

2017

Connecting  
business and  
career ambitions

Picture 1

Picture 2

Picture 3

Picture 4

Picture 5

Picture 6



## Annual Report

for the year ended 31 December 2017

Stock code: RTC  
[www.rtcgroupplc.co.uk](http://www.rtcgroupplc.co.uk)

# Welcome to the RTC Group Annual Report 2017

RTC Group PLC is an AIM listed engineering and technical recruitment business that provides temporary, permanent and contingent staff to a broad range of industries and clients in both domestic and international markets.

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



Picture 7

ATA supplies white and blue-collar staff to a broad range of clients in the rail, engineering and manufacturing sectors.



Picture 8

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



Picture 9

GSS provides large scale managed service staffing solutions for international clients in high risk environments.

## Learn more

RTC maintains a corporate website at [www.rtcgroupplc.co.uk](http://www.rtcgroupplc.co.uk) Containing a wide range of information of interest including:

- Latest news and press releases
- Company reports and presentations

Picture 10

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### Highlights



### Financial

- Group revenue £71.7m (2016: £67.9m). 6% increase.
- Profit before tax £1.3m (2016: £1.1m). 18% increase.
- Earnings per share (basic) 8.06p (2016: 5.80p). 39% increase.

### Operational



- ATA maintained its gross profit levels and increased its contribution to Group despite the difficult trading conditions experienced in the UK technical and engineering recruitment markets.



- Ganymede continued to deliver on its core contract with Network Rail and its Energy division secured a new long-term high value contract with SSE plc to supply dual fuel meter installers for its smart-meter rollout programme that commenced in November 2017.



- GSS won a new overseas contract and grew its existing core contract increasing its contribution to Group.

### Group at a glance

RTC Group Plc is an AIM listed recruitment business that focuses on white and blue-collar recruitment, providing temporary, permanent and contingent staff to a broad range of industries and clients in both domestic and international markets through its subsidiary companies.

ATA supplies recruitment solutions to the engineering, technical and manufacturing sectors, Ganymede is focused on the supply of labour into safety critical environments, predominantly in the rail and energy sectors, and GSS provides managed service solutions for international clients. The Group headquarters are located at the Derby Conference Centre which also provides office accommodation for ATA and Ganymede in addition to generating rental and conferencing income from space not utilised by the Group.

#### **ATA**

ATA supplies recruitment solutions to the engineering and technical sectors. It has two core operating units - projects and branches. Projects supply to major infrastructure and transport projects whilst the branch network is focused on supporting local manufacturing and engineering companies. ATA is uniquely positioned in the sector to provide both permanent and contract solutions to a wide range of clients from SME regional manufacturers to the very largest transport and infrastructure project management organisations. ATA's main operating sectors are civil engineering, rolling stock, highways, rail infrastructure, facilities management and maintenance, specialist equipment manufacturing, technology, process and FMCG industries.

#### **Ganymede**

Ganymede supplies labour into safety critical environments. Its core business is the supply and operation of contingent labour within the rail industry. As a RISQS approved supplier, Ganymede is a leading provider of blue and white-collar skilled and semi-skilled labour, safety critical personnel and technical staff on call-off and temporary term contracts. Additionally, Ganymede Energy is a UVDB accredited specialist engineering recruiter focused on providing domestic and commercial gas and electrical engineers. Ganymede also provides and manages contingent labour within the construction, infrastructure, highways, general civil engineering and utilities sectors.

#### **GSS**

GSS is a staffing solutions provider with a track record of delivery in some of the world's most hostile locations. GSS works with clients across the globe that are focused on delivering projects in a variety of engineering sectors. Working closely with its clients 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.

### Chairman's statement

For the year ended 31 December 2017

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

#### **Growth strategy on track**

I am delighted to report that the growth strategy articulated by the Group CEO is being followed by all subsidiary businesses, which continue to deliver profitable growth as planned. Pre-tax profits were up 18% at £1.3m (2016: £1.1m) leading to a 39% increase in basic earnings per share at 8.06p (2016: 5.80p) and we are confident that there is further improvement to come through organic growth and by acquisition. The Board is committed to achieving these improvements and to ongoing profitable growth.

#### **Acquisition strategy vindicated**

In 2014 the Group acquired a company specialising in providing domestic gas engineers for the following reasons: the service provided a fit with Ganymede's 'safety critical' mantra; it would diversify Ganymede's service offering away from rail and it would present an opportunity for growth given the Government's Smart Meter roll-out plans. In 2017, that strategy was vindicated when Ganymede Energy secured a significant long-term contract to train and supply a minimum of 250 dual fuel installers to serve the roll out of SSE Plc's Smart Meter programme.

#### **Building on a solid base**

The Group is built on three pillars of recruitment – UK engineering and manufacturing; UK Rail & Infrastructure & Energy; and, internationally, the supply of wide ranging skills in hostile environments. The deliberate positioning on this strong and diverse base enables the Group to capitalise on prevailing market conditions both in the UK and internationally. In addition, around 50% of our total business derives from long-term contracts in UK Rail and Energy and in overseas markets, which are not as sensitive to short term fluctuations in the UK economy, providing a solid foundation on which to maximise permanent and short-term contract revenues.

Our Group businesses support each other –growth in one enables us to invest for future growth in the others. The soundness of this philosophy was proven again in 2017 with our international business, Global Staffing Solutions, enjoying a very good year as operations in Afghanistan continued to rise and other sources of revenue were secured. While ATA, our business which is affected most by the health of the UK economy, delivered exceptional growth in its contract business that offset the continuing difficulty in permanent recruitment being seen across the industry. Ganymede, supplying labour into safety critical environments, continued to prosper with good demand in the Rail industry whilst its energy division prepared to service its new long-term contract.

### Chairman's statement

For the year ended 31 December 2017

#### Rewarding our shareholders

Whilst we continue to grow through investing in our existing business and, as the opportunity arises, through carefully selected acquisitions, rewarding our shareholders for their loyalty and their confidence in our business model and management is very important to us. Accordingly, our progressive dividend policy remains a central part of our investment proposition. As a sign of our confidence in the Group's future performance, an interim dividend of 1.2p has been paid (2016: 1.1p). The Directors are now proposing a final dividend for the 2017 year of 2.3p per share (2016: 2.0p), subject to approval at the annual General Meeting on 18<sup>th</sup> April 2018.

#### Our ambition

The medium-term strategy for the Group is to grow through the continuing organic growth of our existing footprint and clients both in the UK and internationally and by acquisition. In a very fragmented industry we believe there is much room for progress in both areas and for consolidation into larger more efficient enterprises. Through our Ganymede Energy acquisition, we have clearly demonstrated our ability to identify a strategic opportunity and harvest the gains and we have great confidence in our ability to continue to do so.

We enter 2018 with optimism following a strong performance in 2017. ATA and Ganymede are well placed to take advantage of economic growth and increases in infrastructure spending. Global Staffing Solutions is benefitting from increased demand from Afghanistan and across other regions from its longstanding client KBR and has also secured new clients in the regions in which it operates. Within Central Services, the Derby Conference Centre has now completed its improvement programme and is experiencing increasing demand for its products.

#### Our people

Our most important asset continues to be our people. We have a highly engaged and productive workforce led by an experienced and established management team fully capable of achieving our ambitions. I should like to thank all our staff at all levels for their loyalty, hard work and enthusiasm.

W J C Douie  
Chairman

25 February 2018

### Chief Executive's operational and strategic review

For the year ended 31 December 2017

#### Overview

I am delighted to announce that 2017 was a very successful year for RTC, with the Group recovering strongly from the disappointing drop in profits in the second half of 2016, which was caused through the impact of the UK decision to exit the European Union. Our results are especially pleasing, as many of our peer group have failed to regain the lost ground from 2016. I believe our success demonstrates that our business model, first outlined in our 2014 annual report, of building and investing in independent and complementary subsidiary businesses is both robust and capable of delivering long term value to our shareholders.

All our subsidiary businesses make a profitable contribution to the Group and have built long term strategic partnerships with key players in their respective sectors. This has enabled the Group to capture around 50% of its annual turnover as secured order book business with a visible revenue stream exceeding £125m over the next 3 years.

The Group's overall financial position is now much stronger than it has been at any point and it is worth noting that since our return to profitability in 2012 we have increased our revenues by over 65%, our operating profit by over 136% and our basic earnings per share by over 87%. This financial strengthening has been achieved at the same time as making significant capital and operating investments in each of our subsidiary businesses to make them fitter and stronger to compete in highly populated markets. At the same time, we have doubled the total equity underpinning the Group and returned over £1.4m of dividends to our shareholders, giving exceptional year on year dividend yield and growth. Our long-term strategy of investing in all our stakeholder groups is working and I now believe we have a value proposition to attract and retain the best employees, candidates, clients and investors.

Whilst there remains some uncertainty and mixed opinion about short and medium-term prospects for the UK economy we believe that the sectors and clients we have built relationships with have fundamental long-term growth trends which will continue to provide a significant and recurring upside for our Group to secure greater shareholder value. Furthermore, I am also delighted that our international business which recruits personnel from over 30 countries and places them in hostile environments is now entering a welcomed growth phase having secured new long-term contracts with existing and new clients and we now have good visibility of solid revenue for the foreseeable future.

In 2016, I outlined in detail a full SWOT analysis for the Group to provide a roadmap of challenges for each of our businesses to improve operational effectiveness and increase long term profitability. I am pleased to say that our relentless focus on establishing best practise across the Group has seen a range of performance enhancements which have driven up efficiencies that have fed through into a higher net contribution on a constant gross margin. These operational improvements, coupled with the strategic growth plans identified for each of our businesses, will have a growing influence on our profitability as our key markets fully rebound from the current uncertainties affecting the recruitment sector.



### Chief Executive's operational and strategic review

For the year ended 31 December 2017

One disappointing note at the end of the year was the collapse of Carillion PLC which had an impact on our Ganymede business. It was a harsh reminder of the risks the recruitment sector faces, regardless of the size of client organisations and thankfully our financial diligence process ensured our exposure was kept both manageable and within our internal debt cap approved by our financial directorate.

#### Subsidiary company review

##### ATA

2017 was an important year for ATA, as it reshaped operations following the decline in permanent revenue in its projects business during 2016. The slowdown in permanent recruitment activity in the infrastructure sector which began following the UK decision to leave the European Union continued to impact industry wide throughout 2017. However, whilst permanent revenue was down in ATA projects, the division had significant success in capturing new contract opportunities as clients' hiring strategies reflected a more cautious approach to headcount growth and project deployment. Our consolidated branch network which supports UK manufacturing and engineering clients with a mix of permanent and temporary staffing solutions had a strong year as UK exports continued to be boosted by favourable exchange rate conditions. Whilst both the projects and branch network have individual business models appropriate to target sectors, collective operational improvements have been gained through new systems, procedures and work methodologies. These improvements have seen revenues and contribution grow while headcount has remained constant giving rise to greater efficiencies across the business.

