

2024



**Connecting
business and
career ambitions**



Annual Report

for the year ended 31 December 2024

www.rtcgroupplc.co.uk
Stock Code: RTC

Welcome to the RTC Group Annual Report 2024

Highlights

Group revenue

£96.8m

(2023: £98.8m)

EBITDA*

£3.3m

(2023: £3.8m)

Diluted EPS

13.01p

(2023: 12.72p)

* Refer to the key performance indicators section for calculation.

Group at a glance

RTC Group Plc is an AIM listed recruitment business that focuses on white and blue-collar recruitment, providing temporary and permanent labour to a broad range of industries and customers, in both domestic and international markets, through its geographically defined operating divisions.

UK division

Through its Ganymede and ATA brands the Group provides a wide range of recruitment services in the UK.

Ganymede specialise in recruiting the best technical and engineering talent and providing complete workforce solutions to help build and maintain infrastructure and transportation for a wide range of UK customers. Ganymede is a market leader in providing a diverse range of people solutions to the rail, energy, construction, highways, and transportation sectors. With offices strategically located across the country, Ganymede provides its customers with the benefit of a national network of skilled personnel combined with local expertise.

Ganymede tailors its solutions to suit its customers' needs. Whether it's recruiting permanent and temporary technical, engineering and safety-critical roles or providing fully managed workforce solutions of recruitment, training, account management, contingent labour and fleet provision, Ganymede works closely with its customers to understand their requirements, keeping their goals in mind every step of the way.

ATA provide high-quality technical recruitment solutions to the manufacturing, engineering, and technology sectors. Working as an engineering recruitment partner supporting businesses across the UK, ATA has a strong track record of attracting and recruiting the best engineering talent for its customers. ATA's regional offices which are strategically located in Leicester and Leeds each have dedicated market experts to ensure ATA delivers excellence to both its customers and candidates.

The Group headquarters are located at the Derby Conference Centre which also provides office accommodation for its operating divisions in addition to generating rental and conferencing income from space not utilised by the Group.

International division

Internationally, through our GSS brand we work with customers across the globe that are focused on delivering projects in a variety of sectors. GSS has a track record of delivery in some of the world's most hostile locations. Working closely with its customers GSS provides contract and permanent staffing solutions on an international basis, providing key personnel into new projects and supporting ongoing large-scale project staffing needs. GSS typically recruit across a range of disciplines and skills from operators and supervisors, through to senior management level.

Learn More

RTC Group maintains a corporate website at www.rtcgroupplc.co.uk containing a wide range of information of interest including:

- latest RNS releases; and
- company reports.



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Chairman and Chief Executive's operational and strategic review

For the year ended 31 December 2024

Overview

2024 was another extremely satisfying year for RTC with the Group delivering an exceptional set of results in a difficult year for the recruitment sector.

Despite a relatively small reduction in revenue at Group level, our UK and international business have delivered increased gross profit and this, when benchmarked across the broader recruitment sector, and in particular the quoted market contingent where sentiment has become increasingly subdued, is a significant achievement for the Group.

Whilst modest in size when compared to many of our quoted peers I believe our performance should not be understated and our strategy of building a diverse and complementary portfolio of sector specific subsidiaries continues to build continuity of value for our shareholders.

We have established market leading positions both in the UK and overseas and as we enter the 2025 financial year, we believe we can continue to unlock further earnings opportunities through our strong relationships with clients and our substantial order book which continues to provide the solid foundation for future growth and our long-term investment plans.

During 2024 the Group achieved a number of significant financial milestones of which I am extremely proud, and which I believe deserve highlighting to our shareholders. Our cumulative revenue since I assembled new leadership and subsidiary management teams to deliver my vision and strategy for the Group's shareholders, has now surpassed £1bn with total gross profit generated approaching £200m and committed dividends of over £4m to our shareholders.

It should be noted that, across the Group, at the core of this success, key individuals who started this journey with me remain in senior leadership positions in management teams across the Group with a significant number having over 20 years' service with their businesses. This is testament to, and a measure of, the exceptional culture which pervades RTC and bodes well for the long-term future of the Group.

Our achievements are even more pleasing considering the multiple disruptions to our strategic progress caused by the global economic downturns as a consequence of the 2008/2009 financial crisis and the COVID epidemic of 2020/2021 and compounded by protracted industrial relations disturbances across the rail sector in the UK during 2023. Collectively these uncontrollable events denied the Group the opportunity to deliver even greater success for its shareholders.

Our balance sheet continues to go from strength to strength with another year of extremely positive cash generation and we remain completely term debt free with zero gearing. During the year we took the opportunity to acquire a large holding of shares from a long-standing shareholder at a sensible price for our shareholders and through utilising free cash flow. Even taking account of this transaction, we increased the net assets of our balance sheet which has now grown, fully diluted, to 59p per share giving an annual

increase of over 9% for our shareholders. Furthermore, our reported fully diluted earnings per share (eps) grew 2% from 12.72p to 13.01p per share. I note, however, that moving beyond standard accounting, and based on the year-end position, the increase in eps is no less than 8%, at 13.75p, a very positive outcome.

As result of both our strong financial performance and our prudent treasury management, we are able to reward our shareholders with a very healthy final dividend of 5p representing an 11% increase year on year. It is also worth noting for reference that at year end our net assets represented nearly 60% of our closing share price.

During the year the Group announced the appointment of three new directors to the Board. Paul Crompton, executive director, and Nick Spoliar and Wayne Thornhill as non-executive directors. All have exceptional experience and skills which I believe will help RTC execute its short, medium, and long-term strategic plans and establish a future for its shareholders capable of building on its outstanding successes to date.

In conclusion, another strong set of results, another constructive year of value enhancement for our shareholders, a business with an outstanding balance sheet and long-term revenue visibility through its strong order book with blue chip clients and a company with strong independent yet interlinked subsidiary businesses with proven track records in both UK and International markets.

Whilst there are unquestionable concerns clouding the confidence of the broader recruitment sector as we enter 2025, and the impact of rising employment costs through the combination of employer national insurance increases and the new Employment Rights Bill have yet to be fully digested, I remain cautiously optimistic of our prospects as we enter the new financial year.

Business review

UK Division

In 2024, our UK recruitment division delivered an exceptionally strong performance, all the more so allowing for the general environment, yet again demonstrating resilience and adaptability in a challenging economy and an uncertain recruitment market. Whilst revenue was slightly down at £88.9m (2023: £91.2m), gross profit was up at £15.6m (2023: £15.3m), reflecting our commitment to both strategic focus and operational efficiency to maintain enhanced value creation.

Ganymede Energy continued to build on the success it enjoyed in 2023 by delivering another strong performance in 2024 with a steady increase in gross profit, which is particularly pleasing given the ongoing, and well publicised challenges within the metering industry. Based on the latest government statistics, as of the end of September 2024, there were 37 million smart and advanced meters installed in homes and small businesses across the UK, accounting for 65% of all gas and electricity meters. Whilst the sector continues to face ongoing challenges, smart meters present significant long-term opportunities for our energy business as, in addition

Chairman and Chief Executive's operational and strategic review

For the year ended 31 December 2024

to the completion of existing planned installations, first generation installations are becoming increasingly obsolete and upgrades to first generation SMETS1 meters to ensure full interoperability remains a high priority. In addition, the decommissioning of Radio Teleswitch Service (RTS) meters, with around 600,000 still in operation and set for replacement before the RTS shutdown in June 2025, represents a crucial area of ongoing metering work in the immediate future. Furthermore, the upcoming 2G/3G network switch-off will necessitate the proactive replacement or upgrade of a significant volume of 2G/3G enabled meters to ensure continued communication and functionality. These essential transitions across the industry's technology capability will drive significant activity in the medium term, and this will provide a strong pipeline of demand for Ganymede engineers.

In addition to the continued metering rollout programme, our energy business is also seeing significant opportunities for medium to long-term growth in the wider decarbonisation of homes and the transformation of energy supply. As the UK accelerates its transition to a low-carbon economy through increased electrification, heat pump installations, and the expansion of renewable energy infrastructure, our expertise and market position leave us well-placed to support and benefit from these changes. Given our proven track record, market positioning, and secure order book in excess of £20 million, we remain firmly established as a leading labour supplier to the energy sector. The scale of the visible opportunity which lies ahead presents further significant opportunities for our business, reinforcing our confidence in the long-term growth and resilience of the energy division. Finally, our training centre which was established in 2023 to upskill Ganymede engineers is now also being used by our clients to train their employees justifying our investment commitment to the sector and enabling us to remain at the forefront of energy recruitment as the sector continues to expand.

Throughout 2024, the mainstream UK recruitment market faced persistent challenges driven by economic uncertainty, suppressed client and candidate confidence, and extended hiring timescales, resulting in a sustained slowdown in vacancy numbers. Despite these headwinds, Ganymede and ATA's white-collar permanent recruitment teams delivered an extremely robust performance, resulting in an 8% increase in permanent recruitment fees compared to 2023. This was in marked contrast to its peer group which was typically reporting net fee income decline of anywhere between 20%-30%. A truly outstanding performance recognising the strong team effort within the division and highlighting why our strategy of long-term partnering with industry leaders remains pivotal to our continued success. Alongside this, both the Ganymede and ATA businesses capitalised on stronger demand for temporary and contract staff, achieving a combined 14% increase in contract gross profit, year on year. These increases in permanent fees and temporary and contract gross profit are extremely pleasing given the weakening sentiment impacting the sector.

This success was underpinned by our strategic positioning across key growth sectors that continued to invest in talent throughout the year. Demand across our infrastructure, manufacturing, and transportation client base remained relatively resilient, driving sustained hiring activity enabling us to circumvent much of the negative market sentiment and deliver strong growth across all our target sectors. We are particularly encouraged with the accelerating growth we are seeing with clients servicing the water sector, which is set to benefit from the impending regulatory investment cycle, AMP8 (Asset Management Period 8) which runs from April 2025 to March 2030, and set to invest a projected £100bn in critical water infrastructure projects. Given our track record of providing personnel into safety critical environments, and our solid relationships with key sector suppliers we believe we are well placed to capture new opportunities as they emerge.

In last year's annual report, I confirmed that our rail division was ideally positioned to capitalise on Network Rail's next five-year infrastructure investment plan (Control Period 7), which commenced in April 2024, and has an expected value of approximately £43 billion. However, the first nine months of CP7 have seen a slower than anticipated start, with Network Rail holding back and activity levels below initial expectations. Despite these challenges, our rail division still delivered a like-for-like performance at the gross profit level compared to a very strong 2023. This was achieved through robust revenue generation across other supply chain partners engaged in maintenance and renewals activities.

Given our dominant position across key routes with Network Rail, I remain optimistic that the committed expenditure plans across the rail network in CP7 will materialise, and our rail division, which is widely recognised as a market leader in the sector, remains well positioned to maximise opportunities as investment activity accelerates.

In 2023, we committed to a significant investment programme to replace our front-end recruitment software systems, consolidating them into a single and centralised cloud-based platform. This investment will enhance our recruitment efficiency, generating both stronger and more uniform compliance, while providing improved reporting capabilities for our subsidiary leadership and recruitment teams. I am pleased to report that the first phase of this transition is now complete, with the final phase scheduled to go live in Q2 2025.

In summary, the UK division delivered another very strong financial performance in 2024, demonstrating its strength, resilience and adaptability in challenging market conditions. Despite industry and economic headwinds, we further consolidated our position across all our key sectors reinforcing the quality of our strategic focus and operational agility. Our increasing gross profit driven by the continued success of our recruitment divisions, and our expanding role in critical industries highlights our ability to deliver growth in a climate of uncertainty.

Chairman and Chief Executive's operational and strategic review

For the year ended 31 December 2024

Our strong market presence, combined with strategic investments in technology, operational efficiencies, and workforce development, positions us well to capitalise on opportunities and drive future growth. We see significant opportunities for continued success through the ongoing rollout of smart metering, the transition to net-zero energy solutions, and record investment plans within AMP8 and CP7, all of which we believe will continue to provide a substantial pipeline of work and order book generation.

International division – Global Staffing Solutions (GSS)

Our international business had another successful year with revenue up 6% and gross profit up over 30% reflecting both an increase in product mix and the impact of unique revenue generating initiatives by the business. In order to provide a recruitment solution to our largest international client, GSS 'wet leased' an airbus A320 and through its international recruitment reach, the business sourced, prepared and deployed 150 workers to Diego Garcia in the Chagos islands. The project which involved recruiting candidates from over 15 countries and mobilising them firstly to a central location for security clearance and capability authentication, was the first time a commercial project of this nature had been given military clearance for Diego Garcia. The project, which was an outstanding success, has further demonstrated the unique capabilities and project reach of GSS and contributed to a year-on-year increase in profit from operations of over 50%. A superb achievement by the team.

Whilst international projects can by their very nature time expire, and associated revenues can fluctuate due to new project lead times, I am confident that our broad client base will continue to generate new opportunities for our international team, and I remain extremely confident in both its ability to identify and secure new opportunities as they emerge.

Central services

Yet again I am delighted that the Derby Conference Centre (DCC) continued to stand out in the highly crowded and immensely competitive East Midlands hospitality and conferencing sector. Whilst the business faced increased costs fuelled mainly through wages-based inflation, it performed extremely well and continued to deliver a positive contribution to the Group. In addition to its exceptional direct B2B and B2C sales success the business continues to collaborate with other Group businesses to develop complementary opportunities. Furthermore, the DCC is working with industry partners to develop long term hospitality and accommodation partnerships, and this has led to a number of long-term contracts with training companies and local companies in the East Midlands community.

Finally, as has been widely reported across the hospitality sector, the changes outlined in the October 2024 budget present additional cost pressures to the business, with employer's national insurance increases, and minimum wage increases from April 2025 and Employment Rights Bill changes imminent.

Outlook

In assessing our future prospects, it would be irresponsible of me to not acknowledge potential headwinds threatening the broader UK economy and which in turn traditionally flow down to the recruitment sector. For many, 2025 has begun with a continuation of the trading challenges which began to emerge in 2024 as the post COVID hiring boom, which began in 2022, started to normalise. In addition, the acceleration of wage inflation coupled with a proliferation in operating costs has forced many companies to reconsider headcount plans. Also, and as alluded to earlier, there are further uncertainties arising from the national insurance increases which become effective from April and the proposed Employment Rights Bill announced in the October budget which have yet to be fully digested by industry. These concerns alongside other broader geopolitical headwinds will undoubtedly prolong unease across the business community.

