ROBERT WALTERS GROUP

7 March 2024

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

Results for the year ended 31 December 2023

Resilient performance underpinned by international diversification

Robert Walters plc (LSE: RWA), the international specialist professional recruitment group, today announces its results for the year ended 31 December 2023.

Financial summary

	2023	**2022**	**Change**	**Constant currency change***
Gross profit (net fee income)	**£386.8m**	£428.2m	(10%)	(8%)
Operating profit	**£26.3m**	£58.2m	(55%)	(52%)
Conversion rate %**	**6.8%**	13.6%	(680) bps	n/a
Profit before taxation	**£20.8m**	£55.6m	(63%)	(60%)
Basic earnings per share	**20.1p**	56.2p	(64%)	n/a
Ordinary dividend per share	**23.5p**	23.5p	-	n/a
Net cash	**£79.9m**	£97.1m	(18%)	n/a

* Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.
**Conversion rate is calculated by expressing operating profit as a proportion of net fee income.

Group highlights

- Group net fee income down 8%* to £386.8m against a record prior year comparative, driven by softening macro-economic conditions in many of the Group's markets as the year progressed.
  - In recruitment, contract and interim (together "Temporary") demonstrated good resilience (up 2%*) and accounted for 27% of net fee income (2022: 24%). Permanent performance (down 10%*) was more impacted as organisations sought out greater flexibility in their talent needs.
  - In outsourcing (delivered through Resource Solutions), net fee income was down 15%*, reflecting account losses as greater focus applied to driving required financial returns.
  - Highly internationally diversified fee income, with no single country accounting for more than a sixth of Group net fee income and 84% of Group net fee income derived outside of the UK (2022: 83%).
- Operating profit down to £26.3m (2022: £58.2m), reflecting the operating leverage impact of lower net fee income.
- Conversion rate improved to 8.2% during the second half (H1: 5.5%), reflecting management actions taken to manage the Group's cost base.
- Headcount down 9% year-on-year to 3,980 at period end (31 December 2022: 4,356), reflecting balanced approach to maintain core consultant capacity in most resilient markets.
- Continued progress in the rollout of the Group's customer relationship management ("CRM") solution, which was live across 50% of the Group's markets (by number of countries) as at the year end.
- Year-end net cash of £79.9m (31 December 2022: £97.1m), driven by cash conversion[1] of 207% (2022: 102%) and after returning c.£26m to shareholders during the year in ordinary dividends and share buybacks.
- Proposed final dividend of 17.0p per share, taking the total dividend for the year to 23.5p per share (2022: 23.5p), underpinned by internationally diversified business model, good cash generation and balance sheet strength.

Regional highlights

- **Asia-Pacific (43% of Group net fee income):** net fee income down 9%*. Resilient performance in Japan (down 1%*), while conditions remained challenging in Australia (down 19%*). Performance in Mainland China stabilised in the second half of the year.
- **Europe (33% of Group net fee income):** net fee income flat*. Belgium performed extremely well with a second consecutive record net fee income performance (up 21%*), and good growth also delivered in Germany (up 8%*). Meanwhile, hiring markets were weaker in France (down 3%*) and the Netherlands (down 5%*), albeit against a record comparative in both countries.
- **UK (16% of Group net fee income):** net fee income down 18%. London recruitment (down 29%) impacted by financial services and technology retrenchment, whilst recruitment in the regions (down 7%) was more resilient.
- **Rest of World (8% of Group net fee income):** net fee income down 12%*. Weakness in North America (down 40%*) driven by technology sector, partially offset by growth in Mexico (up 68%*) and South Africa (up 38%*).

Toby Fowlston, Chief Executive, said:

"In what was a challenging year right across our industry, I'm very proud of the contributions of our people over the last 12 months. The international diversification of our business underpinned our resilient performance in 2023, despite labour demand contracting sharply across our markets. We have begun to undertake initiatives to significantly strengthen our business, which we expect to gain further traction over the medium-term.

Our collective experience trading through previous market cycles tells us that when conditions do improve, the inflection can be rapid, and we therefore have strong conviction in our decision to maintain our core consultant capacity, whilst sensibly managing our cost base."

Results presentation
The Company will host a results presentation webcast at 10:30am today. The live webcast of the presentation will be available at the following link:

https://brrmedia.news/RWA_FY23

A recording of the presentation and accompanying conference call will be available on the Company's website within 24 hours of the event.

Next news flow
The Company will publish a trading update for the first quarter ending 31 March 2024 on Tuesday 16 April 2024.

[1]Cash conversion expressed as cash generated from operating activities divided by operating profit

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About Robert Walters Group
The Robert Walters Group is a market-leading international specialist professional recruitment group with over 3,900 staff spanning 31 countries. We specialise in the placement of the highest calibre

professionals across the disciplines of accountancy and finance, banking, engineering, HR, healthcare, IT, legal, sales, marketing, secretarial and support and supply chain, logistics 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 business, Resource Solutions, serves the recruitment process outsourcing and managed services markets.
www.robertwaltersgroup.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.

Chief Executive's Statement

2023 was a challenging year in most hiring markets globally. For a talent partner with a presence in such a breadth of geographical markets as Robert Walters, this perhaps made the last year unlike any other that has preceded it in terms of the sharp correction in market conditions. 2022 had already seen geopolitical volatility and uncertainty, combined with pent-up consumer demand following the lifting of most Covid-19 restrictions globally, start to drive significantly higher inflation. In 2023 we saw the anticipated bounce-back in the Chinese economy fail to materialise, and consolidation of a sharply rising interest rate cycle across many countries, with a resultant cooling in global labour markets.

Against this context I'm very proud of the resilience our business has demonstrated, with Group net fee income down 8%* on a record prior year comparative, and profit before tax of £20.8m. One of the great strengths of this business is the extent of our international diversification. This diversification has meant that, even in a tough year such as this one, we've seen some strong performances in our portfolio. Europe held net fee income flat* versus the prior year. Within this, our Belgian business was the standout performer. In Belgium we have strong contract and interim businesses alongside permanent in the mix, and Belgium not only recorded double-digit* year-on-year growth in each quarter of 2023, it also grew sequentially quarter-on-quarter through the year – a fantastic performance. We continue to have a very strong position in Japan, the second largest hiring market globally. The hyper-specialisation of that business means we are able to pivot to serve the most appealing sectors of the market as and when we detect signs of growth, and that contributed to a resilient performance, with net fee income marginally down (by 1%*) on a record prior year.

