25 February 2019

RTC Group Plc

(“RTC”, “the Company” or “the Group”)

Final results for the year ended 31 December 2018

RTC Group Plc (AIM: RTC.L), the engineering and technical recruitment company, is pleased to announce its audited results for the year ended 31 December 2018.

Highlights

- Group revenue £87.8m (2017: £71.7m), 22% increase.
- Profit before tax £1.9m (2017: £1.2m), 58% increase.
- Earnings per share (basic) 10.20p (2017: 7.07p), 44% increase.
- A final dividend is proposed of 2.55p per share making total dividends in respect of the year to 31st December 2018 3.85p (2017: 3.5p), 10% increase.
- 70% of gross profit generated by our more resilient contracting business.
- All subsidiary businesses made significant progress in their respective markets during 2018, with the majority of revenue now being in the robust infrastructure sector.
- We now offer a comprehensive range of solutions to large blue chip, mid-cap and SME engineering and manufacturing customers operating across a wide spread of industries and sectors and all at various stages of their growth cycles.
- Since we launched our new business strategy in 2014 our Group subsidiaries have provided over 15 million hours of workforce support to our collective customers.
- Our organic development plan of investing in our subsidiary businesses has delivered consistent and incremental growth over a number of years, has been proven, differentiates us from our competition and, through combining competitive advantage across our businesses, will continue to be the main driver of success for the Group.

Commenting on the results Andy Pendlebury, CEO said:

“I am delighted to report another successful year of growth for the Group with all key financial comparators showing significant progress. Group revenue has increased for the tenth successive year and since we outlined our long-term growth plan in 2014 we have delivered EBITDA growth of 80%, EPS growth of 72% and dividend growth of over 150% to our shareholders. We have also strengthened our balance sheet and I believe our Group is in a robust financial position, is making significant progress with its strategic agenda and the Board remains highly optimistic about its future.”

Enquiries:

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About RTC

RTC has three principal trading subsidiaries engaged in the recruitment of human capital resources and the provision of managed services.

ATA is one of the UK's leading engineering and technical recruitment consultancies. Supplying white and blue collar engineering and technical staff to a broad range of SME clients and vertical markets.

Ganymede is focussed on the supply and operation of blue collar contingent labour into safety critical markets.

Global Staffing Solutions predominantly provides managed service solutions for international clients.
www.rtcgroupplc.co.uk

Chairman's statement

For the year ended 31 December 2018

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

Group

2018 has seen continued growth of 22% in Group revenues to £87.8m (2017: £71.7m). There has been a very pleasing improvement in the quality of Group earnings with a 58% increase in Group pre-tax profits at £1.9m (£1.2m). Basic earnings per share have risen by 44% to 10.20p (2017: 7.07p).

In 2018, ATA had another year of growth in a year of fragile market conditions with increases in permanent placements and further growth in contract business.

Ganymede continued to prosper with good demand in the rail industry and steady performance in the energy division despite the slower than expected growth of our contract to train and supply smart-meter installers to serve the roll out of the government smart meter policy which has suffered delays pending roll out of second generation smart-meter technology which is expected during 2019.

Internationally, GSS, grew its contribution to Group by nearly 70% (2017: 42%) from business in Afghanistan and the Middle East.

Finally, 2018 has seen the completion of major refurbishment works at the conference centre at our headquarters in Derby and we now have a profitable conference centre and a first-class training facility used by many of our customers.

Dividends

In pursuance of our policy, an interim dividend of 1.3p has been paid, (2017: 1.2p). The directors are now proposing a final dividend for the 2018 year of 2.55p per share, (2017: 2.3p), subject to approval at the Annual General Meeting on 24th April 2019. If shareholders approve the recommended final dividend, then this will be paid on 7 June 2019 to all holders of shares who are on the register of members at the close of business on 10 May 2019, with an ex-dividend date of 9 May 2019.

Outlook

Although there are uncertainties for the UK economy in 2019 which are likely to remain until our future relations with the European Community are resolved, we enter 2019 with optimism, following a strong performance in 2018. ATA is continuing to perform well, and Ganymede is substantially insulated from any volatility in the general UK markets by the contracts it has within both the rail and energy industries. GSS has continuing flows of demand from its longstanding client in Afghanistan and continues to develop business in the Middle East. The facilities at the Group's Derby site have achieved a stable and profitable presence and are experiencing solid demand.

