ANNUAL REPORT & ACCOUNTS 2015

ROBERT WALTERS PLC

ROBERT WALTERS

SPECIALISTS IN RECRUITMENT

Robert Walters is a market-leading international specialist professional recruitment group spanning 24 countries.

We specialise in the placement of the highest calibre professionals across a range of professional disciplines. The Group's outsourcing division, Resource Solutions, is a market leader in recruitment process outsourcing and managed services.

2015 HIGHLIGHTS

REVENUE

£812.7m

(2014: £679.6m)

NET FEE INCOME

£234.4m

(2014: £215.3m)

OPERATING PROFIT

£23.1m

(2014: £18.2m)

PROFIT BEFORE TAXATION

£22.4m

(2014: £18.2m)

BASIC EARNINGS PER SHARE

20.6p

(2014: 15.3p)

MARKET-LEADING GLOBAL BRAND

In what is an increasingly complex and ever-changing global recruitment market, the Group provides our clients, from the largest multinational corporates through to SMEs and start ups, with an end-to-end recruitment offering on a global basis.

Our business is all about the development of long-term and high-quality relationships with our clients and candidates. The recruitment industry is unique in that we have two very distinct but overlapping stakeholders – our candidates are our clients of the future and our clients are our potential candidates.

Quality (in terms of relationships and service levels), integrity and professionalism are the Group's watch-words and we believe provide a clear point of differentiation for the Robert Walters Group.

Our Services

Specialist professional recruitment
Permanent, contract and interim recruitment across the core disciplines of: accounting & finance; banking & financial services; engineering; HR; IT; legal; sales & marketing; secretarial & support; and supply chain & procurement.

Recruitment process outsourcing
Resource Solutions is a market leader in recruitment process outsourcing (RPO) and managed services. Resource Solutions designs and deploys tailored recruitment outsourcing solutions for clients across the globe.

EMPLOYEES
2,916

COUNTRIES
24

Geographic Net Fee Income

The Group's international network of offices spans 24 countries and enables us to meet the demands of clients and candidates whose needs extend beyond local markets, whilst our strong local foundations provide us with unique insights into local industry and culture.

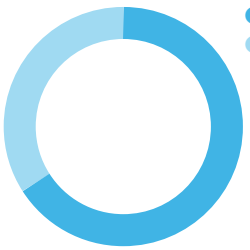
ASIA PACIFIC
41%

UK
34%

EUROPE
20%

OTHER INTERNATIONAL
5%

PERMANENT/CONTRACT RECRUITMENT NET FEE INCOME



- 69% Permanent
- 31% Contract

OUR MISSION AND STRATEGY

Our mission is to be the world's leading specialist professional recruitment consultancy with a clear differentiation based on the quality of service delivered to our clients and our candidates.

The Group's strategy for growth is centred on organic international expansion and discipline diversification, ensuring a balanced footprint covering mature and developing markets.

Our core principles within the Group are innovation, vision, leadership and integrity. These values are central to the activity of all our staff worldwide.

OUR FOUNDATIONS

01
NON-COMMISSION TEAM PROFIT

> Our specialist recruiters don't receive individual commission, unlike the majority of competitors
> Team-based profit share ensures candidates and clients come first
> No candidate ownership – teams of consultants market candidates to a broad range of organisations

02
PEOPLE & CULTURE

> Home-grown senior management team
> Ever-increasing number of staff move internationally through our mobility programme
> Meritocratic: career opportunities based on performance

03
COMMITMENT TO QUALITY

> Long-term relationships with clients and candidates
> Focus on service levels and client/candidate satisfaction
> Relationships built on integrity and professionalism

OUR STRATEGIC PRIORITIES

INTERNATIONAL EXPANSION

Driving growth through expansion into new geographic locations. Growth is largely organic with the Group having made only three market-entry acquisitions in its 30 year history.

The Group's strategy ensures that the business has a well-balanced international footprint covering both mature and developing recruitment markets, underpinned by a blend of revenue streams that together provide resilience when economic conditions are tough but present an opportunity for rapid growth through operational gearing when economic conditions improve. Spain is a good recent example of this strategy (see page 7).

Organic growth is critical to how we drive sustainable and profitable growth. By focusing on long-term, international careers we are able to effectively embed our culture in new territories. By promoting our international mobility programme we encourage successful staff to move around the world, building new businesses and strengthening existing ones.

COUNTRIES WITH RECORD NET FEE INCOME

16

DISCIPLINE DIVERSIFICATION

Driving growth through the building of scale in existing disciplines and the launch of new disciplines.

There are no shortage of opportunities to enter new markets and develop new disciplines, it is always a question of timing and management. A new market or new discipline must represent a long-term growth opportunity for the Group and secondly, the right management must be in place to ensure we effectively maintain and grow our Robert Walters Group culture.

Local senior management have the responsibility for identifying new market and new discipline opportunities and are required to present a clear business case to the Board for approval. The Group has benefited greatly over the years from early entry and accelerated growth in new and developing recruitment markets, where first-mover advantage can be beneficial. This will remain a key focus point of our strategy moving forward.

We feel we have the right blend of a structured due diligence process, coupled with speed and agility, to maximise opportunities as and when they arise. As an illustration Rachna Ratra, Director, Japan, talks about the growth of our healthcare division in Japan on page 9.

04 INNOVATION

> Entrepreneurial culture
> First recruiter to launch a recruitment outsourcing arm
> Industry-first sponsorships and brand development

05 SPECIALISTS

> Teams specialise by discipline
> Industry specialists within each team
> Specialist consultants recruiting specialist professionals

06 LONG-TERM OUTLOOK

> Organic growth strategy
> Invest in new offices, markets and disciplines with a long-term view
> Maintain presence in markets, even when times are tough

LONG-TERM INVESTMENT

The Group invests in new offices, markets and disciplines on a long-term basis in line with a clear business plan to ensure profits are generated quickly.

This long-term approach also means that we aim to maintain our presence in markets, with appropriate close cost control, when times are tough. The Group successfully followed this strategic approach through the most recent global financial crisis and was able to immediately benefit from an improvement in market conditions.

Our Spanish business illustrates this strategy in action. At a time when many of our competitors were closing, we retained both our market presence and our key staff.

STAYING AHEAD OF THE MARKET

Marco Laveda, Managing Director, Spain

"Before the economy started to improve we were ahead of the rest of the market – we had the right team in place and I knew we would be in a position to grow quickly."

When I joined Robert Walters, Spain was in the middle of the deepest downturn for a generation. We had no visibility when it would end, millions were unemployed and the recruitment market in Spain was one of the worst affected in the world.

Nevertheless, I trusted the senior management team's long-term vision for the business and joined in 2010. For two to three years it was very tough but we were committed to growing the brand and building a team for the future.

It was hard to make money, we had to work twice as hard to get results. Our strategy was to hire junior people we could train and grow with the business – critical too was creating a great atmosphere in the office.

Slowly but surely, we started to deliver sustainable results. Our people were proud to be part of what we were building when a lot of their peers were out of work.

We were happy to be together too, in and out of the office. There was so much pessimism in the market that creating a fun environment, focused on achievement, was vital in delivering those early results.

Before the economy started to improve we felt we were already ahead of the rest of the market. It was just a question of time; with the right team in place I knew we would be in a position to grow quickly.

In the last three years we've grown net fee income in excess of 100% year on year. But in line with the Group's strategy for growth we're taking things step by step, we always make sure our existing businesses are successful before opening new teams and offices. We have grown four core teams in Madrid and excitingly have recently opened a new office in Barcelona to further extend our footprint across the Spanish market.

Success factors

- **Developing a fun, team-focused culture**
- **Hiring junior consultants and training them well**
- **Growing relationships and retaining business**

DISCIPLINE DIVERSIFICATION

Driving growth through the creation of new disciplines and building scale within existing disciplines is a strategic priority.

Our healthcare business in Japan showcases our step-by-step approach to building new businesses whilst maintaining our Group culture and quality approach. Our Hong Kong contract business is an example of how we build scale within an existing business.

PROFITABLE DISCIPLINE DIVERSIFICATION

Rachna Ratra, Director of Healthcare Recruitment, Japan

"Our key to success has been hyper specialisation and not doing too much too soon. We've experienced record growth each year and are well positioned for the future."

As early as 2006 we saw the opportunity for specialising in healthcare recruitment. Japan has the second largest healthcare market in the world and every company in the sector wants to have a presence here. We also knew from recruiting back office positions for our healthcare clients that they just couldn't source enough good people for a whole range of industry specific roles.

When you're starting a new business with such growth potential it's tempting to overstretch but specialising has been key to our success. We've been able to gain traction by focusing on very niche areas, building a reputation of delighting clients, finding excellent candidates and step-by-step building sustainable teams and profit.

We started healthcare out of our business-to-consumer sales and marketing team. First we looked very specifically at sales and marketing positions in pharmaceutical and medical device companies. Over time this grew into our dedicated consumer and healthcare team. As we developed relationships with clients we also saw there was a huge need for technical roles and started to recruit clinical, regulatory and quality assurance roles.

Healthcare is a hard market to break into. The demand for domestic talent is high, yet there's a shortage of bilingual candidates who aren't keen to move jobs. Candidates are very specialised too, so our strategy had to focus on targeted headhunting, networking and referrals.

Honesty with clients has also been critical. We could have quickly found hundreds of roles and clients but it takes time to build a sustainable candidate base. Instead, we worked with one or two clients and built our reputation role by role. We would also tell clients if we didn't specialise in their area yet, but reinforce that in time we would.

We've experienced record growth each year. Today we have two profitable industry specific teams within healthcare in Tokyo and Osaka and are well positioned for future growth.

Success factors

- **Step-by-step approach**
- **Expectation management**
- **Networking and referrals**

CREATING NEW MARKETS

Matthew Bennett, Managing Director, Greater China

"Today, contract is an extremely profitable business for us. We started with two people and one P&L, now we have the largest professional contract desk in the Hong Kong market."

Back in 2009 there was no specialist professional contract market in Hong Kong. In fact, there was a real stigma attached to contracting. Candidates felt that contract roles were for 'lesser' professionals and there was no concept of the 'career contractor' like we see in the Australian and UK markets.

Many businesses hadn't used a contractor before and there was limited awareness of the benefits of using a recruitment consultancy to manage payroll and candidate benefits.

As the global financial crisis hit we saw a potential new candidate pool emerging as immediately available candidates came onto the market.

We started with IT recruitment and the first job was to educate both candidates and clients. First, we focused on candidates. If an immediately available candidate came through the door we'd talk to them about the benefits of contracting: freedom of choice, chance to work in different industries and in some cases higher earning potential. Our team-based culture helped; the consultants in the permanent teams would proactively tell the contract guys if they were talking to an immediately available candidate. Our policy of 'no candidate ownership' is very effective.

The concept spread by word of mouth as a result and through proactive marketing campaigns and events we started to build a database of candidates willing to take on contract roles.

Even though it was becoming more important for businesses in Hong Kong to have a pool of flexible resource as headcount restrictions tightened, many organisations didn't always see the benefits. Advising hiring managers on the advantages of paying slightly higher contract rate equivalents was tough.

It took 18 months to start to see mindsets change. What really makes Robert Walters unique is that we invest in the decisions we make. We take a long-term view and knew that with mindsets changing revenue would follow.

Contract is now an extremely profitable business. We started with two people and one P&L, today we have the largest contract desk in the Hong Kong market with teams across IT, HR, sales and marketing, business support and banking and finance.

Having an established professional contract business is now a great differentiator for us, cementing our reputation as a leader in the Hong Kong recruitment market.

EMERGING MARKETS AND TRENDS

Our strategy of long-term investment in both established and emerging markets has enabled us to deliver strong sustainable growth.

The Group has benefited from early entry and accelerated growth in new and developing recruitment markets. Our recent success in South East Asia is a great example of this strategy at work.

Diversity in our business model, through our recruitment process outsourcing arm, Resource Solutions, is also key to our strategy.

INVESTING IN EMERGING MARKETS

Toby Fowlston, Managing Director, South East Asia

"The key to success, even in such diverse and varied markets is essentially the same – to identify growth opportunities early to benefit from first mover advantage."

Investment in emerging recruitment markets is a cornerstone of the Group's strategy for growth and the development of our business across South East Asia is a testament to this approach.

We have five businesses across the region – well-established businesses in the more developed recruitment markets of Singapore and Malaysia, alongside very fast growing operations in the emerging recruitment markets of Indonesia, Thailand and Vietnam.

Each market is in a different phase of development and that's an exciting growth proposition. Yet, the key to success, even in such diverse markets is essentially the same – to identify growth opportunities early to benefit from first mover advantage, to invest in a market for the long term and to have the right management and people in place to embed the Robert Walters DNA.

We have followed these principles in South East Asia. For example, we grew our Malaysia business out of our Singapore business and were the first international specialist professional recruiter to enter the Thailand market. We also invested in new businesses in Indonesia and Vietnam during the most recent financial crisis, recognising an opportunity for growth, with our Country Head in Indonesia transferring to Jakarta from our Melbourne business.

What I have learnt is that the principles of the Group apply whether you are recruiting in the Thames Valley or Thailand - build trust with clients and candidates and your own people, focus on quality service delivery and the profits will follow.

SOUTH EAST ASIA OFFICES

INDONESIA
MALAYSIA
SINGAPORE
THAILAND
VIETNAM

Success factors

- First mover advantage
- Having key people in place to spread our 'DNA'
- Build trust with clients and candidates

COMPLEMENTARY MODELS FOR AN EVOLVING INDUSTRY

Oliver Harris, CEO, Resource Solutions

"The Resource Solutions business model complements our recruitment business very well by allowing us to monetise non-agency channels."

Organisations have always used non-agency channels as part of their recruitment mix: by hiring internally, through referrals or by recruiting direct to market. When we go on-site we are able to take advantage of those additional revenue streams for the Group.

The advantages of a balanced RPO model

When a business gets to the size and scale where they're considering outsourcing, it's also advantageous to the Group to have Resource Solutions on-site. We work with clients to develop a truly balanced recruitment supply chain in order to give our clients the best coverage of the market.

We're one company

Both our recruitment and recruitment process outsourcing business share the same commitment to professionalism and quality and many of our people have worked in both businesses. We share the same DNA. The Resource Solutions business is committed to acting impartially but a close working relationship with the recruitment business and a shared understanding of the recruitment challenges and opportunities faced by clients and candidates is a huge positive.

Innovation

We also take the latest thinking on diversity and innovation to our RPO clients – then we can share that best practice with the wider Group, using it to benefit our own internal processes and Robert Walters' clients.

Success factors

- Complementary income streams
- Shared values across our outsourcing and recruitment business
- Focus on innovation

OUR MOST VALUABLE ASSETS

Our people and culture are critical to the successful delivery of the Group's strategy for growth.

Investing and retaining talent

Home-grown management team
We've built a home-grown management team and encourage long-term career development within the business. In fact, the average tenure of our senior management team is currently over 12 years. The long-term development and retention of home-grown management is critical to the success of the Group.

Long-term and international careers
We're proud that many of our senior management team have been with us since joining as consultants and have grown the business across the globe, taking our unique culture with them. Now, they are leaders of our largest businesses. Providing a career path into management is something we've traditionally been very good at and helps us preserve and grow our culture.

Supporting organic growth
By promoting our international mobility programme we encourage successful staff to move around the world, building new businesses and strengthening existing ones, supporting our strategy of organic, sustainable growth.

Non-commission team-based profit
Our non-commission model is integral to our team-based ethos. We don't pay individual commission, unlike the majority of our competitors, but instead focus on team-based profit share. This is fundamental to our culture and our success. It ensures the needs of our clients and candidates come first and that our candidates are marketed to a broad range of organisations.

This team-based model is scalable and means we are able to rapidly increase headcount to benefit from positive market conditions or conversely scale back in more challenging periods. In the case of challenging market conditions, whilst recognising that cost control is essential to protect short-term profitability, we do take a longer-term view and it is the Group's policy to maintain headcount wherever possible so as to ensure we are well positioned to benefit from a recovery.

Meritocratic culture
Our culture is meritocratic with clear opportunities for progression and promotion based on performance. To aid key senior staff retention we encourage senior management to participate in equity incentive programmes. More details can be found in note 18 to the accounts.

Maximising productivity
The Group is always focused on the maximisation of our consultants' productivity across the globe. It is essential that new consultants, disciplines and offices become productive and profitable as quickly as possible through the provision of training, desk-side management support, effective systems and first class marketing.

"Whilst an individual's contribution is critical, everyone gets rewarded as a team – it's at the heart of our business."

Ingrid Armstead, Group HR Director

Find out more about our people and culture, including video case studies of our people, in our Sustainability Report: investors.robertwalters.com

NATIONALITIES REPRESENTED

78

"I am honoured to feature in the top 100 women in staffing around the globe. I believe there are many more women in the Group who could have qualified for this accolade."

Louise Campbell, Managing Director, Ireland

Louise was nominated in the 'Global Power 100' Women in Staffing.

AVERAGE TENURE OF SENIOR TEAM (YEARS)

12

INTERNATIONAL STAFF MOVES

46

Case study

Building my career

Sinead Hourigan
Managing Director, Brisbane

"I'm an absolute believer in the Group's values. Being a partner with our clients, not just a provider, has brought both myself and the team success and rewarding, long-term careers."

"I joined the business in 2003 to revitalise the government accounting focus for Robert Walters. The team quickly grew and I widened my remit to manage the broader accounting team. Responsibility for secretarial and support recruitment followed and in 2004 I was promoted to Director.

It was a fast rise and the senior management team gave me the chance to run the whole Brisbane business in 2004. I think what's different about the Group is that commitment and hard work matter, not your longevity with the business. That's inspiring and a real differentiator.

We've consistently delivered results since 2005 and it's our people that make the difference. Thinking back to the 2011 floods, we had to close the business for three weeks, yet we ended up having our best financial year – our consultants wouldn't give up and sheer grit and determination won through.

The Group's focus on long-term careers is key too. The tenure in my senior team (12 years, 8 years and 6 years) allows us to drive the culture and values deep into the business.

Since joining I've become a mum with two children under ten and it's been a very positive journey. I kept in touch with the business whilst I was on maternity leave and came back in staggered hours. Many of the team have young families now and it's important not to miss the milestones. We make time for sports days and the like – you don't get that time back."

INNOVATION – AT THE HEART OF EVERYTHING WE DO

Innovation continues to be central to our strategy for growth, providing unique ways to strengthen relationships with clients and candidates.

Awards

We've won awards for our service, innovation and employer brand across the world in 2015.

France: Great Place to Work 2015

Japan: Recruiter International Asia Awards

- The International Recruitment Company of the Year
- FMCG Consumer Product Recruitment Company of the Year

Singapore: Asia Pacific Awards

- Best Large Recruitment Business

Malaysia: HR Asia Recruitment Awards

- Recruitment agency of the year
- Best recruitment consultant of the year: Kimberlyn Lu
- Best client service
- Best candidate experience
- Asia Recruitment Grand Winner 2015

Resource Solutions: HRM Asia Readers Choice Award

– Best HR Tech Outsourcing Firm

UK: Job Crowd Awards

- Top 100 Companies for Graduates to Work for

Sponsorships

We sponsor and support a range of diverse partners: from international sporting brands to art galleries and not-for-profit institutions worldwide.

Our sponsorship of Japan's national rugby team builds upon our successful partnership with The British & Irish Lions and further cements the Group's position as a key supporter of established and emerging rugby brands. Japan is a growing force in international rugby and has been selected as the host nation for the 2019 Rugby World Cup.

Corporate sponsorship of institutions like the Saatchi Gallery and the Victoria & Albert Museum in London, and the National Art Center, Tokyo allows us to create bespoke events, private viewings and artist-led gallery tours that offer our clients a different perspective. The international nature of the exhibitions and focus on artists and designers from across the globe aligns with our international brand positioning.

New websites

We launched 37 fully responsive new country websites.

With up to 50% of web traffic now coming from mobile devices we decided to upgrade our existing mobile offering and design fully responsive sites.

We commissioned global focus groups asking candidates about our sites and a range of competitor sites. The new websites have been based on that feedback – everything from design, usability and search has been optimised for real jobseekers.

Our streamlined job search functions in a similar way to Google, making it easier for job seekers to find relevant roles. Jobs are also geo-targeted, so if you're searching for roles on the US site and are based in San Francisco, you will see jobs from that location.

We've also completely revamped the design of the sites – giving a more contemporary look. These innovations mean that our websites are now industry leading.

Industry commentary

Leading recruitment commentator across national TV, radio and online.

Our staff are experts in their field and are regular commentators on a range of topics from job market insights to discussing salary levels and hiring trends at a macro and sector level. Here's just a selection:

CNBC, Jobs & the City

Bloomberg, Returning Malaysians

CNBC, Digital Upselling

Channel 5 News, Talent Retention

Thought leadership

Our industry thought leadership gives our clients and candidates unique insight.

Throughout the year we produce regular recruitment market reports on key recruitment topics, including: Gender Diversity & Leadership, Attracting & Retaining Millennials and Recruiting in a Candidate Short Market.

Our annual compensation and bonus surveys also serve as crucial decision-making tools for clients. Jobs Indices track advertising volumes to provide key insights into the job market.

App innovations

We were the first recruitment consultancy to create a salary checker app.

The Group has a range of mobile apps and publications which we regularly update. The Salary Checker, updated annually, is available on iTunes and Google Play and has received over 315,000 downloads, an average of 63,000 a year.

The app has regularly been in the top 10 business apps, actually occupying the number one spot in multiple countries.

Global Salary Survey

Now in its 17th year.

We were the first to launch a Global Salary Survey: a comprehensive 400-page guide to salaries and contract rates around the world. The first edition was released in 2000 and the book is now in its seventeenth year – recognised by our clients and candidates as the de facto barometer of salary trends.

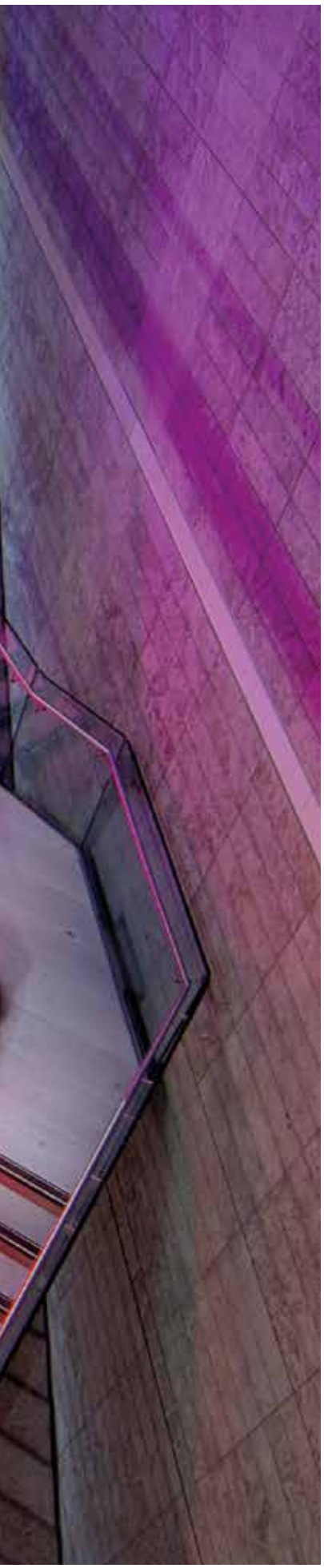
Social media

We've achieved a top 3 place in LinkedIn's most socially engaged recruiters.

Achieving a top 3 placing in LinkedIn's most socially engaged recruiters is testament to our smart, content-focused strategy which focuses on sharing quality content with our followers.

GLOBAL, DIVERSIFIED, SPECIALIST

Our strong performance was underpinned by growth across both emerging and established recruitment markets, permanent, interim and contract recruitment and recruitment process outsourcing.



CHAIRMAN'S STATEMENT

2015 was another strong year for the Group, with profit before taxation increasing by 23% (28%*) to £22.4m (2014: £18.2m).

This strong performance was underpinned by growth across both emerging and established recruitment markets, permanent, interim and contract recruitment and recruitment process outsourcing, reflecting the Group's strategic objectives of building a truly global and diversified specialist professional recruitment business.

Revenue was up 20% (24%*) to £812.7m (2014: £679.6m) and gross profit (net fee income) increased by 9% (12%*) to £234.4m (2014: £215.3m). Operating profit was up 27% (29%*) to £23.1m (2014: £18.2m) and earnings per share increased by 35% to 20.6p per share (2014: 15.3p per share). The Group has further strengthened its balance sheet with net cash of £17.8m as at 31 December 2015 (31 December 2014: £14.3m). Permanent recruitment represents 69% (2014: 69%) of recruitment net fee income.

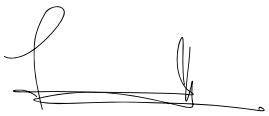
In line with the growth we have seen across the business, headcount has increased by 11% to 2,916 (2014: 2,631). A significant proportion of the headcount increase has been within our recruitment process outsourcing business, Resource Solutions, as a result of increased service penetration into existing clients and a number of international client wins.

The Board will be recommending an 18% increase in the final dividend to 5.13p per share which combined with the interim dividend of 1.95p per share would result in a total dividend of 7.08p per share (2014: 6.0p).

In 2015, 0.2m shares were purchased at an average price of £3.63 for £0.8m through the Group's Employee Benefit Trust. A further 1.1m shares have been purchased at an average price of £3.31 for £3.6m since 31 December 2015. The Board is authorised to re-purchase up to 10% of the Group's issued share capital and will be seeking approval for the renewal of this authority at the Annual General Meeting on 9 June 2016.

In January 2016, Giles Daubeney was promoted to the role of Deputy CEO. The appointment was made as part of the Group's planning for the future, to ensure appropriate succession. In his new role, Giles is working more closely with myself and the rest of the Board, taking a more active role in the Group's strategy and its engagement with the City and Investor Relations. Giles has maintained the responsibilities of his previous role of Chief Operating Officer. There are no plans for Robert Walters, CEO, to leave the business.

Last but certainly not least, I would like to express my sincere thanks to all of the Group's staff across the globe for their ongoing drive, hard work and commitment to delivering a premium, high-quality service to our candidates and clients.



Leslie Van de Walle
Chairman
9 March 2016

REVENUE

+20%

£812.7m

OPERATING PROFIT

+27%

£23.1m

BASIC EARNINGS PER SHARE

+35%

20.6p

* Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

STRENGTH, DEPTH AND DIVERSITY

The strong performance in 2015 has once again highlighted the strength, depth and diversity that the Group now has in terms of geography, discipline and revenue streams.

Review of operations

The Group now has over 2,900 staff spanning 24 countries, a balanced footprint covering both established and emerging recruitment markets including the industry's strongest emerging market footprint in the fast developing Asia region and a healthy blend of permanent, contract and interim recruitment businesses.

The evolution of recruitment process outsourcing (RPO) is arguably the biggest current trend impacting the global recruitment industry, with Nelson Hall predicting RPO to grow by 15% per year until 2019. In Resource Solutions we have a market-leading business in this space that complements our core recruitment businesses and also enables the Group to work with clients to deliver a truly end-to-end and global resourcing solution.

Asia Pacific (41% of net fee income)
Revenue was £285.1m (2014: £251.4m) and net fee income increased by 6% (10%*) to £96.3m (£99.8m*) (2014: £90.5m). This delivered an operating profit increase of 23% (21%*) to £12.9m (£12.7m*) (2014: £10.5m).

In Japan, the Group's most profitable business, we further consolidated our market-leading position, growing net fee income strongly across both Tokyo and Osaka. In addition, our sponsorship of the 'Brave Blossoms', Japan's national rugby team further strengthened our profile in what is a very brand conscious market. Of our other large and well-established markets, Hong Kong had a very good year, whilst growth was steady in mainland China and Malaysia. The market in Singapore was more challenging, particularly within financial services.

Our emerging markets in Asia continued to go from strength to strength and it is particularly pleasing to report that all our offices in these newer markets are now profitable. Indonesia and Taiwan both more than doubled net fee income, whilst Vietnam and Thailand also produced excellent results, increasing net fee income by more than 90% and 55% respectively.

Our business in Australia had a solid year, despite challenging market conditions, delivering four consecutive quarters of single digit net fee income growth and a significant increase in operating profit.

Resource Solutions in Asia continues to grow well, winning a number of new clients in both new markets and sectors.

UK (34% of net fee income)
Revenue was £403.4m (2014: £311.9m), net fee income increased by 13% to £80.4m (2014: £71.1m) and operating profit increased by 17% to £6.2m (2014: £5.2m).

NET FEE INCOME – ASIA PACIFIC

£96.3m

(2014: £90.5m)

OPERATING PROFIT – ASIA PACIFIC

£12.9m

(2014: £10.5m)

NET FEE INCOME – UK

£80.4m

(2014: £71.1m)

OPERATING PROFIT – UK

£6.2m

(2014: £5.2m)

Recruitment activity levels across both permanent and contract recruitment were strong during the first three quarters of the year, delivering broad based growth across both London and the regions. However, permanent recruitment activity slowed noticeably during the fourth quarter, particularly across the financial services market. Notwithstanding the change in sentiment we saw in the fourth quarter, the UK delivered good net fee income and operating profit growth, with activity levels highest across commerce finance and legal in London and Manchester and Milton Keynes in the regions. A new office was opened in St Albans in the first half of the year to further develop our regional office network.

Resource Solutions had a strong year, winning a number of new clients and delivering a significant increase in net fee income. Investment has continued in both headcount and global infrastructure, including the growth of client sourcing centres in Jacksonville, Johannesburg and Manchester.

Europe (20% of net fee income)
Revenue was £112.7m (2014: £106.4m) and net fee income increased 6% (16%*) to £46.3m (£51.0m*) (2014: £43.8m) producing a 53% increase in operating profit to £3.3m (£4.3m*) (2014: £2.2m).

Market conditions across the Eurozone trended positively throughout 2015. Our businesses in the Netherlands and Belgium both delivered strong performances across permanent and contract recruitment, whilst Ireland and Spain continued the positive progress we have seen over the past two years. A new office was opened in Barcelona to further grow our presence across the Spanish market.

In France, our largest business in the region, contract performed well throughout the year, whilst encouragingly we also began to see an upturn in permanent recruitment activity during the fourth quarter.

Across Switzerland and Germany we made senior management changes during the year and are already seeing early signs of an improvement in business performance.

Other International (5% of net fee income)
Revenue was £11.5m (2014: £9.9m) and net fee income increased by 16% (11%*) to £11.5m (£11.0m*) (2014: £9.9m) producing a doubling of operating profit to £0.7m (£0.3m*) (2014: £0.3m).

Other International comprises the US, South Africa, the Middle East and Brazil. In the US, our office in San Francisco continues to benefit from the strength of Silicon Valley, whilst in New York our commerce finance business in particular performed well.
In the Middle East, our business in Dubai continued to perform strongly and now has a diversified offering covering legal, financial services and commerce finance. Market conditions in both South Africa and Brazil have been challenging.

Current trading and outlook
The global macro-economic backdrop became noticeably more uncertain towards the end of 2015 and had an impact on time to hire and client and candidate confidence.

Looking ahead, whilst mindful of the ongoing global market uncertainty, we believe that the strength, depth and diversity the Group now has in terms of geography, discipline and revenue streams ensures that we are well positioned for the future. Our expectations for the full year remain unchanged.

Robert Walters
Chief Executive
9 March 2016

NET FEE INCOME – EUROPE

£46.3m

(2014: £43.8m)

OPERATING PROFIT – EUROPE

£3.3m

(2014: £2.2m)

NET FEE INCOME – OTHER INTERNATIONAL

£11.5m

(2014: £9.9m)

OPERATING PROFIT – OTHER INTERNATIONAL

£0.7m

(2014: £0.3m)

* Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

FINANCIAL REVIEW

Financial and operational highlights

Year ended	2015	2014	% change	% change (constant currency*)
Revenue	**£812.7m**	£679.6m	20%	24%
Gross profit (net fee income)	**£234.4m**	£215.3m	9%	12%
Operating profit	**£23.1m**	£18.2m	27%	29%
Profit before taxation	**£22.4m**	£18.2m	23%	28%
Basic earnings per share	**20.6p**	15.3p	35%	

* Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

Revenue
Revenue for the Group is the total income from the placement of permanent and contract staff, and therefore includes the remuneration costs of contract candidates and the total cost of advertising recharged to clients. It also includes outsourcing fees, consultancy fees and the margin derived from payrolling contracts charged by Resource Solutions to its clients.

Revenue increased 20% (24%*) to £812.7m (2014: £679.6m) with 53.5% (2014: 54.4%) of the annual total being generated in the second half of the year. The Group continues to focus on consultant productivity and hiring in the areas of the business where recruitment activity levels are increasing.

Gross profit (net fee income)
Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and the margin from advertising. It also includes the outsourcing, consultancy and payrolling margin earned by Resource Solutions.

Net fee income for the year increased by 9% (12%*) to £234.4m (2014: £215.3m). Net fee income was £120.5m in the second half compared to £113.9m in the first half (2014: 1H £101.9m, 2H £113.4m). The increase in net fee income was due to growth in both the permanent and temporary Robert Walters divisions and the Resource Solutions business.

Operating profit
Operating profit increased by 27% (29%*) to £23.1m (2014: £18.2m) and administrative expenses were £211.3m (2014: £197.1m). The principal reason for the 7% (6%*) increase in costs was due to an increase of 10% in the Group's average headcount to 2,771 in 2015, up from 2,512 during 2014.

Interest and financing costs
The Group incurred a net interest charge for the year of £0.5m (2014: £0.3m). The Group has a £35.0m four-year committed financing facility until December 2019. At 31 December 2015, £25.1m (2014: £23.4m) was drawn down under this facility. The Group also has an outstanding loan of £0.5m which was used to finance the growth in working capital of our business in China. This Renminbi-denominated loan is secured by cash deposits in Hong Kong and is repayable in instalments over four years. More details are provided in note 13 to the accounts.

A foreign exchange loss of £0.3m arose during the year on translation of the Group's intercompany trading accounts and external borrowings (2014: gain of £0.3m).

Taxation
The tax charge in 2015 was £7.1m (2014: £6.9m) which gives an effective rate of 31.6% (2014: 38.0%). The reduction in the effective tax rate is primarily due to the lower standard tax rates in the UK and Japan as compared to 2014. The tax rate is higher than the standard UK rate of 20.25%, primarily as a result of higher rates of overseas taxation in Japan, Australia and France, the impact of adjustments to accounting profit in the tax calculation and disallowable entertainment.

Earnings per share
Basic earnings per share were 20.6p (2014: 15.3p) and the weighted average number of shares for the year was 74.2m (2014: 73.8m).

Dividend
A final dividend of 5.13p (2014: 4.35p) per ordinary share is being proposed by the Board. Together with the interim dividend of 1.95p (2014: 1.65p) per ordinary share paid in October 2015, the total dividend per share would amount to 7.08p (2014: 6.0p). The final dividend, if approved, which amounts to £3.8m, will be paid on 10 June 2016 to those shareholders on the register as at 20 May 2016.

Balance sheet
The Group had net assets of £91.7m at 31 December 2015 (31 December 2014: £77.4m) including goodwill of £8.0m (2014: £8.0m). The increase in the Group net assets of £14.3m comprises profit for the year of £15.3m and credits relating to share schemes of £4.7m offset primarily by dividends paid of £4.7m and currency movements of £1.3m.

Cash flow and net cash position
At 31 December 2015, the Group had net cash balances of £17.8m (31 December 2014: £14.3m). Cash inflow from operating activities was £23.2m (2014: £11.3m). The significant payments made from operational cash flow were £3.9m of fixed asset expenditure, £7.4m of corporation tax payments, £4.7m of dividends, £0.8m of own shares purchased and £2.1m on computer software. The Group had positive cash flows from operations and is currently well placed to meet future working capital cash requirements.

Surplus cash balances are invested with financial institutions with favourable credit ratings that offer competitive rates of return.

Subsidiary undertakings
The subsidiary undertakings principally affecting the profits or net assets of the Group in the year are listed in note 10 to the accounts.

Going concern
Details on the Directors continuing to adopt the going concern basis in preparing the accounts can be found on page 54.

KEY PERFORMANCE INDICATORS

Net fee income

£234.4m

(2014: £215.3m)

Definition
Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and the margin from advertising. It also includes the outsourcing, consulting and payrolling margin earned by Resource Solutions.

Analysis
Net fee income grew by 9% (12%*), mainly in line with the Group's strategy for growth through investment in headcount in both mature and developing recruitment markets and the RPO business.

Total shareholder return (TSR)

107.3%

(2014: 69.5%)

Definition
TSR is share price growth plus dividends attributable to shareholders over a three-year period.

Analysis
The increase reflects the upturn in share price growth over the three-year period ended 31 December 2015.

Risk management

Continue to enhance the risk management framework

Definition
The Group's risk framework is designed to safeguard the Group's assets and to manage the risk of failure to achieve business objectives.

Analysis
A risk exercise was undertaken during the year to assess the principal risks in the existing framework against the current environment and operations with the required changes made to the risk profile.

Operating profit

£23.1m

(2014: £18.2m)

Definition
Operating profit represents net fee income less administrative expenses.

Analysis
Strong net fee income growth along with improved productivity driving a 27% (29%*) increase in operating profit.

International mix

66%

(2014: 67%)

Definition
International mix represents the percentage of net fee income generated outside UK operations expressed as a percentage of total net fee income.

Analysis
There has been a 1% reduction in the international mix, primarily due to the pace of the recovery of the UK business during 2015 and the weakness of foreign currencies such as the Yen and the Australian Dollar.

Environmental

Decreased carbon emissions per head

Definition
The Group is targeting to reduce the mandatory scope 1 and 2 CO_2e emissions per head by 20% across the Group by 2023, from a Full Year 2013 baseline.

Analysis
The Group's scope 1 and 2 mandatory emissions per head are down to 1.25 from the 2013 base year revised number of 1.27.

Productivity

£126.4k*

(2014: £123.1k)

Definition
Productivity represents the total net fee income generated per fee earner.

Analysis
In 2015, productivity improved in constant currency by 3%, as the Group capitalised on improving market conditions across many of our markets.

Debtor days

27

(2014: 28)

Definition
Debtor days represents the length of time it takes the Group to receive payments from its debtors. It is calculated by reference to the number of days' billings it takes to cover the debtor balance.

Analysis
Tight control over debtor collection assists in reducing the overall risk profile of the business.

Business mix

Permanent v contract 69% : 31%

(2014: 69% : 31%)

Definition
Business mix represents the ratio of permanent and contract recruitment net fee income.

Analysis
The mix remains unchanged year-on-year. Growth in permanent recruitment net fee income enables the Group to benefit quickly from operational gearing, whilst contract provides a cash hedge in the event of a downturn.

Earnings per share

20.6p

(2014: 15.3p)

Definition
Earnings per share is defined as profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

Analysis
The increase reflects the increase in profitability of the Group during the year.

Net cash

£17.8m

(2014: £14.3m)

Definition
Net cash represents the Group's cash and short term deposits less bank overdrafts and loans.

Analysis
After an increase in cash paid on dividends of 15% and £0.8m of shares purchased by the Group's Employee Benefit Trust, net cash still increased to £17.8m from £14.3m.

Candidate engagement

Glassdoor rating

Definition
The Glassdoor rating recognises companies that embrace transparency and engage with job seekers.

Analysis
Our company rating is 3.6 out of 5 – considered a high score.

* Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

CORPORATE RESPONSIBILITY STATEMENT

The Board recognises its responsibilities in respect of social, environmental and ethical (SEE) matters. The Board monitors all significant risks to the Group, including SEE risks, which may impact the Group's short and long-term value. During 2015, no significant SEE risks were identified.

Our digitally-published Sustainability Report details our approach to corporate responsibility, covering four key sustainability themes: People, our Clients & Candidates, Communities & Culture and the Environment.

Our approach

Building a sustainable approach to business has been at the heart of the Robert Walters culture through the past 30 years. The business started with the creation of a fulfilling environment for our people to work in and instilling a belief in doing recruitment the right way. We are particularly proud that so many of our people stayed with us, have developed their careers for the long term and have helped to grow our business across the globe.

For more detail, view the Sustainability Report at investors.robertwalters.com or search for Robert Walters Publications in iTunes or the Google Play store.

Our people

Growing tomorrow's leaders

The Group's strategy for growth is centred on international expansion and discipline diversification. Our people are integral to the success of this strategy and as a result we've always focused on building long-term careers, a home-grown management team and international mobility to deliver organic, sustainable growth.

Diversity

Diversity is at our heart in such an international business. We are an equal opportunities employer and aim to provide a working environment and culture that values difference – a diverse workforce allows us to fully realise the Group's potential right across the globe. Our diversity policy forms a critical part of our staff induction programme and all employees participate in our diversity workshops.

Diversity is as critical an issue for our candidates and clients as it is for our own staff. All candidates are encouraged to complete an equal opportunities form on registration, the data from which is important to both the Group and our clients to ensure we are introducing candidates from the widest possible talent pool and helping clients fulfil their own diversity programmes. We are proud to partner with OUTstanding. OUTstanding is a not-for-profit professional network for lesbian, gay, bisexual and transgender (LGBT) executives and their allies.

	2014 Average Employees			2015 Average Employees		
	Male	Female	Total	Male	Female	Total
Board Directors	6	1	7	6	1	7
Senior Managers[1]	115	52	167	111	43	154
Other Employees	869	1,469	2,338	969	1,641	2,610
Total	990	1,522	2,512	1,086	1,685	2,771

1 A senior manager is a person who is responsible for managing significant activities within the Group, or who is strategically important to part of the Group. This will include any operating country or regional Directors and functional heads of department.

Gender diversity
In accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Group has provided the table on page 22 on gender diversity.

The Board has a policy to encourage diversity, including gender. On 1 January 2014, the Board implemented a policy to ensure that there will be an equal gender quota for any future long list for a Board appointment.

Clients & Candidates
Productive long-term relationships

We have always focused on building relationships and retaining our candidates and clients for the long-term. Ensuring that enough time is taken to deliver a high level of service means clients use us again and candidates trust us to manage their careers. Doing things the right way means candidates become our clients – a continual reinvestment in the future of the business.

Communities & Culture
Charity initiatives supporting local communities

Our approach is to keep charity and community initiatives relevant to our local communities, building on the strengths of our people and making them integral to our business. Whether that's back to work interview skills for the long-term unemployed or working together as a team to volunteer at organisations like the Ang Mo Kio – Thye Hua Kwan Hospital in Singapore.

Commitment to our local communities continued during the year with a wide variety of activities taking place across the world. In total the Group made charitable donations of £32,000. Our Australian business supported Wear for Success, a charity helping supply job seekers with work-appropriate clothing. The Australian team also raised significant funds for their charity partner Youngcare: which helps young people get out of Aged Care into life-changing accommodation. The UK chose a charity partner for the year too, focusing all their efforts on raising money for Macmillan Cancer.

In Ireland, our consultants worked in conjunction with Jobcare, a charity committed to working with people caught in the trap of unemployment, hosting mock interviews and providing training and advice for unemployed people looking for work. In France, consultants participated in the Coup de Pouce, organised through the Syntec Conseil en Recrutement (the French Federation of Recruitment Professionals). This event matches people unemployed for more than six months, with recruitment consultants who advise them on their resumes, the interview process and how best to present their skills.

Staff from our Dubai office took part in the Small Box Big Difference appeal, filling boxes with donated essential everyday items to give to under privileged construction workers from overseas. For this year's Mandela Day staff in our South Africa business spent the day making improvised toys to help underprivileged children reach their development milestones in aid of Cotlands, a non-profit early childhood development organisation.

Global Charity Day
Staff in every country also participated in our fourth annual Global Charity Day on Friday 9 October 2015, raising £82,000 (2014: £66,000) through a winning display of fun, teamwork and creativity. Staff members globally donated to wear 'casuals for a cause' and charity runs, make-overs, bake sales and fancy dress were popular themes. Joshua Bryant from Japan brought his dog into the office and accepted donations from the team in return for stroking or walking him, with proceeds going to the Special Olympics & Smile for a Bridge. In Singapore, MD of South East Asia, Toby Fowlston tried his hand as a make-up artist for his team to support a local charitable hospital. Volunteering was a key theme too, with staff in San Francisco volunteering their time to help pack food boxes at the San Francisco – Marin Food Bank, which disburses food to families struggling with unemployment and rising living costs.

Global Charity Day 2015


Singapore


Tokyo


San Francisco

Environment

Although our impact on the environment is minimal, as an office-based organisation, we're working towards becoming a carbon-balanced business. That means we're investing in projects that offset emissions through reforestation initiatives. In 2015, the whole of Robert Walters' UK operations were carbon balanced through a partnership with the Woodland Trust and a Carbon Balanced programme in Vietnam via World Land Trust.

The Group is active in working towards the achievement of local Environmental Management Standards. In 2015, 26% of the Group's employees worldwide were operating in locations which were certified to ISO14001, the International Standard for Environmental Management. The Standard provides a framework for achieving the balance between enhancing profitability while setting targets for improving the organisation's environmental performance.

Greenhouse gas reporting

In September 2013, the Mandatory Carbon Reporting requirements prescribed by the Greenhouse Gas Emissions Directors' Regulations Report came into effect. This section includes our mandatory reporting of greenhouse gas emissions pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the Regulations).

Reporting year

The greenhouse gas emissions report has been prepared based on a reporting year of 1 January to 31 December 2015, which is the same as the Group's financial reporting period.

FTSE4Good

FTSE4Good index

The Group has held FTSE4Good status since 2008. FTSE4Good index inclusion criteria covers a number of corporate responsibility themes, such as environmental management, climate change, countering bribery and supply chain labour standards. Our continued inclusion in the index recognises that our policies and management systems enable us to address and mitigate key corporate responsibility risks.

Organisational boundary

The Group has chosen to report based on an operational boundary and all entities and offices which are either owned or under operational control have been included.

Methodology and scope

The methodology used to calculate the Group's emissions is based on the 'Environmental Reporting Guidelines: including mandatory greenhouse gas emissions reporting guidance' (June 2013) issued by the Department for Environment, Food and Rural Affairs (DEFRA). The Group has also utilised DEFRA's 2015 conversion factors within the reporting methodology.

The greenhouse gas emissions data has been prepared with reference to GHG protocol, which categorises greenhouse gas emissions into three scopes. Reporting on emissions from Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) activities is mandatory. The reporting of Scope 3 (other indirect emissions from sources not owned or controlled by the company) emissions is voluntary and therefore the Group reports on all those Scope 3 activities which it feels have a significant impact on its greenhouse gas emissions.

All other Scope 3 activities have been considered but the Group feels that the impact of these was so limited in respect of potential impact as to be negligible and has decided not to disclose these activities within this report. This decision will be reviewed on an annual basis or sooner if changes are made to regulatory reporting requirements.

Emissions data has been reported for all of the offices we operate in globally.

Greenhouse gas emission source (base year 2013)

	2015 Dec YTD tCO_2e	**2015 Dec YTD tCO_2e per head**	2013 Dec YTD tCO_2e	2013 Dec YTD tCO_2e per head
Scope 1				
Vehicle fleet & purchased gas	**608**	**0.27**	494	0.26
Total Scope 1 Emissions	**608**	**0.27**	494	0.26
Scope 2				
Purchased electricity and heat	**2,193**	**0.98**	2,147	1.11
Total Scope 2 Emissions	**2,193**	**0.98**	2,147	1.11
Scope 3				
Business travel – Air	**853**	**0.38**	489	0.25
Business travel – Land[1]	**318**	**0.14**	231	0.12
Transmission and distribution	**160**	**0.07**	166	0.09
Total Scope 3 Emissions	**1,331**	**0.59**	886	0.46
Total Group Emissions	**4,132**	**1.84**	3,527	1.83
Carbon offset	**(4,132)**	**(1.84)**	(935)	(0.48)
Total Net Emissions	**0**	**0**	2,592	1.35

1 Land travel includes all forms of land transport, such as rail and taxi, but excludes travel in the Group's vehicle fleet. The appropriate conversion factor for the method of transportation is applied to the distance travelled.

Intensity metric
The Group has recorded the total global emissions, in tonnes of CO_2e, and has decided to use an intensity metric of tonnes of CO_2e per head, which the Group believes is the most relevant indication of our growth and provides the best comparative measure over time.

Global greenhouse gas emissions data
The table on page 24 shows the total global emissions, in tonnes of CO_2e and tonnes of CO_2e per head for the Group.

The Group will continue to closely monitor emissions and will aim to meet its carbon reduction target by 2023.

Base year
The 2013 financial year was the base year for the Group's greenhouse gas reporting, being the first year the Group completed a global calculation.

The base year has been recalculated for changes to the scope of operation and measurements, including any additions to measured Scope 3 data. The base year and previous year's data are also recalculated if better quality data for the previous year is identified.

Reducing carbon
The Group is targeting to reduce CO_2e per head emissions by 20% across the Group by 2023, from a FY 2013 baseline.

The Group continues to actively reduce the carbon footprint of the business through:

- Consulting closely with the Carbon Trust and considering its recommendations as environmental objectives;
- Establishing objectives for minimising travel to that which is totally necessary; and
- Offsetting carbon emissions through accredited reforestation schemes covering the UK, Europe and Asia Pacific.

Human rights and ethical behaviour
The Group respects all human rights and in conducting its business the Group regards those rights relating to non-discrimination, fair treatment and respect for privacy to be the most relevant and to have the greatest potential impact on its key stakeholder groups of clients, candidates, employees and suppliers.

The Board has overall responsibility for ensuring the Group upholds and promotes respect for human rights. The Group seeks to anticipate, prevent and mitigate any potential negative human rights impacts as well as enhance positive impacts through its policies and procedures and, in particular, through its policies regarding employment, equality and diversity. Group policies seek both to ensure that employees comply with all applicable legislation and regulation and to promote good practice.

The Group's policies are formulated and kept up to date by the relevant business areas, authorised by the Board and communicated to all employees.

The Group has a zero tolerance approach to bribery and corruption and has specific processes in place to prevent it. The Group's Anti-Bribery Policy (with specific reference to the Bribery Act) is issued to all employees. The Anti-Bribery Policy is reviewed annually to ensure that it is current.

The Group undertakes extensive monitoring of the implementation of all of its policies and has not been made aware of significant breaches of policy or any incident in which the organisation's activities have resulted in an abuse of human rights.

The Group is aware of the new UK Modern Slavery Act 2015 and will comply with its obligations under it.

Health and safety
The Chief Executive has overall responsibility for the implementation of the Group's health and safety policy, with specific operational responsibility delegated to managers at each location. Every effort is made to ensure that all national safety requirements are met at all times and there were no notable injuries or health and safety issues identified during the year.

Political donations
The Group made no political donations during the year (2014: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management process

The Board recognises the importance of identifying and actively monitoring the full range of financial and non-financial risks facing the business, at both a local and Group level. Following the risk assessment exercise undertaken by the Internal Audit function during the year, the risk profile was updated to reflect the current environment and operations. By regularly reviewing the risk profile of the business, the Board ensures that the risk exposure remains appropriate at any point in the cycle. The effectiveness of the risk management process is monitored by the Audit Committee. The process involves identifying and prioritising the key risks within the Group and developing and implementing appropriate mitigation strategies to address those risks.

We review our risks in terms of likelihood of occurrence and potential impact on the business and the Audit Committee reviews and considers the extent to which management has addressed the key risks through appropriate controls and actions to mitigate those risks. Each local management team continues to consider key risk areas on an ongoing basis with a specific periodic review at least once a year of their system of internal controls to ensure that each risk area is addressed within the business. The Internal Audit function reviews and tests the effectiveness of these controls to ensure that risk is being managed properly and effectively.

A summary of the key risks that we believe could potentially impact the Group's operating and financial performance, together with associated key actions, is shown below:

Risk	Actions to mitigate risk
Economic environment – Job availability and the level of candidate confidence in the employment market are important factors in determining the total number of recruitment transactions in a given year. Candidates are less inclined to move jobs when the number of jobs available is stagnant or in decline, which could lead to a deterioration in the Group's financial performance.	The Group is geographically diversified, spanning 24 countries, which reduces the reliance on the success of any particular market. The Group also continues to develop its contract and Resource Solutions businesses, both of which provide more resilient revenue streams in the event of an economic downturn. Historically, the Group has successfully diversified into other sectors to reduce its concentration risk in the event of a downturn.
	The Board's strategy when facing a slowdown in a market is to balance the cost base, such that the impact on profit is mitigated, against the perceived future benefit from the retention of key staff. Historically, the Group has benefited substantially from increased operational gearing as a result of its policy of deliberately retaining key staff through economic downturns.
Business model – Competition risk varies in each of the Group's main regions depending on the maturity of the client and candidate market. The emergence of new technology platforms such as social media for recruitment purposes may also lead to increased competition.	The development of strong commercial relationships with clients has enabled the Group to win and then maintain its contracts with large global organisations and the Group also has a significant and diverse income stream across the SME marketplace.
	The Group reviews and monitors changes in social media trends to ensure that it evolves appropriately. The Group continues to promote itself as a relationship recruiter operating in specialised markets and to ensure that its online presence is providing competitive and a high-quality customer experience.
People management – The Group relies heavily on recruiting and retaining talented individuals with the right skill sets to grow the business. In addition, as the Group expands its operations in emerging markets, the supply of people with the required skills in specific geographic regions may be limited. The failure to attract and retain key employees with the required sales, management and leadership skills may adversely affect the Group's financial results.	The Group's policy of linking bonuses to profitability in discrete operating units has a high correlation to the retention of efficient and effective members of staff.
	The long-term incentive schemes that are detailed in note 18 to the accounts form a key part of a wider strategy to improve levels of staff retention, particularly of the Group's senior employees.
	Other elements of the strategy to improve staff retention and maximise career opportunities include significant investment of time and financial resources in employee training and development, including regular weekly appraisals, aimed at core consultant competencies and focused on enhancing management potential. The Group's culture and the associated processes help to increase productivity and also improve the employee's alignment to the business. A comprehensive approach to succession planning is also in place across the Group.
	The Group offers international career opportunities and actively encourages the redeployment of existing talent to international offices and also to establish new offices.
Brand and reputation – There is an inherent risk that the brand and reputation of the Group could be impacted by a failure to maintain high-quality service levels to both candidates and clients.	Quality control standards are maintained and reviewed for each stage of the recruitment cycle, with all new employees receiving appropriate levels of training applicable to their role.
	Candidate and client satisfaction surveys are carried out on a regular basis, with Directors addressing any negative feedback directly with the client or candidate.
	A 'Contact us' email address is available on the Group's website so any negative feedback or improper conduct can be acted upon swiftly by the Group Marketing Director and local senior management.

Risk	Actions to mitigate risk
Laws and regulations – The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international laws and regulations, any change to which could have a detrimental effect on the Group's financial performance.	To ensure compliance, our legal department works with leading external advisors as required to monitor potential changes in employment legislation across the markets in which we operate.
	Contractual terms and conditions are thoroughly reviewed before signing to ensure contract provisions are fully understood and risks are fairly allocated between parties.
	An escalation process exists such that contracts with non-standard terms are reviewed and approved by the General Counsel and Chief Financial Officer as appropriate.
Technology – The Group is reliant on its technological infrastructure to maintain client and candidate data. A critical infrastructure or system disruption could have a material impact on the Group's financial results, whilst a loss of confidential and competitive information can have an adverse impact on operations and the reputation of the Group.	The Group maintains a comprehensive IT security policy, which is reviewed on a regular basis, covering all areas of IT security from user access through to server access.
	All sensitive candidate and customer information is held securely with restricted access.
	Appropriate guidance and training on the security and handling of both manual and electronic documents, including confidential and sensitive data, is provided to all staff.
	The Group has a dedicated Chief Technology Officer with a specific remit as part of his job to consider and ensure that appropriate and reasonable steps are taken, particularly in respect of cyber-related threats.
	The Group continues to review and improve its Business Continuity Plan to mitigate against any critical infrastructure disruptions.

STRATEGIC REPORT APPROVAL

The Strategic Report, outlined on pages 1 to 27, incorporates the 2015 Highlights, Robert Walters at a Glance, Strategic Framework, Strategy in Action, Our People and Culture, Innovation, the Chairman's Statement, the Chief Executive's Statement, the Financial Review, Key Performance Indicators, Corporate Responsibility Statement and Principal Risks and Uncertainties.

By order of the Board,

Alan Bannatyne
Chief Financial Officer
9 March 2016

CORPORATE GOVERNANCE STATEMENT

Dear Shareholder
I am pleased to report that your Company has again complied in full throughout the year with the UK Corporate Governance Code.

As a Board, we continually strive to ensure that high standards of corporate governance are maintained. We monitor developments and trends in corporate governance both in the UK and internationally, adopting any emerging practice we feel would improve our governance whether or not it becomes mandatory.

One of our core values that is continually communicated within the Group is a belief that the highest standards of integrity are essential in business. As a Group, we have an expressed aim of respecting the needs of shareholders, employees, clients, candidates, contractors and suppliers.

The Board has a wide range of responsibilities and it is my duty to ensure it has the right mix of skills and talent and to ensure that it works effectively as a team towards shared goals. An equally important responsibility is that of succession planning to Robert Walters. Whilst Robert Walters has given no indication as to when he might retire, Giles Daubeney was promoted to Deputy CEO in January 2016 as a clear indication of the Board's intention that he is the preferred candidate to succeed Robert. Giles has for many years played a vitally important leadership role in the Company and has been the primary driver in establishing world class operational processes and disciplines. Following the promotion, he has taken on several additional responsibilities and will play a more active role in the development of the Company's strategy and in its engagement with institutional shareholders.

The Board Committees have had a successful year. The Audit Committee continued to see significant improvements in all areas of risk management, with the Internal Audit function granted additional resource in line with the growth of the Group and the conclusion of the Internal Audit five year plan review. There was increased focus on the Group's risk register and overall risk environment during the year with local management forming an integral part in reviewing and updating the risk profile of the Group. The Remuneration Committee has continued to engage with our shareholders, in particular with regards to Giles Daubeney's promotion and his remuneration package.

Whilst there were no appointments to the Board during the year, the Nominations Committee remains committed to ensuring an equal gender representation on all future long lists for Board appointments.

A key aspect for ensuring your Board's effectiveness is our annual Board and Committee evaluation process, which had a positive outcome. We will continue to look to enhance the positioning of the business and continue to adapt and improve the Group's risk culture and framework.

On the following pages we describe our corporate governance framework in more detail.

Leslie Van de Walle
Chairman
9 March 2016

Statement of compliance with the UK Corporate Governance Code

The Company has complied fully throughout the year ended 31 December 2015 with the Code provisions set out in the 2014 UK Corporate Governance Code (the Code).

The Board of Directors is committed to the highest standards of corporate governance and has applied the principles set out in the Code, including the Main Principles, the Supporting Principles and the Provisions by complying with the Code as reported above. Further explanation of how we integrate the Main Principles of the five sections of the UK Corporate Governance Code into our business, these being: Leadership; Board Effectiveness; Relations with Shareholders; Accountability; and Remuneration, is set out below. Our principles and policy in relation to remuneration are covered separately in our Remuneration Report on pages 35 to 51.

Leadership

The Board and its role

The Board is responsible to the Group's shareholders for the conduct and performance of the Group's business. Having strong governance processes and oversight helps drive the culture of the business so that it can better deliver on its responsibility to all of our stakeholders.

The Board has developed a Board governance framework which sets out the governance structure of the Board and its Committees. The Board considers that it has shown its commitment to leading and controlling the Group by:

- Having a Board constitution which details the Board's responsibility to the Group's shareholders for the management of the Group's affairs. It exercises direction and supervision of the Group's operations throughout the world and defines the line of responsibility from the Board to the Chief Executive and the Executive Directors in whom responsibility for the executive management of the business is vested;
- The Board retaining specific responsibility for agreeing the strategic direction of the Group, the approval of accounts, business plan, budget and capital expenditure, the review of operating results, the effectiveness of governance practice and risk management, and also the appointment of senior executives and succession planning;
- A high level of attendance by the Directors at the seven Board meetings held during the year. There were no apologies;
- The provision of appropriate training to all new Directors at the time of appointment to the Board, and by ensuring that existing Directors receive such training as to be equipped with the skills required to fulfil their roles; and
- Delegating responsibilities to sub-Committees: Audit Committee; Remuneration Committee; and Nominations Committee.

Audit Committee

The Audit Committee's primary focus is to assist the Board in fulfilling its oversight responsibilities. During the year the Committee met three times and reviewed the following:

- Half-year results and the annual financial statements;
- The effectiveness of the Group's system of internal controls, internal audit and risk management;
- The performance of the external auditor, their terms of engagement, the scope of the audit and audit findings including findings on key judgements and estimates in the financial statements; and
- The opinions of management and the Auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair.

Further information on the work of the Committee during the year can be found on pages 33 and 34.

Nominations Committee

The Nominations Committee met three times during the year and its activities included:

- Monitoring the Board's structure, size, composition and diversity to achieve a balanced and effective Board in terms of skills, knowledge and experience;
- Reviewing the leadership needs and succession planning of the Group including identifying and developing talent;
- Recommending any changes in the membership of the Board Committees;
- Assessing potential conflicts of interest of all Directors; and
- An annual review of progress achieved, including the diversity objectives of the Group to increase the level of female representation on the Board.

Remuneration Committee

The Remuneration Committee met four times during the year and its activities included:

- Engaging with our largest shareholders to ensure a strong level of communication and dialogue;
- Determining the individual remuneration packages for Executive Directors, in particular Giles Daubeney's remuneration package;
- Approving the targets and performance assessments for performance-related incentive schemes; and
- Overseeing the operation of all incentive schemes and awards and determining whether the performance criteria had been met.

Further information on the work of the Committee during the year can be found in the Remuneration Report on pages 35 to 51.

Attendance at meetings

The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the year are set out below.

	Board (7 meetings)	Audit Committee (3 meetings)	Nominations Committee (3 meetings)	Remuneration Committee (4 meetings)
Leslie Van de Walle	7	n/a	3	n/a
Robert Walters	7	n/a	3	n/a
Giles Daubeney	7	n/a	n/a	n/a
Alan Bannatyne	7	n/a	n/a	n/a
Andrew Kemp	7	3	3	4
Carol Hui	7	3	3	4
Brian McArthur-Muscroft	7	3	3	4

Division of responsibilities between Chairman and Chief Executive

The Board has shown its commitment to dividing responsibilities for the Board and running the Company's business by keeping the roles of Chairman and Chief Executive separate. The roles are set out in writing and have been approved by the Board. The key responsibilities of the Chairman and Chief Executive are summarised below:

- During the year, as Chairman, Leslie Van de Walle was responsible for leading the Board, its effectiveness and its integrity. The Chairman sets the tone for the Company, and ensures the links between the Board and shareholders are strong.
- As Chief Executive, Robert Walters was responsible for the day-to-day management of the Group's operations, implementing Board approved strategic objectives and policies, and developing vision and strategy for the Board's review and approval.

Board balance and independence

The Board comprises the Chairman, three Executive Directors and three independent Non-executive Directors. The Board annually reviews its composition to ensure there is an appropriate balance between Executive and Non-executive Directors and by promoting diversity ensures the Board has the appropriate mix of skills, experience, and knowledge. The Group's commitment to achieving a balance of Executive and Non-executive Directors is shown by:

- The Non-executive Directors comprising more than half of the Board of Directors; and
- The Non-executive Directors: Leslie Van de Walle; Brian McArthur-Muscroft; Carol Hui; and Andrew Kemp, being considered to act independently of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

Senior Independent Director

The Board has appointed Andrew Kemp as the Senior Independent Director. Andrew Kemp is available to shareholders when they may have issues or concerns where contact through the normal channels of either the Chairman or the Executive Directors has either failed to resolve concerns, or contact is deemed inappropriate.

Board effectiveness

Transparency of Board appointments

The Nominations Committee is responsible for nominating candidates to fill Board vacancies, considers the ongoing succession of the Board and its Committees and makes recommendations on Board composition and balance. The members of the Committee are the Non-executive Directors and Robert Walters. During the year, the Nominations Committee met to consider and approve the re-election of the remaining Directors at the June 2015 Annual General Meeting.

The Board has a policy to encourage diversity, including gender, and this was a focus of the Nominations Committee during the current year. There were no Board appointments during the year, however it remains the policy of the Board to ensure that there will be an equal gender quota for any future long list for a Board appointment.

The Nominations Committee has written terms of reference which are available on request. The procedure for appointments to the Board includes the requirement to specify the nature of the position in writing and to ensure that appointees have sufficient time available to meet the demands of the position. The terms of the contracts for the Non-executive Directors are available upon request.

Understanding the business

The Board has sought to ensure that Directors are properly briefed on issues arising at Board meetings by establishing procedures for:

- Distributing Board papers in advance of meetings in the appropriate form, including detailed reports and presentations, to enable it to discharge its duties;
- Presentations on different aspects of the Company's business from members of the senior management team;
- The Non-executive Directors meet senior operational management at the annual global senior management conference;
- Regularly reviewing financial plans, including budgets and forecasts;
- Adjourning meetings or deferring decisions when Directors have concerns about the information available to them; and
- Making the Company Secretary responsible to the Board for the timeliness and quality of information.

Professional development

On appointment, the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision-making, the terms of reference and membership of the principal Board Committees and the powers delegated to those Committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. Throughout their period in office, the Directors are regularly updated on the Group's business and the environment in which it operates, by written briefings and by meetings with senior executives, who are invited to attend and present at Board meetings from time to time. They are also updated on any changes to the legal and governance requirements of the Group and those which affect them as Directors and are able to obtain training, at the Group's expense, to ensure they are kept up to date on relevant new legislation and changing commercial risks.

Performance evaluation

In line with the Code, a formal and rigorous performance appraisal of the Board, its Committees, the Directors and the Chairman is conducted annually as we recognise that our effectiveness is critical to the Group's continued success.

In 2015, a detailed review was completed by each Director and individual discussions took place between the Chairman and each of the Directors and, in the case of the Chairman's performance and leadership, this was reviewed by the Senior Independent Non-executive Director. Subsequently, there was a full Board discussion of the matters that were raised and a process to ensure that the decisions taken were appropriately implemented. Overall, the outcome of the evaluation process was very positive, with good progress noted on the areas of focus raised in previous evaluations. This process did not identify any material issues that needed to be addressed in either the previous or the current year.

Regular re-election of Directors

In line with the recommendations of the Code, the Board has agreed to submit all Directors for annual election. As a result of their annual performance evaluation, the Board considers that their individual performances continue to be effective, with each Director demonstrating commitment to their role. The Board is therefore pleased to support their re-election at the forthcoming Annual General Meeting.

Succession planning

A clear focus on career progression for employees is core to the Group's growth and helps attract and retain talented individuals. The Group remains committed to maximising career opportunities through significant investment in training and professional development. Executive succession planning discussions were held in 2015 and a clear succession plan is in place for all Board members and their direct reports.

Relations with shareholders

Dialogue with institutional shareholders

The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by:

- Making annual and interim presentations to institutional investors;
- Meeting shareholders to discuss long-term issues and obtain their views;
- Providing direct access to the Chairman for regular meetings with shareholders, including an annual invitation to meet with the top 10 shareholders;
- Communicating regularly throughout the year; and
- Regular meetings of the Board being used as the forum to ensure that Non-executive Directors are updated on the views of major shareholders that have been communicated to the Executive Directors.

Constructive use of Annual General Meeting

The Board seeks to use the Annual General Meeting as an opportunity for all shareholders to question the Board and the Chairmen of the Board Committees on matters put to the meeting including the Annual Report. The Board seeks to encourage shareholder participation by:

- Inviting shareholders to submit questions in advance; and
- Providing a balanced and understandable assessment of the Group's position and prospects.

The results of voting at general meetings are published on the Company's website, investors.robertwalters.com, as required by the UK Corporate Governance Code.

Accountability

Internal control

The Board is responsible for the effectiveness of the Group's system of internal control. A review has been completed by the Board for the year ended 31 December 2015 and up to the date of approval of the Annual Report, in accordance with the recommendations of the Turnbull Report. The Board's monitoring covers all controls, including financial, operational and compliance controls, and risk management. It is based primarily on reviewing reports from management and Internal Audit to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Audit Committee assists the Board in discharging its review responsibilities. During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

The Group's system of internal control is designed to safeguard the Group's assets and to ensure the reliability of information used within the business and for publication. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The full Board meets regularly and has a schedule of matters which are required to be brought to it or its duly authorised Committees for decision, aimed at maintaining full and effective control over appropriate strategic, financial, operational and compliance issues on an ongoing basis.

The Board has put in place an organisational structure with clearly defined responsibilities and delegation of authority. The Board constitution clearly sets out those matters for which the Board is required to give its approval. The Board delegates the implementation of the Board's policy on risk and control to executive management and this is monitored by the Internal Audit function which reports back to the Board through the Audit Committee.

The Internal Audit function provides objective assurance to both the Audit Committee and to the Board. The Internal Audit annual plan is submitted for approval by the Audit Committee and the reviews and tests of key business processes and control activities are reported on throughout the year, including follow up in respect of the implementation of management action plans to address any identified control weaknesses or potential improvements. It was pleasing to note that once again there were no findings that indicated the existence of key control weaknesses and that for areas capable of improvement identified in 2014, improvements had been made during 2015. In conclusion there were no areas that were deemed to be unfit for purpose.

To assist the Board in reviewing the principal risks of the business, the Internal Audit function undertook a risk exercise during the year to assess the principal risks in the existing framework against the current environment and operations. Following the required changes made to the risk profile, the Board concluded that the principal risks and framework are in line with the current business model. The risk profile and framework is reviewed by the Board on an ongoing basis.

Audit Committee and Auditor

A separate Report of the Audit Committee is set out on pages 33 and 34 and provides details of the role and activities of the Committee and its relationship with the external auditor.

Leslie Van de Walle
Chairman
9 March 2016

REPORT OF THE AUDIT COMMITTEE

Dear Shareholder

I would like to give you an overview of the operation and scope of the Audit Committee and report on our work over the past year.

Composition of the Audit Committee

The Audit Committee is appointed by the Board from the Non-executive Directors of the Company. The Audit Committee's terms of reference include all matters indicated by Disclosure and Transparency Rule 7.1 and the 2014 UK Corporate Governance Code. The terms of reference are considered annually by the Audit Committee and are available upon request.

Members of the Audit Committee include myself – Brian McArthur-Muscroft (Chairman), Carol Hui and Andrew Kemp, all of whom are Non-executive Directors. The Committee met three times during the year, with full attendance at each of the meetings.

The Audit Committee is required to include one financially qualified member, with this requirement currently fulfilled by myself and all Audit Committee members are considered to be financially literate. The composition of the Committee was reviewed during the year, with the Board and Committee satisfied that it has the expertise and resource to fulfil its responsibilities effectively, including those relating to risk and control.

As Audit Committee Chairman, I invited the Chairman of the Board and the Executive Directors to each meeting. In addition, the Group Financial Controller, the Internal Audit Manager and representatives from the Group's external auditor, Deloitte LLP, were present at each meeting.

Role of the Audit Committee

The Audit Committee meets at least three times a year to review the interim and annual financial statements, the accounting policies of the Group, its internal financial control procedures and compliance with accounting standards, business risk, legal requirements and the requirements of all other matters indicated by the terms of reference.

A process has been in existence throughout the period that this report relates to in order to assess the risks within the business and to report and monitor such risks. The Audit Committee regularly receives reports identifying the key internal controls in existence and also risk reports from the business. The Audit Committee then evaluates the effectiveness of those controls and the management of key risks within the Group.

The Audit Committee discharges its responsibility in respect of the annual financial statements by: reviewing the terms of the scope of the external audit in advance of the audit; and, subsequently evaluating the findings of the external audit as presented to the Audit Committee by the auditor prior to the approval of the annual financial statements.

Significant accounting judgements and estimates

The Committee reviewed the Group's draft full-year and half-yearly results statements prior to Board approval and reviewed the external auditor's detailed reports thereon. In particular the Committee reviewed the opinions of management and the Auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2015 and matters where the Committee specifically considered the judgements that had been made are set out below:

Revenue recognition

Revenue in respect of permanent placements is deemed to be earned when a candidate accepts a position and a start date is determined. A provision is made by management, based on historical evidence, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date. The Committee reviewed the detailed criteria for revenue recognition and a report on the cut-off testing performed on earned but not invoiced revenue and were satisfied by the judgements made by management.

The Committee also reviewed the back-out provision applied to this revenue, whereby a percentage of candidates may in reality reverse their acceptance prior to their start date and the level of provision is considered to be appropriate based upon historical trends.

Bad debt provisioning

At each balance sheet date each subsidiary evaluates the collectability of trade receivables and records a provision based on anticipated recoverable cash flows, nature of counterparty, past due date, geographical location, the costs of recovery and the fair value of any guarantee received.

The Committee reviewed the ageing profile of trade receivables and considered this to be consistent with previous periods. They also considered that the level of the bad debt provision is appropriate given the risk profile of the Group's trade receivables.

Other significant matters considered by the Committee

The Committee considered other significant matters as set out below:

Going concern

In order to support the going concern assumption, the Committee was presented with detailed forecasts showing the current Group financing position and future cash flows for the three-year period ending 31 December 2018; the Group's financing arrangements include:

- Net funds totalling £17.8m (this is net of the facility drawn down to the extent of £25.1m at 31 December 2015);
- A further £0.5m Renminbi denominated loan;
- A guaranteed four-year borrowing facility of £35.0m;
- Net current assets of £66.3m.

The Committee considered the three-year period appropriate as it is the longest timeframe over which any reasonable view can be formed given the cyclical nature of the market in which the Group operates.

Based on the current financing position and projected cash flows, the Committee concluded that the going concern assumption was appropriate.

Deferred tax asset

The judgement to recognise a deferred tax asset is dependent upon the Group's expectations regarding the future profitability of certain businesses, which contain a degree of inherent uncertainty. The Committee reviewed the judgements made in respect of tax, including deferred tax assets, their recoverability and the nature of the requirements under International Financial Reporting Standards to satisfy recognition on the balance sheet. The Committee concluded that based on management's assumptions and current forecasts, the level of recognition appears reasonable.

Goodwill impairment

In reviewing the results for 2015, the Committee reviewed the assessments made for goodwill impairment. This included measuring the carrying value of goodwill against the discounted cash flows of each cash generating unit (CGU) where a goodwill balance is held. Each local business is considered to be a CGU. There are a number of judgements made by management, including

the forecast of future performance, discount rates used, the growth rates applied and the sensitivity analysis undertaken. The Committee confirmed, based on management's expectations of future performance of individual business units, that no goodwill impairment charges were required in 2015.

Future accounting standards

The Committee received an update on future accounting standards changes and the potential impact that these may have on the Group's financial statements. Some of these new accounting standards will apply for the financial year 2016 and the Committee will continue to assess the impact on the Group's financial statements.

Fair, balanced and understandable

A final draft of the Annual Report is reviewed by the Audit Committee prior to consideration by the Board and the Committee considered whether the 2015 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's performance, business model and strategy. They were satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable and provided the necessary information for shareholders to assess the Group's performance, business model and strategy.

Internal Audit and risk

At the end of 2014, the Committee approved the Internal Audit plan for 2015. During the year, the Internal Audit function has delivered both significant geographic and financial coverage, as well as risk-based assurance across a wider remit including operational activities and support departments such as human resources. In depth on-site audit reviews at Resource Solutions' clients have also been carried out. Internal Audit reports on key business processes and control activities, including following up the implementation of management action plans to address any identified control weaknesses. At each meeting, the Committee received a summary of new audit findings and a progress update on previously raised audit recommendations.

Throughout the year, the Internal Audit function has continued to enhance the risk management framework and undertook a risk assessment exercise to benchmark the principal risks in the existing framework against the current environment and operations. A number of risk identification sessions, led by industry specialists, were carried out across the Group. In certain areas, improvements to the existing areas of focus were identified and the appropriate changes were made to the risk profile and to the activity of Internal Audit.

The Internal Audit function was granted additional resource during the year in line with the growth of the Group and to increase its focus on the Group's risk register and overall risk environment.

The Committee reviewed the independence and objectivity of the Internal Audit function and approved the Internal Audit plan for 2016.

Assessment of effectiveness of external audit process

The Committee assessed the effectiveness of the external audit process by obtaining feedback from all parties involved in the process, including management and the external auditor. As part of a formal review process, audit effectiveness questionnaires are completed by members of the Audit Committee and senior finance employees from across the Group. A summary report of these responses, including recommendations for future improvement, was presented to the Committee for their consideration. It was concluded that the external audit process was operating effectively. The Committee held private discussions with Deloitte LLP (Deloitte) at both of the Audit Committee meetings which considered the financial statements to provide an opportunity for open dialogue and feedback without management being present. Matters discussed included the preparedness and efficiency of management with respect to the audit, the strengths and any perceived weaknesses of the financial management team, confirmation that no restriction on scope had been placed on them by management and how they had exercised professional judgement.

Based on this formal feedback and its own ongoing assessment, the Committee remains satisfied with the efficiency and effectiveness of the audit.

Re-appointment of Auditor

The Audit Committee is responsible for making recommendations to the Board regarding the appointment of its external auditors and their remuneration. Deloitte has been the Group's auditor since 2002. The Audit Committee, following a review during the year, remains satisfied with the effectiveness and independence of Deloitte. Nevertheless, in line with the new European Union Audit Directive and Regulation, it is the intention that the Group audit will be put out for tender in 2019. In line with our Auditor Independence Policy, the Group Audit Partner is required to rotate after a maximum of five years; the current audit partner, John Charlton, was appointed in 2014. The Audit Committee will give further consideration during the audit partner's term to the application of the audit tendering provision of the 2014 edition of the UK Corporate Governance Code. There are no contractual obligations restricting our choice of external auditors and no auditor liability agreement has been entered into.

Independence of our external auditor

The Audit Committee recognises the importance of ensuring the independence and objectivity of the Group's auditor and reviews the service provided by the auditor and the level of their fees. Any non-audit fees greater than £25,000 (individually or in aggregate) require the approval of the Audit Committee each financial year. Details of audit and non-audit fees paid to the external auditor are in note 3. The Audit Committee has adopted a policy with respect to the provision of non-audit services provided to the Group by the external auditor that complies with the requirements of the Code. The Board has delegated responsibility to the Audit Committee for making recommendations on the appointment, evaluation and dismissal of the external auditor.

After due and careful consideration, taking account of the processes above, the Committee has recommended to the Board that Deloitte be reappointed as the Company's Auditor.

Raising concerns in confidence

The Audit Committee also reviews the Group's whistleblowing procedures to ensure that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence, with suitable follow-up action. The Audit Committee considers that the nomination of Brian McArthur-Muscroft, as a point of contact, for raising any such matter is an appropriate measure and the procedure for raising such concerns is detailed on the Group's intranet.

Approved

This report was approved by the Board of Directors on 9 March 2016 and is signed on its behalf by:

Brian McArthur-Muscroft
Audit Committee Chairman
9 March 2016

REPORT OF THE REMUNERATION COMMITTEE

Dear Shareholder

The performance of the Group has again been very pleasing in 2015 and the pay outcomes in respect of the Executive Directors reflect this as the Directors' Remuneration Report shows.

This Remuneration Report is split into two parts and comprises:

- The Annual Report on Remuneration detailing payments made to Directors, showing the link between Group performance and remuneration for the 2015 financial year and the intended approach to be applied to the 2016 financial year. The Annual Report on Remuneration will be subject to an advisory vote by our shareholders at the Annual General Meeting.
- The Directors' Remuneration Policy which sets out the Group's remuneration policy for Directors, as approved by shareholders at the 2014 Annual General Meeting. This is included for information only and to provide additional context.

The performance of the business in 2015

It has been a strong year for the Group, with a 9% (12% in constant currency) increase in net fee income to £234.4m. We are a global business and the performance of the Group is subject to continuing global economic uncertainty. Despite this, we have grown revenues in the majority of our markets as well as establishing new offices, for example, in Barcelona. Our headcount continues to grow as we invest further in recruiting experienced, talented employees, and at the same time our productivity has continued to improve. The balance sheet remains strong and our net cash position was £17.8m at the year end. Two thirds of our net fee income now comes from outside the UK and 85% of recruitment net fee income outside the financial services sector. Overall profit before taxation for the year was £22.4m, an increase of 23% (28% in constant currency) on the prior year profit of £18.2m.

In accordance with our Directors' Remuneration Policy, the annual bonus for 2015 was based on profit before taxation and a basket of personal Key Performance Indicators. The profit before taxation achieved for the year was just short of the maximum hurdle of £22.8m set at the start of the year. This hurdle was 26% higher than the profit before taxation reported for 2014. The Remuneration Committee has assessed whether the profit before taxation target remains commercially sensitive and has decided that it is willing to disclose the financial target set for 2015 on a retrospective basis in light of the views of our major shareholders. Unless the Board decides it would be against shareholders' interests, we shall continue to do so on an annual basis going forward. The specific strategic KPIs set included both individual objectives for the Executive Directors and team objectives. Key areas of focus this year included the opening of new offices, staff retention and development of our Resource Solutions business. The Remuneration Committee has also been very pleased with the performance against the KPIs and has decided that bonus payments amounting to 93% of the maximum bonus opportunity of 100% (140% of salary) should be made. The Annual Report on Remuneration has more details. A third of the bonus earned is deferred into shares.

Our Total Shareholder Return (TSR) performance over the three-year period from 31 December 2012 to 31 December 2015 was 107.3% which is more than twice the result for the FTSE Small Cap Index of 50.6%. This, coupled with strong EPS growth over the period of 45.2%, has resulted in the full vesting of share options and performance shares granted in 2013.

Executive Directors' pay in 2016

Giles Daubeney was promoted to Deputy Chief Executive Officer in January 2016. This is an important appointment and has been made as part of the Company's succession planning for the future. In the Board's view, it is impossible to overstate Giles's contribution throughout his 28 years of working for the business. He has, particularly since he was appointed to the Board in 2000, played a vitally important leadership role in the Company and has been the primary driver in establishing world class operational processes and disciplines. He has also helped to create a positive organisational 'culture' which has enabled the Company to grow successfully. In his new role, in addition to maintaining all his existing responsibilities as Chief Operating Officer, he has taken on additional responsibilities and will play a more active role in the development of the Company's strategy and in its engagement with institutional shareholders. He received a promotion increase to his salary effective from 1 January 2016 of 8% of salary and his new salary will be 89% of the CEO's (previously 83%) which we believe is fair and reasonable in the light of his expanded responsibilities.

This is an important matter for the Board and, together with the Chairman, I engaged with our largest shareholders and the voting guidance services to explain our rationale for the salary increase. I am glad to say that feedback received from shareholders has been supportive. There are no other changes to Giles's terms and conditions. The increases for both Robert Walters and Alan Bannatyne were 1.5% of salary, considerably below the global average increase for employees across the Group of 3.6%.

At the AGM, the Board is asking shareholders to approve a new Executive Share Option Scheme. The scheme is intended for employees below the Board. Share options under the scheme do not form part of the Directors' Remuneration Policy and hence Executive Directors are not eligible to participate.

I hope our shareholders find the 2015 Directors' Remuneration Report clear and that it will receive their support.

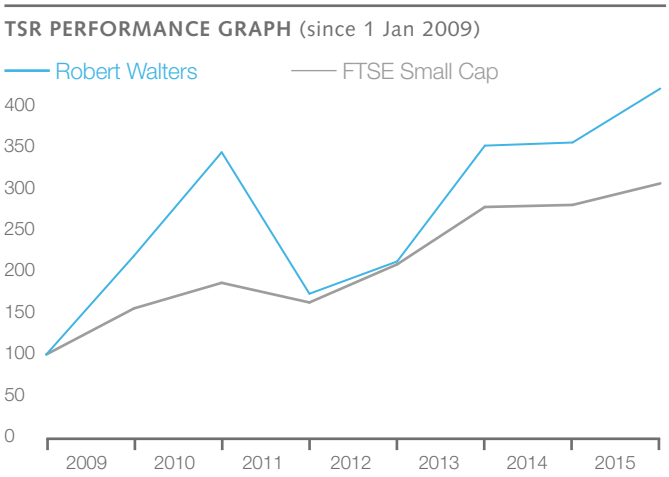
Andrew Kemp
Remuneration Committee Chairman
9 March 2016

ANNUAL REPORT ON REMUNERATION

This section of the report provides details of the payments made to Directors in respect of the 2015 financial year and is subject to audit.

Performance graph

The following graph shows the Company's TSR performance compared with the TSR performance of the FTSE Small Cap Index, selected because Robert Walters plc is a constituent.



TSR is calculated by Datastream as the growth or fall in value of a shareholding from the date of initial investment over time, with the assumption that dividends are reinvested to purchase additional shares in the Company.

Single total figure (audited)

As illustrated by the TSR performance graph above, the Group has performed better than the average of the FTSE Small Cap.

Executive Directors (audited)

The total remuneration for 2015 and comparative prior year figures for each Executive Director are set out in the table below.

	2015							
	Base salary £'000	**Other[1] benefits £'000**	**Pension £'000**	**Total fixed pay £'000**	**Bonus[2] £'000**	**LTIPs[3] £'000**	**Total variable pay £'000**	**Total £'000**
R C Walters	**567**	**60**	**113**	**740**	**794**	**2,029**	**2,823**	**3,563**
G P Daubeney	**473**	**48**	**94**	**615**	**662**	**1,689**	**2,351**	**2,966**
A R Bannatyne	**346**	**27**	**69**	**442**	**484**	**1,257**	**1,741**	**2,183**
	1,386	**135**	**276**	**1,797**	**1,940**	**4,975**	**6,915**	**8,712**

	2014							
	Base salary £'000	Other[1] benefits £'000	Pension £'000	Total fixed pay £'000	Bonus £'000	LTIPs £'000	Total variable pay £'000	Total £'000
R C Walters	550	60	110	720	550	238	788	1,508
G P Daubeney	459	48	91	598	459	199	658	1,256
A R Bannatyne	336	27	67	430	336	146	482	912
	1,345	135	268	1,748	1,345	583	1,928	3,676

1 Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, private medical insurance, car allowance and mortgage subsidy. All benefits are subject to annual review and there was nil increase in the current year. These benefits for Robert Walters and Giles Daubeney have not been increased since 2000; and in the case of Alan Bannatyne since his promotion to Chief Financial Officer in 2007.

2 This bonus reflects the new bonus scheme, introduced when share options and the opportunity to co-invest were removed from the Executive Directors' remuneration with the effect of decreasing pay potential overall, effective 1 January 2015. Two thirds of the annual bonus is paid in cash, one third will be deferred and held as shares.

3 The performance conditions, targets and actual performance for both the Performance Share Plan and Executive Share Option Scheme are detailed on pages 38 and 39.

Chairman and Non-executive Directors (audited)

The total remuneration for 2015 and 2014 for the Chairman and each Non-executive Director is set out in the table below.

	2015		2014	
	Base salary £'000	**Total[1] fixed pay £'000**	Base Salary £'000	Total[1] fixed pay £'000
L Van de Walle	**106**	**106**	103	103
A D Kemp	**66**	**66**	64	64
B McArthur-Muscroft	**64**	**64**	62	62
C Hui	**54**	**54**	52	52
	290	**290**	281	281

1 No taxable benefits are payable to the Chairman and Non-executive Directors.

The Remuneration Committee increased the Chairman's fee by 2.9% from 1 January 2015. The Chairman and the Executive Directors on behalf of the Board determined an increase in the basic fee of the Non-executive Directors of 3.4%.

Additional details in respect of the single total figure

Base salary

For 2015, the Committee gave Robert Walters, Giles Daubeney and Alan Bannatyne a base salary increase of 3% and this came into effect on 1 January 2015. These salary increases were lower than the average salary increase for employees across the Group of 3.5%.

Other benefits

Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, private medical insurance, car allowance and mortgage subsidy. All benefits are subject to annual review and, for 2015, there were no changes to benefits for any of the Executive Directors.

Pensions

Each of the Executive Directors is entitled to an annual defined contribution pension of 20% of salary into an approved money purchase scheme (or cash in lieu of pension). The Chief Executive takes his pension contribution as a cash allowance. Both the Chief Financial Officer and the Deputy Chief Executive Officer opted to take that element of their contribution, over and above the limit set by HMRC, in cash.

The normal retirement age of each Director is in line with government legislation and no additional benefit would become receivable by a Director in the event that the Director retires early.

Annual bonus

For 2015, the Committee determined the annual bonus payment for the Executive Directors by reference to specific performance targets set at the beginning of the year. The performance measures and bonus payments were as follows:

		Bonus for profit before taxation performance		Bonus for personal KPIs performance		Total bonus	
		Potential	Actual	Potential	Actual	Potential	Actual
R C Walters	£'000	595	567	255	227	850	794
	% of salary	105%	100%	45%	40%	150%	140%
	% of maximum	70%	67%	30%	26%	100%	93%
G P Daubeney	£'000	497	473	213	189	710	662
	% of salary	105%	100%	45%	40%	150%	140%
	% of maximum	70%	67%	30%	26%	100%	93%
A R Bannatyne	£'000	363	346	156	138	519	484
	% of salary	105%	100%	45%	40%	150%	140%
	% of maximum	70%	67%	30%	26%	100%	93%

– As in the prior year, the profit before taxation (70% weighting) threshold and maximum targets for 2015 were set having considered both internal budgets and market expectations. The Remuneration Committee has discussed the disclosure of financial performance targets and has decided that, on a retrospective basis, the disclosure of the profit before taxation targets set for 2015 will not be damaging. The Remuneration Committee will take a view on this each year depending on the measures adopted and the targets set. The Group profit before taxation thresholds and maximum targets set for 2015 were £18.6m and £22.8m respectively. The outcome of profit before taxation was £22.4m. This was 98% of the maximum of the range set or 95% of the maximum payable under this measure and resulted in the payment of 100% of salary for each Executive Director or 67% of the maximum bonus.

– Performance against the personal KPIs (30% weighting) was assessed against a number of areas, financial and environmental, social and governance. These included strategic performance objectives such as the successful execution of the Group's investment strategy, opening of new offices, staff retention and development, client and candidate satisfaction, innovation, such as the roll out of the Group's social media strategy and cost effective improvements to IT infrastructure, including the development of Resource Solutions. All bar one of the KPIs were either met in full or exceeded. Two examples of significant over achievement were; the deployment of a globally responsive website across all 24 countries during the year; and growth in profitability in excess of 20% in a key business unit. The Board considers that the nature of the personal KPIs remain commercially sensitive and therefore continues to believe that further disclosure would not be in the best interests of shareholders. Based on the assessment of the Remuneration Committee of performance against all KPIs set, it was determined that 89% of the maximum is payable under this element to each Executive Director, representing 26% of the maximum bonus and 40% of salary.

Consequently, bonuses totalling 93% of the maximum were awarded to all Executive Directors, representing 140% of salary. One third of the earned bonus for 2015 will be deferred for two years into shares, payable in equal tranches at the end of 2016 and 2017. The bonus figure shown above in the single total figure is the total bonus awarded in relation to performance for the year, including the portion that is deferred. Details of the cash payment and the deferred shares are set out below.

	Annual bonus £'000	Cash payment – two thirds £'000	Deferred payment – one third £'000
R C Walters	794	529	265
G P Daubeney	662	441	221
A R Bannatyne	484	323	161

Over the last five years, the average total bonus pay-out has been 76% of salary and 69% of total bonus opportunity. This period has been a very challenging one, particularly the years 2012 and 2013 with a crisis of confidence in the Eurozone and a second recession in the space of three years in the UK. Notwithstanding the difficult macro-economic background, the business has continued to follow its core strategy and taken investment decisions for the longer term, successfully achieving growth every year and increasing the global footprint of the business, now 24 countries across the globe. Despite this very substantial level of investment, the Company is now closer to historical peak profits than its peer group. The Remuneration Committee is satisfied that the bonus payments fully reflect the strong operating performance of the Group.

Long-term incentive plans

The long-term incentive plan (LTIP) figures that are presented in the single total figure table on page 36 show the total vested value of both share options and shares granted under the Performance Share Plan (PSP) which are detailed below:

(a) Share options (legacy awards)

The 2015 value has been calculated based on a share price of 390p in respect of the share options granted in March 2013. The share options which vested in March 2016 were subject to the achievement of stretching performance conditions determined at the beginning of 2013, over the three-year period ended on 31 December 2015. Details of the performance levels achieved over this three-year period are set out below:

Performance measure	Weighting	Performance required for minimum vesting (i.e. 33% of award)	Performance required for maximum vesting (i.e. 100% of award)	Actual performance	% of vesting achieved
Compound annual increase in EPS compared to the increase in RPI over three years.	100%	The Group's annualised EPS growth rate must exceed the UK retail price index by at least an annual compound growth of 8% (RPI + 8%).	The Group's annualised EPS growth rate must exceed the UK retail price index by at least an annual compound growth of 14% (RPI + 14%).	The Group's annualised compound EPS growth was 45.2% and hence above the maximum of the performance range.	100%
Total to vest in March 2016					**100%**

As the maximum performance level required has been achieved, the share options awarded in March 2013 vested in full in March 2016.

For the last five years, period ended 31 December 2015, the average actual percentage vesting of the options has amounted to 20% of the initial award and last year the options which were due to vest lapsed. This highlights the stretching nature of the EPS targets over that period.

The performance conditions for all outstanding share options can be found on page 41.

The table below details the number of share options granted in March 2013, the potential value of these options at grant date and the estimated value of the shares under option included in the single figure table in 2015.

	Options granted	Grant price p[1]	Strike price or 'face value' £'000[2]	Fair value £'000[3]	% of vesting achieved	No. of vested awards	Value of vested awards[4] £'000
R C Walters	300,000	211	633	183	100%	300,000	537
G P Daubeney	250,000	211	528	152	100%	250,000	448
A R Bannatyne	200,000	211	422	123	100%	200,000	358

1 Grant price is the market value at the time of grant.
2 Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
3 Fair value has been calculated as the fair value of one share as provided by Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of options granted.
4 The value of vested awards has been estimated using the average share price for the final quarter of 2015 of 390p per share. The actual value of the award may differ as it is dependent on the share price on the vesting date.

(b) Performance Share Plan (PSP)

The 2015 value represents an estimate of the value of the performance awards held by the Executive Directors that were granted in April 2013. PSP awards granted in April 2013 are scheduled to vest in April 2016 subject to the achievement of stretching performance conditions over the three-year period ending on 31 December 2015. Details of the performance levels achieved over this three-year period are set out below:

Performance measure	Weighting	Performance required for minimum vesting (i.e. 33% of award)	Performance required for maximum vesting (i.e. 100% of award)	Actual performance	% of vesting achieved
Compound annual increase in EPS compared to the increase in RPI over three years.	50%	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 8%.	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 14%.	The Group's annualised compound EPS growth was 45.2% and hence above the maximum of the performance range.	100%
Relative TSR measured against the FTSE Small Cap Index over three years.	50%	Relative TSR of the Group matches the median relative TSR performance of the FTSE Small Cap Index.	Relative TSR of the Group exceeds the median relative TSR performance of the FTSE Small Cap Index by at least an annual compound growth of 12.5%.	TSR over the three-year period ended 31 December 2015 was 107.3% compared to a median TSR of the FTSE Small Cap Index of 50.6%.	100%
Total to vest in April 2016					**100%**

The maximum level of performance required under both performance measures was exceeded and hence the shares awarded in April 2013 under the Performance Share Plan will vest in full in April 2016.

The table below details the awards granted in April 2013, the potential value of these awards at grant date and the estimated value of the vested shares awarded under the Performance Share Plan included in the single figure table in 2015.

	No. of PSP awards granted	Grant price p[1]	Face value £'000[2]	Fair value £'000[3]	% of vesting achieved	No. of vested awards	Value of vested awards[4] £'000
R C Walters	269,901	225	607	395	100%	269,901	1,053
G P Daubeney	224,251	225	505	329	100%	224,251	875
A R Bannatyne	161,789	225	364	237	100%	161,789	631

1 Grant price is the market value at the time of grant.
2 Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
3 Fair value has been calculated as the fair value of one share as provided by Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of options granted.
4 The value of vested awards has been estimated using the average share price for the final quarter of 2015 of 390p per share. The actual value of the award may differ as it is dependent on the share price on the vesting date.

The Executive Directors also participated in the co-investment opportunity in April 2013, with each of them investing in shares equivalent in value to 25% of salary after tax. An award of co-investment shares was then made over the number of shares which could have been acquired had the amount of salary been invested on a pre-tax basis. The performance conditions are the same as the PSP awards above and, as a consequence, the co-investment shares will therefore also vest in full in April 2016.

The table below details the estimated value for the co-investment awards included in the single figure table in 2015.

	No. of PSP awards granted	Grant price p[1]	Face value £'000[2]	Fair value £'000[3]	% of vesting achieved	No. of vested awards	Value of vested awards[4] £'000
R C Walters	112,534	225	253	165	100%	112,534	439
G P Daubeney	93,823	225	211	137	100%	93,823	366
A R Bannatyne	68,709	225	155	101	100%	68,709	268

1 Grant price is the market value at the time of grant.
2 Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
3 Fair value has been calculated as the fair value of one share as provided by Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of options granted.
4 The value of vested awards has been estimated using the average share price for the final quarter of 2015 of 390p per share. The actual value of the award may differ as it is dependent on the share price on the vesting date.

The Committee has limited powers to exercise discretion in relation to the vesting of the PSP or co-investment awards, subject to being satisfied that there has been a genuine improvement in the underlying financial performance of the business and there was no discretion exercised in the current year. The performance conditions for all outstanding awards under the Performance Share Plan can be found on page 42.

Long-term incentives awarded in 2015 (audited)

Share options

In accordance with the new remuneration policy, which is applicable for the 2015 to 2017 financial years, no share options were granted to the Executive Directors in February 2015.

Performance Share Plan (PSP)

In February 2015, the Executive Directors were granted PSP awards under the new Performance Share Plan, as approved by shareholders at the 2014 Annual General Meeting. The value of these awards was 180% of salary as follows:

	Share awards	Co-investment awards	Grant price p[1]	Face value £'000[2]	Fair value £'000[3]	% award vesting at minimum threshold performance	% of face value that could vest
R C Walters	291,293	–	360	1,048	765	30%	100%
G P Daubeney	242,862	–	360	874	637	30%	100%
A R Bannatyne	177,853	–	360	640	467	30%	100%

1 Grant price is the market value at the time of grant.
2 Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
3 Fair value has been calculated as the fair value of one share as provided by Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of options granted.

The performance conditions and weightings for these PSP awards are set out as follows:

Performance measures	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index over a three-year period	50%	15%
Earning per share (EPS) growth over a three-year period	50%	15%
Total	**100%**	**30%**

In relation to the PSP performance conditions, the vesting criteria are split into the following two components:

a. In determining the three-year EPS targets, the first year is set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Committee, taking into account all available data. For 2015 the first year target is set at 15%. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The overall threshold target will be the compound result of years one, two and three. There is then a straight-line increase in vesting with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three.
b. In relation to the three-year TSR performance condition, no vesting will occur unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%.

Executive Directors are no longer able to participate in co-investment awards and are additionally now subject to share ownership guidelines – see page 42.

Statement of Directors' shareholding and share interests (audited)

Share options

Details of the options to acquire ordinary shares in the Company granted to or held by the Directors under the Company's Executive Share Option Scheme or SAYE Option Scheme are as follows:

	Options at 1 January 2015	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options at 31 December 2015[1]	Price granted p[2]	Share price on exercise p	Gain on exercise p	Exercise dates
R C Walters									
Executive Options	300,000	–	–	–	300,000	208	–	–	Mar 2013 – Mar 2020
Executive Options	300,000	–	–	(300,000)	–	227	–	–	Mar 2015 – Mar 2022
Executive Options	300,000	–	–	–	300,000	211	–	–	Mar 2016 – Mar 2023
Executive Options	300,000	–	–	–	300,000	353	–	–	Mar 2017 – Mar 2024
SAYE Options	6,792	–	–	–	6,792	265	–	–	May 2017 – Nov 2017
	1,206,792	**–**	**–**	**(300,000)**	**906,792**				
G P Daubeney									
Executive Options	250,000	–	–	–	250,000	208	–	–	Mar 2013 – Mar 2020
Executive Options	250,000	–	–	(250,000)	–	227	–	–	Mar 2015 – Mar 2022
Executive Options	250,000	–	–	–	250,000	211	–	–	Mar 2016 – Mar 2023
Executive Options	250,000	–	–	–	250,000	353	–	–	Mar 2017 – Mar 2024
SAYE Options	6,792	–	–	–	6,792	265	–	–	May 2017 – Nov 2017
	1,006,792	**–**	**–**	**(250,000)**	**756,792**				
A R Bannatyne									
Executive Options	200,000	–	–	–	200,000	208	–	–	Mar 2013 – Mar 2020
Executive Options	200,000	–	–	(200,000)	–	227	–	–	Mar 2015 – Mar 2022
Executive Options	200,000	–	–	–	200,000	211	–	–	Mar 2016 – Mar 2023
Executive Options	200,000	–	–	–	200,000	353	–	–	Mar 2017 – Mar 2024
SAYE Options	6,792	–	–	–	6,792	265	–	–	May 2017 – Nov 2017
	806,792	**–**	**–**	**(200,000)**	**606,792**				
	3,020,376	**–**	**–**	**(750,000)**	**2,270,376**				

1 In total there are 750,000 options that have vested but are unexercised.
2 Market price when awarded, except for SAYE Options which were granted at a 20% discount to the market price.

The performance criteria of the options are detailed in note 18.

The market price of the ordinary shares at 31 December 2015 was 360p per share (2014: 309p per share) and the range during the year was 308p to 475p per share.

Performance Share Plan (PSP) (audited)

There are currently 63 senior executives who participate in the PSP including the Executive Directors. The table below shows the number of shares that have been awarded to the Executive Directors under the Performance Share Plan and that remained unexercised at the end of the financial year and also shows the shares which were granted, which vested and which lapsed during the year.

	Date of grant	Share awards	Co-investment awards	Vested during year	Lapsed during year	At 31 December 2015	Share price on date of award p[1]	Exercise date
R C Walters								
	March 2012	243,909	117,719	(65,907)	(295,721)	–	220	March 2015
	April 2013	269,901	112,534	–	–	382,435	217	April 2016
	May 2014	174,673	82,406	–	–	257,079	315	May 2017
	February 2015	291,293	–	–	–	291,293	360	February 2018
		979,776	**312,659**	**(65,907)**	**(295,721)**	**930,807**		
G P Daubeney								
	March 2012	203,356	98,146	(54,949)	(246,553)	–	220	March 2015
	April 2013	224,251	93,823	–	–	318,074	217	April 2016
	May 2014	145,631	44,479	–	–	190,110	315	May 2017
	February 2015	242,862	–	–	–	242,862	360	February 2018
		816,100	**236,448**	**(54,949)**	**(246,553)**	**751,046**		
A R Bannatyne								
	March 2012	148,922	71,875	(40,240)	(180,557)	–	220	March 2015
	April 2013	161,789	68,709	–	–	230,498	217	April 2016
	May 2014	106,649	50,313	–	–	156,962	315	May 2017
	February 2015	177,853	–	–	–	177,853	360	February 2018
		595,213	**190,897**	**(40,240)**	**(180,557)**	**565,313**		

1 Market price when awarded.

In accordance with the guidance issued by The Investment Association and consistent with the rules of the Company's share schemes, the maximum number of new shares that may be issued in respect of all share schemes is limited to 10% of the issued share capital. At 1 January 2016 the Company had outstanding options representing 6.5% of issued share capital. Share awards under the PSP are satisfied with market-purchased shares through the Employee Benefit Trust.

In the event of a change of control, the rules specify that all awards would vest subject to satisfaction of the performance conditions. The awards would normally then be pro-rated to reflect the period of time between the date of grant and the date of change of control. Further information relating to all equity awards currently available to Executive Directors is detailed on pages 41 and 42 and in note 18 to the accounts.

Directors' interests in shares

The Directors who held office at 31 December 2015 had the following interests in the ordinary shares of the Company:

	31 December 2015 Number	31 December 2014 Number
R C Walters	**2,317,781**	2,283,006
G P Daubeney	**1,639,113**	1,610,120
A R Bannatyne	**302,410**	281,178
L Van de Walle	**25,587**	25,587
A D Kemp	**10,000**	10,000
C Hui	**10,000**	10,000
B McArthur-Muscroft	**7,140**	7,140

Executive Directors are subject to share ownership guidelines with a minimum recommended holding of 200% of salary. Their holdings are all well in excess of this which we believe aligns their interests with those of shareholders. For the avoidance of doubt, Directors are not permitted to take forward-options, pledge, or in any way securitise their holdings of Robert Walters plc shares.

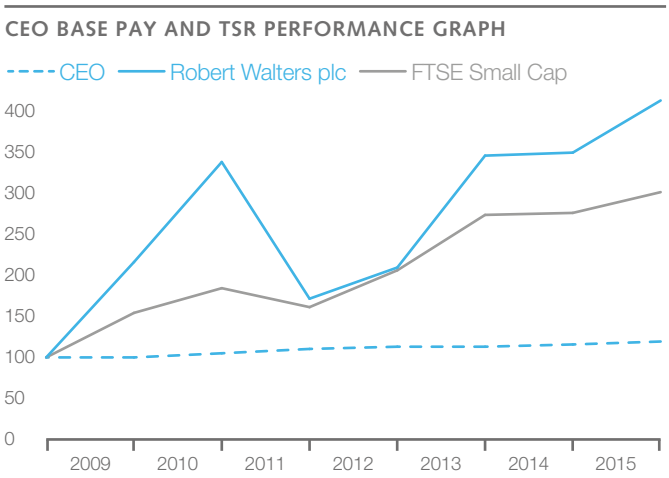
The percentage and value of the shareholdings of the Executive Directors, based on the share price at 31 December 2015 and expressed as a percentage of salary are as follows:

Shares held	% of issued share capital	% of salary
R C Walters	3.00%	1,472%
G P Daubeney	2.12%	1,248%
A R Bannatyne	0.39%	315%

CEO information

The Group believes strongly that remuneration should be linked to performance. The following graph and table give a perspective of the Chief Executive's base salary over a period of six years.

Total Shareholder Return (since 1 Jan 2009)



This graph shows how the Chief Executive's base salary has increased since 2009 against the Total Shareholder Return (TSR) of the FTSE Small Cap Index and Robert Walters plc over the same period, 2009 being selected for the purposes of consistency having been selected as the base year set by the updated 2014 Regulations.

The following table shows the Chief Executive's total realised pay (calculated using the same approach we have used to calculate the single total figure) over the last six years.

R C Walters	Single total figure showing realised remuneration £'000[1]	% of total bonus paid against maximum opportunity[2]	% of LTIPs vesting against maximum opportunity[3]	Period over which the LTIPs performance targets are based on
2015	3,563	93%	100%	2012 – 2015
2014	1,463	100%	18%	2011 – 2014
2013	1,241	100%	0%	2010 – 2013
2012	1,168	0%	71%	2009 – 2012
2011	1,699	40%	35%	2008 – 2011
2010	2,112	120%	32%	2007 – 2010
2009	630	0%	0%	2006 – 2009
Total average		**65%**	**37%**	

1 Total remuneration is calculated as the total of fixed and variable pay based on the same calculation method used in the single total figure table on page 36.
2 % of total bonus paid against maximum opportunity is calculated as the annual bonus pay out in each respective year based on the same calculation method used in the single total figure table as a % of the maximum opportunity.
3 % of LTIP shares vesting against maximum opportunity is calculated as the number of share options and PSP awards that have qualified to vest in the year as a % of the face value of the award.

Chief Executive's pay compared to employees

The table below shows the year-on-year percentage movement of base pay, other benefits and annual bonus in 2015 for the Chief Executive, compared with the average percentage change for Group employees.

The Chief Executive's remuneration disclosed in the table below uses the same information for base salary, other benefits and bonus as the single total figure on page 36. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

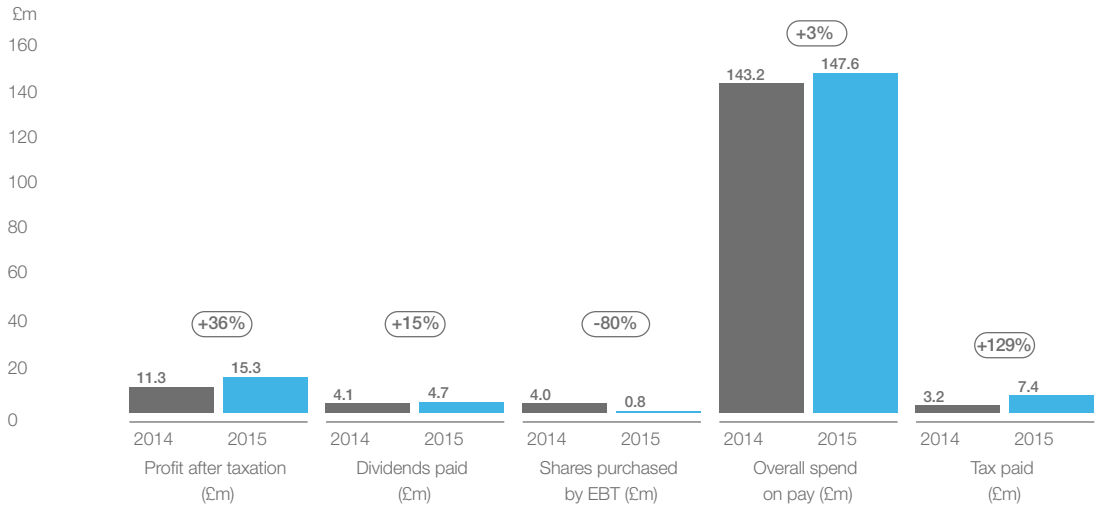
	Base salary	Other benefits including pension	Bonus
R C Walters	3%	0%	44.4%[1]
All employees	3.5%	1.4%	8.5%

1 This reflects the introduction of the new Directors' Remuneration Policy which increased annual bonus potential, whilst pay potential overall decreased.

Relative importance of the spend on pay

The graph below shows details of the Group's profit after taxation, dividends paid, share buybacks, total spend on pay and tax paid for the years ended 31 December 2014 and 2015.

SPEND ON PAY



1 Total remuneration of employees includes wages and salaries, social security costs, pension costs and share-based payments for all employees, including Directors. Further details of the total remuneration of the Group are given in note 4.
2 The total dividend paid during the year ended 31 December 2015 was £4.7m based on a final dividend of £3.2m, paid on 12 June 2015, and an interim dividend of £1.5m paid on 16 October 2015. Further details on dividends are given in note 6.
3 Tax paid during the year represents the corporation taxation paid for the Group during the year ended 31 December 2015.
4 The shares purchased by the EBT represent the total amount spent by the Employee Benefit Trust (EBT) on shares during the year ended 31 December 2015.

Statement of implementation of remuneration policy in 2016

The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2016 will be as follows:

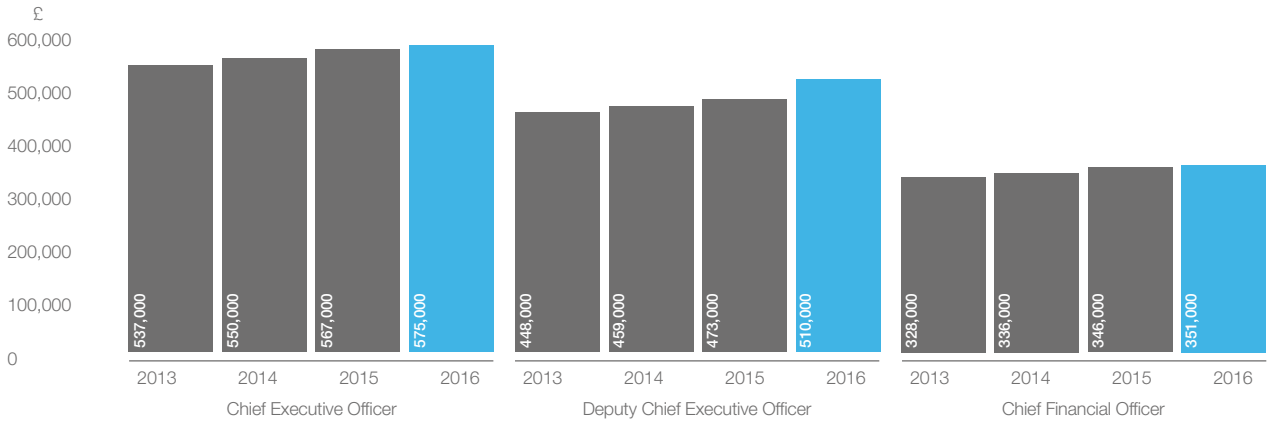
(i) Base salary

(a) Executive Directors

For 2016, the average salary increases for employees across the Group other than Executive Directors is expected to be approximately 3.6%. The Committee has decided to give the Executive Directors salary increases lower than the average salary increase. Robert Walters and Alan Bannatyne will each receive a base salary increase of 1.5%.

Giles Daubeney was promoted to Deputy Chief Executive Officer in January 2016 and will take on additional responsibilities over and above his existing duties as Chief Operating Officer. There are no plans for Robert Walters to retire but Giles Daubeney is the Board's preferred candidate to succeed him in due course. His promotion is key to succession planning. As Deputy CEO, he will work much more closely with the Chairman and the Board and take a more active role in the Company's strategy and in its engagement with shareholders. He will therefore receive a promotion increase of 8% of salary effective from 1 January 2016. The graph below sets out the base salaries of the Executive Directors over the last three years and the salaries for 2016.

BASE SALARIES OF THE EXECUTIVE DIRECTORS



(b) Chairman and Non-executive Directors

For 2016, the fees for the Chairman (as determined by the Remuneration Committee) and the Non-executive Directors (as determined by the Chairman and Executive Directors) have been agreed as follows:

	2016		2015	
	Base salary £'000	**Total[1] fixed pay £'000**	Base salary £'000	Total[1] fixed pay £'000
L Van de Walle	**107**	**107**	106	106
A D Kemp	**67**	**67**	66	66
B McArthur-Muscroft	**65**	**65**	64	64
C Hui	**55**	**55**	54	54
	294	**294**	290	290

1 No other taxable benefits are payable to the Chairman and Non-executive Directors.

The Chairman and Non-executive Directors each received an increase in remuneration of 1.5% effective 1 January 2016.

(ii) Other benefits

No changes will be made to benefits in 2016.

(iii) Annual bonus

For 2016, the Committee has determined that the annual bonus payment for the Executive Directors will be by reference to specific performance targets set at the beginning of the year. The performance measures are:

- Profit before taxation for the Group (70% weighting); and
- Personal KPIs (30% weighting) which include strategic performance objectives such as the successful execution of the Group's investment strategy, opening of new offices, staff retention and development, client and candidate satisfaction and in particular a focus on the strength of candidate engagement, innovation, and the successful phase one roll-out of the new software platform for Resource Solutions. Specific objectives were also set with respect to certain aspects of the Group's conversion ratio.

For 2016 and in accordance with the approved policy, the on-target bonus for each of the Executive Directors will be set at 97.5% of salary and the maximum bonus will be set at 150% of salary. One third of any earned bonus will be deferred for two years into shares, payable in equal tranches at the end of 2017 and 2018.

(iv) Long-term incentive plan

For 2016, it is proposed that each Executive Director will receive awards under the Performance Share Plan (PSP) to the value on grant of 180% of base salary.

The performance period is the three-year period ending 31 December 2018. The performance conditions and weightings for these PSP awards are set out as follows:

Performance condition	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index over three-years	50%	15%
Earnings per share (EPS) growth over a three-year period	50%	15%
Total	**100%**	**30%**

In relation to the PSP performance conditions, the vesting criteria are split into the following two components:

a. In determining the three-year EPS targets, the first year is set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Committee, taking into account all available data. For 2016 the first year target is set at 15%. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The overall threshold target will be the compound result of years one, two and three. There is then a straight-line increase in vesting with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three.
b. In relation to the TSR performance condition, no vesting will occur unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%.

(v) Pensions

No changes in the level of pension contributions as a percentage of base salary are permitted for any of the Executive Directors in 2016.

The Remuneration Committee

The Remuneration Committee comprises Andrew Kemp (Chairman), Brian McArthur-Muscroft and Carol Hui, all of whom are independent Non-executive Directors and it is the intention of the Chairman of the Board, Leslie Van de Walle, to be in attendance at all meetings.

The purpose of the Committee is to consider all aspects of Executive Directors' remuneration and to determine the specific remuneration packages of the Executive Directors, including bonus schemes, pension contributions and other benefits. The Committee also recommends to the Board the remuneration of the Chairman. The Committee ensures that the remuneration packages are competitive within the recruitment industry, and reflect both Group and personal performance during the year, whilst also having regard to the broader levels of remuneration within the Group itself and environmental, social and governance issues. The Committee meets when required to consider all aspects of Executive Directors' remuneration and received independent external advice from Towers Watson and Hewitt New Bridge Street Consultants LLP during the year. The Committee has satisfied itself that the advice provided is independent and objective. Towers Watson and Hewitt New Bridge Street have been formally appointed by the Committee. Neither firm provides other services to the Committee and both are members of the Remuneration Consultants Group and the Committee is satisfied that no conflicts of interest have arisen. The fees paid to these firms during the year were £13,400 to Towers Watson and £4,000 to Hewitt New Bridge Street. The terms of reference of the Remuneration Committee are available on our website. FIT Remuneration Consultants, who are members of the Remuneration Consultants Group, were also formally appointed by the Remuneration Committee to advise on Directors' pay on 2 November 2015. The Committee has used its best judgement to satisfy itself that the advice is has received is independent. The fees paid to FIT were £4,700. The fees of all the advisers are charged on a time and expenses basis.

Voting at the Annual General Meeting

At the Group's AGM in June 2015, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2014. The table below shows the results in respect of the resolution.

Resolution	Votes for	%	Votes against	%	Votes withheld
Approve the Directors' Remuneration Report	51,541,913	86.99	7,698,618	13.01	6,163,968

Certain of our major shareholders voted against the Directors' Remuneration Report last year because targets in respect of bonuses were not disclosed and some of our major shareholders do not support the Remuneration Committee's choice of performance measures and particularly of EPS growth in respect of awards under the Performance Share Plan. Our response to this is to continue the dialogue with our shareholders and make the case for our policy as effectively as we can, noting in particular that the Performance Share Plan is one of three components of remuneration and only 50% is related to EPS growth. The Remuneration Committee has also listened to shareholders' views in respect of the disclosure of targets for the annual bonus plan and reconsidered its position during the year. Targets have accordingly been retrospectively disclosed for 2015.

DIRECTORS' REMUNERATION POLICY

This section details the Group's remuneration policy for the Board Directors. It is here for information purposes only as a reminder of the Directors' Remuneration Policy that was approved at the Annual General Meeting on 23 May 2014.

Executive Directors

The table below sets out the detailed workings of each component of total remuneration which will be provided to Executive Directors, from 2015 onwards. This policy is applicable from 1 January 2015 to 31 December 2017 and was approved by the shareholders in a binding vote during the 2014 Annual General Meeting.

Element	Link to strategic objectives	Operation	Maximum potential	Performance conditions and assessment
Base salary	The base salary of each Executive Director takes into account the performance of each individual and is set at an appropriate level to secure and retain the talent needed to deliver the Group's strategic objectives.	Salaries are reviewed annually on 1 January and are influenced by: – Information from relevant comparator groups; – The performance of each individual Executive Director; and – Average increases for employees across the Group as a whole.	Annual increases will not exceed 7.5% + RPI, or the average increase of employees across the Group in any given year, whichever is higher. The level of increase may deviate from this maximum in the case of special circumstances (for example, increases in responsibilities or promotion). In these cases, any exceptional increase will not exceed 20% a year.	Base salary increases are set in line with market movement and also consider the average salary increase for other employees across the Group.
Pensions	To provide a competitive employment benefit and long-term security.	Robert Walters operates a money purchase pension scheme. Executive Directors participating in the pension plan benefit from annual Group contributions worth 20% of base salary. Executive Directors are entitled to take all or part of their pension contributions as a cash allowance.	20% of salary.	N/A
Other benefits[3,4]	To provide competitive employment benefits.	Benefits currently include car allowance, mortgage subsidy, permanent health insurance and private medical insurance, and may also include other benefits in future. Relocation assistance may also be provided – see notes for further clarity. All benefits are subject to annual review to ensure they remain in line with market practice. The Company will continue to operate the Save As You Earn (SAYE) option scheme – see notes for further detail.	Maximum benefit costs will not exceed a value of £70,000 a year, indexed to inflation.	Maximum benefit costs will be in line with the market related cost of providing these benefits.

Element	Link to strategic objectives	Operation	Maximum potential	Performance conditions and assessment
Annual bonus[1]	The annual bonus is designed to drive the achievement of the Group's financial and strategic business targets on an annual basis.	The on-target bonus opportunity is 97.5% of salary and is dependent upon the achievement of specific annual performance conditions. One third of any earned bonus will be deferred for two years into shares, payable in equal tranches at the end of years 1 and 2. A clawback provision will operate in respect of any deferred shares in the event of material restatement of previously published financial statements. A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.	The maximum bonus opportunity is 150% of salary for the achievement of stretch performance in any given year (i.e. 110% of budget or higher). Threshold performance (i.e. 90% of budget) equates to 52.5% of salary based on achieving threshold profit before taxation. Zero payment will be made for performance below threshold performance.	Performance is measured over one financial year, based on the following measures: – Financial targets as set out in the budget at the start of the year; and – Individual KPIs set against predetermined strategic performance objectives. The intended weighting of these measures is not less than 70% financial and no more than 30% individual. The Committee will reserve the right to determine which performance measures and targets are to be used at the beginning of each financial year in order to align to the Group's strategic objectives. The Committee will not change the mix of measures or targets mid-year but does retain the right to apply its judgement when assessing formulaic outcomes in the case of a material misstatement of financial results or similar situation. The Committee will not exercise discretion to reward failure and will report on any exercise of discretion that changes the amount of remuneration paid in any year.

Element	Link to strategic objectives	Operation	Maximum potential	Performance conditions and assessment
Performance Share Plan (PSP) award[2,5]	The PSP is designed to promote staff retention, motivate employees across the Group and promote the unification of efforts towards Group-wide strategic objectives. The longer-term nature of these equity awards also aligns leadership with the longer-term returns of the business and shareholder interests.	PSP awards are granted annually and vest after three years, dependent on the achievement of performance conditions over a three-year period. The normal level of award is 180% of salary, and the intention is that this will be the initial level applied in 2015. The Group will apply a clawback provision in the event of material restatement of previously published financial statements within 18 months of the financial year end of the year in which the PSP shares were awarded. A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.	The maximum award of performance shares that may be made to an Executive Director in any financial year is limited to shares with an aggregate market value of 200% of base salary. Threshold performance will result in the vesting of 30% of the shares under award while maximum performance will result in full vesting. There will be no vesting for performance below threshold.	Performance will be measured over a three-year period subject to the following performance conditions: – 50% of the award will vest based on total shareholder return (TSR) relative to the FTSE Small Cap Index; and – 50% of the award will vest based on earnings per share (EPS) growth over the period. The TSR and EPS components will operate independently. Vesting levels between threshold and maximum performance will be calculated on a straight-line basis.

Notes to the policy table:

1 In relation to the annual bonus:
   a. The financial performance target will be set by the Board at the beginning of each year and will include measures such as profit before taxation. In order to achieve maximum pay-out the financial target will be significantly ahead of budgets and market consensus.
   b. Personal KPIs are linked to the delivery of key projects designed to enhance the Group's operational strength and competitiveness in line with future strategy. At the end of the financial year, the Committee meets to assess the performance of each Executive Director against the financial performance targets and personal KPIs and determine the bonus pay-out. Examples of KPIs include successful execution of the Group's investment strategy, opening of new offices, staff retention and development, client and candidate satisfaction, innovation and cost effective improvements to IT infrastructure. There is no formulaic threshold vesting for personal KPIs and it is for the Remuneration Committee to judge performance against individual KPIs.
   c. The financial targets of the awards (e.g. profit before taxation) are not currently disclosed as these are deemed to be commercially sensitive. The Committee proposes to disclose these targets in future at such a time when they are no longer deemed to be commercially sensitive.

2 In relation to the PSP, the vesting criteria are split into the following two components:
   a. In determining the three-year EPS targets, the first year will be set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Committee, taking into account all available data. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The overall threshold target will be the compound result of years one, two and three. At threshold, 30% of the awards will vest. There is then a straight-line increase in vesting with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three, likely to be in excess of 65% compound growth in EPS in a reasonably favourable economic environment.
   b. In relation to the TSR performance condition, no vesting will occur unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%. This level of performance is deemed to be broadly equivalent to upper quartile performance.
   c. The two criteria above have been selected on the basis that they are considered to be stretching and that they align the interests of management with shareholders. The existence of a market-related component ensures that performance is also benchmarked against relative performance and not just absolute performance. In addition, any vesting will be subject to satisfactory financial performance over the period, as determined by the Committee. The Committee will retain the right to change the performance measures, targets and weightings (within the framework of policy) as appropriate at the beginning of each plan cycle to reflect the Company's current operations. Performance measures, targets and weightings will be set at the beginning of each three-year period and will not be adjusted mid cycle although the Committee does retain the right to alter formulaic vesting of awards in the case of material misstatement of financial results or similar situation. The Committee will not exercise discretion to reward failure and will report on any exercise of discretion that changes the amount of remuneration paid in any year.

3 In addition, the Group operates the Robert Walters Save As You Earn (SAYE) option scheme, which is an HMRC-approved scheme open to all permanent UK employees. Each individual is allowed to acquire options over ordinary shares of the Company at a discount of up to 20% of their market price up to a maximum value of £18,000. Options granted under the scheme can normally be exercised during a period of six months starting on the third anniversary of the start of the relevant SAYE contract. The current scheme started in 2014 and will vest in 2017. All Executive Directors have enrolled in this new scheme to the maximum value of £18,000.

4 In respect of other benefits, the maximum benefit costs of £70,000 a year exclude potential costs in respect of any relocation.

5 Dividends do not accrue to unvested equity awards.

Chairman and Non-executive Directors

The table below sets out the fees payable to the Chairman and Non-executive Directors:

Element	Link to strategic objectives	Operation	Maximum potential	Performance conditions and assessment
Chairman	The Group seeks to pay fees which reflect the level of responsibility expected of the Chairman which remain competitive with peer company fee levels. In order to ensure no potential impairment to the required impartiality and objectivity of the Chairman, there is intentionally no link to performance.	The remuneration of the Chairman is determined annually by the Remuneration Committee. The fee levels are set based on outside independent advice, along with a review of current practices in other companies. Employment contracts are terminable by either party giving not less than three months' written notice at any time. The Chairman does not participate in any of the Company's share schemes, pension schemes or bonus arrangements.	The fees for the Chairman are determined by reference to benchmark market data. Reasonable travel expenses are reimbursed. Increases in fee value in any given year will be in line with market movement and will not exceed a maximum of 10% + RPI in any given year.	The Chairman is subject to an annual Board evaluation but no element of pay is specifically linked to performance conditions or the outcome of this assessment.
Non-executive Directors	The Group seeks to pay fees which reflect the level of responsibility expected of Non-executive Directors which remain competitive with peer company fee levels. In order to ensure no potential impairment to the required impartiality and objectivity of the Non-executive Directors, there is intentionally no link to performance.	The remuneration of the Non-executive Directors is determined annually by the Board as a whole. The fee levels are set based on outside independent advice, along with a review of current practices in other companies. Employment contracts are terminable by either party giving not less than three months' written notice at any time. Non-executive Directors do not participate in any of the Company's share schemes, pension schemes or bonus arrangements.	The fees for Non-executive Directors are determined by reference to benchmark market data. A Board Committee Chairman and the Senior Independent Director may receive an additional fee commensurate to the additional responsibility and time commitment. In addition to the above, reasonable travel expenses are reimbursed. Increases in fee value in any given year will be in line with market movement and will not exceed a maximum of 10% + RPI in any given year.	Non-executive Directors are subject to an annual Board evaluation but no element of pay is specifically linked to performance conditions or the outcome of this assessment.

Recruitment and appointment policy

Any remuneration arrangements for a new Director will be in line with the remuneration policy for existing Directors. Incentive awards will be in line with the current awards given to Directors and will be subject to the same maximum award levels and vesting criteria.

Where the appointee has variable remuneration arrangements with a previous employer that will be forfeited on the termination of that employment, the Committee reserves the right to offer a share-based buyout for value foregone. This is meant to facilitate the recruitment of key individuals in accordance with the rules of the UK Listing Authority. Any such award would only be made in exceptional circumstances, would not exceed the expected value being forfeited and would include performance and timing conditions appropriate to the Group.

Relocation costs which are reasonable and appropriate may also be paid should the recruitment require.

Policy on payment for loss of office

In the event of early termination of a Director's service contract, the Group has an absolute requirement to pay compensation reflecting the salary and benefits to which the Director would have become entitled to under the contract during the notice period. Alternatively the Group may, under the contracts of employment in place and the rules of the plans, at its discretion make the following payments in the event of a 'good leaver' scenario:

- Notice period of 12 months' base salary, pension and contractual benefits or payments in lieu of notice;
- Bonus payable for the period worked, subject to the achievement of the relevant personal and financial performance conditions; and
- Vesting of PSPs and existing share options granted under the Executive Share Option Scheme are governed by the rules of the relevant incentive plans. These rules provide the Committee with discretion to allow partial vesting depending on the extent to which performance conditions have been met at the date of cessation and the length of time the awards or options have been held.

The Committee may settle any other amounts reasonably due to the Executive Director, for example to reimburse the leaver for a reasonable level of legal fees in connection with a settlement agreement.

Service contracts

The service contracts for each of the Executive Directors are subject to review annually. These service contracts are terminable by either party giving up to 12 months' written notice at any time and there are no specific provisions relating to any payments for early termination of office, or in the event of a change of control.

None of the Executive Directors currently hold significant Non-executive Director positions and it is expected that the Executive Directors would seek approval from the Board prior to the acceptance of any such positions in companies outside the Group.

Contracts of service	Date of contract
Executive Directors	
R C Walters	19 June 2000
G P Daubeney	19 June 2000
A R Bannatyne	1 March 2007
Non-executive Directors	
A D Kemp	26 November 2013
C Hui	1 January 2012
L Van de Walle	1 October 2012
B McArthur-Muscroft	1 May 2013

In line with the UK Corporate Governance Code, all Directors stand for election at the Annual General Meeting every year.

Legacy awards and any other contractual obligations

All contractual commitments or awards made which are consistent with the remuneration policy in force at the time that the commitment or award was made will be honoured even if they would not otherwise be consistent with the policy prevailing when the commitment is fulfilled or awards vest. For example, this will include payment for the vesting of option awards made prior to the introduction of this policy. Any contractual commitments entered into before the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 came into force or before a person became a Director will also be honoured.

The tables on pages 41 and 42 show the details of the share options and PSP awards that are currently held by each Director and when they will vest.

Statement of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors, the Remuneration Committee is presented with a report detailing remuneration practice across the Group, including an overview by country of how employee pay compares to the market, and material changes during the year. This report includes detailed comparative analysis of basic pay and variable pay changes within the UK where all of the Executive Directors are based. The Group does not directly consult with employees as part of the process of reviewing executive pay.

Consideration of shareholders views

The Committee engages in regular dialogue with shareholders and holds annual meetings with the Company's largest investors to discuss and take feedback on its remuneration policy and governance matters. In particular, the Committee discusses any significant changes to the policy or the measures used to assess performance.

Approval

This report was approved by the Board of Directors on 9 March 2016 and signed on its behalf by:

Andrew Kemp
Remuneration Committee Chairman
9 March 2016

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation, and have chosen to prepare the Parent Company financial statements in accordance with Financial Reporting Standard 101 (FRS 101) (UK Accounting Standards and applicable laws). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply appropriate accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Directors in respect of the Annual Report

As required by the Code, the Directors confirm that they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. When arriving at this position the Board was assisted by a number of processes, including the following:

- The Annual Report is drafted by appropriate senior management with overall co-ordination by the Group Marketing Director and Group Financial Controller to ensure consistency across sections;
- An extensive verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the report are undertaken by members of the Executive Board and senior management team;
- An advanced draft is considered and reviewed by two Senior Directors below Board level and the Legal General Counsel; and
- The final draft is reviewed by the Audit Committee prior to consideration by the Board.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 9 March 2016 and signed on its behalf by:

Alan Bannatyne
Chief Financial Officer
9 March 2016

DIRECTORS' REPORT

Overview
The Directors present their Annual Report on the activities of the Group, together with the audited financial statements for the year ended 31 December 2015.

The Strategic Report provides information relating to the Group's activities, its business and strategy, the principal risks and uncertainties faced by the business and environmental and employee matters. These sections, together with the Corporate Governance and the Directors' Remuneration reports provide an overview of the Group and give an indication of future developments in the Group's business, so providing a balanced assessment of the Group's position and prospects in accordance with the latest narrative reporting requirements.

Results and dividends
The Group's audited financial statements for the year ended 31 December 2015 are set out on pages 60 to 80 and the Company's audited financial statements are set out on pages 81 to 84. The Group's profit after taxation for the year ended 31 December 2015 was £15,290,000 (2014: £11,255,000).

The Directors recommend a final dividend of 5.13p per ordinary share (2014: 4.35p) to be paid on 10 June 2016 to shareholders on the register on 20 May 2016, which together with the interim dividend of 1.95p paid on 16 October 2015 makes a total of 7.08p per share for the year (2014: 6.0p).

Post balance sheet events
There have been no significant post balance sheet events to report since 31 December 2015.

Directors
The Directors who served during the year and at the date of this report are shown as follows:

Leslie Van de Walle[1]
Robert C Walters
Giles P Daubeney
Alan R Bannatyne
Brian McArthur-Muscroft[1]
Andrew D Kemp[1]
Carol Hui[1]

1 Non-executive Directors.

Details of the Directors' service contracts are shown in the Report of the Remuneration Committee on page 51.

Details of share options granted to Directors and the interests of the Directors in the ordinary shares of the Company are shown on pages 40 to 42.

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were in place during the year and remain in force at the date of this report.

Employees
The Group continues to give full and fair consideration to applications for employment by disabled persons, bearing in mind their aptitudes and abilities. In the event of an employee becoming disabled whilst working for the Group, every effort will be made by the Group to ensure their continued employment and to provide re-training where practicable and appropriate.

Capital structure
Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 17. Each share carries the right to one vote at general meetings of the Company. Further information on the voting and other rights of shareholders, including deadlines for exercising voting rights, are set out in the Company's Articles of Association and in the explanatory notes that accompany the Notice of the Annual General Meeting, which are available on the Company's website at investors.robertwalters.com.

Restrictions on securities
There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Awards of shares under the Company's incentive arrangements, the Performance Share Plan and the Executive Share Option Scheme, are subject to restrictions on the transfer of shares prior to vesting.

Certain share awards under the Company's incentive arrangements are held in trust on behalf of the beneficiaries. The Trustee of the Robert Walters Employee Benefit Trust does not seek to exercise the voting rights on these shares.

Substantial shareholdings
On 9 March 2016 the Company has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the Company:

Name of shareholder	Number of shares	%
BlackRock Investment Mgt	10,161,269	13.14
Aberforth Partners	6,839,088	8.84
Kames Capital	4,815,121	6.23
Hargreave Hale	4,159,306	5.38
Robert Walters plc EBT[1]	3,979,674	5.00
Standard Life Investments	3,858,326	4.99
JPMorgan Asset Mgt	3,722,405	4.81
Aberdeen Asset Mgt	3,471,000	4.49
Schroder Investment Mgt	3,222,153	4.17

1 Robert Walters plc EBT is restricted to 5% voting rights.

Appointment and retirement of Directors
The Directors may from time to time appoint one or more additional Directors. The Board may appoint any person to be a Director (so long as the total number of Directors does not exceed the limit prescribed in the Articles of Association). The UK Corporate Governance Code recommends that all Directors be subject to annual re-election by shareholders. Therefore, all Directors will offer themselves for re-election at the 2016 Annual General Meeting.

Power of Company's Directors and acquisition of Company's own shares

The business of the Company shall be managed by the Directors, who may exercise all powers of the Company, subject to legislation, the provisions of the Articles of Association and any directions given by special resolution.

The Directors were authorised at the Company's last Annual General Meeting, held on 3 June 2015, to make market purchases of ordinary shares representing up to 10% of its share capital at that time and to allot shares within certain limits permitted by shareholders and the Companies Act. The Directors intend to renew this authority annually and will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will likely promote the success of the Company for the benefit of its members as a whole.

During the year ended 31 December 2015, ordinary shares of the Company were purchased by the Employee Benefit Trust at an average price of £3.63 for a total cost of £0.8m. A further £3.6m of Company ordinary shares have been purchased at an average price of £3.31 since 31 December 2015.

Provisions on change of control

The Company's revolving credit facility agreement for £35.0m includes a provision for a lending counterparty to amend, alter or cancel the relevant commitment to the Group following a change of control of the Company.

The Company does not have agreements with any Director or employee that would provide specific compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards to vest on a takeover.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution of the members.

Viability statement

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 20 and 21.

The Directors have assessed the long-term prospects of the Group based upon business plans and upon cash flow projections for the three-year period ending 31 December 2018.

The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed, given the cyclical nature of the market in which the Group operates. The forecasts and cash flow projections being used to assess going concern have been comprehensively stress-tested by using simulation techniques involving sensitivity analysis. It should be noted that the Group has limited forward visibility and consequently there is a high degree of uncertainty in respect of future outcomes. Cash risk is mitigated to an extent as in the event of a reduction in the overall number of contractors, working capital is released.

In forming their opinion the Directors have performed a robust assessment of the principal risks and uncertainties facing the Group as set out on pages 26 and 27. In addition, note 16 to the accounts includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group had £17.8m of net cash at 31 December 2015 and a £35.0m four-year committed financing facility until December 2019. Further details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within the Financial Review.

The Group has a strong balance sheet and considerable financial resources and remains confident of the Group's long-term growth prospects, together with a diverse range of clients and suppliers across different geographic locations and sectors. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the Directors have formed a judgement, at the time of approving the accounts, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the three-year assessment period. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

Auditor and disclosure of information to the Auditor

As required by Section 418 of the Companies Act 2006, each of the Directors as at 9 March 2016 confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Deloitte LLP has expressed their willingness to continue in office as Auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held on 9 June 2016 and the Notice of the Annual General Meeting, including an explanation of the special business of the meeting, will be sent out in due course.

By order of the Board,

Alan Bannatyne
Chief Financial Officer
9 March 2016

DIRECTORS AND ADVISORS

Leslie Van de Walle
Non-executive Chairman
Appointed: October 2012
Committees: Nominations (Chairman)
Leslie is Non-executive Chairman of SIG plc and he is also a Non-executive Director of DCC plc. He was formerly Chief Executive Officer of Rexam plc, Executive Vice President of Global Retail, a division of Royal Dutch Shell plc and a Non-executive Director of Aegis Group plc and Aviva plc. He also previously held a number of senior management positions with Cadbury Schweppes plc and United Biscuits Limited.

Robert Walters
Chief Executive
Appointed: July 2000
Committees: Nominations
After three years at Touche Ross, Robert joined the recruitment firm Michael Page as one of its very first employees. Following an eight-year period which included setting up the New York office, he returned to London and established, in 1985, Robert Walters, specialising in the professional candidate recruitment sector.

Giles Daubeney
Deputy Chief Executive
Appointed: July 2000
After working in recruitment for Accountancy Selection Limited and Badenoch & Clark Limited, Giles joined the Group in 1988. From 1990 to 1994, he was based in Amsterdam and was responsible for the Group's Dutch and Belgian operations. Giles was appointed to the role of Chief Operating Officer in 1999, and was appointed to the Board of Robert Walters plc in July 2000. Giles was promoted to Deputy Chief Executive in January 2016.

Alan Bannatyne
Chief Financial Officer and Company Secretary
Appointed: March 2007
After qualifying as a Chartered Accountant with Deloitte & Touche, Alan was Commercial Manager of Primecom and then Financial Director of Foresight, both subsidiaries of Primedia, a listed South African Media Group. Alan joined Robert Walters plc as Group Financial Controller in September 2002 and was appointed to the Board of Robert Walters plc as Chief Financial Officer in March 2007.

Andrew Kemp
Non-executive Director
Appointed: November 2007
Committees: Remuneration (Chairman), Audit and Nominations
Andrew was latterly Group HR Director at De La Rue plc. He previously held Group HR Director appointments at Bovis, Transport Development Group plc, News International, Aegis and Rentokil Initial plc. Prior to Bovis, Andrew held a number of HR appointments at the rank of Captain and Major in the British Army.

Carol Hui
Non-executive Director
Appointed: January 2012
Committees: Audit, Nominations and Remuneration
Carol is a qualified lawyer and a senior executive with extensive legal and commercial experience. She is the General Counsel and Executive Director of Heathrow Airport. Previously, she has held the positions of Board Director and General Counsel of Amey plc, Group Legal Director and Company Secretary of TDG plc and Deputy General Counsel of BG plc. She was also a solicitor with Slaughter and May. Carol was awarded European General Counsel of the Year by the International Law Office and Association of Corporate Counsel and won a number of other awards from the FT, Mulan Foundation, The Lawyer and the Legal 500. She also served as a member of the Review Body on Doctors' and Dentists' Remuneration. She is on the Board of Governors of London South Bank University.

Brian McArthur-Muscroft
Non-executive Director
Appointed: May 2013
Committees: Audit (Chairman), Nominations and Remuneration
Brian is currently the Chief Financial Officer of Paysafe. Prior to joining Paysafe in January 2015, Brian was Group Finance Director at Telecity Group Plc where he led the IPO of the business in 2007 and raised £400m in senior debt facilities with major UK institutions. Brian was chosen as Business Week's Finance Director of the Year in 2013 and ICAEW's FTSE 250 Finance Director of the Year in 2012. Also a restructuring specialist, Brian was the Interim CFO on the successful turnaround of MCI Worldcom EMEA. Brian holds a law degree and qualified as a Chartered Accountant with PricewaterhouseCoopers in London.

Registered office
11 Slingsby Place
St Martin's Courtyard
London WC2E 9AB

Registered number
03956083

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London EC4A 3BZ

Solicitors
Dechert
160 Queen Victoria Street
London EC4V 4QQ

Stockbrokers
Investec
2 Gresham Street
London EC2V 7QP

Principal bankers
Barclays
Level 28
1 Churchill Place
Canary Wharf
London E14 5HP

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROBERT WALTERS PLC

Opinion on financial statements of Robert Walters plc

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 2015 and of the Group's and the parent Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (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, including FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated and Company Statement of Changes in Equity, the Statement of Accounting Policies and the related notes 1 to 33. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within the Accounting Policies note in the financial statements and the Directors' statement on the longer-term viability of the Group contained within the Directors' report.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 54 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 26 to 27 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the Accounting Policies note in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Director's explanation on page 54 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
Revenue recognition For permanent placements, which accounted for 69% of the Net Fee Income (gross profit) of the Group's recruitment business in 2015, the Group's policy (as detailed in the Accounting Policies note) is to record revenue when specific recognition criteria have been met, namely where a candidate accepts a position in writing and a start date is agreed. Accordingly revenue is accrued in respect of permanent placements meeting the above criteria but which remain unbilled. A provision is made for placements expected to be cancelled prior to the start date (back-outs) on the basis of past experience. The application of this part of the Group's revenue recognition policy involves a significant degree of management judgement.	Our testing involved agreeing a sample of permanent placement fees earned but not invoiced to written evidence of candidate acceptance, including confirmation of start date. We assessed the level of provision held at the year-end against the average level of back-outs experienced on a monthly basis during the year. We also evaluated the back-outs following the year end.
Recoverability of trade receivables and bad debt provisioning Gross trade receivables at 31 December 2015 were £140.7m. Whilst historically the Group has not suffered from a significant level of write-offs, given the relatively small balances due from a large number of customers, significant management judgement is required in estimating the appropriate level of provision against trade receivables. The Group's policy is to record a provision based on anticipated recoverable cash flows, nature of counterparty, past due date, geographical location, the costs of recovery and the fair value of any guarantee received, as detailed in the Accounting Policies note.	We focused our substantive testing on the higher risk balances on the basis of the ageing profile, collection history and credit quality of the customer. We agreed a sample of balances to debtor confirmations, supporting invoices and subsequent cash receipts. We have evaluated the diligence applied by management in determining the risk associated with the recoverability of the receivables balance and tested the adequacy of provisioning by recalculating the provision for significantly aged balances, and considering receivables where the ageing profile of debtors has deteriorated or there is evidence that the credit quality of the debtor is considered a risk, and challenged management to justify why no provision is required. We analysed the make-up of the year end provision for bad debts and assessed it against the bad debt cost experienced in the year. Additionally, we evaluated post year-end developments to determine whether any provisions required reversal or further provision.

Last year our report included one other risk which is not included in our report this year: the recoverability of deferred tax assets. This is not included as a risk this year as the deferred tax assets held in relation to brought forward tax losses in the UK have now largely been utilised.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 33 to 34.

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.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £1.35 million (2014: £1.1 million), which represents 6% (2014: 7%) of pre-tax profit, is below 0.6% (2014: 0.6%) of net fee income and below 1.5% (2014: 1.5%) of equity. Materiality was determined on the basis of pre-tax profit, which is consistent with the basis used in 2014. The basis for our materiality and the reduction in the percentage applied are reflective of market practice and investor expectations.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £50,000 (2014: £50,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Based on that assessment, we focused our Group audit scope primarily on the audit work at seven significant components, which were all subject to a full audit. These seven significant components, being the United Kingdom, Australia, France, Japan, Hong Kong, China, and Singapore, represent the principal business units and account for 85% of the Group's revenue (2014 which also included the Netherlands: 88%), 75% of the Group's net fee income (NFI) (2014: 79%) and 82% of the Group's total assets (2014: 83%). They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at the seven significant components was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and capped at £877,500 (2014: £550,000). In addition we also performed specified audit procedures at one other location, the Netherlands, representing 2% of the Group's revenue, 3% of the Group's net fee income and 3% of total assets, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations in the Netherlands.

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a senior member of the Group audit team visits, on an annual basis, a number of the significant components (three in the current year) where the Group audit scope was focused. In 2015, as well as the UK, this included visits to France and Japan (2014: France, Holland and Hong Kong). Annually, for each of the seven significant components (and any offices where specified audit procedures are performed), we include the component audit team in our team briefing, discuss and agree their risk assessment and audit approach before their work commences and attend the audit close meetings either via telephone, teleconference or in person, and, for a number of the components (four in the current year), on a rotational basis, review a selection of working papers on scoped significant audit risks.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, 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.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

John Charlton (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
9 March 2016

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Revenue	1	**812,715**	679,604
Cost of sales		**(578,287)**	(464,286)
Gross profit		**234,428**	215,318
Administrative expenses		**(211,325)**	(197,098)
Operating profit		**23,103**	18,220
Finance income		**168**	137
Finance costs	2	**(630)**	(464)
(Loss) gain on foreign exchange		**(283)**	266
Profit before taxation	3	**22,358**	18,159
Taxation	5	**(7,068)**	(6,904)
Profit for the year		**15,290**	11,255
Attributable to:			
Owners of the Company		**15,290**	11,255
Earnings per share (pence):	7		
Basic		**20.6**	15.3
Diluted		**18.7**	13.9

The amounts above relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £'000	2014 £'000
Profit for the year	**15,290**	11,255
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	**(1,347)**	(1,553)
Total comprehensive income and expense for the year	**13,943**	9,702
Attributable to:		
Owners of the Company	**13,943**	9,702

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Non-current assets			
Intangible assets	8	**10,788**	9,577
Property, plant and equipment	9	**7,740**	8,156
Deferred tax assets	14	**8,785**	8,216
		27,313	25,949
Current assets			
Trade and other receivables	11	**191,849**	168,240
Corporation tax receivables		**1,103**	117
Cash and cash equivalents	16	**43,378**	38,205
		236,330	206,562
Total assets		**263,643**	232,511
Current liabilities			
Trade and other payables	12	**(139,906)**	(125,527)
Corporation tax liabilities		**(4,276)**	(3,672)
Bank overdrafts and loans	13	**(25,573)**	(23,904)
Provisions	15	**(294)**	(377)
		(170,049)	(153,480)
Net current assets		**66,281**	53,082
Non-current liabilities			
Deferred tax liabilities	14	**(4)**	(10)
Provisions	15	**(1,933)**	(1,647)
		(1,937)	(1,657)
Total liabilities		**(171,986)**	(155,137)
Net assets		**91,657**	77,374
Equity			
Share capital	17	**17,249**	17,192
Share premium		**21,836**	21,753
Other reserves	19	**(73,410)**	(73,410)
Own shares held	19	**(7,136)**	(8,765)
Treasury shares held	19	**(19,860)**	(19,860)
Foreign exchange reserves		**1,085**	2,432
Retained earnings		**151,893**	138,032
Equity attributable to owners of the Company		**91,657**	77,374

The accounts on pages 60 to 80 were approved and authorised for issue by the Board of Directors on 9 March 2016 and signed on its behalf by:

Alan Bannatyne
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Cash generated from operating activities	20	**23,214**	11,270
Income taxes paid		**(7,433)**	(3,232)
Net cash from operating activities		**15,781**	8,038
Investing activities			
Interest received		**169**	137
Purchases of computer software		**(2,058)**	(1,016)
Purchases of property, plant and equipment		**(3,929)**	(2,294)
Purchase of non-controlling interest		**(498)**	(482)
Net cash used in investing activities		**(6,316)**	(3,655)
Financing activities			
Equity dividends paid		**(4,688)**	(4,087)
Proceeds from issue of equity		**140**	15
Interest paid		**(630)**	(464)
Proceeds from bank loans and overdrafts		**1,672**	12,381
Purchase of own shares		**(822)**	(4,032)
Proceeds from exercise of share options		**452**	465
Net cash (used) generated in financing activities		**(3,876)**	4,278
Net increase in cash and cash equivalents		**5,589**	8,661
Cash and cash equivalents at beginning of year		**38,205**	30,071
Effect of foreign exchange rate changes		**(416)**	(527)
Cash and cash equivalents at end of year		**43,378**	38,205

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Share capital £'000	Share premium £'000	Other reserves £'000	Own shares held £'000	Treasury shares held £'000	Foreign exchange reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014	17,177	21,753	(73,410)	(5,876)	(19,860)	3,985	130,113	73,882
Profit for the year	–	–	–	–	–	–	11,255	11,255
Foreign currency translation differences	–	–	–	–	–	(1,553)	–	(1,553)
Total comprehensive income and expense for the year	–	–	–	–	–	(1,553)	11,255	9,702
Dividends paid	–	–	–	–	–	–	(4,087)	(4,087)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	–	1,708	1,708
Deferred tax on share-based payment transactions	–	–	–	–	–	–	(280)	(280)
Transfer to own shares held on exercise of equity incentives	–	–	–	677	–	–	(677)	–
New shares issued and own shares purchased	15	–	–	(3,566)	–	–	–	(3,551)
Balance at 31 December 2014	17,192	21,753	(73,410)	(8,765)	(19,860)	2,432	138,032	77,374
Profit for the year	–	–	–	–	–	–	15,290	15,290
Foreign currency translation differences	–	–	–	–	–	(1,347)	–	(1,347)
Total comprehensive income and expense for the year	–	–	–	–	–	(1,347)	15,290	13,943
Dividends paid	–	–	–	–	–	–	(4,688)	(4,688)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	–	4,656	4,656
Deferred tax on share-based payment transactions	–	–	–	–	–	–	602	602
Transfer to own shares held on exercise of equity incentives	–	–	–	1,999	–	–	(1,999)	–
New shares issued and own shares purchased	57	83	–	(370)	–	–	–	(230)
Balance at 31 December 2015	**17,249**	**21,836**	**(73,410)**	**(7,136)**	**(19,860)**	**1,085**	**151,893**	**91,657**

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2015

Accounting policies

Basis of preparation

Robert Walters plc is a company incorporated and domiciled in the UK under the Companies Act.

The financial report for the year ended 31 December 2015 has been prepared in accordance with the historic cost convention and with International Financial Reporting Standards (IFRSs), including International Accounting Standards and Interpretations as adopted for use by the European Union.

The financial statements have been prepared on a going concern basis. This is discussed in the Financial Review on page 20.

The principal accounting policies of the Group are summarised below and have been applied consistently in all aspects throughout the current year and preceding year.

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of Robert Walters plc and its subsidiary undertakings drawn up to 31 December each year. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(b) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

All costs directly attributable to the business combination are accounted for as expenses in the periods in which the costs are incurred and the services received. The only exception to this is in respect of the costs incurred to issue debt or equity securities, which should be recognised in accordance with IAS 32 and IAS 39. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement and is not subsequently reversed.

Non-controlling interests in the acquired entity are initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is not amortised but reviewed for impairment at least annually. Any impairment is recognised in the Consolidated Income Statement and is not subsequently reversed.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the net 1 January 2004 Pounds Sterling UK GAAP amounts, subject to being tested for impairment at that date. On disposal, the attributable amount of goodwill is included in determining the profit or loss on disposal.

(d) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax is reviewed at each balance sheet date and is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Current and deferred tax is recognised in the income statement except when the tax relates to items charged or credited directly to equity, in which case the tax is also recognised in equity.

(e) Employee share schemes

The cost of awards made under the Group's employee share schemes after 7 November 2002 is based on the fair value of the shares at the time of grant and is charged to the Consolidated Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(f) Revenue
Revenue comprises the value of services, net of VAT and other sales-related taxes, provided in the normal course of business. Any bad debt provision that may be deemed necessary is treated as an administrative expense.

Revenue from the placement of permanent staff is recognised when a candidate accepts a position and a start date is determined. A provision is made for the cancellation of placements prior to or shortly after the commencement of employment based on past experience of this occurring.

Revenue from temporary placements represents the amounts billed for the services of temporary staff including the salary costs of those staff. This is recognised as the service is provided and accrued where necessary, to the extent that the Group is acting as a principal. Where the Group is not considered to act as a principal, the salary costs of the temporary staff are excluded from revenue and only the net margin is recognised as revenue. Revenue in respect of outsourcing and consultancy is recognised and accrued where necessary as the service is provided.

(g) Gross profit (net fee income)
Gross profit is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and advertising margin. It also includes the outsourcing and consultancy margin earned by Resource Solutions.

(h) Operating profit
Operating profit is the total revenue less the total associated costs incurred in the production of revenue. The only items that are excluded from operating profit are finance costs (including foreign exchange), investment income and expenditure, taxation, and, if deemed appropriate, amounts that are identified as non-recurring material items.

(i) Foreign currency
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, with any gain or loss that may arise as a result being included in net profit or loss for the period.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and the results of overseas operations are dealt with through other comprehensive income and reserves, and recognised as income or as expenses in the period in which an operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs as Pounds Sterling denominated assets and liabilities.

(j) Property, plant and equipment and computer software
Property, plant and equipment and computer software is stated at cost, net of depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Leasehold improvements and finance leases: the shorter of estimated useful life and the period of the lease;
- Motor vehicles: 17.5%;
- Fixtures, fittings and office equipment: 10% to 20%; and
- Computer equipment and computer software: 33.3%.

(k) Leases
Rentals under operating leases are charged on a straight-line basis over the lease term even if the payments are not made on such a basis.

(l) Investments
Investments are shown at cost, less provision for impairment where appropriate.

(m) Receivables
Trade and other receivables are recorded at cost, less any provision for impairment.

(n) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(o) Other financial liabilities
Other financial liabilities, including borrowings, are measured at fair value, net of transaction costs.

(p) Pensions
The Group currently contributes to the money purchase pension plans of certain individual Directors and employees. Contributions payable in respect of the year are charged to the Consolidated Income Statement.

(q) Provisions
A provision is recognised when the Group has a present legal or contractual obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(r) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(s) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Developments in accounting standards/IFRSs

The following new and revised Standards and Interpretations have been adopted by the Group in the current year. Their adoption has not had any material impact on the disclosure or amounts reported in these financial statements:

- Annual Improvements 2011 – 2013 Cycle; and
- IFRIC 21 Levies.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- IFRS 9 Financial Instruments;
- IFRS 14 Regulatory Deferral Accounts;
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 16 Leases;
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations;
- IAS 1 (amendments) Disclosure Initiative;
- IAS 19 (amendments) Defined Benefit Plans: Employee Contributions;
- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation;
- IAS 27 (amendments) Equity Method in Separate Financial Statements;
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 10, IFRS 12 and IAS 28 (amendments) Investment Entities: Applying the Consolidation Exemption;
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19);
- Annual improvements 2010 – 2012 Cycle; and
- Annual improvements 2012 – 2014 Cycle.

The Group does not consider that these Standards or Interpretations will have a significant impact on the financial statements of the Group when they come into effect, except for IFRS 16, which will have an impact on both the measurement and disclosure of the Group's leases.

Key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates.

- Deferred tax: the judgement to recognise a deferred tax asset is dependent upon the Group's expectations regarding the future profitability of certain businesses, which contain a degree of inherent uncertainty. Deferred tax assets are only recognised to the extent that they are considered recoverable based on forecasts of available taxable profits against which they can be utilised.

- Impairment of goodwill: the Group annually tests whether goodwill has been impaired. Management make judgements to allocate goodwill to the most appropriate group of cash generating units (CGUs) and this reflects the level at which goodwill is monitored. The recoverable amount of the CGUs that the goodwill has been allocated to is determined based on value in use calculations, which require estimating future cash flows and applying a suitable discount rate.

Critical accounting judgements

The critical judgements that have been made in arriving at the amounts recognised in the Group's financial statements and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities have been identified by management as revenue recognition and bad debt expense.

- Revenue recognition: in making this judgement, management considered the detailed criteria for the recognition of revenue from permanent placements who had accepted a position and agreed a start date, but had not started employment. A provision is made by management, based on historical evidence, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date.

- Bad debt provisioning: at each balance sheet date each subsidiary evaluates the collectability of trade receivables and records a provision based on anticipated recoverable cash flows, nature of counterparty, past due date, geographical location, the costs of recovery and the fair value of any guarantee received.

NOTES TO THE GROUP ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. Segmental information

	2015 £'000	2014 £'000
i) Revenue:		
Asia Pacific	**285,145**	251,363
UK	**403,437**	311,941
Europe	**112,676**	106,351
Other International	**11,457**	9,949
	812,715	679,604
ii) Gross profit:		
Asia Pacific	**96,270**	90,536
UK	**80,352**	71,100
Europe	**46,349**	43,798
Other International	**11,457**	9,884
	234,428	215,318
iii) Profit before taxation:		
Asia Pacific	**12,930**	10,502
UK	**6,162**	5,248
Europe	**3,316**	2,173
Other International	**695**	297
Operating profit	**23,103**	18,220
Net finance costs	**(745)**	(61)
Profit before taxation	**22,358**	18,159
iv) Net assets:		
Asia Pacific	**31,765**	28,318
UK	**28,903**	22,247
Europe	**6,050**	6,993
Other International	**1,526**	864
Unallocated corporate assets and liabilities*	**23,413**	18,952
	91,657	77,374

* For the purposes of segmental information, unallocated corporate assets and liabilities include cash, bank loans, corporation and deferred tax balances.

The analysis of revenue by destination is not materially different to the analysis by origin and the analysis of finance income and costs are not significant.

The Group is divided into geographical areas for management purposes, and it is on this basis that the segmental information has been prepared.

	P,P&E and software additions £'000	Depreciation and amortisation £'000	Non-current assets £'000	Assets £'000	Liabilities £'000
v) Other information – 2015:					
Asia Pacific	**1,436**	**1,261**	**10,897**	**58,001**	**(26,236)**
UK	**3,262**	**1,739**	**6,612**	**119,644**	**(90,741)**
Europe	**1,205**	**1,202**	**887**	**28,121**	**(22,071)**
Other International	**84**	**74**	**132**	**4,611**	**(3,085)**
Unallocated corporate assets and liabilities*	**–**	**–**	**8,785**	**53,266**	**(29,853)**
	5,987	**4,276**	**27,313**	**263,643**	**(171,986)**

1. Segmental information continued

	P,P&E and software additions £'000	Depreciation and amortisation £'000	Non-current assets £'000	Assets £'000	Liabilities £'000
Other information – 2014:					
Asia Pacific	1,298	1,580	11,379	53,265	(24,947)
UK	1,718	1,628	5,090	102,471	(80,224)
Europe	225	678	1,109	24,496	(17,503)
Other International	69	65	155	5,741	(4,877)
Unallocated corporate assets and liabilities*	–	–	8,216	46,538	(27,586)
	3,310	3,951	25,949	232,511	(155,137)

* For the purposes of segmental information, unallocated corporate assets and liabilities include cash, bank loans, corporation and deferred tax balances.

	2015 £'000	2014 £'000
vi) Revenue by business Grouping:		
Robert Walters	**499,749**	463,685
Resource Solutions (recruitment process outsourcing)	**312,966**	215,919
	812,715	679,604

2. Finance costs

	2015 £'000	2014 £'000
Interest on bank overdrafts	**588**	443
Interest on bank loans	**42**	21
Total borrowing costs	**630**	464

3. Profit before taxation

	2015 £'000	2014 £'000
Profit is stated after charging:		
Auditor's remuneration – Deloitte LLP (as Auditor)		
– Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**54**	54
– The audit of the Company's subsidiaries pursuant to legislation	**281**	281
	335	335
– Other services pursuant to legislation	**25**	25
– Fees payable to the Auditor pursuant to legislation	**360**	360
– Tax services – compliance	**66**	19
– Tax services – advisory	**9**	11
– Other non-audit services	**12**	–
Total fees	**447**	390
Depreciation and amortisation of assets – owned	**4,276**	3,951
Loss on disposal of property, plant and equipment and computer software	**719**	350
Impairment of trade receivables (net)	**(673)**	1,259
Operating lease rentals – property	**10,103**	10,615
Operating lease rentals – computers and equipment	**883**	1,019

4. Staff costs

	2015 Number	2014 Number
The average monthly number of employees of the Group (including Executive Directors) during the year was:		
Group employees	**2,771**	2,512

The Directors analyse headcount in a number of ways and therefore headcount has been presented on a global basis.

	2015 £'000	2014 £'000
Their aggregate remuneration comprised:		
Wages and salaries	**125,326**	122,920
Social security costs	**14,172**	15,340
Other pension costs	**3,403**	3,210
Cost of employee share options and awards	**4,656**	1,708
	147,557	143,178

Details of the Directors' remuneration are given in the Directors' Remuneration Report on page 36.

5. Taxation

	2015 £'000	2014 £'000
Current tax charge		
Corporation tax – UK	**343**	622
Corporation tax – Overseas	**6,685**	5,327
Adjustments in respect of prior years		
Corporation tax – UK	**114**	102
Corporation tax – Overseas	**(104)**	494
	7,038	6,545
Deferred tax		
Deferred tax – UK	**425**	984
Deferred tax – Overseas	**(699)**	(573)
Adjustments in respect of prior years		
Deferred tax – UK	**162**	(277)
Deferred tax – Overseas	**142**	225
	30	359
Total tax charge for year	**7,068**	6,904
Profit before taxation	**22,358**	18,159
Tax at standard UK corporation tax rate of 20.25% (2014: 21.50%)	**4,528**	3,904
Effects of:		
(Relieved) unrelieved losses	**(78)**	853
Expenses not deductible for tax purposes	**308**	118
Overseas earnings taxed at different rates	**1,927**	1,340
Adjustments to tax charges in previous years	**313**	544
Impact of tax rate change	**70**	145
Total tax charge for year	**7,068**	6,904

6. Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 1.95p per share (2014: 1.65p)	**1,459**	1,267
Final dividend for 2014 of 4.35p per share (2013: 3.86p)	**3,229**	2,820
	4,688	4,087
Proposed final dividend for 2015 of 5.13p per share (2014: 4.35p)	**3,809**	3,179

The proposed final dividend of £3,809,000 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

7. Earnings per share

The calculation of earnings per share is based on the profit for the year attributable to equity holders of the Parent and the weighted average number of shares of the Company.

	2015 £'000	2014 £'000
Profit for the year attributable to equity holders of the Parent	**15,290**	11,255

	2015 Number of shares	2014 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	**85,970,809**	85,886,614
Shares issued in the year	**204,562**	59,929
Treasury and own shares held	**(12,018,059)**	(12,161,441)
For basic earnings per share	**74,157,312**	73,785,102
Outstanding share options	**7,540,850**	7,017,561
For diluted earnings per share	**81,698,162**	80,802,663

8. Intangible assets

	Goodwill £'000	Computer software £'000	Total £'000
Cost:			
At 1 January 2014	7,968	7,857	15,825
Additions	–	1,016	1,016
Disposals	–	(664)	(664)
Foreign currency translation differences	16	(18)	(2)
At 31 December 2014	7,984	8,191	16,175
Additions	**–**	**2,058**	**2,058**
Disposals	**–**	**(295)**	**(295)**
Foreign currency translation differences	**(7)**	**(26)**	**(33)**
At 31 December 2015	**7,977**	**9,928**	**17,905**
Accumulated amortisation and impairment:			
At 1 January 2014	–	6,308	6,308
Charge for the year	–	749	749
Disposals	–	(440)	(440)
Foreign currency translation differences	–	(19)	(19)
At 31 December 2014	–	6,598	6,598
Charge for the year	**–**	**838**	**838**
Disposals	**–**	**(294)**	**(294)**
Foreign currency translation differences	**–**	**(25)**	**(25)**
At 31 December 2015	**–**	**7,117**	**7,117**
Carrying value:			
At 1 January 2014	7,968	1,549	9,517
At 31 December 2014	7,984	1,593	9,577
At 31 December 2015	**7,977**	**2,811**	**10,788**

8. Intangible assets continued

The carrying value of goodwill primarily relates to the acquisition of Talent Spotter in China (£1,081,000) and the historic acquisition of the Dunhill Group in Australia (£6,847,000). The historical acquisition cost of Talent Spotter was £768,000, with the movement to the current carrying value a result of foreign currency translation differences. Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the goodwill is based on value in use in perpetuity. The key assumptions in the value in use are those regarding expected changes to cash flow during the period, growth rates and the discount rates.

Estimated cash flow forecasts are derived from the most recent financial budgets and an assumed average growth rate of 5% for years two and three, which does not exceed the long-term average potential growth rate of the respective operations. The forecast for revenue and costs as approved by the Board reflect the latest industry forecasts and management expectations based on past experience.

The value of the cash flows is then discounted at a post-tax rate of 10.6% (pre-tax rate of 15.3%), based on the Group's estimated weighted average cost of capital and risk adjusted depending on the location of goodwill. The weighted average cost of capital has also been adjusted for a terminal growth rate, between 2-3% depending on location, for year four onwards.

Management has undertaken sensitivity analysis taking into consideration the impact in key assumptions. This included reducing the cash flow growth from year two onwards by 0%, 10% and 20% in absolute terms. The sensitivity analysis shows no impairment would arise under each scenario.

9. Property, plant and equipment

	Leasehold improvements £'000	Fixtures, fittings and office equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 January 2014	6,387	9,982	5,785	46	22,200
Additions	727	671	888	8	2,294
Disposals	(319)	(275)	(867)	(34)	(1,495)
Foreign currency translation differences	11	(258)	(58)	(2)	(307)
At 31 December 2014	6,806	10,120	5,748	18	22,692
Additions	**668**	**2,100**	**1,159**	**2**	**3,929**
Disposals	**(865)**	**(1,381)**	**(702)**	**(2)**	**(2,950)**
Foreign currency translation differences	**(15)**	**(431)**	**(56)**	**–**	**(502)**
At 31 December 2015	**6,594**	**10,408**	**6,149**	**18**	**23,169**
Accumulated depreciation and impairment:					
At 1 January 2014	3,190	5,187	4,493	30	12,900
Charge for the year	834	1,392	965	11	3,202
Disposals	(311)	(186)	(843)	(29)	(1,369)
Foreign currency translation differences	(6)	(143)	(46)	(2)	(197)
At 31 December 2014	3,707	6,250	4,569	10	14,536
Charge for the year	**746**	**1,828**	**860**	**4**	**3,438**
Disposals	**(398)**	**(1,188)**	**(645)**	**(1)**	**(2,232)**
Foreign currency translation differences	**(2)**	**(256)**	**(55)**	**0**	**(313)**
At 31 December 2015	**4,053**	**6,634**	**4,729**	**13**	**15,429**
Carrying value:					
At 1 January 2014	3,197	4,795	1,292	16	9,300
At 31 December 2014	3,099	3,870	1,179	8	8,156
At 31 December 2015	**2,541**	**3,774**	**1,420**	**5**	**7,740**

10. Group investments

Details of the Group investments existing as at 31 December 2015 are as follows:

Subsidiary undertaking	Effective ownership of ordinary shares	Principal activity	Country of incorporation
Robert Walters Pty Limited	100%	Recruitment consultancy	Australia
Resource Solutions Corporation Pty Limited	100%	HR outsourcing Services	Australia
Robert Walters SA	100%	Recruitment consultancy	Belgium
Robert Walters People Solutions SA	100%	Recruitment consultancy	Belgium
Robert Walters Brazil Limitada	100%	Recruitment consultancy	Brazil
Robert Walters Talent Consulting (Shanghai) Ltd	100%	Recruitment consultancy	China
Robert Walters Talent China Limited	100%	Recruitment consultancy	China
Resource Solutions Europe Limited (Czech Republic)	100%	HR outsourcing Services	Czech Republic
Robert Walters SAS	100%	Recruitment consultancy	France
Walters People SAS	100%	Recruitment consultancy	France
Walters People Business Support SAS	100%	Recruitment consultancy	France
Robert Walters Germany GMBH	100%	Recruitment consultancy	Germany
Resource Solutions Consulting (Hong Kong) Limited	100%	HR outsourcing Services	Hong Kong
Robert Walters (Hong Kong) Limited	100%	Recruitment consultancy	Hong Kong
Hungarian Branch Office of Resource Solutions Europe Ltd (Hungary)	100%	HR outsourcing Services	Hungary
Resource Solutions India Private Limited	100%	HR outsourcing Services	India
PT. Robert Walters Indonesia	100%	Recruitment consultancy	Indonesia
Robert Walters Limited	100%	Recruitment consultancy	Ireland
Robert Walters Luxembourg Investment SARL (Irish Branch)	100%	Recruitment consultancy	Ireland
Robert Walters Japan KK	100%	Recruitment consultancy	Japan
Resource Solutions Europe Limited Lieturos Filialas (Lithuania)	100%	HR outsourcing Services	Lithuania
Robert Walters (Luxemburg) Operations Ltd	100%	Investment	Luxembourg
Robert Walters Resource Solutions Sdn Bhd	100%	HR outsourcing Services	Malaysia
Robert Walters Sdn Bhd	100%	Recruitment consultancy	Malaysia
Robert Walters BV	100%	Recruitment consultancy	Netherlands
Walters People BV	100%	Recruitment consultancy	Netherlands
Robert Walters New Zealand Limited	100%	Recruitment consultancy	New Zealand
Resource Solutions Consulting (Singapore) Pte Ltd	100%	HR outsourcing Services	Singapore
Robert Walters (Singapore) Pte Limited	100%	Recruitment consultancy	Singapore
Walters People Singapore Pte Ltd	100%	Recruitment consultancy	Singapore
Robert Walters South Africa Proprietary Limited	100%	Recruitment consultancy	South Africa
Robert Walters External Profit Company (South Africa)	100%	Recruitment consultancy	South Africa
Robert Walters Holding SAS Sucursal En Espana	100%	Recruitment consultancy	Spain
Walters People Sociedad Limitada Empresa de Trabajo Temporal	100%	Recruitment consultancy	Spain
Robert Walters Korea Limited	100%	Recruitment consultancy	South Korea
Robert Walters Switzerland AG	100%	Recruitment consultancy	Switzerland
Robert Walters Company Limited (Taiwan)	100%	Recruitment consultancy	Taiwan
Robert Walters Recruitment (Thailand) Ltd	100%	Recruitment consultancy	Thailand
Robert Walters Dubai Ltd	100%	Recruitment consultancy	United Kingdom
Robert Walters Operations Limited	100%	Recruitment consultancy	United Kingdom
Robert Walters Consultancy[2]	100%	Recruitment consultancy	United Kingdom
Resource Solutions Limited	100%	HR outsourcing Services	United Kingdom
Resource Solutions Europe Limited	100%	HR outsourcing Services	United Kingdom
Resource Solutions Europe Limited External Profit Company	100%	HR outsourcing Services	United Kingdom
Resource Solutions Technology Consultancy Services Ltd[2]	100%	Recruitment consultancy	United Kingdom
Robert Walters Holdings Limited[1]	100%	Holding Company	United Kingdom
Walters Interim Ltd[2]	100%	Recruitment consultancy	United Kingdom
Resource Solutions Inc (Delaware)	100%	HR outsourcing Services	USA
Resource Solutions Inc (Florida)	100%	HR outsourcing Services	USA
Robert Walters Associates Inc.	100%	Recruitment consultancy	USA
Robert Walters Associates California Inc.	100%	Recruitment consultancy	USA
Robert Walters Holdings North America	100%	Recruitment consultancy	USA
Robert Walters Vietnam Company Limited	100%	Recruitment consultancy	Vietnam

1 Robert Walters Holdings Limited has branch operations in Luxembourg and South Africa.
2 These subsidiaries, all of which are incorporated in England and Wales, are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of section s394A of that Act.

10. Group investments continued

In September 2012, the Group gained control of the remaining 30% non-controlling interest in Robert Walters Talent Consulting (Shanghai) Ltd for a cost of Renminbi 24,000,000 (£2,341,000) from Talent Spotter with the associated value of the non-controlling interest in the Group balance sheet at the date of transaction of £532,000. Under the legal form of this transaction, 30% of the ordinary shares are still owned by Talent Spotter, but in substance the control of these shares has come under the control of the Group. Total payment of Renminbi 19,200,000 (£1,909,000) was made by the Group between September 2012 and 31 December 2014. In the year ended 31 December 2015, the Group made a final payment of Renminbi 4,800,000 (£498,000).

11. Trade and other receivables

	2015 £'000	2014 £'000
Receivables due within one year:		
Trade receivables	**138,869**	122,735
Other receivables	**12,640**	4,295
Prepayments and accrued income	**40,340**	41,210
	191,849	168,240

Included within prepayments and accrued income is a provision against the cancellation of placements where a candidate may reverse their acceptance prior to the start date.

The value of this provision as of 31 December 2015 is £1,450,000 (31 December 2014: £1,411,000). The movement in the provision during the year is a charge to administrative expenses in the income statement of £39,000 (2014: £296,000).

12. Trade payables and other payables: amounts falling due within one year

	2015 £'000	2014 £'000
Trade payables	**8,020**	5,514
Other taxation and social security	**19,628**	19,543
Other payables	**19,246**	19,199
Accruals and deferred income	**93,012**	81,271
	139,906	125,527

There is no material difference between the fair value and the carrying value of the Group's trade and other payables.

13. Bank overdrafts and loans

	2015 £'000	2014 £'000
Bank overdrafts and loans: current	**25,573**	23,904
	25,573	23,904

The borrowings are repayable as follows:		
Within one year	**25,573**	23,904
	25,573	23,904

In January 2016, the Group renewed and extended to four years its committed financing facility of £35.0m which expires in December 2019. At 31 December 2015, £25.0m (2014: £23.4m) was drawn down under this facility.

The Group has a short-term facility of Renminbi 15m (£1.5m) of which Renminbi 5m (£0.5m) was drawn down as at 31 December 2015. The loan is secured against cash deposits in Hong Kong.

The Directors estimate that the fair value of all borrowings is not materially different from the amounts stated in the Consolidated Balance Sheet of £25,573,000 (2014: £23,904,000).

14. Deferred taxation

The following are the major tax assets (liabilities) recognised by the Group and the movements during the current and prior year.

	Accelerated depreciation £'000	Tax losses £'000	Share-based payment £'000	Accruals and provisions £'000	Total £'000
At 1 January 2014	1,202	2,198	1,982	3,577	8,959
Credit (charge) to income	6	(578)	(200)	413	(359)
Credit to equity	–	–	(280)	–	(280)
Foreign currency translation differences	–	30	–	(144)	(114)
At 31 December 2014	1,208	1,650	1,502	3,846	8,206
Credit (charge) to income	**(600)**	**595**	**(104)**	**79**	**(30)**
Charge to equity	**–**	**–**	**602**	**–**	**602**
Foreign currency translation differences	**–**	**(10)**	**–**	**13**	**3**
At 31 December 2015	**608**	**2,235**	**2,000**	**3,938**	**8,781**

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	**2015 £'000**	2014 £'000
Deferred tax assets	**8,785**	8,216
Deferred tax liabilities	**(4)**	(10)
	8,781	8,206

At 31 December 2015, no deferred tax liability is recognised on temporary differences of £11.8m (2014: £9.2m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing and reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

The UK government reduced the rate of corporation tax by 1% from 21% to 20% effective from 1 April 2015 and announced its intention to reduce the rate further by 1% to 19% by 1 April 2017 and another 1% to 18% by 1 April 2020.

The reductions of the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017, and from 19% to 18% with effect from 1 April 2020, were substantively enacted on 26 October 2015. This change has resulted in a deferred tax charge arising from the reduction in the balance sheet carrying value of deferred tax assets to reflect the anticipated rate of tax at which those assets are expected to reverse.

Deferred tax assets of £2.2m (2014: £1.6m) have been recognised in respect of carried forward losses and latest forecasts show that these are expected to be recovered against future profit streams.

The Group has total unrecognised deferred tax assets relating to tax losses of £2.5m (2014: £3.1m) of which £0.3m (2014: £nil) have no time restriction over when it can be utilised, and the remaining £2.2m (2014: £3.1m) are time restricted, for which the weighted average period over which they can be utilised is 6.3 years.

15. Provisions

	Total £'000
At 1 January 2014	1,655
Additional provisions charged to income statement	580
Provision released	(172)
Utilisation of provisions	(22)
Foreign exchange movements	(17)
At 31 December 2014	2,024
Additional provisions charged to income statement	**477**
Provision released	**(141)**
Utilisation of provisions	**(70)**
Foreign exchange movements	**(63)**
At 31 December 2015	**2,227**
Analysis of total provision:	
Current	**294**
Non-current	**1,933**
	2,227

The provisions comprise of rents and other related amounts payable on vacated properties and dilapidation provisions. The payment of non-current provision (£1.9m) will be between two and five years.

16. Financial risk management

The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables, trade payables, etc. that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations. The Group has not entered into derivative transactions and no gains or losses on hedges have been incurred.

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk and interest rate risk.

(i) Financial assets

Surplus cash balances are invested in financial institutions with favourable credit ratings that offer competitive rates of return, while still providing the Group with flexibility in its cash management.

Cash	**2015 £'000**	2014 £'000
Euros	**10,494**	9,185
Japanese Yen	**9,672**	6,571
Hong Kong Dollars[1]	**6,334**	4,170
Australian Dollars	**4,947**	5,038
Singapore Dollars	**2,144**	1,977
US Dollars	**2,076**	2,047
New Zealand Dollars	**1,735**	1,754
Chinese Renminbi	**1,288**	2,371
Malaysian Ringgit	**981**	1,026
Other	**3,707**	4,066
	43,378	38,205

1 Included in the Hong Kong dollars cash balance is £1.9m (2014: £1.8m) of restricted cash held on deposit as security against the Chinese Renminbi bank loan. Further details of this loan are provided in note 13.

All financial assets, as detailed above, are at floating rate. There is no material difference between the fair value and the carrying value of the financial assets.

(ii) Currency exposures

The main functional currencies of the Group are Pounds Sterling, the Euro, Australian Dollars and Yen. The Group does not have material transactional exposures because in the local entities, revenues and costs are in their functional currencies.

There are no material net foreign exchange exposures to monetary assets and monetary liabilities.

The Group has translation exposure in accounting for overseas operations and its policy is not to hedge against this exposure.

16. Financial risk management continued

(iii) Liquidity risk

The Group's overall objective is to ensure that at all times it is able to meet its financial commitments as and when they fall due.

Surplus funds are invested on short-term deposit. Short-term flexibility is achieved by overdraft facilities, if appropriate.

The capital structure of the Group consists of net cash of £17.8m and equity of the Group, comprising issued share capital, reserves and retained earnings as disclosed in notes 17 and 18.

(iv) Interest rate risk

The Group manages its cash funds through its London head office and does not actively manage its exposure to interest rate fluctuations. Surplus funds in the UK earn interest at a rate linked to the Bank of England base rate. Surplus funds in other countries earn interest based on a number of different indices, varying from country to country.

(v) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's credit risk is primarily in respect of trade receivables.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with counterparties that are deemed creditworthy and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with entities that are considered to have adequate credit ratings. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group's exposure and the credit ratings of its counterparties are regularly monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

Trade receivables consist of a large number of customers, spread across industry sectors and geographical locations. In a number of territories in which the Group operates, particularly in the contract and interim businesses, invoices are contractually payable on demand. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, if considered appropriate, credit guarantee insurance cover is purchased.

Balances which are considered uncollectable either in part or for the whole amount are written down on a specific basis. The amount of the write-down takes into account an estimate of the recoverable cash flows, nature of counterparty, past due date, geographical area, the costs of recovery and the fair value of any guarantee received. The Group has provided fully for all receivables over 120 days because historical experience is such that receivables past due beyond 120 days are generally not recoverable.

The maximum exposure of credit risk for trade receivables is represented by their carrying value, net of impairment.

Out of trade receivables totalling £138.9m at 31 December 2015 (2014: £122.7m), balances totalling £110.8m (2014: £95.8m) are not due. The amount of trade receivables past due up to one month are £19.4m (2014: £16.0m) and past due greater than one month are £10.5m (2014: £13.7m). The amount of trade receivables outstanding by more than 90 days from invoice date at 31 December 2015 was £1.9m (2014: £2.0m). The level of bad debt provision at 31 December 2015 was £1.8m (2014: £2.8m).

(vi) Financial liabilities

The Group financed its operations during the year through a mixture of retained earnings and also has a Renminbi loan, which was taken out in 2008, and a four-year committed Pounds Sterling sales financing facility, expiring in December 2019. The average effective interest rate for 2015 on the sales financing facility approximates to 2.75% and is determined upon the lenders' published rate plus 2.25%. As the rates are floating, the Group is exposed to cash flow risk. Further details in respect of these loans are disclosed in note 13 to the accounts.

The Group's sensitivity to foreign currency has decreased during the year as repayments have been made on the bank loans. Trade and other payables are settled within normal terms of business and are payable in less than 120 days.

17. Share capital

	2015 Number	2014 Number	2015 £'000	2014 £'000
Authorised				
Ordinary shares of 20p each	**200,000,000**	200,000,000	**40,000**	40,000
Allotted, called-up and fully paid				
Ordinary shares of 20p each	**86,251,859**	85,970,809	**17,249**	17,192

The called-up share capital of the Company was increased on a number of occasions during the year following the issue of new shares in accordance with obligations in respect of the Executive Share Option Scheme.

The Company has one class of ordinary shares which carry no right to fixed income.

18. Share options

Equity settled share option plan

As at 31 December 2015 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive Share Option Scheme and SAYE Option Scheme:

	Share options granted	Price granted p	Exercisable From	Exercisable To
Executive Options	20,000	244	July 2009	July 2016
Executive Options	1,030,000	208	March 2013	March 2020
Executive Options	20,000	221	April 2013	April 2020
Executive Options	10,000	299	November 2013	November 2020
Executive Options	1,161,000	211	March 2016	March 2023
Executive Options	1,337,000	353	March 2017	March 2024
Executive Options	8,000	316	June 2017	June 2024
Executive Options	40,000	307	June 2017	June 2024
SAYE	498,759	265	May 2017	November 2017
Executive Options	702,500	316	February 2018	February 2025
	4,827,259			

The movements within the balance of share options are indicated below, as well as a calculation of the respective weighted averages for each category of movement and the opening and closing balances.

	2015 Options	2015 Weighted average exercise price £	2014 Options	2014 Weighted average exercise price £
At 1 January	**5,996,568**	**2.52**	6,175,439	2.36
Granted during the year	**748,500**	**3.39**	1,974,259	3.46
Forfeited during the year	**(182,000)**	**3.01**	(415,334)	2.40
Exercised during the year	**(567,809)**	**1.51**	(368,296)	2.15
Expired during the year	**(1,168,000)**	**2.27**	(1,369,500)	3.29
At 31 December	**4,827,259**	**2.75**	5,996,568	2.52

The fair value of share options granted during the year was £646,400.

The weighted average share price at the date of exercise for share options exercised during the period was £3.60. The options outstanding at 31 December 2015 had a weighted average remaining contractual life of seven years and a weighted value of £2.75.

There were 1,080,000 options already exercisable at the end of the year, with a weighted exercise price of £2.10.

18. Share options continued

The inputs into the stochastic model are as follows:

	Executive options				SAYE options
	2015	2014	2013	2012	2014
Weighted average share price	**£3.51**	£3.53	£2.11	£2.39	£2.65
Weighted average exercise price	**£3.39**	£3.53	£2.11	£2.28	£2.65
Expected volatility	**34.2%**	40.4%	44.5%	45.7%	40.4%
Expected life	**6**	6	4	4	3.25
Risk free rate	**1.2%**	1.8%	1.0%	1.2%	1.8%
Expected dividend yield	**1.7%**	1.5%	2.4%	2.1%	1.5%

Expected volatility has been calculated over the period of time commensurate with the expected award term immediately prior to the date of grant. The expected life used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Exercise of the Executive Share Options is subject to the achievement of a percentage increase in earnings per share which exceeds the percentage increase in inflation by at least an average 8% per annum, over a period of three financial years of the Group.

On satisfaction of these performance targets, 33.33% of the options vest. Vesting then increases progressively with the Executive Options fully vesting where earnings per share growth matches the UK retail price index plus an average of 14% per annum.

The SAYE Option Scheme enables UK permanent employees to use the proceeds of a related SAYE contract to acquire options over ordinary shares of the Company at a discount of up to 20% of their market price. Options granted under the scheme can normally be exercised during a period of six months starting on the third anniversary of the start of the relevant SAYE contract. Exercise of an option is subject to continued employment.

Equity settled Performance Share Plan (PSP)

As at 31 December 2015 the following share awards had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive PSP Scheme:

The movements within the balances of share awards and co-investment awards are indicated below.

	2015			2014		
	Share awards	**Co-investment awards**	**Total**	Share awards	Co-investment awards	Total
At 1 January	**4,725,252**	**1,972,438**	**6,697,690**	5,737,413	2,292,151	8,029,564
Granted during the year	**1,731,954**	**225,286**	**1,957,240**	1,325,953	420,016	1,745,969
Vested during the year	**(547,079)**	**(318,247)**	**(865,326)**	(339,977)	(104,709)	(444,686)
Lapsed during the year	**(1,012,529)**	**(553,897)**	**(1,566,426)**	(1,079,577)	(450,309)	(1,529,886)
Forfeited during the year	**(287,529)**	**(26,135)**	**(313,664)**	(918,560)	(184,711)	(1,103,271)
At 31 December	**4,610,069**	**1,299,445**	**5,909,514**	4,725,252	1,972,438	6,697,690

The fair value of share awards and co-investment awards granted during the year was £4,761,300.

The awards outstanding at 31 December 2015 had a weighted average remaining contractual life of 16 months (2014: 14 months). No awards expired during the year (2014: none).

The inputs into the stochastic model are as follows:

	2015	2014	2013	2012
Weighted average share price	**£3.51**	£3.12	£2.13	£2.39
Weighted average exercise price	**nil**	nil	nil	nil
Expected volatility	**26.0%**	29.3%	37.9%	41.9%
Expected life	**3**	3	3	3
Risk free rate	**0.7%**	1.1%	0.4%	0.6%
Expected dividend yield	**1.7%**	1.7%	2.4%	2.2%

Expected volatility has been calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant. The expected life used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

18. Share options continued

Under the terms of the PSP the number of shares receivable by Executive Directors for a nominal value is dependent upon the total shareholder return (TSR) and the earnings per share (EPS) growth over the three-year period from the initial date of grant. In the case of co-investment awards, the continued ownership of qualifying shares in the Company is also required. As such it is not possible to determine the interests of the individual Directors prior to the completion of the vesting period, although no shares will vest if the TSR performance does not at least equal the performance of the FTSE Small Cap Index or the EPS compound annual growth exceed 8%. For all of the PSP shares to vest, the TSR must exceed the FTSE Small Cap Index by a compound 12.5% per annum and the EPS compound annual growth must also exceed 14%.

The Group recognised an expense of £4,656,000 (2014: £1,708,000) during the year in respect of equity-settled share-based payment transactions and £nil (2014: £nil) in respect of cash-settled share-based payment transactions. The liability for cash-settled share-based payment transactions at 31 December was £nil (2014: £nil).

19. Reserves

The other reserves of the Group include a merger reserve of £83,379,000 (2014: £83,379,000), a capital reserve of £9,301,000 (2014: £9,301,000), capital redemption reserve of £624,000 (2014: £624,000) and a capital contribution reserve of £44,000 (2014: £44,000).

The own shares are held by an employee benefit trust (EBT) to satisfy the potential share obligations of the Group. The Company also has an obligation to make regular contributions to the EBT to enable it to meet its financing costs. £0.8m of own shares were purchased into the Employee Benefit Trust at an average price of £3.63 during the fourth quarter, with a further £3.6m of own shares purchased at an average price of £3.31 since 31 December 2015. Rights to dividends on shares held by the EBT have been waived by the trustees. Charges of £27,000 (2014: £21,000) have been reflected in the Consolidated Income Statement in respect of the EBT.

The number and market value of own shares held at 31 December 2015 was 3,077,398 (2014: 3,955,574) and £11,079,000 (2014: £12,233,000). The number and market value of treasury shares held at 31 December 2015 was 8,922,900 (2014: 8,922,900) and £32,122,000 (2014: £27,594,000). The nominal value of the treasury shares at 31 December 2015 was £1,785,000 (2014: £1,785,000).

20. Notes to the cash flow statement

	2015 £'000	2014 £'000
Operating profit	**23,103**	18,220
Adjustments for:		
Depreciation and amortisation charges	**4,276**	3,951
Loss on disposal of property, plant and equipment and computer software	**719**	350
Charge in respect of share-based payment transactions	**4,656**	1,708
Operating cash flows before movements in working capital	**32,754**	24,229
Increase in receivables	**(25,711)**	(16,097)
Increase in payables	**16,171**	3,138
Cash generated from operating activities	**23,214**	11,270

21. Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase in cash and cash equivalents in the year	**5,589**	8,661
Cash outflow from movement in bank loans	**(1,672)**	(12,381)
Foreign currency translation differences	**(413)**	(554)
Movement in net cash in the year	**3,504**	(4,274)
Net cash at beginning of year	**14,301**	18,575
Net cash at end of year	**17,805**	14,301

Net cash is defined as cash and cash equivalents less bank loans.

22. Commitments

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £'000	2014 £'000
Within one year	**10,549**	10,031
In the second to fifth years inclusive	**30,931**	28,715
After five years	**9,314**	9,160
	50,794	47,906

22. Commitments continued

The Group leases various offices under non-cancellable operating leases and various computers and equipment under operating lease agreements, which have varying terms and termination rights.

The Company has no finance lease commitments (2014: £nil).

There are no capital commitments for the Group (2014: £nil).

23. Related party transactions

Transactions between Robert Walters plc and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The remuneration of key management personnel who are deemed to be Directors has been disclosed in the Report of the Remuneration Committee on page 36.

24. Contingent liabilities

Each member of the Robert Walters plc Group is party to joint and several guarantees in respect of banking facilities granted to Robert Walters plc.

The Company has no other contingent liabilities as at 31 December 2015 (2014: £nil).

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Non-current assets			
Investments	27	**205,908**	201,398
Current assets			
Trade and other receivables	28	**5,959**	908
Total assets		**211,867**	202,306
Current liabilities			
Trade and other payables	29	**(135,010)**	(125,146)
Net current liabilities		**(135,010)**	(125,146)
Net assets		**76,857**	77,160
Equity			
Share capital		**17,249**	17,192
Share premium		**21,836**	21,753
Capital redemption reserve		**624**	624
Own shares held		**(7,136)**	(8,765)
Treasury shares held		**(19,860)**	(19,860)
Retained earnings		**64,144**	66,216
Shareholders' funds		**76,857**	77,160

The accounts of Robert Walters plc, Company Number 03956083, on pages 81 to 84 were approved by the Board of Directors on 9 March 2016 and signed on its behalf by:

Alan Bannatyne
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held £'000	Treasury shares held £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014	17,177	21,753	624	(5,876)	(19,860)	69,288	83,106
Loss for the year	–	–	–	–	–	(16)	(16)
Foreign currency translation differences	–	–	–	–	–	–	–
Total comprehensive income and expense for the year	–	–	–	–	–	(16)	(16)
Dividends paid	–	–	–	–	–	(4,087)	(4,087)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	1,708	1,708
Transfer to own shares held on exercise of equity incentives	–	–	–	677	–	(677)	–
New shares issued and own shares purchased	15	–	–	(3,566)	–	–	(3,551)
Balance at 31 December 2014	17,192	21,753	624	(8,765)	(19,860)	66,216	77,160
Loss for the year	–	–	–	–	–	(41)	(41)
Foreign currency translation differences	–	–	–	–	–	–	–
Total comprehensive income and expense for the year	**–**	**–**	**–**	**–**	**–**	**(41)**	**(41)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(4,688)**	**(4,688)**
Credit to equity for equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**4,656**	**4,656**
Transfer to own shares held on exercise of equity incentives	**–**	**–**	**–**	**1,999**	**–**	**(1,999)**	**–**
New shares issued and own shares purchased	**57**	**83**	**–**	**(370)**	**–**	**–**	**(230)**
Balance at 31 December 2015	**17,249**	**21,836**	**624**	**(7,136)**	**(19,860)**	**64,144**	**76,857**

NOTES TO THE COMPANY ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

25. Accounting policies

The principal accounting policies of the Company are summarised below and have been applied consistently in all aspects throughout the current year and the preceding year.

(a) Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has decided to adopt FRS 101 and has undergone transition from reporting under the UK accounting standards and law.

Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Statement of Accounting Policies to the consolidated financial statements on page 64 except as noted below.

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and the results of overseas operations are dealt with through reserves.

(c) Investments

Investments are shown at cost less provision for impairment where appropriate.

26. Profit for the year

The Company has elected not to present its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

Robert Walters plc reported a result for the year of £0.0m (2014: £0.0m).

£8.7m (2014: £13.8m) of the retained earnings of the Company represents distributable reserves.

Details of the proposed final dividend are provided in note 6 to the accounts.

Details of share-based payments are disclosed in note 18 to the accounts.

Details of Treasury and own shares held are disclosed in note 19 to the accounts.

27. Fixed asset investments

	Total £'000
At 1 January 2015	201,398
Increase in the year due to equity incentive schemes	4,510
At 31 December 2015	**205,908**

There was no provision for the impairment (2014: £nil).

Please refer to note 10 for a list of the Company's investments.

28. Trade and other receivables

	2015 £'000	2014 £'000
Amounts due from subsidiaries	**891**	908
Other receivables	**5,068**	–
	5,959	908

29. Trade payables and other payables: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts due to subsidiaries	**135,010**	125,146
	135,010	125,146

30. Share capital

	2015 Number	2014 Number	2015 £'000	2014 £'000
Authorised				
Ordinary shares of 20p each	**200,000,000**	200,000,000	**40,000**	40,000
Allotted, called-up and fully paid				
Ordinary shares of 20p each	**86,251,859**	85,970,809	**17,249**	17,192

31. Commitments

The Company has no finance lease commitments (2014: £nil).

There are no capital commitments for the Company (2014: £nil).

32. Related party transactions

There were no related party transactions in the year to 31 December 2015 (2014: £nil) other than as disclosed in the Report of the Remuneration Committee and notes 27, 28 and 29.

33. Contingent liabilities

The Company has no other contingent liabilities as at 31 December 2015 (2014: £nil).

AUSTRALIA
BELGIUM
BRAZIL
CHINA
FRANCE
GERMANY
HONG KONG
INDONESIA
IRELAND
JAPAN
LUXEMBOURG
MALAYSIA
NETHERLANDS
NEW ZEALAND
SINGAPORE
SOUTH AFRICA
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