Continued focus on people

I cannot overstate how much a business like ours is, fundamentally, powered by our people. We are, of course, inextricably tied to global macro-economic shifts, and a key competency for our business is anticipating, understanding and exploiting those. However, more than any other source of intelligence, we rely on our consultants, and the close relationships they have with clients and candidates, to help us achieve success year after year. Furthermore, the centricity of people to our business model is seen when you step back and consider what specialist recruitment is: being a trusted partner to clients and candidates, supporting them through some of the most consequential events in their professional lives – moments that really matter.

That explains our conviction as a business, proven through historical market cycle troughs, that maintaining our core consultant capacity, of course balanced against sensible management of our cost base, continues to be the right strategy. In particular, we have maintained our core 'muscle' in those markets that excite us most, and we have let natural attrition flow through on those fee earner cohorts that are typically less productive. Looking out over the rest of 2024, we will continue to maintain this balanced and data-driven approach, ensuring we remain rightsized to capture opportunities as and when they are presented.

Continued focus on technology

2023 has also been a year in which, as a society, perhaps more than ever in the recent past, we've started to look ahead to the potential changes that technology, in particular, generative artificial intelligence ("AI"), can unleash.

We are clear that, for a business like ours, application of AI is all about helping our people do what they do best – build strong relationships that enable them to be trusted partners to their clients and candidates. It's been exciting to gauge the growing awareness that our people have of the potential of AI to make them even more effective partners. That has seen over 1,000 of our people join together as "AI trailblazers", engaging with our own private version of *Microsoft Azure Open AI Studio* to propose, test and refine specific AI use cases for our business. Increasingly, our consultants are incorporating AI to enhance job adverts and assist with sales outreach to name just a few examples. This is only set to gain further traction over 2024.

The other key technology focus during the year has been on our internally developed CRM solution. Following its initial deployment on a minimum viable product basis in the UAE in 2021, and the learnings from that deployment then being taken on in 2022, it was great to see the rollout gather momentum in 2023 such that the new CRM is now being used in 50% of the Group's markets. The new CRM solution is specifically built for how we function as a business and gives us a greater degree of future flexibility compared to an "off the shelf" solution. Additionally, it is supporting our consultants in completing core CRM activities, on average, two-and-a-half times quicker than on the legacy system. Everything we've learnt so far is being incorporated into future rollouts, and this stands us in excellent stead as we target having the majority of our consultants migrated onto the new CRM by the end of 2024.

Looking further ahead

My 25 years with the Group, both in the UK and across the Asia-Pacific region, as a consultant and then at increasing levels of leadership, has enabled me to see what a fantastic platform we have. We have a strong long-run track record of growth ahead of that of our key markets, we are amongst the most internationally diversified of our peer group – with no single country market accounting for more than a sixth of Group net fee income, and we benefit from incredibly strong brand equity that is synonymous in our clients' minds with the specialist professional segment that we serve.

In my new role as Group CEO, and with this great platform in place, what really excites me are the opportunities to drive an improvement in performance, ensuring the business is well-positioned for the shifts in the world of work that are already underway. We are clear there is more value we can add for our clients and candidates by leveraging the Robert Walters brand further across our three key offerings of recruitment, outsourcing and advisory – and we will start to grasp this opportunity in 2024. Additionally, and reflecting the desire of the talent they need to attract, organisations will increasingly require products and solutions from a trusted talent partner like Robert Walters to help them successfully navigate and win in the sustainable world of work. As such, it was highly satisfying for our pioneering 'ESG for HR' consultancy solution to be recognised at the TALiNT International Annual Recruitment Awards. Furthermore, bringing greater focus to bear on our conversion of net fee income to operating profit, and beginning to execute against a set of initiatives to deliver this, is a key focus for the medium-term. Underpinning all of this will be an unwavering commitment to keeping the needs of clients and candidates firmly at the heart of what we do.

In summary, I couldn't be prouder to lead such a great business and, together with all of our people, I'm excited by the opportunity we have to deliver for our clients and candidates in the year ahead.

2024 outlook

During the first few weeks of 2024, trading conditions across the Group's markets have, consistent with the end of 2023, remained muted – albeit with some isolated pockets of growth. We have begun to undertake initiatives to significantly strengthen our business, which we expect to gain further traction over the medium-term and which we will set out in more detail at a Capital Markets Day in the autumn.

Our collective experience trading through previous market cycles tells us that when conditions do improve, the inflection can be rapid, and we therefore have strong conviction in our decision to maintain our core consultant capacity, whilst sensibly managing our cost base.

Toby Fowlston
Chief Executive Officer
7 March 2024

Operating review

Asia Pacific (43% of Group net fee income)

The Group's Asia-Pacific business comprises the recruitment offering in North-East Asia (Japan and South Korea), Australia & New Zealand, South-East Asia (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) and Greater China (Mainland China, Hong Kong and Taiwan), as well as the region-wide outsourcing and advisory offering through Resource Solutions. Resource Solutions accounted for 11% of Asia-Pacific 2023 net fee income.

£m	2023	2022	% Change	% Change (constant currency*)
Net fee income	167.9	193.8	(13%)	(9%)
Of which Resource Solutions	*18.8*	*22.0*	*(14%)*	*(13%)*
Operating profit	19.3	37.5	(48%)	(45%)
Conversion rate	11.5%	19.3%	(780) bps	n/a

Net fee income was down 9%* year-on-year, most notably driven by Australia (-19%*) and Greater China (-19%*). North-East Asia (flat*) delivered a more resilient performance.

The Australia business was impacted by the notable cooling through the year in the wider Australian hiring market – a more material drop-off versus the 2022 peak activity levels than seen in other regional markets. Lower levels of client confidence drove some larger clients to markedly slow or even pause hiring during the year, leading to lower activity levels as a result.

Performance in Greater China did contrast slightly between H1 and H2, with notably impacted performance in the first half stabilising somewhat in the second half. The anticipated bounce back in activity in the wider economy from the late 2022 relaxation of Covid-19 control measures did not materialise, as evidenced by three consecutive months of contracting manufacturing activity (measured by PMI surveys) as the first half came to a close. The rate of decline moderated in the second half, with Mainland China H2 net fee income down 10%* year-on-year (H1: -40%*).

North-East Asia, the majority of which is the Japan business, registered the most resilient performance throughout Asia-Pacific, with H1 net fee income down 2%*, improving to growth of 1%* in the second half. Well-positioned to serve the needs of the highly developed Japanese hiring market – the second largest hiring market globally – and reflecting the competitive differentiation of the Robert Walters brand, the Japan business has a breadth of discipline specialisms, enabling it to pivot to service parts of the market seeing the most attractive growth.