However, and whilst mindful of these challenges, I am confident that our strategy of building a diverse group of subsidiaries partnering with companies heavily invested in long-term capital-intensive infrastructure sectors will continue to provide us with a layer of protection from the peaks and troughs of the traditional recruitment cycle. Our solid order book across rail maintenance and renewals, and smart meter roll out and upgrades alongside other key infrastructure programmes, provides some clear visibility of revenue in 2025 and I remain cautiously confident in our short, medium and long-term prospects.

Our people

Once again, our excellent performance is as a direct result of the exceptional people, we employ across the Group. Earlier I drew reference to the length of service some of our senior leadership teams have with the company. These highly committed teams of people span our group finance, human resources, information technology departments and are embedded within each and every one of subsidiary businesses. The accumulation of both industry and company knowledge, experience and operational capability, coupled with the continual and unbridled enthusiasm and energy of everybody, combine to create the unique and distinct culture which permeates every corner of the Group and differentiates us as a company.

A big thank you to everybody for all your hard work.

A M Pendlebury

A M Pendlebury
Chairman and Chief Executive

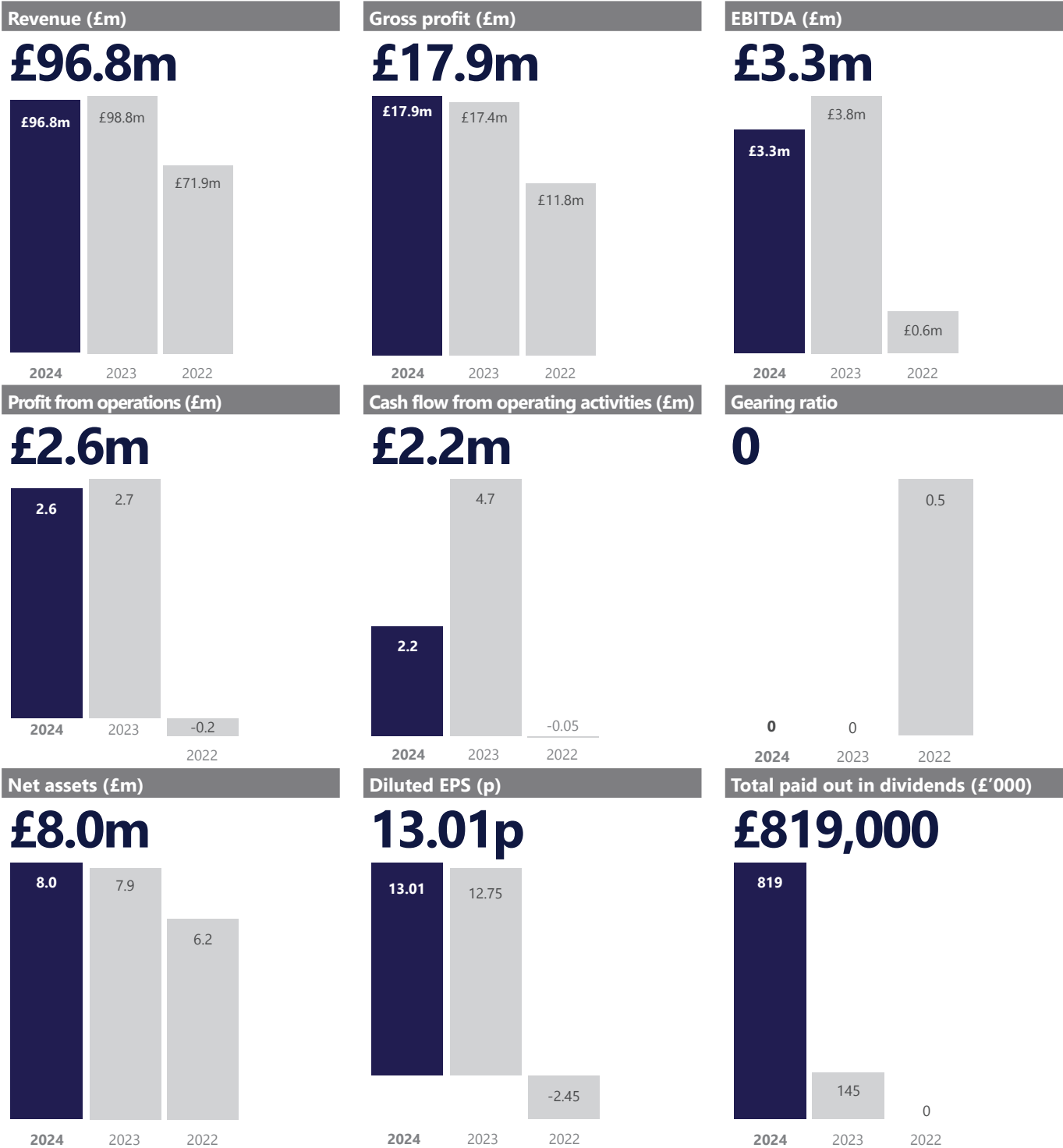
21 March 2025

Business model



Key performance indicators

For the year ended 31 December 2024



An interim dividend of 1.1p per share (2023: 1.0p) was paid during the year. A final dividend for 2023 of 4.5p per share was paid in the year. A final dividend of 5.0p per share for the year ended 31 December 2024 has been proposed (refer Finance Director’s Report and note 20).

EBITDA is earnings before interest, tax, depreciation and amortisation and has been calculated as follows: profit from operations £2,625,000 + depreciation of owned assets

£274,000 + amortisation of intangibles £47,000 + depreciation of right-of-use assets £328,000 = £3,274,000 (refer note 6).

The diluted EPS of 13.01p is calculated using the weighted average number of shares during the year in accordance with IAS 33 (refer note 10). EPS based on the number of shares and live options at 31 December 2024 is 13.75p.

Refer to the Finance Director’s Report for commentary on the results for the year.

Risk management

For the year ended 31 December 2024

The corporate governance statement describes how the Group manages risk via its Board and Board sub-committees. Key business risks and how the Group mitigates these are detailed below:

The economic cycle and economic conditions

The Board takes account of on-going economic conditions and cycles. Currently there is significant uncertainty about the short and medium-term prospects for the UK economy and jobs market, influenced by government decisions in the last budget, proposed restrictive and costly legislation around worker's rights, and geo-political events. However, we believe that the sectors and customers we have built relationships with have fundamental long-term growth trends. Further, the deliberate positioning of our businesses in rail infrastructure, domestic energy and overseas activities that are not subject to short-term fluctuations in the UK economy enables the Group to capitalise on prevailing market conditions both in the UK and internationally. The Group remains focused on cash generation and keeping any debt at prudent levels. This risk is further mitigated by contracts which are not cyclical. The Group also maintains a regular dialogue with its bank to ensure that it has their backing.

Loss of key customers

Loss of a key customer or large contract continues to be a risk. To minimise this risk, our strategy is to retain existing customers and actively pursue new customers and longer-term 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.

Competition

The recruitment market continues to be very competitive placing pressure on margins. Our internal approval process ensures that new and existing business is conducted only at appropriate and sustainable margins. The Group Board signs off terms for significant framework agreements and contracts. Further, our engagement with customers is based upon the premise that we are specialists in our chosen markets and have in-depth knowledge of the areas that we focus on. We differentiate ourselves from the competition and attract customers through our service offering with solutions tailored to specific customer needs.

Shortage of skilled candidates

An ongoing shortage of skilled candidates in both permanent and temporary recruitment and thus increased competition can lead to lower margins, and counter offers from existing employers are commonplace. Our consultants are experts in their area of recruitment, build strong relationships with customers and candidates and actively manage the recruitment and offer process throughout ensuring that customer and candidate needs are met.

Credit risk

The inability of a key customer to pay amounts owing to us due to financial difficulties is an inherent risk. To minimise this risk, we have credit insurance and employ pro-active credit control techniques. In conjunction with our bank and credit insurers, we credit check new customers, subscribe to a monitoring service, and monitor payment patterns and debt levels against credit limits. The Board is regularly appraised of debt levels and ageing.

Attracting and retaining key personnel

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 incentives for staff. We have an Agile Working Policy which provides staff an opportunity for a good work-life balance, and we are a proactively inclusive employer. Succession plans are regularly reviewed.

Compliance risks

Increased employment law and regulations specific to certain business sectors and for temporary workers necessitate pre-employment checks and ongoing management of compliance. To mitigate these risks, all staff receive relevant training on the operating standards and regulations applicable to their role. Within each Group business independent teams check compliance. Compliance processes are tailored to specialisms, for example, ensuring the health and safety of temporary labour supplied into the rail industry and eligibility to work.

Legislative risks

The Group constantly monitors legal and regulatory requirements and works closely with its financial and legal advisers, and accredited recruitment bodies to ensure that the business is up to date on these issues. The key area of uncertainty at present is the government's proposed Employment Rights Bill and the impact of certain proposed provisions on the Group both as an employer and an employment business. The Group is monitoring the situation.

As a result of legislative increases in national insurance and minimum wage introduced by the government, the Group is facing a significant increase in its employment costs both for its own employees and for individuals engaged on behalf of clients. We will endeavour to manage and mitigate these costs increases where possible but there remains the risk of further increases that will also impact our cost base.

Risk management

For the year ended 31 December 2024

Reliance on technology

Failure of our IT systems continues to be a risk that 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 operation of disaster recovery sites based in separate locations to ongoing operations. The Group is committed to having an IT infrastructure that is robust, future proof, fit for purpose and cost effective and as such ensures it receives the appropriate strategic and technical advice to do this.

Cyber security and general data protection

The Group holds certain data observing strict compliance obligations although a successful cyber-attack could interrupt the business, threaten confidentiality and lead to loss of customer and candidate confidence. The Group continues to respond to this threat in several ways including system security measures and reminding our staff to be vigilant. We have an ongoing programme of cyber security awareness training, and our IT department has a rolling programme of providing training and testing our security measures and staff awareness and resilience to both physical and cyber threats. The Group has responsibilities to protect data under the General Data Protection Regulation and continually works to ensure full compliance. The Group has ISO27001 accreditation for both the Ganymede and ATA processes.

Climate change

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimise the Group's impact on the environment include the reducing our carbon emissions through fleet technology; the use of electric vehicles where possible, targeting energy reduction in our premises, and a cycle to work scheme. Our Ganymede subsidiary which is responsible for the majority of our carbon emissions, has developed and adopted a Carbon Reduction Plan.



S L Dye
Secretary

21 March 2025

Finance Director's report

For the year ended 31 December 2024

Financial highlights

The Group overall delivered revenues of £96.8m (2023: £98.8m). Overall gross profit increased to £17.9m (2023: £17.4m) and gross margin improved to 18.5% (2023: 17.6%). The profit from operations of £2.6m (2023: £2.7m) reflects a year that saw good overall performances across all areas of the Group.

UK Recruitment

Overall, our UK Recruitment division delivered a strong performance, revenues were £88.9m (2023: £91.2m) and gross profit increased to £15.6m (2023: £15.3m). Gross margin was also better at 17.5% (2023: 16.8%). Profit from operations was £5.0m (2023: £5.0m), reflecting our strategic focus on efficiency and value creation.

Ganymede Energy continued to build on the success of 2023, delivering a strong performance in 2024 with a steady increase in gross profit, which is particularly pleasing given the ongoing challenges within the metering industry.

Ganymede Rail delivered a like-for-like performance at the gross profit level compared to a very strong 2023, supported by robust revenue generation across maintenance and renewals activities.

The division's traditional white-collar recruitment, serviced by our ATA and Ganymede Recruitment brands performed well throughout the year with permanent and contract revenues combined increasing by 15%, defying broader market trends.

Refer to Chairman and Chief Executive's operational and strategic review for a detailed consideration of markets and opportunities.

International

Revenue increased to £5.6m (2023: £5.3m) with a corresponding increase in gross profit to £1.2m (2023: £0.9m) and gross margin increasing to 21.3% (2023: 17.3%). The division delivered a profit from operations of £0.7m (2023: £0.5m) largely due to increased activity with a key client which included an innovative charter flight solution for getting workers to a key client location.

Central Services

Within Central Services, the Derby Conference Centre saw good levels of activity relating to conferences, events and bedroom sales for the majority of 2024 and a strong finish on festive activities. Revenue generated by the segment was £2.2m (2023: £2.3m) and gross profit was £1.1m (2023: £1.2m), reflecting the continuing impact of wage and price inflation on direct costs which have continued to erode the gross margin to 50.7% (2023: 52.2%).

Taxation

The tax charge for the year was £0.7m (2023: £0.7m). The variance between this and the expected charge if a 25% corporation tax rate was applied to the result for the year is explained in note 9.

Dividends

During the year, the Company paid an interim dividend of £160,823 (2023: £145,003) to its equity shareholders. This represents a payment of 1.1p (2023: £1.0p) per share (refer to note 20). The directors have proposed a final dividend of £680,645 (5.0p per share) (2023: £659,263 (4.5p per share)) to be paid on 27 June 2025 to shareholders registered on 30 May 2025. This has not been accrued within these financial statements as it was not formally approved before the year end. If approved this will bring the total dividend paid out in respect of 2024 to £841,468 (6.1p per share).

Purchase and cancellation of own shares

During the year the Company purchased 1,132,380 of its own shares and subsequently cancelled them with the aim of increasing remaining shareholder value. The total share capital of the Company is now 13,612,897 refer note 19.

Statement of financial position and cash flows

The Group's net working capital increased to £7.0m (2023: £6.8m). The ratio of current assets to current liabilities was 1.6 (2023: 1.6) and at the 31 December 2024 (and 31 December 2023) the Group had no borrowings outside of lease liabilities.

The Group generated £2.2m cash from its operations in 2024 (2023: £4.7m). This inflow from operating activities enabled the Group to pay an improved interim dividend, propose an improved final dividend, and buy back and cancel 1,132,380 own shares, at the same time minimising use of its invoice discounting facility thus keeping interest charges low.

The Group has no term debt and is financed using its invoice discounting and overdraft facilities with HSBC. On 31 December 2024 the Group had no borrowings and available funds to draw down of £9.4m (2023: £10.3m).

The Group has a very strong credit control function and, given the current economic environment and high rate of business failures holds credit insurance for most customers which gives us additional input to credit management from the credit insurer's database and the more confidence to increase business with certain customers backed by insurance.