We are well placed to take advantage both of general economic growth when it re-emerges and any additional increases in infrastructure spending. Although we continue to review acquisition opportunities, we do not intend to overpay for acquisitions to the detriment of our shareholders.

We view 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
Chairman

24 February 2019

Chief executive's operational and strategic review

For the year ended 31 December 2018

Overview

I am delighted to report another successful year of growth for the Group with all key financial comparators showing significant progress. Group revenue has increased for the tenth successive year and since we outlined our long-term growth plan in our 2014 annual report we have now delivered EBITDA growth of 80%, EPS growth of 72% and dividend growth of over 150% to our shareholders. At the same time our balance sheet has strengthened significantly even taking into consideration around £2m of cumulative dividend distributions to shareholders and our balance sheet is twice as strong as at the beginning of our growth plan. We have continued to reduce our gearing; our operating cash generation remains strong and our financing is comfortably covered by our trade receivables which sits predominantly with blue chip customers. Our Group is in a robust financial position, is making significant progress with its strategic agenda and the Board remains highly optimistic about its future.

In terms of our business mix we now offer a comprehensive range of solutions to large blue chip, mid-cap and SME engineering and manufacturing customers operating across a wide spread of industries and sectors and all at various stages of their growth cycles. Our balance is heavily weighted towards larger blue-chip customers where we operate long-term high value contracts in the UK rail and broader infrastructure markets and internationally we support large international customers on long-term defense contracts for NATO based activities.

Our recruitment brands add significant value by attracting a global pool of candidates for our customers allowing them to concentrate on building their own brand value whilst we build a pipeline of skills for integration with their direct workforce. We believe this strategy provides the opportunity to secure more stable revenue and cash flow streams for the Group enabling both better visibility for investment planning and, for our investors, a base line order book to underpin the Group's valuation compared to market competition. It has also enabled us to invest alongside a number of our larger partner customers to attract, train and deploy candidates which in turn positions us favourably on contract renewal through our integrated relationship with them. This strategic focus has enabled us to manage our split of long-term contract workers, short-term temporary assignments and permanent placements to mitigate exposure to any sector or supply stream which may be exposed to any short-term economic downturn. Finally, 70% of our gross profit is now generated by our more resilient contract business completing a significant shift away from our previous exposure to permanent placement business.

Subsidiary business review

All our subsidiary businesses made significant progress in their respective markets during 2018.

Ganymede continues to both grow its presence and reputation in the rail engineering sector and has again had another solid year establishing itself as the number one supplier of temporary labour to Network Rail on its track renewal and maintenance programme. An increase in sales revenue of 17% resulted in an increase in net contribution to the Group of 8%. Whilst the first half of the year experienced slower than expected throughput from the Network Rail contract, the second half of the year rebounded solidly, and the rail business delivered record revenues. Unlike the Group's other recruitment businesses, Ganymede, due to the nature of its workforce management structure, invests heavily in health and safety and apprentice training and despite the lower than anticipated first half sales maintained a constant investment level throughout the year. Ganymede's investment in its mobile safety vehicle has resulted in a significant improvement in safety performance and last year Ganymede introduced over 100 new workers into the rail industry through both traineeships and apprenticeship schemes. Following the collapse of Carillion, Ganymede safeguarded the jobs of 100 ex Carillion workers and crucially enabled Network Rail to continue delivering key investment projects. In terms of Ganymede's energy business, the well-publicised delay in the Government's smart-meter role out programme has been the cause of much frustration for the sector. Despite this Ganymede energy enjoyed record revenue growth and we remain hopeful that during 2019 smart-meter technology and supply issues will be resolved and we can increase installation headcount in line with contracted volumes.

ATA had an extremely solid year of growth in both its permanent and contract placement business gross profit up 14% and 21% respectively. Overall the business increased its contribution to the Group by 27% and given the difficulties experienced by much of its peer Group providing white collar staff to the engineering and manufacturing sector during the year, this is extremely promising growth for the business to build on. Our innovative approach to project recruitment has seen the business awarded preferred supplier status with a number of our customers and through working alongside our Ganymede business, ATA is now providing a fully integrated recruitment service providing both white and blue collar solutions reducing both direct hire and indirect costs through streamlined recruitment for customers. Our branch network business which provides recruitment services to UK manufacturers for both domestic consumption and export markets continues to experience steady demand across a wide variety of skill sets and we remain positive about the outlook.