Europe (33% of Group net fee income)

The Group's Europe business largely comprises the recruitment offering in Northern Europe (Belgium, France, Germany, Republic of Ireland, the Netherlands and Switzerland) and Southern Europe (Italy, Portugal and Spain). Outsourcing and advisory services through Resource Solutions accounted for 1% of 2023 Europe net fee income.

£m	2023	2022	% Change	% Change (constant currency*)
Net fee income *Of which Resource Solutions*	126.3 *1.4*	124.1 *1.9*	2% *(28%)*	0% *(31%)*
Operating profit	11.4	17.6	(35%)	(37%)
Conversion rate	9.0%	14.2%	(520) bps	n/a

Net fee income was flat* year-on-year, with an outstanding result in Belgium (up 21%*), strong performance in Germany (up 8%*) and good momentum in the nascent Italy business (office opened Q2 2022) offset by a more challenging market backdrop in the Group's largest European businesses of France (down 3%*) and the Netherlands (down 5%*), particularly during the second half of the year.

Belgium was the standout performer in Europe, and the Group, during 2023, with trading momentum accelerating as the year progressed (H1: up 14%*, H2: up 28%*) notably driven by its interim business which places mid to senior-level talent. The German business also performed strongly, recording its highest ever net fee income performance (against an already record 2022) and taking opportunities to grow its coverage following the opening of the Berlin office during 2022.

Meanwhile, in France and the Netherlands, good first half net fee income growth (up 3%* in France, up 4%* in the Netherlands) gave way to a weaker second half performance (France: H2 down 9%*, Netherlands: H2 down 13%*). The combination of higher inflation and a lower growth macro-economic outlook served to increase caution and hesitancy among both clients and candidates. Nevertheless, as is true of other developed hiring markets globally, the French and Dutch labour markets remain very tight and extremely favourable for the highest skilled candidates who continue to be sought after.

UK (16% of Group net fee income)

The Group's UK business comprises the recruitment offering in London and the regions, and outsourcing and advisory through Resource Solutions. The Resource Solutions segment is the most material in the UK of any of the Group's reportable segments, accounting for more than 50% of 2023 net fee income.

£m	**2023**	**2022**	**% Change**
Net fee income	60.9	74.0	(18%)
Of which Resource Solutions	*34.3*	*41.1*	*(16%)*
Operating (loss)/ profit	(0.4)	3.4	n/m
Conversion rate	(0.7%)	4.6%	(530) bps

Net fee income was down 18% year-on-year, with recruitment in London (down 29%) having the most challenging performance, recruitment in the regions seeing more resilience (down 7%) and Resource Solutions down 16%.

London recruitment was not immune to the more challenging sectoral backdrop for the financial services and technology industries. Much lower levels of venture capital funding for technology start-ups acted as both a headwind on new vacancies, as well as driving job losses – with both client and candidate confidence severely impacted as a result. The legal and accounting disciplines held up better in London, albeit both saw some further softening in the second half compared to the first.

Performance in the regions was fairly even across the year, underpinned by accounting – where the Robert Walters brand has a long-developed specialism and is recognised as such by clients.

Under new leadership as 2023 closed, the UK business will sharpen focus on productivity and cost management, whilst seeking to take further share across its key disciplines as market conditions continue to favour stronger players.

Rest of World (8% of Group net fee income)

The Group's Rest of World business comprises the recruitment offering in North America (Canada and USA), South America (Brazil, Chile and Mexico), the Middle East and South Africa, as well as the region-wide outsourcing and advisory offering through Resource Solutions. Resource Solutions accounted for 40% of Rest of World 2023 net fee income.

£m	**2023**	**2022**	**% Change**	**% Change (constant currency*)**
Net fee income	31.7	36.3	(13%)	(12%)
Of which Resource Solutions	*12.6*	*14.4*	*(13%)*	*(11%)*
Operating profit	(4.0)	(0.3)	n/m	n/m
Conversion rate	(12.6%)	(0.8%)	(1180) bps	n/a

Net fee income was down 12%* year-on-year, with challenging conditions in North America (down 40%*) and as faced by Resource Solutions (down 11%*) partially offset by growth in Mexico (up 68%*) and South Africa (up 38%*).

Hiring markets were weak in North America, particularly in technology where the Q1 failure of Silicon Valley Bank dented confidence in funding the sector. As the year progressed, job losses at larger and more established technology firms added to much reduced levels of venture capital funding available to fledgling technology companies, acting to dampen sector sentiment amongst both clients and candidates.

In Mexico, a more benign macro-economic backdrop (growing employment levels, inflation falling towards low-single digits) combined with market share gains to drive a strong, profitable performance. Meanwhile in South Africa, which also serves markets in west and east Africa, the business continued to benefit from the strong Robert Walters brand and candidate networks built over the last several years, driving a double-digit conversion rate.

Our Rest of World segment gives us good positions in some of the most attractive hiring markets of the future which, over time, have the potential to become good profit contributors.

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

Financial review

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

Group statutory results

The headline statutory financial results for the Company are presented below.

£m	**2023**	2022
Revenue	**1,064.1**	1,099.6
Cost of sales	**(677.3)**	(671.4)
Gross profit (net fee income)	**386.8**	428.2
Administrative expenses	**(360.5)**	(370.0)
Operating profit	**26.3**	58.2
Net finance costs	**(4.2)**	(3.1)
(Loss)/gain on foreign exchange	**(1.3)**	0.5
Profit before tax	**20.8**	55.6
Taxation	**(7.4)**	(16.5)
Profit for the year	**13.4**	39.1

Attributable to:		
Equity holders of the Company	**13.4**	39.1

Revenue

Revenue for the Group is the total income from the placement of permanent and temporary (comprising contract and interim) staff, and therefore includes the remuneration costs of temporary 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 was down 3% to £1,064.1m. In recruitment, net fee income on temporary placements was flat year-on-year, with the associated higher remuneration costs of temporary candidates that is included in revenue partially offsetting the lower net fee income (down 12% in reported terms) on permanent placements.

Gross profit (net fee income)

Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin from advertising. It also includes the outsourcing, consultancy and payrolling margin earned by Resource Solutions. Net fee income is the primary financial top-line metric used to evaluate business performance.

Net fee income was down 10% year-on-year, driven by the lower volume of permanent placements as hiring markets globally corrected from the record activity levels seen in 2022. At 52% of the 2023 total, H1 net fee income accounted for a higher proportion than seen in the prior year (2022 H1 net fee income: 49% of total), reflecting the more pronounced slowdown across the Group's markets as the year progressed.