##### Ganymede

Ganymede had another highly successful year with its long-term contract with Network Rail operating at its expected run rate. We have been delighted with the performance of the business and its successful positioning as Network Rail's largest manpower provider on its contingency labour framework for renewals and maintenance. Ganymede is now an industry leader in the provision of contingency labour to the rail industry and this is recognised through its apprentice investment programme which has trained and integrated over 100 new young employees into the sector over the past 3 years. This commitment to the training, development and deployment of new personnel to the sector is a vital differentiator and will ensure a strong competitive advantage in the tender process for CP6. In addition to the direct contract with Network Rail Ganymede is successfully securing a wide range of contracts with other tier one suppliers of Network Rail and given the recent collapse of Carillion PLC we are confident that Ganymede will secure further additional business from the sector.

### Chief Executive's operational and strategic review

For the year ended 31 December 2017

2017 also saw Ganymede's energy acquisition secure a significant contract with Scottish and Southern Electric Plc (SSE). The contract with SSE to provide a minimum 250 engineers on their Smart Meter roll out programme is the first of its kind in the industry with Ganymede identifying, training and deploying operatives over a 3-5-year period. The acquisition of RIG Energy was completed in 2014 and having already paid back the cost of purchase the business is set to generate around £28m revenue from this contract win. Ganymede Energy is now firmly placed as the country's leading provider of Smart Meter engineers and having developed its talent acquisition and development programme is set to capitalise on the huge growth prospect the industry is set to experience as the Government's Smart Meter roll out programme gathers momentum.

#### GSS

Having weathered a number of difficult years of declining revenue, our international business GSS has had an outstanding year increasing its net contribution to Group by over 40%. New contracts have been secured with KBR its long standing international partner to provide staff to a range of territories including Afghanistan, Iraq, Somalia, Oman, UAE and Bahrain and new contracts have been won with another major US outsourcing organisation providing staff to support international operations on a wide range of large value projects. GSS is now firmly positioned as one of this country's leading providers of personnel to large value international contracts supporting NATO and its partner companies.

#### Central Services

The conference centre at our headquarters in Derby (the Centre) fully reopened for business in 2017 having undergone an extensive refurbishment programme. As well as providing first class accommodation for our Group headquarters, our Ganymede and ATA subsidiaries have substantial operating units located at the site and this attracts many of our collective clients to the facility. This has resulted in complementary revenue being generated for the Centre and many of our clients have developed long term relationships directly with the business. The refurbishment programme modernised all available office accommodation at the facility and I am delighted to say that we have now secured long-term tenants for all space not being utilised by our Group and its subsidiary businesses. In addition, the Centre through its grade 2 listed main building is also a thriving hub of activity in the East Midlands with regular large-scale events, the largest in 2017 catering for 1,000 people, daily conferencing attracting companies from throughout the region and a Business Centre providing vital networking and flexible office space for a variety of start-ups and new business ventures. Initial indications are that the new facility is fast becoming the go to place in the region. Further investments to enhance the quality of the site are planned for this year and we believe once completed will position the Centre as the leading conference centre in the East Midlands.

### Chief Executive's operational and strategic review

For the year ended 31 December 2017

#### People

Our success is fundamentally based around our people and therefore attracting and retaining the best talent across all our businesses is key to achieving the strategic challenges we set ourselves. We have dedicated employees across all our subsidiary businesses and within our Group headquarters and their collective effort, quality and commitment is the driving force that enables us to grow our businesses ahead of our competition. I would therefore like to extend a huge thank you on behalf of the Board of Directors to everybody in our Group.

#### Outlook and future growth strategy

Our business model of growing independent subsidiary businesses has provided a sound and stable platform for the Group to capture significant value for its shareholders. Since returning to profitability in 2012, the Group has continued to grow despite macro-economic issues which have destabilised the UK economy and created volatility in an already fragile recruitment sector. Despite this our businesses have secured some of the largest contracts being tendered in their respective sectors and we believe we can build on this success as the bid pipeline across our chosen sectors remains extremely healthy. We are confident that our organic growth plan will continue to increase shareholder value by capitalising on our strong market positions in the industries and sectors that we support. We enter 2018 with optimism.

In addition to our incremental organic growth plan the Board now believes the time is right for RTC to pursue a transformational acquisition plan. During, 2018 we will continue the process of identifying complementary organisations that offer a broad range of consolidatory and diversification opportunities for our Group to integrate into and alongside our existing subsidiary businesses. We believe we have a proven senior executive team to attract both the debt finance and new capital support that our ambition plans will necessitate. We see consolidation as a key industry imperative over the next 5 years and believe it is in the long-term interests of all our stakeholders that we begin to position ourselves to capitalise on the opportunities that the shift in industry dynamics will present.

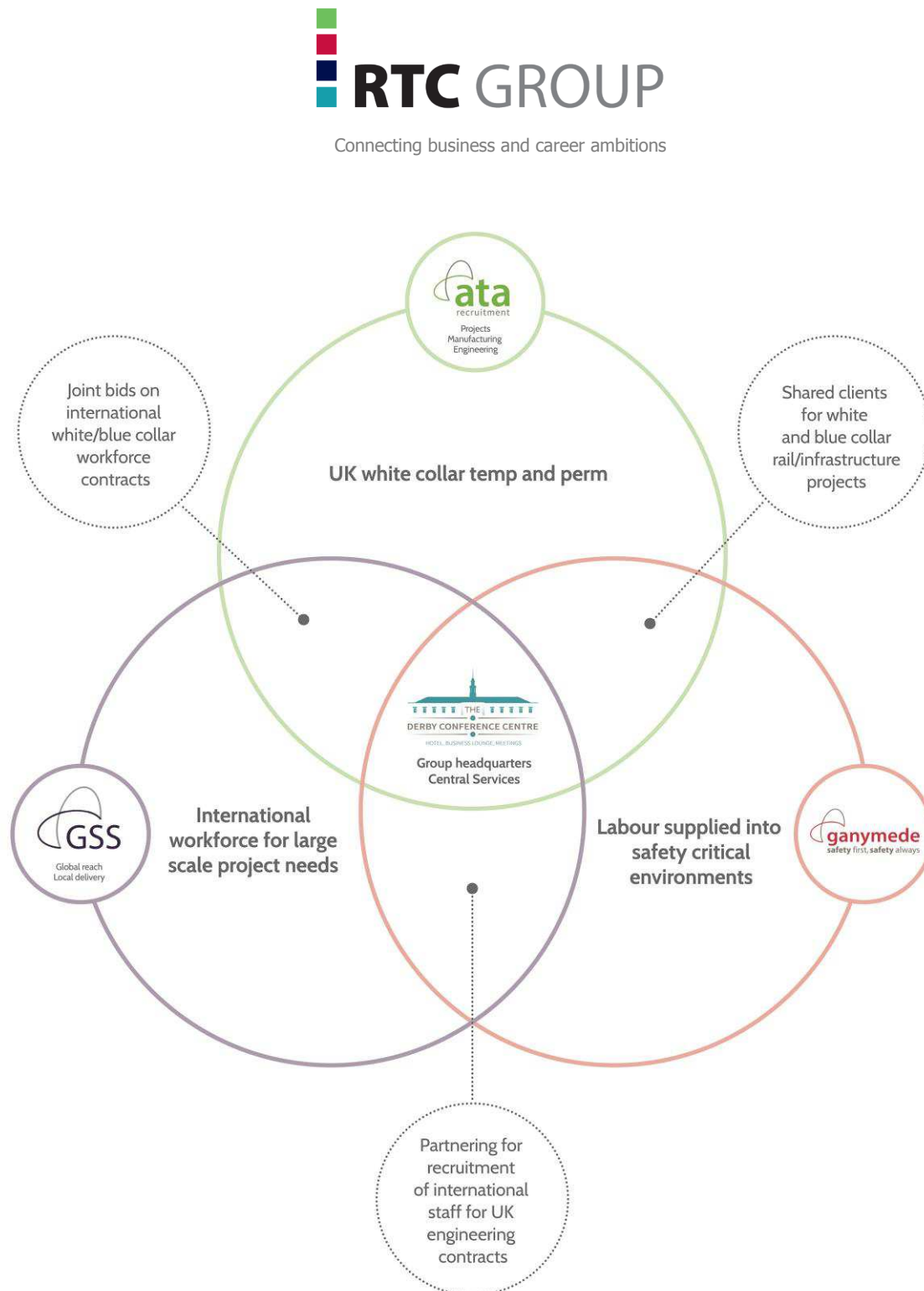
A M Pendlebury  
CEO

25 February 2018

## Chief Executive's operational and strategic review

For the year ended 31 December 2017

### Group business model



### Key performance indicators

For the year ended 31 December 2017

**Revenue, £m**

2017 £71.7m, 2016 £67.9m, 2015 £64.9m.

**Gross profit, £m**

2017 £12.0m, 2016 £12.1m, 2015 £12.7m.

**Gross profit conversion rate<sup>1</sup>, %**

2017 12%, 2016 10%, 2015 11%.

**Profit from operations, £m**

2017 £1.4m, 2016 £1.2m, 2015 £1.4m.

**Profit before tax, £m**

2017 £1.3m, 2016 £1.1m, 2015 £1.3m.

**Basic earnings per share, pence**

2017 8.06p, 2016 5.80p, 2015 7.85p.

**Dividend paid (during year) per share, pence**

2017 3.2p, 2016 3.1p, 2015 2.0p.

**Gearing ratio**

2017 1.1, 2016 1.3, 2015 1.4.

<sup>1</sup>Gross profit conversion rate is calculated as profit from operations/gross profit.

### Effective risk management

For the year ended 31 December 2017

The Corporate Governance section describes how the Group manages its 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 following the decision to leave the EU, we believe that the sectors and clients we have built relationships with have fundamental long-term growth trends. Further, the deliberate positioning of two out of three of our businesses in rail infrastructure, 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. In the UK we are targeting the growth of our ATA contract placement activity to offset any short-term fluctuations in permanent placements in manufacturing and engineering. The Group's cost base is carefully managed to align with business activity. The Group is continually focused on cash generation and keeping net debt at prudent levels. This risk is further mitigated by the new Network Rail and SSE plc contracts within Ganymede, which are not cyclical. The Group also maintains a regular dialogue with its bank to ensure that we have our bank's backing.

#### ***Loss of key customers***

Loss of a key customer or large contract is a significant risk. To minimise this risk, the strategy across all our businesses is to retain existing customers and actively pursue new customers and longer-term contracts and to identify new market opportunities to spread the risk. This was evidenced in 2017 when we secured a new long-term contract in our Ganymede Energy division. We also take very seriously our commitment to providing excellent service and building and maintaining customer relationships.

#### ***Competition***

The recruitment market is 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 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 client needs.

#### ***Shortage of skilled candidates***

A shortage of skilled candidates 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 and build strong relationships with clients and candidates and actively manage the recruitment and offer process throughout ensuring that client and candidate needs are met.

#### ***Credit risk***

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

### Effective risk management

For the year ended 31 December 2017

#### ***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. 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 contingent 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 this risk, in conjunction with our professional advisers, we monitor all changes in legislation and keep our documentation and procedures under review. The Group 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 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 and a cyber-attack could interrupt business, threaten confidentiality and lead to loss of client and candidate confidence. The Group is responding to this threat in a number of ways including system security measures and raising awareness with and training our staff to be vigilant. The Group also has responsibilities to protect data under the General Data Protection Regulation (GDPR). GDPR is a European Union (EU) regulation adopted by the European Parliament in May 2016. GDPR will strengthen and unify data protection for individuals within the EU, whilst addressing the export of personal data outside the EU. The regulation will become enforceable in May 2018 and the Group is currently working to ensure full compliance.

The strategic report was approved by the Board on 25 February 2018 and signed on its behalf by:

S L Dye  
Secretary

### Finance Director's statement

For the year ended 31 December 2017

#### Financial highlights

The Group delivered a 20% increase in profit from operations of £1.4m (2016: £1.2m) from planned efficiencies in administrative expenses. Correspondingly gross profit conversion to operating profit increased to 12% (2016: 10%).

ATA maintained its gross profit levels and increased its contribution to Group despite the difficult trading conditions experienced in UK technical and engineering recruitment markets.

Ganymede continued to deliver on its core contract with Network Rail and its Energy division secured a new long-term high value contract with SSE plc to supply dual fuel meter installers for its smart-meter rollout programme that commenced in November 2017.

GSS won a new overseas contract and grew its existing core contract significantly increasing its contribution to Group.

Within Central Services, the conference centre bounced back from the disruption experienced during refurbishment in 2016 and showed it is well on the way to achieving the increased levels of activity expected from Group's investment in its facilities.

#### Taxation

The tax charge for the year was £0.2m (2016: £0.3m). The variance between this and the expected charge if a 19.25% corporation tax rate was applied to the profit for the year is explained in note 7.

#### Dividends

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share.

#### Statement of financial position, cash generation and financing

Net working capital has increased to £2.2m (2016: £1.4m). This increase reflecting increased turnover with new and existing clients in ATA and GSS who typically have 60 days credit terms. This also impacted the ageing profile for the Group - overall debtor days were 42 (2016: 36). Included in trade debtors is £92,000 relating to Carillion Construction Limited which has been fully provided in the statement of comprehensive income.

The ratio of current assets to current liabilities has improved slightly at 1.2 (2016: 1.1). The Group's gearing ratio, which is calculated as total borrowings over net assets was 1.1 (2016: 1.3). The Group has no term debt and is financed solely using its confidential invoice discounting facility with HSBC. Interest cover was 17.5 (2016: 11.3).

The Group's current bank facilities include an overdraft of £50,000 and a confidential invoice discounting facility of up to £9.0m with HSBC. Both are renewable annually. The Group is currently operating well within its facility. The Board closely monitors the level of facility utilisation and availability, to ensure that there is sufficient headroom to manage current operations and support the growth of the business. The Group continues to be focused on cash generation and building a robust balance sheet.

S L Dye  
Group Finance Director

25 February 2018



## Directors' report

For the year ended 31 December 2017

The directors submit their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2017.

### 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 £71.7m (2016: £67.9m). The Group recorded profit from operations for the year of £1.4m (2016: £1.2m).

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

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share. The Directors have proposed a final dividend of £321,267, (2.3p per share) (2016: £277,363, 2.0p per share) to be paid on 2 July 2018 to shareholders registered on 8 June 2018. This has not been accrued within these financial statements as it was not formally approved before the year end.

### Share capital

Details of share capital are shown in note 17.

### Directors

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

W J C Douie  
A M Pendlebury  
S L Dye  
B W May

Directors' interests in the 1p ordinary shares of the Company and their share options are set out in note 5. A M Pendlebury retires by rotation and offers himself for re-election.

### Significant shareholders

Interests exceeding 3% of the issued ordinary share capital of the Company that had been notified at 1 February 2018 were as follows:

	Number of shares	% issued share capital
W J C Douie	2,305,541	15.74%
Gerard Anthony Mason	1,178,735	8.05%
Alison Chapman	1,155,340	7.89%
Chelverton Asset Management	1,000,000	6.83%
David Stredder	740,000	5.05%
A M Pendlebury	696,871	4.76%
RTC Group Employee Benefit Trust	675,581	4.61%
Graham J Chivers	515,809	3.52%

## Directors' report

For the year ended 31 December 2017

The share interests of the directors who served during the year, in the ordinary shares of the Company at the start and end of the year, were as follows:

	2017	2016
W J C Douie	2,305,541	2,305,541
A M Pendlebury	696,871	696,871
S L Dye	43,000	43,000
B W May	30,000	30,000

The market price of the Company's shares on 31 December 2017 was 55.5p and the highest and the lowest share prices during the year were 74.5p and 42.5p respectively.

The total expense recognised in the statement of comprehensive income in respect of share-based payment was £119,570 (2016: £46,228).

### 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 issued share options to some staff during the year.

### Equality diversity and inclusion (EDI)

We are committed to developing, maintaining and supporting a culture of equality, diversity and inclusion in our workforce, creating a working environment in which there is no unlawful discrimination and where decisions are based on merit. The Group Board have demonstrated their commitment to EDI through top down engagement and directors and senior managers are championing EDI across the Group.

An EDI training programme was rolled out to ensure that everyone is aware of the Group's commitment to EDI, to highlight the benefits of a diverse workforce and to ensure that everyone is aware of their rights and obligations. EDI data for employees, operatives and workers has been collated and analysed which gives a baseline against which we can measure our EDI progress as well as giving our clients the information they require to monitor theirs.

### Employment of disabled persons

The Group is committed to a policy of recruitment and promotion based on aptitude and ability without discrimination. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The Group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Group. Retraining of employees who become disabled whilst employed by the Group is offered where appropriate.

## Directors' report

For the year ended 31 December 2017

### Employee engagement and involvement

The Group sees employee engagement and involvement as an essential element of a successful organisation, therefore ensuring two-way communication between management and employees is a must. To facilitate this, we maintain an intranet site that provides employees with information relating to their employment along with any Group news or matters of concern. Employees are encouraged to give feedback through this medium along with other lines of communication. All staff are invited to attend the Group's annual awards dinner at which both individual and subsidiary company successes are celebrated, and staff are apprised of the Group's overall performance by the Chief Executive.

### Modern Slavery

The Group is committed to preventing slavery and human trafficking occurring in any of its corporate activities, as well as seeking to ensure that our supply chains are also free from such practices. The Group's Modern Slavery Act Statement can be found on its website [www.rtcgroupplc.co.uk](http://www.rtcgroupplc.co.uk).

### 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 balance sheet events

There have been no significant events to report since the date of the balance sheet.

### 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.

### Going concern

The Group has made a pre-tax profit of £1,337,000 from continuing operations and the directors have taken this into account when assessing the going concern basis of preparation. The directors are satisfied that taking account of the Group's net assets of £4,189,000, its bank facilities which have been agreed until February 2019 and the Group's forecasts for the next 18 months, that the going concern basis of preparation is appropriate and the directors have reasonable expectation that the Group will continue in operational existence for the foreseeable future.

### Financial risk management objectives and policies

Treasury activities take place under procedures and policies approved and monitored by the Board. They are designed to minimise the financial risks faced by the Group which arise primarily from interest rate and liquidity risk. The Group's policy throughout the period has been to ensure the continuity of funding by use of an overdraft and an invoice discounting facility.

## Directors' report

For the year ended 31 December 2017

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 19.

### Directors' responsibilities

The directors are responsible for preparing the director's report and the 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 International Financial Reporting Standards

(IFRSs) as adopted by the European Union, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)". 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 Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board  
S L Dye  
Secretary

25 February 2018

## Corporate governance statement

For the year ended 31 December 2017

### Statement by the Directors on the UK Corporate Governance Code (the “code”)

As a Company listed on the AIM market of the London Stock Exchange, RTC Group Plc is not required to comply with the code. This report therefore does not describe how the Group has complied with the code and does not explain any departures from it. However, the Group has considered the main principles of the code as they relate to an effective Board, being leadership, effectiveness, accountability, remuneration and relations with shareholders.

A brief outline 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, the Chief Executive, the Group Finance Director and one non-executive director.

The Board has a schedule of matters specifically reserved for its decision. The Board meets regularly and 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. All directors have access to the advice of the company secretary and can take independent advice, if necessary, at the Company’s expense.

The Group believes that in its Board it has at its disposal 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

### W J C Douie, Chairman

After two years in export sales, commencing in 1962, with British Oxygen, he moved into banking with Midland Bank and qualified as an associate of the Institute of Bankers. In 1969 he moved into Merchant Banking, joining Keyser Ullmann Limited and spent six years in Investment Management before joining the Bank board in 1975. In 1981, following the merger of Keyser Ullmann and Charterhouse Japhet, he left to buy out, and become Chairman of, the Group’s Instalment Credit subsidiary, Broadcastle Plc, and to become Chairman of British Benzol Limited, a fully listed Company in the solid fuel industry. Following the acquisition by Broadcastle of Harton Securities Limited, he oversaw the merger of Broadcastle Plc and ATA Selection Plc, a USM listed recruitment Company, before becoming Chairman of the Group in 1990. He joined with Clive Chapman in 1992 to purchase the ailing ATA business from the Group and remains Executive Chairman.

### Corporate governance statement

For the year ended 31 December 2017

#### **A M Pendlebury, 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.

#### **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 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 five 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 as Group Finance Director of RTC Group Plc in February 2013.

#### **B W May, Non-Executive Director**

Brian is a Chartered Civil Engineer and progressed his career in Tarmac Construction Ltd, subsequently holding several senior positions in Mowlem Plc over the course of 15 years. In 2000, Brian became Chief Executive of Laing Construction Plc, followed by HBG Construction Ltd in 2001. Brian held the position of Chief Executive Officer of Renew Holdings for 11 years until his retirement in 2016.

#### **Board Committees**

The Board has a remuneration committee and an audit committee.

The audit committee comprises W J C Douie and B W May. It is chaired by W J C Douie. The committee meets as necessary to monitor the Group's internal control systems and major accounting and audit related issues.

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 W J C Douie and B W May. It is chaired by W J C Douie. No members of the remuneration committee are involved in determining their own remuneration.

#### **Relations with shareholders**

The Board values the views of its shareholders. The Annual General Meeting 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.

## Corporate governance statement

For the year ended 31 December 2017

### Internal control

Internal control systems are designed to meet the needs of the Group and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. 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 decisions by the Board.
- **Quality and integrity of personnel**  
The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. 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.

An annual programme of specialist audit reviews that is focused on key risk areas is approved by the audit committee and carried out by specialists who are independent of the Group's management team.

## Remuneration report

For the year ended 31 December 2017

### 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 gives full consideration to provisions set out in section D (remuneration) of the UK Corporate Governance Code in determining remuneration packages.

### Executive directors' remuneration

The remuneration package for executive directors comprises:

- basic salary;
- pension;
- 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.

### Pensions

For the year ended 31 December 2017, the Company contributed an amount equal to the following % of directors' basic salaries either to defined contribution pension schemes or as salary in lieu of pension: A M Pendlebury, 15% and S L Dye, 15%.

### Other benefits

Other benefits include a Company car, private medical insurance, critical illness and life cover.

### Performance related bonuses

Bonuses are paid at the discretion of the directors as an incentive and to reward performance during the financial year. Details are set out below and in note 5.

### Share based incentives

The Group has formulated a policy for the granting of share options to executive directors and full-time employees. Details of the plan for executive directors are set out below. Awards made in the year are in note 5.

### 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 could be awarded is 100% of basic salary. The current policy is to review the final audited results of the Company prior to agreeing if awards are to be made.



## Remuneration report

For the year ended 31 December 2017

### Awards under the LTIP

In 2017 awards were made to three executive directors based on the financial results for the year ended 31 December 2016, each award representing 30% of basic salary as at 31 December 2016.

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 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 the performance target where it is considered appropriate to do so.

Details of the awards are set out in note 5.

### Service contracts

A M Pendlebury has a service agreement with the Company which is terminable upon 12 months' notice in writing by either party. W J C Douie and S L Dye have service agreements which are terminable upon 6 months' notice in writing by either party.

Details of directors' remuneration can be found in note 5.

### 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.

Details of non-executive directors' remuneration can be found in note 5.

On behalf of the Board

W J C Douie  
Chairman

25 February 2018

### 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 2017 which comprise the consolidated statement of comprehensive income, the consolidated and the parent company statements of financial position, the consolidated and the parent company statements of changes in equity, the consolidated and the parent company cash flow statements and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 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.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period 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.

#### Key audit matter – potential overstatement of recruitment revenue

Refer to the accounting policies page 32 and note 2 page 40. Total group turnover is £71,687k (2016: £67,900k).

We consider the Group's recruitment revenue cut off at the year-end is a key audit matter as this involves a degree of judgement when accruing for contractors' time worked and contractors placed pre-year end but not yet invoiced. Furthermore, in order to meet the Group's performance expectations, there is an incentive for management to inflate the volume and value of placements recognised in the year that are inconsistent with the Group's accounting policies or IAS 18 Revenue. The above are considered areas of audit risks affecting the existence and cut off assertions.

#### Our response

We have verified the existence of both permanent and contract placement revenue streams by a combination of tests of controls and substantive testing to confirm that they have been recognised in accordance with the Group's accounting policy and contractual terms as follows;

We have tested permanent placement revenue existence and cut off substantively. We have applied particular focus on placement sales near the year-end that remained unpaid that may indicate a risk over existence of this revenue recognised in the year. We have undertaken a review of journals to identify direct adjustments to revenue that may be outside the normal course of the revenue cycle.

For contract placement revenue in ATA Recruitment Limited and ATA Global Staffing Solutions Limited, we have reviewed the operating effectiveness of controls that were in operation throughout the year over external and internal timesheet authorisation of contract placements. We have further reviewed the application of cut off procedures applied to contractors' time sheets overlapping the year end date to ensure that revenue is recognised in the correct year.

For contract placement revenue in Ganymede Solutions Limited, there had been changes to the process and controls over this revenue cycle and we considered that a fully substantive testing approach was the most appropriate for this year. We have tested substantively the application of cut off procedures applied to contractors' time sheets overlapping the year end date to ensure revenue is recognised in the correct year.

The Group's accounting policy for recognising recruitment revenue is set out in note 1. We appraised the Group's policy in light of International Accounting Standard 18 "Revenue" ("IAS 18"). We are satisfied that revenue has been recognised in accordance with the Group's accounting policy and relevant accounting standards.

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

#### Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and forming our opinions.

#### Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £67,000 (2016 - £133,000), which was based on 5% of profit before tax this year whilst 2016 was based on 10% of profits before interest, tax, depreciation and amortisation. Whilst the business has grown during the year, the reduction of materiality is considered appropriate and in line with similar businesses listed on the AIM market.

#### Reporting threshold

An amount below which identified misstatements are considered to be clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £3,350, which was set at 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluated any uncorrected misstatements against both quantitative measures of materiality discussed above and in light of other relevant qualitative considerations when forming our opinion.

#### An overview of the scope of our audit

The Group manages its central operations from the Derby Conference Centre with regional offices at various locations throughout the UK and overseas to support its subsidiary day to day operations. As at the balance sheet date, the Group consists of the Group holding company ('the parent company'), four trading subsidiaries in the UK, one in Dubai and two dormant subsidiaries.

The Group engagement team carried out statutory audits for all companies in the Group except for the dormant companies and overseas subsidiaries as they are not material to the Group and not subject to audit. The team included tax and valuation specialists to review tax and share based payment calculations respectively.

Our audit work on each component was executed at levels of materiality applicable to the individual entity which was lower than Group materiality. Financial statement materiality applied to the relevant components of the Group was in the range of £27,000 to £64,000.

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 its 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.

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

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

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

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Richard Wilson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Nottingham  
25 February 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated statement of comprehensive income

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
<b>Revenue</b>	2,3	<b>71,687</b>	67,900
Cost of sales		<b>(59,710)</b>	(55,794)
<b>Gross profit</b>		<b>11,977</b>	12,106
Administrative expenses		<b>(10,559)</b>	(10,929)
<b>Profit from operations</b>	4	<b>1,418</b>	1,177
Finance expense	6	<b>(81)</b>	(104)
<b>Profit before tax</b>		<b>1,337</b>	1,073
Tax expense	7	<b>(216)</b>	(273)
<b>Total comprehensive income for the year</b>		<b>1,121</b>	800
<b>Earnings per ordinary share</b>			
Basic	8	<b>8.06p</b>	5.80p
Fully diluted	8	<b>7.53p</b>	5.44p

## Consolidated statement of changes in equity

For the year ended 31 December 2017

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	145	96	(473)	50	95	3,455	3,368
Total comprehensive income for the year	-	-	-	-	-	1,121	1,121
Dividends	-	-	-	-	-	(445)	(445)
Share options exercised	1	24	-	-	-	-	25
Share based payment charge	-	-	-	-	120	-	120
At 31 December 2017	146	120	(473)	50	215	4,131	4,189

	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 2016	143	66	(473)	50	54	3,080	2,920
Total comprehensive income for the year	-	-	-	-	-	800	800
Dividends	-	-	-	-	-	(430)	(430)
Share options exercised	2	30	-	-	(5)	5	32
Share based payment charge	-	-	-	-	46	-	46
At 31 December 2016	145	96	(473)	50	95	3,455	3,368

### Share capital

The nominal value of share capital subscribed for.

### Share premium account

The amount subscribed for share capital over and above the nominal value of the shares'.

### Capital redemption reserve

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

Cost of Company's own shares purchased through the Employee Benefit Trust shown as a deduction from equity.

### Share based payment reserve

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

### Retained earnings

All net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.



## Consolidated statement of financial position

As at 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Assets</b>			
<b>Non-current</b>			
Goodwill	9	132	132
Other intangible assets	10	472	642
Property, plant and equipment	11	1,410	1,260
Deferred tax asset	12	84	33
		2,098	2,067
<b>Current</b>			
Cash and cash equivalents		161	60
Inventories	13	6	12
Trade and other receivables	14	13,223	11,183
		13,390	11,255
<b>Total assets</b>		<b>15,488</b>	<b>13,322</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	15	(6,310)	(5,429)
Corporation tax		(209)	(132)
Current borrowings	15	(4,712)	(4,289)
		(11,231)	(9,850)
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	(68)	(104)
<b>Net assets</b>		<b>4,189</b>	<b>3,368</b>
<b>Equity</b>			
Share capital	17	146	145
Share premium		120	96
Capital redemption reserve		50	50
Own shares held		(473)	(473)
Share based payment reserve		215	95
Retained earnings		4,131	3,455
<b>Total equity</b>		<b>4,189</b>	<b>3,368</b>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 25 February 2018 by:

A M Pendlebury  
Director

S L Dye  
Director

## Consolidated statement of cash flows

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Cash flows from operating activities</b>			
Profit from operations		1,418	1,177
Adjustments for:			
Depreciation and amortisation		399	382
Loss on disposal		-	5
Employee equity settled share options charge		120	46
Change in inventories		6	1
Change in trade and other receivables		(2,040)	560
Change in trade and other payables		881	(483)
<b>Cash inflow from operations</b>		<b>784</b>	1,688
Income tax paid		(226)	(270)
<b>Net cash inflow from operating activities</b>		<b>558</b>	1,418
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(379)	(1,129)
Purchase of intangible assets		-	(79)
<b>Net cash used in investing activities</b>		<b>(379)</b>	(1,208)
<b>Cash flows from financing activities</b>			
Interest payments		(81)	(104)
Lease purchase payments		-	(11)
Dividends paid		(445)	(430)
Proceeds from exercise of share options		25	30
<b>Net cash outflow from financing activities</b>		<b>(501)</b>	(515)
<b>Net decrease in cash and cash equivalents from operations</b>		<b>(322)</b>	(305)
<b>Total net decrease in cash and cash equivalents</b>		<b>(322)</b>	(305)
Cash and cash equivalents at beginning of period		(4,229)	(3,924)
Cash and cash equivalents at end of period	18	(4,551)	(4,229)

## Notes to the Group financial statements

For the year ended 31 December 2017

### 1. Statement of accounting policies

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

#### a) Basis of preparation

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 International Financial Reporting Standards (IFRS) and IFRIC Interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies which follow set out those policies which apply in preparing financial statements for the Group and the Company.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements relate to the estimation of the fair value of intangible assets arising on acquisition (refer point g and note 10).

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

The Company's accounting reference date is 31 December. These financial statements are for the period 2 January 2017 to 31 December 2017. The comparative figures are for the period 28 December 2015 to 1 January 2017.

The Group has made a pre-tax profit of £1,337,000, (2016: £1,073,000) from continuing operations and the directors have taken this into account when assessing the going concern basis of preparation. The directors are satisfied that taking account of the Group's net assets of £4,189,000, its bank facilities which have been agreed until February 2019 and the Group's trading and cash forecasts for the next 12 months, that the going concern basis of preparation is appropriate.

## Notes to the Group financial statements

For the year ended 31 December 2017

### Adoption of standards

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective as outlined below. The directors anticipate that the adoption of these standards will or may have an effect on the Group's future financial statements as noted below:

**IFRS 15 Revenue from contracts with customers** (effective 1 January 2018). IFRS 15 sets out a single and comprehensive framework for revenue recognition. The guidance in IFRS 15 is considerably more detailed than existing IFRSs for revenue recognition (IAS 11 *Construction Contracts* and IAS 18 *Revenue* and associated Interpretations). An assessment of the impact of IFRS 15 has been substantially completed following a comprehensive review of the contracts that exist across the Group's revenue streams. The review has ascertained that for the revenues within the group there will be no significant impact with the exception of mobilisation costs associated with certain contracts which are currently expensed over the period of the contract. Elements of the mobilisation costs may need to be expensed immediately on application of IFRS15. The Board is currently in the process of assessing the quantum of these costs.

**IFRS 9 Financial instruments** (effective 1 January 2018). IFRS 9 addresses the classification and measurement of financial assets and will replace IAS 39. The standard also introduces a forward-looking credit loss impairment model whereby entities will need to consider and potentially recognise impairment triggers that might occur in the future. Management has considered the potential impact of this on financial assets and liabilities as set out in note 19 and does not consider that there would have been an impact if the standard were adopted early. The standard is effective for accounting periods commencing on or after 1 January 2018, as adopted by the European Union. This standard has been considered by the directors and is not expected to have a material impact on the financial statements of the Group for the year ended 31 December 2018.

**IFRS 16 Leases** (effective 1 January 2019) IFRS 16 sets out the principles for recognition, measurement, presentation and disclosure of leases and will replace IAS 17 Leases. Adoption of IFRS 16 will result in the Group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets impacting EBITDA. The standard is effective for accounting periods beginning on or after 1 January 2019, as adopted by the European Union. The Board have reviewed the impact of this standard and believe that as a result of adopting this standard an asset for operating leases will be shown in the balance sheet based on the discounted minimum future lease payments as disclosed in note 20. More detailed analysis is being carried out during this year which will be disclose in the financial statement for the year ended 31 December 2018 before its application in the year ended 31 December 2019.

### b) Basis of consolidation

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

The Company's accounting reference date is 31 December. These financial statements are for the period 2 January 2017 to 31 December 2017. The comparative figures are for the period 28 December 2015 to 1 January 2017.

## Notes to the Group financial statements

For the year ended 31 December 2017

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.

The accounts of Accurate Recruitment and Training Services PBT Limited (which ceased to be a related party on 18 May 2017) and Global Staffing Solutions LLC (Qatar) (currently in liquidation) have not been consolidated with those of the Company as the directors consider that the amounts involved are not material.

### c) Revenue

#### Recruitment

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The overriding principle is that revenue is recognised as the Group fulfils its contractual obligations. Contractual obligations may vary from client to client, however, generally:

- revenue arising from the placement of permanent candidates is recognised at the time the candidate commences full-time employment;
- revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided;
- revenue from the provision of labour on long-term contracts with customers represents an all-inclusive charge rate covering the salary cost of the staff, staff training and all associated costs to deliver the contract (including mobilisation costs) that are recovered (charged) on delivery of labour; and
- revenue from amounts billed to clients for expenses incurred on their behalf (principally contractor expenses) is recognised when the expense is incurred.

## Notes to the Group financial statements

For the year ended 31 December 2017

### Cost of sales

Cost of sales consists of the salary cost of temporary staff, direct costs associated with temporary staff including equipment and work wear, travel and training costs and direct costs associated with conferencing revenue.

### Gross profit

Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on conferencing revenue.

### Conferencing

Revenue is recognised as the service is provided and represents:

- the sales value of conferencing provided that has occurred during the year, excluding value added tax; and
- the sales value of rental income received from subletting areas of the conferencing site, excluding VAT. Rental income received 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 within the Group's conferencing facilities are recognised when the service is provided.

### d) 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.

### e) Own shares held

The Group has an employee Benefit Trust (EBT). The EBT is considered an extension of the Group's activities and therefore assets (except investments in the Group's shares) and liabilities which are the subject of the trust are 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'.

### f) 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 of 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 calculated 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 in order to calculate the present value of the cash flows.

## Notes to the Group financial statements

For the year ended 31 December 2017

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, the Group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. 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 (estimated to be 5 years). The amortisation is calculated to write off the fair value of the customer lists over their estimated lives on a straight-line basis. An impairment review of customer lists is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

### Software

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

### g) 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 in order to write off the cost, less residual value of each asset over its estimated useful life as follows: -

Short term lease improvements	33.3% equally per annum or equally over the lease term
Fixtures and office equipment	25% - 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 profit or loss for the period. Capital work in progress predominantly relates to assets under construction and not yet available for use and as such no depreciation has been charged.

### h) Impairment of assets

Goodwill, other intangible assets and property, plant and equipment are subject to impairment testing.

For the purpose of assessing 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. Goodwill is allocated to those cash-generating units 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.

## Notes to the Group financial statements

For the year ended 31 December 2017

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

The Group assesses at each statement of financial position date 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 values.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's 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 cash-generating units, 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 cash generating unit. 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.

### i) 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.

### j) Leasing

#### Operating leases

Rentals payable under operating leases are charged to the profit for the period on a straight-line basis over the term of the lease. Operating lease incentives are credited to the profit or loss for the period over the lease term on a straight-line basis.

### k) 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 profit or loss for the period 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.

### l) 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.



## Notes to the Group financial statements

For the year ended 31 December 2017

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit 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.

### **m) Retirement Benefit**

Contributions to money purchase pension schemes are charged to the profit or loss for the period as they become payable in accordance with the rules of the scheme.

### **n) Share Based Payments**

The Group 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 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 5. Fair value is measured by use of a Black-Scholes model.

### **o) 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.

### **p) Trade Receivables**

Trade receivables are initially recognised at fair value and subsequently as loans and receivables 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 transactions. The Group has a recourse invoice financing facility, recognised as a financial liability, that is secured over the trade receivables of the Group.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

### Notes to the Group financial statements

For the year ended 31 December 2017

For trade receivables, 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 will not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### q) **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 consist of cash deposits with maturities of three months or less from inception, net of outstanding overdrafts and amounts due under invoice discounting arrangements.

The overdrafts and invoice discounting arrangements 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.

#### r) **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 then they are carried at face value.

#### s) **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 balance sheet date are translated into sterling using the rate of exchange ruling at the balance sheet date and any gains or losses on translation are included in the profit or loss for the period.

#### t) **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 or financial asset.

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.

## Notes to the Group financial statements

For the year ended 31 December 2017

### 2. Segment analysis

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

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

The Group manages the trading performance of each segment by monitoring operating contribution and centrally manages working capital, borrowings and equity.

Revenues are generated from permanent and temporary recruitment and long-term contracts for labour supply in the recruitment division. Revenue is analysed by origin of customer/point of invoicing see note 3.

During 2017, one customer in GSS contributed 10% or more of total revenue being £9.8m (2016: £9.6m) and one customer in Ganymede also contributed 10% or more of total revenue being £20.4m (2016: £21.2m).

The segment information for the current reporting period is as follows

	Recruitment			Central	Total
	ATA	GSS	Ganymede	Services	Group
	£'000	£'000	£'000	£'000	£'000
External sales revenue	29,166	10,259	30,683	1,579	71,687
Cost of sales	(24,056)	(9,047)	(25,862)	(745)	(59,710)
Gross profit	5,110	1,212	4,821	834	11,977
Administrative expenses*	(3,710)	(673)	(2,716)	(3,062)	(10,161)
Amortisation of intangibles*	(48)	-	(131)	-	(179)
Depreciation*	(52)	(2)	(33)	(132)	(219)
Profit from operations	1,300	537	1,941	(2,360)	1,418
Tax expense					(216)

\*combine to represent administrative expenses of £10,559,000 in the consolidated statement of comprehensive income.

## Notes to the Group financial statements

For the year ended 31 December 2017

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

	Recruitment ATA £'000	GSS £'000	Ganymede £'000	Central Services £'000	Total Group £'000
External sales revenue	25,692	9,575	31,345	1,288	67,900
Cost of sales	(20,469)	(8,409)	(26,190)	(726)	(55,794)
Gross profit	5,223	1,166	5,155	562	12,106
Administrative expenses*	(3,854)	(787)	(2,795)	(3,105)	(10,541)
Amortisation of intangibles*	(41)	-	(132)	-	(173)
Depreciation*	(87)	(1)	(28)	(99)	(215)
Profit from operations	1,241	378	2,200	(2,642)	1,177
Tax expense					(273)

\*combine to represent administrative expenses of £10,929,000 in the consolidated statement of comprehensive income.

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

### 3. Revenue

Revenue is analysed by origin of customer/point of invoicing. 96% of all goods and services are supplied in the United Kingdom and 4% in the United States of America (2016: 100% United Kingdom).

### 4. Profit on Group operations

	2017 £'000	2016 £'000
Profit on Group operations for the year is stated after charging:		
Depreciation of owned property, plant and equipment	219	214
Amortisation of intangibles	180	173
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15	14
Fees payable to the Company's auditor for other services:		
- the audit of the Company's subsidiaries pursuant to legislation	38	33
- tax compliance	5	5
- other non-audit services	2	2
Operating lease expense in respect of:		
- land and buildings	578	556
Exchange differences	16	(46)

## Notes to the Group financial statements

For the year ended 31 December 2017

### 5. Directors and employees' remuneration

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

	2017 £'000	2016 £'000
Wages and salaries	6,466	6,806
Social security costs	697	658
Other pension costs	231	217
	<b>7,394</b>	<b>7,681</b>

As at 31 December 2017 there were pension contributions of £52,253 (2016: £32,490) outstanding. The average number of employees, including executive directors, during the year was:

	Number 2017	Number 2016
Sales and administration staff	147	157
Conference support staff	52	54
	<b>199</b>	<b>211</b>

### Directors' remuneration

The remuneration of the directors was as follows:

	Salary £'000	Bonus £'000	Benefits in kind £'000	Sub-total £'000	Pension contributions £'000	Total £'000
W J C Douie	50	49	6	105	-	105
A M Pendlebury*	241	163	26	430	-	430
S L Dye	150	49	12	211	23	234
B W May	30	-	-	30	-	30
<b>Total</b>	<b>471</b>	<b>261</b>	<b>44</b>	<b>776</b>	<b>23</b>	<b>799</b>

\*Included within salary for A M Pendlebury is an amount of £31,500 (2016: £24,000) paid as salary in lieu of pension contributions.

Share-based payments of £76,130 were charged in the year in respect of options granted to directors. Employers NI of £107,000 was paid in respect of remuneration above

## Notes to the Group financial statements

For the year ended 31 December 2017

The information for the prior reporting period is as follows:

	Salary	Bonus	Benefits in kind	Sub-total	Pension contributions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
W J C Douie	50	39	5	94	-	94
A M Pendlebury*	234	131	29	394	8	402
S L Dye	150	48	10	208	23	231
B W May	30	-	-	30	-	30
<b>Total</b>	<b>464</b>	<b>218</b>	<b>44</b>	<b>726</b>	<b>31</b>	<b>757</b>

\*Included within salary for A M Pendlebury is an amount of £24,000 (2015: £Nil) paid as salary in lieu of pension contributions.

Share-based payments of £26,000 were charged in the year in respect of options granted to directors. Employers NI of £100,000 was paid in respect of remuneration above.

### Share based employee remuneration

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

	Weighted average exercise price (pence)		Weighted average exercise price (pence)	
	Number	2017	Number	2016
Outstanding at start of period	1,572,502	10	1,555,002	14
Granted	284,286	-	422,500	-
Lapsed	180,000	18	200,000	12
Exercised (refer note 17)	100,000	26	205,000	16
<b>Outstanding at end of period</b>	<b>1,576,788</b>	<b>6</b>	<b>1,572,502</b>	<b>10</b>

The company operates two share option plans: the EMI 2001 Share Option Scheme and the Long-Term Incentive Plan 2015 ("LTIP"). The directors have determined the volatility for options granted during the year using computations based on historical share prices:

Date of grant	17 Mar 17	9 Aug 2017
Market value at date of grant	52.5p	69.5p
Exercise price	Nil	Nil
Expected volatility	50%	50%
Expected dividend yield	0%	0%
Risk free interest rate	1.3%	1.3%

## Notes to the Group financial statements

For the year ended 31 December 2017

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

Date exercisable (and option life)	Number	Weighted average exercise price (pence)	Weighted average contractual life months)	Number	Weighted average exercise price (pence)	Weighted average contractual life (months)
2016 (up to 2022)	<b>75,000</b>	<b>9</b>	<b>49</b>	75,000	9	61
2016 (up to 2023)	<b>20,000</b>	<b>16</b>	<b>69</b>	100,000	16	81
2017 (up to 2024)	<b>290,000</b>	<b>29</b>	<b>75</b>	470,000	27	87
2018 (up to 2025)	<b>485,002</b>	-	<b>89</b>	505,002	-	101
2019 (up to 2026)	<b>422,500</b>	-	<b>99</b>	422,500	-	111
2020 (up to 2027)	<b>284,286</b>	-	<b>112</b>	-	-	-

The actual exercise prices of options range from nil to 9.0p, 16.0p, 25.5p and 38.0p. At the end of the period 385,000 options were exercisable (2016: 95,000).

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

	At 1 January 2017	Granted	Exercised	At 31 December 2017	Date of grant	Exercise price
<b>EMI Options</b>						
W J C Douie	75,000	-	-	<b>75,000</b>	27 Jan 2012	9p
S L Dye	110,000	-	-	<b>110,000</b>	22 May 2015	Nil
<b>LTIP Options</b>						
W J C Douie	78,572	28,571	-	<b>107,143</b>	17 Mar 2017	Nil
A M Pendlebury	353,572	120,000	-	<b>473,572</b>	17 Mar 2017	Nil
S L Dye	200,358	85,715	-	<b>286,073</b>	17 Mar 2017	Nil

The value of directors' share options vesting in the period was £26,600 (2016: £32,800). The aggregate gains made by directors on exercising share options was £Nil (2016: £110,000).

The value of the highest paid directors' share options vesting in the period was £Nil (2016: £16,800). The aggregate gains made by the highest paid director on exercising share options was £Nil (2016: £56,000).

## Notes to the Group financial statements

For the year ended 31 December 2017

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

	At 1 January 2016	Granted	Exercised	At 31 December 2016	Date of grant	Exercise price
<b>EMI Options</b>						
W J C Douie	75,000	-	-	<b>75,000</b>	27 Jan 2012	9p
A M Pendlebury	105,000	-	105,000	-		
S L Dye	210,000	-	100,000	<b>110,000</b>	22 May 2015	Nil
<b>LTIP Options</b>						
W J C Douie	28,572	50,000	-	<b>78,572</b>	17 Mar 2016	Nil
A M Pendlebury	128,572	225,000	-	<b>353,572</b>	17 Mar 2016	Nil
S L Dye	72,858	127,500	-	<b>200,358</b>	17 Mar 2016	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 grants is subject to non-market related performance criteria.

### Awards under the LTIP

In 2017 awards were made to three executive directors based on the financial results for the year ended 31 December 2016, each award representing 30% of basic salary as at 31 December 2016. 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%

## 6. Finance expense

	2017 £'000	2016 £'000
Interest charge on invoice discounting arrangements and overdrafts	<b>81</b>	104



## Notes to the Group financial statements

For the year ended 31 December 2017

### 7. Tax expense

	2017 £'000	2016 £'000
<b>Continuing operations</b>		
Analysis of tax		
<b>Current tax</b>		
UK corporation tax	285	235
Adjustment in respect of previous period	5	35
	290	270
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(74)	3
Tax	216	273

#### Factors affecting the tax expense

The tax assessed for the year is less than (2016: greater than) would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

#### Factors affecting tax expense

	2017 £'000	2016 £'000
Result for the year before tax	1,337	1,073
Profit multiplied by standard rate of tax of 19.25% (2016: 20%)	257	215
Non-deductible expenses	24	45
Tax credit on exercise of options	(8)	(22)
Other non-material movements	(62)	-
Adjustment in respect of previous period	5	35
	216	273

## Notes to the Group financial statements

For the year ended 31 December 2017

### Factors that may affect future tax charges

Estimated losses available to offset against future taxable profits on continuing operations in the UK amount to approximately £278,526 (2016: £397,000).

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Finance (No.2) Act 2015 enacted the corporation tax rate to reduce from the current rate of 20% to 19% from 1 April 2017 with a further reduction to 18% from April 2020. On 16 March 2016, the Chancellor of the Exchequer announced that legislation would be introduced in Finance Act 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020, superseding the 18% rate effective from that date introduced in Finance (No.2) Act 2015. These changes to the future tax rate were substantively enacted at the balance sheet date. The provision for deferred tax in the financial statements has been based upon the rate relevant when the timing differences are expected to reverse.

### 8. Basic and fully diluted earnings per share

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

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

	<b>Basic 2017</b>	2016	<b>Fully diluted 2017</b>	2016
Earnings £'000	<b>1,121</b>	800	<b>1,121</b>	800
Basic weighted average number of shares	<b>13,907,304</b>	13,783,879	<b>13,907,304</b>	13,783,879
Dilutive effect of share options			<b>971,937</b>	933,326
Fully diluted weighted average number of shares	<b>13,907,304</b>		<b>14,879,241</b>	14,717,206
Earnings per share (pence)	<b>8.06p</b>	5.80p	<b>7.53p</b>	5.44p

Details of share options in place can be found in note 5.

### Dividends

During the year, the Company paid an interim dividend of £167,618 (2016: £152,549) to its equity shareholders. This represents a payment of 1.2p (2016: 1.1p) per share. A final dividend of £321,267 (2016: £277,363) has been proposed but has not been accrued within these financial statements. This represents a payment of 2.3p (2016: 2.0p) per share.

## Notes to the Group financial statements

For the year ended 31 December 2017

### 9. Goodwill

Gross carrying amount	2017 £'000	2016 £'000
At 1 January	132	132
Movement in year	-	-
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 by looking at discounted future cash flows at a discount rate of 13%.

### 10. 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 new recruitment business systems.

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

	Customer lists £'000	Software and licences £'000	Total £'000
<b>Gross carrying amount</b>			
<b>At 1 January 2017</b>	673	285	958
External additions	-	10	10
<b>At 31 December 2017</b>	673	295	968
<b>Amortisation</b>			
<b>At 1 January 2017</b>	275	41	316
Provided in year	132	48	180
<b>At 31 December 2017</b>	407	89	496
<b>Net book amount at 31 December 2017</b>	266	206	472
Net book amount at 31 December 2016	398	244	642

The additions shown above are all external.

## Notes to the Group financial statements

For the year ended 31 December 2017

The carrying amounts for the prior period are as follows:

	Customer lists £'000	Software and licences £'000	Total £'000
Gross carrying amount			
At 1 January 2016	673	206	879
External additions	-	79	79
At 31 December 2016	673	285	958
Amortisation			
At 1 January 2016	143	-	143
Provided in year	132	41	173
At 31 December 2016	275	41	316
Net book amount at 31 December 2016	398	244	642
Net book amount at 31 December 2015	530	206	736

### 11. Property, plant and equipment

	Short leasehold improvements £'000	Fixtures & equipment £'000	Motor vehicles £'000	Capital work-in- progress £'000	Total £'000
<b>Cost</b>					
At 1 January 2017	427	1,956	8	119	2,510
Additions	-	230	-	139	369
Transfer to fixtures and fittings	-	109	-	(109)	-
<b>At 31 December 2017</b>	<b>427</b>	<b>2,295</b>	<b>8</b>	<b>149</b>	<b>2,879</b>
<b>Depreciation</b>					
At 1 January 2017	427	821	2	-	1,250
Charge for the year	-	217	2	-	219
<b>At 31 December 2017</b>	<b>427</b>	<b>1,038</b>	<b>4</b>	<b>-</b>	<b>1,469</b>
<b>Net book amount</b>					
<b>At 31 December 2017</b>	<b>-</b>	<b>1,257</b>	<b>4</b>	<b>149</b>	<b>1,410</b>
At 31 December 2016	-	1,129	6	125	1,260

## Notes to the Group financial statements

For the year ended 31 December 2017

	Short leasehold improve ments £'000	Fixtures & equipment £'000	Motor vehicles £'000	Capital work-in- progress £'000	Total £'000
<b>Cost</b>					
At 1 January 2016	427	904	5	53	1,389
Additions	-	1,031	3	119	1,153
Transfer to fixtures and fittings	-	28	-	(28)	-
Disposals	-	(13)	-	(19)	(32)
At 31 December 2016	427	1,950	8	125	2,510
<b>Depreciation</b>					
At 1 January 2016	427	617	-	-	1,044
Charge for the year	-	212	2	-	214
Disposals	-	(8)	-	-	(8)
At 31 December 2016	427	821	2	-	1,250
<b>Net book amount</b>					
At 31 December 2016	-	1,129	6	125	1,260
At 31 December 2015	-	287	5	53	345

There is a charge over Group's fixed assets in respect of the Group's overdraft.

There were no contractual capital commitments for the acquisition of property, plant and equipment at 31 December 2017 (2016: Nil).

The net book value of assets held under finance leases at 31 December 2017 was £Nil (2016: £Nil).