GSS, our international business had an exceptional year of growth with 44% increase in revenue, 51% increase in gross profit and because of scale efficiencies, a 70% increase in contribution to the Group. Our partnerships with major American international facilities management companies continues to gather momentum and we are being relied on to mobilise recruitment services to an increasing number of countries. As NATO are committed to developing a long-term stable integration of military and civilian organisations we believe there are further opportunities for GSS to strengthen partnerships with existing customers and also establish relationships with new clients either expanding in the region or entering the market to capitalise on the growth in privatisation of military support functions.

Our conference centre has now completed its major capital investment and refurbishment programme at our Derby site and is providing first class headquarters facilities to the Group and regional operating hubs for both ATA and Ganymede. The investment included around £1m contribution from our landlord along with a new long-term commercially competitive lease to secure and protect the continuity of activity for the Group. This has enabled us to attract long-term tenants to secure full utilisation of the site's office capacity and we now have a thriving events, conferencing and business network facility to attract a variety of blue-chip customers to the Group. Major customers representing all subsidiaries of the Group regularly attend in-house training programmes at our facility and we have held a number of industry wide conferences sponsored by the RTC Group enabling leverage of Group wide capabilities.

Finally, and of significant note, since we launched our new business strategy in 2014 our Group subsidiaries have now provided over 15 million hours of workforce support to our collective customers. We are all extremely proud of this achievement and believe the combined capability of our Group can continue to build on this success and deliver future long-term revenue streams to generate increased shareholder value.

Outlook

I believe our Group has a solid foundation from which to build our next stage of growth. Whilst economic conditions remain uncertain across a range of sectors within the UK, and both Government and Bank of England growth projections for 2019 are on a downward trend, at this moment we see our level of exposure to these sectors as being manageable. Whilst the strength of the headwinds from a disorderly Brexit are still unpredictable and the full implications are yet to be clearly understood, we enter the new financial year with a strong order book and we have yet to see signs of any significant slowdown. Furthermore, whilst it is difficult to forecast with any confidence the short to medium-term impact of regional and global political decisions which may affect the UK economy, our Group strategy has focused on avoiding the cyclicality of the service sector and concentrated on building core competencies in the infrastructure and built environments, domestic and export led manufacturing sectors and international defense led markets as we believe this strategy still has considerable mileage and will offer long-term growth opportunities for the Group and its shareholders.

Future growth strategy

In terms of future strategy, we believe our organic development plan of investing in our subsidiary businesses has delivered consistent and incremental growth over a number of years, has been proven, differentiates us from our competition and, through combining competitive advantage across our businesses, will continue to be the main driver of success for the Group. Furthermore, and as previously stated, we see long-term sustainable business opportunities across all key sectors we support especially rail, infrastructure, international and export manufacturing which are all seen as high potential growth markets.

In our 2017 annual accounts we outlined our intent to accelerate our growth plan by pursuing transformational acquisition opportunities. During 2018 we reviewed a range of potential targets. However, the Board did not identify any notable value enhancing transactions worthy of the range of multiples being sought by vendors. As generating growth in earnings per share remains our key priority for shareholders and given the difficulties experienced by many in our sector through paying excessive valuations for acquisitions and the resulting negative impact on share valuations, the Board has taken a cautionary approach on this aspect of our strategic growth plan, especially given the uncertain trading landscape. We will however continue to examine further potential transactions as they emerge.

A M Pendlebury
CEO

24 February 2019

Finance Director's statement

For the year ended 31 December 2018

Financial highlights

The Group delivered profit before tax of £1.9m (2017: £1.2m), an increase of 58%.

ATA grew its contribution to Group by 27% (£0.3m) with increased permanent placements (up 14% on prior year) and higher numbers of contractors (contract margin up 21% on prior year).

GSS increased its contribution by an impressive 70% (£0.4m) by expanding its contractor base with its core client and delivering a full year of the new contract won in July 2017.