Operating profit

Operating profit was down 55% to £26.3m, driven by the operating leverage impact whereby the lower net fee income (down 10%) was not matched, in the short-term, by proportionately lower operating costs (down 3%).

The majority of the Group's operating costs (c.70%) relate to staff, being fee earners (recruitment consultants) and non-fee earners (support staff across various corporate functions such as marketing, HR, IT, legal and finance). Though period end headcount of 3,980 was down 9% year-on-year (31 December 2022: 4,356), the average headcount during 2023 was up 6% year-on-year as the adjustment in headcount to match activity levels in more challenging markets was second half weighted. In addition, there was a limited amount of restructuring in some leadership roles, and all of the related costs were charged to the income statement in the ordinary course, as opposed to being recognised as exceptional costs.

Interest and financing costs

The Group incurred a net interest charge for the year of £4.2m (2022: £3.1m), of which £3.4m (2022: £2.5m) relates to the interest charge on lease liabilities, being predominantly office leases.

The Group has a £60.0m financing facility, currently due to expire in March 2027. At the year-end date, £15.8m (31 December 2022: £26.1m) was drawn down under this facility.

A foreign exchange loss of £1.3m (2022: £0.5m gain) arose during the year on translation of the Group's intercompany balances and external borrowings.

Taxation

The tax charge in 2023 was £7.4m (2022: £16.5m) which gives an effective tax rate ("ETR") of 36.0% (2022: 29.7%). On 1 April 2023, the main UK corporation tax rate increased from 19% to 25%. The ETR is higher than the 2023 blended average UK rate of 23.5% primarily as a result of higher rates of taxation in some of the Group's major overseas markets such as Japan, France and the Netherlands and the impact of adjustments to accounting profits in the tax calculation and the movement in the deferred tax asset.

Over the medium term, other than governmental changes to corporation tax rates, the key factor affecting the ETR is likely to be the mix of profits generated across various tax jurisdictions.

Earnings per share

Basic earnings per share for the year fell to 20.1p (2022: 56.2p), reflecting the underlying trading performance. The weighted average number of shares decreased to 66.8m (2022: 69.6m), as a result of the Company's share buyback programme.

Cash flow and financing

The Group's business model continues to be highly cash generative with cash conversion in 2023 of 207% (2022: 102%).

£m	**2023**	2022
Operating profit	**26.3**	58.2
Depreciation and amortisation charges	**24.0**	21.7
Other non-cash items	**(2.3)**	6.7
Decrease/(increase)in working capital	**6.5**	(27.0)
Cash generated by operations	**54.5**	59.6
Net interest and associated borrowing costs	**(0.8)**	(3.1)
Repayment of lease principal	**(15.9)**	(16.8)
Taxation	**(9.0)**	(21.5)
Capital expenditure – Intangibles	**(7.6)**	(7.1)
Net capital expenditure – property, plant & equipment	**(7.2)**	(8.8)
Free cash flow	**14.0**	2.3
Purchase of own shares	**-**	(12.7)
Share buyback	**(10.0)**	(10.0)
Equity dividends paid	**(15.8)**	(15.2)
Other	**1.2**	0.3
Net movement in cash (exc. financing facility)	**(10.6)**	(35.3)
Impact of foreign exchange	**(6.6)**	5.8
Opening net cash	**97.1**	126.6
Closing net cash	**79.9**	97.1

Working capital

The working capital net inflow of £6.5m (2022: net outflow of £27.0m) was principally driven by the lower net fee income compared to the prior year, and consequently lower trade receivables balance.

Capital expenditure

Intangibles capital expenditure of £7.6m (2022: £7.1m) principally comprises spend to further develop the Group's in-house CRM system.

Property, plant and equipment net capital expenditure of £7.2m (2022: £8.8m spend, nil sale proceeds) comprises spend of £8.3m, principally on the Group's office estate, partially offset by sale proceeds of £1.1m.

Dividend

Given the strength of the Group's balance sheet and the Board's confidence in the medium to long term outlook and performance of the business, the Board is proposing a final dividend of 17.0p per share. Together with the interim dividend of 6.5p per share paid in September 2023, this takes the total dividend for the year to 23.5p, in-line with that for the prior year.

Share buyback

During the first half of the year, the Company purchased 0.8m shares at an average price of £4.15 per share for £3.4m and subsequently cancelled those shares. During the second half of the year, the Company purchased a further 1.7m shares at an average price of £3.87 per share for £6.6m and cancelled those shares. In aggregate, the Company therefore repurchased £10.0m of shares for cancellation (2022: £10.0m).

Capital allocation

During the year, the Group has reviewed its capital allocation strategy to ensure alignment with maximising shareholder value and providing clarity to all stakeholders. The Group's business model remains highly cash generative, enabling investment opportunities to be funded through the free cash flow of the Group.

The Board continues to recognise the value of a strong balance sheet, and targets net cash (excluding IFRS 16 leases) of at least £50m. As noted elsewhere, we believe in the fundamental growth drivers of the Group's strategy and hence will consider all investment in those opportunities that provide sufficient headroom above the Group's cost of capital. These investments will focus on improving the efficiency and productivity of our people, improving the candidate and client experience, and increasing the geographic penetration and discipline diversification of the Group.

We will seek to maintain a dividend cover ratio of 1.75-2.25x through the cycle, however the Group may allow cover to fall outside this range at points in the cycle, such as at present. Where this is the case, the Group will seek a clear route to return to this range, balancing the continued development of the business and the needs of all the Group's stakeholders.

Finally, should the Group hold cash in excess of its target, and should the Board expect this position to continue for the medium term, then consideration will be given to returning the excess capital to shareholders through either a share buyback programme, special dividends, or a combination of the two.

Foreign exchange impact

The Group's primary overseas functional currencies are the Japanese Yen, the Australian Dollar and the Euro.

The impact of foreign exchange movements between 2023 and 2022 resulted in a £5.5m decrease in reported net fee income and £1.4m decrease in operating profit for the Company.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROBERT WALTERS PLC ON THE PRELIMINARY STATEMENT OF ANNUAL RESULTS

As the independent auditor of Robert Walters plc we are required by UK Listing Rules to agree to the publication of the Company's preliminary statement of annual results for the year ended 31 December 2023 which includes the financial summary, Group and Regional highlights, the Chief Executive's Statement, Financial review and summarised financial statements.

Use of our report

This report and our auditor's report on the Company's financial statements are made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and the terms of our engagement. Our audit work has been undertaken so that we might state to the Company's members those matters we have agreed to state to them 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 auditor's report on the financial statements or this report, or for the opinions we have formed.

Responsibilities of directors and auditor

The Directors of the Company are responsible for the preparation, presentation and publication of the preliminary statement of annual results in accordance with the UK Listing Rules. We are responsible for agreeing to the publication of the preliminary statement of annual results, having regard to the Financial Reporting Council's Bulletin "The Auditor's Association with Preliminary Announcements made in accordance with the requirements of UK Listing Rules".

Status of our audit of the financial statements

Our audit of the annual financial statements of the Company is complete and we signed our auditor's report on 7 March 2024. Our auditor's report is not modified and contains no emphasis of matter paragraph.

Our auditor's report on the full financial statements contained the following information regarding the scope of our audit, our application of materiality and key audit matters and how they were addressed by us in the audit.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We designed an audit strategy to ensure we have obtained the required audit assurance for each component for the purposes of our Group audit opinion (ISA 600 (UK)). Components were scoped in to address aggregation risk and to ensure sufficient coverage was obtained of Group balances on which to base our audit opinion.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

Significant components	▪ We focussed our Group audit scope primarily on the audit work at four significant components, which were subject to full scope audit procedures. ▪ These significant components contribute 26% (2022: 30%) of the Group profit before taxation, 28% (2022: 30%) of the Group net fee income, and 39% (2022: 41%) of the Group revenue. ▪ The four components considered to be significant were Robert Walters plc, Resource Solutions Limited (UK), Robert Walters Operations Limited (UK) and Robert Walters Japan KK (Japan). ▪ For the Japanese component, following involvement in risk assessment and setting the overall audit approach and strategy at the planning stage with the component auditor, we visited the component auditor (a local BDO member firm in Japan) and performed a detailed review of the testing. We attended in person meetings with local management and the component auditor to challenge conclusions reached. ▪ The audits of the remaining UK significant components were performed by the Group audit team.
Full scope audits	▪ Sixteen further components were subject to full scope audit procedures due to size, geographical coverage and aggregation risk in addition to the four identified significant components above (twenty in total). ▪ These components contribute 29% (2022: 48%) of the Group profit before taxation, 33% (2022: 43%) of the Group net fee income, and 39% (2022: 46%) of the Group revenue. ▪ Full scope audits on Resource Solutions Europe Limited, Robert Walters Holdings Limited and Robert Walters Dubai Limited was performed by the Group audit team. ▪ The full scope audits on other components were performed by BDO Member Firms under direction and supervision of the Group audit team. ▪ The Group audit team directed work for all full scope components through detailed instructions, remote briefings and review of selected working papers on significant risk areas.
Specified audit procedures	▪ Specified audit procedures were performed by the Group audit team to address the risk of material misstatement arising from key balances in smaller components, with testing performed on certain material balances within these components. ▪ This specific scope testing was performed on components that contribute 37% (2022: 21%) of the Group profit before taxation, 34% (2022: 17%) of the Group net fee income, and 19% (2022: 8%) of the Group revenue.
Remaining components	▪ All other components were scoped in for analytical review procedures performed by the Group audit team to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.
Parent Company & Consolidation	▪ The Group audit team performed testing of the consolidation and related consolidation adjustments posted in preparation of the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition for permanent and temporary placements (Note 1)	▪ The significant risks in revenue recognition lies within: ▪ For temporary placements, in the existence and accuracy of unbilled revenue and completeness of revenue at year end; and ▪ For permanent placements, in the existence, accuracy, and completeness of unbilled revenues, due to the high degree of judgement and estimation uncertainty. ▪ For permanent placements, revenue is recognised when a start date is confirmed and a candidate has accepted in writing. An Earned But Not Invoiced (EBNI) provision is made based on historical experience, for a proportion of placements where the candidate accepts but are expected to reverse their acceptance prior to start date. This is calculated as a percentage of the accrued income balance. Whether the percentage applied remains valid is considered to be a matter of significant management judgement. ▪ For temporary placements, the Group's policy is to recognise revenue as the service is provided at contractually agreed rates. There is a risk that timecards are not appropriately approved or are not submitted on time, or that incorrect rates are applied and therefore that the related revenue does not exist, is inaccurate or is not recognised in the appropriate financial year.	▪ The operating effectiveness of direct controls in the revenue cycle was tested where relevant. For permanent placements, we have considered controls over the signing of the contract, evidence of candidate acceptance and allocation of cash receipts. For temporary placements we checked that timecards and the rate applied have been appropriately approved. ▪ Permanent placements recorded around year end were sampled and agreed to confirmation of candidate acceptance and start date, to ensure that the point of revenue recognition was supportable. ▪ For those permanent candidates that had accepted but had not started at the year-end, where revenue is recorded in accrued income, we challenged the appropriateness of the provision rate applied by reference to the rate of historical and actual 'back-outs' post year-end. ▪ We tested the operating effectiveness of direct controls around the correct application of contract rates to invoicing and agreed a sample of rates used to contractual documentation. ▪ We recalculated the accrued income and associated costs recognised for a sample of late timecards or timecards straddling the year end (where the approved timecard was submitted after the year end but related to services provided in the year). Key observations: ▪ We did not identify any material indication that revenue that has not yet been invoiced does not exist, is incomplete or is not valued appropriately.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group	Parent Company
Materiality	£1.7m (2022: £2.7m)	£1.5m (2022: £2.4m)
Basis	5.0% of 5-year average profit before taxation (2022: 5.0% of profit before taxation).	Lower of 3.5% of net assets (2022: 3.5%) or 90% Group materiality
Rationale	5-year average profit before taxation is considered to be the most appropriate benchmark based on market practice, investor expectations and recent macro-economic factors.	Net assets is considered to be the most appropriate benchmark as the Parent Company does not trade.
Performance materiality	£1.2m (2022: £1.9m) based on 70% (2022: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.	£1.1m (2022: £1.7m) based on 70% (2022: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.
	Measure	**Application**
Component materiality	£0.3m - £1.5m (higher of 15% Group performance materiality or 3% net fee income) (2022: £0.3m -£2.4m)	Our audit work at each component, excluding the Parent company, was executed at levels of materiality applicable to each individual entity as approved by the Group audit team and in each case, lower than that applied to the Group.
Reporting threshold	£70,000 (2022: £110,000)	The amount agreed with the Audit and Risk Committee for which all individual audit differences in excess of this amount will be reported. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.
Qualitative disclosures	We also reported to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	

Procedures performed to agree to the preliminary statement of annual results

In order to agree to the publication of the preliminary statement of annual results of the Company we:

- checked the accuracy of extraction of the financial information in the preliminary statement from the audited financial statements of the Company;
- considered whether any “alternative performance measures” and associated narrative explanations may be misleading; and
- read the management commentary and considered whether it is in conflict with the information that we have obtained in the course of our audit.

Sandra Thompson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
7 March 2024

Consolidated Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £ millions	2022 £ millions
Revenue	1	**1,064.1**	**1,099.6**
Cost of sales		(677.3)	(671.4)
Gross profit (net fee income)		**386.8**	**428.2**
Administrative expenses		(360.5)	(370.0)
Operating profit		**26.3**	**58.2**
Finance income		0.6	0.4
Finance costs	2	(4.8)	(3.5)
(Loss) gain on foreign exchange		(1.3)	0.5
Profit before taxation		**20.8**	**55.6**
Taxation	3	(7.4)	(16.5)
Profit for the year		**13.4**	**39.1**
Attributable to:			
Owners of the Company		**13.4**	**39.1**
Earnings per share (pence):	5		
Basic		20.1	56.2
Diluted		19.0	53.4

The amounts above relate to continuing operations.

Consolidated Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £ millions	2022 £ millions
Profit for the year	13.4	39.1
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	(8.6)	6.0
Total comprehensive income and expense for the year	**4.8**	**45.1**
Attributable to:		
Owners of the Company	**4.8**	**45.1**

Consolidated Balance Sheet
AS AT 31 DECEMBER 2023

	Notes	2023 £ millions	2022 £ millions
Non-current assets			
Intangible assets	6	33.8	29.3
Property, plant and equipment	7	15.3	14.3
Right-of-use asset	8	67.5	71.6
Lease receivables		4.0	-
Deferred tax assets		11.8	10.0
		132.4	**125.2**
Current assets			
Trade and other receivables	9	182.5	221.4
Lease receivables		0.8	-
Corporation tax receivables		4.3	4.3
Cash and cash equivalents		95.7	123.2
		283.3	**348.9**
Total assets		**415.7**	**474.1**
Current liabilities			
Trade and other payables	10	(148.0)	(179.6)
Corporation tax liabilities		(4.8)	(5.0)
Bank overdrafts and borrowings	11	(15.8)	(26.1)
Lease liabilities		(18.0)	(18.3)
Provisions		(0.7)	(0.8)
		(187.3)	**(229.8)**
Net current assets		**96.0**	**119.1**
Non-current liabilities			
Deferred tax liabilities		(0.2)	(0.2)
Lease liabilities		(61.2)	(58.1)
Provisions		(2.1)	(2.1)
		(63.5)	**(60.4)**
Total liabilities		**(250.8)**	**(290.2)**
Net assets		**164.9**	**183.9**
Equity			
Share capital		15.3	15.8
Share premium		22.6	22.6
Other reserves		(70.9)	(71.4)
Own shares held		(37.8)	(40.5)
Treasury shares held		(9.1)	(9.1)
Foreign exchange reserves		2.5	11.1
Retained earnings		242.3	255.4
Equity attributable to owners of the Company		**164.9**	**183.9**

Consolidated Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £ millions	2022 £ millions
Operating profit		**26.3**	**58.2**
Adjustments for:			
Depreciation and amortisation charges		24.0	21.7
Impairment of right-of-use asset		0.2	-
(Profit) loss on disposal of right-of-use assets, property, plant and equipment and computer software		(0.2)	0.4
Charge in respect of share-based payment transactions		0.7	2.5
Unrealised foreign exchange loss		(3.0)	3.8
Operating cash flows before movements in working capital		**48.0**	**86.6**
Decrease (increase) in receivables		32.2	(25.0)
Decrease in payables		(25.7)	(2.0)
Cash generated from operating activities		**54.5**	**59.6**
Income taxes paid		(9.0)	(21.5)
Net cash from operating activities		**45.5**	**38.1**
Investing activities			
Interest received		0.6	0.4
Investment in intangible assets		(7.6)	(7.1)
Purchases of property, plant and equipment		(8.3)	(8.8)
Sale of property, plant and equipment		1.1	-
Net cash used in investing activities		**(14.2)**	**(15.5)**
Financing activities			
Equity dividends paid	4	(15.8)	(15.2)
Interest paid		(1.4)	(1.0)
Net interest on leases		-	(2.5)
Principal paid and received on lease liabilities		(15.9)	(16.8)
Proceeds from financing facility		10.4	37.1
Repayment of financing facility		(20.7)	(26.7)
Share buy-back for cancellation		(10.0)	(10.0)
Purchase of own shares		-	(12.7)
Proceeds from exercise of share options		1.2	0.2
Proceeds from issue of equity		-	0.1
Net cash used in financing activities		**(52.2)**	**(47.5)**
Net decrease in cash and cash equivalents		**(20.9)**	**(24.9)**
Cash and cash equivalents at beginning of year		123.2	142.3
Effect of foreign exchange rate changes		(6.6)	5.8
Cash and cash equivalents at end of year		**95.7**	**123.2**

Consolidated Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Share capital	Share premium	Other reserves	Own shares held	Treasury shares held	Foreign exchange reserves	Retained earnings	Total equity
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Balance at 1 January 2022	16.1	22.6	(71.8)	(29.9)	(9.1)	5.1	241.8	174.8
Profit for the year	-	-	-	-	-	-	39.1	39.1
Foreign currency translation differences	-	-	-	-	-	6.0	-	6.0
Total comprehensive income and expense for the year	-	-	-	-	-	6.0	39.1	45.1
Dividends paid	-	-	-	-	-	-	(15.2)	(15.2)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.5	2.5
Tax on share-based payment transactions	-	-	-	-	-	-	(0.9)	(0.9)
Transfer to own shares held on exercise of equity incentives	-	-	-	1.9	-	-	(1.9)	-
Shares repurchased for cancellation	(0.4)	-	0.4	-	-	-	(10.0)	(10.0)
New shares issued and own shares purchased	0.1	-	-	(12.5)	-	-	-	(12.4)
Balance at 31 December 2022	**15.8**	**22.6**	**(71.4)**	**(40.5)**	**(9.1)**	**11.1**	**255.4**	**183.9**
Profit for the year	-	-	-	-	-	-	13.4	13.4
Foreign currency translation differences	-	-	-	-	-	(8.6)	-	(8.6)
Total comprehensive income and expense for the year	-	-	-	-	-	(8.6)	13.4	4.8
Dividends paid	-	-	-	-	-	-	(15.8)	(15.8)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	0.7	0.7
Tax on share-based payment transactions	-	-	-	-	-	-	0.1	0.1
Transfer to own shares held on exercise of equity incentives	-	-	-	1.5	-	-	(1.5)	-
Share repurchase and cancellation	(0.5)	-	0.5	-	-	-	(10.0)	(10.0)
New shares issued and own shares purchased	-	-	-	1.2	-	-	-	1.2
Balance at 31 December 2023	**15.3**	**22.6**	**(70.9)**	**(37.8)**	**(9.1)**	**2.5**	**242.3**	**164.9**

Statement of Accounting Policies
FOR THE YEAR ENDED 31 DECEMBER 2023

Accounting Policies
Basis of preparation

Robert Walters plc is a public company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act. The financial report for the year ended 31 December 2023 has been prepared in accordance with the historical cost convention and with international accounting standards in conformity with the requirements of the Companies Act 2006 and with UK adopted International Financial Reporting Standards (IFRSs).

The Group has a strong balance sheet with net cash as at 31 December 2023 of £79.9m, a £60.0m four-year committed financing facility until March 2027 (of which £15.8m was drawn down as at 31 December 2023), a blend of revenue streams covering permanent, contract, interim and recruitment process outsourcing and a diverse range of clients and suppliers across 31 countries. 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 financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the three-year assessment period. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. 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 7 March 2024, does not constitute the Company's statutory accounts for the year ended 31 December 2023 but is derived from these accounts. Statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 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 30 April 2024 at 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB.

1. Segmental information

		2023 £ millions	2022 £ millions
i)	**Revenue:**		
	Asia Pacific	484.9	519.6
	UK	254.9	259.7
	Europe	281.9	276.5
	Rest of World	42.4	43.8
		1,064.1	**1,099.6**
ii)	**Gross profit (net fee income):**		
	Asia Pacific	167.9	193.8
	UK	60.9	74.0
	Europe	126.3	124.1
	Rest of World	31.7	36.3
		386.8	**428.2**

1. Segmental information (continued)

	2023 £ millions	2022 £ millions
iii) Operating profit and profit before taxation:		
Asia Pacific	19.3	37.5
UK	(0.4)	3.4
Europe	11.4	17.6
Rest of World	(4.0)	(0.3)
Operating profit	**26.3**	**58.2**
Net finance costs	(5.5)	(2.6)
Profit before taxation	**20.8**	**55.6**

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.

	2023 £ millions	2022 £ millions
iv) Revenue by business grouping:		
Robert Walters[1]	836.0	868.5
Resource Solutions (recruitment process outsourcing)	228.1	231.1
	1,064.1	**1,099.6**

[1] Walters People is included within Robert Walters

	2023 £ millions	2022 £ millions
v) Revenue by service grouping:		
Permanent	242.7	281.9
Temporary	628.9	670.5
Interim	128.7	119.9
Other	63.8	27.3
	1,064.1	**1,099.6**

2. Finance costs

	2023 £ millions	2022 £ millions
Interest on financing facilities	1.4	1.0
Lease interest	3.4	2.5
Total borrowing costs	**4.8**	**3.5**

3. Taxation

	2023 £ millions	2022 £ millions
Current tax charge		
Corporation tax – UK	-	0.2
Corporation tax - Overseas	9.3	14.7
Adjustments in respect of prior years		
Corporation tax - UK	(0.2)	-
Corporation tax - Overseas	0.2	0.8
	9.3	**15.7**
Deferred tax		
Deferred tax - UK	0.1	0.5
Deferred tax - Overseas	(2.6)	(0.4)
Adjustments in respect of prior years		
Deferred tax - UK	(0.6)	(0.2)
Deferred tax - Overseas	1.2	0.9
	(1.9)	**0.8**
Total tax charge for year	**7.4**	**16.5**
Profit before taxation	20.8	55.6
Tax at standard UK corporation tax rate of (23.5%) (2022: 19%)	4.9	10.6
Effects of:		
Unrelieved losses	1.6	0.7
Tax exempt income and other expenses not deductible	(0.4)	(0.4)
Other timing differences	(0.1)	0.3
Overseas earnings taxed at different rates	0.8	4.0
Adjustments to tax charges in previous years	0.6	1.5
Impact of tax rate change	-	(0.2)
Total tax charge for year	**7.4**	**16.5**
Tax recognised directly in equity		
Tax on share-based payment transactions	**(0.1)**	**0.9**

The tax charge is based on the expected annual effective tax rate of 36.0% (2022: 29.7%) on profit before taxation.

The UK Government announced its intention to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate from 19% to 25% has been substantively enacted and therefore the effects of the increase have been included in the calculation of deferred tax in the Financial Statements.

The effective tax rate is higher than the standard UK rate of 23.5% primarily as a result of overseas taxation in Japan, Belgium, France and Netherlands and the impact of adjustments to accounting profits in the tax calculation and the movement in deferred tax asset.

On 20 December 2021, the OECD published its proposal in relation to Global Anti-Base Erosion Rules, which provide for an internationally co-ordinated system of taxation to ensure that large multinational groups pay a minimum level of corporate income tax in countries where they operate. On 23 March 2023, the UK government introduced draft legislation in Finance (No.2) Bill 2022-23 to implement Pillar 2 of the OECD/G20 inclusive framework. The new rules will take effect from 2024 onwards.

There remains a considerable amount of uncertainty with respect to the detailed operation of the rules and their impact. From an initial review of the Group's business and tax profile, it is unlikely that the rules will have a material impact on the Group's tax profile.

4. Dividends

	2023 £ millions	2022 £ millions
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 6.5p per share (2022: 6.5p)	4.3	4.5
Final dividend for 2022 of 17.0p per share (2021: 15.0p)	11.5	10.7
	15.8	**15.2**
Proposed final dividend for 2023 of 17.0p per share (2022: 17.0p)	**11.2**	**11.5**

The proposed final dividend of £11.2m 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 31 May 2024 to those shareholders on the register as at 1 May 2024.

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.

	2023 Number of shares	2022 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	78,928,095	80,689,295
Shares issued in the year	631	203,095
Shares cancelled during the year	(1,121,137)	(529,847)
Treasury and own shares held	(11,022,701)	(10,784,800)
For basic earnings per share	**66,784,888**	**69,577,743**
Outstanding share options	3,700,484	3,687,416
For diluted earnings per share	**70,485,372**	**73,265,159**

	2023 £ millions	2022 £ millions
Profit for the year attributable to equity holders of the Parent	**13.4**	**39.1**

6. **Intangible assets**

	Goodwill £ millions	Computer software £ millions	Total £ millions
Cost:			
At 1 January 2022	8.1	24.7	32.8
Additions	-	7.5	7.5
Disposals	-	(3.6)	(3.6)
Foreign currency translation differences	-	0.1	0.1
At 31 December 2022	**8.1**	**28.7**	**36.8**
Additions	-	7.9	7.9
Disposals	-	(0.9)	(0.9)
Foreign currency translation differences	(0.1)	(0.1)	(0.2)
At 31 December 2023	**8.0**	**35.6**	**43.6**
Accumulated amortisation and impairment:			
At 1 January 2022	-	8.1	8.1
Charge for the year	-	2.9	2.9
Disposals	-	(3.5)	(3.5)
Foreign currency translation differences	-	-	-
At 31 December 2022	**-**	**7.5**	**7.5**
Charge for the year	-	3.3	3.3
Disposals	-	(0.9)	(0.9)
Foreign currency translation differences	-	(0.1)	(0.1)
At 31 December 2023	**-**	**9.8**	**9.8**
Carrying value:			
At 1 January 2022	8.1	16.6	24.7
At 31 December 2022	8.1	21.2	29.3
At 31 December 2023	**8.0**	**25.8**	**33.8**

7. Property, plant and equipment

	Leasehold improvements £ millions	Fixtures, fittings and office equipment £ millions	Computer equipment £ millions	Total £ millions
Cost:				
At 1 January 2022	9.1	17.5	10.9	37.5
Additions	2.3	4.1	3.1	9.5
Disposals	(1.0)	(2.5)	(0.5)	(4.0)
Foreign currency translation differences	(0.1)	0.7	0.3	0.9
At 31 December 2022	**10.3**	**19.8**	**13.8**	**43.9**
Additions	0.5	6.2	1.4	8.1
Transfers	(1.1)	1.1	-	-
Disposals	(2.5)	(2.7)	(2.5)	(7.7)
Foreign currency translation differences	(0.5)	(0.7)	(0.5)	(1.7)
At 31 December 2023	**6.7**	**23.7**	**12.2**	**42.6**
Accumulated depreciation and impairment:				
At 1 January 2022	7.5	11.5	9.5	28.5
Charge for the year	0.6	1.7	1.6	3.9
Disposals	(1.0)	(2.3)	(0.4)	(3.7)
Foreign currency translation differences	0.2	0.5	0.2	0.9
At 31 December 2022	**7.3**	**11.4**	**10.9**	**29.6**
Charge for the year	0.7	3.1	1.8	5.6
Disposals	(2.5)	(1.7)	(2.5)	(6.7)
Foreign currency translation differences	(0.4)	(0.4)	(0.4)	(1.2)
At 31 December 2023	**5.1**	**12.4**	**9.8**	**27.3**
Carrying value:				
At 1 January 2022	1.6	6.0	1.4	9.0
At 31 December 2022	3.0	8.4	2.9	14.3
At 31 December 2023	**1.6**	**11.3**	**2.4**	**15.3**

8. Leases

Right-of-use assets	Buildings £ millions	Equipment £ millions	Vehicles £ millions	Total £ millions
Cost:				
At 1 January 2022	94.2	0.3	5.7	100.2
Additions	18.0	-	2.3	20.3
Lease modifications	1.3	-	-	1.3
Disposals	(3.7)	(0.2)	-	(3.9)
Foreign currency translation differences	3.2	-	0.5	3.7
At 31 December 2022	**113.0**	**0.1**	**8.5**	**121.6**
Additions	11.9	-	2.8	14.7
Lease modifications	3.9	-	-	3.9
Disposals	(15.0)	-	(4.1)	(19.1)
Foreign currency translation differences	(4.4)	-	(0.2)	(4.6)
At 31 December 2023	**109.4**	**0.1**	**7.0**	**116.5**
Accumulated depreciation and impairment:				
At 1 January 2022	33.5	0.2	3.9	37.6
Charge for the year	13.3	0.1	1.5	14.9
Impairment	-	-	-	-
Disposals	(3.7)	(0.2)	-	(3.9)
Foreign currency translation differences	1.0	-	0.4	1.4
At 31 December 2022	**44.1**	**0.1**	**5.8**	**50.0**
Charge for the year	13.4	-	1.7	15.1
Impairment	0.2	-	-	0.2
Disposals	(10.1)	-	(4.1)	(14.2)
Foreign currency translation differences	(2.0)	-	(0.1)	(2.1)
At 31 December 2023	**45.6**	**0.1**	**3.3**	**49.0**
Carrying value:				
At 1 January 2022	60.7	0.1	1.8	62.6
At 31 December 2022	68.9	-	2.7	71.6
At 31 December 2023	**63.8**	**-**	**3.7**	**67.5**

During the year the Group entered into a sublet arrangement for two of its offices, one in the UK and one in the USA. On signing of the leases, the Group had transferred the rights to use the office space over to a third party, as such the Group derecognised the right of use asset relating to the space accordingly and recognised a lease receivable for the income due from the lessees. The lease receivable was discounted at the incremental borrowing rate for the head lease. Any differences arising from the derecognition of the right of use asset and the value of the lease receivable was recognised as an impairment in the consolidated income statement for the year ended 31 December 2023.

9. Trade and other receivables

	2023 £ millions	2022 £ millions
Receivables due within one year:		
Trade receivables	116.5	142.9
Other receivables	7.8	6.3
Prepayments	7.8	8.8
Accrued income	50.4	63.4
	182.5	**221.4**

Included within 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 2023 is £1,472,000 (31 December 2022: £1,892,000). The movement in the provision during the year is a credit to the income statement of £420,000 (2022: credit of £541,000). Contract assets are expected to convert into contract receivables within three months of recognition.

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

	2023 £ millions	2022 £ millions
Trade payables	7.8	8.7
Other taxation and social security	30.4	34.7
Other payables	27.3	25.4
Accruals and deferred income	82.5	110.8
	148.0	**179.6**

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

11. Bank overdrafts and borrowings

	2023 £ millions	2022 £ millions
Bank overdrafts and borrowings: current	15.8	26.1
	15.8	**26.1**
The borrowings are repayable as follows:		
Within one year	15.8	26.1
	15.8	**26.1**

In October 2023, the Group renewed its four-year committed financing facility of £60.0m which expires in March 2027. At 31 December 2023, £15.8m (2022: £26.1m) was drawn down under this facility.

The Directors estimate that the fair value of all borrowings is not materially different from the amounts stated in the Consolidated Balance Sheet of £15.8m (2022: £26.1m).

The Group has not entered into any reverse factoring arrangements during the year ended 31 December 2023 (2022: none).