ROBERT WALTERS

15 March 2017

ROBERT WALTERS PLC
(the "Company", or the "Group")

Results for the year ended 31 December 2016

RECORD RESULTS

Robert Walters plc (LSE: RWA), the leading international recruitment group, today announces its results for the year ended 31 December 2016.

Financial and Operational Highlights

	2016	2015	% change	% change (constant currency*)
Revenue	£998.5m	£812.7m	23%	15%
Gross profit (net fee income)	£278.3m	£234.4m	19%	8%
Operating profit	£26.2m	£23.1m	14%	4%
Profit before taxation	£28.1m	£22.4m	26%	16%
Basic earnings per share	27.7p	20.6p	34%	n/a

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

- Record performance with profit before taxation increasing by 26% (16%*) year-on-year. Net fee income grew across all of the Group's regions and 15 countries delivered record performances.
- Opened in four new countries – Canada, India, the Philippines and Portugal. Three new offices also opened in existing markets – Antwerp, Penang and Toulouse.
- 69% of Group net fee income generated outside of the UK.
- Asia Pacific net fee income up 22% (6%*) to £117.6m (£101.8m*) (2015: £96.3m) and operating profit up 13% (0%*) to £14.7m (£12.9m*) (2015: £12.9m).
    - Japan, our largest business in the region, delivered a record performance with bilingual professionals in high demand and short supply.
    - Australia delivered solid net fee income growth and New Zealand produced a record result.
    - Market conditions in Greater China remained challenging.
    - Thailand, Indonesia and Taiwan delivered particularly strong performances.
- UK net fee income up 8% to £86.7m (2015: £80.4m) and operating profit up 4% to £6.4m (2015: £6.2m).
    - Candidate and client confidence impacted by EU referendum however activity levels remained positive across commerce finance and the UK regions.
    - Resource Solutions produced strong net fee income growth benefiting from the significant investment made during the first half of the year.
- Europe net fee income up 30% (15%*) to £60.1m (£53.2m*) (2015: £46.3m) and operating profit up 27% (19%*) to £4.2m (£3.9m*) (2015: £3.3m).
    - France, the region's largest business, the Netherlands and Belgium all had record years with contract and interim recruitment delivering particularly strong results.
    - Spain, Switzerland and Germany produced the strongest growth rates, all increasing net fee income in excess of 40%.
- Other International (North America, Brazil, the Middle East and South Africa) net fee income up 22% (3%*) to £14.0m (£11.8m*) (2015: £11.5m) and operating profit up 36% (16%*) to £1.0m (£0.8m*) (2015: £0.7m).
- Group headcount of 3,229 (2015: 2,916).
- Final dividend increased by 21% to 6.2p per share (2015: 5.13p).
- 7.3m shares purchased in 2016 for £22.6m at an average price of £3.10. Since 31 December 2016, a further 2.1m shares have been purchased and cancelled at an average price of £3.79 for £8.0m.
- Strong cash generation with net cash of £22.5m as at 31 December 2016 (31 December 2015: £17.8m).

Robert Walters, Chief Executive, said:

"I am very pleased to report a record set of results for the Group with profit before tax increasing by 26% to £28.1m. We grew net fee income across all of the Group's regions and opened offices in four new countries; Canada, India, the Philippines and Portugal.

"Looking ahead, we remain mindful of the unpredictable geopolitical environment, however, the Group's global footprint coupled with the range of recruitment services we provide positions us well to maximise opportunities for growth as they arise."

The Company will be holding a presentation for analysts at 10.30am today at Newgate Communications, Sky Light City Tower, 50 Basinghall Street, London EC2V 5DE.

The Company will publish an interim management statement for the first quarter ending 31 March 2017 on 11 April 2017.

Further information

Robert Walters plc Robert Walters, Chief Executive Alan Bannatyne, Chief Financial Officer	+44 (0) 20 7379 3333
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About Robert Walters

Robert Walters is a market-leading international specialist professional recruitment group with over 3,200 staff spanning 28 countries. We specialise in the placement of the highest calibre professionals across the disciplines of accountancy and finance, banking, engineering, HR, IT, legal, sales, marketing, secretarial and support and supply chain and procurement. Our client base ranges from the world's leading blue-chip corporates and financial services organisations through to SMEs and start-ups. The Group's outsourcing division, Resource Solutions is a market leader in recruitment process outsourcing and managed services.

www.robertwalters.com

Forward looking statements

This announcement contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them at the time of their approval of this announcement and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Robert Walters plc
Results for the year ended 31 December 2016

Chairman's Statement

The Group performed strongly in 2016 with profit before taxation increasing by 26% (16%*) to £28.1m (2015: £22.4m). Net fee income and operating profit grew across all of the Group's regions despite a backdrop of political and economic uncertainty across a number of markets.

The strength of the Group lies in the blend of both the breadth of solutions we provide to clients and in our geographic spread. Our blend of specialist professional recruitment and recruitment process outsourcing solutions is a key differentiator in an evolving recruitment industry, whilst our geographic footprint covering 28 countries including fast-growing emerging recruitment markets and mature well-established markets provides a well-balanced platform for growth.

Revenue was up 23% (15%*) to £998.5m (2015: £812.7m) and gross profit (net fee income) increased by 19% (8%*) to £278.3m (2015: £234.4m). Operating profit was up 14% (4%*) to £26.2m (2015: £23.1m) and earnings per share increased by 34% to 27.7p per share (2015: 20.6p per share). The Group has further strengthened its balance sheet with net cash of £22.5m as at 31 December 2016 (31 December 2015: £17.8m). Permanent recruitment represents 69% (2015: 69%) of recruitment net fee income.

During the year, headcount increased by 11% to 3,229 (2015: 2,916) with the majority of the uplift within Resource Solutions, our recruitment process outsourcing business.

The Board will be recommending a 21% increase in the final dividend to 6.2p per share which combined with the interim dividend of 2.3p per share would result in a total dividend of 8.5p per share (2015: 7.08p). I would like to take this opportunity to extend a warm welcome to Tanith Dodge who joined the Board as a Non-Executive Director in February 2017. Her HR expertise and experience working within international organisations will be a valuable asset to the Board.

In 2016, 6.3m shares were purchased at an average price of £3.04 for £19.2m through the Group's Employee Benefit Trust. The Group also purchased 1m shares at an average price of £3.44 for £3.4m, which were subsequently cancelled. A further 2.1m shares have been purchased and cancelled at an average price of £3.79 for £8.0m since 31 December 2016. 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 25 May 2017.

Finally, on behalf of the Board, I would like to thank all of our staff across the globe for their continued hard work and dedication. These results are a fitting testament to their efforts in delivering a high quality service to our clients and candidates.

Leslie Van de Walle

Chairman

14 March 2017

Chief Executive's Statement

Review of Operations

The Group's strong performance in 2016 is a testament to the success of our strategy for growth which is founded on the two pillars of international expansion and discipline diversification.

During the year, we further expanded our international footprint into four new countries, Canada, India, the Philippines and Portugal and strengthened existing businesses with new offices in Antwerp, Toulouse and Penang. The Group now has over 3,200 staff spanning 28 countries including some of the world's fastest growing and emerging recruitment markets, particularly in the Asia Pacific region. 69% of the Group's net fee income is now generated outside of the UK.

In discipline terms, our core specialist professional recruitment business continues to evolve through growth in emerging disciplines such as technology, digital, healthcare and fintech whilst retaining our leading positions in the more traditional disciplines of finance, banking, HR and legal. In addition, the Group, through our market-leading Resource Solutions offering, is at the forefront of the growth of the recruitment process outsourcing industry which we believe to be the most influential trend impacting today's global recruitment market.

Asia Pacific (42% of net fee income)

Revenue was £348.6m (2015: £285.1m) and net fee income increased by 22% (6%*) to £117.6m (£101.8m*) (2015: £96.3m) and operating profit increased by 13% (0%*) to £14.7m (£12.9m*) (2015: £12.9m).

Japan, the Group's largest business in the region, had a record year across both Tokyo and Osaka with bilingual professionals remaining in strong demand and short supply. Our emerging market strategy in Asia has continued to pay dividends with Thailand, Indonesia and Taiwan in particular delivering excellent growth and record performances. We have also further extended our footprint in Asia with the opening of our first office in the Philippines. For these emerging markets, the Group's ability to attract overseas professionals back to their home countries is a particular source of competitive advantage.

Market conditions in Greater China, particularly in financial services in Hong Kong, remained challenging whilst Singapore and Malaysia delivered robust performances.

Australia delivered solid net fee income growth with Sydney, Brisbane and Adelaide delivering the strongest results. In New Zealand, our business goes from strength to strength and produced a record performance. 2017 promises to be a particularly exciting year for our New Zealand business with the Group having renewed its sponsorship of the British & Irish Lions who tour the country in June and July.

Resource Solutions in Asia continued to deliver strong rates of net fee income growth winning a number of new clients in new territories and extending existing deals. To support this growth, we opened a new client service centre in Hyderabad, India.

UK (31% of net fee income)

Revenue was £480.6m (2015: £403.4m), net fee income increased by 8% to £86.7m (2015: £80.4m) and operating profit increased by 4% to £6.4m (2015: £6.2m).

2016 was a year dominated by the run-up to and fall-out from the EU referendum. Candidate and client confidence levels were negatively impacted and activity levels, particularly in financial services in London, declined. However, despite this general backdrop there were areas of notable activity with commerce finance across the UK performing well and our regional recruitment businesses in Manchester, Milton Keynes and St. Albans benefiting from their focus on SMEs to deliver record performances.

Resource Solutions has won a number of large new client accounts over the last 15 months which necessitated a significant investment in both staff numbers and infrastructure particularly during the first half of the year. I am pleased to report that Resource Solutions has benefited from this investment and delivered excellent year-on-year net fee income growth and we expect this to continue into 2017.

Europe (22% of net fee income)

Revenue was £147.0m (2015: £112.7m) and net fee income increased by 30% (15%*) to £60.1m (£53.2m*) (2015: £46.3m) producing a 27% (19%*) increase in operating profit to £4.2m (£3.9m*) (2015: £3.3m).

Our European business delivered a strong performance resulting in significant increases in both net fee income and operating profit. Spain, Germany and Switzerland delivered the strongest rates of growth, all increasing net fee income in excess of 40% year-on-year.

France, our largest business in the region, had a record year growing across permanent, contract and interim and a new regional office was opened in Toulouse. The Benelux region also had a record year with our contract and interim businesses in particular delivering standout performances. A new office was opened in Antwerp to further develop our regional office network in Belgium.

During the fourth quarter, the Group entered a new European market with the opening of our first Portuguese office in Lisbon.

Other International (5% of net fee income)

Other International comprises the USA, Canada, Brazil, the Middle East and South Africa. Revenue was £22.3m (2015: £11.5m) and net fee income increased by 22% (3%*) to £14.0m (£11.8m*) (2015: £11.5m) producing a 36% (16%*) increase in operating profit to £1.0m (£0.8m*) (2015: £0.7m).

Performance was mixed across the region. In the USA, New York was impacted by a decline in activity in financial services whereas our office in San Francisco continued to perform well and grew net fee income. We extended our North American footprint with the opening of our first office in Canada in Toronto at the beginning of the fourth quarter. Challenging market conditions continued to prevail in both Brazil and South Africa.

The Middle East had a record year and grew strongly benefiting from our continued diversification into new recruitment disciplines.

Outlook

Looking ahead, we remain mindful of the unpredictable geopolitical environment, however, the Group’s global footprint coupled with the range of recruitment services we provide positions us well to maximise opportunities for growth as they arise.

Robert Walters

Chief Executive

14 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROBERT WALTERS PLC ON THE PRELIMINARY ANNOUNCEMENT OF ROBERT WALTERS PLC

We confirm that we have issued an unqualified opinion on the full financial statements of Robert Walters plc.

Our audit report on the full financial statements sets out the following risks of material misstatement which had the greatest effect on our audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team, together with how our audit responded to those risks and the key observations arising from our work:

Revenue Recognition For permanent placements, which accounted for 17% of the revenue of the Group in 2016 (2015: 17%), 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. Determining the level of provision required for back-outs involves a significant degree of management judgement. For temporary placements, which accounted for 83% of the revenue of the Group in 2016 (2015: 83%), the Group's policy (as detailed in the Accounting Policies note) is to record revenue as the service is provided. Accordingly revenue is accrued in respect of temporary placements where temporary staff have provided a service but which remain unbilled. Whilst the calculation of accrued income for temporary placements is not complex, management judgement is required in determining the amount of accrued income to recognise in respect of placements where it is believed that temporary staff provided the service before year end, but where no timesheet had been received at the year-end date.	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. We reviewed a sample of timesheets received after the year end date, to ensure that revenue in respect of these had been recorded in the correct period. We recalculated the accrued income balance relating to temporary placements, and assessed the cut-off applied to the receipt of post year-end timesheets relating to services provided before year end. Our testing also involved a retrospective review of timesheets submitted during 2016 which related to 2015. This was done to assess the likely level of accrued income required at 31 December 2016 for 'missing' timesheets.
Recoverability of trade receivables and bad debt provisioning Gross trade receivables at 31 December 2016 were £187.0m (2015: £140.7m). Whilst historically the Group has not suffered from a significant level of write-offs, given the relatively small balances due from a large number of customers, significant management judgement is required in estimating the appropriate level of provision against trade receivables. The Group's policy is to record a provision based on anticipated recoverable cash flows, nature of counterparty, past due date, geographical location, the costs of recovery and the fair value of any guarantee received, as detailed in the Accounting Policies note.	We agreed a sample of balances to subsequent cash receipts and other supporting documentation (such as subcontractor timesheets) which supported the recoverability of the balance. For certain components, debtor confirmations were also sent out for a sample of balances. We have evaluated the diligence applied by management in determining the risk associated with the recoverability of the receivables balance and tested the adequacy of provisioning by recalculating the provision for significantly aged balances, and considering receivables where the ageing profile of debtors has deteriorated or there is evidence that the credit quality of the debtor is considered a risk, and challenged management to justify why no provision is required.

In all full scope locations, we evaluated the design and implementation of the internal controls in place to ensure that an appropriate provision is recognised against trade receivables. In the UK we performed additional testing to confirm whether these internal controls were operating effectively. We focussed our testing on higher risk balances on the basis of the ageing profile, collection history and the credit quality of the customer.	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. We did not identify any misstatements or significant deficiencies as a result of our audit work. We concluded that the provision for bad debts was in the middle of the acceptable range.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we did not provide a separate opinion on these matters.

Our liability for this report, and for our full audit report on the financial statements is 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 our audit report or this report, or for the opinions we have formed.

Deloitte LLP
Chartered Accountants and Statutory Auditor

Consolidated Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £'000	2015 £'000
Revenue	**998,535**	**812,715**
Cost of sales	(720,205)	(578,287)
Gross profit	**278,330**	**234,428**
Administrative expenses	(252,088)	(211,325)
Operating profit	**26,242**	**23,103**
Finance income	460	168
Finance costs	(895)	(630)
Gain (loss) on foreign exchange	2,334	(283)
Profit before taxation	**28,141**	**22,358**
Taxation	(8,244)	(7,068)
Profit for the year	**19,897**	**15,290**
Earnings per share (pence):		
Basic	27.7	20.6
Diluted	25.4	18.7

The amounts above relate to continuing operations.

Consolidated Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£'000	£'000
Profit for the year	19,897	15,290
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of overseas operations	12,953	(1,347)
Total comprehensive income and expense for the year	**32,850**	**13,943**

Consolidated Balance Sheet
AS AT 31 DECEMBER 2016

	2016 £'000	2015 £'000
Non-current assets		
Intangible assets	11,402	10,788
Property, plant and equipment	8,183	7,740
Deferred tax assets	8,253	8,785
	27,838	**27,313**
Current assets		
Trade and other receivables	236,507	191,849
Corporation tax receivables	1,531	1,103
Cash and cash equivalents	62,601	43,378
	300,639	236,330
Total assets	**328,477**	**263,643**
Current liabilities		
Trade and other payables	(178,008)	(139,906)
Corporation tax liabilities	(5,069)	(4,276)
Bank overdrafts and loans	(40,070)	(25,573)
Provisions	(1,244)	(294)
	(224,391)	(170,049)
Net current assets	**76,248**	**66,281**
Non-current liabilities		
Deferred tax liabilities	-	(4)
Provisions	(2,143)	(1,933)
	(2,143)	**(1,937)**
Total liabilities	(226,534)	(171,986)
Net assets	**101,943**	**91,657**
Equity		
Share capital	16,101	17,249
Share premium	21,854	21,836
Other reserves	(72,241)	(73,410)
Own shares held	(19,906)	(7,136)
Treasury shares held	(9,095)	(19,860)
Foreign exchange reserves	14,038	1,085
Retained earnings	151,192	151,893
Equity attributable to owners of the Company	**101,943**	**91,657**

Consolidated Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £'000	2015 £'000
Cash generated from operating activities	**37,178**	**23,214**
Income taxes paid	(7,693)	(7,433)
Net cash from operating activities	**29,485**	**15,781**
Investing activities		
Interest received	460	169
Purchases of computer software	(2,172)	(2,058)
Purchases of property, plant and equipment	(2,841)	(3,929)
Purchase of non-controlling interest	-	(498)
Net cash used in investing activities	**(4,553)**	**(6,316)**
Financing activities		
Equity dividends paid	(5,410)	(4,688)
Proceeds from issue of equity	39	140
Interest paid	(895)	(630)
Proceeds from bank loans and overdrafts	14,350	1,672
Share buy-back and cancellation	(3,446)	-
Purchase of own shares	(19,168)	(822)
Proceeds from exercise of share options	26	452
Net cash used in financing activities	(14,504)	(3,876)
Net increase in cash and cash equivalents	**10,428**	**5,589**
Cash and cash equivalents at beginning of year	43,378	38,205
Effect of foreign exchange rate changes	8,795	(416)
Cash and cash equivalents at end of year	**62,601**	**43,378**

Consolidated Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2015	17,192	21,753	(73,410)	(8,765)	(19,860)	2,432	138,032	77,374
Profit for the year	-	-	-	-	-	-	15,290	15,290
Foreign currency translation differences	-	-	-	-	-	(1,347)	-	(1,347)
Total comprehensive income and expense for the year	-	-	-	-	-	(1,347)	15,290	13,943
Dividends paid	-	-	-	-	-	-	(4,688)	(4,688)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	4,656	4,656
Deferred tax on share-based payment transactions	-	-	-	-	-	-	602	602
Transfer to own shares held on exercise of equity incentives	-	-	-	1,999	-	-	(1,999)	-
New shares issued and own shares purchased	57	83	-	(370)	-	-	-	(230)
Balance at 31 December 2015	**17,249**	**21,836**	**(73,410)**	**(7,136)**	**(19,860)**	**1,085**	**151,893**	**91,657**
Profit for the year	-	-	-	-	-	-	19,897	19,897
Adjustment[1]	-	-	-	-	-	-	1,254	1,254
Foreign currency translation differences	-	-	-	-	-	12,953	-	12,953
Total comprehensive income and expense for the year	-	-	-	-	-	12,953	21,151	34,104
Dividends paid	-	-	-	-	-	-	(5,410)	(5,410)
Shares repurchased for cancellation	(1,169)	-	1,169	-	10,765	-	(14,211)	(3,446)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	4,590	4,590
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(449)	(449)
Transfer to own shares held on exercise of equity incentives	-	-	-	6,372	-	-	(6,372)	-
New shares issued and own shares purchased	21	18	-	(19,142)	-	-	-	(19,103)
Balance at 31 December 2016	**16,101**	**21,854**	**(72,241)**	**(19,906)**	**(9,095)**	**14,038**	**151,192**	**101,943**

[1]An immaterial adjustment of £1.25 million has been made to increase brought forward retained earnings. £0.195 million of this adjustment is related to the income statement for the 2015 financial year. The adjustment was made in order to recognise two changes in the current year in the application of the revenue recognition policy in part of the business (the impact on the equivalent balance sheet and income statement captions is similarly immaterial).

The first change relates to permanent placements. These were previously recognised by this part of the business when a candidate started a position. However, given the maturity of the market for this part of the business, the Group considers that it is more appropriate to recognise this revenue when the candidate accepts a position and the start date is determined, in line with the rest of the Group, as this reflects the underlying agreements. A provision is made for candidates who fail to start employment after accepting the offer and is based on the historic rate of 'back-outs'. The adjustment has not been treated as a change in accounting policy, under IAS 8, as it is not material.

The second change relates to temporary placements. The adjustment made is to recognise the impact of timesheets received after the year-end date, where work was performed during the 2016 financial year. The adjustment has also not been treated as a change in accounting policy, under IAS 8, as it is not material.

Statement of Accounting Policies
FOR THE YEAR ENDED 31 DECEMBER 2016

Accounting Policies
Basis of preparation
Robert Walters plc is a Company incorporated and domiciled in the United Kingdom under the Companies Act. The financial report for the year ended 31 December 2016 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, though this announcement does not itself contain sufficient information to comply with IFRSs.

The Group had net cash of £22.5m at 31 December 2016. Despite the volatile and uncertain global economic conditions, the Group remains confident of its long-term growth prospects. The Group has a strong balance sheet and considerable financial resources, 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 for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

The financial information in this announcement, which was approved by the Board of Directors on 14 March 2017, does not constitute the Company's statutory accounts for the year ended 31 December 2016 but is derived from these accounts. Statutory accounts for 2015 have been delivered to the Registrar of Companies and those for 2016 will be delivered following the Company's Annual General Meeting. The auditors have reported on these accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The Annual General Meeting of Robert Walters plc will be held on 25 May 2017 at 11 Slingsby Place, St Martin’s Courtyard, London WC2E 9AB.

1. Segmental information

		2016	2015
		£'000	£'000
i)	**Revenue:**		
	Asia Pacific	348,636	285,145
	UK	480,587	403,437
	Europe	146,985	112,676
	Other International	22,327	11,457
		998,535	**812,715**
ii)	**Gross profit:**		
	Asia Pacific	117,591	96,270
	UK	86,675	80,352
	Europe	60,062	46,349
	Other International	14,002	11,457
		278,330	**234,428**

1. Segmental information (continued)

	2016 £'000	2015 £'000
iii) Profit before taxation:		
Asia Pacific	14,655	12,930
UK	6,396	6,162
Europe	4,243	3,316
Other International	948	695
Operating profit	**26,242**	**23,103**
Net finance costs	1,899	(745)
Profit before taxation	**28,141**	**22,358**
iv) Net assets:		
Asia Pacific	32,621	31,765
UK	28,867	28,903
Europe	9,592	6,050
Other International	3,617	1,526
Unallocated corporate assets and liabilities*	27,246	23,413
	101,943	**91,657**

* 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.

v) Other information - 2016	P,P&E and software additions £'000	Depreciation and amortisation £'000	Non-current assets £'000	Assets £'000	Liabilities £'000
Asia Pacific	922	1,237	11,160	63,621	(31,000)
UK	2,392	2,300	6,219	146,599	(117,732)
Europe	901	505	1,304	37,168	(27,576)
Other International	798	137	902	8,704	(5,086)
Unallocated corporate assets and liabilities*	-	-	8,253	72,385	(45,140)
	5,013	**4,179**	**27,838**	**328,477**	**(226,534)**

1. Segmental information (continued)

v) Other information - 2015

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

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

	2016	2015
	£'000	£'000
vi) Revenue by business grouping:		
Robert Walters	599,356	499,749
Resource Solutions (recruitment process outsourcing)	399,179	312,966
	998,535	**812,715**

2. Finance costs

	2016	2015
	£'000	£'000
Interest on bank overdrafts	841	588
Interest on bank loans	54	42
Total borrowing costs	**895**	**630**

3. Taxation

	2016 £'000	2015 £'000
Current tax charge		
Corporation tax - UK	1,971	343
Corporation tax - Overseas	6,520	6,685
Adjustments in respect of prior years		
Corporation tax - UK	126	114
Corporation tax - Overseas	(686)	(104)
	7,931	**7,038**
Deferred tax		
Deferred tax - UK	173	425
Deferred tax - Overseas	16	(699)
Adjustments in respect of prior years		
Deferred tax - UK	(16)	162
Deferred tax - Overseas	140	142
	313	**30**
Total tax charge for year	**8,244**	**7,068**
Profit before taxation	28,141	22,358
Tax at standard UK corporation tax rate of 20% (2015: 20.25%)	5,628	4,528
Effects of:		
Unrelieved (relieved) losses	683	(78)
Other expenses not deductible for tax purposes	477	308
Overseas earnings taxed at different rates	1,785	1,927
Adjustments to tax charges in previous years	(435)	313
Impact of tax rate change	106	70
Total tax charge for year	**8,244**	**7,068**

	2016 £'000	2015 £'000
Tax recognised directly in equity		
Tax on share-based payment transactions	**449**	**(602)**

4. Dividends

	2016 £'000	2015 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 2.3p per share (2015: 1.95p)	1,620	1,459
Final dividend for 2015 of 5.13p per share (2014: 4.35p)	3,790	3,229
	5,410	**4,688**
Proposed final dividend for 2016 of 6.2p per share (2015: 5.13p)	**4,316**	**3,809**

The proposed final dividend of £4,316,000 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The final dividend, if approved, will be paid on 9 June 2017 to those shareholders on the register as at 19 May 2017.

5. 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.

	2016 £'000	2015 £'000
Profit for the year attributable to equity holders of the parent	**19,897**	**15,290**

	2016 Number of shares	2015 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	86,251,859	85,970,809
Shares issued in the year	74,666	204,562
Shares cancelled in the year	(1,652,089)	-
Treasury and own shares held	(12,799,910)	(12,018,059)
For basic earnings per share	**71,874,526**	**74,157,312**
Outstanding share options and equity	6,470,656	7,540,850
For diluted earnings per share	**78,345,182**	**81,698,162**

6. Intangible assets

	Goodwill	Computer software	Total
	£'000	£'000	£'000
Cost:			
At 1 January 2015	7,984	8,191	16,175
Additions	-	2,058	2,058
Disposals	-	(295)	(295)
Foreign currency translation differences	(7)	(26)	(33)
At 31 December 2015	**7,977**	**9,928**	**17,905**
Additions	-	2,172	2,172
Disposals	-	(1,170)	(1,170)
Foreign currency translation differences	111	265	376
At 31 December 2016	**8,088**	**11,195**	**19,283**
Accumulated amortisation and impairment:			
At 1 January 2015	-	6,598	6,598
Charge for the year	-	838	838
Disposals	-	(294)	(294)
Foreign currency translation differences	-	(25)	(25)
At 31 December 2015	**-**	7,117	7,117
Charge for the year	-	1,191	1,191
Disposals	-	(679)	(679)
Foreign currency translation differences	-	252	252
At 31 December 2016	**-**	**7,881**	**7,881**
Carrying value:			
At 1 January 2015	7,984	1,593	9,577
At 31 December 2015	7,977	2,811	10,788
At 31 December 2016	**8,088**	**3,314**	**11,402**

The carrying value of goodwill primarily relates to the acquisition of Talent Spotter in China (£1,229,000) and the acquisition of the Dunhill Group in Australia (£6,847,000). The historical acquisition cost of Talent Spotter was £768,000, with the movement to the current carrying value a result of foreign currency translation differences. Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the goodwill is based on value-in-use in perpetuity. The key assumptions in the value-in-use are those regarding expected changes to cash flow during the period, growth rates and the discount rates.

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

The value of the cash flows is then discounted at a post-tax rate of 10.2% (pre-tax rate of 14.5%), based on the Group's estimated weighted average cost of capital and risk adjusted depending on the location of goodwill. The weighted average cost of capital has also been adjusted for a terminal growth rate, between 2-3% depending on location, for year four onwards.

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

7. 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 2015	6,806	10,120	5,748	18	22,692
Additions	668	2,100	1,159	2	3,929
Disposals	(865)	(1,381)	(702)	(2)	(2,950)
Foreign currency translation differences	(15)	(431)	(56)	-	(502)
At 31 December 2015	6,594	10,408	6,149	18	23,169
Additions	281	1,758	802	-	2,841
Disposals	(75)	(1,084)	(498)	-	(1,657)
Foreign currency translation differences	611	1,495	689	-	2,795
At 31 December 2016	7,411	12,577	7,142	18	27,148
Accumulated depreciation and impairment:					
At 1 January 2015	3,707	6,250	4,569	10	14,536
Charge for the year	746	1,828	860	4	3,438
Disposals	(398)	(1,188)	(645)	(1)	(2,232)
Foreign currency translation differences	(2)	(256)	(55)	0	(313)
At 31 December 2015	4,053	6,634	4,729	13	15,429
Charge for the year	707	1,218	1,061	2	2,988
Disposals	(65)	(937)	(480)	-	(1,482)
Foreign currency translation differences	502	1,012	516	(0)	2,030
At 31 December 2016	5,197	7,927	5,826	15	18,965
Carrying value:					
At 1 January 2015	3,099	3,870	1,179	8	8,156
At 31 December 2015	2,541	3,774	1,420	5	7,740
At 31 December 2016	**2,214**	**4,650**	**1,316**	**3**	**8,183**

8. Trade and other receivables

	2016 £'000	2015 £'000
Receivables due within one year:		
Trade receivables	183,692	138,869
Other receivables	8,970	12,640
Prepayments	5,468	13,389
Accrued income	38,377	26,951
	236,507	**191,849**

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 2016 is £1,716,000 (31 December 2015: £1,450,000). The movement in this provision during the year is a charge to administrative expenses in the income statement of £266,000 (2015: £39,000).

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

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

	2016 £'000	2015 £'000
Trade payables	6,727	8,020
Other taxation and social security	24,529	19,628
Other payables	22,489	19,246
Accruals and deferred income	124,263	93,012
	178,008	**139,906**

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

10. Bank overdrafts and loans

	2016 £'000	2015 £'000
Bank overdrafts and loans: current	40,070	25,573
	40,070	**25,573**
The borrowings are repayable as follows:		
Within one year	40,070	25,573
	40,070	**25,573**

In January 2017, the Group renewed and extended to four years its committed financing facility of £45.0m which expires in December 2020. At 31 December 2016, £38.9m (2015: £25.1m) was drawn down under this facility.

The Group has a short-term facility of Renminbi 25m (£2.9m) of which Renminbi 10m (£1.2m) was drawn down as at 31 December 2016. 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 £40,070,000 (2015: £25,573,000).

11. Notes to the cash flow statement

	2016 £'000	2015 £'000
Operating profit	**26,242**	**23,103**
Adjustments for:		
Depreciation and amortisation charges	4,179	4,276
Loss on disposal of property, plant and equipment and computer software	666	719
Charge in respect of share-based payment transactions	4,590	4,656
Operating cash flows before movements in working capital	**35,677**	**32,754**
Increase in receivables	(29,634)	(25,711)
Increase in payables	31,135	16,171
Cash generated from operating activities	**37,178**	**23,214**

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

	2016 £'000	2015 £'000
Increase in cash and cash equivalents in the year	**10,428**	**5,589**
Cash flow from increase in bank loans	(14,350)	(1,672)
Foreign currency translation differences	8,649	(415)
Movement in net cash in the year	**4,727**	**3,504**
Net cash at beginning of year	17,805	14,301
Net cash at end of year	**22,532**	**17,805**

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