Ganymede's contribution increased by 8% (£0.1m). Its rail division had a strong second half following lower than anticipated volumes in the first half. Although Ganymede's energy business was still experiencing temporary delays caused by the approval of smart-meter technology. Also, the new accounting standard IFRS 15 has altered the treatment of certain costs relating to long-term contracts which impacted Ganymede's first half result.

Within Central Services revenue from the Derby site continued to grow steadily. Car park improvement works completed during the year will facilitate further growth in activity. A new 15-year lease for the site was also negotiated together with a £425,000 capital contribution from the landlord which comprised a cash contribution towards the expenditure on the car park of £305,000 and a rent-free period to the value of £120,000. The renewal of the lease also resulted in the release of an accrued liability of £418,000, originally established to spread the previous lease costs over the term of the lease.

Taxation

The tax charge for the year was £0.4m (2017: £0.2m). The variance between this and the expected charge if a 19% corporation tax rate was applied to the profit for the year is explained in note 3.

Dividends

During the year, the Company paid a final dividend in respect of the previous year's results of £326,984 (2017: £277,363) which represents a payment of 2.3p per share (2017: 2.0p) and an interim dividend of £184,817 (2017: £167,618) to its equity shareholders. This represents a payment of 1.3p (2017: 1.2p) per share. In total dividend payments of £511,801 (2017: £444,981) which equate to 3.6p per share (2017: 3.2p) were made during the year.

A final dividend for the year ended 31 December 2018 of £362,780 (2017: £321,267) has been proposed but has not been accrued within these financial statements. This represents a payment of 2.55p (2017: 2.3p) per share.

Statement of financial position

The Group's statement of financial position has further strengthened compared to the same point last year with net working capital increasing to £3.1m (2017: £2.0m). The ratio of current assets to current liabilities has improved slightly at 1.3 (2017: 1.2). The Group's gearing ratio, which is calculated as total borrowings over net assets was 0.9 (2017: 1.2). The Group has no term debt and is financed using its invoice discounting and overdraft facility with HSBC. Interest cover was 16.4 (2017: 15.4).

Finance Director's statement
For the year ended 31 December 2018

Financing
The Group's current bank facilities include an overdraft of £50,000 and an invoice discounting facility of up to £9.0m with HSBC which has just been renewed for a further two-year period at a reduced discount margin of 1.5% above base (previously 1.65% above base). An increase in facility up to £11m has also been approved by HSBC but not yet invoked as the Group is operating within its current facility. The Board closely monitors the level of facility utilisation and availability to ensure there is enough headroom to manage current operations and support the growth of the business. The Group continues to be focussed on cash generation and building a robust statement of financial position to support the growth of the business. The Group generated sufficient cash from operating activities to finance its investment plans and dividend policy as shown in the consolidated statement of cash flows.

Own shares held
The cost of the Group's own shares purchased through the Employee Benefit Trust is shown as a deduction from equity. 258,554 options were exercised during the year and own shares held in the EBT were used to satisfy this demand. The balance of £291,919 on the own shares held reserve within equity reflects 417,027 shares remaining in the EBT that will be used to satisfy future exercises.

S L Dye
Group Finance Director

24 February 2019

Consolidated statement of comprehensive income

For the year ended 31 December 2018

	Notes	**2018** **£'000**	2017 Restated £'000
Revenue	2	**87,806**	71,687
Cost of sales		**(73,908)**	(59,710)
Gross profit		**13,898**	11,977
Administrative expenses		**(11,918)**	(10,730)
Profit from operations		**1,980**	1,247
Finance expense		**(121)**	(81)
Profit before tax		**1,859**	1,166
Tax expense	3	**(419)**	(183)
Profit after tax for the year and total comprehensive income		**1,440**	983
Earnings per ordinary share			
Basic	4	**10.20p**	7.07p
Fully diluted	4	**9.36p**	6.61p

Consolidated statement of changes in equity

For the year ended 31 December 2018

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2017 (as previously stated)	**146**	**120**	**(473)**	**50**	**215**	**4,131**	**4,189**
Prior year adjustment – IFRS 15 Revenue from contracts with customers	**-**	**-**	**-**	**-**	**-**	**(138)**	**(138)**
Balance at 1 January 2018 (as restated)	**146**	**120**	**(473)**	**50**	**215**	**3,993**	**4,051**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,440**	**1,440**
Dividends	**-**	**-**	**-**	**-**	**-**	**(512)**	**(512)**
Share options exercised	**-**	**-**	**181**	**-**	**(76)**	**(88)**	**17**
Share based payment charge	**-**	**-**	**-**	**-**	**240**	**-**	**240**
At 31 December 2018	**146**	**120**	**(292)**	**50**	**379**	**4,833**	**5,236**