Finance Director's report

For the year ended 31 December 2024

Financing and going concern

The Group's current bank facilities include a net overdraft facility across the Group of £50,000 and an invoice discounting facility with HSBC providing up to £12.0m, based on a percentage of good book debts, at a margin of 1.6% above base. 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.

In assessing the risks related to the continued availability of the current facilities, the Board have taken into consideration the existing relationship with HSBC and the strength of the security provided, also taking into account the quality of the Group's customer base. Based on their enquiries, the Board have concluded that sufficient facilities will continue to remain available to the Group and therefore the going concern basis of preparation remains appropriate and no material uncertainty exists.

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 through a net overdraft facility of £50,000 and an invoice discounting facility, providing up to £12m based on a percentage of good book debts. The invoice discounting facility is the Group's core funding line and is classed as evergreen in that it has no fixed expiry date (although it is reviewed annually).

The strategic report was approved by the Board on 21 March 2025 and signed on its behalf by:



S L Dye

Group Finance Director

21 March 2025

Section 172 statement

For the year ended 31 December 2024

The directors set out their statement of compliance with s172 (1) of the Companies Act 2006 which should be read in conjunction with the rest of the annual report. The directors preside over the Group for the benefit of all stakeholders. Decisions taken by the Board are always cognisant of the impact on each stakeholder group. Fundamentally the goal is the long-term sustainable growth of the business which will see returns to shareholders increasing, enable employees to realise their ambitions and support customers in achieving their goals.

Key decisions

Board and committee activities are organised throughout the year to address the matters reserved for the Board. An overview of the Board's principal decisions during the year, including how the Board has considered the factors set out in Section 172 of the Companies Act 2006 ("the Act"), is set out below. Key operational decisions are explained in Chief Executive's operational and strategic review.

Decision	Actions	Stakeholder Groups considered
Board appointment	<p>Appointed one new executive director and two new independent non-executive directors.</p> <p>Completes the process to establish a board of directors with the appropriate operational knowledge and experience, broad external independent expertise for governance oversight, and a strong strategic track record that will be essential as the Group enters the next, and exciting chapter of its future.</p>	<p>All stakeholders from a corporate governance perspective. The two new independent non-executive directors will chair the audit and remuneration committees.</p> <p>All stakeholders from an operational perspective with the formal acknowledgement of the knowledge and expertise of the managing director of Ganymede being appointed as a third executive director.</p>
Share buyback and cancellation	Decision made to buy-back 1,132,380 shares and subsequently cancel them to increase remaining shareholder value.	Predominantly for the benefit of shareholders.
Energy division strategic direction	Engaged KPMG to work with the Board and the business in identifying and prioritising opportunities for growth in our Energy division.	The benefit of all stakeholders from employees to customers, shareholders and suppliers.
Setting the annual Group budget and sensitivity modelling for going concern and impairment considerations	<p>Reviewed and approved Group budgets for 2025 and high-level profit and cash forecasts for the next 15 months.</p> <p>Approval of the going concern assumption and that no impairment of Group assets was required.</p>	<p>In reviewing the budget and its sensitivities, the Board considered the impact on all stakeholders.</p> <p>Setting the budget identified key areas of focus for the Group, providing development opportunities for employees.</p> <p>In setting the budget the Board also considered customers and identified opportunities to develop customer relationships and improve service delivery and efficiency.</p> <p>Consideration was given to suppliers around payments ensuring that there was clarity around when payments would be made to allow suppliers to effectively manage working capital.</p>
Determining the Group's dividend policy	<p>Reviewed the Group's financial and trading position.</p> <p>Paid an interim dividend and proposed a final dividend for 2024.</p>	In reviewing the payment of a dividend, the Board considered the impact on all stakeholders, in particular shareholders who have continued to support the Group through years where it was not prudent to pay a dividend and share prices fluctuated. The Board was also cognisant of the positive impact on employees, customers, and suppliers that the stability and positive outlook underpinning the ability to pay a dividend brings.

Section 172 statement

For the year ended 31 December 2024

Stakeholders and stakeholder communication

The directors consider the key stakeholders of the Group fall into two categories: its employees and its shareholders, customers, suppliers, and other business-related parties.

Employees as stakeholders

The directors are committed to providing a working environment that promotes employee wellbeing whilst facilitating their performance. The ways in which the directors communicate with, and support employees are set out in the Directors' report under the headings Equity, Diversity and Inclusion, Employee Engagement and Involvement.

Shareholders as stakeholders

The directors provide information for the shareholders through the annual report, the interim report and public announcements made through RNS <https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GB0002920121GBGBXASX1.html>. Shareholders are invited to contact the Chairman at any time and the directors make themselves available for face-to-face discussion with shareholders at the AGM.

Customers and other stakeholders

The directors ensure that stakeholder management plans are in place for key customers and that appropriate levels of management time are afforded to meet with customers and understand their needs. Directors provide mentoring to management and the Group invests in personal development for its managers to enable them to fulfil their roles in shaping the business, for example, all senior managers have attended mini-MBA courses.

Impact on the community and the environment

The directors take very seriously their corporate social responsibility. The Group has a corporate social responsibility strategy. The key strands of the strategy are set out in the Director's report.

Maintaining a reputation for high standards of business conduct

The directors ensure that recruitment industry standards of best practice are maintained. Internally the Group has ethical standards and code of conduct policies which all staff sign up to.



A M Pendlebury
Chairman

21 March 2025

Directors' report

For the year ended 31 December 2024

The directors submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

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 £96.8m (2023: £98.8m). The Group recorded a profit from operations for the year of £2.6m (2023: £2.7m).

A review of the Group's business and developments during the year and its strategic aims are set out in the strategic report section of this report.

During the year, the Company paid an interim dividend of £160,823 (2023: £145,003) in respect of the year ended 31 December 2024, to its equity shareholders. This represents a payment of 1.1p (2023: £1.0p) per share (refer to note 20). The directors have proposed a final dividend of £680,645 (5.0p per share) (2023: £657,912) (4.5p per share) to be paid on 27 June 2025 to shareholders registered on 30 May 2025. This has not been accrued within these financial statements as it was not formally approved before the year end. If approved this will bring the total dividend paid out in respect of 2024 to £841,468 (6.1p per share).

Share capital

Details of share capital are shown in note 19.

Directors

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

A M Pendlebury
S L Dye
P S Crompton (appointed 1 July 2024)
A N Spoliar (appointed 1 October 2024)
W Thornhill (appointed 1 November 2024)

Significant shareholders

Interests in 3% or more of the issued ordinary share capital of the Company notified on 3 March 2025 were as follows:

	Number of shares	% Issued share capital
Estate of W J C Douie	2,602,728	19.12%
Chelverton Asset Management	1,376,200	10.11%
G A Mason	1,178,735	8.66%
A M Pendlebury	696,871	5.12%
V V Shah	670,000	4.92%
D Stredder	555,000	4.08%
G J Chivers	525,809	3.86%
D Currie	438,950	3.22%

The share interests of the directors who served during the year and up to the date of approval of this report, in the ordinary shares of the Company at the start and end of the year, were as follows:

	2024	2023
A M Pendlebury	696,871	696,871
S L Dye	43,000	43,000
P S Crompton	146,000	n/a

Directors' interests in share options are set out in note 7. S L Dye retires by rotation and offers herself for re-election. Directors appointed in the year: P S Crompton; A N Spoliar; and W Thornhill offer themselves for re-election.

The market price of the Company's shares on 31 December 2024 was 97.5p (2023: 60.0p) and the highest and the lowest share prices during the year were 125.0p (2023: 61.5p) and 60.0p (2023: 16.0p) respectively.

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 has previously granted options over its shares to some employees.

Equity, diversity and inclusion (EDI)

We embrace equity, diversity and inclusion which helps to ensure we provide a supportive, open, and honest workplace where EDI is valued, encouraged, and promoted. Our Groupwide EDI Steering Group meets on a quarterly basis to identify actions to improve EDI, promote its benefits, raise awareness of different cultures and backgrounds, and highlight the importance of inclusivity. We continue to undertake workforce EDI surveys to understand the make-up of our workforce, identify underrepresented groups, plan improvement actions, and monitor the success of those actions.

Employment of disabled persons

We recruit and promote staff based on aptitude and ability without discrimination and provide support through reasonable adjustments and training to ensure that an employee's career is not negatively impacted by their disability or perceptions of it. Where an employee becomes disabled whilst employed by the Group, we provide support relevant to their needs, this could include retraining, reviewing working hours, adjustments to the office environment and/or providing additional support.

Directors' report

For the year ended 31 December 2024

Employee engagement and involvement

Employee engagement and involvement continues to be a key element in the success of the Group, and we have various initiatives in place to improve this. Our 2024 health and wellbeing survey saw three quarters of respondents confirming that they felt the Group looked after their health and wellbeing and 75% stating that we promote a supportive culture, up from 70% in 2023. Notwithstanding these results, the Health and Wellbeing Steering Group have continued to raise awareness of health and wellbeing initiatives and regularly update the Health and Wellbeing Hub on the HR system where employees can go 24 hours a day, 7 days a week to obtain support on a variety of topics, including mental health, stress, mindfulness etc. The hub also has details of our Mental Health First Aiders and Employee Assistance Programme which provides professional support and counselling. We intend to repeat the health and wellbeing survey in 2025 to understand the impact that the initiatives are having on health and wellbeing and to identify additional activities which will help further support our employees.

We continue to support our Mental Health First Aider's through our quarterly Mental Health First Aider Support Network meetings, which provide a safe place for attendees to discuss the challenges they are facing and give support to each other with all discussions being undertaken in a confidential manner. The meetings allow time for general discussion along with training on agreed topics which help them to further develop the skills required to undertake the role.

We also continue to utilise the HR system to communicate with our employees and this provides a central location to access personal information along with Group policies and procedures via a workspace. These workspaces also allow employees to communicate electronically with their teams. We distribute regular newsletters and continue to use our communications portal which provides Group news, updates and messages from senior management.

Modern slavery

As a responsible employer we understand that combating the risk of modern slavery in our businesses and our supply chains requires ongoing efforts and as such we regularly review our processes and procedures and introduce new ways of working that respect human rights and help prevent slavery and human trafficking occurring in any of our corporate activities. Our Modern Slavery Steering Group and champions meet quarterly to identify ways of improving our approach and raising awareness. The Group's current Modern Slavery Act Statement can be found on our website www.rtcgroupplc.co.uk.

Anti-bribery and corruption

The Group takes seriously its responsibility to prevent corruption and bribery and as such we have an anti-bribery and corruption policy that all employees are briefed on at induction. Employees are required to acknowledge understanding and that they will conduct themselves in accordance with this policy. In addition, employees undertake regular anti-bribery and corruption training to ensure they understand what it is and the signs to look out for.

Corporate social responsibility

The Group continues to work on its Social Value strategy to achieve its aim of being a socially responsible business. To help create opportunities which benefit the communities within which we work we concentrate our attention on activities where we can use our expertise or make the greatest impact. We do this in numerous ways and below is just a snapshot of the actions that we have undertaken in 2024:

- Sponsorship of ten schools as part of the Rail Safe Friendly campaign to promote Rail safety and awareness to pupils;
- Continued support for our chosen charities, Cancer Research, Rainbows Hospice, Candlelighters, and Railway Children;
- Supporting our employees to enable them to help in their local community by providing paid leave through our Supported Volunteering Leave policy;
- Supporting our STEM Ambassadors with additional assistance from STEM Learning to help them with their activities which includes helping pupils with CV's and interview techniques, promote engineering and the rail industry in general and providing support and advice at recruitment fairs;
- Introduction of a Salary Sacrifice for Electric vehicles scheme for our direct employees, which has been well received;
- Moving our fleet of company cars to fully electric and continuing to explore alternative fuel options for hire vehicles;
- Utilising Lightfoot telemetry in our fleet vehicles to monitor driving behaviour and fuel usage and cut CO₂ emissions per vehicle;
- Continuing to support our Equity, Diversity and Inclusion, Modern Slavery and Health and Wellbeing Steering Groups and champions to ensure we make continuous improvements in these areas and raise employee awareness of these important issues through monthly email campaigns;
- Undertaking EDI surveys to help monitor the success of our EDI actions;
- Encouraging our employees to actively support campaigns such as Women in Rail, promoting gender balance and diversity in the rail industry;
- Continuing with successful initiatives such as Agile Working in roles within the Group which allow for flexibility; and
- Recycling of PPE/workwear in our Rail offices.

We seek to add social value wherever possible and will continue to work towards our commitment of being "Socially Responsible", as such we will build-on and further develop the great work already in place and introduce new social value activities in 2025 and beyond to ensure we continue to improve.

Directors' report

For the year ended 31 December 2024

Carbon emissions and Carbon Reduction Plan

The Group is cognisant of its responsibility to reduce its carbon emissions and is working to do this through fleet technology that provides in-cab driver feedback to influence behaviours and improve fuel consumption, reduce harmful emissions, wear and tear, and promote safer driving; the use of electric vehicles where possible, and a cycle to work scheme.

Most of the Group's carbon emissions are generated through the combustion of fuel used by the fleet of vans utilised in providing contingent labour to the rail industry by our Ganymede subsidiary. As well as the continued utilisation

The Group's carbon emissions and energy usage were as follows:

		2024 t CO ₂	2023 t CO ₂	2024 MWh	2023 MWh
Direct emissions					
Combustion of gas and use of fuel for transport	Scope 1	2,088	1,866	8,833	7,913
Indirect emissions for own use					
Purchase of electricity	Scope 2	122	92*	587	447

* restated from 0.1 in 2023 annual report due to amendment of conversion rate from MWh.

The company has seen consistent revenue growth over the past few years and whilst this has led to an increase in total scope 1 and 2 emissions, the work we have done to improve our fleet and manage our fuel usage has reduced our Green House Gas intensity by over 42% since 2020.

An intensity ratio relating to the combustion of gas and use of fuel for transport has not been included as the vans are only used for certain contracts and do not contribute to total revenues for the UK division.

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.

Post reporting date events

There have been no significant events to report since the reporting date.

Going concern

The Group has made a pre-tax profit of £2,545,000 (2023: £2,535,000) from continuing operations and the directors have taken this into account when assessing the going-concern basis of preparation.