## Notes to the Group financial statements

For the year ended 31 December 2017

### 12. Deferred tax asset

	2017 £'000	2016 £'000
At 1 January	33	40
Charge to the profit for the year	51	(7)
At 31 December	84	33

The deferred tax asset is analysed as:

	2017 £'000	2016 £'000
<b>Recognised</b>		
Provision in respect of tax losses carried forward	47	33
Short-term temporary timing differences	37	-

	2017 £'000	2016 £'000
<b>Unrecognised</b>		
Tax losses carried forward	-	38

The tax losses carried forward of £278,526, (2016: £397,000), have been fully recognised due to the certainty over the availability of future taxable income in the related trading subsidiary against which the asset can be utilised.

### 13. Inventories

	2017 £'000	2016 £'000
Food, drink and goods for resale	6	12

Stock recognised in cost of sales during the year as an expense was £170,117 (2016: £142,958).

## Notes to the Group financial statements

For the year ended 31 December 2017

### 14. Trade and other receivables

	2017 £'000	2016 £'000
<b>Amounts falling due within one year:</b>		
Gross trade receivables	10,845	9,275
Allowance for credit losses <sup>1</sup>	92	-
Net trade receivables	10,753	9,275
Other receivables	40	53
Prepayments	818	670
Accrued income	1,612	1,185
	13,223	11,183

Allowances for credit losses on trade receivables for doubtful debts:

	2017 £'000	2016 £'000
Allowances at 1 January	-	-
Additions - charged to statement of comprehensive income	118	22
Allowances used	(26)	(22)
Allowances reversed	-	-
Allowances as at 31 December <sup>1</sup>	92	-

<sup>1</sup>Allowance for credit losses relates to one balance with Carillion that has been fully provided.

An analysis of aged debtors past due but not impaired is shown below:

	Total £'000	Current £'000	Past due by 30 days or less £'000	Past due between 31 to 60 days £'000	Past due over 61 days £'000
<b>2017 Trade receivables</b>	<b>10,753</b>	<b>3,871</b>	<b>3,606</b>	<b>3,232</b>	<b>44</b>
2016 Trade receivables	9,275	5,511	2,709	714	341

The Group does not hold any collateral in respect of the above balances. They relate to customers with no default history. The carrying value of trade receivables approximates to the fair value.

## Notes to the Group financial statements

For the year ended 31 December 2017

### 15. Liabilities

	2017 £'000	2016 £'000
<b>Trade and other payables</b>		
Trade payables	1,693	1,250
Other taxes and social security costs	1,273	926
Finance leases	-	2
Other payables	1,589	1,592
Accruals and deferred income	1,755	1,659
	<b>6,310</b>	<b>5,429</b>

At 31 December 2017 other payables included pension contributions amounting to £56,000 (2016: 32,000).

Maturity of trade payables is between one and three months. The carrying value of trade payables approximates to the fair value.

	2017 £'000	2016 £'000
<b>Borrowings</b>		
Bank overdraft and cash in transit	-	253
Invoice discounting arrangements	4,712	4,036
Allowances as at 31 December	4,712	4,289

During the year, the Group has used its bank overdraft which is secured by a cross guarantee and debenture (fixed and floating charge over all assets) over all Group companies, and its invoice financing facility that is secured over the book debts of the Group. There have been no defaults of interest payable or unauthorised breaches of financing agreement terms during the current or prior year.

### 16. Deferred tax liability

	2017 £'000	2016 £'000
At 1 January	104	108
Charge to the profit for the year	(36)	(4)
At 31 December	68	104
The deferred tax liability consists of:		
Other timing differences	23	36
Business combinations	45	68



## Notes to the Group financial statements

For the year ended 31 December 2017

### 17. Share capital

	2017 £'000	2016 £'000
<b>Allotted, issued and fully paid – ordinary shares of 1p each:</b>		
As at 1 January 2017 14,543,707 shares (2016: 14,338,707 shares)	145	143
New shares issued 100,000 (2016: 205,000) (refer note 5)	1	2
As at 31 December 2017 14,643,707 shares (2016: 14,543,707 shares)	146	145

Of the total issued share capital of 14,643,707, there are 675,581 own shares held in the RTC Group Employee Benefit Trust.

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

	At 1 January 2017 £'000	Cash Flows £'000	At 31 December 2017 £'000
Overdraft and invoice discounting arrangements	(4,289)	(423)	(4,712)
Cash	60	101	161
Cash and cash equivalents	(4,229)	322	(4,551)

Included in the net cash figure pooled above are cash and cash equivalents of £1,733,000 (2016: £574,000) and overdraft of £1,571,000 (2016: £767,000).

### 19. Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors. Treasury activities take place under procedures and policies approved by and monitored by the Board. They 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. 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 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.

## Notes to the Group financial statements

For the year ended 31 December 2017

	2017 £'000	2017 %	2016 £'000	2016 %
Increase /(decrease) in net result and equity £'000	+1% 42	-1% (42)	+1% 33	-1% (33)

### 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 by using an overdraft facility of £50,000 and an invoicing discount facility up to £9.0m as required. The invoice discounting facility revolves on an average maturity of 120 days.

### Credit risk

The Group extends credit to recognised creditworthy third parties. Trade receivable balances (note 14) are monitored to minimise the Group's exposure to bad debts. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board. Independent credit ratings are used if available to set suitable credit limits. If there is no independent rating, the Board assesses the credit quality of the customer, considering its financial position, past-experience and other factors. The utilisation of credit limits is regularly monitored. At the year-end none of the trade receivable balances that were not past due or specifically provided against exceed set credit limits and management does not expect any losses from non-performance by these counterparties.

### 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 same currency balances are used to make payments in that currency so that a translation risk is removed. Surplus balances in currencies other than GBP are kept to minimum exposure. Consequently, any sensitivity to be applied to the foreign exchange rate exposure is considered to be low.

The Group has the following financial assets:

- Trade receivables (see note 14)
- Other debtors excluding prepayments of £1,652,000 (2016: £1,238,000)

Each of the financial assets would be classified as loans and receivables under the relevant IAS 39 category.

The Group's financial liabilities consist of trade and other payables and an invoice discounting facility (see note 15) and would be classified as financial liabilities at amortised cost under the relevant IAS 39 category. All the Group's financial liabilities mature in less than one year.

## Notes to the Group financial statements

For the year ended 31 December 2017

### 20. Operating lease commitments

As a lessee, the Group had commitments under non-cancellable operating leases on land and buildings with future minimum lease payments as follows:

	2017 £'000	2016 £'000
Within one year	393	360
Between two and five years	974	795
Over five years	2,024	1,710
Total	3,391	2,865

The leasing arrangements are for office space for the Group Head Office in Derby and a network of regional offices.

As at the balance sheet date £524,000 (2016: £706,000) was expected to be received under non-cancellable sub-leases. Split as follows:

	2017 £'000	2016 £'000
Within one year	136	154
Between two and five years	388	552
Total	524	706

The sub-lease arrangements relate to two buildings on the Group Head Office site in Derby.

### 21. Related party transactions

*Transactions with related parties not wholly owned or consolidated*

On 18 May 2017 the Group transferred its entire shareholding in Accurate Recruitment and Training Services PBT Limited (ATA India) to the minority shareholder and original business owner.

Transactions with ATA India during the year up to the date of sale were as follows:

	2017 £'000	2016 £'000
Purchases of goods from ATA India	21	57
Amounts owed by ATA India	-	-
Amounts owed to ATA India	-	5

*Other related parties*

There were no amounts owed by or to other related parties at 31 December 2017, neither were there any transactions with related parties during 2017.

### Notes to the Group financial statements

For the year ended 31 December 2017

At 31 December 2016 ATA was owed £153,951 by Amalgamated Construction Limited (AMCO), a company of which B W May ceased to be a director during 2016. ATA made sales to AMCO during 2016: £1,872,573. At 31 December 2016 Ganymede was owed 2016: £197,519 by AMCO, a company of which B W May ceased to be a director during 2016. Ganymede made sales to AMCO in the year 2016: £560,768.

The directors consider the key management personnel are the Group directors as listed in note 5.

#### 22. 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.

# **RTC GROUP PLC**

## **Company statutory financial statements**

For the year ended 31 December 2017

(Prepared under FRS101)

**Company number 2558971**

### Company statement of financial position

As at 31 December 2017

Company number: 2558971

	Notes	2017 £'000	2016 £'000
<b>Assets</b>			
<b>Non-current</b>			
Investments	25	950	966
		950	966
<b>Current</b>			
Cash and cash equivalents		-	70
Trade and other receivables	26	4,289	2,301
Deferred tax asset	27	37	-
		4,326	2,371
<b>Total assets</b>		<b>5,276</b>	<b>3,337</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	28	(950)	(762)
Corporation tax		(44)	(26)
Inter Group treasury facility		(939)	-
		(1,933)	(788)
<b>Net assets</b>		<b>3,343</b>	<b>2,549</b>
<b>Equity</b>			
Share capital	30	146	145
Share premium		120	96
Own shares held		(473)	(473)
Capital redemption reserve		50	50
Share based payment reserve		215	100
Retained earnings		3,285	2,631
<b>Total equity</b>		<b>3,343</b>	<b>2,549</b>

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's profit after taxation for the year amounted to £1,099,000 (2016: £757,000).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 25 February 2018 by:

S L Dye  
Director

A M Pendlebury  
Director

The accompanying notes 23 to 33 form an integral part of these financial statements.

## Company statement of changes in equity

For the year ended 31 December 2017

	Share capital	Share premium	Own shares held	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	145	96	(473)	50	100	2,631	2,549
Total comprehensive income for the year	-	-	-	-	-	1,099	1,099
Dividends	-	-	-	-	-	(445)	(445)
Share options exercised	1	24	-	-	-	-	25
Share based payment charge	-	-	-	-	115	-	115
At 31 December 2017	146	120	(473)	50	215	3,285	3,343

	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 2016	143	66	(473)	50	54	2,304	2,144
Total comprehensive income for the year	-	-	-	-	-	757	757
Dividends	-	-	-	-	-	(430)	(430)
Share options exercised	2	30	-	-	-	-	32
Share based payment charge	-	-	-	-	46	-	46
At 31 December 2016	145	96	(473)	50	100	2,631	2,549

### Share capital

The nominal value of share capital subscribed for.

### Share premium account

The amount subscribed for share capital over and above the nominal value of the shares'.

### Capital redemption reserve

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

Cost of Company's own shares purchased through the Employee Benefit Trust shown as a deduction from equity.

### Share based payment reserve

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

### Retained earnings

All net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The accompanying notes 23 to 33 form an integral part of these financial statements.

## Notes to the Company financial statements

For the year ended 31 December 2017

### 23. Accounting policies

- (a) RTC Group Plc ("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 2558971. The principal activity of RTC Group PLC is that of a holding Company.

The Company's accounting reference date is 31 December. These financial statements are for the period 2 January 2017 to 31 December 2017. The comparative figures are for the period 28 December 2015 to 1 January 2017.

