2023

Connecting business and career ambitions

RTC GROUP

Annual Report
for the year ended 31 December 2023

Stock code: RTC
www.rtcgroupplc.co.uk

Welcome to the RTC Group Annual Report 2023

Highlights

Group revenue	EBITDA*	Basic EPS
£98.8m	**£3.8m**	**12.75p**
(2022: £71.9m)	(2022: £0.6m)	(2022: (2.45p))

*refer 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.

Contents

Chairman and Chief Executive's operational and strategic review

For the year ended 31 December 2023

Overview

I am delighted to announce that 2023 was an outstanding year for RTC with the Group delivering a record set of results.

All subsidiary businesses performed exceptionally well which, given the difficulties being faced by many companies across the recruitment sector, is sound reassurance for our shareholders that our business model, (of establishing long term strategic partnerships with blue chip domestic and international customers), delivers sustainable revenue generation and profit capture across each of our market sectors.

Year on year trading has seen the Group generate revenue approaching £100m, an increase of over 37%, gross profit exceeding £17m up 48%, and profit from operations at £2.7m beating the previous 2019 pre-covid record of £2m by 35%. Furthermore, our 2023 EBITDA, at just under £4m, is greater than the combined total of the three previous years. Finally, our earnings per share at 12.75p are the highest ever by over 25% and importantly for our shareholders carry no significant accompanying dilution through share options. A very promising set of trading results for our shareholders.

Our balance sheet is in a very healthy position with no term debt and no borrowings other than lease liabilities, which is no mean feat given the financial challenges facing many organisations and rising bad debt risk. Cash generation has been strong, doubling our opening cash position during the year and we ended the year with net assets of £8m representing a healthy and fully diluted net asset per share of 54p.

We are now positioned with a healthy balance sheet with significant net assets and no term debt; a proven Group strategy and business model centred around profitable subsidiary businesses with visible revenue and profit streams with long term strategic partners; and an order book commitment of around £200m to reinforce our long-term investment strategy. All this is underpinned by sound financial controls and systems at both Group level and across each of our subsidiary businesses.

There is no doubt that we are facing further uncertainties and challenges due to local and international events. However, we remain confident that the investments we have made in our people, systems, workforce, and customers will enable us to capture further profitable business opportunities across the industries and sectors we support. This coupled with our financial competence and effective corporate governance will form the foundation for continued growth and shareholder value which remains the key priority of the Group.

Therefore, given these results, the health of the Group's balance sheet and our overall confidence in the Group's ability to keep delivering sustainable and profitable business growth, the board are recommending a very healthy dividend of 4.5p per share as we believe it is affordable, fair and a just reward to our shareholders who have supported the Group through what has unquestionably been the most turbulent and worrying trading environment of recent times.

Business review

UK Division

2023 was a year of robust growth for our UK recruitment division despite challenging macro-economic conditions, with a notable 41% year-on-year increase in revenue to £91.2m (compared to £64.8m in 2022) and a corresponding 55% growth in gross profit to £15.3m (from £9.9m in 2022).

In last year's annual report, I emphasised the strategic value and significance that the Group board attributed to the rail business, especially following the challenges encountered in 2022. I am delighted that this confidence was justified, as evidenced by a 49% increase in rail revenues, accompanied by enhanced profitability. This achievement is attributable to a blend of factors, including expansion within our existing long-term contract with Network Rail, as well as the successful acquisition of new framework contracts with tier 1 contractors operating within the rail infrastructure sector. Although some industrial action persists within the rail industry, its effects are primarily felt by train operators and the resolution of union disputes with Network Rail at the end of Q1 2023 enabled a return to normalised demand levels across our rail infrastructure contracts.

The exceptional performance of our rail business, combined with our long-term order book, estimated at around £150m further solidifies Ganymede's position as one of the leading and most successful labour providers in the rail industry. As we look ahead to the next five-year investment plan (Control Period 7), starting in April 2024, with an expected programme of investment of approximately £43 billion, our business is exceptionally well-positioned to secure further growth opportunities and associated contract awards.

Throughout 2023 and like many others in the sector, Ganymede and ATA's white-collar permanent recruitment teams navigated a challenging economic landscape marked by a slowdown in vacancy numbers across various sectors and a softening of confidence levels among both customers and candidates. Despite these uncertainties, the teams delivered a resilient performance, with permanent fees for the period only experiencing a modest decline of 5% from the strong performance seen in 2022.

Whilst permanent recruitment posed challenges in 2023, this provided growing demand within the contract recruitment sector, as many customers favoured flexible temporary solutions over expanding internal headcount. Our white-collar Ganymede and ATA businesses capitalised on this and delivered significant contract growth, across our customer portfolio in the infrastructure, manufacturing, and transportation sectors. This led to a noteworthy 35% increase in contract revenues year-on-year. The technical and signalling division, which was only established as a new revenue stream last year, delivered significant growth in 2023, has established a growing reputation with key sector customer, and is well positioned for further expansion in 2024. This growth also further validates our decision to merge our white-collar rail and infrastructure recruitment business with our Ganymede Rail division. By doing so, we have been able to offer comprehensive recruitment solutions across the sector, allowing customers to benefit from a complementary range of services for personnel at all levels.

Following a review of our business operations in Q3 of 2023, we decided to no longer focus on minor rail works and social housing refurbishments, in order to focus on our core recruitment offering. This decision was influenced by inflationary pressures on labour and materials costs, reducing the attractiveness of opportunities in these sectors compared to others.

Ganymede Energy also delivered exceptional results in 2023, boasting a year-on-year revenue growth of 50%, which underscores the robust demand for our smart meter workforce. This achievement is especially gratifying given the hurdles the business has navigated in recent years, including the challenges caused by product and software capability issues, the pandemic and customer restructuring.

Based on government statistics, at the end of September 2023, there were 33.9 million smart and advanced meters installed in homes and small businesses across Great Britain, constituting 59% of the overall count of 57.1 million meters. The extension of government powers concerning the smart meter roll-out until November 2028, as stipulated in the Energy Act 2023, reinforces our confidence in the significant and sustainable revenue potential of our energy business. Given our current performance, positioning and secured order book of around £30m, we are firmly established as a leading primary labour supply company to the sector, and we believe there is visibility of continued success for the foreseeable future.

In 2023, we established an energy training and assessment centre at our Milton Keynes facility. The primary objectives of the facility being to firstly source, train and deploy our own inhouse resource capability to meet the projected demand in the smart meter market, and secondly to help mitigate the expected skills short falls necessary to deliver the government's proposed policy to decarbonise household heating and transportation which will bring supply opportunities to a new range of customers. The training and assessment centre will also play a crucial role in upskilling our current workforce, nurturing new entrants into the industry, and offer training and assessment services to our customers who are looking for full life-cycle solutions from strategic partners in exchange for long term supply opportunities. In addition, and in conjunction with the Group’s conference centre (DCC), we are providing our energy partners with a multi-purpose solution giving them a one stop facility to induct direct personnel alongside the Ganymede workforce and this is another example of group subsidiary companies combining capabilities to generate additional revenue streams for the Group.

In summary, 2023 was a highly successful and pleasing year for the UK recruitment business with all divisions combining to deliver enhanced revenue and profit contribution to the Group. We are now positioned strongly to capture additional long-term revenue opportunities with several blue-chip organisations investing in the future of the UK's infrastructure, transportation, engineering, and manufacturing sectors. This coupled with our existing long-term contracts, provides the group with an essential platform for continued growth which will provide the necessary confidence for shareholders that our strategic plans and long-term prospects are based on solid foundations.

International division
Our international business continues to identify new growth opportunities within its existing overseas customer base and add new customers in new and existing territories. Whilst the business saw only marginal growth in sales during the year the change in business mix brought an increase in gross profit by over 10%. Whilst an increase in overheads was necessary to provide the increase in business development activity, operational profits were relatively stable. The business remains a major partner to blue chip customers supporting NATO and we are growing our headcount on projects in Poland and exploring further growth opportunities with customers across Europe. Our Middle East presence remains strong with workers placed in the United Arab Emirates, Bahrain, Iraq, and in Mogadishu. In Diego Garcia, a British International Overseas Territory, the business has now provided some 500 permanent staff to our customer supporting the United States Naval base activities. We are confident that our international business which is both unique in its capabilities and unrivalled in the United Kingdom recruitment space, is well placed to capture significant long-term and diversified opportunities for the Group and provide a diversified revenue stream outside of our mainstream domestic business.

Central services
The Derby Conference Centre (DCC) had another significant year of growth as it continues to rebound from the devastation impacted on the sector by covid. Revenue continued to grow by an impressive 14% and this resulted in a corresponding increase in gross profit of 13% which is extremely encouraging given the increases in input costs through energy and food inflation and pricing competition, which dominated the regions hospitality sector during the year. The DCC is now firmly established as a leading events and conferencing business in the East Midlands and continues to work with other Group businesses to provide external facilities for customers engaged in both large recruitment campaigns and induction programmes and to also offer facilities for offsite training with accommodation.

Outlook
We share the view that there is still much uncertainty across both domestic and international economies, and it is difficult to deny that this has fuelled the presence of demand-side headwinds through customer reticence to recruit new head count and supply-side concerns as candidate availability is becoming a potential major barrier to business growth. However, we believe our well-established strategy of investing alongside blue-chip customers supporting large scale infrastructure projects is proven, becoming more prevalent as the growth in strategic partnering is becoming both a vital source of project cost reduction and greater profit capture and we believe that this will continue to generate long term opportunities for the Group to deliver significant future order book security for our shareholders. Furthermore, we believe our investment model of recruiting, training and upskilling individuals has proven a key differentiator for the Group and will ensure we mitigate against candidate migration which is a major contributor to both increased costs through skill continuity loss and the accompanying productivity drain being experienced across many industries. Therefore, notwithstanding the uncertainties facing the recruitment sector per se, we remain extremely encouraged and cautiously confident about our short, medium, and longer-term prospects.

Our two key strategic objectives moving into 2024 are to concentrate on increased value capture and further order book investment. The first being essential to ensure we continue to trade profitably and deliver a consistent annual return on investment for shareholders, and the second to drive longer-term enterprise value which will help attract appropriate investors with the appetite and belief in our Group's strategic capability.

Our people
The results we have achieved in 2023 are outstanding and clear testament to the talent, enthusiasm, appetite for hard work, and resilience of everyone employed across the Group. It is also very evident to the board that both in terms of managing during, and in recovering from the covid crisis that the executive teams leading each of our subsidiaries, demonstrated that they have the necessary strength of character to compete and differentiate in highly competitive and saturated markets. We have continued to attract highly ambitious and capable people into the Group, many of whom come directly from competitor organisations or the broader recruitment sector, and their acknowledgement and recognition of our dedication to creating an environment of individual and team success for all team members is an encouraging endorsement as we build our future growth plans.

Finally, I know everybody in the organisation would have liked to have our founder and longstanding Chairman, Bill Douie, alongside us as we celebrate our best ever results. Bill would not have wanted his passing to overshadow the success that the people in the Group have achieved, it just wasn't his way. However, it cannot and should not go without saying that Bill was instrumental in setting the culture of the Group and was encouraging of everything we did and everybody who did it. There would be no one prouder of what we have achieved together in 2023.

In memory of our colleague and friend Bill Douie.

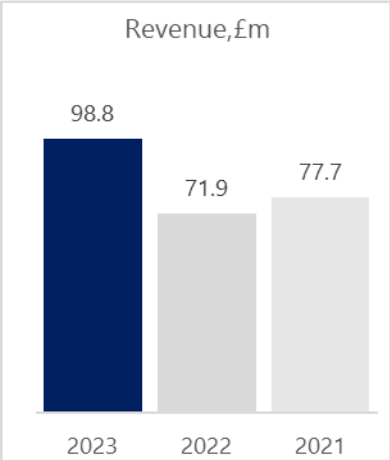
A M Pendlebury

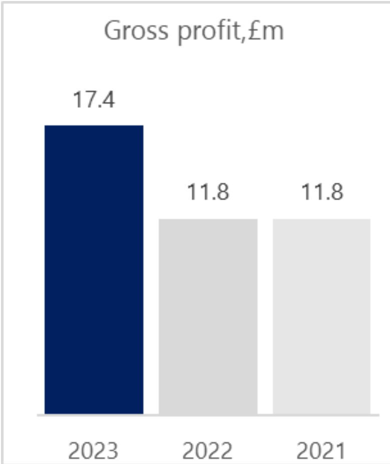
A M Pendlebury 22 March 2024
Chairman and Chief Executive

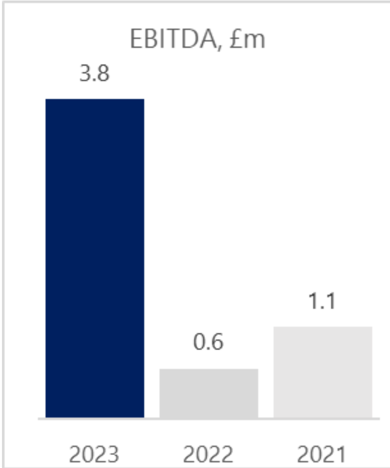
Business model

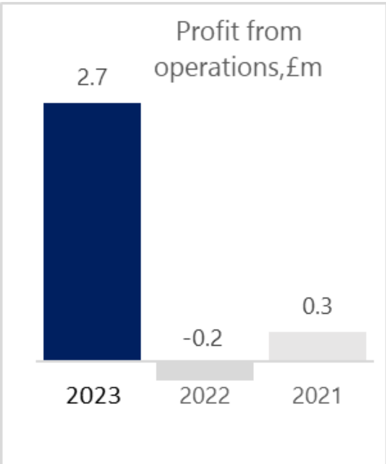
Key performance indicators

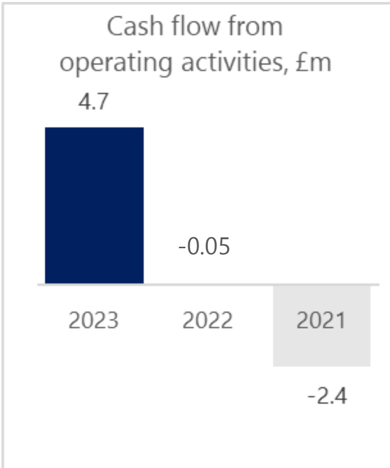
For the year ended 31 December 2023

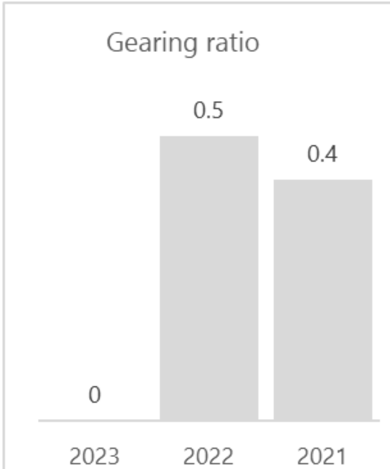


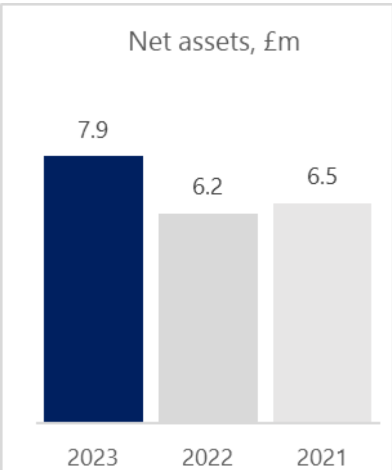


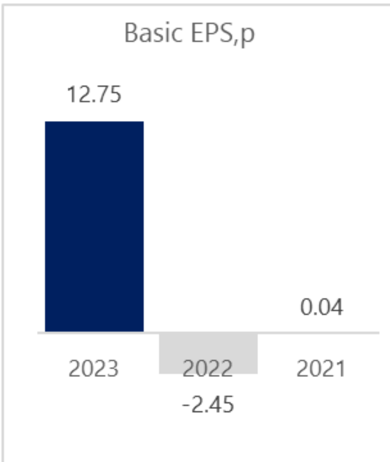


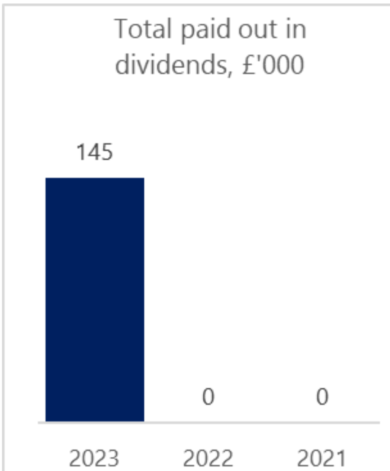












An interim dividend of 1p per share (2022: Nil) was paid during the year. A final dividend of 4.5p per share has been proposed (refer Finance Director's Report and note 20).

EBITDA is earnings before interest, tax, depreciation and amortisation and has been calculated as follows: profit from operations £2,715,000 + depreciation of owned assets £633,000 + amortisation of intangibles £28,000 + depreciation of right-of-use assets £387,000 = £3,763,000 (refer note 6).

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

Risk management

For the year ended 31 December 2023

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. Whilst there remains much uncertainty and mixed opinion about short and medium-term prospects for the UK economy influenced by inflation, politics, domestic and geo-political events, 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's cost base is carefully managed to align with business activity. 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 taken out 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
Constantly changing employment and tax legislation around intermediary staff presents an area of uncertainty and therefore risk. To mitigate these risks, in conjunction with our professional advisers, we monitor all changes in legislation and keep our documentation and procedures under review and work closely with our customers to discuss the implications of IR35 and guide them to compliant solutions whereby we can still provide them with flexible resources. The Group also works closely with its financial and legal advisers, and accredited recruitment bodies to ensure that the business is up to date on these issues.

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.

S L Dye

S L Dye — 22 March 2024
Secretary

Finance Director's report

For the year ended 31 December 2023

Financial highlights

The Group overall delivered its best result to date with increased revenues of £98.8m (2022: £71.9m). Overall gross profit increased to £17.4m (2022: £11.8m) and gross margin improved to 17.6% (2022: 16.4%). The profit from operations of £2.7m (2022: loss of £0.2m) reflects a year that saw good overall performances across all areas of the Group.

UK Recruitment

Overall, UK Recruitment revenues increased by 41% to £91.2m (2022: £64.8m) and gross profit increased to £15.3m (2022: 9.9m). Gross margin was also better at 16.8% (2022: 15.3%). Profit from operations was £5.0m (2022: £1.5m). The increases largely reflecting a much-improved year in Ganymede Rail following the challenges faced in 2022 and a very strong performance from Ganymede Energy.

Ganymede Rail delivered its strongest result to date with revenues increased by 49% versus 2022 (back to the same levels as in 2021) but with improved profitability. Likewise, Ganymede Energy continued its growth trajectory, supporting the Government's smart-meter roll out programme, delivering 50% growth in revenue compared to 2022. The division's white collar recruitment arms, serviced by our ATA and Ganymede Recruitment brands both performed well throughout the year with combined revenues 33% up on 2022 due to a 35% growth in contract revenues (particularly strong growth in larger customer contract requirements and the signalling division). This contract growth was offset by slightly lower permanent fees than 2022. The dip in permanent fees reflecting market conditions.

International

Revenue increased slightly to £5.3m (2022: £5.2m) with a corresponding increase in gross profit to £0.9m (2022: £0.8m) and gross margin increasing to 17.3% (2022: 15.4%). The division delivered a profit from operations of £0.5m (2022: £0.5m) on a par with 2022 despite the increase in gross profit due to adverse exchange movements in 2023 versus 2022.

Central Services

Within Central Services, the Derby Conference Centre delivered its best results to date with good levels of activity relating to conferences, events and bedroom sales for the majority of 2023 and a very strong finish on festive activities. Revenue generated by the segment was £2.3m (2022: £2.0m) and gross profit increased to £1.2m (2022: £1.1m), albeit the impact of wage and price inflation on direct cost rates resulted in a slight drop in gross margin percentage to 52.2% (2022: 55%).

Taxation

The tax charge for the year was £0.7m (2022: credit of £0.1m). The variance between this and the expected charge if a 23.5% 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 £145,003 (2022: £Nil) to its equity shareholders. This represents a payment of 1.0p (2022: £Nil) per share. (refer to note 20). The directors have proposed a final dividend of £659,263 (4.5p per share) (2022: £Nil) to be paid on 8 July 2024 to shareholders registered on 7 June 2024. 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 2023 to £804,266 (5.5p per share).

Own shares held

The cost of the Group's own shares purchased through the Employee Benefit Trust (EBT) is shown as a deduction from equity. 343,615 options were exercised during the year. The balance of £nil (2022: £235,918) in the own shares held reserve within equity reflects the fact that 337,027 of the options exercised were satisfied with the remaining shares in the EBT, as such no shares (2022: 337,027) remain in the EBT which therefore falls away.

Statement of financial position and cash flows

The Group's net working capital increased to £6.8m (2022: £4.6m). The ratio of current assets to current liabilities also increased to 1.6 (2022: 1.4) and at the 31 December 2023 the Group had no borrowings outside of lease liabilities (2022: net borrowings excluding lease liabilities £2.7m).

The Group generated £4.6m more cash from its operations in 2023 compared to 2022. This improvement versus 2022 reflects increased activity across the Group (revenues up by 37% versus 2022). The £4.6m cash inflow from operating activities enabling the Group to pay an interim dividend, propose a much-improved final dividend, and significantly reduce usage of its invoice discounting facility generating a corresponding reduction in interest charges.

The Group has no term debt and is financed using its invoice discounting and overdraft facilities with HSBC. On 31 December 2023 the Group had available funds to draw down of £10.3m (2022: £5.1m).

Whilst the Group has a very strong credit control function, given the current economic environment and high rate of business failures we are currently seeing, the Board deemed it prudent to take out credit insurance for most customers. This has given 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.

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 22 March 2024 and signed on its behalf by:

S L Dye

S L Dye
Group Finance Director

22 March 2024

Section 172 statement

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
Setting the annual Group budget and sensitivity modelling for going concern and impairment considerations	Reviewed and approved Group budgets for 2024 and high-level profit and cash forecasts for the next 15 months. Approval of the going concern assumption and that no impairment of Group assets was required.	In reviewing the budget and its sensitivities, the Board considered the impact on all stakeholders. Setting the budget identified key areas of focus for the Group, providing development opportunities for employees. In setting the budget the Board also considered customers and identified opportunities to develop customer relationships and improve service delivery and efficiency. 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.
Determining the Group's dividend policy	Reviewed the Group's financial and trading position. Paid an interim dividend and proposed a final dividend for 2023.	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.
Deciding to close the minor projects division as not profitable at current levels and expertise to scale not available in-house	Reviewed minor (fixed price) project works activity management and processes, profitability, ability to scale and volume opportunities.	In reviewing minor (fixed price) project works the Board has considered the impact on all stakeholders. The development and progression opportunities for employees. The Board considered customers and identified opportunities to develop customer relationships and improve service delivery and efficiency. Consideration was given to customer and supplier payment terms ensuring that there was clarity around when payments would be made to allow the Group and suppliers to effectively manage working capital.

Decision	Actions	Stakeholder Groups considered
Taking out credit insurance for most customers	Reviewed the increasing levels of bad debt write-off/customers going into administration with little or no warning, in conjunction with credit insurance offerings. Weighed up the cost of the premium versus the potential level of write-off and confidence to increase business backed by insurance.	In reviewing whether to take out credit insurance the Board considered its employees, its bankers, its shareholders, and its customers, wanting to achieve more surety over book debts for both its bankers and customers and give its employees the confidence to expand and manage business backed by insurance.

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 Equality, 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

A M Pendlebury
Chairman

22 March 2024

Directors' report

For the year ended 31 December 2023

The directors submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2023.

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 £98.8m (2022: £71.9m). The Group recorded a profit from operations for the year of £2.7m (2022: loss of £0.2m).

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

During the year, the Company paid an interim dividend of £145,003 (2022: £Nil) to its equity shareholders. This represents a payment of 1.0p (2022: £Nil) per share. (refer to note 20). The directors have proposed a final dividend of £659,263 (4.5p per share) (2022: £Nil) to be paid on 8 July 2024 to shareholders registered on 7 June 2024. 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 2023 to £804,266 (5.5p 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
W J C Douie (deceased 31 July 2023)

Significant shareholders
Interests in 3% or more of the issued ordinary share capital of the Company notified on 1 March 2024 were as follows:

	Number of shares	% Issued share capital
Estate of W J C Douie	2,602,728	17.77%
Chelverton Asset Management	1,480,000	10.10%
G A Mason	1,178,735	8.05%
A Chapman	1,012,380	6.91%
A M Pendlebury	696,871	4.76%
V V Shah	670,000	4.57%
G J Chivers	525,809	3.59%
D Stredder	505,000	3.45%
D Currie	438,950	3.00%

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:

	2023	2022
W J C Douie (deceased 31 July 2023)	**2,602,728**	2,409,113
A M Pendlebury	**696,871**	696,871
S L Dye	**43,000**	43,000

Directors' interests in share options are set out in note 7. A M Pendlebury retires by rotation and offers himself for re-election.

The market price of the Company's shares on 31 December 2023 was 60.0p (2022: 17.0p) and the highest and the lowest share prices during the year were 61.5p (2022: 42.5p) and 16.0p (2022: 17.0p) 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.

Equality diversity and inclusion (EDI)
We embrace equality, 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.

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 2023 health and wellbeing survey saw over three quarters of respondents confirming that they felt the Group looked after their health and wellbeing and more than 70% stating that we promote a supportive culture. 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 2024 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 continue to utilise the HR system to communicate with our employees and this also 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 in 2023 we introduced a communications portal which includes 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 Corporate Social Responsibility 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 including:

- STEM Ambassadors going into schools and colleges to promote different professions, help with CV's and interview techniques and promote engineering and the rail industry in general;
- Continuing to support the Samaritans as one of our charities of choice;
- Raising money for national and local charities, through our close call initiative and organised events such as the Railway Children Sleepout, Samarathon, Macmillan Coffee Mornings, Mee and Dee charity events and Rainbows Hospice for Children and Young People;
- Supporting our employees to enable them to help in their local community by providing paid leave through our Supported Volunteering Leave policy;
- Utilising Lightfoot telemetry in our fleet vehicles to monitor driving behaviour and fuel usage and cut CO2 emissions per vehicle;
- Planning to order electric vehicles in our commercial fleet as opposed to internal combustion engine vehicles;
- Continuing to support our Equality, 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;
- 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 2024 and beyond to ensure we continue to improve.

Carbon emissions

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.

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.

As well as the continued utilisation 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. Our absolute direct emissions have only increased by 7% despite a 49% increase in revenue in our rail division reflecting our efforts to minimise emissions where possible.

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

		2023 t $C0_2$	2022 t $C0_2$	2023 MWh	2022 MWh
Direct emissions					
Combustion of gas and use of fuel for transport	Scope 1	1,866	1,742	7,913	7,340
Indirect emissions for own use					
Purchase of electricity	Scope 2	0.1	0.1	447	547

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 £2,535,000 (2022: loss of £455,000) 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.

The directors are satisfied that, taking account of the Group's net assets of £7,933,000 (2022: £6,195,000), 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.

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 22 March 2024

S L Dye

S L Dye
Secretary

Corporate governance statement

For the year ended 31 December 2023

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 the chairman and chief executive and the group finance director. At the time of writing the Board is in the process of recruiting a new independent non-executive director and reviewing its composition.

The chairman and chief executive and the group finance director are engaged full-time, and any independent non-executive director will be required to spend two days per month considering Company matters and attending the monthly Board meeting.

The Board met 12 times in 2023 and each Board member during the year attended the following number of Board meetings: A M Pendlebury 12, S L Dye 12. W J C Douie 6.

The Group believes that in the Board it has at its disposal, 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.

Independent Non-Executive Director

The Board is currently engaged in the search for a new independent non-executive director.

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 (refer to the separate audit committee report).

The remuneration committee is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance-related bonus schemes. The committee comprises A M Pendlebury and, pending the appointment of a new independent director, S L Dye. It is chaired by A M Pendlebury. However, neither A M Pendlebury nor S L Dye are involved in determining their own remuneration. There are plans to evolve the Company's governance structure so that the remuneration committee has an independent chair. The whole Board considers matters of nomination and succession and thus there is no requirement for a nomination committee.

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	5.05%
Institutional Investors	10.10%
Brokers, individuals and other	84.85%

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 of by offering a chance to meet with the shareholder to explain the Board's position.

A M Pendlebury

A M Pendlebury — 22 March 2024
Chairman

Audit committee report

For the year ended 31 December 2023

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 M Pendlebury (Chairman) and meets twice a year. In 2023 A M Pendlebury and W J C Douie each attended one meeting. The audit committee meets as necessary to monitor the Group's internal control systems and major accounting and audit related issues. There are plans to evolve the Company's governance structure so that the audit committee has an independent chair.

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. In 2023 the Company commissioned an independent review its employment taxes processes to ensure compliance as part of a rolling programme of independent reviews.

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 2023, audit fees for the Group totalled £89,925 (2022: £82,500), with additional non-audit fees of £17,884 (2022: £11,820). 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 22 March 2024 and signed on its behalf by:

A M Pendlebury

A M Pendlebury
Chairman of the Audit Committee

Remuneration report

For the year ended 31 December 2023

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 a company car, 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 are set out in note 7.

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 2023, no awards under the LTIP were made to executive directors (2022: 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 22 March 2024 and signed on its behalf by:

A M Pendlebury

A M Pendlebury
Chairman of the Remuneration Committee

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

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 2023 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 2023 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 identified components and to determine the planned audit responses based on a measure of materiality, calculated by considering the significance of components as a percentage of the group's total revenue and profit before taxation and the group's total assets.

From this, we determined the significance of each component to the group as a whole and devised our planned audit response. 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 £1,648,000 of consolidated profit after tax. Entities subject to review-scope audit procedures made up 8% of the consolidated revenue and profits of £197,000 of the total consolidated profit after tax. We applied analytical procedures to the Balance Sheets and

Income Statements of the entities comprising the remaining operations of the group, focusing on applicable risks identified as above, and their significance to the group's balances.

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
Revenue recognition: 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. 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. 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.	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. We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions. 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. 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. 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. 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. Our procedures did not identify any material misstatements in the revenue recognised during the year.

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 £988,000. 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 80% of group materiality.

The materiality for the parent company financial statements as a whole was set at £325,000 and performance materiality represents 80% 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.

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.

Auditor's 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 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: 22 March 2024

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Notes	**2023** **£'000**	2022 £'000
Revenue	3.1,4,5	**98,781**	71,907
Cost of sales		**(81,337)**	(60,132)
Gross profit		**17,444**	11,775
Other operating income	3.1a,4	**-**	6
Administrative expenses		**(14,729)**	(12,024)
Profit/(loss) from operations	6	**2,715**	(243)
Finance expense	8	**(180)**	(212)
Profit/(loss) before tax		**2,535**	(455)
Tax expense	9	**(690)**	104
Total profit/(loss) and other comprehensive income/(expense) for the year attributable to owners of the Parent		**1,845**	(351)
Earnings per ordinary share			
Basic	10	**12.75**	(2.45p)
Fully diluted	10	**12.72**	(2.45p)

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 2023

	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.

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.

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

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

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 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

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.

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.

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

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 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current			
Goodwill	11	**132**	132
Other intangible assets	12	**-**	28
Property, plant, and equipment	13	**1,326**	1,544
Right-of-use assets	23	**2,196**	2,491
Deferred tax asset	14	**6**	210
		3,660	4,405
Current			
Inventories	15	**14**	15
Trade and other receivables	16	**17,422**	15,388
Cash and cash equivalents	21	**1,069**	467
		18,505	15,870
Total assets		**22,165**	20,275
Liabilities			
Current			
Trade and other payables	17	**(10,915)**	(7,875)
Lease liabilities	23	**(300)**	(303)
Corporation tax		**(522)**	-
Current borrowings	17	**-**	(3,132)
		(11,737)	(11,310)
Non-current liabilities			
Lease liabilities	23	**(2,337)**	(2,576)
Deferred tax liabilities	18	**(158)**	(194)
Total liabilities		**(14,232)**	(14,080)
Net assets		**7,933**	6,195
Equity			
Share capital	19	**146**	146
Share premium		**120**	120
Own shares held		**-**	(236)
Capital redemption reserve		**50**	50
Share based payment reserve		**20**	122
Retained earnings		**7,597**	5,993
Total equity		**7,933**	6,195

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 22 March 2024 by:

A M Pendlebury *S L Dye*

A M Pendlebury
Director

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 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit/(loss) before tax		**2,535**	(455)
Adjustments for:			
Depreciation, loss on disposal and amortisation		**1,070**	857
Finance expense	8	**180**	212
Change in inventories		**1**	6
Change in trade and other receivables		**(2,034)**	(1,907)
Change in trade and other payables		**3,078**	1,445
Cash inflow from operations		**4,830**	158
Interest paid		**(180)**	(212)
Net cash inflow/(outflow) from operating activities		**4,650**	(54)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(437)**	(417)
Net cash outflow from investing activities		**(437)**	(417)
Cash flows from financing activities			
Movement on invoice discounting facility		**(3,103)**	872
Movement on perpetual bank overdrafts		**(29)**	(568)
Dividend paid		**(145)**	-
Payment of lease liabilities		**(334)**	(312)
Net cash (outflows) from financing activities		**(3,611)**	(8)
Net increase/(decrease) in cash and cash equivalents	21	**602**	(479)
Cash and cash equivalents at beginning of year		**467**	946
Cash and cash equivalents at end of year	21	**1,069**	467

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 2023

1. Basis of preparation

The principal accounting policies applied in the preparation of the Group and Company financial statements are set out in note 3. 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 £2,535,000 (2022: loss of £455,000) 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 £7,933,000 (2022: £6,195,000), 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, to have a material impact on the Group.

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 2023. 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 2023 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.

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.

3.1a Other operating income

Other operating income represents a Local Government Business Support Grant. The Local Government Business Support Grant was received and recognised in the prior year.

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.

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 Own shares held

The Group had an Employee Benefit Trust (EBT) that has now fallen away as the shares within it have all been used to satisfy exercises of options by employees. In the previous financial year, the EBT was considered an extension of the Group's activities and therefore the assets (except investments in the Group's shares) and liabilities were included in the consolidated accounts on a line-by-line basis. The cost of shares held by the EBT is presented as a separate debit reserve within equity entitled 'own shares held' and is carried at the amount paid to acquire the shares.

3.5 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. Customer lists are fully written down.

Software
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. Acquired software is fully written down.

3.6 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
Motor vehicles	25% - 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 3.9.

3.7 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.

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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

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

	2023				2022			
	UK Recruitment	**UK Central Services**	**International Recruitment**	**Total Group**	UK Recruitment	UK Central Services	International Recruitment	Total Group
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Revenue	**91,187**	**2,321**	**5,273**	**98,781**	64,764	1,979	5,164	71,907
Cost of sales	**(75,866)**	**(1,110)**	**(4,361)**	**(81,337)**	(54,878)	(912)	(4,342)	(60,132)
Gross profit	**15,321**	**1,211**	**912**	**17,444**	9,886	1,067	822	11,775
Other operating income*	**-**	**-**	**-**		-	6	-	6
Administrative expenses	**(9,647)**	**(3,587)**	**(448)**	**(13,682)**	(7,948)	(2,883)	(341)	(11,172)
Amortisation of intangibles	**(28)**	**-**	**-**	**(28)**	(46)	-	-	(46)
Depreciation of right-of-use assets	**(140)**	**(246)**	**-**	**(386)**	(144)	(240)	-	(384)
Depreciation	**(478)**	**(153)**	**(2)**	**(633)**	(261)	(157)	(4)	(422)
Total administrative expenses	**(10,293)**	**(3,986)**	**(450)**	**(14,729)**	(8,399)	(3,280)	(345)	(12,024)
Profit from operations	**5,028**	**(2,775)**	**462**	**2,715**	1,487	(2,207)	477	(243)

*Other operating income represents Government Grants in respect of a Local Government Business Support Grant which is not required to be repaid.

The revenue reported above is generated from continuing operations with external customers. There were no sales between segments in the year (2022: 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 2023, two customers in the UK segment contributed 10% or more of total revenue being £28.0m (2022: £18.0m) and £9.7m (2022: £5.4m) respectively, and one customer in the International segment also contributed 10% or more of total revenue being £5.2m (2022: £5.1m).

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	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Permanent placements	**2,574**	2,706	**2,574**	2,706
Temporary placements	**93,886**	67,222	**13,659**	8,002
Others	**2,321**	1,979	**1,211**	1,067
	98,781	71,907	**17,444**	11,775

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

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.

	2023				2022			
	UK Recruitment	**UK Central Services**	**International recruitment**	**Total**	UK Recruitment	UK Central Services	International Recruitment	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Geographic point of invoicing:								
UK	**91,187**	**2,321**	**2,301**	**95,809**	64,764	1,979	2,648	69,391
USA	**-**	**-**	**1,239**	**1,239**	-	-	789	789
Middle East	**-**	**-**	**1,733**	**1,733**	-	-	1,727	1,727
	91,187	**2,321**	**5,273**	**98,781**	64,764	1,979	5,164	71,907
Permanent placements	**2,374**	**-**	**200**	**2,574**	2,661	-	45	2,706
Temporary placements	**88,813**	**-**	**5,073**	**93,886**	62,103	-	5,119	67,222
Other	**-**	**2,321**	**-**	**2,321**	-	1,979	-	1,979
	91,187	**2,321**	**5,273**	**98,781**	64,764	1,979	5,164	71,907
Contract counterparties B2B	**91,187**	**2,321**	**5,273**	**98,781**	64,764	1,979	5,164	71,907
Timing of transfer of services:								
Point in time (start date for permanent placements)	**2,374**	**-**	**200**	**2,574**	2,661	-	45	2,706
Over time (with invoices raised periodically over the term of the contract placement)	**88,813**	**-**	**5,073**	**93,886**	62,103	-	5,119	67,222
Point in time (having provided the service)	**-**	**2,321**	**-**	**2,321**	-	1,979	-	1,979
	91,187	**2,321**	**5,273**	**98,781**	64,764	1,979	5,164	71,907

Contract balances	Contract assets 2023 £'000	Contract assets 2022 £'000	Contract liabilities 2023 £'000	Contract liabilities 2022 £'000
At 1 January	**3,138**	2,850	**(153)**	(119)
Transfers in the year from contract assets to trade receivables	**(3,138)**	(2,850)	**-**	-
Excess of revenue recognised over amounts invoiced (or rights to cash) being recognised during the year	**3,065**	3,138	**-**	-
Movement in amounts included in contract liabilities that were invoiced but not recognised as revenue during the year	**-**	-	**6**	(34)
At 31 December	**3,065**	3,138	**(147)**	(153)

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/(loss) from operations

	2023 £'000	2022 £'000
Profit/(loss) from operations for the year is stated after charging:		
Loss on asset disposals	**22**	4
Depreciation of owned property, plant, and equipment	**633**	422
Amortisation of intangibles	**28**	46
Depreciation of right-of-use assets	**387**	384
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**52**	48
Fees payable to the Company's auditor for other services:		
- the audit of the Company's subsidiaries pursuant to legislation	**37**	35
- non-audit services	**5**	-
- tax compliance	**13**	12
Rental relating to short-term leases	**329**	345

7. Directors' and employees' remuneration

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

	2023 £'000	2022 £'000
Wages and salaries	**9,373**	7,630
Social security costs	**1,027**	849
Other pension costs	**464**	424
	10,864	8,903

As at 31 December 2023 there were pension contributions of £134,223 (2022: £129,872) outstanding.

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

	2023 Number	2022 Number
Sales and administration staff	**151**	144
Conference support staff	**45**	42
	196	186

Directors' remuneration

The remuneration of the directors was as follows:

£'000	2023				2022			
	Salary	**Bonus**	**Benefits in kind**	**Total**	Salary	Bonus	Benefits in kind	Total
W J C Douie	**38**	**-**	**8**	**46**	65	-	8	73
A M Pendlebury	**288**	**409**	**16**	**713**	280	-	14	294
S L Dye	**194**	**209**	**14**	**417**	194	-	21	215
Total	**520**	**618**	**38**	**1,176**	539	-	43	582

Employers NI of £162,000 was paid in respect of remuneration above (2022: £85,684). No pension contributions were paid on behalf of the directors.

Share based employee remuneration

Total share-based payment charges in the year were £Nil (2022: £Nil) of which £Nil (2022: £Nil) was charged in respect of options granted to directors.

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

	Number	Weighted average exercise price (pence) 2023	Number	Weighted average exercise price (pence) 2022
Outstanding at start of year	**443,597**	**15**	493,597	18
Exercised	**343,615**	**11**	-	-
Lapsed	**-**	**-**	50,000	53
Outstanding at end of year	**99,982**	**27**	443,597	15

The Company operates two share option plans: the EMI 2001 Share Option Scheme and the Long-Term Incentive Plan 2015 ("LTIP"). 343,615 options were exercised during the year (2022: Nil). No options were issued during the year (2022: Nil).

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

Date exercisable (from and to)	**Number**	**Weighted average exercise price (pence) 2023**	**Weighted average fair value at date of grant (pence) 2023**	**Weighted average contractual life (months) 2023**	Number	Weighted average exercise price (pence) 2022	Weighted average fair value at date of grant (pence) 2022	Weighted average contractual life (months) 2022
2017 to 2024	**70,000**	**38**	**8**	**5**	220,000	29	6	15
2018 to 2025	**29,982**	**-**	**53**	**18**	29,982	-	53	30
2019 to 2026	-	**-**	**-**	**-**	50,000	-	60	39
2020 to 2027	-	**-**	**-**	**-**	28,571	-	42	51
2021 to 2028	-	**-**	**-**	**-**	115,044	-	44	63

The exercise prices of options range from nil to 38.0p. At the end of the period all 99,982 options remaining were exercisable (2022: 443,597).

Details of the options of the directors who served during the 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)	**-**	-	-

The market value and number of directors' share options vesting in the period was £Nil (Nil shares) (2022: £Nil (Nil shares)). The aggregate loss made by directors on exercising share options was £96,878 (2022: £Nil). The market value and number of the highest paid director's share options vesting in the period was £Nil (Nil shares) (2022: £Nil (Nil shares)). The aggregate gains made by the highest paid director on exercising share options was £Nil (2022: £Nil).

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

	At 1 January 2022	At 31 December 2022	Date of last grant	Exercise price
EMI options - S L Dye	110,000	70,000	6 June 2014	38p
LTIP options - W J C Douie	193,615	193,615	23 March 2018	Nil

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 2023 have vested.

Awards under the LTIP
There were no awards under the LTIP in 2023 (2022: Nil). There were no LTIP options outstanding at 31 December 2023. 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. Finance expense

	2023 £'000	2022 £'000
Interest charge on invoice discounting arrangements and overdrafts	**101**	109
Interest expense on lease liabilities	**79**	103
	180	212

9. Tax expense

Continuing operations	2023 £'000	2022 £'000
Current tax		
UK corporation tax	**522**	-
Deferred tax		
Origination and reversal of temporary differences	**168**	(104)
Tax	**690**	(104)

Factors affecting the tax expense

The tax charge assessed for the year is higher than (2022: credit lower than) would be expected by multiplying the profit by the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

Factors affecting tax expense	2023 £'000	2022 £'000
Result for the year before tax	**2,535**	(455)
Profit/(loss) multiplied by standard rate of tax of 23.5% (2022: 19%)	**596**	(86)
Non-deductible expenses	**66**	50
Effect of change in tax rate	**38**	13
Adjustment in respect of previous periods	**(10)**	(81)
	690	(104)

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%.

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 2023	2022	Fully diluted 2023	2022
Earnings per share (pence)	**12.75p**	(2.45p)	**12.72p**	(2.45p)

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

11. Goodwill

Gross carrying amount	2023 £'000	2022 £'000
At 1 January	**132**	132
At 31 December	**132**	132

Goodwill above relates to the following acquisition:

	Date of acquisition	Original cost £'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.

12. Other intangible assets

The Group's other intangible assets comprise:

- the customer lists obtained through the acquisition of RIG Energy Limited in 2014; 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	Software and licences	**Total**
Gross carrying amount	£'000	£'000	**£'000**
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

The carrying amounts for the prior year are as follows:

	Customer lists	Software and licences	Total
Gross carrying amount	£'000	£'000	£'000
At 1 January 2022	673	348	1,021
At 31 December 2022	673	348	1,021
Amortisation			
At 1 January 2022	618	329	947
Provided in year	27	19	46
At 31 December 2022	645	348	993
Net book amount at 31 December 2022	28	-	28
Net book amount at 31 December 2021	55	19	74

13. Property, plant, and equipment

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

	Short leasehold improvements	Fixtures and office equipment	Motor vehicles	Capital work-in-progress	**Total**
	£'000	£'000	£'000	£'000	**£'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

The carrying amounts for the prior year are as follows:

	Short leasehold improvements	Fixtures and office equipment	Motor vehicles	Capital work-in-progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2022	1,564	2,379	8	61	4,012
Additions	-	371	-	46	417
Transfers from capital work in progress	-	58	-	(58)	-
Disposals	-	(27)		-	(27)
At 31 December 2022	1,564	2,781	8	49	4,402
Depreciation					
At 1 January 2022	927	1,523	8	-	2,458
Charge for the year	102	320	-	-	422
Disposals	-	(22)	-	-	(22)
At 31 December 2022	1,029	1,821	8	-	2,858
Net book amount:					
At 31 December 2022	535	960	-	49	1,544
At 31 December 2021	637	856	-	61	1,554

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 2023 (2022: Nil).

14. Deferred tax asset

	2023	2022
	£'000	£'000
At 1 January	210	40
(Charge)/credit to the profit/loss for the year	(204)	170
At 31 December	6	210

The deferred tax asset is analysed as:	2023	2022
Recognised	£'000	£'000
Short-term temporary timing differences relating to share-based payments	6	31
Tax losses carried forward	-	179

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 2023 and 2022.

15. Inventories

	2023 £'000	2022 £'000
Food, drink, and goods for resale	14	15

Stock recognised in cost of sales during the year as an expense was £239,865 (2022: £201,574).

16. Trade and other receivables

Trade and other receivables falling due within one year are as follows:	2023	2022
	£'000	£'000
Gross trade receivables	13,225	11,065
Less: provision for impairment of trade receivables	-	-
Net trade receivables	13,225	11,065
Contract assets	3,065	3,138
Sub-total trade receivables and contract assets	16,290	14,203
Other receivables	43	37
Total financial assets other than cash and cash equivalents classified at amortised cost	16,333	14,240
Prepayments	1,089	1,142
Accrued income	-	6
	17,422	15,388

There was no impairment allowance for trade receivables at 31 December 2023 or 31 December 2022.

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 2023 and 31 December 2022, the lifetime expected credit loss provision for trade receivables and contract assets was considered immaterial and therefore not provided.

17. Current liabilities

Trade and other payables	2023 £'000	2022 £'000
Trade payables	**1,990**	1,637
Contract liabilities	**147**	153
Other taxes and social security costs	**3,969**	2,820
Other payables	**1,533**	1,275
Accruals	**3,276**	1,990
	10,915	7,875

At 31 December 2023 other payables included pension contributions amounting to £134,223 (2022: £129,872). 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 2023 has been represented as explained in note 5.

Current borrowings	2023 £'000	2022 £'000
Bank overdrafts	**-**	29
Invoice discounting arrangements	**-**	3,103
	-	3,132

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 (2022: £50,000).

The Group also uses its invoice financing facility, which is secured over the Group's trade receivables of £13.2m. 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

	2023 £'000	2022 £'000
At 1 January	**194**	128
Charge/(credit) to the profit/loss for the year	**(36)**	66
At 31 December	**158**	194
The deferred tax liabilities comprise:		
Other timing differences	**158**	190
Business combinations	**-**	4

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 2023 and 2022.

19. Share capital

Allotted, issued, and fully paid – ordinary shares of 1p each:	2023 £'000	2022 £'000
As at 1 January 2023 14,643,707 shares (2022: 14,643,707 shares)	**146**	146
As at 31 December 2023 14,650,295 shares (2022: 14,643,707 shares)	**146**	146

Of the total issued shares of 14,650,295, there are no own shares held in the RTC Group Employee Benefit Trust. 343,615 (2022: Nil) options were exercised during the year, own shares held in the EBT were used to satisfy 337,027 of this demand and new shares were issued to satisfy the balance of 6,588.

20. Dividends

	2023 £'000	2022 £'000
Interim dividend of 1.0p per share (2022: Nil).	**145**	-

A final dividend of £659,263 (2022: £Nil) has been proposed but has not been accrued within these financial statements. This represents a payment of 4.5p (2022: Nil) per share.

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

	At 1 January 2023 £'000	Cash Flows £'000	At 31 December 2023 £'000
Cash and cash equivalents	**467**	**602**	**1,069**

The amounts presented as cash and cash equivalents within the consolidated statement of cash flows comprise cash and cash equivalents of £1,069,000 (2022: £467,000). Overdrafts of £Nil (2022: £29,000), 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.

	2023 £'000	2023 %	2022 £'000	2022 %
Increase /(decrease) in net result and equity	**+1%**	**-1%**	**+1%**	**-1%**
£'000	**79**	**(79)**	**62**	**(62)**

The interest rate on the invoice discounting facility is 1.6% above base rate. The average usage of the facility across the year was £1,395,520, this gives an estimated annual interest charge for 2024 of £95,593.

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 three customers whose revenues are not insured, who respectively make up 38% of the UK division (two customers) and 100% (one customer) of the international division. Debtor balances for these customers were £2.6m (2022: £2.8m) and £0.5m (2022: £0.2m) 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 2023	**Current**	**Past due 30 days or more**	**Past due 60 days or more**	**Past due 120 days or more**
Gross carrying amount, £'000	12,287	609	225	104

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:

	2023	2022
	£'000	£'000
Trade payables	**1,990**	1,637
Accruals	**3,276**	1,990
Bank overdrafts	**-**	29
Invoice discounting	**-**	3,103
	5,266	6,759

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.

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	Fixtures and fittings	Motor vehicles	**Total**
Net book value of right-of-use assets	£'000	£'000	£'000	**£'000**
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**

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:

Net book value of right-of-use assets	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
As at 1 January 2022	2,582	-	197	2,779
Additions	-	26	70	96
Disposal	-	-	(39)	(39)
Depreciation on disposals	-	-	39	39
Depreciation charge	(259)	(4)	(121)	(384)
As at 31 December 2022	2,323	22	146	2,491

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

Net book value of lease liabilities	Land and buildings £'000	Fixtures and fittings	Motor vehicles £'000	**Total £'000**
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**

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

Net book value of lease liabilities	Land and buildings £'000	Fixtures and fittings	Motor vehicles £'000	Total £'000
As at 1 January 2022	2,896	-	199	3,095
Additions	-	26	70	96
Interest expense	90	1	12	103
Lease payments	(278)	(6)	(131)	(415)
As at 31 December 2022	2,708	21	150	2,879

Lease liabilities included in the statement of financial position	**2023 £'000**	2022 £'000
Current	**300**	303
Non-current	**2,337**	2,576
Total	**2,637**	2,879

Amounts recognised in the consolidated statement of comprehensive income	**2023 £'000**	2022 £'000
Interest on lease liabilities	**79**	103
Expenses relating to short-term leases	**329**	345
Total	**408**	448

Maturity analysis - contractual undiscounted cashflows	2023 £'000	2022 £'000
Within 1 year	**367**	416
Between 2 and 5 years	**1,183**	1,431
Over 5 years	**1,400**	1,400
Total	**2,950**	3,247

Amounts recognised in the consolidated statement of cash flows	2023 £'000	2022 £'000
Interest payments	**79**	103
Payment of lease liabilities	**334**	312
Total cash outflow for leases	**413**	415

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.

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:

	2023 £'000	2022 £'000
Within 1 year	**166**	202
Between 2 and 5 years	**316**	230
Total	**482**	432

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 2023 (31 December 2022: £Nil). There were no transactions with related parties during 2023 (2022: £Nil). The directors consider the key management personnel are the Group directors as 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 2023
(Prepared under FRS101)

Company number 02558971

Company statement of financial position

As at 31 December 2023
Company number: 02558971

	Note	2023 £'000	2022 £'000
Assets			
Non-current			
Right-of-use assets	31	**96**	52
Investments	32	**937**	937
Deferred tax asset	34	**6**	210
		1,039	1,199
Current			
Trade and other receivables	33	**7,026**	5,155
Cash and cash equivalents		**3**	48
		7,029	5,203
Total assets		**8,068**	6,402
Liabilities			
Current			
Trade and other payables	35	**(1,478)**	(727)
Lease liabilities	31	**(39)**	(37)
		(1,517)	(764)
Non-current			
Lease liabilities	31	**(49)**	(17)
Total liabilities		**(1,566)**	(781)
Net assets		**6,502**	5,621
Equity			
Share capital	37	**146**	146
Share premium		**120**	120
Own shares held		**-**	(236)
Capital redemption reserve		**50**	50
Share based payment reserve		**20**	122
Retained earnings		**6,166**	5,419
Total equity		**6,502**	5,621

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 £988,000, (2022: loss of £835,000).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 22 March 2024 by:

A M Pendlebury *S L Dye*

A M Pendlebury
Director

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 2023

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 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**

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

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	146	120	(236)	50	146	6,230	6,456
Total comprehensive expense for the year	-	-	-	-	-	(835)	(835)
Transactions with owners:							
Share based payment charge	-	-	-	-	(24)	24	-
Total transactions with owners	-	-	-	-	(24)	24	-
At 31 December 2022	146	120	(236)	50	122	5,419	5,621

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

Year ended 31 December 2023

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 2023 with the prior year comparatives representing the year ended 31 December 2022.

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, 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.

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 profit/(loss) 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 2023 (2022: 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.

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 28.12 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 Own shares held

In 2015 the Company set up an Employee Benefit Trust (EBT) that has now fallen away as the shares within it have all been used to satisfy exercises of options by employees. In the previous financial year, the EBT is considered an extension of the Company’s activities and therefore the assets (except for the investment in the Company’s shares) and liabilities which are the subject of the trust are included in the accounts on a line-by-line basis. The cost of shares held by the EBT is presented as a separate debit reserve within equity entitled ‘own shares held’.

29.12 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.

29.13 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:

Motor vehicles 25%-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 profit or loss for the period. The accounting policy for right-of-use assets is set out alongside the accounting treatment for lease liabilities in note 28.12.

30. Staff costs

	2023 £'000	2022 £'000
Wages and salaries	**2,087**	1,422
Social security costs	**248**	166
Other pension costs	**91**	87
	2,426	1,675

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

	Number 2023	Number 2022
Sales and administration staff	**26**	27

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.

Net book value of right-of-use assets – motor vehicles	2023 £'000	2022 £'000
As at 1 January	**52**	56
Additions	**92**	36
Disposals	**(101)**	(39)
Depreciation on disposals	**101**	39
Depreciation charge	**(48)**	(40)
As at 31 December	**96**	52

Net book value of lease liabilities – motor vehicles	2023 £'000	2022 £'000
As at 1 January	**54**	58
Additions	**92**	36
Interest expense	**(8)**	6
Lease payments	**(50)**	(46)
As at 31 December	**88**	54

Lease liabilities for motor vehicles in the statement of financial position	2023 £'000	2022 £'000
Current	**39**	37
Non-current	**49**	17
Total	**88**	54

32. Investments

Shares in subsidiary undertakings - Company	2023 £'000	2022 £'000
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 2023 and 31 December 2022, 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

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	**6,884**	4,925
Prepayments	**142**	230
	7,026	5,155

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.

34. Deferred tax asset

	2023	2022
	£'000	£'000
At 1 January	**210**	40
(Charge)/credit to the profit/loss for the year	**(204)**	170
At 31 December	**6**	210

The deferred tax asset is analysed as:

	2023	2022
Recognised	£'000	£'000
Short-term temporary timing differences relating to share-based payments	**6**	31
Tax losses carried forward	**-**	179

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

	2023 £'000	2022 £'000
Trade creditors	**590**	504
Other taxes and social security costs	**105**	93
Other creditors	**8**	14
Accruals	**775**	116
	1,478	727

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.

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 (2022: £29,000) within other group companies.

The Company acts as guarantor for future lease payments of £2,666,667 (2022: £2,883,333) in respect of the lease of the Derby site by its subsidiary company, the Derby Conference Centre Limited.

37. Share capital

Allotted, issued, and fully paid – ordinary shares of 1p each:	2023 £'000	2022 £'000
As at 1 January 14,643,707 shares (2022: 14,643,707 shares)	**146**	146
As at 31 December 14,650,295* shares (2022: 14,643,707 shares)	**146**	146

*6,588 new shares were issued during the year to satisfy employee share options. 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 were £7,566 (2022: £7,263) of 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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S L Dye

Company secretary
S L Dye

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