This announcement contains inside information as stipulated under The Market Abuse Regulation (EU No. 596/2014).

26 July 2023

RTC Group Plc

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

Interim Results for the Six Months Ended 30 June 2023

RTC Group Plc (AIM: RTC.L), the engineering and technical recruitment Group, is pleased to announce its unaudited results for the six months ended 30 June 2023.

Summary:

- Group revenue from continuing operations increased 33% to £45.6m (2022: £34.4m);
- Contract revenues increased to £43.0m (2022: £32.1m) and a strong order book in excess of £200m;
- EBITDA increased by £1.5m to £1.6m (2022: £0.1m);
- Profit before tax increased by £1.4m to £1.0m (2022: loss of £0.4m);
- Net assets grew by £0.7m to £6.9m (2022: £6.2m);
- Net cash inflow from operating activities £2.1m (2022 outflow: £0.6m);
- No term debt; and
- Basic earnings per share 5.20p (2022: loss per share 2.43p).

No dividends were paid in the period (2022: Nil). The Directors propose an interim dividend of 1.0p per share (2022: Nil). The interim dividend will be paid on 1 September 2023 to shareholders on the register on 4 August 2023.

Commenting on the results, Bill Douie, Chairman, said:

"In our Annual Report and Accounts 2022 our general message was that our Rail business, which had successfully secured a further long term strategic supply contract with Network Rail, was impacted by the combination of: the tail end of enhanced costs to comply with covid restrictions; escalating fuel prices; upfront costs; and other investment activities to establish appropriate management and operational structure for our new operating routes. In addition, there was significant disruption due to industrial action across the whole rail network. I am pleased to report that, whilst industrial action remains disappointingly prevalent, albeit with less impact, our Rail business is back trading strongly and in line with our expectations. Our other businesses are also showing strong recovery and have progressed well as anticipated.

I am therefore pleased to be able to report that the Group has enjoyed a buoyant first half and that we have posted a pre-tax profit of £1.0m for the period.

Whilst I have been reluctant in recent years, especially given such turbulent times for the global economy, to propose the payment of dividends, given these excellent results, which represent our best-ever first half, I am proposing to make a cautious return to payment of dividends with an interim dividend of 1p per share.

Outlook

We remain cautiously confident that our progress will continue in the second half of 2023. We continue to invest in our businesses and to further strengthen our balance sheet through retained profits."

The interim report is available on the Company's website www.rtcgroupplc.co.uk.

ENDS

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About RTC

RTC Group Plc is an AIM listed 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 Recruitment brands the Group provides a wide range of recruitment services in the UK.

Ganymede specialise in recruiting technical and engineering talent and providing complete workforce solutions to help build and maintain infrastructure and transportation for a wide range of clients. 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 clients with the benefit of a national network of skilled personnel combined with local expertise.

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

International division

Through its GSS brand the Group works with customers across the globe that are focused on delivering projects in a variety of engineering 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.

UK Central Services

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.

Chairman's statement
Six months ended 30 June 2023

In our Annual Report and Accounts 2022 our general message was that our Rail business, which had successfully secured a further long term strategic supply contract with Network Rail, was impacted by the combination of: the tail end of enhanced costs to comply with covid restrictions; escalating fuel prices; upfront costs; and other investment activities to establish appropriate management and operational structure for our new operating routes. In addition, there was significant disruption due to industrial action across the whole rail network. I am pleased to report that, whilst industrial action remains disappointingly prevalent, albeit with less impact, our Rail business is back trading in line with our expectations. Our other businesses are also showing strong recovery and have progressed well as anticipated.

Ganymede Rail and Recruitment divisions are benefitting from the increasing demand for high-quality engineering personnel in the UK, driven by the growth in infrastructure expenditure. In 2021, the UK government made a funding commitment of £100 billion to support economic infrastructure, specifically aimed at strengthening the infrastructure sector and fostering its development.

Ganymede Energy benefits from growing demand from major energy providers for dual-fuel meter installers to support the Government's smart-meter roll-out programme. The initial programme has a target completion date of 2025 which involves the installation of 53m smart gas and electricity meters across the UK, with follow on works to replace first generation meters and to upgrade the second-generation meters to 4G capability expected to continue until 2033.

I am therefore pleased to be able to report that the Group has enjoyed a buoyant first half and that we have posted a pre-tax profit of £1.0m for the period.

