

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

Interim results for the six months ended 30 June 2013

RTC Group Plc, a support services group which provides recruitment and conferencing services, is pleased to announce its interim results for the six months ended 30 June 2013.

Highlights

- Group revenue from continuing operations up 14.4% to £23.39m (2012: £20.45m)
- Group operating profit from continuing operations of £66k (2012: £262k)
- Profit for the six months attributable to equity holders of £5k (2012: £201k)
- Profit per share from continued operations of 0.037p (2012: 1.49p)

The Board does not believe that it would be prudent to use its financial resources to recommend a dividend at this time (2012: nil).

Commenting on the results Bill Douie, Chairman, said:

"During the six months ended 30 June 2013, we have taken the opportunity to establish, by internal promotion, an enlarged and enhanced quality middle management team in the ATA Recruitment UK division in order to permit future expansion in staff numbers and business volumes. This has involved the replacement of high performing consultants with new intake and has, as expected, reduced the performance in this division in the six months to 30 June 2013. Accordingly, Group profits in the period are modest at £5k as we build for the future.

The staffing and structural changes in the ATA Recruitment UK division have settled in well and give the directors confidence that a much improved performance for the six months to 31 December 2013 can be achieved. Coupled with solid progress at Global Staffing Solutions Limited and continuing growth at Ganymede Solutions Limited, we remain confident that for the year as a whole, the Company will perform in line with market expectations."

Enquiries:

RTC Group Plc

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RTC Group PLC

INTERIM REPORT
2013



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Chairman's statement

Six months ended 30 June 2013

I am pleased to present the interim report of the Company for the six months ended 30 June 2013.

Group

During the six months ended 30 June 2013, we have taken the opportunity to establish, by internal promotion, an enlarged and enhanced quality middle management team in the ATA Recruitment UK division in order to permit future expansion in staff numbers and business volumes. This has involved the replacement of high performing consultants with new intake and has, as expected, reduced the performance in this division in the six months to 30 June 2013. Accordingly, Group profits in the period are modest at £5k as we build for the future.

Trading

Recruitment

All areas of our recruitment division have performed in accordance with management's expectations in the first half with particularly pleasing results from Ganymede Solutions Limited.

Conferencing

The Derby Conference Centre

The market for conferencing and event activities continues to be slow resulting in a slight deterioration of expected results from this part of the Group.

Central costs

Strict attention to cost control has permitted a limitation of administrative and central costs to substantially the same figure as in the comparable period in 2012.

Management and Board

In January 2013, Andrew Bailey left the Group; we wish him well and thank him for his years of service. Sarah Dye joined us in February 2013 as Group Finance Director and is already making a significant contribution in accounting and administrative matters and to the overall effectiveness of the Group Board team.

Dividends

The directors consider that it would be inappropriate to declare an interim dividend.

Outlook & Strategy

The staffing and structural changes in the ATA Recruitment UK division have settled in well and give the directors confidence that a much improved performance for the six months to 31 December 2013 can be achieved. Coupled with solid progress at Global Staffing Solutions Limited and continuing growth at Ganymede Solutions Limited, we remain confident that for the year as a whole, the Company will perform in line with market expectations.

W J C Douie
Chairman

8 August 2013

Consolidated statement of comprehensive income

Six months ended 30 June 2013

	Note	Six month period ended 30 June 2013 Unaudited £'000	Six month period ended 30 June 2012 Unaudited £'000	Year ended 31 December 2012 Audited £'000
Revenue	2	23,386	20,452	42,963
Cost of sales		(20,920)	(17,882)	(37,735)
Gross profit		2,466	2,570	5,228
Administrative expenses		(2,400)	(2,308)	(4,636)
Operating profit		66	262	592
Financing expense		(61)	(61)	(118)
Profit before tax		5	201	474
Tax expense	3	-	-	101
Net profit and total comprehensive income for the period		5	201	575
Earnings per ordinary share	5			
Basic		0.037p	1.49p	4.26p
Diluted		0.036p	-	-

There was no dilutive effect of share options at 30 June 2012 or 31 December 2012.

Consolidated statement of changes in equity

Six months ended 30 June 2013

Six months ended 30 June 2013

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2013 (audited)	135	2,468	50	-	(1,482)	1,171
Profit and total comprehensive income for the period	-	-	-	-	5	5
Share based payment reserve	-	-	-	15	-	15
At 30 June 2013 (unaudited)	135	2,468	50	15	(1,477)	1,191

Six months ended 30 June 2012

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2012 (audited)	135	2,468	50	33	(2,049)	637
Profit and total comprehensive income for the period	-	-	-	-	201	201
Share options cancelled	-	-	-	(33)	33	-
Share based payment reserve	-	-	-	10	-	10
At 30 June 2012 (unaudited)	135	2,468	50	10	(1,815)	848

Consolidated statement of changes in equity

Six months ended 30 June 2013

Year ended 31 December 2012

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2012 (audited)	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 (audited)	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

As at 30 June 2013

	Note	As at 30 June 2013 Unaudited £'000	As at 30 June 2012 Unaudited £'000	As at 31 December 2012 Audited £'000
Assets				
Non-current				
Property, plant and equipment		378	271	403
Deferred tax asset		238	132	239
		616	403	642
Current				
Inventories		10	11	13
Trade and other receivables		9,092	6,471	8,059
		9,102	6,482	8,072
Total assets		9,718	6,885	8,714
Liabilities				
Current				
Trade and other payables		(3,642)	(3,150)	(4,034)
Current borrowings	6	(4,885)	(2,887)	(3,509)
Total liabilities		(8,527)	(6,037)	(7,543)
Net assets		1,191	848	1,171
Equity				
Share capital		135	135	135
Share premium		2,468	2,468	2,468
Capital redemption reserve		50	50	50
Share based payment reserve		15	10	-
Accumulated losses		(1,477)	(1,815)	(1,482)
Total equity		1,191	848	1,171

Consolidated statement of cash flows

Six months ended 30 June 2013

	Six month period ended 30 June 2013 Unaudited £'000	Six month period ended 30 June 2012 Unaudited £'000	Year ended 31 December 2012 Audited £'000
Cash flows from operating activities			
Operating profit	66	262	592
Adjustments for:			
Depreciation, loss on disposal and amortisation	94	72	149
Profit on sale of property, plant and equipment	1	-	-
Change in inventories	3	3	1
Change in trade and other receivables	(1,036)	(27)	(1,621)
Change in trade and other payables	(382)	54	938
Cash generated from operations	(1,254)	364	59
Interest paid	(61)	(61)	(118)
Employee equity settled share options	15	10	-
Net cash from/(used) in operating activities	(1,300)	313	(59)
Cash flows from investing activities			
Purchases of property, plant and equipment	(76)	(51)	(260)
Purchases of shares in subsidiary companies	-	-	(41)
Net cash used in investing activities	(76)	(51)	(301)
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents from operations	(1,376)	262	(360)
Total net (decrease) in cash and cash equivalents	(1,376)	262	(360)
Cash and cash equivalents at beginning of period	(3,509)	(3,149)	(3,149)
Cash and cash equivalents at end of period	(4,885)	(2,887)	(3,509)

Notes to the interim statement

Six months ended 30 June 2013

1. Accounting policies

a) General information

RTC Group PLC is a public limited company incorporated and domiciled in England whose shares are publicly traded on AIM. The registered office address is The Derby Conference Centre, London Road, Derby, DE24 8UX. The company's registered number is 02558971. The principal activities of the Group are described in note 2.

The Board consider the principal risks and uncertainties relating to the Group for the next six months to be the same as detailed in our last Annual Report and Accounts to 31 December 2012. The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2012.

b) Basis of preparation

The unaudited interim group financial statements of RTC Group PLC are for the six months ended 30 June 2013 and do not comprise statutory accounts within the meaning of S.435 of the Companies Act 2006. The unaudited interim group financial statements have been prepared in accordance with the AIM rules. This report should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2012, which have been prepared in accordance with IFRS's as adopted by the European Union.

These unaudited interim group financial statements were approved for issue on 8 August 2013. No significant events, other than those disclosed in this document, have occurred between 30 June 2013 and this date.

c) Comparatives

The comparative figures for the year ended 31 December 2012 do not constitute statutory accounts within the meaning of S.435 of the Companies Act 2006, but they have been derived from the audited financial statements for that year, which have been filed with the Registrar of Companies. The report of the auditor was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 nor a reference to any matters which the auditor drew attention by way of emphasis of matter without qualifying their report.

d) Accounting policies

The accounting policies adopted are consistent with those described in the annual financial statements for the year ended 31 December 2012. There have been no significant changes in the basis upon which estimates have been determined, compared to those applied at 31 December 2012 and no change in estimate has had a material effect on the current period.

This interim announcement has been prepared based on IFRS's which are in issue that are effective or available for early adoption at the Group's annual reporting date as at 31 December 2013.

Notes to the interim statement

Six months ended 30 June 2013

2. Segment analysis

The Group is a provider of recruitment and conferencing services and operates a division for each.

The recruitment division comprises three distinct business units – ATA Recruitment UK (ATA UK) servicing the UK SME engineering market and a number of vertical markets; ATA Global Staffing Solutions (ATA GSS) servicing the international market and Ganymede Solutions (GSL) supplying blue collar labour into rail, trades and labour and other markets.

Segmental information is provided below in respect of ATA UK, ATA GSS, GSL and conferencing.

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

The Conferencing division services are wholly provided in the UK. A growing proportion of the recruitment division revenues now derive from overseas activity.

Revenues are generated from permanent and temporary recruitment in the recruitment division and from the provision of a conferencing and hotel facility in Derby at the Derby Conference Centre (DCC) for the conferencing division.

All revenues have been invoiced to external customers other than £27,000 (2012: £30,000) within the DCC which comprised rental income from other Group segments. During 2013, one customer in the ATA GSS segment contributed greater than 10% of that segment's revenues being £7.3m (2012: £6.5m). Revenues are not seasonal.

The segmental information for the reporting period is as follows:

	<-----Recruitment----->			Conferencing	Total group
	ATA UK	ATA GSS	GSL	DCC	
	six month	six month	six month	six month	six month
	period	period	period	period	period
	ended 30	ended 30	ended 30	ended 30	ended 30
	June 2013	June 2013	June 2013	June 2013	June 2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000	£'000	£'000
Segment continuing operations					
Sales revenue from external customers	10,973	7,377	4,257	779	23,386
Cost of sales	(10,130)	(6,692)	(3,754)	(344)	(20,920)
Segment gross profit	843	685	503	435	2,466
Administrative expenses	(920)	(515)	(375)	(496)	(2,306)
Depreciation	(33)	(8)	(14)	(39)	(94)
Segment operating profit	(110)	162	114	(100)	66

Notes to the interim statement

Six months ended 30 June 2013

	<-----Recruitment----->			Conferencing	Total group six month period ended 30 June 2012
	ATA UK six month period ended 30 June 2012	ATA GSS six month period ended 30 June 2012	GSL six month period ended 30 June 2012	DCC six month period ended 30 June 2012	
	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000
Segment continuing operations					
Sales revenue from external customers	9,908	6,571	3,139	834	20,452
Cost of sales	(8,835)	(5,895)	(2,821)	(331)	(17,882)
Segment gross profit	1,073	676	318	503	2,570
Administrative expenses	(900)	(532)	(315)	(489)	(2,236)
Depreciation	(20)	(10)	(9)	(33)	(72)
Segment operating profit	153	134	(6)	(19)	262

	<-----Recruitment----->			Conferencing	Total group year ended year ended December 2012
	ATA UK year ended 31 December 2012	ATA GSS year ended 31 December 2012	GSL year ended 31 December 2012	DCC year ended 31 December 2012	
	Audited £'000	Audited £'000	Audited £'000	Audited £'000	Audited £'000
Segment continuing operations					
Sales revenue from external customers	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	(1,982)	(1,141)	(442)	(922)	(4,487)
Depreciation	(75)	-	(14)	(60)	(149)
Segment operating profit	252	123	201	16	592

All assets and liabilities are held in the United Kingdom.

Notes to the interim statement

Six months ended 30 June 2013

3. Income tax

No provision has been made for tax in the period as a result of losses brought forward from previous periods.

Deferred tax movements are not considered to be material as to the extent that the deferred tax asset has been released to the statement of comprehensive income, there has been a compensating credit arising as a result of the recognition of a deferred tax asset arising from previously unrecognised tax losses brought forward.

4. Dividends

The Board do not recommend the payment of an interim dividend.

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

	Basic			Diluted		
	Six month period ended 30 June 2013	Six month period ended 30 June 2012	Total group year ended 31 December 2012	Six month period ended 30 June 2013	Six month period ended 30 June 2012	Total group year ended 31 December 2012
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	£'000	£'000	£'000	£'000	£'000	£'000
Earnings £'000	5	201	575	5	201	575
Weighted average number of shares	13,511,626	13,511,626	13,511,626	13,906,286	13,906,286	13,906,286
Earnings per share (pence)	0.037p	1.49p	4.26p	0.036p	-	-

There was no dilutive effect of share options at 30 June 2012 or 31 December 2012.

Notes to the interim statement

Six months ended 30 June 2013

6. Analysis of changes in net debt

	At 1 January 2013 (Audited) £'000	Cash Flows £'000	Other non- cash movements £'000	At 30 June 2013 (Unaudited) £'000
Cash in hand net of bank overdraft and invoice discounting arrangements	(3,509)	(1,376)	-	(4,885)
Net debt	(3,509)	(1,376)	-	(4,885)

The Group has a working capital facility with HSBC PLC that allows it to borrow up to 90% of the invoiced trade debtors of ATA Recruitment Limited, Ganymede Solutions Limited and ATA Global Staffing Solutions Limited up to £7.0m and an overdraft facility of £50,000.

7. Contingent liabilities

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

Directors and advisers

Directors

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S Dye

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