#### *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") which have both been applied.

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, unless otherwise stated.

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 disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- these financial statements do not include 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.

### (b) 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. The consolidated financial statements are presented on pages 24 – 27.



## Notes to the Company financial statements

For the year ended 31 December 2017

**(c) Investments**

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

**(d) Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

1) The initial recognition of goodwill; or

2) 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 profit 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.

**(e) Pension costs**

Contributions to money purchase pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**(f) 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.

**(g) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently as loans and receivables 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 transactions.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

### Notes to the Company financial statements

For the year ended 31 December 2017

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

**(h) 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.

**(i) 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 face value.

**(j) Financial instruments**

The only financial instruments held by the Company are Sterling financial assets and liabilities. They have been included in the financial statements at their undiscounted respective asset or liability values. Financial assets consist of trade receivables would be classified as loans and receivables under the relevant IAS 39 category. 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 would be classified as financial liabilities at amortised cost under the relevant IAS 39 category. All the Group's financial liabilities mature in less than one year.

**(k) 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 5. Fair value is measured by use of a Black-Scholes model.

**(l) 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.

**(m) Own shares held**

In 2015 the Company set up an Employee Benefit Trust (EBT). 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'.

## Notes to the Company financial statements

For the year ended 31 December 2017

### (n) Critical judgements and estimates

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 inter-company balances. An assessment of the recoverability of inter-company balances is made by the directors based on future trading.

### 24. Staff costs

	2017 £'000	2016 £'000
Wages and salaries	1,356	1,479
Social security costs	164	150
Other pension costs	76	80
	1,596	1,709

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

	Number 2017	Number 2016
Sales and administration staff	30	29

## Notes to the Company financial statements

For the year ended 31 December 2017

### 25. Investments

	2017	2016
	£'000	£'000
<b>Shares in subsidiary undertakings - Company</b>		
Cost at 1 January	966	2,512
Removal of cost of investments no longer held	(16)	(1,546)
Cost at 31 December	950	966
Accumulated impairment losses at 1 January	-	1,546
Removal of impairment of investments no longer held	-	(1,546)
<b>Provision for impairment at 31 December</b>	-	-
<b>Net book value at 31 December</b>	<b>950</b>	<b>966</b>

At 31 December 2017, the Company held the share capital of the following subsidiary undertakings:

Subsidiaries	Proportion of ordinary share capital held	Nature of business
ATA Recruitment Limited	100%	Recruitment
The Derby Conference Centre Limited	100%	Conferencing
Ganymede Solutions Limited	100%	Recruitment
ATA Global Staffing Solutions Limited	100%	Recruitment
ATA Global Staffing Solutions FZE	100%	Recruitment
Global Choice Recruitment Limited	100%	Dormant
ATA Selection 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. All the above subsidiaries are incorporated in England and Wales.

### 26. Trade and other receivables

	2017	2016
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Amounts owed by Group undertakings <sup>1</sup>	4,058	2,150
Prepayments	231	151
	<b>4,289</b>	<b>2,301</b>

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

<sup>1</sup>Amounts owed by Group undertakings are due on demand and interest free.

## Notes to the Company financial statements

For the year ended 31 December 2017

### 27. Deferred tax asset

	2017 £'000	2016 £'000
At 1 January	-	-
Charge to the profit for the year	37	-
At 31 December	37	-

The deferred tax asset is analysed as:

	2017 £'000	2016 £'000
<b>Recognised</b>		
Short-term temporary differences	37	-

### 28. Trade and other payables

	2017 £'000	2016 £'000
Trade creditors	483	346
Other taxes and social security costs	69	71
Other creditors	80	65
Accruals and deferred income	318	280
	950	762

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

	2017 £'000	2016 £'000
<b>Inter Group treasury facility</b>		
Inter Group treasury facility	939	-

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.

### 29. Contingent liability

The Company has a cross guarantee and debenture (fixed and floating charge over all assets) with the Group's bankers in respect of net £50,000 (2016: £50,000) Group treasury facility extended to certain of the subsidiaries of the Company.

## Notes to the Company financial statements

For the year ended 31 December 2017

### 30. Share capital

	2017 £'000	2016 £'000
<b>Allotted, issued and fully paid – ordinary shares of 1p each:</b>		
As at 1 January 2017 14,543,707 shares (2016: 14,338,707 shares)	145	143
New shares issued 100,000 (2016: 205,000) (refer note 5)	1	2
As at 31 December 2017 14,643,707 shares (2016: 14,543,707 shares)	146	145

#### Share options

Details of share options and the share-based payment charge calculation are set out in note 5.

### 31. Transactions with related parties

*Transactions with related parties not wholly owned or consolidated*

On 18 May 2017 the Group transferred its entire shareholding in Accurate Recruitment and Training Services PBT Limited (ATA India) to the minority shareholder and original business owner.

Transactions with ATA India during the year up to the date of sale were as follows:

	2017 £'000	2016 £'000
Purchases of goods from ATA India	21	57
Amounts owed by ATA India	-	-
Amounts owed to ATA India	-	5

### 32. 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 £13,733 (2016: £12,602) of outstanding contributions.

### 33. Post balance sheet events

There have been no significant events to report since the date of the balance sheet.

# Notice of annual general meeting

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Notice is hereby given that the 2018 annual general meeting of RTC Group Plc (the "Company") will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU on 18 April 2018 at 12 noon (the "Meeting") for the following purpose: -

To consider, and if thought fit, pass the following resolutions which will be proposed as to resolutions 1 to 7 as ordinary resolutions and as to resolutions 8 and 9 as special resolutions:

## **Ordinary Business**

1. To receive and, if approved, to adopt the Directors' and Auditors' Report and the Financial Statements for the year ended 31 December 2017.
2. To receive and, if approved, to adopt the Remuneration Report for the year ended 31 December 2017.
3. To re-elect A M Pendlebury, a director of the Company, who retires by rotation, as a director of the Company.
4. To re-appoint BDO LLP as auditors of the Company ("Auditors") from the conclusion of the Meeting in accordance with Section 489 of the Companies Act 2006 (the "Act"), until the conclusion of the next Annual General Meeting.
5. To authorise the Directors to fix the Auditor's remuneration.
6. To declare a final dividend of 2.3 pence per share in respect of the year ended 31 December 2017.

## **Special Business**

7. THAT in substitution of all previous authorities to the extent unused, the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £43,931, this authority to expire on 30 June 2019 or the conclusion of the Annual General Meeting to be held in 2019 (whichever is earlier) unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the directors may allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.
8. THAT, subject to the passing of Resolution 7 above, the Directors be and are hereby generally and unconditionally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) and/or transfer equity securities held in treasury wholly for cash pursuant to the authority conferred by Resolution 7 above as if section 561 of the said Act did not apply to any such allotment or transfer of equity securities held in treasury, provided that this power shall be limited to the allotment and/or transfer of equity securities:
  - (a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any shareholder holding shares as treasury shares) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates, legal or practical problems arising in, or pursuant to, the laws of any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

## Notice of annual general meeting

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- (b) otherwise than pursuant to paragraph 8 (a) above, up to an aggregate nominal amount of £43,931, provided that this power shall expire on 30 June 2019 or the conclusion of the Annual General Meeting of the Company to be held in 2019, (whichever is earlier) unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted and/or transferred after such expiry and notwithstanding such expiry and the Directors may allot and/or transfer equity securities, in pursuance of such offer or agreement as if this power had not expired.
- 9. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 1p each in the capital of the Company provided that:
  - (a) the maximum number of ordinary shares of 1p each in the capital of the Company hereby authorised to be acquired is 1,464,371;
  - (b) the minimum price (exclusive of all expenses) which may be paid for such shares is 1p per share;
  - (c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent. of the average of the middle-market prices shown in the quotations for ordinary shares of the Company in the Daily Official List of the London Stock Exchange on the five business days immediately preceding the day on which the share is contracted to be purchased;
  - (d) the authority hereby conferred shall expire on conclusion of the next Annual General Meeting following the date upon which this resolution was passed or 30 June 2019 (whichever is earlier); and
  - (e) the Company may contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuant of any such contract.

By Order of the Board

25 February 2018

Registered Office:  
The Derby Conference Centre  
London Road, Derby  
DE24 8UX



# Notice of annual general meeting

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## Notes:

1. Only those members registered on the Company's register of members at
  - 6.00 p.m. on 16 April 2018; or
  - if this meeting is adjourned, at 6.00 p.m. on the date which is 48 hours prior to the time of the adjourned meeting;shall be entitled to attend and vote at the Meeting pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a show of hands or a poll, vote in his/her stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A member of the Company may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member is not entitled to appoint more than one proxy to exercise rights attached to any one share. Please contact the Company's Registrar at Computershare Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY if you wish to appoint more than one proxy.
4. A proxy form for use in connection with the meeting accompanies this report and accounts. Additional copies may be obtained from the registered office. The proxy form and any power of attorney under which it is signed must be lodged at the address printed on the proxy form not less than 48 hours before the time appointed for holding the meeting. The fact that members may have completed forms of proxy will not prevent them from attending and voting in person should they afterwards decide to do so.
5. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (Computershare) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member

## Notice of annual general meeting

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is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. In the case of joint holders, where more than one of the joint holders' purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
7. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share.
8. Copies of the Directors' service contracts, copies of letters of appointment between the Company and the Non-Executive Director and a copy of the existing Memorandum and Articles may be inspected during usual business hours on any weekday (public holidays excepted) at the registered office of the Company from the date of this Notice of Annual General Meeting until the date of the Meeting and at the place of the Meeting from 11.45 a.m. until the Meeting's conclusion.
9. If shareholders approve the recommended final dividend proposed by resolution 6, this will be paid on 2 July 2018 to all holders of shares who are on the register of members at the close of business on 8 June 2018 with an ex-dividend date of 7 June 2018.
10. Except as provided above, shareholders who have general queries about the meeting should call our shareholder helpline on 0370 889 3202 (no other methods of communication will be accepted):

You may not use any electronic address provided either:

- a. in this notice of annual general meeting; or
- b. any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

**Directors**

W J C Douie  
A M Pendlebury  
S L Dye  
B W May

**Company secretary**

S L Dye

**Nominated adviser**

Spark Advisory Partners  
5 St John's Lane  
London  
EC1M 4BH

**Banker**

HSBC PLC  
1 St Peters Street  
Derby  
DE1 2AE

**Auditor**

BDO LLP  
Regent House  
Clinton Avenue  
Nottingham  
NG5 1AZ

**Registered office**

The Derby Conference Centre  
London Road  
DE24 8UX

**Solicitor**

Gowling WLG (UK) LLP  
4 More London Riverside  
London  
SE1 2AU

**Broker**

Whitman-Howard  
Connaught House, 1-3 Mount Street  
London  
W1K 3NB

**Registrar**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE