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

28 July 2025

RTC Group Plc

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

Interim Results for the Six Months Ended 30 June 2025

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 2025.

Summary:

- Profit from operations maintained at £1.3m (2024: £1.3m)
- Group revenue from continuing operations £48.3m (2024: £49.0m)
- Net cash inflow from operating activities increased to £3.3m (2024 £0.4m)
- £1.5m cash paid out in dividends and to purchase own shares to enhance shareholder value
- Net assets £7.4m (31 December 2024: £8.0m)
- No term debt, and no borrowings other than lease liabilities
- Fully diluted weighted average earnings per share 6.62p (2024: 6.0p). There are no outstanding share options.
- Fully diluted earnings per share based on period end number of shares 7.07p (2024: 6.01p)
- Strong and sustainable order book across multiple sectors

The final dividend in respect of the year ended 31 December 2024 of 5.0p per share (2024: 4.5p per share) was approved at the AGM on 21 May 2025 and paid to shareholders on 27 June 2025. The Directors propose an interim dividend of 1.21p per share (2024: 1.10p per share). The interim dividend will be paid on 3 October 2025 to shareholders on the register on 5 September 2025.

Commenting on the results, Andy Pendlebury, Chairman and Chief Executive, said:

"I am pleased to report that the Group has delivered profit from operations of no less than £1.3m for the fourth consecutive six-month period, underlining the reliability, robustness and continued resilience of the Group's strategy, against a shifting market backdrop.

I believe our year-on-year like for like performance highlights the underlying strength of our operating model with real-term profit growth and exceptional cash generation mitigating the need for both term and working capital borrowings. Additionally, our order book remains extremely resilient with clear visibility of future revenue streams, and this, coupled with our strategic positioning across the industries and sectors we have targeted, sees us well positioned to navigate future challenges as they emerge and gives us significant encouragement with regard to the prospects of the Group as market conditions improve.

Our strategy of building a diverse Group in high growth sectors continues to position us well to navigate the peaks and troughs of the traditional recruitment cycle whilst further enhancing our long-term order book for shareholders as the key sectors in which we operate are set to benefit from the Government's long-term infrastructure investment plans. Our solid order book across rail maintenance and renewals, and the continuing smart meter roll out, provides clear revenue visibility for the remainder of 2025 and well into 2026.

Our balance sheet remains in a very healthy position with no term debt and no borrowings other than lease liabilities and despite the broader uncertainties facing the recruitment sector, we remain confident in our positioning and optimistic about our short, medium, and long-term prospects."

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

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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 specialises 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 provides 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 and Chief Executive's statement
Six months ended 30 June 2025

Overview
I am pleased to report that the Group has delivered profit from operations of no less than £1.3m for the fourth consecutive six-month period, underlining the reliability, robustness and continued resilience of the Group's strategy against a shifting market backdrop.

Profit from operations of £1.3m for the first half of 2025 has been achieved despite a continuation of a challenging trading environment, with softening demand in the permanent recruitment market and delays in rail infrastructure work impacting contingent labour requirements within our rail business.

Furthermore, this has been compounded by significant increases to our cost base, as a result of Government legislation which has seen the Group absorb around £200,000 of national insurance increases imposed in the October 2024 budget.

Therefore, despite the combination of these industry wide headwinds and Government-enforced cost increases, I believe our year-on-year like for like performance highlights the underlying strength of our operating model with real term profit growth and exceptional cash generation mitigating the need for both term and working capital borrowings. Additionally, our order book remains extremely resilient with clear visibility of future revenue streams, and this coupled with our strategic positioning across the industries and sectors we have targeted, sees us well positioned to navigate future challenges as they emerge and gives us significant encouragement with regard to the prospects of the Group as market conditions improve.

During the period we continued our strategy of increasing shareholder value by buying back a further 1,063,699 shares at a discount to the market and paid out a final dividend for 2024 of 5.0p per share, an increase of 11% on the final dividend for 2023.

Our balance sheet remains in a very healthy position with no term debt and no borrowings other than lease liabilities. We have generated cash inflows from operating activities of £3.3m, paid £1.5m out in dividends, and share purchases, and ended the period with net assets of £7.4m (31 December 2024: £8.0m) representing a healthy and fully diluted net asset value per share of 59.1p.

Given these consistently solid half-year results, delivering a pre-tax profit of £1.2m for the period and the robustness of the Group's balance sheet, the Directors propose an interim dividend of 1.21p per share (2024: 1.10p per share). This represents a substantial increase of 10% versus 2024. The interim dividend will be paid on 3 October 2025 to shareholders on the register on 5 September 2025.

UK Division
The UK division delivered a solid performance during the first half of 2025, with notable progress in our Energy business and white-collar temporary recruitment operations, offsetting challenges in permanent recruitment and weaker demand for contingent labour across rail infrastructure projects.

Our Energy business continued to perform strongly, benefitting from increased demand driven by sustained activity in smart metering upgrades and meter replacements. This strong start reinforces our confidence in delivering a robust full year outcome and further strengthens our strategic position as a leading provider to the energy sector.

Our white-collar temporary recruitment teams across ATA and Ganymede delivered encouraging results, with revenues increasing by 12% compared to the same period in 2024. This growth reflects continued demand for flexible workforce solutions, particularly across infrastructure, engineering, and manufacturing sectors, and demonstrates our ability to adapt effectively to evolving client requirements and market conditions.

In contrast, the UK permanent recruitment market has remained subdued through the first half of 2025. Reduced client confidence in committing to long-term hires, further impacted by increased employer costs following changes to NI contributions, resulted in a year-on-year decline of approximately 15% in permanent recruitment revenues within our ATA and Ganymede white collar teams. Despite this, we continue to maintain strong client relationships and remain well placed to respond when market sentiment improves.

Trading within the rail sector was affected by a slower than anticipated start to Network Rail's Control Period 7 (CP7), which commenced in April 2024. Activity levels remained subdued throughout the first half of 2025. However, in line with historic trends, we anticipate activity will normalise as CP7 progresses and Ganymede Rail remains well positioned to capitalise on the significant opportunities presented by CP7, which includes an expected £43 billion investment programme over the five-year period.

International division

International recruitment revenue has reduced year-on-year, reflecting the nature of project life cycles in the international arena. However, profit margins improved in the first half of 2025 due to a change in mix of contracts (each contract has bespoke service arrangements), and profit from operations for the period was similar to 2024.

Whilst the present revenue run-rate reflects the current position across the range of international contracts GSS is currently supporting, we continue to work with a range of long-standing existing clients and a growing number of new clients across a broad range of new and emerging long-term project opportunities. GSS is a market leader as a United Kingdom recruiter supplying multinational workers to overseas contracts, especially in hostile environments, and we remain confident given current global tensions that opportunities to win both long-term military and civil support contracts will continue to emerge.

Central services

After a slow start to the year, activity in Q2 improved and the Derby Conference Centre has delivered a first half in line with 2024. We are confident that despite the increase in NI costs from April 2025 disproportionately impacting our hospitality business, the outstanding services provided by the conference centre will stand it in good stead for the remainder of the year.

Outlook

In July last year, I noted that while we were in the early days of a new Government, we were encouraged by the proposed 10-year infrastructure plan set out in Labour's manifesto, which signalled significant investment across key sectors aligned with our strategic focus. While that ambition has since been formalised through the recently announced £725 billion National Infrastructure Strategy, the pace of delivery has so far been slow, and we have yet to see tangible increases in demand, particularly within rail infrastructure where, as noted above, CP7 investment remains subdued. However, with long-term infrastructure commitments now more clearly defined, we are confident that investment activity will accelerate and begin to drive increased demand across the sectors in which we operate.

In March, this year I highlighted the potential headwinds facing the broader UK economy, which have traditionally flowed through to the recruitment sector. The increase in employer NI costs, alongside uncertainty surrounding the proposed Employment Rights Bill, yet to be implemented, is contributing to more cautious hiring behaviour, which is expected to continue impacting permanent recruitment in the near term.

Nonetheless, our strategy of building a diverse Group in high growth sectors continues to position us well to navigate the peaks and troughs of the traditional recruitment cycle whilst further enhancing our long-term order book for shareholders as the key sectors in which we operate are set to benefit from the Government's long-term infrastructure investment plans. Our solid order book across rail maintenance and renewals, and the continuing smart meter roll out, provides clear revenue visibility for the remainder of 2025 and well into 2026.

Despite the broader uncertainties facing the recruitment sector, we therefore remain confident in our positioning and optimistic about our short, medium, and long-term prospects.

A M Pendlebury
Chairman and Chief Executive
28 July 2025

Finance Director's statement

Six months ended 30 June 2025

Highlights

For the six months ended 30 June 2025, the Group delivered revenues of £48.3m (2024: £49.0m). Revenues were reduced predominantly as a contract in our international division came to an end. Gross profit levels were maintained at £8.9m (2024: £8.9m) as was profit before tax of £1.2m (2024: £1.2m).

UK recruitment

UK Recruitment delivered revenues of £45.2m (2024: £45.4m). Overall profit from operations increased to £2.8m (2024: £2.5m). The rate of conversion of gross profit to profit from operations increased to 35.3% (2024: 31.9%), despite increased employment costs relating to the NI changes. We continued to invest in training our people and completed the replacement of our front-end recruitment software systems.

International recruitment

Revenues for the period reduced to £2.1m (2024: £2.7m) due to services delivered on a project in 2024 that were not repeated in 2025. Absolute gross profit also reduced to £433,000 (2024: £485,000) but gross margin increased to 20.5% (2024: 17.9%) reflecting the change in mix of contracts (each contract has a bespoke service delivery model) and, due to the agile nature of the division yielding overhead savings, profit from operations was only slightly reduced at £228,000 (2024: £247,000) as a result.

UK Central Services

Within UK Central Services, our hotel and conference centre business experienced another quiet start to the year, but activity picked up in Q2 enabling them to deliver similar revenue to last year of £946,000 (2024: £933,000). Gross profit was slightly reduced at £416,000 (2024: £451,000) and gross margin was down to 44% (2024: 48.3%) reflecting the start of the impact of NI increases that came into effect in April which disproportionally impact hospitality due largely to the reduction in NI threshold.

Taxation

The total tax charge for the period is estimated at £327,000 (2024: £336,000). 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.

Share buy-back and exercise of options

In April 2025, we bought back 1,063,699 shares at an average price of 80.0 pence, representing a discount of 13.51 per cent to the closing price per existing ordinary share on 11 April 2025. These purchased shares were subsequently cancelled.

In May 2025, an employee exercised the remaining 5,000 share options that were outstanding at 31 December 2024. There are no longer any share options outstanding. New shares were issued to satisfy the exercise and the total number of issued ordinary shares of the Company is now 12,554,198.

Earnings per share

The basic and diluted weighted average earnings per share figure is 6.62p (2024: 6.0p). There is no dilution as there are no share options remaining. Earnings per share based on the number of shares at the end of the period was 7.07p (2024: 6.01p).

Dividends

The final dividend in respect of the year ended 31 December 2024 of 5.0p per share (2024: 4.5p) was approved at the AGM on 21 May 2025 and paid to shareholders on 27 June 2025. The Directors propose an interim dividend of 1.21p per share (2024: 1.10p per share). The interim dividend will be paid on 3 October 2025 to shareholders on the register on 5 September 2025.

Statement of financial position
Net working capital is £6.5m (31 December 2024: £7.0m) and net assets are £7.4m (31 December 2024: £8.0m), having paid out £1.5m in dividends and to purchase own shares during the period. The Group has no term debt and no borrowings other than lease liabilities. It is financed using its invoice discounting and overdraft facilities with HSBC. At 30 June 2025 there were no overdrafts in use and no invoice discounting funds in use (2024: Nil).

Cash flow
The improvement in cash inflow from operating activities which was £3.3m (2024: £0.4m) for the six-month period largely reflects timing of VAT payments and the treatment of dividend payments in 2024 versus 2025.

Financing
The Group's current bank facilities comprise an overdraft of £50,000 and an 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.

Going concern
In assessing the risks related to the continued availability of the current facilities, the Board has taken into consideration the existing relationship with HSBC and the strength of the security provided, together with 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
28 July 2025

Consolidated statement of comprehensive income:

	Notes	Six-month period ended 30 June 2025 Unaudited	Six-month period ended 30 June 2024 Unaudited	Year-ended 31 December 2024 Audited
		£'000	£'000	£'000
Revenue	2	48,271	49,038	96,762
Cost of sales	2	(39,373)	(40,188)	(78,831)
Gross profit	2	8,898	8,850	17,931
Administrative expenses	2	(7,629)	(7,598)	(15,306)
Profit from operations	2	1,269	1,252	2,625
Finance expense		(55)	(38)	(80)
Profit before tax		1,214	1,214	2,545
Tax expense	3	(327)	(336)	(672)
Total profit and other comprehensive income for the period attributable to owners of the parent		887	878	1,873
Earnings per ordinary share				
Basic		6.62p	6.00p	13.01
Fully diluted		6.62p	5.99p	13.01

Consolidated statement of changes in equity for the six months ended 30 June 2025:

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Profit and loss	Total equity
	£'000	£’000	£'000	£'000	£'000	£'000
Balance at 1 January 2025	136	120	60	3	7,688	8,007
Total comprehensive income for the period	-	-	-	-	887	888
Transactions with owners:						
Dividends	-	-	-	-	(628)	(628)
Own shares purchased	(10)	-	10		(850)	(850)
Total transactions with owners	(10)	-	10	(3)	3	-
At 30 June 2025 (Unaudited)	126	120	70	-	7,100	7,416

Consolidated statement of changes in equity for the six months ended 30 June 2024:

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Profit and loss	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	146	120	50	20	7,597	7,933
Total comprehensive income for the period	-	-	-	-	878	878
Transactions with owners:						
Share options exercised	-	-	-	(15)	(72)	(87)
Total transactions with owners	-	-	-	(15)	(72)	(87)
At 30 June 2024 (Unaudited)	146	120	50	5	8,403	8,724

Consolidated statement of changes in equity for the year ended 31 December 2024:

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'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

Consolidated statement of financial position:

	As at 30 June 2025	As at 30 June 2024	As at 31 December 2024
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Assets			
Non-current			
Goodwill	132	132	132
Other intangible assets	70	-	93
Property, plant, and equipment	1,012	1,244	1,083
Right of use assets	1,766	2,038	1,941
Deferred tax asset	-	6	1
	2,980	3,420	3,250
Current			
Inventories	12	13	13
Trade and other receivables	15,278	15,970	17,462
Cash and cash equivalents	2,480	954	934
	17,770	16,937	18,409
Total assets	20,750	20,357	21,659
Liabilities			
Current			
Trade and other payables	(10,039)	(8,268)	(10,536)
Lease liabilities	(294)	(300)	(294)
Corporation tax	(964)	(861)	(614)
	(11,297)	(9,429)	(11,444)
Non-current liabilities			
Lease liabilities	(1,930)	(2,049)	(2,077)
Deferred tax liabilities	(107)	(155)	(131)
	(2,037)	(2,204)	(2,208)
Total liabilities	(13,334)	(11,633)	(13,652)
Net assets	7,416	8,724	8,007
Equity			
Share capital	126	146	136
Share premium	120	120	120
Capital redemption reserve	70	50	60
Share based payment reserve	-	5	3
Profit and loss account	7,100	8,403	7,688
Total equity	7,416	8,724	8,007

Consolidated statement of cash flows:

	Six-month period ended 30 June 2025 Unaudited £'000	Six-month period ended 30 June 2024 Unaudited £'000	Year ended 31 December 2024 Audited £'000
Cash flows from operating activities			
Profit before tax	1,214	1,214	2,545
Adjustments for:			
Depreciation, loss on disposal and amortisation	325	295	691
Finance expense	55	38	80
Change in inventories	1	1	1
Change in trade and other receivables	2,184	1,452	(40)
Change in trade and other payables	(497)	(2,647)	(379)
Cash inflow from operations	3,282	353	2,898
Income tax paid	-	-	(602)
Interest paid	(55)	(38)	(80)
Net cash inflow from operating activities	3,227	315	2,216
Cash flows from investing activities			
Purchases of property, plant and equipment and intangibles	(56)	(55)	(213)
Net cash used in investing activities	(56)	260	(213)
Cash flows from financing activities			
Shares purchased	(850)	(87)	(980)
Dividend paid	(628)	-	(819)
Payments of lease liabilities	(147)	(288)	(339)
Net cash (outflow) from financing activities	(1,625)	(375)	(2,138)
Net increase/(decrease) in cash and cash equivalents	1,546	(115)	(135)
Cash and cash equivalents at beginning of period	934	1,069	1,069
Cash and cash equivalents at end of period	2,480	954	934

Notes to the interim statement for the six months ended 30 June 2025:

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 2024.

b) *Basis of preparation*

The unaudited interim Group financial information of RTC Group Plc is for the six months ended 30 June 2025 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 2024, 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.

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 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 28 July 2025. No significant events, other than those disclosed in this document, have occurred between 30 June 2025 and this date.

c) *Comparatives*

The comparative figures for the year ended 31 December 2024 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 2025 Annual Report and Accounts and there are not expected to be any changes in the accounting policies compared to those applied at 31 December 2024.

A full description of accounting policies is contained with our 2024 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 2024.

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 2025, three customers in the UK Recruitment segment contributed 10% or more of that segment's revenues being £11.5m (2024: £14.7m), £5.5m (2024: £4.4m), and £5.4m (2024: £5.9m) respectively, and two customers in the International Recruitment sector contributed 10% or more of that segment's revenues being £1.0m (2024: £0.1m) and £0.9m (2024: £1.1m).

Revenue, gross profit, and operating profit delivery by geography for the six-month period ended 30 June 2025:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	45,209	946	2,116	48,271
Cost of sales	(37,160)	(530)	(1,683)	(39,373)
Gross profit	8,049	416	433	8,898
Administrative expenses	(5,104)	(1,995)	(205)	(7,304)
Amortisation of intangible assets	(23)	-	-	(23)
Depreciation of right of use assets	(46)	(128)	-	(174)
Depreciation	(34)	(94)	-	(128)
Total administrative expenses	(5,207)	(2,217)	(205)	(7,629)
Profit from operations	2,842	(1,801)	228	1,269

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 2024:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	45,394	933	2,711	49,038
Cost of sales	(37,480)	(482)	(2,226)	(40,188)
Gross profit	7,914	451	485	8,850
Administrative expenses	(5,287)	(1,778)	(238)	(7,303)
Depreciation of right of use assets	(36)	(122)	-	(158)
Depreciation	(62)	(75)	-	(137)
Total administrative expenses	(5,385)	(1,975)	(238)	(7,598)
Profit from operations	2,529	(1,524)	247	1,252

Segment information for the year ended 31 December 2024:

£'000	UK Recruitment	UK Central Services	International Recruitment	Total Group
Revenue	88,939	2,225	5,598	96,762
Cost of sales	(73,332)	(1,096)	(4,403)	(78,831)
Gross profit	15,607	1,129	1,195	17,931
Administrative expenses	(10,405)	(3,755)	(497)	(14,657)
Amortisation of intangibles	(47)	-	-	(47)
Depreciation of right of use assets	(79)	(249)	-	(328)
Depreciation	(120)	(153)	(1)	(274)
Total administrative expenses	(10,651)	(4,157)	(498)	(15,306)
Profit / (loss) from operations	4,956	(3,028)	697	2,625

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 2025 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2024 (Audited)
Permanent placements	1,226	1,435	2,823
Contract	46,099	46,670	91,714
Other	946	933	2,225
	48,271	49,038	96,762

Gross profit £'000	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2024 (Audited)
Permanent placements	1,226	1,435	2,823
Contract	7,256	6,964	13,979
Other	416	451	1,129
	8,898	8,850	17,931

3. Income tax

Continuing operations	Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited)	Year ended 31 December 2024 (Audited)
	£'000	£'000	£'000
Analysis of tax:			
Current tax			
UK corporation tax	350	339	714
Adjustment in respect of previous periods	-	-	(20)
	350	339	694
Deferred tax			
Origination and reversal of temporary differences	(23)	(3)	(22)
Tax	327	336	672

Factors affecting the tax expense

The tax assessed for the six-month period ended 30 June 2025 is higher than (2024: higher than) would be expected by multiplying profit by the standard rate of corporation tax in the UK of 25% (2024: 25%).

The differences are explained below:

	Six-month period ended 30 June 2025 Unaudited	Six-month period ended 30 June 2024 Unaudited	Year ended 31 December 2024 Audited
Factors affecting tax expense	£'000	£'000	£'000
Result for the period before tax	1,214	1,214	2,545
Profit multiplied by standard rate of tax of 25% (2024: 25%)	304	304	636
Non-deductible expenses	23	32	56
Adjustment in respect of previous periods		-	(20)
Tax charge for the period	327	336	

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.