances for credit losses on trade receivables for doubtful debts

	2013 £'000	2012 £'000
Allowances at 1 January	**58**	62
Additions — charged to statement of comprehensive income	**4**	47
Allowances used	**(39)**	(51)
Allowances reversed	**(2)**	—
Allowances as at 31 December	**21**	58

An analysis of aged debtors past due but not impaired is shown below:

	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
2013 Trade receivables	**7,889**	**5,100**	**1,980**	**512**	**297**
2012 Trade receivables	7,492	5,912	1,140	367	73

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

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Notes to the Group Financial Statements

13. Liabilities

	2013 £'000	2012 Restated £'000
Trade and other payables		
Trade payables	**505**	655
Other taxes and social security costs	**1,238**	1,603
Finance leases	**11**	22
Other payables	**315**	215
Accruals and deferred income	**2,161**	1,515
	4,230	4,010

Creditors falling due after one year relate to finance leases. Finance leases are secured on the assets concerned.

	2013 £'000	2012 Restated £'000
Creditors falling due after one year		
Two to five years	**22**	33

	2013 £'000	2012 Restated £'000
Borrowings		
Invoice discounting arrangements	**3,867**	3,845
Allowances as at 31 December	**3,867**	3,845

Maturity of trade payables is between one and three months.

During the year the Group has used its bank overdraft which is secured by a cross guarantee and debenture (fixed and floating charge over all assets) over all Group companies, and its invoice financing facility that is secured over the book debts of the Group. There have been no defaults of interest payable or unauthorised breaches of financing agreement terms during the current or prior year.

14. Share capital

	2013 £'000	2012 £'000
Allotted, issued and fully paid — ordinary shares of 1p each:		
As at 1 January 2013 13,511,626 shares (2012: 13,511,626 shares)	**135**	135
As at 31 December 2013 13,511,626 shares (2012: 13,511,626 shares)	**135**	135

15. Reconciliation of net cash flow to movements in net debt

	2013 £'000	2012 £'000
Decrease in cash in the year	(126)	(360)
Cash outflow from changes in debt and lease financing	—	—
Movement in net funds in the year	(126)	(360)
Net debt at 1 January 2013	(3,509)	(3,149)
Net debt at 31 December 2013	(3,635)	(3,509)

16. Analysis of net debt

	At 1 January 2013 £'000	Cash Flows £'000	Other non-cash movements £'000	At 31 December 2013 £'000
Overdraft and invoice discounting arrangements	(3,509)	(126)	—	(3,635)
Net debt	(3,509)	(126)	—	(3,635)

17. Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors. 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.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

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. Competitive interest rates are negotiated. The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/- one percentage point with effect from the beginning of the year.

	2013 £'000	2013 %	2012 £'000	2012 %
	+1%	-1%	+1%	-1%
Increase/(decrease) in net result and equity £'000	32	(32)	33	(33)

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 of £50,000 and an invoicing discount facility up to £7.0m as required.

Notes to the Group Financial Statements

17. Risk management objectives and policies 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.

Foreign currency sensitivity

The Group incurs costs and generates revenues denominated in currencies other than sterling. As a result the value of the Group's non sterling revenues, costs, financial assets and cash flows can be affected by movements in exchange rates, in particular the dollar and euro exchange rates. The Group's objective in managing the currency exposure is to match revenues and expenses at similar exchange rates.

Borrowing facilities

The Group has an invoice discounting facility of £7.0m (2012: £5.2m) and an overdraft facility of £50,000 (2012: £50,000).

Financial assets and liabilities

The Group has the following financial assets:

- Trade receivables (see note 12 to the Group financial statements)
- Other debtors excluding prepayments of £886,000 (2012: £340,000)

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. All the Group's financial liabilities mature in less than one year other than assets held under finance leases. Assets held under finance leases are not material.

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

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

18. Operating lease commitments

As a lessee the Group had commitments under non-cancellable operating leases on land and buildings as follows:

	2013 £'000	2012 £'000
Within one year	**320**	311
Between two and five years	**513**	538
Over five years	**—**	—
Total	**833**	849

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

18. Operating lease commitments continued

As at the balance sheet date £810,000 (2012: £1,170,000) was expected to be received under non-cancellable sub-leases. Split as follows:

	2013 £'000	2012 £'000
Within one year	**360**	360
Between two and five years	**450**	810
Over five years		—
Total	**810**	1,170

19. 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 2013 for the schemes was £93,105 (2012: £85,000) and as at 31 December 2013 there were contributions of £18,020 (2012: £13,958) outstanding.

20. 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
ATA Global Staffing Solutions 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.

The Directors consider that the key management personnel are the Group Directors as listed in note 5.

21. 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.

The Group manages the capital structure and ratio of debt to equity and makes adjustments to it in the light of changes in economic conditions.

RTC Group

Company statutory financial statements

For the year ended 31 December 2013:
(Prepared under UK GAAP)

Company Number 2558971

Company balance sheet as at 31 December 2013

Company number: 2558971

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	24	**59**	59
		59	59
Current assets			
Debtors	25	**2,056**	1,560
		2,056	1,560
Current liabilities			
Creditors falling due within one year	27	**(186)**	(120)
Net current assets		**1,870**	1,440
Net assets		**1,929**	1,499
Equity			
Called up share capital	31	**135**	135
Share premium	28	**2,468**	2,468
Capital Redemption Reserve	28	**50**	50
Share based payment reserve	28	**18**	—
Profit and loss account	28	**(742)**	(1,154)
Shareholders' funds	30	**1,929**	1,499

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 18 March 2014 by:

Andy M Pendlebury Sarah Dye

Andy M Pendlebury
Director

18 March 2014

Sarah Dye
Director

18 March 2014

Financials

Notes to the Company financial statements

22. 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.

The company's accounting reference date is 31 December. These financial statements are for the period 31 December 2012 to 29 December 2013. The comparative figures are for the period 2 January 2012 to 30 December 2012.

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 it is probable there will be sufficient future profits against which the asset will 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.

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

23. 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 profit after taxation for the year amounted to £412,000 (2012: profit of £214,000).

24. Investments

Shares in subsidiary undertakings — Company	**2013 £'000**	2012 £'000
Cost at 1 January	**1,605**	1,553
Investment in subsidiary company	**—**	52
Cost at 31 December	**1,605**	1,605
Accumulated impairment losses at 1 January	**1,546**	1,546
Charge in year	**—**	—
Provision for impairment at 31 December	**1,546**	1,546
Net book value at 31 December	**59**	59

At 31 December 2013 the Company held the share capital of the following subsidiary undertakings:

Subsidiaries	**Proportion of ordinary share capital held**	**Country of incorporation**	**Nature of business**
ATA Management Services Limited	100%	England and Wales	Support Services
ATA Recruitment Limited	100%	England and Wales	Recruitment
The Derby Conference Centre Limited	100%	England and Wales	Conferencing Services
Ganymede Solutions Limited	100%	England and Wales	Recruitment
ATA Global Staffing Solutions Limited	100%	England and Wales	Recruitment
Accurate Recruitment and Training Services PVT Limited	90%	India	Recruitment

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

25. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	**2,034**	1,508
Deferred tax asset (see note 26 below)	**—**	34
Prepayments	**22**	18
	2,056	1,560

Financials

Notes to the Company financial Statements

26. Deferred tax asset

	2013 £'000	2012 £'000
At 1 January 2013	**34**	3
(Charge)/credit to the profit for the year	**(34)**	31
At 31 December 2013	**—**	34

The deferred tax asset is analysed as:

Recognised	2013 £'000	2012 £'000
Tax losses carried forward	**—**	31
Short-term temporary differences	**—**	3
	—	34

27. Creditors — amounts falling due within one year

	2013 £'000	2012 £'000
Trade and other payables		
Bank loans and overdraft	**50**	17
Other taxes and social security costs	**22**	23
Other creditors	**13**	16
Accruals	**101**	64
	186	120

During the year the company has used its bank overdraft which is secured by a cross guarantee and debenture (fixed and floating charge over all assets) over all Group companies.