Consolidated statement of changes in equity

For the year ended 31 December 2018

The information for the prior reporting period is as follows:

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£’000	£’000	£'000	£'000	£'000	£'000
At 1 January 2017	145	96	(473)	50	95	3,455	3,368
Total comprehensive income for the year (as restated)	-	-	-	-	-	983	983
Dividends	-	-	-	-	-	(445)	(445)
Share options exercised	1	24	-	-	-	-	25
Share based payment charge	-	-	-	-	120	-	120
At 31 December 2017 (as restated)	146	120	(473)	50	215	3,993	4,051

Consolidated statement of financial position

As at 31 December 2018

	2018 £'000	2017 Restated £'000
Assets		
Non-current		
Goodwill	**132**	132
Other intangible assets	**306**	472
Property, plant and equipment	**1,648**	1,410
Deferred tax asset	**66**	84
	2,152	2,098
Current		
Cash and cash equivalents	**92**	161
Inventories	**8**	6
Trade and other receivables	**15,811**	13,052
	15,911	13,219
Total assets	**18,063**	15,317
Liabilities		
Current		
Trade and other payables	**(7,863)**	(6,310)
Corporation tax	**(261)**	(176)
Current borrowings	**(4,639)**	(4,712)
	(12,763)	(11,198)
Non-current liabilities		
Deferred tax liabilities	**(64)**	(68)
Net assets	**5,236**	4,051
Equity		
Share capital	**146**	146
Share premium	**120**	120
Capital redemption reserve	**50**	50
Own shares held	**(292)**	(473)
Share based payment reserve	**379**	215
Retained earnings	**4,833**	3,993
Total equity	**5,236**	4,051

Consolidated statement of cash flows

For the year ended 31 December 2018

	2018	2017 Restated
	£'000	£'000
Cash flows from operating activities		
Profit before tax	**1,859**	1,166
Adjustments for:		
Depreciation, loss on disposal and amortisation	**412**	399
Employee equity settled share options charge	**240**	120
Change in inventories	**(2)**	6
Change in trade and other receivables	**(2,739)**	(1,869)
Change in trade and other payables	**1,553**	881
Cash inflow from operations	**1,323**	703
Income tax paid	**(320)**	(226)
Net cash inflow from operating activities	**1,003**	477
Cash flows from investing activities		
Purchase of property, plant and equipment	**(504)**	(379)
Net cash used in investing activities	**(504)**	(379)
Cash flows from financing activities		
Movement on invoice discounting facility	**(73)**	423
Dividends paid	**(512)**	(445)
Proceeds from exercise of share options	**17**	25
Net cash outflow from financing activities	**(568)**	3
Net (decrease)/increase in cash and cash equivalents	**(69)**	101
Cash and cash equivalents at beginning of period	**161**	60
Cash and cash equivalents at end of period	**92**	161

Following consideration of the further guidance published during 2018, cash and cash equivalents have been represented to show the invoice discounting as financing.

1. Corporate information and basis of preparation

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

The announcement of results of the Group for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 24 February 2018.

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

Other than the adoption of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which are both effective for accounting periods starting on or after 1 January 2018, the accounting policies adopted are consistent with those described in the annual financial statements for the year ended 31 December 2017. As explained in the interim results announced on 30 July 2018, the comparative financial information has been restated to reflect the adoption of IFRS 15.

There have been no significant changes in the basis upon which estimates have been determined, compared to those applied at 31 December 2017 and no change in estimate has had a material effect on the current period.

2. Segment analysis

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

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

Factors that management used to identify the Group's reportable segments
The Group's reportable segments, recruitment and central services, are strategic business units that offer different products and services. They are managed separately because each business requires different technologies and marketing strategies. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Group Board. The Group manages the trading performance of each segment by monitoring operating contribution and centrally manages working capital, borrowings and equity.

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

During 2018, one customer in GSS contributed 10% or more of total revenue being £14.0m (2017: £9.8m) and one customer in Ganymede also contributed 10% or more of total revenue being £21.4m (2017: £20.4m).

