

Company Number: 3956083

ANNUAL REPORT & ACCOUNTS 2014
ROBERT WALTERS PLC

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COMPANIES HOUSE

ROBERT WALTERS

**Over the last 29 years
Robert Walters has grown
and so have our ambitions.**

We now operate in 24 countries and businesses worldwide rely on us to find their very best specialist professionals. Why? Because those same professionals trust us to manage their careers for the long term.

2014 HIGHLIGHTS

£679.6M

REVENUE
(2013: £597.7m)

£215.3M

NET FEE INCOME
(2013: £199.2m)

£18.2M

OPERATING PROFIT
(2013: £10.8m)

£18.2M

PROFIT BEFORE TAXATION
(2013: £10.1m)

15.3P

BASIC EARNINGS PER SHARE
(2013: 8.4p)

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HIGHLIGHTS

Our people
and culture

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on San Francisco

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through
innovation

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ROBERT WALTERS AT A GLANCE

OUR BUSINESS

In what is an increasingly complex and ever-changing global recruitment market, the Group provides our clients, from the largest 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 over-lapping 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 CORE DISCIPLINES

- > Accounting & Finance
- > Banking & Financial Services
- > Engineering
- > Human Resources
- > Information Technology
- > Legal
- > Sales & Marketing
- > Secretarial & Support
- > Supply Chain & Procurement
- > Recruitment Process Outsourcing

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.

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.

GEOGRAPHIC NET FEE INCOME

UK

33%
£71.1_M

EUROPE

20%
£43.8_M

OTHER INTERNATIONAL

5%
£9.9_M

ASIA PACIFIC

42%
£90.5_M

24
COUNTRIES

2,631
EMPLOYEES

OUR MISSION AND STRATEGY

OUR MISSION

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.

OUR STRATEGY

The Group's strategy for growth is centred on international expansion and discipline diversification.

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 29 year history.

1988
BELGIUM

1994
US

1985
UK

1990
NETHERLANDS

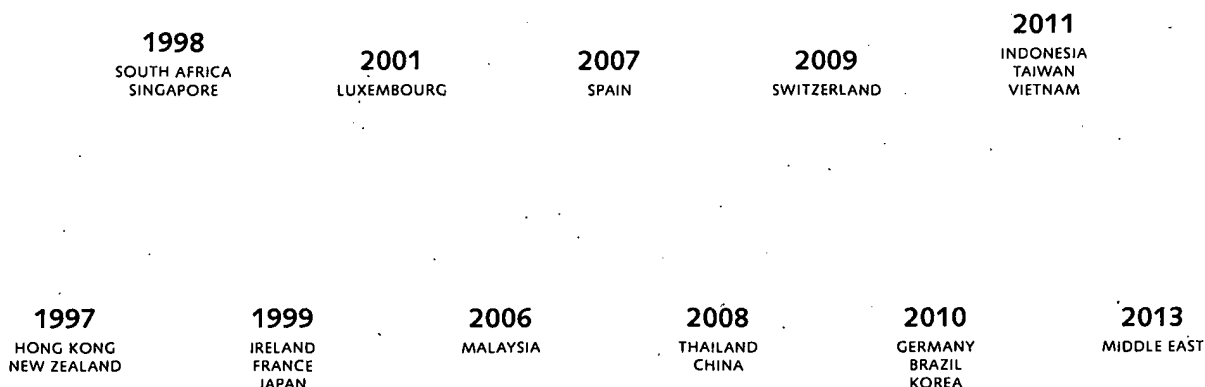
1996
AUSTRALIA

DISCIPLINE DIVERSIFICATION

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

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.

There is no shortage of opportunities to enter new markets and develop new disciplines, it's 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.



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, through close cost control, when times are tough. The Group has successfully followed this strategic approach through the most recent global financial crisis and has been able to immediately benefit from an improvement in market conditions.

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 critical. 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.

7

NEW COUNTRIES ENTERED
SINCE 2010

15

COUNTRIES WITH RECORD
NET FEE INCOME DURING
THE YEAR

37

STAFF TRANSFERRED
INTERNATIONALLY IN 2014

DELIVERING STRATEGY PEOPLE & CULTURE

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

"At Robert Walters, 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

Non-commission team-based profit

Our team-based approach starts with giving staff support from the outset through our training and mentoring programmes. A non-commission model is integral to this 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.

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 11 years. The long-term development and retention of home-grown management is critical to the success of the Group.

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.

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 that really benefits us by preserving and growing our culture.

Organic growth

Focusing on long-term, international careers and a team-based approach supports our strategy of organic, sustainable and profitable growth. By promoting our international mobility programme we encourage successful staff to move around the world, building new businesses and strengthening existing ones.

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 best-in-class marketing.

Some recent examples of international moves:

Kate Williams

Manager, Melbourne > Singapore

Kate joined the Melbourne business in 2008 as a graduate consultant in the IT banking team. In 2010 she set up a new IT commerce team. Two years later Kate relocated to Singapore where she manages IT commerce.

Jean-Karl Vandenbergh

Senior Consultant, Paris > Dubai

JK joined our Walters People Paris business in November 2009 as a consultant. In 2011 he became a top biller and was promoted to senior consultant. He relocated to Dubai in January 2013 to help develop our first office in the Middle East.

Katy Friedman

Director, Tokyo > New York > London

Katy joined us in 2001 as an associate consultant in Tokyo's banking division. She then moved to New York in 2007 as manager of sales & marketing recruitment. Today she's Group Talent Director in London.

Crystal Zang

Group Internal Auditor, Shanghai > Melbourne

Crystal joined us in 2011 as Finance Director – China. After three years she relocated to Melbourne to take responsibility for Group internal audit in the Asia Pacific region.

Opening offices in new territories is key to our strategy for growth. It's our dedicated people putting this strategy into action that makes the difference. We focus on two case studies: Kuala Lumpur and San Francisco.

Sally Raj
Managing Director, Malaysia

Sally joined Robert Walters in 2006 as our second employee in Malaysia. In 2010 she became Country Manager and in January 2015 Sally was promoted to Managing Director.

"Robert Walters was one of the first multinational recruiters in Malaysia and we saw huge potential for growth.

Growing the business

In those first three years it was all about deliberate, steady growth and building talent within the team.

Discipline diversification

As we grew in scale and more international organisations opened offices in the region we started new disciplines, including a supply chain recruitment business. Growth accelerated as clients heard about the quality of the work we did and the calibre of the candidates we could find. We're now entering a more mature growth phase and are spinning off new P&Ls from our major disciplines.

Team profit share and productivity

Developing the fundamentals has been essential – particularly thinking about the career growth and KPIs of each team member. Team profit sharing is absolutely key to the Group's business model – people can see that they can make money but that there's a longer-term purpose too.

Regional and international reach

An important part of our success has been our focus on headhunting. We can utilise the Group's network in Thailand, Singapore, Vietnam and Indonesia, for example, but we can also source returning Malaysians from elsewhere across our global footprint. These regional and international candidates are very hard for clients to source.

Sustainable growth

We've experienced year-on-year growth across the board. That's happened because we spend time developing people – so we now have more mature consultants doing even more senior work, earning bigger fees.

Hiring the right people

The economy is growing in Malaysia and of course that helps growth, but crucially we're growing market share. That's down to our people too. We take people from industry; we hire them for attitude and potential, so highly competent individuals who speak the same language as our clients.

Long-term careers, long-term relationships

The consensus amongst clients is that the personalities of our people stand out as they focus on building a long-term working relationship – it's not just a one-time deal.

The challenge

Developing the next layer down is a continual process. Our ability to offer international moves within the Group helps enormously with retention as we are able to meet people's career aspirations."

Simon Bromwell
Managing Director, San Francisco

Simon joined our Tokyo office in 2003 after spending two years on the JET Programme in rural Japan. He worked his way up to become Director of commerce recruitment. In 2012, he moved to San Francisco to open our West Coast US business.

"I had worked in our Japanese business for nine years and was having a lot of conversations with US tech companies – all trying to get a foothold in the Japanese market.

I went to San Francisco on a fact finding and due diligence visit and was impressed by the phenomenal growth plans of the businesses I was meeting. We quickly realised that if we built strong relationships in San Francisco, not only would we have a gateway of revenue for Japan but a profitable local business and access to organisations across the west coast of America.

The first year

The first year was about understanding the local market, developing brand recognition and focusing on headhunting – building the brand one relationship at a time.

Growing the team

We hire people with the right attitude who buy into the Robert Walters brand and like our team-based culture. We all sit together and desk-side mentoring plays a critical part in getting new team members making a profitable contribution as soon as possible.

Long-term relationships with clients and candidates

Many organisations were used to a transactional relationship with a recruiter – rather than a relationship you actually want to continue. Our long-term approach absolutely resonated with clients and candidates. It made us different.

Growing by word of mouth

2013 was a milestone year because the investment in our people and relationships started to pay dividends. Candidates we had placed were using us to hire their own teams and we were generating a lot of referrals.

The key to success

The Group's team-based focus and the quality of our people has also been critical. Each individual is respected and has a breadth of knowledge across their markets. Our local management team has 30 years of collective Robert Walters experience, and in addition to the hires we have made locally, we have benefited from international movers from the Group's Tokyo, Sydney, Shanghai and Paris teams.

Historically, the Group opened new businesses with accounting and finance recruitment but we took a different approach in San Francisco, starting with sales & marketing recruitment, which better suited the local market dynamics.

The future

We've doubled revenue every year in operation and we have solid foundations to build on. The consultants we've trained are becoming managers and we'll continue to specialise and grow our range of disciplines."

AT THE FOREFRONT OF INDUSTRY INNOVATION

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

GROWTH THROUGH INNOVATION

We pride ourselves on being at the forefront of industry innovation and creativity. It means doing things differently: it's at the heart of who we are. We're proud of what we've achieved so far but we don't look back – we are always innovating.

Innovation reinforces our quality-focused brand positioning and ensures clients want more than a one-off relationship with us.

Global Salary Survey

When it comes to thought leadership, many profess to lead the way but we were the first to launch a Global Salary Survey: a comprehensive 500-page guide to salaries and contract rates around the world. The first edition was released in 2000 and the book is now in its sixteenth year – recognised by our clients and candidates as the de facto barometer of salary trends.

Thought leadership

Throughout the year we produce regular recruitment market reports and research on key recruitment topics. Our annual compensation and bonus surveys also serve as crucial decision-making tools for clients. Our Jobs Indices in Asia and Europe track advertising volumes to provide clients and candidates with key insights into the job market.

Resource Solutions

We were the first recruitment consultancy to launch a recruitment outsourcing business in 1997. Today, Resource Solutions is a global business using its proprietary technology TalentSource to shape our clients' hiring strategies worldwide.

Digital innovation

The Group's mobile apps have been downloaded in excess of 150,000 times in the last two years. The Salary Checker, now available on iTunes and Google

Play, has received a total of 250,000 downloads, an average of 66,000 a year. The app has regularly been in the top 10 business apps and the number one business app in multiple countries.

Sponsorships

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

Our landmark sponsorship of The British & Irish Lions Tour to Hong Kong and Australia in 2013 was an industry first. Our partnership with one of the world's most iconic brands matched our own values of professionalism, integrity and teamwork.

Our new sponsorship of Japan's national rugby team builds upon our successful partnership with The 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 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.

AWARDS

- **Best Marketing Team 2014**
Robert Walters corporate marketing team was praised for its range of recruitment intelligence, digital innovations and ground-breaking sponsorships across the world at The Recruiter Awards.
- **HR Network National Awards 2014**
Resource Solutions' on-site team at Morgan Stanley won the Attraction & Resourcing and HR Officer of the Year Award.
- **Supply Chain Recruiter of the Year 2014**
Our Hong Kong business was singled out for its dedication to clients at the Recruiter International Asia Awards.
- **Great Place to Work 2014**
Our French business was named a top 50 employer brand.
- **Human Resources Vendors of the Year Award 2014**
Our Singapore business was voted by senior HR professionals and C-suite leaders in Singapore as the Most Preferred Recruitment Firm for roles in the SGC\$5,000-10,000 per month category.
- **HR Recruitment Company of the Year 2014**
Our Japan business was rewarded for the quality of their service at the Recruitment International Asia Awards.

In 2014 Robert Walters was ranked in the Top 25 most influential brands globally on LinkedIn and was the most followed specialist professional recruitment brand on Twitter in Japan.

CHAIRMAN'S STATEMENT

LESLIE VAN DE WALLE

I am very pleased to report that the Group delivered an exceptionally strong performance in 2014, increasing profit before taxation by 80% (91%*).

Our strategy of long-term investment in the business across both our established businesses and high-growth potential, emerging recruitment markets has enabled us to leverage the Group's operational gearing to deliver an excellent result for the year.

Revenue was up 14% (19%*) to £679.6m (2013: £597.7m) and gross profit (net fee income) increased by 8% (14%*) to £215.3m (2013: £199.2m). Operating profit was up 68% (78%*) to £18.2m (2013: £10.8m) and earnings per share increased by 82% to 15.3p per share (2013: 8.4p per share). The Group has a strong balance sheet with net cash of £14.3m as at 31 December 2014 (31 December 2013: £18.6m). Permanent recruitment represents 69% (2013: 69%) of recruitment net fee income.

In line with our strategy, we have grown staff numbers in emerging markets and in mature markets where activity levels are increasing and additionally we have won a number of new Resource Solutions clients in the UK and Asia. Headcount at the end of the year increased by 14% to 2,631 (2013: 2,307).

The Board will be recommending a 13% increase in the final dividend to 4.35p per share which combined with the interim dividend of 1.65p per share will result in a total dividend of 6.0p per share (2013: 5.4p). In 2014, 1.3m shares were purchased at an average price of £3.11 for £4.0m through the Group's long-term share buy-back programme. 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 3 June 2015.

Finally, I would like to thank everyone in the Group for their hard work, drive, commitment and loyalty.

Leslie Van de Walle
Chairman
25 February 2015

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

£679.6M

REVENUE
(2013: £597.7m)

£18.2M

OPERATING PROFIT
(2013: £10.8m)

15.3P

BASIC EARNINGS PER SHARE
(2013: 8.4p)

INVESTMENT THROUGH ECONOMIC CYCLES

Our strategy of long-term investment in both established and emerging markets has enabled us to deliver an exceptionally strong performance in 2014.

CHIEF EXECUTIVE'S STATEMENT

ROBERT WALTERS

The excellent performance in 2014 served to further highlight the strength, depth and diversity that the Group now has in terms of both geography and discipline.

We have been able to leverage this strength to deliver an 80% (91%*) increase in profit before taxation, a result that was particularly impressive given that market conditions in two of the Group's largest markets, Australia and France, remained challenging for much of last year.

We have a strong blend of permanent and contract recruitment net fee income, a truly global footprint of growing businesses across both established and embryonic recruitment markets plus a market-leading recruitment process outsourcing business – all of which is underpinned by a powerful international brand and a strong and experienced senior management team.

The recruitment industry continues to evolve through the advent of new resourcing strategies and technologies and we remain firmly at the forefront of these developments. The role of a high-quality

specialist professional recruitment consultancy, such as Robert Walters, to filter and manage the increased volume of data and the number of communication channels available to candidates and clients has never been more important. In addition, our Resource Solutions business ensures we are extremely well placed to benefit from the trend towards an outsourced recruitment model.

Review of operations

Asia Pacific (42% of net fee income)

Revenue was £251.4m (2013: £260.1m) and net fee income was £90.5m (2013: £92.1m) an increase of 8% in constant currency. This delivered an operating profit increase of 45% (59%*) to £10.5m (£11.5m*) (2013: £7.2m).

In Asia we have benefited from strong growth within our larger, more mature and market-leading businesses in Japan, Singapore and Hong Kong and, very encouragingly, we are also now seeing positive returns from our more recent investments in a number of the region's emerging recruitment markets. Our operations in Malaysia, Thailand and Vietnam in particular have delivered excellent net fee income growth and, critically, have the capacity to grow into substantial businesses.

Australia returned to growth in the fourth quarter and in New Zealand, our businesses in Auckland and Wellington both delivered record performances.

Resource Solutions in Asia won a number of new clients and also successfully extended a number of existing client deals.

UK (33% of net fee income)

Revenue was £311.9m (2013: £235.7m), net fee income increased by 24% to £71.1m (2013: £57.2m) and operating profit more than doubled to £5.2m (2013: £2.5m).

The UK had an excellent year as both client and candidate confidence continued to improve. Growth was broad-based and spread across both London and the regions, with disciplines such as commerce finance, legal and sales & marketing delivering particularly strong performances. Also of particular note, was the beginning of a recovery in the permanent financial services market in London, with recruitment levels across risk, compliance and projects particularly high.

To continue to build on this performance and further extend our regional presence, we have opened a new office in St Albans.

Resource Solutions continued to deliver impressive results increasing net fee income significantly year-on-year.

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

£90.5M

NET FEE INCOME – ASIA PACIFIC
(2013: £92.1m)

£10.5M

OPERATING PROFIT – ASIA PACIFIC
(2013: £7.2m)

£71.1M

NET FEE INCOME – UK
(2013: £57.2m)

£5.2M

OPERATING PROFIT – UK
(2013: £2.5m)

STRENGTH, DEPTH AND DIVERSITY

Our geographic reach and discipline diversity are underpinned by a powerful international brand and experienced senior management team.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

Europe (20% of net fee income)

Revenue was £106.4m (2013: £93.9m) and net fee income increased 4% (10%*) to £43.8m (£46.1m*) (2013: £42.0m) producing a 73% increase in operating profit to £2.2m (£2.3m*) (2013: £1.3m).

Market conditions across the Eurozone were mixed. In France, our largest business in the region, the permanent recruitment market remained challenging, however our contract business continues to go from strength to strength and produced excellent growth.

Recruitment activity levels across the Benelux region were more favourable, with our business in Belgium the standout performer across both the permanent and contract markets. We continue to focus on Germany as a key growth market for the Group and are also very encouraged by the strong performance in a number of our smaller markets in the region such as Spain and Ireland.

£43.8M

NET FEE INCOME – EUROPE
(2013: £42.0m)

£2.2M

OPERATING PROFIT – EUROPE
(2013: £1.3m)

£9.9M

NET FEE INCOME – OTHER INTERNATIONAL
(2013: £7.9m)

£0.3M

OPERATING PROFIT – OTHER INTERNATIONAL
(2013: operating loss of £0.2m)

Other International (5% of net fee income)

Revenue was £9.9m (2013: £8.0m) and net fee income increased by 25% (35%*) to £9.9m (£10.7m*) (2013: £7.9m) producing an operating profit of £0.3m (operating profit of £0.2m*) (2013: operating loss of £0.2m).

Other International comprises the US, South Africa, the Middle East and Brazil. Our business in the US had a record year with both San Francisco and New York delivering excellent growth. In New York, much like London, we have seen a recovery in the permanent financial services market with areas such as compliance particularly active, whilst the technology-driven San Francisco market remains extremely buoyant.

Client and candidate confidence in Brazil remains low, our office in Dubai more than doubled net fee income year-on-year whilst in South Africa net fee income grew strongly and we are now one of the largest international players in the market.

Current trading and outlook

Having entered seven new countries since 2010, the Robert Walters Group now has over 2,600 staff spanning 24 countries. We have focused on increasing the profitability and productivity of our fledgling businesses and the Group as a whole, delivering an 80% uplift in profit before taxation and an increase in consultant productivity.

Early trading in 2015 has been in line with expectations. Whilst we are mindful of continued Eurozone uncertainty, we believe we are very well positioned to capitalise on both current and future growth opportunities.

Robert Walters
Chief Executive

25 February 2015

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

WELL PLACED TO DELIVER ENHANCED PROFITABILITY

80% increase in profit before taxation, despite
challenging conditions in Australia and France.

FINANCIAL REVIEW

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 14% (19%*) to £679.6m (2013: £597.7m) with 54.4% (2013: 51.7%) 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 8% (14%*) to £215.3m (2013: £199.2m). Net fee income was £113.4m in the second half compared to £101.9m in the first half (2013: 1H £97.8m, 2H £101.4m). 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 68% (78%*) to £18.2m (2013: £10.8m) and administrative expenses were £197.1m (2013: £188.4m). The principal reason for the 5% (11%*) increase in costs was due to an increase of 11% in the Group's average headcount to 2,512 in 2014, up from 2,273 during 2013.

Interest and financing costs

The Group incurred a net interest charge for the year of £0.3m (2013: £0.7m). The Group has a £35.0m three-year committed financing facility until November 2016. At 31 December 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 gain of £0.3m arose during the year on translation of the Group's intercompany trading accounts and external borrowings (2013: loss of £0.1m).

Taxation

The tax charge in 2014 was £6.9m (2013: £3.9m) which gives an effective rate of 38.0% (2013: 38.9%). The tax rate is higher than the standard UK rate of 21.5%, 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 15.3p (2013: 8.4p) and the weighted average number of shares for the year was 73.8m (2013: 73.0m).

Dividend

A final dividend of 4.35p (2013: 3.86p) per ordinary share is being proposed by the Board. Together with the interim dividend of 1.65p (2013: 1.54p) per ordinary share paid in October 2014, the total dividend per share would amount to 6.0p (2013: 5.4p). The final dividend, if approved, which amounts to £3.2m, will be paid on 12 June 2015 to those shareholders on the register as at 22 May 2015.

Balance sheet

The Group had net assets of £77.4m at 31 December 2014 (31 December 2013: £73.9m) including goodwill of £8.0m (2013: £8.0m). The increase in the Group net assets of £3.5m comprises profit for the year of £11.3m and credits relating to share schemes of £1.7m offset primarily by dividends paid of £4.1m, own shares purchased of £4.0m and currency movements of £1.6m.

Cash flow and net cash position

At 31 December 2014, the Group had net cash balances of £14.3m (31 December 2013: £18.6m). Cash inflow from operating activities was £11.2m (2013: £19.2m). The significant payments made from operational cash flow were £2.3m of fixed asset expenditure, £3.2m of corporation tax payments, £4.1m of dividends, £4.0m of own shares purchased and £1.0m 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 25.

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

KEY PERFORMANCE INDICATORS

Net fee income

£215.3M

2013: (£199.2m)

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 8% (14%*), 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.

Operating profit

£18.2M

2013: (£10.8m)

Definition

Operating profit represents net fee income less administrative expenses.

Analysis

Strong net fee income growth along with improved productivity driving a 68% increase in operating profit.

Productivity

£142.7K*

2013: (£137.1k)

Definition

Productivity represents the total net fee income generated per fee earner in the recruitment business.

Analysis

In 2014, productivity improved in constant currency by 4.1%, as the Group capitalised on improving market conditions across many of our markets and especially in the UK.

Earnings per share

15.3P

2013: (8.4p)

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.

Total shareholder return (TSR)

69.5%

2013: (9.8%)

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 2014.

International mix

67%

2013: (71%)

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 4% reduction in the international mix, primarily due to the pace of the recovery of the UK business during 2014 and the weakness of foreign currencies such as the Yen and the Australian Dollar.

Debtor days

28

2013: (26)

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.

Net cash

£14.3M

2013: (£18.6m)

Definition

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

Analysis

Net cash decreased during the year to £14.3m as £4.1m was returned to shareholders in the way of a dividend with a further £4.0m returned through the purchase of own shares, in line with the Group's share buyback programme.

* 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 2014, no significant SEE risks were identified.

In 2014 we produced a digitally published Sustainability Report detailing our approach to corporate responsibility, covering four key sustainability themes: People, 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 29 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 people. 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.

In accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Group has provided the following table on gender diversity:

	2014			2013		
	Male	Female	Total	Male	Female	Total
Board Directors	6	1	7	6	1	7
Senior Managers ¹	115	52	167	103	39	142
Other Employees	869	1,469	2,338	812	1,312	2,124
Total	990	1,522	2,512	921	1,352	2,273

¹ A senior manager is a person who has responsibility for planning, directing or controlling 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.

The Board has a policy to encourage diversity, including gender. From 1 January 2014, the Board has 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 help make a child's dream come true through The Make a Wish Foundation.

Commitment to our local communities continued during the year with a range of activities taking place across the world. In total the Group made charitable donations of £47,000 (2013: £32,000).

Staff in every country also participated in our third annual Global Charity Day on Friday October 2014, raising £66,000 through a winning display of teamwork and initiative. Running for good causes was a key theme across many countries. The Thailand team ran the Bangkok marathon for the Phayathai Babies Home and staff from our Japan business took part in Run for the Cure Foundation's leading event. Vertical marathons and stair challenges were popular

in London, China and Hong Kong. The Resource Solutions team in London completed their vertical marathon at our headquarters in aid of Macmillan Cancer and our Hong Kong team had a choice of climbing 29 or 75 storeys to support the Hong Chi Association.

Staff members globally donated to wear 'casuals for a cause' and bake sales, ice bucket challenges, head shaves and a host of other initiatives raised money across the world. For example, France took part in a giant Zumba class for Vaincre le Mucoviscidose and the Belgian office set up a stall to sell fries to support the Make a Wish Foundation.

Volunteering was another key activity, with the Indonesian team visiting the Bersinar Orphanage, donating toys, clothes and books to the children. Our South African business donated and planted trees to support Food & Trees for Africa and our US team conducted mock interviews with the Per Scholas organisation, helping to prepare students for graduation. In the Middle East, the team created charity gift boxes for immigrant workers arriving from India to work on construction sites in the Middle East.

Marco Lavedo, MD of our Spanish office helped 200 long-term unemployed professionals improve their job prospects through interview training and workshops.

"I got involved with a City Hall sponsored project as part of our Global Charity Day. The difficult economic conditions in Spain impacted everyone so I wanted to try and give something back and use my knowledge to help. A big part of the day was about giving people confidence, letting them know they do have the skills to get back into work – they need that reassurance and boost to their self esteem.

Using the real recruitment skills from my day-to-day working life to help people get back on their feet was so rewarding – watching people's confidence grow you feel you're making a difference to help them reach their goals and improve their situation."

CORPORATE RESPONSIBILITY STATEMENT CONTINUED

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 will be carbon neutralised through a new partnership with the Woodlands Trust.

The Group is active in working towards the achievement of local Environmental Management Standards. In 2014, 25% 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 maintaining 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 2014, which is the same as the Group's financial reporting period.

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 2014 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 are mandatory. The reporting of Scope 3 (other indirect emissions from sources not owned or controlled by the company) emissions are 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 so 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.

Intensity metric

The Group has recorded the total global emissions, in tonnes of CO₂e, and has decided to use an intensity metric of tonnes of CO₂e per head, which the Group believes is the most relevant indication of our growth and provides the best comparative measure over time.

In 2015 the whole of Robert Walters' UK operations will be carbon neutralised.

Global greenhouse gas emissions data

The table below shows the total global emissions, in tonnes of CO₂e and tonnes of CO₂e per head for the Group:

Greenhouse Gas Emission Source	2014 tCO ₂ e	2014 tCO ₂ e per head	2013 tCO ₂ e	2013 tCO ₂ e per head
Scope 1				
Vehicle fleet	461	0.22	401	0.21
Total Scope 1 Emissions	461	0.22	401	0.21
Scope 2				
Purchased electricity and heat	2,246	1.08	2,146	1.11
Total Scope 2 Emissions	2,246	1.08	2,146	1.11
Scope 3				
Business travel – Air	708	0.34	489	0.25
Business travel – Land ¹	284	0.14	231	0.12
Transmission and distribution	173	0.08	166	0.09
Total Scope 3 Emissions	1,165	0.56	886	0.46
Total Group Emissions	3,872	1.86	3,433	1.78
Carbon offset	(1,167)	(0.57)	(1,015)	(0.52)
Total Net Emissions	2,705	1.29	2,418	1.26

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.

The increase in emissions is due to very strict control of air travel in 2013. The Group will continue to closely monitor emissions and will aim to increase the amount of carbon offset in future years to meet its carbon reduction target by 2023.

Base year

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

The base year will be recalculated for changes to the scope of operation and measurement going forward, including any additions to measured scope 3 data. The base year and previous year's data will also be recalculated if in carrying out future years' analysis better quality data for the previous year is identified.

Reducing carbon

The Group is targeting to reduce CO₂e 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 travel-related carbon emissions through an accredited reforestation scheme 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. The Group's Anti-Bribery Policy (with specific reference to the Bribery Act) is issued to all employees.

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.

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 identified health and safety issues identified during the year.

Political donations

The Group made no political donations during the year (2013: £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. 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 with offices in 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. 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.
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 also 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. 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. Local disasters can also impact the day-to-day operations of the business.	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. 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 23, incorporates the 2014 Highlights, Robert Walters at a Glance, Our Mission and Strategy, Delivering Strategy: People and Culture, Growth through Innovation, the Chairman's Statement, the Chief Executive's Statement, the Financial Review, Corporate Responsibility Statement and Principal Risks and Uncertainties.

By order of the Board,



Alan Bannatyne
Chief Financial Officer
25 February 2015

DIRECTORS' REPORT

Overview

The Directors present their Annual Report on the activities of the Group, together with the financial statements for the year ended 31 December 2014.

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 2014 are set out on pages 57 to 77 and the Company's audited financial statements are set out on pages 78 to 80. The Group's profit after taxation for the year ended 31 December 2014 was £11,255,000 (2013: £6,156,000).

The Directors recommend a final dividend of 4.35p per ordinary share (2013: 3.86p) to be paid on 12 June 2015 to shareholders on the register on 22 May 2015, which together with the interim dividend of 1.65p paid on 17 October 2014 makes a total of 6.0p per share for the year (2013: 5.4p).

Directors

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

Leslie Van de Walle¹
Robert C Walters
Giles P Daubeney
Alan R Bannatyne
Brian McArthur-Muscroft¹
Andrew D Kemp¹
Carol Hui¹

¹ Non-executive Directors.

Details of the Directors' service contracts are shown in the Report of the Remuneration Committee on page 52.

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 considerations 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 25 February 2015 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	12,587,561	16.34
Aberforth Partners	7,279,088	9.45
Aberdeen Asset Management	5,928,850	7.70
Kames Capital	5,781,226	7.50
Standard Life Investments	5,475,454	7.11
Robert Walters PLC EBT ¹	3,956,688	5.00
Schroder Investment Management	3,910,032	5.07
Legal & General Investment Management	3,270,350	4.24
JPMorgan Asset Management	3,184,470	4.13

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 2015 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 23 May 2014, 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 2014, the Company purchased ordinary shares of the Company at an average price of £3.11 for a total cost of £4.0m.

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.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 16 and 17.

The Directors have assessed the long-term prospects of the Group based upon business plans and upon cash flow projections for the five-year period ending 31 December 2019.

The five-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 22 and 23. 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 £14.3m of net cash at 31 December 2014 and 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 five-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 25 February 2015 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 3 June 2015 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
25 February 2015

DIRECTORS AND ADVISORS

Leslie Van de Walle (58)

Chairman

Leslie is Non-executive Chairman of SIG plc and he is also a Non-executive Director of Cape plc and 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. Leslie was appointed as Non-executive Chairman of Robert Walters plc with effect from 1 October 2012.

Robert Walters (60)

Chief Executive

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 junior to middle management professional positions.

Giles Daubeney (53)

Chief Operating Officer

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.

Alan Bannatyne (45)

Chief Financial Officer and Company Secretary

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 (64)

Non-executive Director

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. Andrew was appointed to the Board of Robert Walters plc in November 2007.

Carol Hui (58)

Non-executive Director

Carol is a qualified lawyer and a senior executive with extensive legal and commercial experience. She is the General Counsel and Group Company Secretary of BAA and a member of its Executive Committee. 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. She also served as a member of the Review Body on Doctors' and Dentists' Remuneration. She is a Non-executive Director and trustee of the national charity Action for Blind People. Carol was appointed to the Board of Robert Walters plc in January 2012.

Brian McArthur-Muscroft (50)

Non-executive Director

Brian is currently the Chief Financial Officer of Optimal Payments plc. He qualified as a Chartered Accountant with PricewaterhouseCoopers in London and in 2012 was chosen as the ICAEW's FTSE 250 Finance Director of the Year. Brian has held the positions of Group Finance Director at TelecityGroup, Viatel and Eckoh Technologies plc and also CFO of Cable & Wireless HKT Multimedia. He holds a Law degree, is a member of the Corporate Development Board for the NSPCC and the Responsible Officer for Hockerill Anglo European College, a leading secondary school in Hertfordshire. Brian is also a trustee of Touraid, a children's charity which brings disadvantaged children and young adults to the UK through the creation of long-term links with UK schools and clubs. Brian was appointed to the Board of Robert Walters plc in May 2013.

Registered office

11 Slingsby Place
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London WC2E 9AB

Registered number

3956083

Auditor

Deloitte LLP
Chartered Accountants
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

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 are pleased with the progress that the Group has made to ensure 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. The Board has a policy to encourage diversity, including gender and from 1 January 2014, the Board implemented a policy to ensure diversity and specifically, that there will be an equal gender quota for any future long list for a Board appointment. In our relatively small Board we already have one female Director. The Board has been refreshed recently, but we will aim at increasing female representation on our Board when replacements will be sought in a few years' time.

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 to increase its focus on the Group's risk register and overall risk environment, ensuring that local management formed an integral part in developing and managing the risk profile of the Group. The Remuneration Committee has continued to engage with our shareholders, completing a comprehensive restructuring of Executive Directors' pay during the year and incorporating current best practice.

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
25 February 2015

CORPORATE GOVERNANCE STATEMENT CONTINUED

Statement of compliance with the UK Corporate Governance Code

The Company has complied fully throughout the year ended 31 December 2014 with the Code provisions set out in the 2012 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 52.

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 six 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 auditors, 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 32 to 34.

Nominations Committee

The Nominations Committee met once 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;
- Designing and recommending a new framework for Executive remuneration, incorporating current guidance on best practice;
- Determining the individual remuneration packages for Executive Directors;
- 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 52.

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 (6 meetings)	Audit Committee (3 meetings)	Nominations Committee (1 meeting)	Remuneration Committee (4 meetings)
Leslie Van de Walle	6	n/a	1	n/a
Robert Walters	6	n/a	1	n/a
Giles Daubeney	6	n/a	n/a	n/a
Alan Bannatyne	6	n/a	n/a	n/a
Andrew Kemp	6	3	1	4
Carol Hui	6	3	1	4
Brian McArthur-Muscroft	6	3	1	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 is 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 May 2014 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. The Board implemented a policy 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.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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 Executive Committee or other members of senior management;
- 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 2014, 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.

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 2014 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;
- 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 2014 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 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 2013, improvements had been made during 2014. In conclusion there were no areas that were deemed to be unfit for purpose.

Audit Committee and Auditor

A separate Report of the Audit Committee is set out on pages 32 to 34 and provides details of the role and activities of the Committee and its relationship with the external auditor.

Leslie Van de Walle

Chairman

25 February 2015

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 2012 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. All Audit Committee members are considered to be financially literate. The composition of the Committee was reviewed during the year, and the Board and Committee are 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, Internal Auditor 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 auditors 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 2014 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 on historical evidence.

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.

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. 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.

Other significant matters considered by the Committee

The Committee considered other significant matters as set out below:

- 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. The Group's financing arrangements consist of:
 - Net funds totalling £14.3m (this is net of the facility drawn down to the extent of £23.4m at 31 December 2014);
 - A further £0.5m Renminbi denominated loan;
 - A guaranteed borrowing facility of £35.0m expiring November 2016;
 - Net current assets of £53.1m.

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

- In reviewing the results for 2014, the Committee reviewed the assessments made for goodwill impairment. This included measuring the carrying value of goodwill against the discounted cashflows of each cash generating unit (CGU). 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 certain business units, that no goodwill impairment charges were required in 2014;
- 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 2014 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; and
- 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 2015 and the Committee will continue to assess the impact on the Group's financial statements.

Internal Audit and risk

At the end of 2013, the Committee approved the Internal Audit plan for 2014. 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. 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. The Committee reviewed the independence and objectivity of the Internal Audit function and approved the Internal Audit plan for 2015.

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.

REPORT OF THE AUDIT COMMITTEE CONTINUED

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. Edward Hanson, who had been in the role of Group Audit Partner for the past five years, was replaced by John Charlton in 2014. There was a four-month handover between the two Deloitte partners that ensured that there was a seamless transition during the year. The Audit Committee will give further consideration during the incoming engagement partner's term to the application of the audit tendering provision of the 2012 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. 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 25 February 2015 and is signed on its behalf by:

Brian McArthur-Muscroft
Audit Committee Chairman
25 February 2015

REPORT OF THE REMUNERATION COMMITTEE

Dear Shareholder

I am pleased to introduce the report of the Board covering the Group's remuneration policy and practice in respect of Executive and Non-executive Directors.

This Remuneration Report has been prepared in accordance with the applicable remuneration disclosure regulations and is split into two parts comprising:

- The Annual Report on Remuneration detailing payments made to Directors displaying the link between Group performance and remuneration for the 2014 financial year and the intended approach to be applied to the 2015 financial year;
- The Directors' Remuneration Policy setting out the Group's intended remuneration policy for Directors, as approved by shareholders in a binding vote at the 2014 Annual General Meeting and which will apply for the three years starting 1 January 2015.

The Remuneration Committee's activities in 2014

We committed to continue to engage with our largest shareholders and during the period we consulted with institutional shareholders as well as a number of investor representative organisations and carefully listened to the feedback received. In addition to the engagement process, the key areas of focus during the period have been:

- A review of the basic pay, benefits, bonus and equity incentives for the Executive Directors;
- An assessment of the link between reward for individual and Company performance to align the interests of the Executive Directors with those of shareholders;
- Consideration of Executive Directors' remuneration in relation to the reward structures in place for other employees in the Group; and
- Reviewing and approving rules of the new share plan prior to formal approval at the 2014 AGM.

2014 business performance and reward

Despite continued global market volatility, the Group delivered a strong set of results in 2014.

The Group delivered a 14% increase in revenue to £679.6m and net fee income was up 8% to £215.3m. The Group continued to drive performance improvement from its well positioned global network, maintaining its geographical footprint and focusing upon the retention of our more experienced, talented employees. This ensures the business is well positioned to maximise future growth opportunities and this overall approach, including an improvement in productivity, delivered an uplift in profit before taxation to £18.2m, an increase of 80%.

Overall, Robert Walters continues to be seen as one of the few truly diverse global professional recruitment consultancies, with 67% of net fee income derived from outside the UK and 81% of recruitment net fee income generated from outside the financial services sector.

Based on the Group's positive trading result and the strong performance against the stretching financial and non-financial targets set at the beginning of 2014 for the year, the Committee has determined that annual bonuses of 100% have been earned and fully deserved.

Despite the Group's strong performance during the year, only 18% of the long-term incentives awarded in 2012 vested as the majority of the stretching performance targets were not achieved over the three-year performance period. Although the share price increased 91% since 2011, total shareholder return (TSR) over the three-year period from 31 December 2011 to 31 December 2014 was 69% compared to a relative result for the FTSE Small Cap index of 67%, resulting in only 36% of this performance target being met. In addition, the stretching earnings per share targets set over the three-year period were not achieved and the earnings per share related awards did not vest.

The structure of remuneration

In reviewing basic pay, the Committee has considered the overall employment market and also the average base pay increases for employees in both the UK and the overall Group, together with current trading conditions. As a result, the Committee has decided to increase salaries by 3% with effect from 1 January 2015, which is lower than our average employee salary increase for 2015.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

As noted in last year's report, the Committee conducted a comprehensive review of total remuneration during 2013 and 2014. The new structure, which was approved at the 2014 Annual General Meeting and is to be implemented in the 2015 financial year, will ensure pay is closely linked to the longer-term performance of the Group, reducing maximum pay potential whilst still providing a strong retention tool for Executive Directors. These changes will also simplify the remuneration structure, which was the most consistent point of feedback received from shareholders. The approved changes resulted in:

- A simplified remuneration structure;
- Reduction of separate equity incentives arrangements into one single plan and the elimination of share options;
- Overall reduction in maximum pay potential;
- More demanding performance targets and a lower level of payout for threshold performance under the new Performance Share Plan;
- Maximum bonus and share awards under the Performance Share Plan increased to replace, in part, the value of share options;
- Introduction of a deferral requirement over a two-year period; and
- Introduction of share ownership guidelines and clawback provisions.

2014 was a transitional year as the new remuneration structure and Performance Share Plan rules were approved at the May 2014 Annual General Meeting, almost halfway into the financial year, therefore the previous remuneration structure was in force for the 2014 financial year. This means that 2014 was the last year in which the Group made grants of options to the Executive Directors and the new remuneration policy will take full effect during 2015. Full details of the new policy are set out on pages 47 to 52.

I hope our shareholders will support the Directors' Remuneration Report.

Andrew Kemp
Remuneration Committee Chairman
25 February 2015

ANNUAL REPORT ON REMUNERATION

This section of the report provides details of the payments made to Directors in respect of the 2014 financial year.

Single total figure (audited)

Executive Directors

The total remuneration for 2014 and comparative prior year figures for each Executive Director is set out in the table below.

	2014							Total £'000
	Base salary £'000	Other ¹ benefits £'000	Pension £'000	Total fixed pay £'000	Bonus £'000	LTIPs ² £'000	Total variable pay £'000	
R C Walters	550	60	110	720	550	193	743	1,463
G P Daubeney	459	48	91	598	459	162	621	1,219
A R Bannatyne	336	27	67	430	336	119	455	885
	1,345	135	268	1,748	1,345	474	1,819	3,567

	2013							Total £'000
	Base salary £'000	Other ¹ benefits £'000	Pension £'000	Total fixed pay £'000	Bonus £'000	LTIPs ³ £'000	Total variable pay £'000	
R C Walters	537	60	107	704	537	–	537	1,241
G P Daubeney	448	48	89	585	448	–	448	1,033
A R Bannatyne	328	27	66	421	328	–	328	749
	1,313	135	262	1,710	1,313	–	1,313	3,023

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.

2 The performance conditions, targets and actual performance for both the Performance Share Plan and Executive Share Option Scheme are detailed on pages 38 to 40.

3 FY 2013 LTIPs comprise share options and performance share awards granted in March 2011, vesting in March 2014, based on performance assessed over the three-year period ending on 31 December 2013.

Chairman and Non-executive Directors (audited)

The total remuneration for 2014 and 2013 for the Chairman and each Non-executive Director is set out in the table below.

	2014		2013	
	Base salary £'000	Total ¹ fixed pay £'000	Base Salary £'000	Total ¹ fixed pay £'000
L Van de Walle	103	103	100	100
A D Kemp	64	64	62	62
B McArthur-Muscroft	62	62	42	42
C Hui	52	52	51	51
M A Griffiths	–	–	36	36
	281	281	291	291

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

Additional details in respect of the single total figure

Base Salary

For 2014, the Committee gave Robert Walters, Giles Daubeney and Alan Bannatyne a base salary increase of 2.5% and this came into effect on the 1 January 2014. These salary increases were lower than the average salary increase for employees across the Group of 3.6%.

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 2014, there was no changes to benefits for each 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 Chief Operating 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.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

Annual bonus

For 2014, 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 payment 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	330	330	220	220	550	550
	% of salary	60%	60%	40%	40%	100%	100%
	% of maximum	60%	60%	40%	40%	100%	100%
G P Daubeney	£'000	275	275	184	184	459	459
	% of salary	60%	60%	40%	40%	100%	100%
	% of maximum	60%	60%	40%	40%	100%	100%
A R Bannatyne	£'000	202	202	134	134	336	336
	% of salary	60%	60%	40%	40%	100%	100%
	% of maximum	60%	60%	40%	40%	100%	100%

- Profit before taxation for the Group (60% weighting) with full payment of this component requiring an increase in profit before taxation set at a challenging level at the beginning of the year. The Committee has determined that, at this time, the performance targets under the annual bonus represent commercially sensitive information. Although shareholders may prefer the public disclosure of these targets the Board believes that this would be damaging to the Company and useful to our competitors. In short, public disclosure is not in shareholders' longer-term interests. If the Board decides that targets are no longer commercially sensitive, they will be disclosed; and
- Personal KPIs (40% weighting) which include strategic performance objectives such as the successful execution of the Group's investment strategy, staff retention and development, client and candidate satisfaction, innovation and improvements to IT infrastructure, including the commencement of an upgrade to the front office software.

The business exceeded the stretch target set for profit before taxation at the beginning of the year and all Executive Directors performed well against their personal objectives. Consequently, bonuses of 100% of salary were awarded to all Executive Directors. Over the last five years, the average total bonus pay-out has been 72% of salary.

Long-term incentive plans

The long-term incentive plan (LTIPs) figures that are presented in the single total figure table on page 37 is the total of share options and Performance Awards granted under the Performance Share Plan (PSP) which are detailed below:

(a) Share options

The 2014 value represents an estimate of the value of the percentage of the share options held by the Executive Directors that were granted in March 2012. The share options are due to vest in March 2015 subject to the achievement of stretching performance conditions determined at the beginning of 2012, over the three-year period that ended on 31 December 2014. 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	Actual % 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 EPS growth was below the minimum threshold vesting level.	0%
Total to vest in March 2015					0%

As the minimum threshold performance required was not achieved, no share options will vest in March 2015. Over the last five years, the average actual percentage vesting of the options has been 20% of the initial award. This is illustrative of the stretching nature of the EPS targets over that period.

The performance conditions for all outstanding share options can be found on page 40.

The table below details the number of share options granted in March 2012, the potential value of these options at grant date and the expected value for share options included in the single figure table in 2014.

	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 (£'000)
R C Walters	300,000	227	681	226	0%	0	0
G P Daubeney	250,000	227	568	188	0%	0	0
A R Bannatyne	200,000	227	454	150	0%	0	0

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.

(b) Performance Share Plan (PSP)

The 2014 value represents an estimate of the value of the percentage of the Performance Awards held by the Executive Directors that were granted in March 2012. PSP awards granted in March 2012 are scheduled to vest in March 2015 subject to the achievement of stretching performance conditions over the three-year period ending on 31 December 2014. 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	Actual % 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 EPS growth was below the minimum threshold vesting level.	0%
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 2014 was 69.5% compared to a median TSR of the FTSE Small Cap Index of 67.3%.	36.4%
Total to vest in March 2015					18.2%

The minimum threshold was met for the TSR performance condition, with 36.4% vesting achieved. However, the minimum threshold performance required was not achieved for the EPS performance condition. As a consequence, overall 18.2% of the shares awarded in 2012 under the Performance share plan will vest in March 2015.

The table below details the awards granted in March 2012, the potential value of these awards at grant date and the expected value for PSP Awards included in the single figure table in 2014.

	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* (£'000)
R C Walters	243,909	220	537	445	18.2%	44,452	129
G P Daubeney	203,356	220	447	371	18.2%	37,062	108
A R Bannatyne	148,922	220	328	272	18.2%	27,141	79

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 is calculated using the average share price for the final quarter of 2014 of 291p per share. The actual value of the award may differ as it is dependent on the actual share price on the vesting date.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

The Executive Directors also participated in the co-investment opportunity in March 2012, with each of them investing in shares at the maximum level of 25% of salary. An award of co-investment shares was then made over the number of shares which could have been acquired had the amount of salary invested been on a pre-tax basis. The performance conditions are the same as the PSP awards above and, as a consequence, 18.2% of the co-investment awards will vest in March 2015.

The table below details the expected value for the co-investment awards included in the single figure table in 2014.

	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	117,719	220	259	215	18.2%	21,454	62
G P Daubeney	98,146	220	216	179	18.2%	17,887	52
A R Bannatyne	71,875	220	158	131	18.2%	13,099	38

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 is calculated using the average share price for the final quarter of 2014 of 291p per share. The actual value of the award may differ as it is dependent on the actual 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 a genuine improvement in the underlying performance of the business and there was no discretion exercised in the current year. The performance conditions for all outstanding PSP awards can be found on pages 40 and 41.

Long-term incentives awarded in 2014 (audited)

Share options

On 3 March 2014, the Executive Directors were granted market value options as follows:

	Options granted	Grant price (p) ¹	Strike price or 'face value' (£'000) ²	Fair value (£'000) ³	% award vesting at minimum threshold performance	Maximum % of face value that could vest
R C Walters	300,000	353	1,059	305	33%	100%
G P Daubeney	250,000	353	883	254	33%	100%
A R Bannatyne	200,000	353	706	203	33%	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 period is the three-year period ending 31 December 2016. Target ranges are set at the beginning of 2014 and assessed against information available at that point in time. The vesting of share options granted is subject to the achievement of earnings per share growth which exceeds the percentage increase in the UK retail price index by at least an annual compound growth of 8% per annum, over a period of three financial years of the Group. On satisfaction of this performance target, 33% of the options vest. The options vest in full only where earnings per share growth matches the UK retail price index plus an annual compound growth of 14%. Vesting between these points is linear. To the extent that the performance targets are not met at the end of the three-year period, options will lapse. The share options are only exercisable between three and ten years from the date of grant.

Performance Share Plan (PSP)

On 23 May 2014, the Executive Directors were granted PSP and co-investment awards under the new Performance Share Plan, as approved by shareholders at the 2014 Annual General Meeting. The value of these awards was approximately 150% 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	Maximum % of face value that could vest
R C Walters	174,673	82,406	315	810	542	30%	100%
G P Daubeney	145,631	44,479	315	599	401	30%	100%
A R Bannatyne	106,649	50,313	315	494	331	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 period is the three-year period ending 31 December 2016. The performance criteria for PSP awards comprise two separate components. Half the shares awarded will vest subject to meeting earnings per share growth targets. The earnings per share range is a minimum threshold of 11.5p, at which point 30% of the award will vest. The maximum threshold is 14p at which point 100% of the award will vest, with straight-line vesting between these two points.

Vesting of the remaining half of the shares is determined by reference to relative TSR over a three-year period. No vesting occurs of such shares 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. To the extent that the performance targets are not met at the end of the three-year period, the shares will lapse.

The PSP also permits the award of co-investment shares. To participate in the co-investment opportunity, each participant must invest in shares using personal funds, up to a maximum of 25% of salary and on the condition that these shares are held until the date of vesting. An award of co-investment shares will then be made over that number of shares which could have been acquired had the amount of salary invested been on a pre-tax basis.

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 2014	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options at 31 December 2014 ¹	Price granted (p) ²	Share price on exercise (p)	Gain on exercise (£) ³	Exercise dates
R C Walters									
Executive Options	300,000	-	-	-	300,000	208	-	-	Mar 2013 – Mar 2020
SAYE Options	3,713	-	(3,713)	-	-	243	305	2,302	May 2014 – Nov 2014
Executive Options	300,000	-	-	(300,000)	-	329	-	-	Mar 2014 – Mar 2021
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
	1,203,713	306,792	(3,713)	(300,000)	1,206,792			2,302	
G P Daubney									
Executive Options	250,000	-	-	-	250,000	208	-	-	Mar 2013 – Mar 2020
SAYE Options	3,713	-	(3,713)	-	-	243	305	2,302	May 2014 – Nov 2014
Executive Options	250,000	-	-	(250,000)	-	329	-	-	Mar 2014 – Mar 2021
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
	1,003,713	256,792	(3,713)	(250,000)	1,006,792			2,302	
A R Bannatyne									
Executive Options	200,000	-	-	-	200,000	208	-	-	Mar 2013 – Mar 2020
SAYE Options	3,713	-	(3,713)	-	-	243	305	2,302	May 2014 – Nov 2014
Executive Options	200,000	-	-	(200,000)	-	329	-	-	Mar 2014 – Mar 2021
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
	803,713	206,792	(3,713)	(200,000)	806,792			2,302	
	3,011,139	770,376	(11,139)	(750,000)	3,020,376			6,906	

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.

³ Gain on exercise is theoretical gain had all shares been sold on exercise. All shares were retained by the Executive Directors.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

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

The market price of the ordinary shares at 31 December 2014 was 309p per share (2013: 312p per share) and the range during the year was 273p to 360p per share.

Performance Share Plan (PSP) (audited)

There are currently 60 senior executives who participate in the PSP. The maximum number of shares receivable by Executive Directors is as follows:

	Date of grant	Share awards	Co-Investment awards	Vested during year	Lapsed during year	At 31 December 2014	Share price on date of award (p) ¹	Exercise date
R C Walters								
	March 2011	163,496	100,104	–	(263,600)	–	320	March 2014
	March 2012	243,909	117,719	–	–	361,628	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
		851,979	412,763	–	(263,600)	1,001,142		
G P Daubeney								
	March 2011	136,304	84,406	–	(220,710)	–	320	March 2014
	March 2012	203,356	98,146	–	–	301,502	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
		709,542	320,854	–	(220,710)	809,686		
A R Bannatyne								
	March 2011	99,824	56,380	–	(156,204)	–	320	March 2014
	March 2012	148,922	71,875	–	–	220,797	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
		517,184	247,277	–	(156,204)	608,257		

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 2015 the Company had outstanding options representing 5.8% of issued share capital.

The Company also has an Employee Benefit Trust that may acquire shares in order to meet contingent obligations under share-based incentive schemes.

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 2014 had the following interests in the ordinary shares of the Company

	31 December 2014 Number	31 December 2013 Number
R C Walters	2,283,006	2,450,805
G P Daubeney	1,610,120	1,798,019
A R Bannatyne	281,178	250,799
L Van de Walle	25,587	15,311
A D Kemp	10,000	10,000
C Hui	10,000	10,000
B McArthur-Muscroft	7,140	7,140

In 2014 there was no guideline for the Directors to own shares in the Group. However, the new remuneration structure has a recommended minimum holding of 200% of salary for Executive Directors. For the avoidance of doubt, Directors are not permitted to take forward options 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 2014 and expressed as a percentage of salary are as follows:

Shares held	% of issued share capital	% of salary
R C Walters	2.96%	1,283%
G P Daubeney	2.09%	1,084%
A R Bannatyne	0.36%	259%

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.

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 pay over a period of ten years.

Performance graph

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

This graph shows how the Chief Executive's base salary has increased since 2004 against the Total Shareholder Return (TSR) of the FTSE Small Cap Index over the same period.

The following table shows the Chief Executive's pay over the last ten years.

R C Walters	Total 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
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
2008	1,017	40%	8%	2005–2008
2007	1,329	100%	58%	2004–2007
2006	3,732	100%	100%	2003–2006
2005	3,740	100%	100%	2002–2005
Total average		70%	42%	

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 37.

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 LTIPs vesting against maximum opportunity is calculated as the number of share options and PSP awards that have vested in the year in which the performance conditions ends as a % of the maximum vesting opportunity.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

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 2014 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 37. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

	Base salary %	Other benefits %	Bonus %
R C Walters	2.5%	0%	2.5%
All employees	3.6%	1.1%	12.2%

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 2013 and 2014.

- 1 Overall spend on pay 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 2014 was £4.1m based on a final dividend of £2.8m, paid on 13 June 2014, and an interim dividend of £1.3m paid on 17 October 2014. 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 2014.
- 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 2014.

Statement of implementation of remuneration policy in 2015

The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2015 will be as follows:

(i) Base salary

(a) Executive Directors

For 2015, the average salary increases for employees other than Executive Directors will be approximately 3.5%. The Committee has decided to give the Executive Directors salary increases lower than the average salary increase. Robert Walters, Giles Daubeney and Alan Bannatyne will each receive a base salary increase of 3%. The graph below sets out the base salaries of the Executive Directors over the last three years and the salaries for 2015.

(b) Non-executive Directors

For 2015, the fees for the Chairman and the Non-executive Directors have been agreed as follows:

	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
B McArthur-Muscroft	64	64	62	62
C Hui	54	54	52	52
A D Kemp	66	66	64	64
	290	290	281	281

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

(ii) Other benefits

After reviewing the value of the benefits, the Committee has decided that benefits will not be increased in 2015.

(iii) Annual bonus

For 2015, 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, innovation, such as the roll out of the Group's social media strategy and cost effective improvements to IT infrastructure, including the completion of an upgrade to the front office software.

For 2015, 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 2016 and 2017.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

(iv) Long-term incentive plans

For 2015, it is proposed that each Executive Director will receive awards under the Performance Share Plan (PSP) to the value of 180% of base salary. As part of changes to the remuneration policy, Executive Directors can no longer participate in co-investments or share options.

The performance period is the three-year period ending 31 December 2017. 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	50%	15%
Earning per share (EPS) growth over 3-year period	50%	15%
Total	100%	30%

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

- 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.
- 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

There are no proposed changes in the level of pension contributions as a percentage of base salary for each Executive Director in 2015.

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 for 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 determines 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 £19,500 to Towers Watson and £7,000 to Hewitt New Bridge Street. The terms of reference of the Remuneration Committee are available upon request.

Voting at General Meeting

At the Group's AGM in May 2014, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2013 and also approved the Directors' Remuneration Policy and the new Robert Walters Performance Share Plan. The table below shows the results in respect of the resolutions.

Resolution	Votes for	%	Votes against	%	Votes withheld
Approve the Directors' Remuneration Report	51,099,697	87.7	7,131,942	12.3	5,654,726
Approve the Directors' Remuneration Policy	59,842,697	93.7	4,044,008	6.3	0
Approve the Performance Share Plan	54,192,465	93.0	4,040,174	6.9	5,654,726

The Committee reviewed feedback from shareholders and noted that the majority of shareholders generally approved of the changes to remuneration, namely, an increased focus on long-term performance. Of the votes cast against, these represented less than 1% of the total number of unique shareholders at the time.

Directors' remuneration policy

This section details the Group's remuneration policy for Executive Directors, which is expected to be applicable for the 2015 to 2017 financial years, and was approved by the shareholders in a binding vote during the 2014 Annual General Meeting. The policy (detailed in this section) took effect from 1 January 2015.

How the Committee sets remuneration

The Committee reviews the Group's remuneration philosophy and structure each year to ensure the remuneration framework remains effective in supporting the Group's business objectives. The review ensures the policy is in line with best practice and fairly rewards individuals for the contribution to the business having regard for the size and complexity of the Group's operations and the need to motivate and attract employees of the highest calibre.

The total remuneration package links corporate and individual performance with an appropriate balance between long and short-term elements, and fixed and variable components. The policy is designed to incentivise Executive Directors to meet the Company's key objectives, and therefore, a significant portion of total remuneration is performance related.

2015–17 Directors' remuneration policy

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 intended to apply from 1 January 2015 to 31 December 2017.

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

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

Element	Link to strategic objectives	Operation	Maximum potential	Performance conditions and assessment
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.
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 pre-determined 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	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:

- 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.
- 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.
- 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:

- 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.
- 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.
- 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.

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

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

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.

Illustration of total future remuneration from 2015 remuneration packages

The graph below provide estimates of the potential total future remuneration for each of the Executive Directors in respect of the remuneration opportunity per the 2015 policy.

Each element of remuneration is defined in the table below:

Element	Description
Fixed pay	The last confirmed total amount of salary, pension and benefits.
Annual bonus	The annual bonus % set out in the future policy table and based on the last confirmed salary.
Long-term incentives	Shares awarded under the PSP as set out in the future policy table and based on the last confirmed salary.

The assumptions underlying each scenario are outlined below:

All scenarios:

- Base salary, other benefits and pensions remain consistent across all scenarios.
- The amounts shown under the PSPs are based on an expected value basis.

Minimum:

- None of the annual bonus and PSP awards would be payable.

On-target:

- On-target annual bonus of 97.5% of salary would be payable.
- The on-target figure for the PSP aligns with the level of vesting at threshold, which is 30%, resulting in a notional payout of 54% of salary (of a notional 180% award of base salary).

Maximum:

- The annual bonus payable at the maximum percentage is 150% of base salary.
- The PSP awards would be assumed to have vested in full and would represent a notional 180% award of base salary.

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 if required.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

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. The Group took part in an extensive consultation in late 2013 on the introduction of its new 2015 policy and specifically the suggested changes to annual bonus and share scheme design and levels. These consultations were favourably received and provided helpful feedback in finalising the proposed policy included in this report.

Approval

This report was approved by the Board of Directors on 25 February 2015 and signed on its behalf by:

Andrew Kemp
Remuneration Committee Chairman
 25 February 2015

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 UK Generally Accepted Accounting Practice (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 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:

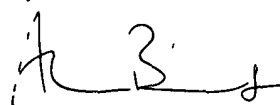
- The Annual Report is drafted by appropriate senior management with overall co-ordination by the Group Marketing Director and Group Financial Controller to ensure consistency across sections;
- An extensive verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the report are undertaken by members of the Executive Board and senior management team;
- An advanced draft is considered and reviewed by two regional Managing Directors 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 International Financial Reporting Standards, 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; and
- 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.

By order of the Board,



Alan Bannatyne
Chief Financial Officer
25 February 2015

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 2014 and of the Group'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; 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 Statement of Changes in Equity, 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).

Separate opinion in relation to IFRSs as issued by the IASB

As explained in the accounting policies note to the Group financial statements, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, the Group has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Going concern

As required by the Listing Rules we have reviewed the directors' statement on page 25 that the Group is a going concern. We confirm that:

- We have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- We have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

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.

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. These remain unchanged from the risks identified in 2013:

Risk

Revenue recognition

For permanent placements, which accounted for 69% of the Group's recruitment Net Fee Income (Gross Profit) in 2014, 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.

How the scope of our audit responded to the risk

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 2014 were £125.5m.

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.

We evaluated the design and tested the implementation of credit assessment and collection controls. On the basis of this we focussed 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 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

Risk

How the scope of our audit responded to the risk

Recoverability of trade receivables and bad debt provisioning continued

The Group's policy is to record a provision based on anticipated recoverable cash, any circumstances specific to individual customers, the ageing of the receivables and the fair value of any guarantee received as detailed in the accounting policies note.

adequacy of provisioning by 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.

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.

Recoverability of deferred tax assets

As at 31 December 2014 the Group carried deferred tax assets of £8.2m which relates to the UK and a number of other international jurisdictions in respect of tax losses, unexercised share options and other timing differences.

Management is required to exercise judgement in respect of assessing the probability that sufficient future taxable profits will be generated against which the deferred tax asset can be offset, as detailed in the critical accounting judgements note.

Recognition of deferred tax assets is supported by profit forecasts in each relevant jurisdiction. We have evaluated these profit forecasts in respect of the operations in terms of past performance and on the basis of market reports, our knowledge of the recruitment industry and the macro-economic factors in these locations. We have assessed the mechanical accuracy of the forecasts, management's historical forecasting accuracy and the consistency of the projections with other forecasts made by management. We utilised our internal tax specialists to assess tax rates against local tax legislation and review supporting documentation as well as assessing management's judgements and estimates.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 32.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual 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 £1.1 million (2013: £1.1 million), which is below 7% of pre-tax profit, below 0.6% of net fee income and below 1.5% of equity. This is a change of approach from 2013, where materiality of £1.1 million was based on 10% of three year average pre-tax profit which represented 0.6% of 2013 net fee income and 1.5% of 2013 net assets. The percentage applied has been revised following emerging market practice and changing investor expectations.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £50,000 (2013: £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 eight significant components, which were all subject to a full audit. These eight significant components, being United Kingdom, Australia, France, Japan, Hong Kong, the Netherlands, China, and Singapore, represent the principal business units and account for 79% of the Group's net fee income (NFI) and 96% of the Group's net assets. 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 eight significant components was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and capped at £550,000. In addition we also performed specified audit procedures at two other locations, being Malaysia and Thailand, representing 3% of the Group's net fee income and 3% of net 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 at those locations.

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, at least three of the significant components where

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF ROBERT WALTERS PLC

the Group audit scope was focused. In 2014 as well as the UK, this included visits to France, the Netherlands and Hong Kong. Annually, for each of the eight significant components, 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 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 the part of the Corporate Governance Statement relating to the company's compliance with ten 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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
25 February 2015

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
Revenue	1	679,604	597,719
Cost of sales		(464,286)	(398,525)
Gross profit		215,318	199,194
Administrative expenses		(197,098)	(188,360)
Operating profit		18,220	10,834
Finance income		137	121
Finance costs	2	(464)	(797)
Gain (loss) on foreign exchange		266	(87)
Profit before taxation	3	18,159	10,071
Taxation	5	(6,904)	(3,915)
Profit for the year		11,255	6,156
Attributable to:			
Owners of the Company		11,255	6,156
Earnings per share (pence):	7		
Basic		15.3	8.4
Diluted		13.9	7.7

The amounts above relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £'000	2013 £'000
Profit for the year	11,255	6,156
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	(1,553)	(5,164)
Total comprehensive income and expense for the year	9,702	992
Attributable to:		
Owners of the Company	9,702	992

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
Non-current assets			
Intangible assets	8	9,577	9,517
Property, plant and equipment	9	8,156	9,300
Deferred tax assets	14	8,216	8,998
		25,949	27,815
Current assets			
Trade and other receivables	11	168,240	153,700
Corporation tax receivables		117	1,949
Cash and cash equivalents	16	38,205	30,071
		206,562	185,720
Total assets		232,511	213,535
Current liabilities			
Trade and other payables	12	(125,527)	(124,149)
Corporation tax liabilities		(3,672)	(2,314)
Bank overdrafts and loans	13	(23,904)	(11,496)
Provisions	15	(377)	(606)
		(153,480)	(138,565)
Net current assets		53,082	47,155
Non-current liabilities			
Deferred tax liabilities	14	(10)	(39)
Provisions	15	(1,647)	(1,049)
		(1,657)	(1,088)
Total liabilities		(155,137)	(139,653)
Net assets		77,374	73,882
Equity			
Share capital	17	17,192	17,177
Share premium		21,753	21,753
Other reserves	19	(73,410)	(73,410)
Own shares held	19	(8,765)	(5,876)
Treasury shares held	19	(19,860)	(19,860)
Foreign exchange reserves		2,432	3,985
Retained earnings		138,032	130,113
Equity attributable to owners of the Company		77,374	73,882

The accounts on pages 57 to 79 were approved and authorised for issue by the Board of Directors on 25 February 2015 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
Cash generated from operating activities	20	11,270	19,240
Income taxes paid		(3,232)	(2,798)
Net cash from operating activities		8,038	16,442
Investing activities			
Interest received		137	121
Purchases of computer software		(1,016)	(1,096)
Purchases of property, plant and equipment		(2,294)	(1,351)
Purchase of non-controlling interest		(482)	(715)
Net cash used in investing activities		(3,655)	(3,041)
Financing activities			
Equity dividends paid		(4,087)	(3,826)
Proceeds from issue of equity		15	567
Interest paid		(464)	(797)
Proceeds from bank loans and overdrafts		12,381	-
Repayment of bank loans		-	(3,061)
Purchase of own shares		(4,032)	-
Proceeds from exercise of share options		465	-
Net cash generated (used) in financing activities		4,278	(7,117)
Net increase in cash and cash equivalents		8,661	6,284
Cash and cash equivalents at beginning of year		30,071	26,022
Effect of foreign exchange rate changes		(527)	(2,235)
Cash and cash equivalents at end of year		38,205	30,071

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

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 2013	17,114	21,249	(73,410)	(9,121)	(19,860)	9,149	126,397	71,518
Profit for the year	-	-	-	-	-	-	6,156	6,156
Foreign currency translation differences	-	-	-	-	-	(5,164)	-	(5,164)
Total comprehensive income and expense for the year	-	-	-	-	-	(5,164)	6,156	992
Dividends paid	-	-	-	-	-	-	(3,826)	(3,826)
Credit to equity for equity-settled share based payments	-	-	-	-	-	-	3,855	3,855
Deferred tax on share-based payment transactions	-	-	-	-	-	-	776	776
Transfer to own shares held on exercise of equity incentives	-	-	-	3,245	-	-	(3,245)	-
New shares issued	63	504	-	-	-	-	-	567
Balance at 31 December 2013	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

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2014

Accounting policies

Basis of preparation

Robert Walters plc is a Company incorporated in the UK under the Companies Act.

The financial report for the year ended 31 December 2014 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 pages 16 and 17.

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. A liability equal to the portion of the services received is recognised at the current fair value determined at each balance sheet date for cash-settled share based payments.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

(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, 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 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 contractive 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 significant impact on the amounts reported in these financial statements:

- IFRS 10: Consolidated Financial Statements;
- IFRS 11: Joint Arrangements;
- IAS 28 (revised): Investments in Associates and Joint Ventures; and
- IAS 32 (revised): Offsetting Financial Assets and Financial Liabilities.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9: Financial Instruments;
- IFRS 15: Revenues from contracts with customers;
- IAS 27 (revised): Investment Entities;
- IAS 36 (revised): Recoverable Amount Disclosures for Non-Financial Assets;
- IAS 39 (revised): Novation of Derivatives and Continuation of Hedge Accounting; and
- IFRIC Interpretation 21: Levies.

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 that IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of this standard until a detailed review has been completed.

Critical accounting judgements and 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 inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. 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, bad debt expense and deferred tax.

- Revenue recognition: In making this judgement, management considered the detailed criteria for the recognition of revenue in respect of candidates who had accepted a permanent 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 all subsidiaries evaluate the collectability of trade receivables and 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.
- Deferred tax: Management exercise judgement when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. 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.

NOTES TO THE GROUP ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. Segmental information

	2014 £'000	2013 £'000
i) Revenue:		
Asia Pacific	251,363	260,145
UK	311,941	235,734
Europe	106,351	93,855
Other International	9,949	7,985
	679,604	597,719
ii) Gross profit:		
Asia Pacific	90,536	92,069
UK	71,100	57,161
Europe	43,798	42,036
Other International	9,884	7,928
	215,318	199,194
iii) Profit before taxation:		
Asia Pacific	10,502	7,242
UK	5,248	2,540
Europe	2,173	1,258
Other International	297	(206)
Operating profit	18,220	10,834
Net finance costs	(61)	(763)
Profit before taxation	18,159	10,071
iv) Net assets:		
Asia Pacific	28,318	26,929
UK	22,247	11,309
Europe	6,993	8,099
Other International	864	376
Unallocated corporate assets and liabilities ¹	18,952	27,169
	77,374	73,882

¹ 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 – 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 ¹	–	–	8,216	46,538	(27,586)
	3,310	3,951	25,949	232,511	(155,137)

1. Segmental information continued

	P, P&E and software additions £'000	Depreciation and amortisation £'000	Non-current assets £'000	Assets £'000	Liabilities £'000
v) Other information – 2013:					
Asia Pacific	623	1,821	11,766	49,077	(22,148)
UK	1,470	1,733	5,171	96,075	(84,766)
Europe	268	408	1,680	23,883	(15,784)
Other International	86	62	200	3,482	(3,106)
Unallocated corporate assets and liabilities ¹	–	–	8,998	41,018	(13,849)
	2,447	4,024	27,815	213,535	(139,653)

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

	2014 £'000	2013 £'000
vi) Revenue by business grouping:		
Robert Walters	463,685	454,375
Resource Solutions (recruitment process outsourcing)	215,919	143,344
	679,604	597,719

2. Finance costs

	2014 £'000	2013 £'000
Interest on bank overdrafts	443	771
Interest on bank loans	21	26
Total borrowing costs	464	797

3. Profit before taxation

	2014 £'000	2013 £'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	19	49
– Tax services – advisory	11	27
– Other non-audit services	–	3
Total fees	390	439
Depreciation and amortisation of assets – owned	3,951	4,024
Loss on disposal of property, plant and equipment and computer software	350	378
Impairment of trade receivables (net)	1,259	76
Operating lease rentals – property	10,615	10,925
Operating lease rentals – computers and equipment	1,019	886

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

4. Staff costs

	2014 Number	2013 Number
The average monthly number of employees of the Group (including Executive Directors) during the year was:		
Group employees	2,512	2,273

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

	2014 £'000	2013 £'000
Their aggregate remuneration comprised:		
Wages and salaries	122,920	116,249
Social security costs	15,340	16,633
Other pension costs	3,210	3,075
Cost of employee share options and awards	1,708	3,855
	143,178	139,812

Details of the Directors' remuneration are given in the Directors' Remuneration Report on page 37.

5. Taxation

	2014 £'000	2013 £'000
Current tax charge		
Corporation tax – UK	622	–
Corporation tax – Overseas	5,327	4,387
Adjustments in respect of prior years		
Corporation tax – UK	102	–
Corporation tax – Overseas	494	99
	6,545	4,486
Deferred tax		
Deferred tax – UK	984	701
Deferred tax – Overseas	(573)	(1,315)
Adjustments in respect of prior years		
Deferred tax – UK	(277)	44
Deferred tax – Overseas	225	(1)
	359	(571)
Total tax charge for year	6,904	3,915
Profit before taxation	18,159	10,071
Tax at standard UK corporation tax rate of 21.5% (2013: 23.25%)	3,904	2,341
Effects of:		
Unrelieved (relieved) losses	853	(54)
Other expenses not deductible for tax purposes	118	114
Overseas earnings taxed at different rates	1,340	1,067
Adjustments to tax charges in previous years	544	141
Impact of tax rate change	145	306
Total tax charge for year	6,904	3,915

6. Dividends

	2014 £'000	2013 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 1.65p per share (2013: 1.54p)	1,267	1,116
Final dividend for 2013 of 3.86p per share (2012: 3.68p)	2,820	2,710
	4,087	3,826

Proposed final dividend for 2014 of 4.35 per share (2013: 3.86p)	3,179	2,843
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The proposed final dividend of £3,179,000 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.

	2014 £'000	2013 £'000
Profit for the year attributable to equity holders of the Parent	11,255	6,156

	2014 Number of shares	2013 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	85,886,614	85,570,741
Shares issued in the year	59,929	107,243
Treasury and own shares held	(12,161,441)	(12,682,876)
For basic earnings per share	73,785,102	72,995,108
Outstanding share options	7,017,561	7,206,147
For diluted earnings per share	80,802,663	80,201,255

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

8. Intangible assets

	Goodwill £'000	Computer software £'000	Total £'000
Cost:			
At 1 January 2013	7,919	7,420	15,339
Additions	–	1,096	1,096
Disposals	–	(428)	(428)
Foreign currency translation differences	49	(231)	(182)
At 31 December 2013	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
Accumulated amortisation and impairment:			
At 1 January 2013	–	5,862	5,862
Charge for the year	–	815	815
Disposals	–	(210)	(210)
Foreign currency translation differences	–	(159)	(159)
At 31 December 2013	–	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
Carrying value:			
At 1 January 2013	7,919	1,558	9,477
At 31 December 2013	7,968	1,549	9,517
At 31 December 2014	7,984	1,593	9,577

The carrying value of goodwill primarily relates to the acquisition of Talent Spotter in China (£1,101,000) 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 6% for years two to five, 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 6.6% (pre-tax rate of 10.7%), based on the Group's estimated weighted average cost of capital and risk adjusted depending on the location of goodwill. The forecast cash flow analysis has also been adjusted for a terminal growth rate, between 2-4% depending on location, for year six 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 2013	6,535	10,731	5,923	85	23,274
Additions	171	444	720	16	1,351
Disposals	(33)	(412)	(499)	(50)	(994)
Foreign currency translation differences	(286)	(781)	(359)	(5)	(1,431)
At 31 December 2013	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
Accumulated depreciation and impairment:					
At 1 January 2013	2,544	4,733	4,045	56	11,378
Charge for the year	826	1,160	1,194	29	3,209
Disposals	18	(329)	(473)	(50)	(834)
Foreign currency translation differences	(198)	(377)	(273)	(5)	(853)
At 31 December 2013	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
Carrying value:					
At 1 January 2013	3,991	5,998	1,878	29	11,896
At 31 December 2013	3,197	4,795	1,292	16	9,300
At 31 December 2014	3,099	3,870	1,179	8	8,156

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

10. Principal Group investments

Details of principal Group investments existing as at 31 December 2014 are as follows:

Subsidiary undertaking	Effective ownership of ordinary shares	Principal activity	Country of incorporation
Robert Walters Pty Limited	100%	Recruitment consultancy	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
Walters Talent Consulting (Shanghai) Co Ltd	100%	Recruitment consultancy	China
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
PT. Robert Walters Indonesia	100%	Recruitment consultancy	Indonesia
Robert Walters Limited	100%	Recruitment consultancy	Ireland
Robert Walters Japan KK	100%	Recruitment consultancy	Japan
Robert Walters Luxembourg Investment SARL	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
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 Arab Emirates
Robert Walters Operations Limited	100%	Recruitment consultancy	United Kingdom
Resource Solutions Limited	100%	HR outsourcing services	United Kingdom
Resource Solutions Europe Limited	100%	HR outsourcing services	United Kingdom
Robert Walters Holdings Limited ¹	100%	Holding company	United Kingdom
Resource Solutions Inc (Delaware)	100%	HR outsourcing services	USA
Robert Walters Associates Inc.	100%	Recruitment consultancy	USA
Robert Walters Associates California Inc.	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.

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 14,400,000 (£1,427,000) was made by the Group in 2012 and 2013. In the year ended 31 December 2014, the Group made a further payment of Renminbi 4,800,000 (£482,000), with the remaining balance of Renminbi 4,800,000 (£502,000) held in other payables.

Advantage has been taken of Section 410 of the Companies Act 2006 to list only those undertakings required by that provision, as an exhaustive list would involve a statement of excessive length. A full listing of the Company's subsidiary undertakings is included in the Company's annual return.

11. Trade and other receivables

	2014 £'000	2013 £'000
Receivables due within one year:		
Trade receivables	122,735	117,127
Other receivables	4,295	3,337
Prepayments and accrued income	41,210	33,236
	168,240	153,700

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 2014 is £1,411,000 (31 December 2013: £1,115,000). The movement in the provision during the year is a charge to administrative expenses in the income statement of £296,000 (2013: £60,000).

As at 31 December 2014, in the UK, invoices aggregating £4.2m were sold under a non-recourse factoring arrangement, incurring charges of £0.1m during the year.

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

	2014 £'000	2013 £'000
Trade payables	5,514	3,794
Other taxation and social security	19,543	20,393
Other payables	19,199	20,404
Accruals and deferred income	81,271	79,558
	125,527	124,149

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

	2014 £'000	2013 £'000
Bank overdrafts and loans: current	23,904	11,496
	23,904	11,496
The borrowings are repayable as follows:		
Within one year	23,904	11,496
	23,904	11,496

In January 2014, the Group renewed and extended its three-year committed financing facility to £35.0m which expires in November 2016. At 31 December 2014, £23.4m (2013: £11.0m) was drawn down under this facility.

The Group has a short-term facility of Renminbi 10m (£1.0m) of which Renminbi 5m (£0.5m) remains outstanding as at 31 December 2014. 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 £23,904,000 (2013: £11,496,000).

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

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 2013	1,448	2,393	1,044	3,109	7,994
Credit (charge) to income	(246)	(152)	162	807	571
Charge to equity	-	-	776	-	776
Foreign currency translation differences	-	(43)	-	(339)	(382)
At 31 December 2013	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

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	2014 £'000	2013 £'000
Deferred tax assets	8,216	8,998
Deferred tax liabilities	(10)	(39)
	8,206	8,959

No deferred tax liability is recognised on temporary differences of £9.2m (2013: £7.6m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the 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 2% from 23% to 21% effective from 1 April 2014 and announced its intention to reduce the rate further by 1% to 20% by 1 April 2015.

The change in corporation tax from 21% to 20% has been substantively enacted and therefore the effects of these reductions have been included in the calculation of deferred tax in these financial statements.

Deferred tax assets of £1.6m (2013: £2.2m) 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 £3.1m (2013: £2.9m) of tax losses which were all time restricted for which the weighted average period over which they can be utilised is 11.3 years.

15. Provisions

	Total £'000
At January 2013	1,247
Additional provisions charged to income statement	807
Provision released	(138)
Utilisation of provisions	(234)
Foreign exchange movements	(27)
At 31 December 2013	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
Analysis of total provision:	
Current	377
Non-current	1,647
	2,024

The provisions comprise of rents and other related amounts payable on vacated properties and dilapidation provisions. The payment of the non-current provision (£1,647,000) 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	2014 £'000	2013 £'000
Euros	9,185	6,987
Japanese Yen	6,571	3,885
Australian Dollars	5,038	5,067
Hong Kong Dollars ¹	4,170	3,769
Chinese Renminbi	2,371	2,542
US Dollars	2,047	1,959
Singapore Dollars	1,977	1,244
New Zealand Dollars	1,754	1,203
Malaysian Ringgit	1,026	563
Other	4,066	2,852
	38,205	30,071

¹ Included in the Hong Kong Dollars cash balance is £1.8m (2013: £1.7m) 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.

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

16. Financial risk management continued

(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.

(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 £14.3m 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 continuously 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, where 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 £122.7m at 31 December 2014 (2013: £117.1m), balances totalling £95.8m (2013: £94.8m) are not due. The amount of trade receivables past due up to one month are £16.0m (2013: £16.3m) and past due greater than one month are £13.7m (2013: £7.7m). The amount of trade receivables outstanding by more than 90 days from invoice date at 31 December 2014 was £2.0m (2013: £1.0m). The level of bad debt provision at 31 December 2014 was £2.8m (2013: £1.7m).

16. Financial risk management continued

(vi) Financial liabilities

The Group finances its operations through a mixture of retained earnings and also has a Renminbi loan, which was taken out in 2008, and a three-year committed Pounds Sterling sales financing facility entered into in November 2012. The average effective interest rate for 2014 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 in all instances are payable in less than 120 days.

17. Share capital

	2014 Number	2013 Number	2014 £'000	2013 £'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	85,970,809	85,886,614	17,192	17,177

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 2014 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	To
Executive Options	250,000	102	May 2008	May 2015
Executive Options	137,000	135	December 2008	December 2015
Executive Options	100,000	244	July 2009	July 2016
Executive Options	10,000	240	September 2009	September 2016
Executive Options	1,130,809	208	March 2013	March 2020
Executive Options	20,000	221	April 2013	April 2020
Executive Options	20,000	299	November 2013	November 2020
Executive Options	1,140,500	227	March 2015	March 2022
Executive Options	25,000	257	April 2015	April 2022
Executive Options	15,000	197	December 2015	December 2022
Executive Options	1,192,000	211	March 2016	March 2023
Executive Options	1,409,500	353	March 2017	March 2024
Executive Options	8,000	316	June 2017	June 2024
Executive Options	40,000	307	June 2017	June 2024
SAYE Options	498,759	265	May 2017	November 2017
	5,996,568			

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

18. Share options continued

Equity settled share option plan continued

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.

	2014		2013	
	Options	Weighted average exercise price (£)	Options	Weighted average exercise price (£)
At 1 January	6,175,439	2.36	5,659,895	2.39
Granted during the year	1,974,259	3.46	1,317,500	2.11
Forfeited during the year	(415,334)	2.40	(188,000)	2.78
Exercised during the year	(368,296)	2.15	(613,956)	1.93
Expired during the year	(1,369,500)	3.29	–	n/a
At 31 December	5,996,568	2.52	6,175,439	2.36

The fair value of share options granted during the year was £1,975,100.

The weighted average share price at the date of exercise for share options exercised during the period was £3.46. The options outstanding at 31 December 2014 had a weighted average remaining contractual life of seven years and a weighted value of £2.52.

There were 1,667,809 options already exercisable at the end of the year, with a weighted exercise price of £1.90.

The inputs into the stochastic model are as follows:

	Executive Options			SAYE Options	
	2014	2013	2012	2011	2014
Weighted average share price	£3.53	£2.11	£2.39	£3.29	£2.65
Weighted average exercise price	£3.53	£2.11	£2.28	£3.29	£2.65
Expected volatility	40.4%	44.5%	45.7%	44.6%	40.4%
Expected life	6	4	4	4	3.25
Risk free rate	1.8%	1.0%	1.2%	2.8%	1.8%
Expected dividend yield	1.5%	2.4%	2.1%	1.5%	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.

18. Share options continued

Equity settled Performance Share Plan (PSP)

As at 31 December 2014 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.

	2014			2013		
	Share awards	Co-Investment awards	Total	Share awards	Co-Investment awards	Total
At 1 January	5,737,413	2,292,151	8,029,564	5,380,200	2,413,925	7,794,125
Granted during the year	1,325,953	420,016	1,745,969	2,333,582	785,287	3,118,869
Vested during the year	(339,977)	(104,709)	(444,686)	(1,134,430)	(509,998)	(1,644,428)
Lapsed during the year	(1,079,577)	(450,309)	(1,529,886)	(699,939)	(310,304)	(1,010,243)
Forfeited during the year	(918,560)	(184,711)	(1,103,271)	(142,000)	(86,759)	(228,759)
At 31 December	4,725,252	1,972,438	6,697,690	5,737,413	2,292,151	8,029,564

The fair value of share awards and co-investment awards granted during the year was £3,636,400.

The awards outstanding at 31 December 2014 had a weighted average remaining contractual life of 14 months (2013: 16 months). No awards expired during the year (2013: none).

The inputs into the stochastic model are as follows:

	2014	2013	2012	2011
Weighted average share price	£3.12	£2.13	£2.39	£3.29
Weighted average exercise price	nil	nil	nil	nil
Expected volatility	29.3%	37.9%	41.9%	48.1%
Expected life	3	3	3	3
Risk free rate	1.1%	0.4%	0.6%	1.4%
Expected dividend yield	1.7%	2.4%	2.2%	1.5%

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.

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 £1,708,000 (2013: £3,855,000) during the year in respect of equity-settled share-based payment transactions and £nil (2013: £nil) in respect of cash-settled share-based payment transactions. The liability for cash-settled share-based payment transactions at 31 December was £nil (2013: £nil).

NOTES TO THE GROUP ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

19. Reserves

The other reserves of the Group include a merger reserve of £83,379,000 (2013: £83,379,000), a capital reserve of £9,301,000 (2013: £9,301,000), capital redemption reserve of £624,000 (2013: £624,000) and a capital contribution reserve of £44,000 (2013: £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. £4.0m of own shares were purchased into the Employee Benefit Trust at an average price of £3.11 during the third quarter. Rights to dividends on shares held by the EBT have been waived by the trustees. Charges of £21,000 (2013: £18,000) 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 2014 was 3,955,574 (2013: 3,305,159) and £12,233,000 (2013: £10,296,000). The number and market value of treasury shares held at 31 December 2014 was 8,922,900 (2013: 8,922,900) and £27,594,000 (2013: £27,795,000).

20. Notes to the cash flow statement

	2014 £'000	2013 £'000
Operating profit	18,220	10,834
Adjustments for:		
Depreciation and amortisation charges	3,951	4,024
Loss on disposal of property, plant and equipment and computer software	350	378
Charge in respect of share-based payment transactions	1,708	3,855
Operating cash flows before movements in working capital	24,229	19,091
Increase in receivables	(16,097)	(33,151)
Increase in payables	3,138	33,300
Cash generated from operating activities	11,270	19,240

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

	2014 £'000	2013 £'000
Increase in cash and cash equivalents in the year	8,662	6,284
Cash (outflow) inflow from movement in bank loans	(12,381)	3,061
Foreign currency translation differences	(555)	(2,242)
Movement in net cash in the year	(4,274)	7,103
Net cash at beginning of year	18,575	11,472
Net cash at end of year	14,301	18,575

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:

	2014 £'000	2013 £'000
Within one year	10,031	9,527
In the second to fifth years inclusive	28,715	24,862
After five years	9,160	11,232
	47,906	45,621

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

The Company has no finance lease commitments (2013: £nil).

There are no capital commitments for the Group (2013: £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 37.

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 2014 (2013: £nil).

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
Non-current assets			
Investments	26	201,398	199,815
Current assets			
Trade and other receivables	27	908	1,047
Total assets		202,306	200,862
Current liabilities			
Trade and other payables	28	(125,146)	(117,756)
Net current liabilities		(125,146)	(117,756)
Net assets		77,160	83,106
Equity			
Share capital	29	17,192	17,177
Share premium	30	21,753	21,753
Capital redemption reserve	30	624	624
Own shares held	30	(8,765)	(5,876)
Treasury shares held	30	(19,860)	(19,860)
Retained earnings	30	66,216	69,288
Shareholders' funds		77,160	83,106

The accounts of Robert Walters plc, Company Number 3956083, on pages 80 to 82 were approved by the Board of Directors on 25 February 2015 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

NOTES TO THE COMPANY ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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 accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and law.

(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. Fixed asset investments

Total
£'000

At 1 January 2014	199,815
Increase in the year due to equity incentive schemes	1,583
At 31 December 2014	201,398

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

27. Trade and other receivables

2014 £'000	2013 £'000
Amounts due from subsidiaries	1,047
908	1,047

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

2014 £'000	2013 £'000
Amounts due to subsidiaries	117,756
125,146	117,756

29. Share capital

	2014 Number	2013 Number	2014 £'000	2013 £'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	85,970,809	85,886,614	17,192	17,177

NOTES TO THE COMPANY ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2014

30. Reserves

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares £'000	Treasury shares £'000	Retained earnings £'000	Total £'000
Shareholders' funds at 1 January 2014	17,177	21,753	624	(5,876)	(19,860)	69,288	83,106
New shares issued and own shares purchased	15	–	–	(3,566)	–	–	(3,551)
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)	–
Loss for the year	–	–	–	–	–	(16)	(16)
Dividends paid	–	–	–	–	–	(4,087)	(4,087)
Shareholders' funds at 31 December 2014	17,192	21,753	624	(8,765)	(19,860)	66,216	77,160

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

Since Robert Walters plc prepares a Consolidated Cash Flow Statement, the Company has taken advantage of the exemption available to not produce a Company-only Cash Flow Statement.

Robert Walters plc reported a result for the year of £0.0m (2013: loss of £0.1m).

£13.8m (2013: £21.4m) 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 treasury and own shares held are disclosed in note 19 to the accounts.

31. Commitments

The Company has no finance lease commitments (2013: £nil).

There are no capital commitments for the Company (2013: £nil).

32. Related party transactions

There were no related party transactions in the year to 31 December 2014 (2013: £nil) other than as disclosed in the Report of the Remuneration Committee and notes 27 and 28.

33. Contingent liabilities

The Company has no other contingent liabilities as at 31 December 2014 (2013: £nil).

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