Whilst I have been reluctant in recent years, especially given such turbulent times for the global economy, to propose the payment of dividends, given these excellent results, which represent our best-ever first half, I am proposing to make a cautious return to payment of dividends with an interim dividend of 1p per share.

Outlook
We remain cautiously confident that our progress will continue in the second half of 2023. We continue to invest in our businesses and to further strengthen our balance sheet through retained profits.

W J C Douie
Chairman
26 July 2023

Finance Director's statement
Six months ended 30 June 2023

Highlights
For the six months ended 30 June 2023, the Group delivered revenues of £45.6m (2022: £34.4m) an increase of 33% on the same period in 2022. EBITDA increased by £1.5m to £1.6m (2022: £0.1m) and profit before tax was £1.0m (2022: loss before tax: £0.4m) an increase of £1.4m versus the same period in 2022.
The key driver of the increase being contract revenue which was £43.0m (2022: £32.1m). The growth predominantly coming from our Rail and Energy divisions. Overall gross profit from contract revenues increased to £6.1m (2022: £3.7m).

UK recruitment
The UK Recruitment segment delivered increased revenues of £41.8m (2022: £31.1m) which were converted to significantly improved profit from operations of £2.2m (2022: £0.6m).

Ganymede Rail has worked with Network Rail to successfully address issues that severely impacted the division in 2022, such as fuel and general price increases coupled with the significant disruption caused by Network Rail's decision to award all suppliers new contract delivery areas in 2022. This, together with growth with other clients, has resulted in a significantly improved performance both in terms of revenues and profits in the first half of 2023. Revenues increased to £28.4m (2022: £21.1m). Gross profit was £3.7m (2022: £2.2m) and gross margin was improved at 13% (2022: 10%). The division delivered a £1.5m increase in profit compared to the same period in 2022. Within the Rail division, Ganymede's signalling labour supply business continued to grow with a new regional office being opened to support that growth.

Ganymede Energy continued its growth trajectory in the first half of 2023. It increased first half revenues by 47% to £8.4m (2022: £5.7m), delivered gross profits of £1.8m (2022: £1.2m) and its gross profit margin increased to 22% (2022: 20%). The division further delivered a 75% uplift in profit compared to same period in 2022 £0.7m (2022: £0.4m).

The division's white-collar recruitment, serviced by its ATA brand continued to perform well with client demand remaining strong across permanent and temporary UK recruitment. The division delivered revenues of £4.3m (2022: £3.5m) with the increase mainly coming from growth in temporary recruitment. Gross profits overall grew to £1.5m (2022: £1.3m). As a result of the increased proportion of temporary revenues the gross margin reduced to 34% (2022: 38%). Profit for the period was maintained at £0.3m (2022: £0.3m) as the division continued to invest in staff numbers for future growth.

International recruitment
International recruitment delivered revenues of £2.6m (2022: £2.5m), slightly higher than the same period in 2022 as they steadily have increased revenues under new framework agreements. Profit from operations also showed a slight improvement at £238,000 (2022: £169,000).

UK Central Services
Within UK Central Services, our hotel and conference centre business delivered revenues of £1.2m (2022: £0.9m) as the good levels of activity relating to conferences, events and bedroom sales seen throughout 2022 continued in the first half of 2023. Gross profit increased to £0.6m (2022: £0.5m) and gross margin was maintained at 54%. Our hotel and conference centre in Derby benefits from a long lease that was taken out in 2018 and has 10 years left to run. Rents for the entire lease period were fixed at inception and as such are now even more competitive.

Taxation
The total tax charge for the period is estimated at £254,000 (2022: £59,000). This is higher than would be expected if the standard tax rate was applied to the result for the period, as explained in note 3.

Earnings per share
The basic earnings per share figure is 5.20p (2022: loss per share of 2.43p). The diluted earnings per share 5.19p (2022: loss per share of 2.43p).

Dividends
No dividends were paid in the period (2022: Nil). The Directors propose an interim dividend of 1.0p per share (2022: Nil). The interim dividend will be paid on 1 September 2023 to shareholders on the register on 4 August 2023.

Statement of financial position
Net working capital has increased to £5.4m (2022: £4.7m). There has been an increase in debtors reflecting the increase in revenues versus the same period last year and an improvement in key customer aged balances. Net assets have increased to £6.9m (2022: £6.2m). The Group has no term debt and is financed using its invoice discounting and overdraft facilities with HSBC. At 30 June 2023 there were no overdrafts in use and invoice discounting funds in use were significantly reduced at £1.5m (2022: £3.5m).

Cash flow
The cash inflow from operating activities of £2.1m (2022: outflow £0.6m) for the six-month period reflects increased revenues and the improvement noted above in key customer balances.

Financing
The Group's current bank facilities comprise an overdraft of £50,000 and a confidential invoice discounting facility of up to £12m with HSBC at a discount 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 future needs of the business. The Group continues to be focussed on cash generation and building a robust statement of financial position to protect the business.

Own shares held
The cost of the Group's own shares purchased through the Employee Benefit Trust is shown as a deduction from equity. 193,615 options were exercised during the period. The balance of £100,388 on the own shares held reserve within equity reflects 143,412 shares remaining in the EBT that will be used to satisfy future exercises.

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 of up to £12m, 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.

Given the uncertainty and mixed opinion about short and medium-term prospects for the UK economy influenced by the cost-of-living crisis, widespread strike action, the looming threat of a recession and other geo-political events, in addition to the established budgeting and forecasting processes, which considers a range of plausible events and circumstances, a reverse stress test has been undertaken. This shows that, assuming a continuation of the current facilities, the Group has access to sufficient cash and facilities to withstand a 20% reduction against the 2022 revenues without any significant restructuring or other cost reduction measures.

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.

As a result, the going concern basis continues to be appropriate in preparing the interim results.

S L Dye
Group Finance Director
26 July 2023

Consolidated statement of comprehensive income:

	Notes	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited	Year-ended 31 December 2022 Audited
		£'000	£'000	£'000
Revenue	2	45,561	34,406	71,907
Cost of sales	2	(37,475)	(28,852)	(60,132)
Gross profit	2	8,086	5,554	11,775
Other operating income	2	-	-	6
Administrative expenses	2	(6,958)	(5,859)	(12,024)
Profit / (loss) from operations	2	1,128	(305)	(243)
Finance expense		(127)	(101)	(212)
Profit / (loss) before tax		1,001	(406)	(455)
Tax expense	3	(254)	59	104
Total profit / (loss) and other comprehensive income for the period attributable to owners of the parent		747	(347)	(351)
Earnings per ordinary share				
Basic		5.20p	(2.43p)	(2.45p)
Fully diluted		5.19p	(2.43p)	(2.45p)

Consolidated statement of changes in equity for the six months ended 30 June 2023:

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Profit and loss	Total equity
	£'000	£’000	£’000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	146	120	(236)	50	122	5,993	6,195
Total comprehensive income for the period	-	-	-	-	-	747	747
Transactions with owners:							
Share options exercised	-	-	135	-	(92)	(43)	-
Total transactions with owners	-	-	135	-	(92)	(43)	-
At 30 June 2023 (Unaudited)	146	120	(101)	50	30	6,697	6,942

Consolidated statement of changes in equity for the six months ended 30 June 2022:

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Profit and loss	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	146	120	(236)	50	146	6,320	6,546
Total comprehensive income for the period	-	-	-	-	-	(347)	(347)
At 30 June 2022 (Unaudited)	146	120	(236)	50	146	5,973	6,199

Consolidated statement of changes in equity for the year ended 31 December 2022:

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	146	120	(236)	50	146	6,320	6,546
Total comprehensive expense for the year	-	-	-	-	-	(351)	(351)
Transactions with owners: Share options cancelled	-	-	-	-	(24)	24	-
Total transactions with owners	-	-	-	-	(24)	24	-
At 31 December 2022	146	120	(236)	50	122	5,993	6,195

Consolidated statement of financial position:

	As at 30 June 2023	As at 30 June 2022	As at 31 December 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Assets			
Non-current			
Goodwill	132	132	132
Other intangible assets	18	43	28
Property, plant, and equipment	1,504	1,574	1,544
Right of use assets	2,300	2,627	2,491
Deferred tax asset	8	40	210
	3,962	4,416	4,405
Current			
Inventories	17	11	15
Trade and other receivables	15,932	13,610	15,388
Cash and cash equivalents	499	681	467
	16,448	14,302	15,870
Total assets	20,410	18,718	20,275
Liabilities			
Current			
Trade and other payables	(9,117)	(5,926)	(7,875)
Lease liabilities	(303)	(176)	(303)
Corporation tax	(54)	66	-
Current borrowings	(1,525)	(3,547)	(3,132)
	(10,999)	(9,583)	(11,310)
Non-current liabilities			
Lease liabilities	(2,277)	(2,801)	(2,576)
Deferred tax liabilities	(192)	(135)	(194)
Total liabilities	(13,468)	(12,519)	(14,080)
Net assets	6,942	6,199	6,195
Equity			
Share capital	146	146	146
Share premium	120	120	120
Capital redemption reserve	50	50	50
Own shares held	(101)	(236)	(236)
Share based payment reserve	30	146	122
Profit and loss account	6,697	5,973	5,993
Total equity	6,942	6,199	6,195

Consolidated statement of cash flows:

	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited	Year ended 31 December 2022 Audited
	£'000	£'000	£'000
Cash flows from operating activities			
Profit / (loss) before tax	1,001	(406)	(455)
Adjustments for:			
Depreciation, loss on disposal and amortisation	450	413	857
Finance expense	127	101	212
Change in inventories	(2)	10	6
Change in trade and other receivables	(544)	(129)	(1,907)
Change in trade and other payables	1,242	(504)	1,445
Cash inflow/(outflow) from operations	2,274	(515)	158
Interest paid	(127)	(101)	(212)
Net cash inflow/(outflow) from operating activities	2,147	(616)	(54)
Cash flows from investing activities			
Purchases of property, plant and equipment and intangibles	(209)	(250)	(417)
Net cash used in investing activities	(209)	(250)	(417)
Cash flows from financing activities			
Movement on invoice discounting facility	(1,607)	823	872
Movement on perpetual bank overdrafts*	-	(104)	(568)
Payments of lease liabilities	(299)	(118)	(312)
Net cash (outflow)/inflow from financing activities	(1,906)	601	(8)
Net increase/(decrease) in cash and cash equivalents	32	(265)	(479)
Cash and cash equivalents at beginning of period	467	946	946
Cash and cash equivalents at end of period	499	681	467

*there was no perpetual bank overdraft remaining at 1 January 2023 as a result of cash inflows in 2022.

Notes to the interim statement for the six months ended 30 June 2023:

1. Accounting policies

a) *General information*

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

The Board consider the principal risks and uncertainties relating to the Group for the next six months to be the same as detailed in our last Annual Report and Accounts to 31 December 2022.

b) *Basis of preparation*

The unaudited interim Group financial information of RTC Group Plc is for the six months ended 30 June 2023 and does not comprise statutory accounts within the meaning of S.435 of the Companies Act 2006. The unaudited interim Group financial statements have been prepared in accordance with the AIM rules and have not been reviewed by the Group's auditors. This report should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2022, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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 of up to £12m, 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.

Given the uncertainty and mixed opinion about short and medium-term prospects for the UK economy influenced by the cost-of-living crisis, widespread strike action, the looming threat of a recession and other geo-political events, in addition to the established budgeting and forecasting processes, which considers a range of plausible events and circumstances, a reverse stress test has been undertaken. This shows that, assuming a continuation of the current facilities, the Group has access to sufficient cash and facilities to withstand a 20% reduction against the 2022 revenues without any significant restructuring or other cost reduction measures.

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.

As a result, the going concern basis continues to be appropriate in preparing the interim results.

These unaudited interim Group financial statements were approved for issue on 26 July 2023. No significant events, other than those disclosed in this document, have occurred between 30 June 2023 and this date.

c) *Comparatives*

The comparative figures for the year ended 31 December 2022 do not constitute statutory accounts within the meaning of S.435 of the Companies Act 2006, but they have been derived from the audited financial statements for that year, which have been filed with the Registrar of Companies. The report of the auditor was unqualified and did not contain a statement under section 498 (2) or (3) of the

Companies Act 2006 nor a reference to any matters which the auditor drew attention by way of emphasis of matter without qualifying their report.

d) Accounting policies

In preparing these interim financial statements, the Board have considered the impact of new standards which will be applied in the 2023 Annual Report and Accounts and there are not expected to be any changes in the accounting policies compared to those applied at 31 December 2022.

A full description of accounting policies is contained with our 2022 Annual Report and Accounts which is available on our website.

This interim announcement has been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as effective for periods beginning on or after 1 January 2023.

2. Segment analysis

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 excess space at the Derby site including rental and hotel and conferencing facilities.

During the first half of 2023, one customer in the UK Recruitment segment contributed 10% or more of that segment's revenues being £11.8m (2022: £9.3m) and one customer in the International Recruitment sector contributed 10% or more of that segment's revenues being £1.0m (2022: £1.0m).

Revenue, gross profit, and operating profit delivery by geography for the six-month period ended 30 June 2023:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	41,797	1,163	2,601	45,561
Cost of sales	(34,793)	(535)	(2,147)	(37,475)
Gross profit	7,004	628	454	8,086
Administrative expenses	(4,587)	(1,706)	(215)	(6,508)
Amortisation of intangibles	(12)	-	-	(12)
Depreciation of right of use assets	(74)	(125)	-	(199)
Depreciation	(162)	(76)	(1)	(239)
Total administrative expenses	(4,835)	(1,907)	(216)	(6,958)
Profit from operations	2,169	(1,279)	238	1,128

Segment profit from operations above represents the profit earned by each segment without allocation of Group administration costs or finance costs.

Segment information for the six months ended 30 June 2022:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	31,065	866	2,475	34,406
Cost of sales	(26,321)	(396)	(2,135)	(28,852)
Gross profit	4,744	470	340	5,554
Administrative expenses	(3,933)	(1,345)	(168)	(5,446)
Amortisation of intangibles	(12)	-	-	(12)
Depreciation of right of use assets	(65)	(114)	-	(179)
Depreciation	(124)	(95)	(3)	(222)
Total administrative expenses	(4,134)	(1,554)	(171)	(5,859)
Profit from operations	610	(1,084)	169	305

Segment information for the year ended 31 December 2022:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	64,764	1,979	5,164	71,907
Cost of sales	(54,878)	(912)	(4,342)	(60,132)
Gross profit	9,886	1,067	822	11,775
Other operating income*	-	6	-	6
Administrative expenses	(7,948)	(2,883)	(341)	(11,172)
Amortisation of intangibles	(46)	-	-	(46)
Depreciation of right of use assets	(144)	(240)	-	(384)
Depreciation	(261)	(157)	(4)	(422)
Total administrative expenses	(8,399)	(3,280)	(345)	(12,024)
Profit / (loss) from operations	1,487	(2,207)	477	(243)

*Other operating income represents Government Grants.

Recruitment revenues are generated from permanent and temporary recruitment and long-term contracts for labour supply. Within Central Services revenues are generated from the rental of excess space and hotel and conferencing at the Derby site, described as Other below. Revenue and gross profit by service classification for management purposes:

Revenue £'000	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
Permanent placements	1,401	1,414	2,706
Contract	42,997	32,126	67,222
Other	1,163	866	1,979
	45,561	34,406	71,907

Gross profit £'000	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
Permanent placements	1,401	1,414	2,706
Contract	6,057	3,670	8,002
Other	628	470	1,067
	8,086	5,554	11,775

3. Income tax

Continuing operations	Six-month period ended 30 June 2023 (Unaudited)	Six-month period ended 30 June 2022 (Unaudited)	Year ended 31 December 2022 (Audited)
	£'000	£'000	£'000
Analysis of tax:			
Current tax			
UK corporation tax	54	(66)	-
		(66)	-
Deferred tax			
Origination and reversal of temporary differences	200	7	(104)
Tax	254	(59)	(104)

Factors affecting the tax expense

The tax assessed for the six-month period ended 30 June 2023 is higher than (2022: higher than) would be expected by multiplying profit by the standard rate of corporation tax in the UK of 25% (2022: 19%).

The differences are explained below:

Factors affecting tax expense	Six-month period ended 30 June 2023 Unaudited £'000	Six-month period ended 30 June 2022 Unaudited £'000	Year ended 31 December 2022 Audited £'000
Result for the period before tax	1,001	(406)	(455)
Profit multiplied by standard rate of tax of 25% (2022: 19%)	250	(77)	(86)
Non-deductible expenses	39	18	50
Tax credit on exercise of options	(35)	-	-
Effect of change in deferred tax rate	-	-	13
Adjustment in respect of previous periods		-	(81)
Tax charge for the period	254	(59)	(104)

4. Borrowings

Included in current borrowings are bank overdrafts and an invoice discounting facility which is secured by a cross guarantee and debenture over all Group companies. There have been no defaults or breaches of the terms of the facility during the current or prior period.