To assess the continued applicability of the going concern basis of preparation, the directors have prepared trading and cash flow forecasts for the Group for a period of 15 months from the date of approval of the financial statements.

In assessing the risks related to the continued availability of the current facilities, the Board have taken into consideration the existing relationship with HSBC, the strength of the security provided and the quality of the Group's customer base. Based on their enquiries, the Board have concluded that sufficient facilities will continue to remain available to the Group and that no material uncertainty exists.

of Lightfoot telemetry in our commercial vehicles and a transition of company cars to electric, there has been a great focus on improving vehicle utilisation and allocating local labour.

In addition, Ganymede now has a Carbon Reduction Plan. Ganymede is committed to achieving Net Zero greenhouse gas emissions by 2050 and have committed to set near-term companywide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Ganymede has engaged environmental consultants, utilising a dedicated carbon accounting platform to support this activity.

The directors are satisfied that, taking account of the Group's net assets of £8,007,000 (2023: £7,933,000), its invoice finance facility, which is its core funding line and which is classed as evergreen in that it has no fixed expiry date (although it is reviewed annually), and the Group's trading and cash forecasts for a period of 15 months from the date of approval of the financial statements, that it remains appropriate to prepare these financial statements on a going concern basis.

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.

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 use of an overdraft and an invoice discounting facility.

Directors' report

For the year ended 31 December 2024

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 22.

Directors' responsibilities

The directors are responsible for preparing the annual report and 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 UK adopted international accounting standards, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and FRS101. 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 the Company and of the profit or loss of the Group for that period. The directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market (AIM).

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 accounts have been prepared in accordance with UK adopted international accounting standards, and the Parent Company accounts have been prepared under UK GAAP, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 Group and 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 Group and 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

S L Dye

S L Dye
Secretary

21 March 2025

Corporate governance statement

For the year ended 31 December 2024

Statement by the Chairman on corporate governance

As a Company listed on the AIM market of the London Stock Exchange, RTC Group Plc has chosen to comply with the Quoted Companies Alliance Corporate Governance Code “the Code”. This report describes how the Group has complied with the Code and explains any departures from the principles within the Code.

The strategy and business model of the Group are set out in the Strategic Report. A description 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 three executive directors, the chairman and chief executive, the group finance director and the managing director of Ganymede Solutions Limited, together with two independent non-executive directors.

The executive directors are engaged full-time, and the independent non-executive directors are required to spend at least one day per month considering Company matters and attending the monthly Board meeting.

The Board met 11 times in 2024, and each Board member attended the following number of Board meetings: A M Pendlebury 11, S L Dye 11, P S Crompton 5; A N Spoliar 3; and W Thornhill 1. A N Spoliar joined the Board on 1 October 2024 and W Thornhill joined on 1 November 2024.

The Group believes that in the Board, there is an appropriate range of skills and experience to ensure the interests of all stakeholders in the Group are fully accommodated, as demonstrated by the following biographies. The Board keep their skill sets up to date through a combination of membership of professional bodies and the associated continuing professional development that must be undertaken to maintain that; executive development training and extensive reading on economic and business matters. The relevant experience of each Board member is detailed below:

A M Pendlebury, Chairman and Chief Executive

Andy held several 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 and Chairman in August 2023.

S L Dye, Group Finance Director

Sarah is a Chartered Accountant who has worked in both the public and private sectors in the UK and overseas. Sarah qualified with BDO LLP 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 as Finance and Planning Manager for Europe. In 2004 Sarah joined Nottingham Trent University where she held several senior finance positions. Sarah spent 5 years in New Zealand with the Office of the Auditor-General, working with central and local government entities and the tertiary sector. In 2011 Sarah joined Staffline Group Plc as Group Financial Controller. Sarah was appointed Group Finance Director of RTC Group in February 2013.

P S Crompton, Managing Director Ganymede Solutions

Paul is a highly experienced civil engineer with over 25 years of expertise across various industries including transportation, energy, and recruitment. Graduating in 1995, he honed his expertise in engineering and project management through roles at Volker Rail and Bechtel, contributing to the successful delivery of several major projects in the UK, including High Speed 1. Transitioning into the recruitment sector in 2005, Paul initially served as an Operations Director for Vital Rail before assuming the role of Managing Director at Ganymede Solutions Limited, a subsidiary of RTC Group Plc, in 2013.

A N Spoliar, Independent Non-Executive Director

Nick is currently Director of Research at Zeus Capital. He is an experienced analyst who has followed a wide range of companies in the London market ranging from large cap to small over the past twenty-plus years and has been involved in numerous IPO’s and fundraisings. As an analyst, he has focused primarily on the Support Services/Business Services sectors. He started his career as an analyst at the No. 1 rated Paper/Packaging team at Credit Lyonnais (Laing & Cruickshank) and has worked at firms with mid-Cap credentials such as Panmure Gordon, Bridgewell, Arbuthnot, and Altium. He holds a first-class degree from Oxford University, is a past winner of Starmine prizes, and in 2019 was short-listed for Small-Cap analyst of the Year by the Small Cap Network.

W Thornhill, Independent Non-Executive Director

Wayne is a Fellow of the Institute of Chartered Accountants in England & Wales and has extensive experience managing United Kingdom and international businesses, both publicly listed and privately owned, through periods of rapid growth and change. He has significant experience of corporate transactions including preparing companies for flotation, delisting, reverse-takeover, Class 1 transactions and mergers and acquisitions, and has handled both debt and equity fundraisings and refinancings. Wayne qualified with Arthur Andersen in London and has spent over 25 years working with boards and shareholders to drive shareholder value, typically

Corporate governance statement

For the year ended 31 December 2024

in a main board CFO/COO capacity. Wayne is currently CEO of QStory, a leading provider of software solutions in the workforce management and engagement space. Wayne studied American History and Politics at the University of East Anglia and at the University of Colorado's Boulder campus. He hails from Manchester and lives in London with his family.

Board matters

The Board has a schedule of matters specifically reserved for its decision. It 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 Board. Operational control is delegated by the Board to the executive directors.

The Company Secretary acts as the conduit for all governance related matters and shareholder enquiries and passes them to the Chairman to respond.

Corporate culture

The Board is responsible for ensuring that the corporate culture is consistent with the Company's objectives, strategy and business model as set out in the strategic report. The Board achieves this by ensuring that appropriate policies on behaviour and ethics are in place and signed up to by all employees. Performance is appraised considering not just the achievement of objectives, but the behaviours demonstrated to do so. All managers and the Board lead by example in their behaviour and ethical values demonstrated. The managing directors of each subsidiary present to the Board at least annually on their subsidiary's performance and cultural matters. Periodically employee satisfaction surveys are undertaken to help inform management of the environment employees perceive they are working in.

Board performance

The performance of the Board is measured by the earnings per share. This measure is externally reported twice yearly on the publication of the interim statement and the annual report. The executive directors' performance is also measured in relation to the achievement of specific operational and strategic objectives that support the key performance indicators which are presented in the annual report and the level of profit delivered. A significant proportion of executive director awards are in the form of profit related pay.

Succession planning

The Board believes it is healthy to periodically refresh Board membership and that responsibilities within the Board should change from time to time. The Board has a succession plan in place which include the identification, training and mentoring of existing Board members to take on new responsibilities and for potential future Board members to step up.

Company secretary

All directors have access to the advice of the Company Secretary and the Independent Director and can take external independent advice on certain matters, if necessary, at the Company's expense.

Board Committees

The Board has established two specialist committees (the remuneration committee and the audit committee).

The remuneration committee is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance-related bonus schemes. The remuneration committee comprises W Thornhill and S L Dye. It is chaired by W Thornhill. No members of the remuneration committee are involved in determining their own remuneration.

The whole Board considers matters of nomination and succession and thus there is no requirement for a nomination committee.

The audit committee comprises A N Spoliar and A M Pendlebury. It is chaired by A N Spoliar. The committee meets as necessary to monitor the Group's internal control systems and major accounting and audit related issues.

Engagement with shareholders

The Board values the views of its shareholders. The directors hold a material interest in the Group which aligns their interests to shareholders. The split of shareholdings at the date of this report was:

Type of shareholder	% Of total issued share capital
Directors	6.51%
Institutional Investors	10.11%
Brokers, individuals and other	83.38%

The AGM 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. Shareholders can also contact the Company Secretary or the Chairman via the Company's website. The Board takes full cognisance of the results of any poll or feedback from shareholders and the Chairman will respond as appropriate whether by email or by offering a chance to meet with the shareholder to explain the Board's position.

A M Pendlebury

A M Pendlebury
Chairman

21 March 2025

Audit committee report

For the year ended 31 December 2024

Audit committee responsibilities

The audit committee's primary responsibilities are to review the financial statements and any changes in accounting policies; to have assurance that there are suitable internal controls and risk management systems in place; to consider the appointment of the external auditors and their independence; and to review the audit effectiveness.

Audit committee membership

The audit committee comprises A N Spoliar (Independent Chair appointed 1 October 2024) and A M Pendlebury and meets twice a year. In 2024 A N Spoliar attended one meeting and A M Pendlebury attended two meetings. The audit committee meets as necessary to monitor the Group's internal control systems and major accounting and audit related issues.

Risk and internal control

Major risks to the business are explained within the strategic report along with steps taken to mitigate these risks.

The Group operates internal control systems which are designed to meet its needs and address the risks to which it is exposed, by their nature such systems can provide reasonable but not absolute assurance against material misstatement or loss. The Group's internal control systems are not predicated on physical controls and as such they have not been impacted by increased remote working since the pandemic.

The key procedures which the directors have established with a view to providing effective internal financial control are as follows:

- **Management structure**

The Board has overall responsibility for the Group and there is a schedule of matters specifically reserved for decision by the Board.

- **Quality and integrity of personnel**

The integrity and competence of personnel is ensured through high recruitment standards and subsequent training. High quality personnel are 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 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 authority limits for approval of expenditure are in place. For expenditure beyond specified levels, detailed written proposals are submitted to and approved by the Board. Once authorised, such expenditure is reviewed and monitored by the Board.

The Group does not have an internal audit function. The audit committee is focused on key risk areas and may request reviews to be carried out either by external specialists who are independent of the Group's management team, or it may request that certain areas are reviewed by management.

External audit

The audit committee has primary responsibility for the relationship between the Group and its external auditor. Representatives from Cooper Parry Group Limited are invited to attend audit committee meetings and the Chairman of the committee is available to meet independently with the audit partner as necessary. The independence of the auditor is kept under review and is reported twice a year as part of the audit planning and audit findings reports presented to the committee by the auditor.

To safeguard the objectivity and independence of the external auditor, the audit committee monitors the external auditor's proposed scope of work, and the value of fees paid. In the year to 31 December 2024, audit fees for the Group totalled £98,250 (2023: £89,925), with additional non-audit fees of £Nil (2023: £17,884). The audit committee confirm that they are satisfied that Cooper Parry are independent.

This report was approved by the Audit Committee and the Board on 21 March 2025 and signed on its behalf by:

A N Spoliar

A N Spoliar

Independent Chair of the Audit Committee

Remuneration report

For the year ended 31 December 2024

Policy on executive directors’ remuneration

The executive directors’ remuneration packages are designed to attract, motivate, and retain high quality executives capable of achieving the Group’s objectives. The Group’s policy is to provide remuneration packages for executive directors recognising market levels for comparable jobs in the sector. The remuneration committee considers the provisions set out in the Quoted Companies Alliance Corporate Governance Code.

Executive directors’ remuneration

The remuneration package for executive directors includes:

- basic salary;
- other benefits;
- a performance related bonus; and
- share-based incentives.

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 account of independent research on comparable companies and general market conditions.

Other benefits

Other benefits include company cars, private medical insurance, critical illness, and life cover.

Performance related bonuses

Bonuses are paid in accordance with the director’s contracts of employment and at the discretion of the remuneration committee both as an incentive, and to reward performance during the financial year. Details of amounts paid in respect of 2024 are set out in note 7.

An amendment has been made to the Executive Directors’ service contracts in relation to potential and capped bonuses which may be paid in respect of the achievement of certain performance criteria, aligned with shareholder value, including where there is a successful recommended offer for the Group.

Related Party Transaction

This amendment to service contracts is considered a related party transaction for the purposes of the AIM Rules.

The Independent Directors, being Wayne Thornhill (Non-Executive Director) and Nick Spoliar (Non-Executive Director), believe that having consulted with Spark Advisory Partners, the Company’s nominated adviser, the terms of the amended service contracts are fair and reasonable in so far as Shareholders are concerned.

Share based incentives

Share options

The Group has formulated a policy for the granting of share options to executive directors and full-time employees under the Group’s EMI share scheme, details of which are set out in note 7. The Group also has a share scheme for executive directors, the details of which are set out below.

RTC Group long-term incentive plan (LTIP)

In May 2015, the Board approved the introduction of an LTIP for executive directors. The remuneration committee has responsibility for supervising the scheme and making awards under its terms. The maximum value of shares that can be awarded is 100% of basic salary. The current policy is to review the annual results of the Group prior to agreeing if awards are to be made.

Awards under the LTIP

In 2024, no awards under the LTIP were made to executive directors (2023: No awards).

There are currently no outstanding awards or awards that have vested but not been exercised. Vesting of awards is subject to the achievement of the performance criteria in the LTIP. Awards will vest and may be exercised on the third anniversary of the date of grant to the extent that the performance conditions detailed below are met:

Annual growth in fully diluted EPS above RPI	Proportion of award vesting
Less than 3%	Nil
3%	25%
Between 3% and 10%	Between 25% and 100% on a straight-line basis
10% or more	100%

The achievement of the performance target and the timing of the vesting of the award will be determined by the remuneration committee. They may adjust performance targets where it is considered appropriate to do so. Further details are set out in note 7.

Service contracts

All executive directors have service agreements with the Company which are terminable upon 12 months’ notice in writing by either party. Details of directors’ remuneration can be found in note 7.

Non-executive directors’ remuneration and terms of service

Non-executive directors serve under the terms of a letter of appointment “Letter”. The Letter sets out the time commitment and duties expected of the individual. The Group’s policy is to pay non-executive directors at a rate which is competitive with similar companies and reflects their experience and time commitment. As non-executive directors are not employees, they do not receive benefits or pension contributions, and they are not entitled to participate in any of the Group’s short-term bonus or long-term incentive plans. Non-executive director’s Letters are terminable on one month’s notice in writing from either party.

This report was approved by the remuneration committee and the Board on 21 March 2025 and signed on its behalf by:

W Thornhill

W Thornhill

Independent Chair of the Remuneration Committee

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

For the year ended 31 December 2024

Opinion

We have audited the financial statements of RTC Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified financial statement-level risks of the consolidated financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality, calculated by considering component performance materiality

The group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In order to address the audit risks described in the Key audit matters section which were identified during our planning process, we performed a full-scope audit of the financial statements of the parent company, RTC Group plc, and one of the UK trading entities, Ganymede Solutions Limited. The operations that were subject to full-scope audit procedures made up 92% of consolidated revenues and £1,675,000 of consolidated profit after tax. Tailored audit procedures were performed over specific balances within remaining components of the group, focusing our audit approach on the applicable risks within each entity and the consideration of the risk of material misstatement of these risks for the group consolidated financial statements.

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

For the year ended 31 December 2024

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our response to the risk
<p>Revenue recognition:</p> <p>The group generates revenue from the provision of recruitment activities which consists of revenue from temporary and permanent placements as described in note 3.1.</p> <p>For temporary placements revenue is recognised over time as the service is provided and judgement is required in estimating the time worked by contractors but not approved by customers at the Statement of Financial Position date. This also involves judgements in estimating the costs accruing for these contractors which then determines the corresponding revenue which should be recognised.</p> <p>In view of the judgements involved, we consider this to be an area giving rise to a significant risk of material misstatement in the financial statements.</p>	<p>We have assessed accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled.</p> <p>We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions.</p> <p>We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle.</p> <p>For a sample of revenue recognised in the financial year, we inspected a sample of timesheets, customer approvals, and contractor costs, confirming the costs and associated revenue have been recognised in the correct accounting period. Each timesheet selected for testing was agreed to supporting sales and purchase invoices.</p> <p>We tested a sample of timesheets received post year end and agreed these to supporting sales and purchase invoices to ensure revenue and costs have been recognised in the correct accounting year.</p> <p>We obtained a complete listing of journals posted to revenue nominal codes and reviewed the listing for any unexpected entries. These were then tested to supporting evidence.</p> <p>Our procedures did not identify any material misstatements in the revenue recognised during the year.</p>

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £968,000. This has been determined with reference to the benchmark of the group’s revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1% of group revenue. Performance materiality has been set at 85% of group materiality.

The materiality for the parent company financial statements as a whole was set at £309,000 and performance materiality represents 85% of materiality. This has been determined with reference to the parent company’s net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 5% of net assets as presented on the face of the parent company’s Statement of Financial Position.

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

For the year ended 31 December 2024

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets; and
- Reviewing management's disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

For the year ended 31 December 2024

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, particularly in respect of impairment of non-current assets.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Melanie Hopwell (Senior Statutory Auditor)

For and on behalf of Cooper Parry Group Limited
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 21 March 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Revenue	3.1,4,5	96,762	98,781
Cost of sales		(78,831)	(81,337)
Gross profit		17,931	17,444
Administrative expenses		(15,306)	(14,729)
Profit from operations	6	2,625	2,715
Net finance expense	8	(80)	(180)
Profit before tax		2,545	2,535
Tax expense	9	(672)	(690)
Total profit and other comprehensive income for the year attributable to owners of the Parent		1,873	1,845
Earnings per ordinary share			
Basic	10	13.01	12.75
Fully diluted	10	13.01	12.72

The following notes 1 to 26 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024	146	120	50	20	7,597	7,933
Total comprehensive income for the year	–	–	–	–	1,873	1,873
Transactions with owners:						
Dividends (note 20)	–	–	–	–	(819)	(819)
Share options exercised	–	–	–	(17)	17	–
Own shares purchased	(10)	–	10	–	(980)	(980)
Total transactions with owners	(10)	–	10	(17)	(1,782)	(1,799)
At 31 December 2024	136	120	60	3	7,688	8,007

The consolidated statement of changes in equity for the prior year was as follows:

	Share capital £'000	Share premium £'000	Own shares held £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	146	120	(236)	50	122	5,993	6,195
Total comprehensive income for the year	–	–	–	–	–	1,845	1,845
Transactions with owners:							
Dividends (note 20)	–	–	–	–	–	(145)	(145)
Share options exercised	–	–	236	–	(102)	(96)	38
Total transactions with owners	–	–	236	–	(102)	(241)	(107)
At 31 December 2023	146	120	–	50	20	7,597	7,933

Share capital is the nominal value of share capital subscribed for.

Share premium account represents the amount subscribed for share capital over and above the nominal value of the shares.

Own shares held are the cost of company's own shares held through the Employee Benefit Trust and shown as a deduction from equity.

Capital redemption reserve is an amount of money that a company in the UK must keep when it buys back shares, and which it cannot pay to shareholders as dividends.

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

Retained earnings are all net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

The following notes 1 to 26 form an integral part of these financial statements.

Consolidated statement of financial position

As at 31 December 2024

	Notes	2024 £'000	2023 £'000
Assets			
Non-current			
Goodwill	11	132	132
Other intangible assets	12	93	–
Property, plant, and equipment	13	1,083	1,326
Right-of-use assets	23	1,941	2,196
Deferred tax asset	14	1	6
		3,250	3,660
Current			
Inventories	15	13	14
Trade and other receivables	16	17,462	17,422
Cash and cash equivalents	21	934	1,069
		18,409	18,505
Total assets		21,659	22,165
Liabilities			
Current			
Trade and other payables	17	(10,536)	(10,915)
Lease liabilities	23	(294)	(300)
Corporation tax		(614)	(522)
		(11,444)	(11,737)
Non-current liabilities			
Lease liabilities	23	(2,077)	(2,337)
Deferred tax liabilities	18	(131)	(158)
		(2,208)	(2,495)
Total liabilities		(13,652)	(14,232)
Net assets		8,007	7,933
Equity			
Share capital	19	136	146
Share premium		120	120
Capital redemption reserve		60	50
Share based payment reserve		3	20
Retained earnings		7,688	7,597
Total equity		8,007	7,933

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 21 March 2025 by:

A M Pendlebury

A M Pendlebury
Director

S L Dye

S L Dye
Director

The following notes 1 to 26 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit before tax		2,545	2,535
Adjustments for:			
Depreciation, loss on disposal and amortisation		691	1,070
Finance expense	8	80	180
Change in inventories		1	1
Change in trade and other receivables		(40)	(2,034)
Change in trade and other payables		(379)	3,078
Cash inflow from operations		2,898	4,830
Income tax paid		(602)	–
Interest paid		(80)	(180)
Net cash inflow from operating activities		2,216	4,650
Cash flows from investing activities			
Purchase of property, plant and equipment		(213)	(437)
Net cash outflow from investing activities		(213)	(437)
Cash flows from financing activities			
Movement on invoice discounting facility		–	(3,103)
Movement on perpetual bank overdrafts		–	(29)
Dividend paid		(819)	(145)
Purchase of own shares		(980)	–
Payment of lease liabilities		(339)	(334)
Net cash (outflows) from financing activities		(2,138)	(3,611)
Net (decrease)/increase in cash and cash equivalents	21	(135)	602
Cash and cash equivalents at beginning of year		1,069	467
Cash and cash equivalents at end of year	21	934	1,069

The following notes 1 to 26 form an integral part of these financial statements.

Notes to the Group financial statements

For the year ended 31 December 2024

1. Basis of preparation

The principal accounting policies applied in the preparation of the Group and Company financial statements are set out in notes 3 and 29. These policies have been applied consistently to all the years presented, unless otherwise stated.

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

The financial statements have been prepared under the historical cost convention, as modified by measurement of share-based payments at fair value at date of grant, and in accordance with UK adopted international accounting standards ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out in note 2.

Going concern

The Group has made a pre-tax profit of £2,545,000 (2023: £2,535,000) from continuing operations and the directors have taken this into account when assessing the going concern basis of preparation.

To assess the continued applicability of the going concern basis of preparation, the directors have prepared trading and cash flow forecasts for the Group for a period of 15 months from the date of approval of the financial statements.

In assessing the risks related to the continued availability of the current facilities, the Board have taken into consideration the existing relationship with HSBC and the strength of the security provided, also taking into account the quality of the Group's customer base. Based on their enquiries, the Board have concluded that it remains appropriate to conclude that sufficient facilities will continue to remain available to the Group and that no material uncertainty exists.

The directors are satisfied that, taking account of the Group's net assets of £8,007,000 (2023: £7,933,000), its invoice finance facility, which is its core funding line and which is classed as evergreen in that it has no fixed expiry date, and the Group's trading and cash forecasts for 15 months from the date of approval of the financial statements, that it remains appropriate to prepare these financial statements on a going concern basis.

New accounting standards and interpretations

The Group has not adopted any new standards or interpretations in these financial statements. The Board does not expect any other standards issued, but not yet effective, or standards likely to be issued in the future, to have a material impact on the Group.

Notes to the Group financial statements

For the year ended 31 December 2024

2. Critical accounting estimates and judgements

The Group makes certain judgements, estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

Temporary placements

Revenue from temporary placements is calculated by reference to hours worked and pay rates and is based on weekly timesheets submitted by operatives and there can be delays in the submission and approval of timesheets. An estimate is therefore made of the value of the liabilities in respect of timesheets that are yet to complete the submission and approval process, and the associated revenue earned at 31 December 2024. Further details of the related contract assets are included in note 5.

Estimates and judgements

Lease liability and right-of-use assets

The weighted average incremental borrowing rate used to measure the lease liability at initial application was 3.35% (land and buildings) and 5% (motor vehicles). These rates have been reviewed and assessed as remaining appropriate for new leases entered into during the financial year being representative of current open market borrowing rates for each type of asset respectively.

The Group sometimes negotiates break clauses in its property leases. At 31 December 2024 the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because it is considered reasonably certain that the Group will not exercise its right to break any lease and there are no material break clauses.

Impairment of non-current assets

The carrying values of these assets are tested for impairment when there is an indication that the value of the assets might be impaired, either at an individual cash generating unit level ("CGU") or, where assets cannot be allocated to individual CGU's, for the Group as a whole.

When carrying out impairment tests, these are based upon risk adjusted future cashflow forecasts and these forecasts include management estimates for revenues which are informed by external market forecasts and experience. Direct costs to deliver and attributable overhead will also include management estimates based on recent experience and expected adjustments for management actions. In calculating the discount rate to be applied, management estimates are required in assessing the appropriate rate for the Group. The assessment of the discount rate and forecasting future cash flows are inherently judgemental and future events could have an adverse effect on these and results of future impairment assessments.

Notes to the Group financial statements

For the year ended 31 December 2024

3. Accounting policies

The principal accounting policies, which are identical to the policies applied in the previous year, are listed below:

3.1 Revenue

Revenue is measured at the fair value of the consideration received or receivable as performance obligations are satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, and other sales-related taxes. The Group, as principal, controls the specified service that is promised to the customer before it is transferred to them therefore revenue is recognised on a gross basis which corresponds to the consideration to which the entity expects to be entitled.

Performance obligations and timing of revenue recognition

Most of the Group's revenue is derived from recruitment activities (permanent and temporary placements).

The Group has several arrangements or contracts with its customers under which services are provided. Permanent and temporary staff are provided both under the auspices of a "preferred supplier" and under framework agreements. Neither of these arrangements confer any minimum volume commitments, rather individual orders are placed as resources are required with both parties working to the terms set out within the preferred supplier or framework agreement.

Revenue is recognised when the benefit of the service has passed to the customer. Largely, there is no significant judgement involved in identifying the point at which the benefit is transferred, or the transaction price as explained below:

Revenue from permanent placements

Contractual obligations may vary from customer to customer, however, performance obligations arising from the placement of permanent candidates are satisfied and revenue is recognised at the time the candidate commences employment. The transaction price is agreed with the customer prior to the service being delivered and is fixed at that point. The incidence of clawbacks of revenue related to employees leaving employment are not significant and therefore no amounts are treated as variable consideration and deferred.

Revenue from temporary placements

Performance obligations are satisfied over time consistent with the delivery of the service, with the quantum of revenue generated only varying with the provision of the service. Customers are generally invoiced weekly with any amounts not invoiced at the end of the period recognised within contract assets, with the corresponding amounts due to contractors being included within accruals. The Group invoices customers based on the hours worked derived from approved timesheets. The transaction price is calculated by reference to hours worked and agreed pay rates for the skill level of the operative and the type of shift worked. There are no significant terms within customer contracts which give rise to variable revenues. The Group also considers the impact of longer-term contractual supply agreements in the determination of the transaction price and the satisfaction of performance obligations.

Other revenue

Performance obligations are satisfied as the service is provided and represent the sales value of conferencing facilities provided and rental income received from subletting areas of the Derby site. Rental income 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 and conferencing within the Group's Derby site are recognised when the goods or services are provided, with any amounts received in advance being included within contract liabilities. Costs incurred in fulfilling contracts with customers are expensed as incurred.

3.2 Basis of consolidation

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

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. Subsidiaries are deconsolidated from the date on which 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.

Notes to the Group financial statements

For the year ended 31 December 2024

3.3 Goodwill

Goodwill represents the excess of the fair value of the cost of a business acquisition over the Group's share of the fair value of the assets and liabilities acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

3.4 Intangible assets

Assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group based on its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. A valuation exercise is undertaken to assess the fair value of intangible assets acquired in a business combination. Where the cost of intangible assets acquired as part of business combinations is not separately identifiable or does not represent the fair value, the valuation is undertaken based upon value in use which requires the use of a discount rate in order to calculate the present value of cash flows. The use of this method requires the estimation of future cash flows and the choice of a discount rate to calculate the present value of the cash flows.

The fair value is then amortised over the economic life of the asset as detailed below. Where an intangible asset might be separable, but only together with a related tangible or intangible asset and the individual fair values are not reliably measurable, the group of assets is recognised as a single asset separately from goodwill. Where the individual fair values of the complementary assets can be reliably measured, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Customer lists

The fair value of acquired customer lists is capitalised and, subject to impairment reviews, amortised over the estimated life of the customer list acquired. The amortisation is calculated to write off the fair value of the customer lists over their estimated lives on a straight-line basis. An impairment review of customer lists is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

Software and licences

Acquired software, inclusive of lifetime licenses, are capitalised based on the costs incurred to acquire and bring into use the specific software. Costs are amortised over the estimated useful lives of four to six years on a straight-line basis from the date of commissioning.

3.5 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 to write off the cost, less residual value, of each asset over its estimated useful life as follows:

Short leasehold improvements	33.3% equally per annum or equally over the lease term
Fixtures and office equipment	10%–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 (loss)/profit and other comprehensive (expense)/income for the year.

Capital work in progress predominantly relates to assets under construction and not yet available for use and as such no depreciation is charged.

The accounting policy for right-of-use assets is set out alongside the accounting treatment for lease liabilities in note 3.8.

3.6 Impairment of assets

Goodwill, other intangible assets, right-of-use assets and property, plant and equipment are subject to impairment testing.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units). As a result, some assets are tested individually for impairment, and some are tested at Cash-Generating Unit level ("CGUs"). Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

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For the year ended 31 December 2024

Individual intangible assets or CGUs that include goodwill with an indefinite useful life are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each statement of financial position date, the Group assesses 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 value.

An impairment loss is recognised for the amount by which the asset or CGUs carrying amount exceeds its recoverable amount. The recoverable is the higher of fair value, reflecting market conditions less cost to sell and value in use. Impairment losses recognised for CGUs to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU. Except for goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment losses are recognised in the statement of comprehensive income for the period.

3.7 Inventories

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

3.8 Leases and Right-of-Use assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a lease is identified in a contract the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant, and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 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 reporting date. Income tax is charged or credited to the (loss)/profit and other comprehensive (expense)/income for the year 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.

Where there are transactions and calculations for which the ultimate tax determination is uncertain the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the Group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience.

Notes to the Group financial statements

For the year ended 31 December 2024

3.10 Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on: the initial recognition of goodwill; and the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and investments in subsidiaries and where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either: the same taxable Group Company, or different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.11 Retirement benefit

Contributions to money purchase pension schemes are charged to the (loss)/profit and other comprehensive (expense)/income for the year as they become payable in accordance with the rules of the scheme.

3.12 Share-based payments

The Group provides equity settled share-based payment schemes to certain employees. Equity settled share-based payments are measured at fair value 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 7. Fair value is measured by use of the Black-Scholes model.

3.13 Trade payables

Trade payables are initially recognised at fair value and subsequently as financial liabilities at amortised cost under the effective interest method. However, where the effect of discounting is not significant, they are carried at invoiced value. They are recognised on the trade date of the related transaction.

3.14 Trade receivables

Trade receivables and contract assets are recognised at amortised cost. However, where the effect of discounting is not significant, they are carried at invoiced value. They are recognised on the trade date of the related transactions. The Group has an invoice financing facility with full recourse. This is recognised as a financial liability secured over the trade receivables of the Group.

Impairment provisions for trade receivables and contract assets are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed, having regard to the historical losses and the current and future performance of the counterparties. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets.

For trade receivables and contract assets, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable or contract asset will not be collectable, the gross carrying value of the asset is written off against the associated provision.

3.15 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 comprise cash deposits with maturities of three months or less from inception, net of qualifying overdrafts. Qualifying overdrafts are those which are an integral part of the Group's cash management and are therefore included as cash and cash equivalents in the consolidated statement of cash flows. Overdrafts which represent core financing components are presented within financing in the consolidated statement of cash flows.

Notes to the Group financial statements

For the year ended 31 December 2024

3.16 Borrowings

Interest bearing borrowings are initially recognised at fair value and subsequently stated at amortised cost under the effective interest method. Where borrowings are due on demand, they are carried at the amount expected to be required to settle them.

Financial liabilities

Where the Group has arrangements with financial institutions to provide advances secured on trade receivables. The Group considers the terms of the arrangements. Where the responsibility for collection of the receivables remains with the Group and the financial counterparty has full recourse these amounts are presented within current borrowings.

3.17 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 statement of financial position date are translated into sterling using the rate of exchange ruling at that date and any gains or losses on translation are included in the (loss)/profit and other comprehensive (expense)/income for the year.

3.18 Share capital and dividends

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments. Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at the AGM. Dividends on shares classified as equity are accounted for as a deduction from equity.

4. Segment reporting

The business is split into three operating segments, with recruitment being split by geographical area. This reflects the integrated approach to the Group's recruitment business in the UK and independent delivery of overseas business. Three operating segments have therefore been agreed, based on the geography of the business unit: United Kingdom, International and Central Services.

This is consistent with the reporting for management purposes, with the Group organised into two reportable segments, Recruitment and Central Services, which are strategic business units that offer different products and services. They are managed separately because each segment has a different purpose within the Group and requires different technologies and marketing strategies.

Segment operating profit is the profit earned by each operating segment defined above and is the measure reported to the Group's Board, the Group's Chief Operating Decision Maker, for performance management and resource allocation purposes. The Group manages the trading performance of each segment by monitoring operating contribution and centrally manages working capital, financing, and equity.

Revenues within the recruitment operating segment have similar economic characteristics and share a majority of the aggregation criteria set out in IFRS 8:12 in particular the nature of the products and services, the type or class of customers, the country in which the service is delivered, and the processes utilised to deliver the services and the regulatory environment for the services.

The purpose of the Central Services segment is to provide all central services for the Group including the Group's head office facilities in Derby. It also generates income from the Derby site including rental of excess space and hotel and conferencing facilities.

Notes to the Group financial statements

For the year ended 31 December 2024

Revenue, gross profit, and operating profit delivery by geography:

	2024				2023			
	UK Recruitment £'000	UK Central Services £'000	International Recruitment £'000	Total Group £'000	UK Recruitment £'000	UK Central Services £'000	International Recruitment £'000	Total Group £'000
Revenue	88,939	2,225	5,598	96,762	91,187	2,321	5,273	98,781
Cost of sales	(73,332)	(1,096)	(4,403)	(78,831)	(75,866)	(1,110)	(4,361)	(81,337)
Gross profit	15,607	1,129	1,195	17,931	15,321	1,211	912	17,444
Administrative expenses	(10,405)	(3,755)	(497)	(14,657)	(9,647)	(3,587)	(448)	(13,682)
Amortisation of intangibles	(47)	–	–	(47)	(28)	–	–	(28)
Depreciation of right-of-use assets	(79)	(249)	–	(328)	(140)	(246)	–	(386)
Depreciation	(120)	(153)	(1)	(274)	(478)	(153)	(2)	(633)
Total administrative expenses	(10,651)	(4,157)	(498)	(15,306)	(10,293)	(3,986)	(450)	(14,729)
Profit from operations	4,956	(3,028)	697	2,625	5,028	(2,775)	462	2,715

The revenue reported above is generated from continuing operations with external customers. There were no sales between segments in the year (2023: Nil). For segment reporting purposes in this note, revenue is analysed by the geographical location in which the services are delivered. Revenue is further analysed by point of invoicing in note 5.

The accounting policies of the operating segments are the same as the Group's accounting policies described in notes 1 to 3 of this report. Segment profit represents the profit earned by each segment, without allocation of Group administration costs or finance costs.

During 2024, two customers in the UK segment contributed 10% or more of total revenue being £28.0m (2023: £28.0m) and £11.4m (2023: £9.7m) respectively, and one customer in the International segment also contributed 10% or more of total revenue being £4.7m (2023: £5.2m).

Recruitment revenues are generated from permanent and temporary recruitment and long-term agreements for labour supply. Within Central Services revenues are generated from the rental of excess space and hotel and conference facilities at the Derby site, described as Other below.

Revenue and gross profit by service classification for management purposes:

	Revenue		Gross profit	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Permanent placements	2,823	2,574	2,823	2,574
Temporary placements	91,714	93,886	13,979	13,659
Others	2,225	2,321	1,129	1,211
	96,762	98,781	17,931	17,444

All operations are continuing. All assets and liabilities are in the UK.

Notes to the Group financial statements

For the year ended 31 December 2024

5. Revenue from contracts with customers

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following tables which is intended to:

- depict how the nature, amount, timing, and uncertainty are affected by economic factors; and
- enable users to understand the relationship with revenue segment information provided in note 4.

Whilst services in the international segment are delivered outside of the UK, the point of invoicing for the major customer in this segment is the UK.

	2024				2023			
	UK Recruitment £'000	UK Central Services £'000	International recruitment £'000	Total £'000	UK Recruitment £'000	UK Central Services £'000	International Recruitment £'000	Total £'000
Geographic point of invoicing:								
UK	88,939	2,225	2,188	93,352	91,187	2,321	2,301	95,809
USA	–	–	1,663	1,663	–	–	1,239	1,239
Middle East	–	–	1,747	1,747	–	–	1,733	1,733
	88,939	2,225	5,598	96,762	91,187	2,321	5,273	98,781
Permanent placements	2,573	–	250	2,823	2,374	–	200	2,574
Temporary placements	86,366	–	5,348	91,714	88,813	–	5,073	93,886
Other	–	2,225	–	2,225	–	2,321	–	2,321
	88,939	2,225	5,598	96,762	91,187	2,321	5,273	98,781
Contract counterparties B2B	88,939	2,225	5,598	96,762	91,187	2,321	5,273	98,781
Point in time (start date for permanent placements)	2,573	–	250	2,823	2,374	–	200	2,574
Over time (with invoices raised periodically over the term of the contract placement)	86,366	–	5,348	91,714	88,813	–	5,073	93,886
Point in time (having provided the service)	–	2,225	–	2,225	–	2,321	–	2,321
	88,939	2,225	5,598	96,762	91,187	2,321	5,273	98,781

Notes to the Group financial statements

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	Contract assets 2024 £'000	Contract assets 2023 £'000	Contract liabilities 2024 £'000	Contract liabilities 2023 £'000
Contract balances				
At 1 January	3,065	3,138	(147)	(153)
Transfers in the year from contract assets to trade receivables	(3,065)	(3,138)	–	–
Excess of revenue recognised over amounts invoiced (or rights to cash) being recognised during the year	3,052	3,065	–	–
Movement in amounts included in contract liabilities that were invoiced but not recognised as revenue during the year	–	–	101	6
At 31 December	3,052	3,065	(46)	(147)

Contract assets and contract liabilities are included within 'trade and other receivables' and 'trade and other payables' respectively on the face of the statement of financial position. They primarily arise from the Group's recruitment division and relate to temporary placements whereby performance obligations have been met but there is still some conditionality to be resolved. Invoices are usually raised in the week following the date of the statement of financial position.

Remaining performance obligations

The Group's contracts with customers are for the delivery of services within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies (i.e., remaining performance obligations are not required to be disclosed). In addition, services are principally supplied under framework or preferred supplier agreements such that the amount of future revenue cannot be quantified.

The nature of the Group's contracts with customers do not give rise to material judgements related to variable consideration or contract modifications.

6. Profit from operations

	2024 £'000	2023 £'000
Profit from operations for the year is stated after charging:		
Loss on asset disposals	4	22
Depreciation of owned property, plant, and equipment	274	633
Amortisation of intangibles	47	28
Depreciation of right-of-use assets	328	387
Fees payable to the Company's auditor for the audit of the Company's annual accounts	53	52
Fees payable to the Company's auditor for other services:		
– the audit of the Company's subsidiaries pursuant to legislation	45	37
– non-audit services	–	5
– tax compliance	–	13
Rental relating to short-term leases	352	329

Notes to the Group financial statements

For the year ended 31 December 2024

7. Directors' and employees' remuneration

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

	2024 £'000	2023 £'000
Wages and salaries	9,557	9,373
Social security costs	1,038	1,027
Other pension costs	541	464
	11,136	10,864

As at 31 December 2024 there were pension contributions of £126,322 (2023: £134,223) outstanding within other creditors.

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

	2024 Number	2023 Number
Sales and administration staff	152	151
Conference support staff	44	45
	196	196

Directors' remuneration

The remuneration of the directors was as follows:

£'000	2024				2023			
	Salary	Bonus	Benefits in kind	Total	Salary	Bonus	Benefits in kind	Total
A M Pendlebury	330	316	11	657	288	409	16	713
S L Dye	220	158	11	389	194	209	14	417
P S Crompton (Appointed 1 July 2024)	110	65	5	180	–	–	–	–
A N Spoliar (Appointed 1 October 2024)	8	–	–	8	–	–	–	–
W Thornhill (Appointed 1 November 2024)	6	–	–	6	–	–	–	–
W J C Douie (Died 31 July 2023)	–	–	–	–	38	–	8	46
Total	674	539	27	1,240	520	618	38	1,176

Employers NI of £169,000 was paid in respect of remuneration above (2023: £162,000). No pension contributions were paid on behalf of the directors.

Share based employee remuneration

Total share-based payment charges in the year were £Nil (2023: £Nil) of which £Nil (2023: £Nil) was charged in respect of options granted to directors.

Notes to the Group financial statements

For the year ended 31 December 2024

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

	Number	Weighted average exercise price (pence) 2024	Number	Weighted average exercise price (pence) 2023
Outstanding at start of year	99,982	27	443,597	15
Exercised	94,982	28	343,615	11
Outstanding at end of year	5,000	–	99,982	27

The Company operates two share option plans: the EMI 2001 Share Option Scheme and the Long-Term Incentive Plan 2015 ("LTIP"). 94,982 options were exercised during the year (2023: 343,615). No options were issued during the year (2023: Nil).

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

Date exercisable (from and to)	Number	Weighted average exercise price (pence) 2024	Weighted average fair value at date of grant (pence) 2024	Weighted average contractual life (months) 2024	Number	Weighted average exercise price (pence) 2023	Weighted average fair value at date of grant (pence) 2023	Weighted average contractual life (months) 2023
2017 to 2024	–	–	–	–	70,000	38	8	5
2018 to 2025	5,000	–	53	5	29,982	–	53	18

The exercise price of options is nil. At the end of the year all 5,000 options remaining were exercisable (2023: 99,982).

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

	At 1 January 2024	Exercised	At 31 December 2024	Date of last grant	Exercise price
EMI options – S L Dye	70,000	(70,000)	–	6 June 2014	38p

The market value and number of directors' share options vesting in the year was £Nil (Nil shares) (2023: £Nil (Nil shares)). The aggregate gain made by directors on exercising share options was £39,900 (2023: £96,878). The market value and number of the highest paid director's share options vesting in the year was £Nil (Nil shares) (2023: £Nil (Nil shares)). The aggregate gains made by the highest paid director on exercising share options was £Nil (2023: £Nil).

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

	At 1 January 2023	Exercised	At 31 December 2023	Date of last grant	Exercise price
EMI options – S L Dye	70,000	–	70,000	6 June 2014	38p
LTIP options – W J C Douie	193,615	(193,615)	–	–	–

Awards under EMI 2001 Share Option Scheme

The options currently granted under the EMI Scheme vest on a straight-line basis over a three-year period, the ability to exercise certain options is subject to non-market related performance criteria. All EMI options that are outstanding at 31 December 2024 have vested.

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Awards under the LTIP

There were no awards under the LTIP in 2024 (2023: Nil). There were no LTIP options outstanding at 31 December 2024. Vesting of the awards is subject to the achievement of the performance criteria of the LTIP. Awards will vest and may be exercised on the third anniversary of the date of grant to the extent that the performance conditions detailed in the following table are met:

Annual growth in fully diluted EPS above RPI	Proportion of award vesting
Less than 3%	Nil
3%	25%
Between 3% and 10%	Between 25% and 100% on a straight-line basis
10% or more	100%

The achievement of the performance target and the timing of the vesting of the award will be determined by the Remuneration Committee. They may adjust the performance target where it is considered appropriate to do so.

8. Net finance expense

	2024 £'000	2023 £'000
Interest (earned) /charged on invoice discounting arrangements and overdrafts	(3)	101
Interest expense on lease liabilities	83	79
	80	180

9. Tax expense

	2024 £'000	2023 £'000
Continuing operations		
Current tax		
UK corporation tax	714	532
Adjustment in respect of previous periods	(20)	(10)
Deferred tax		
Origination and reversal of temporary differences	(22)	168
Tax	672	690

Factors affecting the tax expense

The tax charge assessed for the year is higher than (2023: higher than) would be expected by multiplying the profit by the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024 £'000	2023 £'000
Factors affecting tax expense		
Result for the year before tax	2,545	2,535
Profit multiplied by standard rate of tax of 25% (2023: 23.5%)	636	596
Non-deductible expenses	56	66
Effect of change in tax rate	–	38
Adjustment in respect of previous periods	(20)	(10)
	672	690

Factors that may affect future tax charges

Deferred tax has been recognised to the extent that it will unwind at the currently enacted rate of 25%.

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10. Basic and fully diluted earnings per share

The calculation of 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.

	Basic		Fully diluted	
	2024	2023	2024	2023
Earnings per share (pence)	13.01p	12.75p	13.01p	12.72p

Further details of share options can be found in note 7.

11. Goodwill

	2024	2023
Gross carrying amount	£'000	£'000
At 1 January	132	132
At 31 December	132	132

Goodwill above relates to the following acquisition:

Gross carrying amount	Date of acquisition	£'000
RIG Energy Limited	28 November 2014	891

The directors have considered the carrying value of the goodwill and the related cash generating unit to which it belongs by looking at discounted future cash flows using a pre-tax discount rate of 10.4%. This has confirmed that no impairment is required.

Notes to the Group financial statements

For the year ended 31 December 2024

12. Other intangible assets

The Group's other intangible assets comprise:

- the customer lists obtained through the acquisition of RIG Energy Limited in 2014 which were fully written down and have now been disposed of as the customer base has changed; and
- software and licences relating to recruitment business systems.

The carrying amounts for the financial year under review can be analysed as follows:

	Customer lists £'000	Software and licences £'000	Total £'000
Gross carrying amount			
At 1 January 2024	673	348	1,021
Transfer from capital-work-in-progress	–	140	140
Disposals	(673)	–	(673)
At 31 December 2024	–	488	488

Amortisation

At 1 January 2024	673	348	1,021
Provided in year	–	47	47
Disposals	(673)	–	(673)
At 31 December 2024	–	395	395

Net book amount at 31 December 2024	–	93	93
Net book amount at 31 December 2023	–	–	–

The carrying amounts for the prior year are as follows:

	Customer lists £'000	Software and licences £'000	Total £'000
Gross carrying amount			
At 1 January 2023	673	348	1,021
At 31 December 2023	673	348	1,021

Amortisation

At 1 January 2023	645	348	993
Provided in year	28	–	28
At 31 December 2023	673	348	1,021

Net book amount at 31 December 2023	–	–	–
Net book amount at 31 December 2022	28	–	28

Notes to the Group financial statements

For the year ended 31 December 2024

13. Property, plant, and equipment

The carrying amounts for the financial year under review can be analysed as follows:

	Short leasehold improvements £'000	Fixtures and office equipment £'000	Capital work-in- progress £'000	Total £'000
Cost				
At 1 January 2024	1,564	2,123	181	3,868
Additions	–	129	84	213
Transfers from capital-work-in-progress	–	143	(143)	–
Transfers to intangibles	–	(140)	–	(140)
Disposals	–	(29)	(38)	(67)
At 31 December 2024	1,564	2,226	84	3,874
Depreciation				
At 1 January 2024	1,121	1,421	–	2,542
Charge for the year	93	181	–	274
Disposals	–	(25)	–	(25)
At 31 December 2024	1,214	1,577	–	2,791
Net book amount:				
At 31 December 2024	350	649	84	1,083
At 31 December 2023	443	702	181	1,326

The carrying amounts for the prior year are as follows:

	Short leasehold improvements £'000	Fixtures and office equipment £'000	Motor vehicles £'000	Capital work-in- progress £'000	Total £'000
Cost					
At 1 January 2023	1,564	2,781	8	49	4,402
Additions	–	293	–	144	437
Transfers from capital-work-in progress	–	12	–	(12)	–
Disposals	–	(963)	(8)	–	(971)
At 31 December 2023	1,564	2,123	–	181	3,868
Depreciation					
At 1 January 2023	1,029	1,821	8	–	2,858
Charge for the year	92	541	–	–	633
Disposals	–	(941)	(8)	–	(949)
At 31 December 2023	1,121	1,421	–	–	2,542
Net book amount:					
At 31 December 2023	443	702	–	181	1,326
At 31 December 2022	535	960	–	49	1,544

There is a charge over Group's fixed assets in respect of the Group's net overdraft facility. There were no contractual capital commitments for the acquisition of property, plant, and equipment at 31 December 2024 (2023: Nil).

Notes to the Group financial statements

For the year ended 31 December 2024

14. Deferred tax asset

	2024 £'000	2023 £'000
At 1 January	6	210
Charge to the statement of comprehensive income	(5)	(204)
At 31 December	1	6

The deferred tax asset is analysed as:

Recognised	2024 £'000	2023 £'000
Short-term temporary timing differences relating to share-based payments	1	6

The deferred tax has been based on the extent to which it will unwind using the enacted rate of 25%. The deferred tax liabilities comprise timing differences between depreciation and capital allowances in 2024 and 2023.

15. Inventories

	2024 £'000	2023 £'000
Food, drink, and goods for resale	13	14

Stock recognised in cost of sales during the year as an expense was £217,862 (2023: £239,865). The replacement cost of stock held is not materially different from the amount recognised above.

16. Trade and other receivables

	2024 £'000	2023 £'000
Trade and other receivables falling due within one year are as follows:		
Gross trade receivables	12,764	13,225
Less: provision for impairment of trade receivables	–	–
Net trade receivables	12,764	13,225
Contract assets	3,052	3,065
Sub-total trade receivables and contract assets	15,816	16,290
Other receivables	51	43
Total financial assets other than cash and cash equivalents classified at amortised cost	15,867	16,333
Prepayments	1,595	1,089
	17,462	17,422

There was no impairment allowance for trade receivables at 31 December 2024 or 31 December 2023.

No other classes of financial assets contain any impaired assets. The Group does not hold any collateral in respect of the above balances. They relate to customers with no default history. The value of trade receivables and contract assets which are carried at amortised cost, approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information affecting the Group's customers.

At 31 December 2024 and 31 December 2023, the lifetime expected credit loss provision for trade receivables and contract assets was considered immaterial and therefore not provided.

Notes to the Group financial statements

For the year ended 31 December 2024

17. Current liabilities

	2024 £'000	2023 £'000
Trade and other payables		
Trade payables	1,454	1,990
Contract liabilities	46	147
Other taxes and social security costs	3,775	3,969
Other payables	1,860	1,533
Accruals	3,401	3,276
	10,536	10,915

At 31 December 2024 other payables included pension contributions amounting to £126,322 (2023: £134,223). The maturity of trade payables is between one and three months. The carrying value of trade payables approximates to the fair value. The classification of contract liabilities at 31 December 2024 has been represented as explained in note 5.

	2024 £'000	2023 £'000
Current borrowings		
Bank overdrafts	–	–
Invoice discounting arrangements	–	–
	–	–

The Group's bank overdrafts are secured by cross guarantees and debentures (fixed and floating charges over the assets of all the Group companies). The Group's bankers have a formal right of set-off and provides a net overdraft facility across the Group of £50,000 (2023: £50,000).

The Group also uses its invoice financing facility, which is secured over the Group's trade receivables of £13.9m. There have been no defaults of interest payable or unauthorised breaches of financing agreement terms during the current or prior year.

18. Deferred tax liabilities

	2024 £'000	2023 £'000
At 1 January	158	194
Credit to the statement of comprehensive income for the year	(27)	(36)
At 31 December	131	158
The deferred tax liabilities comprise:		
Other timing differences	131	158

The deferred tax has been based on the extent to which it will unwind using the enacted rate of 25%. The deferred tax liabilities comprise timing differences between depreciation and capital allowances in 2024 and 2023.

Notes to the Group financial statements

For the year ended 31 December 2024

19. Share capital

	2024 £'000	2023 £'000
Allotted, issued, and fully paid – ordinary shares of 1p each:		
As at 1 January 14,650,295 shares (2023: 14,643,707 shares)	146	146
As at 31 December 13,612,897* shares (2023: 14,650,295 shares)	136	146
* Movement in share capital in the year:		No. shares
Opening share capital as at 1 January 2024		14,650,295
New shares issued to satisfy employee share options		94,982
Shares bought-back and cancelled		(1,132,380)
Closing share capital		13,612,897

Details of share options and the share-based payment charge calculation are set out in note 7.

20. Dividends

	2024 £'000	2023 £'000
Interim dividend in respect of 2024 of 1.1p per share (2023: 1.0p).	161	145
Final dividend in respect of 2023 of 4.5p per share (2023: Nil)	658	–
Total dividends paid in period	819	145

A final dividend of £680,645 (2023: £657,912) has been proposed but has not been accrued within these financial statements. This represents a payment of 5.0p (2023: 4.5p) per share.

21. Reconciliation of cash and cash equivalents in cash flow to cash balances in the statement of financial position

	At 1 January 2024 £'000	Cash Flows £'000	At 31 December 2024 £'000
Cash and cash equivalents	1,069	(135)	934

The amounts presented as cash and cash equivalents within the consolidated statement of cash flows comprise cash and cash equivalents of £934,000 (2023: £1,069,000). Overdrafts of £Nil (2023: £Nil), which do not fluctuate significantly, are considered to represent part of the core financing structure of the group and are included within financing cash flows.

22. Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's risk management is coordinated by the Group Treasury function, in close co-operation with the Board. Treasury activities take place under procedures and policies approved and monitored by the Board and 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 or utilise any derivative financial instruments. 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 Group 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.

	2024 £'000	2024 %	2023 £'000	2023 %
Increase/(decrease) in net result and equity	+1%	–1%	+1%	–1%
£'000	80	(80)	79	(79)

The interest rate on the invoice discounting facility is 1.6% above base rate. The average usage of the facility across the year was £1,261,926 positive which would give an estimated annual interest charge for 2025 of £0.

Notes to the Group financial statements

For the year ended 31 December 2024

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 through net overdraft facility of £50,000 and an invoice discounting facility, providing up to £12m based on a percentage of good book debts. The invoice discounting facility revolves on an average maturity of 120 days and is repayable on the giving of 3 months' notice by either party.

Credit risk

The Group extends credit to recognised creditworthy third parties the majority of which are backed by credit insurance. Trade receivable balances (note 16) are monitored to minimise the Group's exposure to bad debts. Individual credit limits are set based on credit insurer limits and/or independent external ratings. If there is no credit insurance or credit rating available, the Board assesses the credit quality of the customer, considering its financial position, payment history, and other factors. The level of debtor balances, alongside utilisation of credit limits and payment terms is regularly monitored. At the year-end none of the trade receivable balances that were past due exceeded set credit limits and management does not expect any losses from non-performance by these counterparties. Further, the Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

There is a concentration of credit in respect of four customers whose revenues are not insured, and whose revenues respectively make up 38% of the UK division (three customers) and 85% (one customer) of the international division. Debtor balances for these customers were £2.6m (2023: £2.6m) and £0.4m (2023: £0.5m) respectively at the end of the year. All are blue chip customers that have never defaulted on any debts. Further, one of the UK division customers is government backed.

As at 31 December 2024	Current	Past due 30 days or more	Past due 60 days or more	Past due 120 days or more
Gross carrying amount, £'000	12,881	370	321	296

Foreign exchange risk

The Group is exposed to foreign exchange rate risk as it makes payments to contractors and invoices some customers in currencies other than GBP. To mitigate the risks associated with this, where possible the same currency is used to receive and make payments so that there is some natural hedge over translation risk. Surplus cash balances in currencies other than GBP are kept to a minimum. Consequently, any sensitivity to be applied to the foreign exchange rate exposure is low.

The Group has the financial assets as set out in notes 16 and note 21. The Group's financial liabilities are as follows:

	2024 £'000	2023 £'000
Trade payables	1,454	1,990
Accruals	3,401	3,276
	4,855	5,266

All the Group's financial liabilities mature in less than one year. The Group's financial assets and liabilities are carried at amortised cost (which equates to fair value). Under the "SPPI" test these meet the requirement of being solely payments of principal and interest. Further because of their nature they do not include a significant financing element. In addition to meeting the SPPI test the business model is to collect the contractual cash flows.

Notes to the Group financial statements

For the year ended 31 December 2024

23. Leases and right-of-use assets

Information about leases for which the Group is a lessee

The Group leases assets comprising land and buildings and motor vehicles that are shown as right-of-use assets on the statement of financial position.

Right-of-use assets

Carrying amounts of right-of-use assets for the financial year under review:

	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Net book value of right-of-use assets				
As at 1 January 2024	2,064	17	115	2,196
Additions	–	–	73	73
Depreciation charge	(259)	(5)	(64)	(328)
As at 31 December 2024	1,805	12	124	1,941

The Board have considered the cash generating unit that is most sensitive to a potential impairment, being the Derby Conference Centre (which sits within Central Services) and concluded that there is no impairment of the carrying value of assets.

Carrying amounts of right-of-use assets for the prior financial year:

	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Net book value of right-of-use assets				
As at 1 January 2023	2,323	22	146	2,491
Additions	–	–	92	92
Disposal	–	–	(101)	(101)
Depreciation on disposals	–	–	101	101
Depreciation charge	(259)	(5)	(123)	(387)
As at 31 December 2023	2,064	17	115	2,196

Lease liabilities

Carrying amounts of lease liabilities relating to right-of-use assets for the financial year under review:

	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Net book value of lease liabilities				
As at 1 January 2024	2,515	16	106	2,637
Additions	–	–	73	73
Interest expense	78	1	4	83
Lease payments	(327)	(7)	(88)	(422)
As at 31 December 2024	2,266	10	95	2,371

Notes to the Group financial statements

For the year ended 31 December 2024

Carrying amounts of lease liabilities relating to right-of-use assets for the prior financial year:

	Land and buildings £'000	Fixtures and fittings	Motor vehicles £'000	Total £'000
Net book value of lease liabilities				
As at 1 January 2023	2,708	21	150	2,879
Additions	–	–	92	92
Interest expense	84	1	(6)	79
Lease payments	(277)	(6)	(130)	(413)
As at 31 December 2023	2,515	16	106	2,637

	2024 £'000	2023 £'000
Lease liabilities included in the statement of financial position		
Current	294	300
Non-current	2,077	2,337
Total	2,371	2,637

	2024 £'000	2023 £'000
Amounts recognised in the consolidated statement of comprehensive income		
Interest on lease liabilities	83	79
Expenses relating to short-term leases	352	329
Total	435	408

	2024 £'000	2023 £'000
Maturity analysis – contractual undiscounted cashflows		
Within 1 year	380	367
Between 2 and 5 years	1,147	1,183
Over 5 years	1,100	1,400
Total	2,627	2,950

	2024 £'000	2023 £'000
Amounts recognised in the consolidated statement of cash flows		
Interest payments	83	79
Payment of lease liabilities	339	334
Total cash outflow for leases	422	413

Sensitivity

It is customary for land and buildings lease contracts to be periodically uplifted to market value, although some leases have future increases fixed at the outset. Contracts for the lease of a vehicle comprise only fixed payments over the lease term. All land and building lease contracts held by the Group also have fixed payments. The leasing arrangements are for the Derby Conference Centre and office space for the Group Head Office in Derby and a network of regional offices.

Notes to the Group financial statements

For the year ended 31 December 2024

Information about leases for which the Group is the lessor

As at the statement of financial position date the following amounts are expected to be received under non-cancellable operating sub-leases, split as follows:

	2024 £'000	2023 £'000
Within 1 year	105	166
Between 2 and 5 years	211	316
Total	316	482

The sub-lease arrangements relate to two buildings on the Derby site.

24. Related party transactions

There were no amounts owed by or to related parties at 31 December 2024 (31 December 2023: £Nil). There were no transactions with related parties during 2024 (2023: £Nil). The directors consider the key management personnel are the directors listed in note 7.

25. 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 employees; 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 adjusts it in the light of changes in economic conditions.

26. Post reporting date events

There have been no significant events to report since the reporting date.

RTC Group Plc

Company statutory financial statements

For the year ended 31 December 2024
(Prepared under FRS 101)

Company Number 02558971

Company statement of financial position

As at 31 December 2024

Company Number: 02558971

	Notes	2024 £'000	2023 £'000
Assets			
Non-current			
Right-of-use assets	31	89	96
Investments	32	937	937
Deferred tax asset	34	1	6
		1,027	1,039
Current			
Trade and other receivables	33	6,996	7,026
Cash and cash equivalents		–	3
		6,996	7,029
Total assets		8,023	8,068
Liabilities			
Current			
Trade and other payables	35	(1,506)	(1,478)
Bank overdraft		(256)	–
Lease liabilities	31	(45)	(39)
Corporation tax		(10)	–
		(1,817)	(1,517)
Non-current			
Lease liabilities	31	(21)	(49)
Total liabilities		(1,838)	(1,566)
Net assets		6,185	6,502
Equity			
Share capital	37	136	146
Share premium		120	120
Capital redemption reserve		60	50
Share based payment reserve		3	20
Retained earnings		5,866	6,166
Total equity		6,185	6,502

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 £1,482,000 (2023: £988,000).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 21 March 2025 by:

A M Pendlebury

A M Pendlebury
Director

S L Dye

S L Dye
Director

The following notes 27 to 39 form an integral part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024	146	120	50	20	6,166	6,502
Total comprehensive income for the year	–	–	–	–	1,482	1,482
Transactions with owners:						
Dividends	–	–	–	–	(819)	(819)
Share based payment charge	–	–	–	(17)	17	–
Own shares purchased	(10)	–	10	–	(980)	(980)
Total transactions with owners	(10)	–	10	(17)	(1,782)	(1,799)
At 31 December 2024	136	120	60	3	5,866	6,185

The carrying amounts for the prior financial period were as follows:

	Share capital £'000	Share premium £'000	Own shares held £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023	146	120	(236)	50	122	5,419	5,621
Total comprehensive income for the year	–	–	–	–	–	988	988
Transactions with owners:							
Dividends	–	–	–	–	–	(145)	(145)
Share based payment charge	–	–	236	–	(102)	(96)	38
Total transactions with owners	–	–	236	–	(102)	(241)	(107)
At 31 December 2023	146	120	–	50	20	6,166	6,502

Share capital is the nominal value of share capital subscribed for.

Share premium account represents the amount subscribed for share capital over and above the nominal value of the shares.

Own shares held are the cost of company's own shares held through the Employee Benefit Trust and shown as a deduction from equity.

Capital redemption reserve is an amount of money that a company in the UK must keep when it buys back shares, and which it cannot pay to shareholders as dividends.

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

Retained earnings are all net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

The following notes 27 to 39 form an integral part of these financial statements.

Notes to the Company financial statements

For the year ended 31 December 2024

27. Accounting policies

RTC Group public limited company ("the Company") was incorporated and is domiciled in England, 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 02558971. The principal activity of RTC Group Plc is that of a holding Company.

The accounts represent the year ended 31 December 2024 with prior year comparative representing the year ended 31 December 2023.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented.

The financial statements have been prepared on a historical cost basis as modified by measurement of share-based payments at fair value at date of grant. The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

Disclosure exemptions adopted:

In preparing these financial statements the Company has taken advantage of all available disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- certain disclosures in respect of share-based payments; financial instruments and impairment of assets;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the RTC Group Plc group of companies.

New accounting standards and interpretations

The Company has not adopted any new standards or interpretations in these financial statements. The Board does not expect any other standards issued, but not yet effective, or standards likely to be issued in the future, to have a material impact on the Company.

28. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

Intercompany balances

The recoverability of intercompany balances is a key estimate. All intercompany balances are assessed as recoverable. Intercompany balances consist predominantly of the parent company management charges which are cleared down in each financial year as all relevant Group companies generate surplus cash.

Notes to the Company financial statements

For the year ended 31 December 2024

29 Accounting policies

The financial statements contain information about RTC Group Plc as an individual company and do not contain consolidated financial information as the parent of a group.

29.1 Investments

Shares in subsidiary companies are stated at cost less provision for any impairment in value.

29.2 Taxation

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 reporting date. Income tax is charged or credited to the (loss)/profit and other comprehensive (expense)/income 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.

Where there are transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Company records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on: the initial recognition of goodwill; and the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and investments in subsidiaries and where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

29.3 Pension costs

Contributions to money purchase pension schemes are charged to the statement of comprehensive income and other comprehensive income/(expense) as they become payable in accordance with the rules of the scheme.

29.4 Trade and other payables

Trade payables are initially recognised at fair value and subsequently as financial liabilities at amortised cost under the effective interest method. However, where the effect of discounting is not significant, they are carried at invoiced value. They are recognised on the trade date of the related transaction.

29.5 Trade and other receivables

There are no trade receivables in 2024 (2023: Nil). Amounts owed by Group companies are assessed for impairment based upon the current financial position and expected future performance of the subsidiary to which they relate.

Notes to the Company financial statements

For the year ended 31 December 2024

29.6 Cash and cash equivalents

Cash in the statement of financial position comprises cash at bank, cash and cash equivalents consist of cash deposits with maturities of three months or less from inception.

29.7 Inter Group treasury facilities

Interest bearing inter Group treasury facilities are initially recognised at fair value and subsequently stated at amortised cost under the effective interest method. Where facilities are due on demand then they are carried at the amounts expected to be required to settle them.

29.8 Financial instruments

The only financial instruments held by the Company are Sterling financial assets and liabilities.

Financial liabilities consist of trade and other payables and an inter Group treasury facility which is secured by a cross guarantee and debenture (fixed and floating charge over all assets) over all Group companies and are classified as financial liabilities at amortised cost.

Other than lease liabilities for motor vehicles (refer to notes 29.11 and 31), all the Company's financial liabilities mature in less than one year and are repayable on demand.

29.9 Shared-based payments

The Company issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value 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 7. Fair value is measured by use of the Black-Scholes model.

29.10 Share capital and dividends

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments. Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at the AGM. Dividends on shares classified as equity are accounted for as a deduction from equity.

29.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a lease is identified the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant, and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Company financial statements

For the year ended 31 December 2024

30. Staff costs

	2024 £'000	2023 £'000
Wages and salaries	2,100	2,087
Social security costs	244	248
Other pension costs	128	91
	2,472	2,426

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

	Number 2024	Number 2023
Sales and administration staff	28	26

31. Leases and right-of-use assets

Information about leases for which the Group is a lessee

The Company leases motor vehicles that are presented within right-of-use assets and lease liabilities in the statement of financial position.

	2024 £'000	2023 £'000
Net book value of right-of-use assets – motor vehicles		
As at 1 January	96	52
Additions	43	92
Disposals	–	(101)
Depreciation on disposals	–	101
Depreciation charge	(50)	(48)
As at 31 December	89	96

	2024 £'000	2023 £'000
Net book value of lease liabilities – motor vehicles		
As at 1 January	88	54
Additions	43	92
Interest expense	3	(8)
Lease payments	(68)	(50)
As at 31 December	66	88

	2024 £'000	2023 £'000
Lease liabilities for motor vehicles in the statement of financial position		
Current	45	39
Non-current	21	49
Total	66	88

Notes to the Company financial statements

For the year ended 31 December 2024

32. Investments

	2024 £'000	2023 £'000
Shares in subsidiary undertakings – Company		
Cost at 1 January and 31 December	937	937
Net book value at 31 December	937	937

Having regard to the assessment undertaken for the Group, the directors are satisfied that no impairments are required in respect of the carrying value of investments in subsidiaries.

At 31 December 2024 and 31 December 2023, the Company held the share capital of the following subsidiary undertakings:

Subsidiaries	Proportion of ordinary share capital held	Nature of business
The Derby Conference Centre Limited	100%	Hotel, conferencing, and provision of office space
Ganymede Solutions Limited	100%	Recruitment
ATA Global Staffing Solutions Limited	100%	Recruitment
ATA Global Staffing Solutions FZE	100%	Recruitment
ATA Recruitment Limited	100%	Dormant

Except for ATA Global Staffing Solutions FZE whose registered office is Sheik Rashid Tower, Dubai, UAE, the registered office of all the above subsidiaries is: The Derby Conference Centre, London Road, Derby DE24 8UX and they are incorporated in England and Wales.

For the purposes of The Derby Conference Centre Limited and ATA Global Staffing Solutions Limited, the Group has decided to take advantage of parental corporate guarantees under s479A of the Companies Act, allowing the entities to take audit exemptions and present unaudited statutory financial statements.

33. Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	6,418	6,884
Prepayments	578	142
	6,996	7,026

Amounts owed by Group undertakings are due on demand and interest free. They relate to management charges that are settled regularly. The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for intercompany balances. The expected loss rates are based on the company's historical credit losses experienced over the three-year period prior to the period end. There have been no credit losses incurred against intercompany balances in previous years. Further, there are no financial liquidity issues within subsidiaries thus management considers this amount is recoverable.

The carrying value of trade receivables approximates to the fair value.

Notes to the Company financial statements

For the year ended 31 December 2024

34. Deferred tax asset

	2024 £'000	2023 £'000
At 1 January	6	210
Charge to the profit/loss for the year	(5)	(204)
At 31 December	1	6

The deferred tax asset is analysed as:

Recognised	2024 £'000	2023 £'000
Short-term temporary timing differences relating to share-based payments	1	6

The deferred tax has been based on the extent to which it will unwind using the enacted rate of 25%.

35. Trade and other payables

	2024 £'000	2023 £'000
Trade creditors	679	590
Other taxes and social security costs	143	105
Other creditors	10	8
Accruals	674	775
	1,506	1,478

The carrying value of trade payables approximates to the fair value.

During the year, the Company has used its inter Group treasury facility which is secured by a cross guarantee and debenture (fixed and floating charge over all assets) over all Group companies.

Notes to the Company financial statements

For the year ended 31 December 2024

36. Contingent liabilities

The Company has a cross guarantee and debenture (fixed and floating charge over all assets) with the Group's bankers in respect of overdrafts of £Nil (2023: £Nil) within other group companies.

The Company acts as guarantor for future lease payments of £2,416,667 (2023: £2,666,667) in respect of the lease of the Derby site by its subsidiary company, the Derby Conference Centre Limited.

37. Share capital

	2024 £'000	2023 £'000
Allotted, issued, and fully paid – ordinary shares of 1p each:		
As at 1 January 14,650,295 shares (2023: 14,643,707 shares)	146	146
As at 31 December 13,612,897* shares (2023: 14,650,295 shares)	136	146
* Movement in share capital in the year:		No. shares
Opening share capital as at 1 January 2024		14,650,295
New shares issued to satisfy employee share options		94,982
Shares bought-back and cancelled		(1,132,380)
Closing share capital		13,612,897

Details of share options and the share-based payment charge calculation are set out in note 7.

38. 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 is £10,133 (2023: £7,566) outstanding contributions.

39. Post reporting date events

There have been no significant events to report since the reporting date.

Directors and advisers

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P S Crompton
A N Spoliar
W Thornhill

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S L Dye

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