28. Reserves reconciliation

	Capital redemption reserve £'000	Share premium £'000	Share based payment reserve £'000	Profit and loss account £'000
At 1 January 2013	**50**	**2,468**	**—**	**(1,154)**
Share based payment reserve	**—**	**—**	**18**	**—**
Profit for the year	**—**	**—**	**—**	**412**
At 31 December 2013	**50**	**2,468**	**18**	**(742)**

29. Contingent liability

The Company has entered into a cross guarantee and debenture (fixed and floating charge over all assets) with the Group's bankers in respect of net £50,000 (2012: £50,000) overdraft facilities extended to certain of the subsidiaries of the Company.

30. Shareholders' funds

	2013 £'000	2012 £'000
At 1 January 2013	**1,499**	1,285
Share based payment reserve	**18**	—
Profit for the year	**412**	214
At 31 December 2013	**1,929**	1,499

31. Share capital

	2013 £'000	2012 £'000
Allotted, issued and fully paid — ordinary share of 1p each		
At 1 January 2013 and 31 December 2013 13,511,626 shares (2012: 13,511,626 shares)	**135**	135

Share options

Details of share options and the share based payment charge calculation are set out in note 5 to the Group financial statements.

32. Directors and employees remuneration

The Directors of the Company are the only employees for the Company and are the same as those of the Group. Their remuneration is set out in note 5 to the Group financial statements.

33. Related party transactions

The Group, as permitted by the scope paragraph of FRS8, Related Party Disclosures, has not disclosed transactions with other wholly owned Group companies.

34. Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Included in other creditors were £4,708 (2012: £Nil) of outstanding contributions.

Directors and advisers

Directors
W J C Douie
A M Pendlebury
J T White
S Dye (appointed 20 February 2013)

Registered office
The Derby Conference Centre
London Road
DE24 8UX

Company secretary
S Dye (appointed 20 February 2013)

Registered number
2558971

Nominated adviser and broker
Allenby Capital Limited
3 St Helen's Place
London
EC3A 6AB

Solicitors
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4 More London Riverside
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SE1 2AU

Bankers
HSBC plc
1 St Peters Street
Derby
DE1 2AE

Auditor
BDO LLP
Regent House
Clinton Avenue
Nottingham
NG5 1AZ

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

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 21 May 2014 at 12 noon for the following purpose:

To consider, and if thought fit, pass the following resolutions which will be proposed as to resolutions 1 to 5 as ordinary resolutions and as to resolutions 6 to 8 as special resolutions:

1. To receive and adopt the Directors' and Auditors' Report and the Financial Statements for the year ended 31 December 2013.
2. To receive and approve the Remuneration Report for the year ended 31 December 2013.
3. To re-elect WJC Douie, a director of the Company, who retires by rotation, as a director of the Company.
4. To re-appoint BDO LLP as auditors of the Company in accordance with Section 489 of the Companies Act 2006, until the conclusion of the next Annual General Meeting, and to authorise the Directors to fix their remuneration.
5. 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 on 30 June 2015 or the conclusion of the Annual General Meeting to be held in 2015 (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.
6. THAT, subject to the passing of Resolution 5 above, the Directors be and are hereby generally and unconditionally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 5 above as if section 561 of the said Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

   (a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any shareholder holding shares as treasury shares) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates, legal or practical problems arising in, or pursuant to, the laws of any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

   (b) otherwise than pursuant to paragraph 6 (a) above, up to an aggregate nominal amount of £40,535, provided that this power shall expire on 30 June 2015 or the conclusion of the Annual General Meeting of the Company to be held in 2015, (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.
7. 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;

Notice of Annual General Meeting

(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.

8. THAT, subject to the confirmation of the Court, the share premium account of the Company be cancelled and the amount by which the share premium account is so cancelled be credited to a reserve.

By Order of the Board — 18 March 2014

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
   - 6.00p.m. on 19 May 2014; or
   - if this meeting is adjourned, at 6.00p.m. on the date which is 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. Alternatively if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual (available via www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (Computershare) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of

receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. 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).
11. 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 Annual General Meeting until the date of the Meeting and at the place of the Meeting from 11.45 a.m. until the Meeting's conclusion.

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