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

		Recruitment		**Central**	**Total**
	ATA	**GSS**	**Ganymede**	**Services**	**Group**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
External sales revenue	**35,259**	**14,805**	**36,046**	**1,696**	**87,806**
Cost of sales	**(29,224)**	**(12,976)**	**(30,884)**	**(824)**	**(73,908)**
Gross profit	**6,035**	**1,829**	**5,162**	**872**	**13,898**
Administrative expenses*	**(4,291)**	**(917)**	**(3,077)**	**(3,222)**	**(11,507)**
Amortisation of intangibles*	**(52)**	**-**	**(130)**	**-**	**(182)**
Depreciation*	**(44)**	**(4)**	**(35)**	**(146)**	**(229)**
Profit from operations	**1,648**	**908**	**1,920**	**(2,496)**	**1,980**
Tax expense					**(419)**

*combine to represent administrative expenses of £11,918,000 in the consolidated statement of comprehensive income.

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

		Recruitment		Central	Total
	ATA	GSS	Ganymede	Services	Group
	£'000	£'000	£'000	£'000	£'000
External sales revenue	29,166	10,259	30,683	1,579	71,687
Cost of sales	(24,056)	(9,047)	(25,862)	(745)	(59,710)
Gross profit	5,110	1,212	4,821	834	11,977
Administrative expenses*	(3,710)	(673)	(2,887)	(3,062)	(10,332)
Amortisation of intangibles*	(48)	-	(131)	-	(179)
Depreciation*	(52)	(2)	(33)	(132)	(219)
Profit from operations	1,300	537	1,770	(2,360)	1,247
Tax expense					(183)

*combine to represent administrative expenses of £10,730,000 in the consolidated statement of comprehensive income.

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

3. Tax expense

Continuing operations	2018 £'000	2017 Restated £'000
Current tax		
UK corporation tax	**367**	252
Adjustments in respect of previous period	**38**	5
	405	257
Deferred tax		
Origination and reversal of temporary differences	**14**	(74)
Tax	**419**	183

Factors affecting the tax expense

The tax assessed for the year is higher than (2017: lower than) would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 Restated £'000
Result for the year before tax	**1,859**	1,166
Profit multiplied by standard rate of tax of 19% (2017: 19.25%)	**353**	224
Non-deductible expenses	**87**	24
Tax credit on exercise of options	**(25)**	(8)
Other differences	**(34)**	(38)
Previously unrecognised deferred tax asset	**-**	(24)
Adjustment in respect of previous period	**38**	5
	419	183

4. Basic and diluted earnings per share

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

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

	Basic 2018	2017 Restated	Fully diluted 2018	2017 Restated
Earnings £'000	**1,440**	983	**1,440**	983
Basic weighted average number of shares	**14,114,625**	13,907,304	**14,114,625**	13,907,304
Dilutive effect of share options	-	-	**1,263,737**	971,937
Fully diluted weighted average number of shares	**-**	-	**15,378,362**	14,879,241
Earnings per share (pence)	**10.20p**	7.07p	**9.36p**	6.61p

5. Dividends

	2018	2017
	£'000	£'000
Final dividend of 2.3p per share (2017: 2.0p) proposed and paid during the year relating to the previous year's results.	**327**	278
Interim dividend of 1.3p per share (2017: 1.2p)	**185**	167
Total amount of dividends paid in year	**512**	445

A final dividend of £362,780 (2017: £321,267) has been proposed but has not been accrued within these financial statements. This represents a payment of 2.55p (2017: 2.3p) per share.

6. Report and accounts

The above financial information does not constitute the Company's statutory accounts for the years ended 31 December 2018 or 2017 but is derived from those accounts. The auditor has reported on these accounts; their report was unqualified, did not draw any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006 or equivalent preceding legislation. The statutory accounts for 2017 have been filed with the Registrar of Companies.

Full audited accounts of RTC Group Plc for the year ended 31 December 2018 will be made available on the Company's website at www.rtcgroupplc.co.uk later today and will be dispatched to shareholders on 20 March 2019 and then be available from the Company's registered office - The Derby Conference Centre, London Road, Derby, DE24 8UX.

The Company's Annual General meeting will be held at 12 noon on 24 April 2019 at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU.