

ROBERT
WALTERS
GROUP

Annual Report & Accounts 2020

www.robertwaltersgroup.com

Introduction

Powering people and organisations to fulfil their unique potential.

The Robert Walters Group is a market-leading international specialist professional recruitment group.

With over 3,100 staff spanning 31 countries, we deliver specialist recruitment consultancy, staffing, recruitment process outsourcing and managed services across the globe.

We match highly skilled professionals to permanent, contract and interim roles across the disciplines of accountancy and finance, banking, engineering, HR, 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.

Our commitment to teamwork, integrity, passion, innovation, quality and inclusion means that we are always striving to set the standard for the industry. We deliver engaging candidate experiences and power rewarding careers, giving talented individuals the freedom to choose and the opportunity to grow.

Contents

Strategic Report

3	2020 Highlights
4	Robert Walters Group at a Glance
6	Chairman's Statement
8	Chief Executive's Statement
12	Market Opportunities and Key Trends
16	Strategy in Action
26	People and Culture
34	Diversity and Inclusion
38	Technology and Innovation
44	Corporate Social Responsibility
54	Financial Review
56	Key Performance Indicators
58	Principal Risks and Uncertainties
63	Section 172 Statement

Directors' Report

64	Corporate Governance Statement
71	Report of the Audit and Risk Committee
74	Directors' Remuneration Report
94	Directors' Responsibility Statement
95	Directors' Report
98	Directors and Advisers

Financial Statements

100	Independent Auditor's Report
108	Consolidated Income Statement
108	Consolidated Statement of Comprehensive Income
109	Consolidated Balance Sheet
110	Consolidated Cash Flow Statement
111	Consolidated Statement of Changes in Equity
112	Statement of Accounting Policies
118	Notes to the Group Accounts
135	Company Balance Sheet
136	Company Statement of Changes in Equity
137	Notes to the Company Accounts



View our Annual Report online:
robertwaltersgroup.com/investors



2020 Highlights



📄 P3 →

Robert Walters Group at a Glance



📄 P4 →

Chairman's Statement



📄 P6 →

Chief Executive's Statement

“The Group’s strong and experienced senior management team has successfully steered the business through a number of previous international crises. This experience was critical in ensuring swift and decisive action.”



📄 P8 →

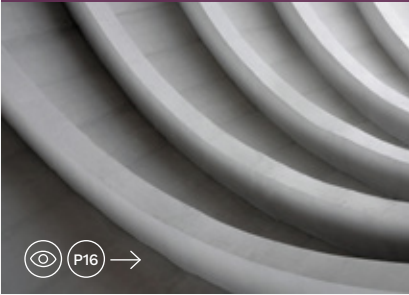
“I would like to extend the Board’s sincere and heartfelt thanks to all our people across the globe for their enthusiasm, creativity and hard work.”

Market Opportunities and Key Trends



📄 P12 →

Strategy in Action



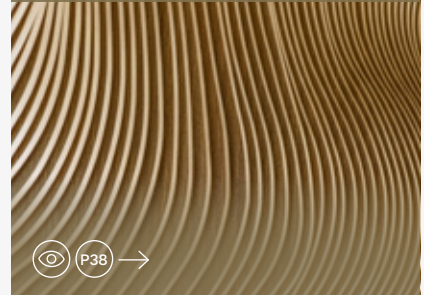
📄 P16 →

People and Culture



📄 P26 →

Technology and Innovation



📄 P38 →

What we do

In an increasingly complex global recruitment market, the Group builds strong and long-term relationships with clients and candidates, and offers an end-to-end recruitment service on a local, regional and global basis.

Our mission

We're always striving to be the best. That means being the world's leading specialist professional recruitment group with a clear differentiation on the quality of service delivered to our clients and candidates.



Our services across the world

ROBERT WALTERS

Specialist Professional Recruitment

Robert Walters recruits specialists for permanent, contract and interim roles across our core disciplines of accountancy & finance, banking, engineering, HR, IT, legal, sales, marketing, secretarial and support and supply chain, logistics and procurement.

Walters — People

Specialist Staffing

Walters People is the staffing specialist for tomorrow's working world matching people to permanent and contract finance and business support jobs.

RESOURCESOLUTIONS

Recruitment Process Outsourcing

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

2020 Highlights

23% ↓

£938.4m**Revenue**
2019: £1.22bn

75% ↓

£12.1m**Profit Before Taxation**
2019: £47.4m

25% ↓

£302.4m**Net Fee Income (Gross Profit)**
2019: £405.5m

83% ↓

8.0p**Basic Earnings Per Share**
2019: 48.4p

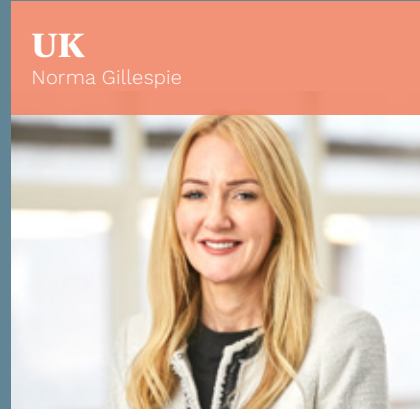
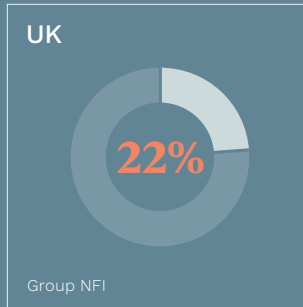
71% ↓

£14.8m**Operating Profit**
2019: £51.2m

Robert Walters Group at a Glance

Market-leading global brand

■ Our locations



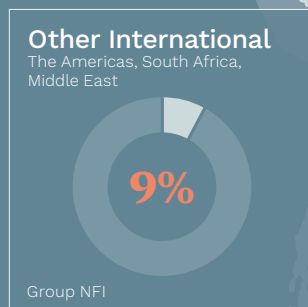
“If you look at our purpose, it’s the power of the people in our business that is the most important thing — that’s how we make things happen.”

[Read Norma's Interview](#) →



“We partnered with over 100 members of our management team, providing them with tailored coaching to help them lead effectively through the pandemic.”

[Read Indy's Interview](#) →

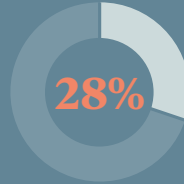


Netherlands

Huib-Jan Verhoef



Europe



Group NFI

Employees

3,147

Countries

31

Net fee income from international businesses

78%

“At every stage of my career with Walters People, I have felt empowered to drive the business forward and that there are no limits to future growth.”

[Read Huib-Jan's Interview](#) →

Malaysia

Kimberlyn Lu



“I have always felt supported by my leaders. Their trust has encouraged me to take bold steps and push my boundaries.”

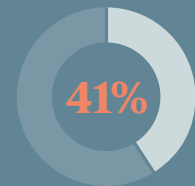
[Read Kimberlyn's Interview](#) →

Permanent/Contract net fee income



62% Permanent
38% Contract

Asia Pacific



Group NFI

Chairman's Statement

I would like to start this statement, my first as the new Chairman of the Robert Walters Group, by saying just how privileged I am to have joined the Board of one of the world's leading specialist professional recruitment businesses.

I would also like to extend the Board's sincere and heartfelt thanks to all our people across the globe for the enthusiasm, creativity and hard work they have demonstrated, to ensure we continued to support our colleagues, clients and candidates through the difficult circumstances of the global pandemic.

The Group has a proven track record of adopting sensible and targeted cost reduction and control measures in difficult times without damaging the long-term ability to quickly benefit from operational gearing when market conditions become more favourable. The swift action taken on costs at the onset of the pandemic, our pre-Covid investment in technology which enabled all staff to seamlessly and productively transition to remote working and the durability and commitment of our people across the globe has enabled the Group to deliver full-year profits ahead of market expectations, albeit at levels significantly below the prior year.

Revenue was down 23% (23%*) to £938.4m (2019: £1.22bn) and net fee income decreased by 25% (26%*) to £302.4m (2019: £405.5m). Operating profit decreased by 71% (71%*) to £14.8m (2019: £51.2m) and profit before taxation decreased by 75% (75%*) to £12.1m (2019: £47.4m). Earnings per share decreased by 83% to 8.0p per share (2019: 48.4p per share). The Group has further strengthened its balance sheet with net cash of £155.5m as at 31 December 2020 (31 December 2019: £85.8m).

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



I would like to extend the Board's sincere and heartfelt thanks to all our people across the globe for their enthusiasm, creativity and hard work."

Ron Mobed
Chairman

Our operations in Asia Pacific and Europe delivered particularly robust performances and 78% (2019: 76%) of the Group's net fee income is now derived from our international businesses.

The Group has always focused on building and maintaining a healthy blend of revenue streams and our end-to-end offering of permanent, contract, interim and recruitment process outsourcing has continued to provide a competitive advantage and enabled us to respond to the varying needs of our clients and candidates across the globe. Whilst all forms of recruitment were negatively impacted by the pandemic, permanent activity levels were most markedly affected, whilst contract and interim in particular showed more resilience. The Group's ratio of permanent and contract net fee income is 62% permanent to 38% contract (2019: 66%:34%).

The Group's strategy for growth is centred on expansion into new international markets and disciplines, but through downturns and periods of crisis we have also benefited from a commitment to maintaining our geographic footprint. We took the decision to maintain our presence in each of the 31 countries we operate in and we are confident that this investment will pay back as markets recover. Whilst every effort was made to preserve the Group's headcount, difficult decisions did have to be made with headcount decreasing by 22% to 3,147 (2019: 4,027). Reductions were a blend of natural attrition, performance management and right-sizing, and focused in those geographies and disciplines hardest hit by the pandemic.

Following the reinstatement of dividend payments with the interim dividend of 4.5p per share in November 2020, the Board has taken the decision to recommend a final dividend of 11.0p per share, which would result in a total dividend of 15.5p per share (2019: 4.5p after the cancellation of the final dividend as a result of Covid).

The Board is authorised to re-purchase up to 10% of the Group's issued share capital but, given the level of market uncertainty and volatility experienced during the last year, did not exercise this authority. The Board will, however, be seeking approval for the renewal of this authority at the Group's Annual General Meeting on 12 May 2021.

Finally, on behalf of the Board, I would like to thank my predecessor, Carol Hui, who stepped down from her role as Chairman after completing her nine-year tenure on 31 December 2020. The Group benefited greatly from her stewardship, expertise and governance and we wish her well for the future.

Ron Mobed
Chairman
1 March 2021

Chief Executive's Statement

The Covid global pandemic presented the Group with an unprecedented set of challenges during 2020. The outbreak was largely confined to the Asia Pacific region during the first two months of the year but quickly spread across the rest of the globe with virtually all our businesses impacted by the beginning of the second quarter.





Our culture is heavily team-based and relationship-focused, and whilst there is no true replacement for face-to-face interaction, our technology and communications strategy has enabled us to preserve our culture and rally together throughout the pandemic.”

Robert Walters
Chief Executive

Protecting the wellbeing of our people across the globe and the Group's culture has been our number one priority throughout this last year and whilst the global pandemic has stress-tested the culture and resilience of businesses across the globe like never before, the way our people have responded to these circumstances with a unity of purpose and steadfastness has been inspirational.

The Group's strong and experienced senior management team has successfully steered the business through a number of previous international crises. This experience was critical in ensuring swift and decisive action was taken to both protect the wellbeing of our people and the continuity of business with our clients and candidates.

Communication, culture and relationship management

In times of crisis, regular and transparent communication is key. The Group's global senior management team met weekly throughout the year to ensure relevant information was readily available and prompt action could be taken to mitigate any risks to our people or the business more broadly. Global, regional and local management kept all staff fully up to date and informed on developments, in real time, through our global internal communications platform, Workplace from Facebook, as well as Microsoft Teams. The transparency and regular cadence of communication, both through our global technology platforms and, of course, essential one-to-one phone or video conversations, has been vital in fostering togetherness and unity during the periods when offices have been closed or were at reduced capacity.

Our culture is heavily team-based and relationship-focused, and whilst there is no true replacement for face-to-face interaction, our technology and communications strategy has enabled us to preserve our culture and rally together throughout the pandemic.

The Group prides itself on the development of long-term relationships with clients and candidates. Our consultants act as advisers, whether or not a client is hiring or a candidate is seeking an immediate career move, and this consultative approach forms the ethos of our non-commission remuneration model. The pandemic presented huge challenges for our clients and candidates alike, from the debate on the future of work, through to questions about remote hiring and remote onboarding, or even simple CV help and advice for those looking to secure new roles.

Chief Executive's Statement continued

During the second quarter, we launched a global thought leadership and insights programme focused on helping our clients and candidates navigate the pandemic, and by the end of the year, had held over 150 webinars and round table events hosting over 18,000 clients and candidates. We also launched a global Talent Talk podcast series to debate hiring issues and provided career toolkits and advisory services for candidates looking to get back into work.

Technology

Prior to the pandemic, the Group invested heavily in both the necessary hardware and software to enable our staff to work remotely; whether on the move between meetings or from home as required. As such, we were able to seamlessly and productively transition to home-working as lockdowns and stay-at-home orders were imposed in most countries across the globe. Video CV and interviewing platforms were already well established across the Group, enabling our consultants to continue to deliver recruitment solutions to our clients and candidates with minimal disruption.

Balancing the cost base

Sensible and targeted short-term cost reduction and control measures were swiftly put in place at the onset of the pandemic but, most importantly, were balanced against the need to ensure the Group would be able to exit the pandemic in the strongest possible position so as to quickly take advantage of the inevitable economic recovery.

Retention of the Group's key management and strongest performers was key and a number of strategic decisions were made to ensure the Group's platform for long-term growth remained strong, including voluntary Executive Director salary reductions of 20%, voluntary reduced working hour schemes for employees globally and reductions in all discretionary spending. The Group was also eligible to receive government subsidies in a number of countries across our global footprint. Over 85% of eligible staff worldwide opted in to the reduced hours scheme, which is further testament to the strength of the Group's culture and unity of purpose. The voluntary working hours scheme for all employees globally ended on 30 September 2020.

Balancing the cost base did unfortunately mean that tough decisions on headcount still had to be made, with reductions made through a blend of natural attrition, performance management and right-sizing focused in those geographies and disciplines most severely impacted by the pandemic. The agile nature of our business enabled us to preserve headcount wherever possible by redeploying consultants from disciplines suffering significant declines in recruitment activity to growth areas such as technology and digital.

Review of operations

Recruitment activity levels reached a nadir during quarter two as organisations worked hard to adjust and adapt to the realities of operating in a pandemic. As the first lockdown measures were progressively eased towards the end of the second quarter, we saw a gradual increase in recruitment activity as crisis management gave way to a more business-as-usual approach.

Unsurprisingly, with so much market uncertainty and volatility, permanent recruitment activity was hardest hit, whilst contract and interim proved to be more resilient; however, all improved sequentially from quarter two onwards. From a discipline perspective, pockets of strong growth still existed across technology and transformation, digital, e-commerce, supply chain, logistics and healthcare, whereas sectors such as retail, aerospace and hospitality were hardest hit.

Asia Pacific (41% of Group net fee income)

Revenue was £373.6m (2019: £410.7m), net fee income decreased by 25% (25%*) to £124.1m (£124.3m*) (2019: £164.6m) and operating profit decreased by 63% (64%*) to £8.4m (£8.3m*) (2019: £22.8m).

Asia Pacific, the Group's largest and most profitable region, was first to be impacted by the pandemic during the first two months of 2020 but due to strong Government intervention in many locations, the region seems well placed to recover more quickly with forward-looking recruitment indicators showing signs of improvement, particularly during the fourth quarter.

In Asia, our market-leading business in Japan performed relatively robustly, with net fee income declining 21%* year-on-year despite significant volatility in both infection levels and Government stay-at-home orders throughout the year. Our business in Greater China produced mixed results; in Hong Kong, the pandemic exacerbated the instability already caused by the political unrest of 2019, resulting in net fee income declining 51%* year-on-year, whereas in Mainland China and Taiwan, results were less impacted with net fee income declining by 22%* and 9%* respectively.

The relative success with which Australia and particularly New Zealand have managed the impact of the pandemic has enabled our businesses there to produce resilient results. In Australia, our businesses in Adelaide, Perth and Sydney held up relatively well, however Melbourne was materially impacted by the extended lockdown in Victoria. In New Zealand, net fee income declined by just 12%* year-on-year underpinned by strength in technology and digital recruitment and a blend of private and public sector clients.

Although the impact on the recruitment process outsourcing market has been less pronounced in Asia Pacific versus the UK, recruitment volumes were still significantly down year-on-year. Despite this backdrop, Resource Solutions delivered a creditable performance with a net positive number of clients year-on-year.

Europe (28% of Group net fee income)

Revenue was £204.6m (2019: £252.5m), net fee income decreased by 21% (22%*) to £85.7m (£84.6m*) (2019: £108.7m) and operating profit decreased by 69% (70%*) to £4.7m (£4.7m*) (2019: £15.4m).

Our blend of permanent, contract and interim recruitment solutions provides the Group with a competitive advantage across the region with our teams able to respond to the varying nature of client and candidate needs. Our investment in further growing our contract and interim offering over the last few years paid dividends in 2020 as permanent recruitment activity levels fell more sharply in line with reduced client and candidate confidence.

Our well-established and market-leading businesses in the Netherlands and Belgium produced the strongest performances, with net fee income declining 14%* and 16%* respectively. Activity levels in Spain, where we now have over 70 consultants and three offices, also held up well with net fee income declining by 21%* year-on-year. Net fee income in Switzerland, where recruitment activity levels in our specialist mid-senior management market remained robust, declined by just 3%*.

In France, the Group's largest business in the region, net fee income declined by 30%*, although client and candidate confidence did improve as the year progressed. Interim recruitment activity remained relatively resilient with demand strongest across finance, HR and legal.

UK (22% of Group net fee income)

Revenue was £329.1m (2019: £514.0m), net fee income decreased by 32% to £66.9m (2019: £98.4m) and operating profit decreased to £1.3m (2019: £11.7m).

The clearance of the first major Brexit hurdle and a decisive General Election result made for a positive start to 2020 with client and candidate confidence showing clear signs of improvement. However, the onset of the pandemic and the announcement of a UK-wide lockdown in March significantly impacted hiring activity and confidence levels. Whilst there were marginal signs of quarter-on-quarter improvement as the year progressed, the recruitment market remained generally subdued with bright spots limited to pandemic-proof sectors such as technology, healthcare, logistics and fintech. Market sentiment was slightly more positive in the UK regions, with logistics hubs and shared service centres recruiting as organisations moved roles to lower-cost locations.

The pandemic also negatively impacted the recruitment process outsourcing market, with a number of clients imposing hiring freezes or substantially reducing their hiring requirements. Our Resource Solutions business was right-sized to reflect both our clients' hiring volumes and the ending of a small number of existing contracts. However, on a more positive note, the business continued to win a number of new deals and broadened our service delivery into new sectors including mining, property and healthcare. Of particular note, the Group is extremely proud that, over the last year, Resource Solutions has been working closely with the NHS in its fight against coronavirus, helping to manage the onboarding of both healthcare workers and vaccinators.

Other International (9% of Group net fee income)

Other International encompasses the Americas, South Africa and the Middle East. Revenue was £31.1m (2019: £38.9m), net fee income decreased by 24% (23%*) to £25.7m (£26.3m*) (2019: £33.8m) and operating profit decreased by 71% (72%*) to £0.4m (£0.4m*) (2019: £1.3m).

Our business in the US, where we have offices in New York, San Francisco and Los Angeles, held up strongly during the first half of the year. However, a rise in infection rates and the political uncertainty surrounding the presidential election meant activity levels in the second half were more subdued. Our newer businesses in Mexico and Chile held up well with the latter delivering a 15%* increase in net fee income, albeit from a low base. In the Middle East, we continued to invest in growing our footprint across the region with a new office opening in Abu Dhabi during the first half of the year.

Outlook

With new or extended lockdowns still occurring across much of the world, market conditions remain challenging and visibility is limited.

That said, the speed at which vaccination programmes are progressing across many of the Group's markets, coupled with signs of improvement in forward-looking indicators in Asia Pacific, the Group's largest region, provide a degree of cautious optimism for a longer-term economic recovery. Early 2021 trading is in line with current market expectations for the full year.



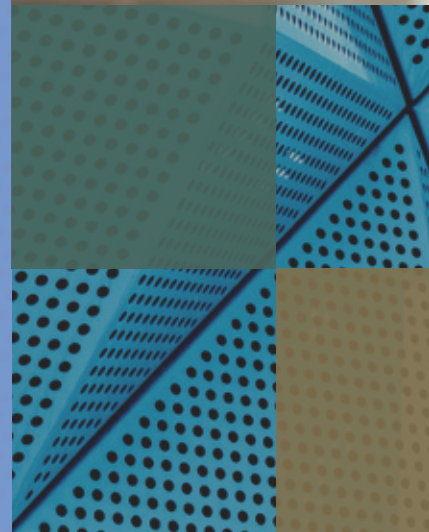
Robert Walters
Chief Executive
1 March 2021

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

Market Opportunities and Key Trends

Market Opportunities and Key Trends

We closely examine key trends impacting the global recruitment market as well as the major market drivers that influence our strategic decisions.



Finding top talent in candidate-rich markets



At November's G20 Summit, the UN's International Labour Organisation (ILO) presented striking data on global unemployment, estimating that approximately 400 million full-time jobs had been lost in 2020 as a result of the Covid pandemic. While individual countries have taken different approaches to reducing the economic impact, the global jobs market has been unexpectedly flooded with professionals, many of whom possess advanced skill sets and experience.

This influx presents a challenge for employers worldwide, who are now faced with finding the best professionals from an even greater pool of qualified applicants. Organisations looking to hire top talent can rely on specialist recruitment consultancies to quickly identify shortlists from a high volume of applications and advise on the most suitable candidates.

Key drivers

- Widespread redundancies due to the Covid pandemic.
- Headcount freezes and restructuring within larger companies.
- Contractors and self-employed professionals searching for stable employment.

Our response

- Investing in high-growth geographies and disciplines, especially where the pandemic has augmented the need for talent, such as digital, supply chain and logistics.
- Redeploying our high-performing consultants to focus on sectors where hiring has increased due to the pandemic.
- Introducing video CVs to help our top candidates stand out to employers; in turn, employers can get a better feel for candidates prior to interview and therefore reduce the time to hire.

Growth of tech and demand for digital skill sets



As the Covid response accelerates the need for digital transformation, the demand for digital skill sets has never been greater across the global workforce. Gartner estimates that job growth for digital roles (e.g. AI and robotics, automation and data science) in non-technology companies grew by as much as 170% in H1 2020, indicating the critical need for these skills beyond the IT industry.

The highest quality candidates remain highly sought-after and in strong demand. Their niche skill sets afford them a degree of selectivity when fielding job offers and can often put them at an advantage when negotiating remuneration. That said, the project-based nature of the work often lends itself to contract rather than permanent roles, which is helpful to companies trying to make prudent cost-saving decisions against a backdrop of economic volatility.

Key drivers

- Worldwide shift to an online economy as physical business spaces remain closed.
- Need for businesses to develop a robust cloud environment to support remote workforces.
- Accelerated digital transformation projects as businesses prepare for the implementation of 5G networks.

Our response

- Development of long-term relationships with top talent in these fields, built on trust in our experience and high-quality service.
- Specialist consultants who stay on the forefront of emerging technologies to establish talent networks early and advise clients on forthcoming trends.
- Global network of candidate relationships enabling us to identify and relocate specialist talent around the world, including through our 'Return Home' programmes in South East Asia, Ireland, Australia and New Zealand.

Market Opportunities and Key Trends continued

Continued appetite for interim and contract recruitment



Even prior to the onset of Covid, we saw an increasing appetite for alternatives to permanent roles, with political turbulence in 2019 — Brexit negotiations, civil unrest in Hong Kong and Latin America, as well as the US-China trade wars — leading to worldwide economic uncertainty.

Against a backdrop of economic tumult, interim and contract recruitment has emerged as an ideal solution for businesses in need of highly skilled professionals to handle crisis management, restructuring and transformation projects — without needing to commit to highly paid permanent hires. Likewise, experienced candidates have continued to pursue these opportunities, drawn to the personal and professional flexibility they offer. As the global economy continues to recover, we anticipate that employers will focus on building hybrid workforces, adopting a blend of permanent and contract/interim employees.

Key drivers

- Companies facing rapid changes requiring candidates with advanced specialist skill sets.
- Organisations unwilling to commit to permanent hires when facing financial uncertainty.
- Growth of the ‘gig economy’, as experienced professionals pursue more flexible or freelance opportunities.

Our response

- Developing our interim management business in existing markets and launching in new markets, like the UK and Germany, where existing economic or political pressures have been exacerbated by the pandemic, increasing demand for interim professionals.
- Investing in our staffing business, Walters People, in Europe, which specialises in junior contract and temp roles, and expanding the business into Hong Kong.
- Consultants with industry experience and an ability to source highly skilled talent.
- Ability to headhunt passive talent using personal networks that can't be found via social media or advertising.

Increased demand for expert advice and insights



In 2020, employers and professionals around the world experienced unprecedented levels of instability and uncertainty due to the global pandemic. Many employers who were struggling through restructures or redundancies were suddenly forced to do more with less, all while trying to adapt to the rapid shift to managing remotely.

Meanwhile, professionals who found themselves back on the job market were competing for fewer vacancies against an unusually high volume of experienced, qualified candidates, while those employed often needed to quickly upskill.

At a time when many found their lives fundamentally changed, employers and job seekers were in need of expert advice and relevant practical insights for navigating the new world of work created by Covid.

Key drivers

- Organisations grappling with the complexities of remote hiring and onboarding.
- Accelerated changes to ways of working around the globe for both candidates and clients.
- Need for professionals to quickly adapt skill sets to remain viable and stand out in an overcrowded job market.

Our response

- Quickly built Covid thought leadership hubs on our local websites to showcase local and global advisory content for clients and candidates.
- Global series of webinars, e-guides, articles and podcasts exploring topics like remote hiring and onboarding, wellbeing and productivity, career planning and management issues in the current and post-pandemic worlds.
- Launch of innovative resources to support clients and candidates in transition, like our complete Career Toolkit in the UK, a free CV advice service in Japan and an insights blog launched in Spain.

RPO growth



Despite the Covid pandemic, leading market research analysts NelsonHall forecast that the global RPO market is still expected to grow by 5% year-on-year. By offering both RPO and contingent hiring (Managed Service Provider (MSP)) services, Resource Solutions remains in a strong market position relative to those global providers offering only one of these services.

The sudden and dramatic shift of working practices during the pandemic has proven the effectiveness of remote working. It could spur a post-pandemic shift towards hiring of talent that is less focused on geographic location. Either way, the globalisation of the workforce continues to rapidly evolve, creating opportunities for Resource Solutions to identify new and innovative workforce solutions for clients.

In addition, remote working has, in part, reduced the costs of clients engaging specialist outsourced recruitment teams, who no longer need to be based physically on-site. This has the advantage of making specialist outsourced teams a more attractive option, in terms of both quality and cost to the client.

Key drivers

- Significant shift towards remote working as a result of the Covid pandemic.
- Increasing and quickening globalisation of the workforce.
- Increasing use of AI to hyper-target opportunities.
- Internal recruitment and reskilling of existing employees.
- Immediate access to flexible, highly trained talent to manage upswings.

Our response

- First recruitment business to establish an outsourcing arm, in 1997.
- Quick-to-deploy recruitment service 'rapidsource' delivered to UK's National Health Service (NHS) and global insurance giant during surge in demand resulting from Covid pandemic.
- New Employed Consultant Model (ECM) launched in partnership with training provider, Infinity Global, giving clients immediate access to highly skilled, diverse talent on a consultancy basis.
- New diverse hiring advisory service launched with the goal of helping clients identify and overcome the barriers to diverse hiring in their recruitment process. Further advisory services to follow.
- Client-dedicated service with focus on quality: the ability to deliver a Total Talent Acquisition (TTA) model which encompasses Recruitment Process Outsourcing (RPO), Managed Service Provider (MSP) and Statement of Work (SOW) models to provide an integrated and holistic recruitment approach.
- Proprietary software, 'talentsource', our end-to-end talent management platform.
- Partnership agreements with leading technology providers Phenom People and Beeline.
- Global Service Centres in Hyderabad, Jacksonville, Johannesburg, Manchester, Manila and Prague.

Strategy in Action

Strategy in Action

In a year of unprecedented global turmoil, our purpose and strategy have been significantly tested and found to be resilient. We continue to be guided by our purpose of powering people and organisations to fulfil their unique potential.



Our strategy of putting people and relationships first, growing the business organically, having a resilient business model and being entrepreneurial in all we do, has enabled us to protect the business throughout 2020.

It has also meant that we have been able to help many of our clients and candidates navigate the challenges caused by Covid by sharing our expertise, knowledge and resources, often through entirely new communication channels.

People and relationships first

At the heart of our business are our people and the relationships they build with our candidates and clients. We believe in embracing technology as an enabler, but never as a replacement for relationships.

It's our conviction that, to truly understand our clients and candidates, we need to invest in building strong relationships for the long term. It's these long-term relationships that lead to many of our candidates becoming clients as we help them grow their careers year after year. In turn, our loyal base of candidates and clients generate referrals to us which are the bedrock of our business.

The Group has always emphasised the importance of consultants getting out of the office to meet with clients and candidates in person — to both build relationships and provide a high-quality, personal experience. Although the pandemic limited our face-to-face interactions in 2020, thanks to our global deployment of Microsoft Surface Pros in 2019, we seamlessly pivoted to video meetings on Microsoft Teams and Zoom to maintain our relationships virtually.

We were also well placed to continue providing the high-touch and quality service we are known for, using video interviewing and video CV technologies such as Spark Hire and Odro, which we already had in place before the onset of the pandemic. Additionally, we rolled out a comprehensive schedule of digital events for clients and candidates within weeks of the pandemic hitting, using our existing webinar platform.

Strategy in Action continued



Using the video presentation as part of the final shortlisting process allowed me to see beyond the written CV and the Robert Walters write-up. We were able to assess the responses to the questions posed, giving some insight into confidence, capability and character. We had a mind picture of the person and how they spoke before meeting them at interview.”

David Neal, Manager
Health and Safety and Emergency Management
New Zealand Ministry of Justice



Using video CV technologies, such as Odro and Spark Hire, enables our candidates to stand out in a competitive market and showcase who they are beyond the traditional written CV.

We see quality of service extending beyond end-to-end recruitment processes and in 2020, it was essential for us to be a true partner to our clients and candidates by helping them navigate the world of work throughout the pandemic. We did this by providing thought leadership, webinars and e-guides on a range of topics, including mental health, how to hire and onboard remotely, preventing burnout, managing remotely and the future of work.

We also produced a digital Complete Career Toolkit which we provided free of charge to clients who were making changes to their workforces. This in turn helped us to strengthen our relationships with clients even when they weren't actively hiring.

Building relationships across borders was also a priority in 2020, as the pandemic caused many overseas professionals to consider moving home, leading to a high number engaging with our 'Return Home' programmes in South East Asia, Ireland, Australia and New Zealand. These programmes enable us to connect with returning professionals by providing research on the local job market and one-on-one career advice.

In many cases, we were, on an exclusive basis, able to proactively pitch highly sought-after professionals with international experience.

As always we continue to employ a non-commission remuneration model so that the needs of our candidates and clients always come first. Our consultants work in teams to ensure that our candidates are presented with the greatest range of career options and our clients have access to as broad a pool of high-calibre professionals as possible.

Organic growth strategy

The Group's organic growth strategy is centred on international expansion, discipline diversification and an entrepreneurial culture, helping us to leverage new opportunities and achieve a balanced footprint, covering both mature and developing markets.

International expansion

Expanding into new geographic locations is essential to our strategy for growth. This growth is largely organic, with the Group making no acquisitions in the past ten years and only four market-entry acquisitions in its 35-year history. Our opportunities for growth are only limited by the right timing and the right home-grown talent to launch our business into new markets.

Discipline diversification

As markets change and new opportunities arise, we grow the business by building scale in existing disciplines and launching new disciplines in high-growth areas. In 2020, this has meant redeploying some of our consultants from disciplines that were hard hit by Covid to high-growth areas, including bio-sciences, logistics, gaming and fintech. We choose new markets and disciplines that represent longer-term growth opportunities.

Entrepreneurial culture

Our entrepreneurial culture enables us to respond quickly to new opportunities and changing market conditions. In 2020, at the height of the first wave of the pandemic, Resource Solutions (our recruitment process outsourcing business) won a new contract with the UK's National Health Service (NHS). Within just a few weeks, we were proud to help the NHS fill 600,000 shifts and support 45 new NHS Trusts. The success of this project led to a second contract win supporting the National Vaccination Programme. The sheer response and scale of this project is phenomenal and something we are immensely proud to be involved in.

Our entrepreneurial culture also came to the fore in 2020 when the Group's Innovation team recognised the growing demand for diversity and inclusion consultancy services. We responded to this gap in the market by launching our best-in-class diverse hiring advisory service which has proved popular with clients.

Resilient business model

Our business model has proven that it is fit for purpose in an extremely challenging year when many businesses have struggled in the face of an unprecedented crisis.

Underpinned by our robust technology infrastructure, we were able to seamlessly pivot our employees to remote working, ensuring business continuity and that our high levels of service to clients and candidates were maintained.

As always, we continue to be committed to the local markets in which we operate, choosing not to close offices but, instead, to maintain our presence. We know from previous recessions in markets such as Ireland and Spain, where many of our competitors pulled out, that clients and candidates will remember our loyalty.

Our resilience in 2020 was also influenced by the strength of our culture and our employees' willingness to opt in to our voluntary reduced hours scheme. The scheme was put in place to enable us to retain as many of our people as possible and to ensure we can quickly accelerate growth as markets recover. The Group's Executive Directors led by example by voluntarily taking a 20% salary reduction from April to the end of September 2020. Over 85% of eligible staff worldwide chose to opt in to a voluntary four-day week or nine-day fortnight, which clearly demonstrated the commitment of our people to the business and the strength of the Group's culture. We were delighted to be able to transition back onto full-time hours and pay as of 1 October 2020.



Strategy in Action continued Our Foundations

Non-commission team profit share

- No individual consultant commission, unlike most competitors
- Team-based profit share puts clients and candidates first
- No internal candidate ownership, so candidates are marketed to a broad range of clients



Long-term business focus




- Organic growth model
- Maintain presence in tough markets
- Retain clients, candidates and employees



Commitment to quality



- Consultative, long-term relationships with clients and candidates
- Focus on service levels and client and candidate satisfaction
- Comprehensive feedback processes
- Relationships built on integrity

“This year, we’ve seen just how critical a robust technology infrastructure is in supporting our business operations through times of crisis and uncertainty.”

[Read Kevin's Interview](#)   →



In 2020, the Group was once again listed as a constituent member of the FTSE4Good index for the twelfth consecutive year.

[Read more](#)   →

People and culture



- Home-grown senior management team
- International employee mobility programme
- Career progression based on performance
- Diverse, inclusive and meritocratic



In 2020, the Group appointed Pearn Kandola as its first-ever global diversity and inclusion (D&I) partner. As an international leader in the D&I space, Pearn Kandola is well placed to help us review and embed best-in-class D&I practices across our business worldwide.

[Read more](#)



Specialists

- Teams recruit by specialised professional discipline
- Industry-qualified specialists in each team
- Specialist consultants recruit specialist professionals



“As always, we will continue to test, trial and adopt new technologies in 2021, always with the aim of freeing up our consultants’ time to build those all-important long-term relationships.”

[Read Faye's Interview](#)



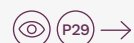
Innovation culture

- Entrepreneurial, open-minded people
- Social ideation & design-thinking at our core
- Test & trial innovation strategy
- Using technology as an enabler to strategic, human relationships
- Designing industry-first automation to deliver best-in-class service
- Innovation advisory delivering thought leadership and actionable insights to clients
- Agile business model and first to launch RPO arm



“We partnered with over 100 managers, providing them with tailored support to help them lead effectively through the pandemic.”

[Read Indy's Interview](#)



Strategy in Action continued Digital Content Strategy



The Group has always emphasised the importance of long-term relationship building with our stakeholders, even during periods of challenge or uncertainty.”

Stephen Edwards
Chief Marketing Officer

Leading our clients and candidates through uncharted territory

We’re proud to have played a part in the success of thousands of clients and candidates around the world. The Group has always emphasised the importance of long-term relationship building with our stakeholders, even during periods of challenge or uncertainty. Against the backdrop of a turbulent global economy in 2020, our role was clear, and in response, we developed a comprehensive suite of practical tools and resources to help employers and job seekers worldwide to continue to move forward with their recruitment and people strategies.

Guiding our clients through a digital content strategy

Our industry-leading research and thought leadership have long provided valuable insights which our clients rely on to make important decisions about their businesses. From hiring advice and salary trends to workforce productivity and market conditions, the Group is able to draw upon its vast network of both internal and external subject matter experts, all of whom have in-depth knowledge about topics that matter to our clients.

This year, our clients’ need for thought leadership delivered digitally was more important than ever, as organisations around the world were forced to adapt to entirely new ways of working — many for the first time. As such, we launched our global Covid digital content strategy to address new topics that employers worldwide were grappling with due to the pandemic.

We delivered e-guides, web articles, webinars and virtual roundtables in which our experts and senior business leaders from leading brands shared their experiences and learnings on a range of subjects. Content topics included preventing employee burnout, managing mental health challenges and a look at the future business leader and world of work.

Given the unique challenges faced by employers this year, it is perhaps unsurprising that two of our most popular pieces of content were remote hiring and remote onboarding. Developed with help from our in-house Group Innovation team, these guides offered best-practice advice for managing these crucial milestones of the talent attraction and retention processes.

We also ran webinars on these topics, welcoming guest speakers from Spark Hire and PowerHouse Hub to demonstrate some of the leading technology solutions that employers around the world are using to manage hiring and onboarding processes during the pandemic and into the future.

We also launched our first-ever podcasts, Talent Talk with Robert Walters, and Hire Wire from Resource Solutions. Both podcasts offer insights from our own recruitment specialists on every aspect of the world of work. Additionally, listeners have the chance to hear from our outstanding guests, including business leaders from Walmart, American Express, Hugo Boss and more. Talent Talk with Robert Walters and Hire Wire are available on Apple Podcasts, Spotify and Google Podcasts.



Stephen Edwards
Chief Marketing Officer

E-guides

20

Podcast downloads

3.8k+

E-guide downloads

42.5k+

Webinars

150+

Webinar views
(Live and on-demand)

28.9k+

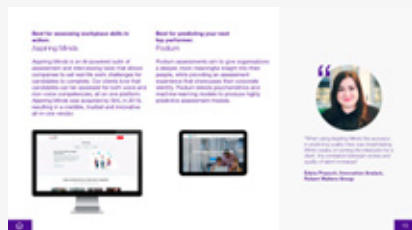
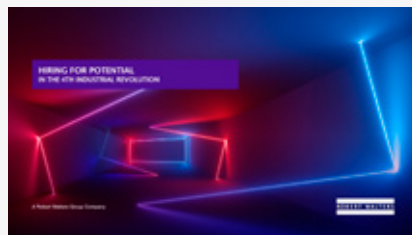
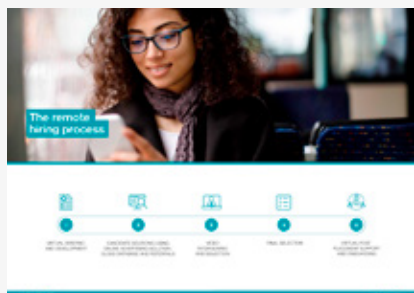
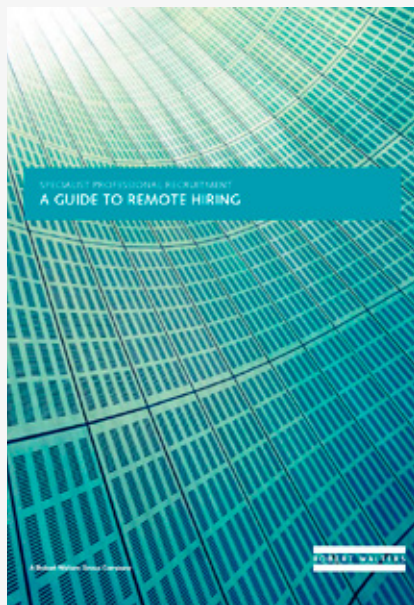
E-guide languages

9

Podcast episodes

43

Our innovative series of podcasts and e-guides provided a lifeline to clients and candidates as they navigated the various personal and professional challenges presented by the pandemic.



Strategy in Action Digital Content Strategy continued

Supporting our candidates and job seekers in a challenging job market

The global pandemic pushed new and experienced professionals alike back into the job market at one of the most difficult periods in recent times. In response, we developed various guides and tools to give our candidates and job seekers the advice needed to prepare for this process and to interview with confidence — no matter what stage of their career.

We launched a series of global e-guides and webinars dedicated to supporting the professional, personal and psychological needs of job seekers. Topics included strategies for coping with redundancy, maintaining productivity while working from home, looking after mental health and even training and reskilling yourself from home.

In addition to the insights of our own consultants, we invited external experts from firms like PwC, Deloitte, Gartner and more to offer their advice for navigating this challenging job market.

As well as global content, we also produced materials for local candidates. In Japan, our team developed a free support service for professionals impacted by Covid. In addition to receiving free templates and guidance, candidates were able to submit their CVs online and receive personalised feedback and advice from our team of consultants.

Our UK and Irish businesses demonstrated that we are a true partner to our clients and candidates by launching a comprehensive Career Toolkit to organisations who were restructuring.

This enabled clients to support their departing employees through access to practical resources like CV templates, guides for planning your next career move, tips on leveraging your professional network, and much more. This was provided to all departing employees regardless of whether the Group could register them as candidates.

Our Spanish business released a series of practical advice blogs for those working or job seeking through the pandemic. These short articles were the perfect tool for professionals looking to brush up on their video interview technique, manage their time more effectively while working remotely, or even updating their career roadmaps for a post-pandemic world.



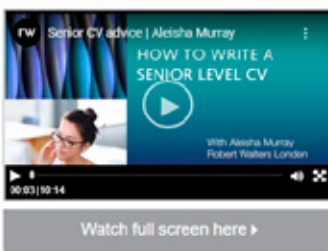
English & Japanese resume review service

Robert Walters will assist professionals in Japan whose jobs have been impacted by the spread of COVID-19 worldwide.

We are providing a free review service for both English and Japanese resumes which will also be available to individuals who have not yet registered with Robert Walters. We will endeavour to support everyone we can within our capacity.

For those interested, we will also introduce the latest recruitment information based on your skills and experience.

[Submit resume for review >](#)



Senior level CV advice and requirements

With Aleisha Murray, Manager
Robert Walters London

Top tips:

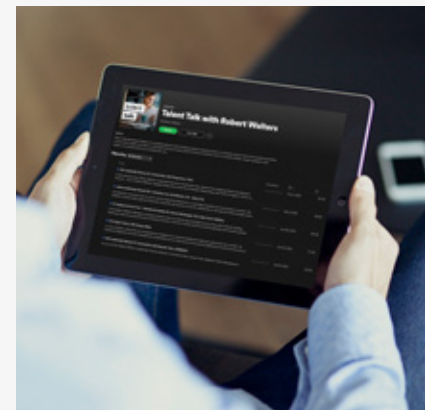
- Don't include everything, at senior level focus on the more pertinent information relevant for the role
- Focus on quantitative results and key accomplishments
- Make your CV skills focused
- Use examples of strategic decision-making
- Include professional memberships

[Watch full screen here >](#)



Around the world, our teams developed innovative ways to support job seekers impacted by the pandemic, offering CV templates, writing tips and interview advice.

Our new podcast, Talent Talk with Robert Walters, is available on Apple Podcasts, Spotify and Google Podcasts.



Webinar: The Future of Learning & Development



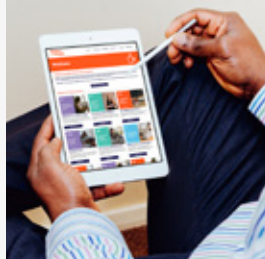
The Complete Career Toolkit from our UK and Irish businesses



Webinar: How AI Drives Businesses



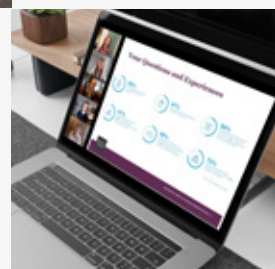
Our webinar series covered a wide range of topics to help clients and candidates navigate professional and personal challenges.



Webinar: Returning to the New World of Work



A new thought leadership hub on our Group website offers readers access to all our latest research and e-guides.

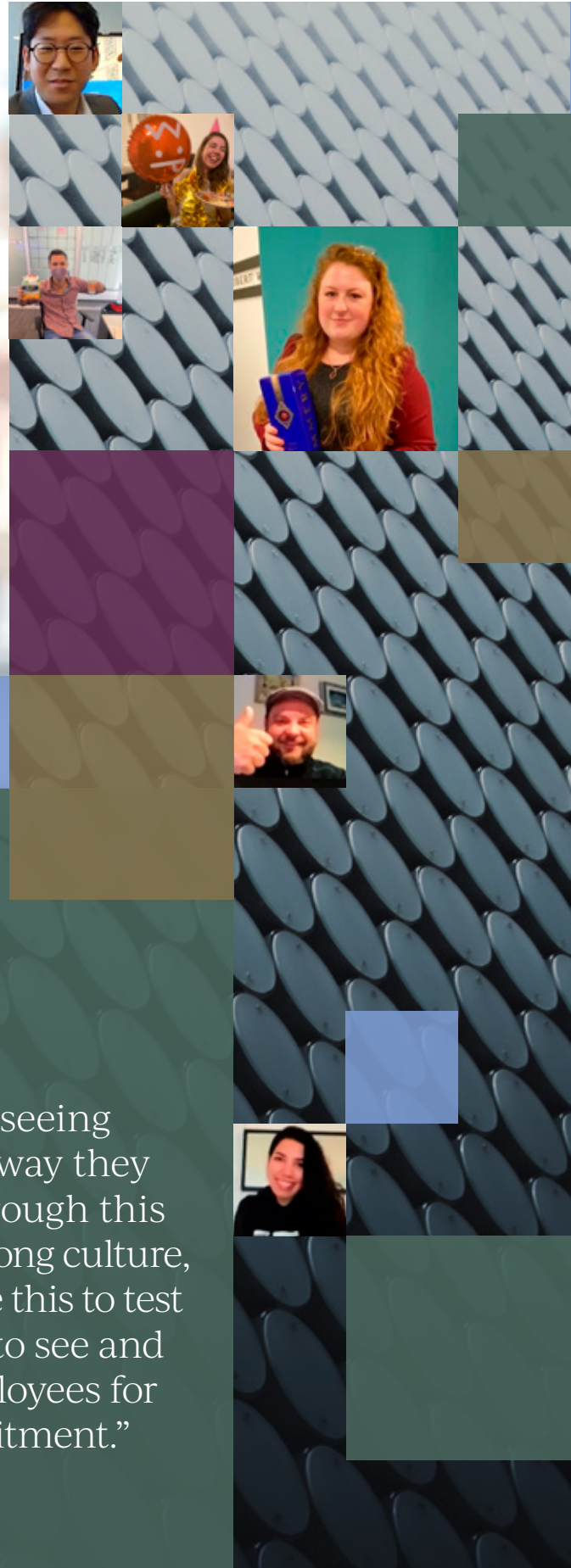


Webinar: Preventing Workplace Burnout



Candidate career advice blog from our Spanish business

People and Culture

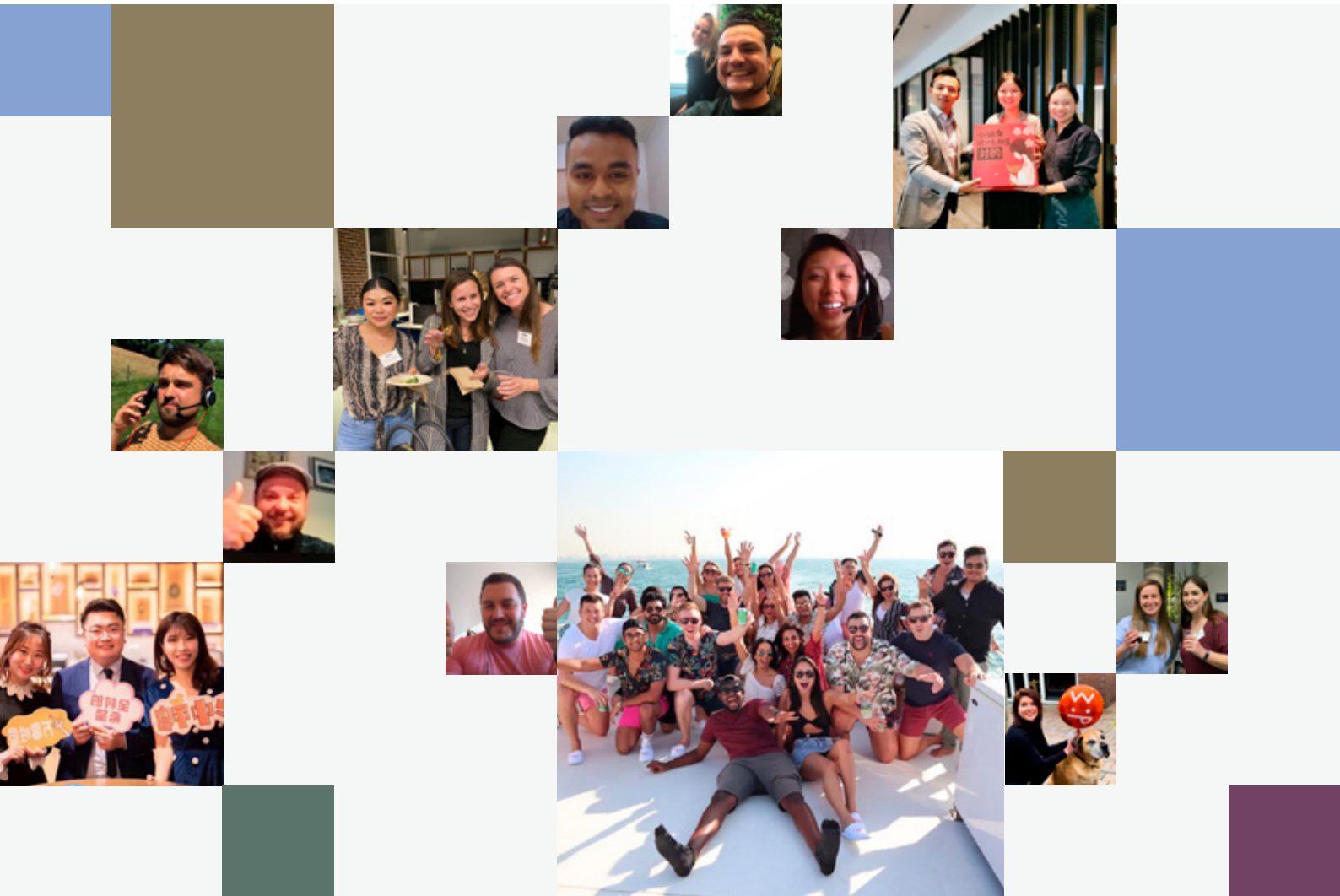


People and Culture



For me, the highlight of the year was seeing the loyalty of our employees and the way they came together to get the business through this challenging period. I knew we had a strong culture, but it takes an unprecedented crisis like this to test it. It's been absolutely heart-warming to see and I want to thank all of the Group's employees for their teamwork, resilience and commitment."

Robert Walters
Chief Executive



Culture comes to the fore

“2020 has been a year of unprecedented challenge for organisations around the world — the impact of the pandemic has affected leaders and employees, both professionally and personally, in ways no one could have foreseen. The pressurised environment created by Covid has revealed, more than ever, that a strong company culture is absolutely vital to an organisation’s long-term growth and success.

For me, ensuring that every single one of our offices carries the Group’s DNA and culture has always been a priority. It is one of the reasons we prioritise developing and promoting our people from within.

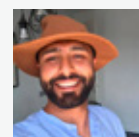
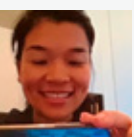
This means that when we are ready to launch into a new market, we are able to give our best people the opportunity to open and grow a new office.

The strength of the Group’s culture has really shone through this year as our employees have come together to support one another and collaborate like never before.



It has been truly touching to see the commitment of our people this year, with over 85% of eligible staff worldwide opting in to our voluntary reduced hours scheme from April to the end of September, supporting the business to get through the toughest period.”

Robert Walters
Chief Executive



People and Culture continued

Employee engagement enabled by technology

“Our ability to keep our employees engaged and connected has been underpinned by our strong technology infrastructure. Fortunately, we were well prepared for remote working, which was necessitated by the pandemic, as we’d previously completed a global rollout of Microsoft Surface Pros, so we were able to seamlessly transition our people to working from home.

We have used Workplace, Microsoft Teams and Zoom to stay connected and support our culture while working remotely. Our teams have shared lunch-and-learn sessions, quizzes, virtual Friday drinks, coffee break trainings and business development days, just to name a few, as well as celebrating Black History Month and Pride online. It has also enabled me and the leadership team to keep communicating with all our people through video updates and live Q&A sessions.”



These tools even allowed us to run our annual Global Charity Day, with most fundraising activities taking place virtually. It was great to see our people stepping up to help local charities who have been particularly hard hit by the pandemic.”

Robert Walters
Chief Executive



Global Charity Day, Korea

Supporting our people’s mental health

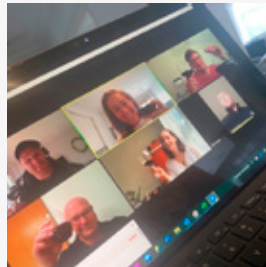
“Throughout the year, we have been very conscious of the impact that the pandemic and related pressures could have on our employees’ mental health. We have encouraged our people to make use of our global Employee Assistance Programme, which offers counselling to any employee who may need it. We were also proactive in producing materials on preventing workplace burnout and managing mental health in the remote workplace, which we shared with our people. Our HR teams have also shared wellbeing advice and resources on Workplace to support employees throughout this period.”

Growing an inclusive culture

“While this year has shown us that our culture is a strength, we’re also aware that we can do more to improve, especially in the area of diversity and inclusion (D&I). In September 2020, the Operating Board and I appointed Pearn Kandola as our global D&I partner. They undertook a confidential employee survey and ran employee focus groups in order to assess the Group’s D&I strengths and areas for improvement.

We had a high level of engagement from employees with over 1,500 people completing the survey and nearly 100 individuals taking part in the focus groups.

We now have a clear plan in place, which you can read more about in our Diversity and Inclusion section on page 34, and I look forward to reporting back on this next year.”



Global Charity Day, Australia



Global Charity Day, Brazil

Global Charity Day, Mexico



People and Culture

Employee Stories

Leading through uncertainty



Indy Lachhar
Group Talent
Development
Director



In 2020, we continued to demonstrate our dedication to developing our employees, despite the challenges posed by the pandemic.”

“The Group’s internal talent development team offers expertise in talent management, consultancy, executive coaching, and psychology. We work in partnership with the business to offer an agile and bespoke approach to supporting and developing our leaders.

I think it’s quite unique for a recruitment consultancy of our size to have a dedicated talent development function, so for us, it’s a strong drawcard for attracting and retaining talented people. The Group wants people to grow long-term careers with us, and my team helps to do just that.

Every year is different, so we continuously fine-tune our support to keep in rhythm with the business’s needs. Of course, we couldn’t have foreseen the Covid crisis. Overnight, we switched from in-person coaching and training to an entirely remote approach. Fortunately, we were already equipped with the technology and expertise to support our management team from home, so we had the means, but our methods needed to adapt.

We digitalised our frameworks and switched our delivery from in-person training to a series of short virtual sessions. We also implemented remote coaching to help managers navigate the challenges posed by Covid, focusing on areas such as remote management and maintaining personal resilience.

While the value of face-to-face interactions cannot be fully replicated virtually, remote coaching has helped us to broaden our reach. In 2020, we partnered with over 100 managers, providing them with tailored support to help them lead effectively through the pandemic.

I am really proud of what we have achieved. My team’s dedication, adaptability and innovation have been recognised as industry-leading at both Disruptive HR’s #BetterNormalAwards and the 2020 Engage Awards. Further, I am blown away by the commitment demonstrated by our management team — their humility and willingness to be open, honest, and vulnerable in order to enhance their leadership is testament to the strength of our company culture.

It would have been understandable if our leadership team had wanted to focus their attention on other areas in 2020, but, instead, they demonstrated their dedication to developing themselves, their teams, and the business despite the challenges posed by the pandemic.”



We partnered with over 100 members of our management team, providing them with tailored coaching to help them lead effectively through the pandemic.”

People and Culture Employee Stories (continued)

A career that makes you proud



Huib-Jan Verhoef
Director
Walters People
Amsterdam



At every stage of my career with Walters People, I have felt empowered to drive the business forward and that there are no limits to future growth.”

“It was an exciting opportunity for an ambitious graduate, as I was able to make a clear impact on a business that, with only four employees, was just getting started. As a result, Walters People has felt like my own business from the very beginning.

My opportunities grew along with the business. In my second year, I qualified for the Group’s global incentive weekend for top achievers and subsequently qualified for the following three years in a row. I progressed from junior to senior consultant, and after five years of billing success, I decided that I was ready for a new challenge.

When I raised my interest in exploring a management role, my manager helped to realign my objectives to better suit my goals. She also provided me with opportunities to develop my management skills such as training more junior members of the team. Over time, my responsibilities and management capabilities increased and ultimately led to my promotion to director at the beginning of 2020, which expanded my remit to cover over 40 employees across five teams.

Like most businesses, Walters People faced challenges due to the Covid pandemic. Nonetheless, this past year has provided a unique opportunity for us to understand what truly drives our success. For me, the difficulties posed by the pandemic demonstrated the resilience and commitment of our people to continue to challenge themselves and each other to push further.

As a result of this commitment, we were still able to achieve success in 2020, from rolling out new technologies, such as Microsoft Bookings, to streamlining our recruiting processes. Further, we were able to strengthen our internal relationships by focusing on maintaining positive mental health and wellbeing during the lockdown period. As well as implementing monthly calls with all 40 members of my team, my managers organised 1:1 socially distanced walks with their individual team members so we could ensure everyone had the support they needed. I am immensely proud of what my team has accomplished, and I believe these achievements have put us in good stead for 2021 and beyond.”



In 2010, the job market was still reeling from the financial crisis and the career outlook for graduates like myself was very gloomy. However, my first interview with Walters People in Amsterdam left me with so much excitement and energy. I knew that joining would offer me more than just a job.”

Our commitment to nurturing talent



Kimberlyn Lu
Country Manager
Malaysia & Philippines



Whether I achieved success or experienced a misstep, I have always felt supported by my leaders. Their trust has encouraged me to take bold steps and push my boundaries.”

“Within 18 months of joining the business as a consultant, I was given the opportunity to expand our sales and marketing desk to cover clients in the retail sector. From there, my portfolio grew, and I then developed our business-to-business sales and marketing client base while also growing our business-to-consumer market into healthcare. Subsequently, I was given additional managerial responsibility over the supply chain, engineering, HR and commerce finance teams.

Every few years, I found myself starting something new or taking on extra responsibilities. I was fortunate to have had the guidance and mentorship of an incredible leader throughout my journey from consultant to country head. She encouraged me to drive my career in the direction I wanted and to take opportunities that would help me grow.

Whether it was launching a new discipline or extending my remit as country manager for Malaysia to include the Philippines business, I have found myself navigating new territory throughout my career with the Group, but I have never felt alone in my journey. Whether I achieved success or experienced a misstep, I have always felt supported by my leaders. Their trust has encouraged me to take bold steps and push my boundaries.

Our people are testimony to the Group's commitment to nurturing its talent. Many of my own management team have grown their careers alongside one another. Having the opportunity to grow from consultants to leaders together has helped to form strong relationships built on trust, as well as a deep understanding of how to leverage each other's strengths.

These relationships have laid the foundation for a supportive team culture that thrives on a united commitment to excellence, and a genuine willingness to celebrate the success of others as much as your own. In difficult times such as these, the strength of our relationships has shown their worth as we continue to focus on growing ourselves and each other, and working together towards future success.”



The idea of working in recruitment was put forward to me when I came to Robert Walters as a candidate working overseas. Considering myself an introvert without a relevant background or network, I didn't think I met any of the prerequisites needed to be a recruiter. Nonetheless, the consultant I met with could see my potential.”

People and Culture Employee Stories (continued)

From account manager to CEO



Norma Gillespie
CEO
Resource Solutions



If you look at our purpose, it's the power of the people in our business that is the most important thing — that's how we make things happen."

"I joined Resource Solutions in 2007 as an account manager for a major banking client. In my first role, I led a team of five people within infrastructure, but within two years, I was made an account director, having expanded our services to include front office, Managed Service Provider (MSP) and the campus programme.

From day one, I could see that if you were passionate, values-driven and had a growth mindset, this was a place where you could truly grow your career.

When I look back, I also recognise the importance of building long-term relationships in those early days. My client has moved on to a different organisation now, but she remains a Resource Solutions client to this day.

In 2010, I was asked to move into an operations director role at our head office in London, where I was responsible for a portfolio of clients across the UK. It was an exciting time — we were growing the business and building our Resource Solutions culture.

My next role was head of operations, where I led our larger global accounts for six years. This was followed by a promotion to managing director with responsibility for our global enterprise accounts. Through all of this growth, the Company retained its entrepreneurial culture and I was able to bring new ideas to the table to help move the business forward.

In 2019, as the business continued to grow globally, I was again promoted into a new role as managing director for EMEA and the Americas. It was an exciting new challenge, and, building on my success in implementing sustainable growth strategies for our global accounts,

I was tasked with implementing a consistent approach across our European accounts, as well as expanding our client base. This opportunity was a fantastic learning experience and one that has helped me immensely in my transition to leading Resource Solutions as CEO.

I've always been willing to go where the business needed me, so I've said yes to the opportunities that have come my way. The Group has supported me throughout my career with coaching, mentoring and unique opportunities, such as attending the World Economic Forum. I've also reached out and built my own network of mentors and female leaders.





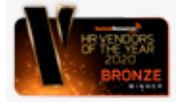

















I'm really passionate about developing home-grown talent and helping our people progress through the business, just as I have done.

Now, as CEO, I'm in a prime position to ensure that we continue putting our people first. As a leader, the most important things for me are honesty, authenticity and inclusion, so I feel it's my role to give our people the clarity and knowledge they need to perform effectively, and to listen to all voices within the organisation.

One of the highlights of 2020 was our 'Cultural Conversations', a series of virtual diversity and inclusion events. This was an opportunity for our employees to discuss and share their personal experiences around issues such as racial inequality, men's mental health and disability. I've also recently launched reverse mentoring for myself and our leaders, because it's important we remain connected to our people and continue to learn from one another."

People and Culture Awards

We are an award-winning brand with many industry awards won by our teams across the globe.

<p>Australia</p> 	<p>Japan</p> 	<p>France</p> 	<p>UK</p> 		
<p>Resource Solutions</p>     					
 		<p>Group</p> 	<p>Middle East</p> 		
 					
<p>South Korea</p>      					

Diversity and Inclusion

Diversity and Inclusion

An inclusive workforce is a strong workforce. When people feel free to be their authentic selves at work, their ability to create and innovate is unhindered. In turn, their unique perspectives and experiences open up new ways for businesses to grow and achieve more. At the Robert Walters Group, we recognise the power of diversity and the role it can play in enabling each of our clients, candidates and colleagues to fulfil their unique potential.



Black History Month, Cooking with Kwame



Resource Solutions employees visit NYC African Burial Ground National Monument for Black History Month

Our Equality & Diversity Policy provides the framework for our actions in this area and is embedded as part of all new starter inductions. It sets out our approach and the commitments that we make: primarily, the promise of a working environment that promotes inclusion, dignity and respect for all — not only for our own employees, but for the clients, candidates and other stakeholders we work with, as well.



Diwali celebration at our Global Service Centre in Hyderabad



Our two-fold approach

As a world-leading recruitment group, we are in a unique position to champion diversity both within our own business, as well as among the clients and candidates we serve. This two-fold approach promotes diverse hiring in our clients' organisations while driving inclusive practices within our own.

Promoting diverse hiring practices

Diverse hiring is an area where the Group can offer tremendous value to clients, as well as fortify our position as the recruitment partner of choice for the world's top professionals. We have continued our pioneering use of technology to drive diverse hiring through Adify, our cutting-edge approach to removing male gender-biased language from job adverts, as well as employing LinkedIn insights and bespoke advertising solutions to connect employers with the most diverse pool of candidates possible.

We also continued to produce thought leadership for clients, outlining the unique challenges of a multi-demographic workforce and demonstrating proactive steps they can take to attract, engage and retain diverse talent.

The Group's in-house Innovation team successfully launched a new diversity consultancy package to our clients. The service includes an extensive audit of a company's hiring processes, looking at the end-to-end recruitment experience through the eyes of diverse candidates and making use of AI technology. Clients then receive feedback and actionable advice on improvements they can make in both the short and long term.

Diversity and Inclusion continued

Strengthening our inclusive workplace culture

Despite many of our employees working remotely for much of the year, we still found ways to stay in touch and strengthen our diverse global culture. Using our internal communications platform, Workplace from Facebook, our teams have continued to connect and collaborate, notably through our new D&I group, in which employees can share stories, engage in discussion and learn more about the various communities and cultures to which their colleagues belong.

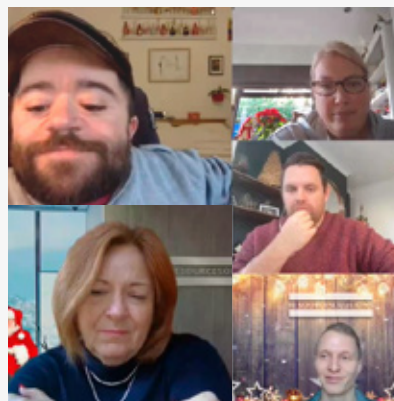
As a result of these exchanges, our Resource Solutions business spearheaded a new series of virtual social events, called 'Cultural Conversations'. Hosted by various team members from around the world, each session allows colleagues to discuss diversity topics in a safe and respectful forum. The sessions have taken various forms, from open-forum dialogues on racial injustice and the Black Lives Matter movement, which gave employees the opportunity to listen to one another and share their experiences, thoughts and feelings, to online panel discussions for Disability Awareness Month and International Men's Day.

We went further, embracing the vibrant diversity of our team with virtual festivities for LGBTQ+ Pride, Diwali and even a remote Ghanaian cuisine cooking course as part of our month-long Black History Month observances in October.

The Group also continued to mark key dates throughout 2020, like International Women's Day, International Day of People with Disabilities and Mental Health Awareness Week. These observances help reinforce our message to employees that all are welcome and that each individual is valued for their unique contributions to the Group's success.

Committing ourselves to lasting change

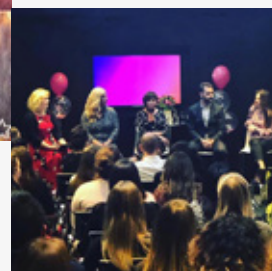
In 2020, the Group appointed Pearn Kandola as its first-ever global diversity and inclusion (D&I) partner. As an international leader in the D&I space, Pearn Kandola is well placed to help us review and embed best-in-class D&I practices across our business worldwide.



Disability awareness month event



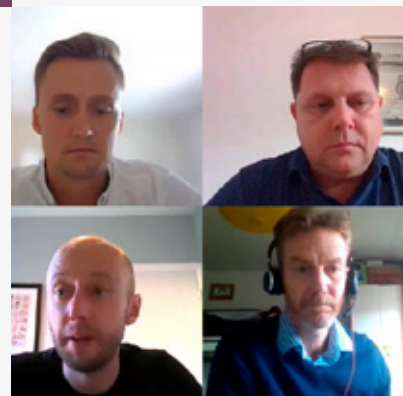
International Women's Day event



International Men's Day, Mental Health event



Japan LGBTQ+ Pride Celebration



The first step in our global review was a confidential employee survey, followed by a series of facilitated focus groups with employee volunteers. Together, the survey responses and focus groups yielded valuable insights into staff perceptions of the Group's strengths as well as our areas for improvement when it comes to diversity and inclusion.

From the key findings of this research, we were proud to learn that employees across the Group appreciate our culture of transparent communication and our clear appreciation of individual diversity as well as that of our wider global team.

Nevertheless, we have identified some actions to bolster our ongoing focus on improvement:

- The creation of a Group-wide D&I council, the purpose of which is to create a forum for staff to discuss topical D&I issues and to ensure as a business we are striving to create a truly inclusive culture.
- An inclusive leadership training programme will be developed with our partners at Pearn Kandola and rolled out globally to all directors and above, including our Operating Board.
- D&I training for all managers will also be rolled out as part of the Group's manager training programme.
- A new D&I induction module will be designed with Pearn Kandola and rolled out as a formal part of induction training across the Group.

In 2020, we launched a new diversity and inclusion hub on our website to showcase our progress and achievements in this area. Like all organisations, we are on a continuous journey to be better, more active advocates for diversity, and we will continue to update this online portal in order to keep ourselves accountable to the commitments we've made.

We recognise that these are first steps, but they lay a crucial foundation for the future, ensuring that our culture and organisational behaviours are aligned with the inclusive values we wish to champion.

Accreditations and partnerships

In addition to our global partnership with Pearn Kandola, the Group partners with a wide variety of organisations promoting diversity and equality across society. We continually look for new opportunities and platforms to support and advocate on behalf of those who are striving to fulfil their unique potential.

In the UK, our Robert Walters business works with Aspiring Solicitors, a leading diversity platform supporting law firms to develop programmes that reach a wider range of candidates and improve diversity in the sector. Our Robert Walters and Resource Solutions businesses in the UK also remain certified as Disability Confident Committed through the Government's Disability Confident initiative, which recognises our efforts to foster an inclusive workplace that supports disabled people to find and stay in work.

In our Asia Pacific region, Robert Walters Japan has maintained the highest level of the 'L-boshi' certification from the Ministry of Health, Labour and Welfare, recognising our efforts to advance women in the workplace.

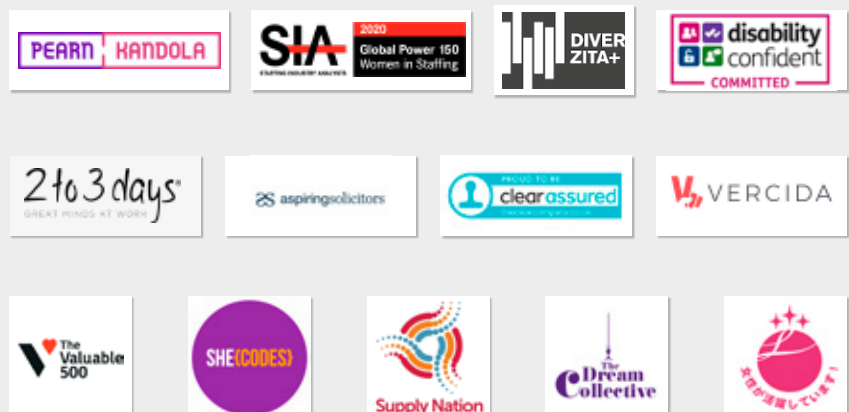
In Australia, we have partnered with SheCodes, helping women learn how to code with the goal of increasing gender diversity in the tech industry.

Our Australian business also began a partnership with Supply Nation, a non-profit organisation that helps Australian businesses diversify their supply chains by connecting them with Indigenous-owned businesses, thereby supporting the Aboriginal and Torres Strait Island business sector.

In 2020, Resource Solutions retained its membership with the Valuable 500, a global community of businesses making active commitments to put disability and inclusion on their leadership agendas. Resource Solutions has also retained Clear Assured recognition, which identifies and removes barriers in recruitment for disabled people, BAME, LGBTQ+ and other under-represented candidates. We were also proud to see Norma Gillespie, CEO of Resource Solutions, named in the 'Global Power 150 – Women in Staffing' list, compiled by US-based Staffing Industry Analysts (SIA).

As part of our efforts to promote a more inclusive workforce, Resource Solutions continues to be listed with Vercida, a careers site connecting job seekers from diverse backgrounds with inclusive employers, and in the UK, partners with 2to3days, a jobs board for parents looking for part-time work.

Accreditations and partnerships



Technology and Innovation

Technology and Innovation

Our tech-enabled, people-first approach



2020 has been a year of accelerated digital transformation for the Group as we've continued to build upon our pre-pandemic investment in remote working technologies.”



Faye Walshe
Group Innovation Director



66

Video CVs proved highly effective as they allow our candidates to introduce themselves to clients remotely and better stand out from the crowd. Overall, clients have been very receptive to our simple, innovative solutions for remote hiring and onboarding.”

Faye Walshe
Group Innovation Director

“In March of this year, as we pivoted to home working (backed by our infrastructure of cloud technology, Microsoft Surface Pros and collaborative productivity apps), we were delighted to see the digital agility displayed by our employees across the world. For example, whereas prior to the pandemic, virtually all meetings would have taken place in person or over the phone, by June 2020, we were averaging 20,000 meetings per month on Microsoft Teams alone.

The pandemic also created the impetus for accelerated digital transformation of our events schedule. Within just four weeks, our marketing team pivoted from a planned schedule of in-person events to a comprehensive programme of webinars delivered via GoToWebinar and Zoom, reaching over 18,400 clients and candidates worldwide. Remote enablement also dominated the landscape for our clients as the pandemic created unprecedented challenges for organisations needing to hire remotely.

Few could have envisaged how difficult it would become to continue with face-to-face interviews, assessments and onboarding without the necessary digital hiring infrastructure in place. Due to our own early adoption of remote hiring and onboarding technologies, we were well placed to advise clients on the best tools to use.

In response, we ran a series of global webinars on remote hiring, video interviewing and remote onboarding, where we showcased leading technology solutions from Spark Hire and PowerHouse Hub.

We have been actively using Spark Hire, Odro and others to facilitate video interviews, and in 2020, after a successful pilot in 2019, we launched video CVs. Encompassing video introductions and digital assessment scores, these interactive CVs proved highly effective, as they allow our candidates to introduce themselves to clients remotely and stand out from the crowd.”

Technology and Innovation continued

Our 2020 Innovation highlights

Launching Innovation advisory services

“Each year, we share our innovation megatrends with clients, which help them understand the imperative for change, as well as the condition of the HR and recruitment technology ecosystem by which that change can be supported. Over the past year, two of the hottest topics for our clients have been diverse hiring and assessment technologies. While there are plenty of diversity consultancies helping companies with inclusivity, very few are able to address the barriers to diverse hiring within a company’s recruitment process.

We have responded to this gap in the market by delivering our best-in-class diverse hiring advisory service. One of our ground-breaking audits in this category allows us to hold a mirror up to the client’s hiring process, identifying inherent bias, and helping them look at it through the eyes of diverse candidates. We then help clients make actionable changes which deliver immediate results.

Our assessment advisory has proved equally attractive to clients this year, as they grapple to understand a segment of the recruitment technology landscape that has evolved exponentially over the last five years, impacted by advances in gamification and AI. Assessing for potential has become a necessary goal for organisations preparing their workforce for the skills of the future, and enabling truly meritocratic hiring has never been more important — my team advises on the best tools to use for every occasion.”



Connecting with top candidates faster

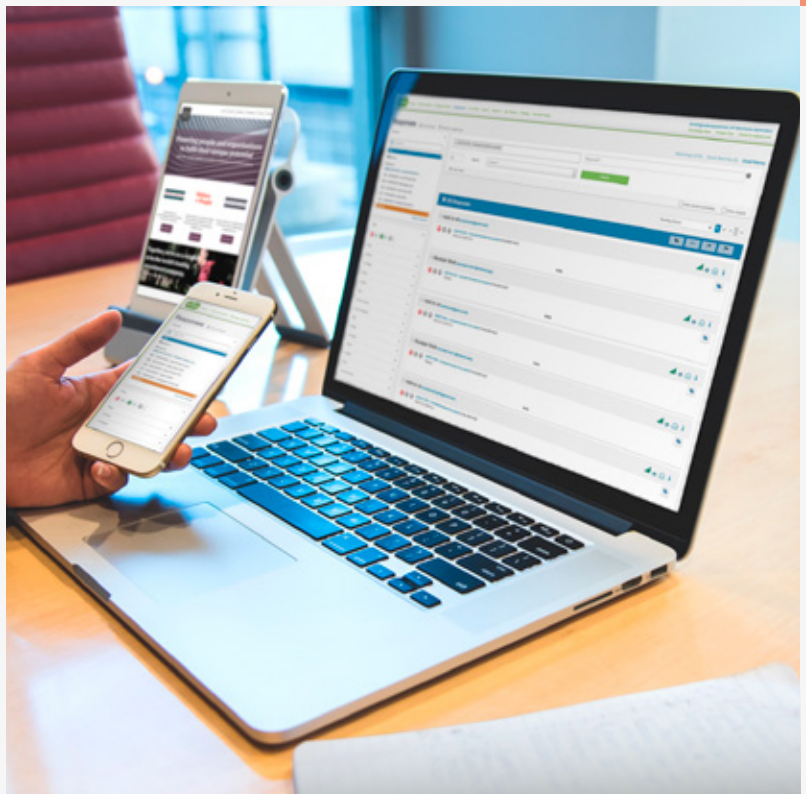
“Over the past 18 months, we have been co-developing a new technology with Broadbean, one of our candidate sourcing platforms. We wanted to ensure that our consultants had the necessary tools to manage high volumes of applications — something which has become pertinent this year as the pandemic has led to mass redundancies and a surge in job seekers.

The idea we pitched to Broadbean was to use AI technology to understand which candidates best matched our clients’ requirements and then to highlight them in our recruiters’ Broadbean dashboards. Broadbean delivered the proof of concept in July, which has resulted in significant time savings and meant our recruiters were able to have conversations with the most suitable candidates faster. It has also improved the customer experience for all candidates as everyone has received quicker responses.”

Integrating automation into business development

“Our USA business has a strong focus on client management and headhunting, and to help support our consultants’ aim of nurturing and converting passive prospects and candidates into revenue, we worked with our LA, San Francisco and New York teams, to test the effectiveness of a new tool called Gem.

Gem is an easy-to-use platform that helps track and manage engagement with passive contacts and future prospects. It allows consultants to set a cadence of emails with automated follow-ups, which improves both productivity and response rates. Throughout the trial, Gem generated a 30% response rate from contacts compared to a 21% response rate on LinkedIn. Additionally, consultants saved an average of 15.5 hours each over the six week trial period.”



Broadbean uses AI technology to understand which candidates best match our requirements and then highlights them in our recruiters’ Broadbean dashboards.

66

As always, we will continue to test, trial and adopt new technologies in 2021, always with the aim of freeing up our consultants' time to build those all-important long-term relationships.”

Faye Walshe
Group Innovation Director



Technology and Innovation continued

How digital transformation is reshaping the way we do business



Kevin Bulmer
Group IT Director



This year, we've seen just how critical a robust technology infrastructure is in supporting our business operations through times of crisis and uncertainty. As a business with innovation embedded at its core, being at the cutting edge of technological change has paid dividends in terms of our readiness to face the unique challenges presented to us in 2020."

Driving efficiency with Microsoft

"In January 2020, the Group was already one year into an ambitious three-year programme of digital transformation to deliver a best-in-class technology stack that would enable our people to work efficiently, flexibly and securely. To achieve this, we've been working in partnership with Microsoft, leveraging their industry-leading ecosystem and product offering wherever possible, to realise significant commercial benefits for the business. Now, with two-thirds of our transformation complete, we've made remarkable progress on delivering our strategy without delays, despite the challenges of Covid during the year.

With Covid forcing the closure of many of our offices in early 2020, we delivered a seamless transition to remote working across the globe, having already completed a roll-out of Microsoft Surface Pros to our teams in 2019. This forward planning resulted in no disruption to our business operations despite the move to remote working, and as such, our consultants were able to focus on maintaining crucial contact with clients and candidates, rather than struggling to adapt to a new way of working, or worse, lacking the proper tools to do so. With this transition smoothly and successfully completed, we were able to continue with planned projects such as the process of migrating our data centres to the Microsoft Azure cloud, ensuring that the business remained connected and providing additional levels of data security, with the added benefit of cost and energy savings as a result of no longer needing to maintain physical servers.

Another achievement of our partnership with Microsoft has been the global mobilisation of Dynamics 365 (D365) for Talent and Finance. The benefits of this project have been twofold: first, D365 is a global solution that brings a consistent approach to the way our HR and finance functions operate, from automating HR and payroll processes to ensuring better accuracy in our personnel data and accounting. In turn, automating and streamlining these processes eliminates manual tasks and enables our staff to focus on higher value work. Second, the intuitive, user-friendly Microsoft interface greatly improves the ease and speed with which our employees can carry out administrative tasks, like requesting holiday, changing personal details or claiming expenses. As a testament to our team and the strong technology foundation we've laid, we are currently Microsoft's only client to have completed a D365 roll-out on time and on budget during the pandemic.

We're also continuing to develop the ways we use Microsoft Power BI to deliver business insights and management information. By utilising this market-leading technology to its full potential, we're able to offer meaningful data reporting and analytics not only for the Group, but for our clients, as well, further distinguishing ourselves from competitors and elevating the services we can provide."

Improving user experience

“One of my priorities has always been to ensure that we utilise technology to better support our people and make it easier for them to do what they do best: build long-term relationships with our clients and candidates. This played a major part in our decision to build a custom solution to replace our existing CRM, rather than simply updating the tool with yet another off-the-shelf product using one-size-fits-all technology. As such, we are working together with the business to build a tool that’s simple to use, intuitive and meets the needs of our consultants, providing them with the right tools for the way we want to do business — by putting people first.

We’ve also made great progress in transforming our technology services to better support our people. At the beginning of 2020, we moved our service desk to Manila, which delivered both cost savings as well as improved service quality, with the team receiving customer satisfaction scores in excess of 10-20 points above the industry average. The success of this move, coupled with the abundance of high-quality talent in Manila, has enabled us to expand our operations there, establishing new security and development resources within our team.”

Our strategy for the future



As we look ahead to the final year of our transformation programme, I look forward to beginning the rollout of the new CRM solution and completing the foundation we’ve worked hard to build. We’ll then continue to accelerate the decommissioning of our legacy estate, moving toward a state of continuous improvement. I am excited about the opportunities that this presents for us to find new ways to partner with the business, and, as always, enable growth.”



Our IT Service Desk team in Manila

Corporate Social Responsibility



Global Charity Day, South Korea



Global Charity Day, Portugal

Staying on the right track

Even before the Covid pandemic, our world faced numerous challenges. From climate change to systemic injustice and inequality, governments and businesses around the globe have faced a moment of social reckoning not seen for a generation. Inspired by our Purpose, the Group doubled down on our commitments to good corporate citizenship, continuing to invest in various environmental and humanitarian initiatives worldwide.

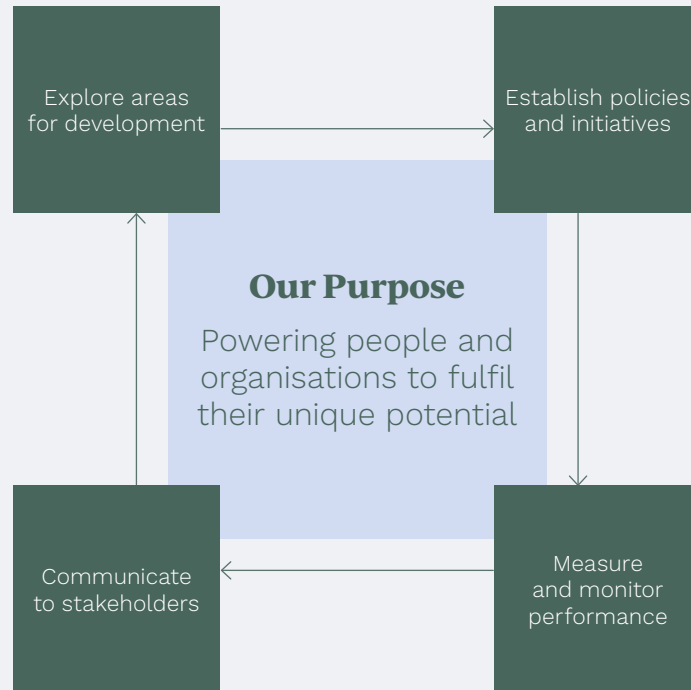


Global Charity Day, Japan



Global Charity Day, Spain

How our purpose defines our CSR strategy



2020 at a glance

- > £152,300 donated to charity in 2020
- > Global operations certified as Carbon Balanced by the World Land Trust (WLT) since 2015
- > Continued inclusion in the FTSE4Good index for the twelfth consecutive year
- > Planted 10,412 trees through our 'Plant a Tree' initiative with the World Land Trust
- > Embarked on a new partnership with Pearn Kandola, a leading D&I consultancy, to strengthen our approach to diversity and inclusion within our business
- > Group talent development team was shortlisted for two global awards recognising our coaching programme and our employee support response during the Covid pandemic

Employer awards in 2020

6

Languages spoken by our team

78

Nationalities represented across the Group

65

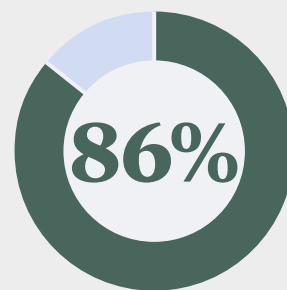
Leadership coaching sessions delivered

230+

Internal promotions in 2020

498

Candidates who would recommend our services



Corporate Social Responsibility continued

Our areas of impact and opportunity

In 2020, the Group was once again listed as a constituent member of the FTSE4Good index for the twelfth consecutive year. This distinction recognises the measures we've taken to reduce the impact of our operations on the environment and society while proactively investing in a sustainable future for people and communities around the world. We continue to take action in the following areas to help secure the future stability of our business and create long-term value for our shareholders.



Corporate governance

The long-term success of the Group is underpinned by good corporate governance, ensuring transparency in our decision-making and accountability to shareholders, clients, candidates and employees.

Environment & climate change

The Group acknowledges the global threat posed by climate change and is taking positive steps to reduce our environmental impact and offset our carbon emissions. Since 2015, our global operations have been certified as Carbon Balanced by the World Land Trust (WLT).

In 2020, we expanded our partnership with the WLT, launching our 'Plant A Tree' initiative. In addition to our existing reforestation commitments with WLT, the Group now commits to planting a tree for every permanent candidate placement made across our Robert Walters and Walters People businesses, and for every employee in our Resource Solutions business. In its first year, the initiative saw 10,412 trees planted in forests across Borneo, Brazil and Kenya.



Powering people potential

As an employer, the Group is dedicated to offering long-term careers of purpose to our employees, and we recognise the unique contribution and value that each person brings to our team.

Despite the pandemic, we remain committed to offering our people long-term careers, and in 2020, we promoted 498 employees, 56% of which were women, and delivered over 230 leadership coaching sessions globally. By retaining the best talent, we are better able to build a loyal client and candidate base for our business, ensuring lasting, sustainable growth.

As purpose-led corporate citizens, we are passionate about powering the potential of the diverse individuals and communities we serve around the world by volunteering our time and expertise, partnering with charities and non-profits, and fundraising for causes close to our employees' hearts.

Ethical business practices

Part of the Group's responsibility as an industry leader is to maintain the highest ethical standards in all our operations, as outlined in our Ethical Conduct Policy. We also maintain a zero-tolerance policy against corruption and bribery, which applies to all directors, employees and contractors undertaking work on behalf of the Group.

With regards to our impact on the wider workforce and society at large, the Group is committed to protecting all workers' rights in accordance with local labour legislation, and we remain vigilant for signs of slavery and human trafficking.

Doing our part for the environment

We are proud of our long history of taking progressive action to protect the environment and its natural habitats.

Still, there is more that can be done, and the Group is taking proactive steps to reduce the impact of our operations on the planet. Currently, we are investigating possible approaches for reducing carbon emissions in these areas:

Car fleet

Reducing consumption of petrol and diesel across the Company's fleet and reviewing our Car Usage Policy to set limits on the use of personal cars for business purposes.

Low-carbon tariffs

Mandating a switch to low-carbon electricity in all offices globally where we have control over the choice of energy supplier/tariff, and in leased properties, working with landlords to adopt low-carbon tariffs wherever possible.

Energy efficiency

Undertaking Building Management System (BMS) adjustments across our global offices to achieve better energy efficiency, as we have at our London head office.

In 2021, we will set Group-wide environmental targets and establish a strategic framework for achieving them.

Corporate Social Responsibility continued

Powering people potential

Our long-term success is dependent on successful economies with thriving workforces — particularly during challenging times. As such, we continue to support and invest in initiatives and partnerships that help individuals and communities to fulfil their own unique potential through economic empowerment and corporate advocacy.

Supporting sustainable futures with Global Angels

The onset of the global pandemic had a far-reaching impact on the world's poorest and most disadvantaged communities. As such, it was vital for us to continue our financial support of the Global Angels Foundation, delivering key development projects in Tsavo, Kenya.

Global Angels is an international development organisation, transforming several such communities like Tsavo around the world.

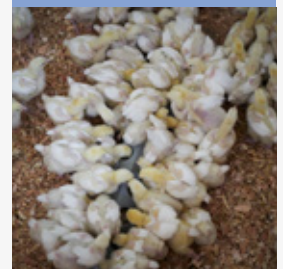
The Foundation focuses on providing sustainable solutions which deliver safe drinking water, healthcare, education, sustainable energy and small business development. Typically, our partnership with Global Angels sees eight staff volunteers sent to Kenya each year to assist the local community on crucial infrastructure projects and to get to know the local people. However, in this fifth year of our partnership, pandemic-related travel restrictions, as well as concerns for safety, precluded the possibility of sending any volunteers.

The Global Angels team worked with local community members in Tsavo to continue making excellent progress on some of the projects that the Group has funded.

This year, the primary focus of our funding was in developing the local poultry business, which is an essential part of establishing sustained economic stability for the community. Despite a difficult economic climate, staff training and building refurbishments continued in the farm centre's abattoir rooms throughout 2020, and in early 2021, the team will seek Government certification of the facilities and proceed with training certification for a senior member of the on-site project team. This will enable further growth for the poultry business, which has already developed an excellent reputation for the quality of its free-range chickens among local restaurants and lodges.



We are inspired by Global Angels' efforts to transform the community in Tsavo, and we are proud to be partners on their ongoing journey towards economic empowerment.



Corporate Social Responsibility continued

Global Charity Day 2020

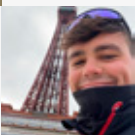
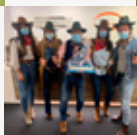
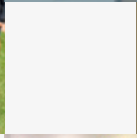
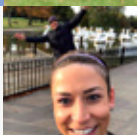
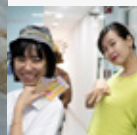
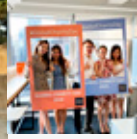
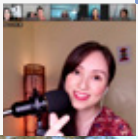
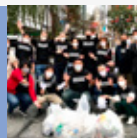
This year, charities were among the worst impacted by the pandemic, but, despite many of our offices remaining closed, and many of our people continuing to work remotely, the Group successfully held its ninth annual Global Charity Day in October.

As usual, staff chose local charities making a difference in their own communities, raising a total of £81,914 worldwide for organisations like the Vivekananda Charitable Trust (India), Gustave Roussy (France) and Anna's House (South Korea).

This year's Global Charity Day put our employees' creativity and ingenuity to the test as they crafted fundraising activities that could be completed in varying degrees of isolation. When they were able to be together in person, some offices tested their athleticism, like in Perth, where teams took part in a sponsored sports day in support of Autism Australia.

Meanwhile, our team in São Paulo took a more artistic approach, hosting a picture-painting party to raise money for CEAP, an NGO in Brazil that offers vocational training and professional qualifications for young people.

In some parts of the world, activities may have been virtual, but our teams were no less enthusiastic in their support. In Manila, staff took part in online trivia games, dance challenges and even a fashion show in support of #ShareTheLovePH, a non-profit relief organisation in the Philippines supporting those most impacted by the pandemic. Back at our global headquarters in London, teams ran 18 separate events throughout the day, raising money for UK mental health charity Mind. From sponsored walks and at-home scavenger hunts to virtual baking classes and fancy dress HIIT sessions, our people found new and inventive ways to safely support our charity partners this year.



Providing a platform for emerging artists

While the Covid pandemic meant we were unable to continue with our plans for this year's Robert Walters Group UK Young Artist of the Year Award, we devised new ways to provide a platform for emerging artists during these challenging times.

Continuing in partnership with UK New Artists (UKNA) and the prestigious Saatchi Gallery, we staged a week-long social media 'takeover', during which selected works from new artists, addressing the theme of The Future of Work, were featured on the Group's Instagram account and given exposure to our thousands of followers.



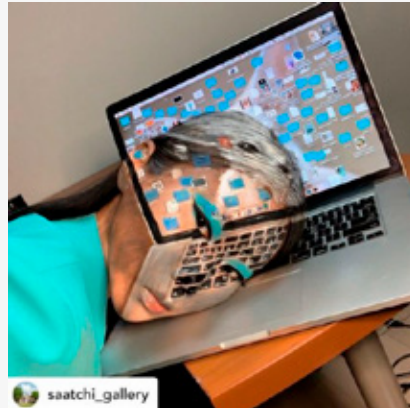
Eckart Hahn (@derschwarzehund)



Osnat Lipka (@ozippa)



Maria-Ines Gul (@mariainesgul)



Dain Yoon (@designdain)

That same week, we also sponsored two Instagram Live sessions, hosted by Saatchi Gallery, designed to equip emerging and established artists with practical advice to help them navigate their careers in the post-pandemic landscape. We were proud to welcome back our first- and second-prize winners from last year's award, Conor Rogers and Camilla Hanney, respectively, to lead the first session. Together, they discussed their lockdown experiences and shared tips for growing an artistic career.

We look forward to continuing our sponsorship of the Robert Walters Group UK Young Artist of the Year Award in 2021.



Advice and support for people leaving prison

Following last year's successful pilot with UK charity StandOut, the Group launched the RE:START programme, through which staff volunteers provide 1:1 CV assistance and job interview skills training to people who are preparing to leave prison and re-enter the workforce.

We launched the programme to employees in January 2020 and quickly received 50 applications, demonstrating how passionate our people are about helping others.

Prior to lockdown in the UK, 22 of our employees worked with StandOut to deliver four sessions, covering CV advice and mock interviews.

Unfortunately, the programme has been put on hold due to the pandemic, but we look forward to resuming RE:START at the earliest opportunity when it is safe to do so.

Corporate Social Responsibility continued

Environment

The Board recognises its responsibilities in respect of social, environmental and ethical (SEE) matters and monitors significant risks to the Group, including SEE risks, which may impact the Group's short- and long-term value. During 2020, no significant SEE risks were identified.

Although our impact on the environment is minimal as an office-based organisation, we are fully carbon-balanced on the initial base year reporting and have been for five years. That means we're investing in projects that offset emissions through reforestation initiatives. The whole of Robert Walters Group's operations have been fully carbon-balanced since 2015 through a partnership with the Woodland Trust and the World Land Trust's (WLT) Carbon Balanced programme in Vietnam.

In 2020, we expanded our partnership with the WLT, launching our 'Plant A Tree' initiative. In addition to our existing reforestation commitments with WLT, the Group now commits to planting a tree for every permanent candidate placement made across our Robert Walters and Walters People businesses, and for every employee in our Resource Solutions business. In its first year, the initiative saw 10,412 trees planted in forests across Borneo, Brazil and Kenya.

The Group is taking proactive steps to further reduce the impact of its operations on the environment and several approaches that the Group is investigating to further reduce carbon emissions are listed on page 47.

The Group is active in working towards the achievement of local Environmental Management Systems. The Standard ISO14001 provides a framework for achieving the balance between enhancing profitability while setting targets for improving the organisation's environmental performance.

Greenhouse gas (GHG) reporting

This section includes our mandatory reporting of greenhouse gas emissions pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the Regulations).

Reporting year

The greenhouse gas emissions report has been prepared based on a reporting year of 1 January to 31 December 2020, which is the same as the Group's financial reporting period.

Reporting boundary

The Group's report is based on all entities and offices which are either owned or under operational control globally.

Methodology and scope

The methodology used to calculate the Group's emissions is based on the 'Environmental Reporting Guidelines: including Mandatory Greenhouse Gas Emissions Reporting Guidance' (June 2013 as updated in March 2019) issued by the Department for Environment, Food and Rural Affairs (Defra).

The Group has also utilised Defra's 2020 conversion factors within the reporting methodology.

The greenhouse gas emissions data has been prepared with reference to GHG

protocol, which categorises greenhouse gas emissions into three scopes. Reporting on emissions from Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) activities is mandatory.

The reporting of Scope 3 emissions (other indirect emissions from sources not owned or controlled by the Company) is voluntary and therefore, the Group reports on all those Scope 3 activities which it feels have a significant impact on its greenhouse gas emissions.

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

Intensity metric

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

The Group's energy consumption for 2020 was 5,258,151kWh, of this 1,064,139kWh related to onshore activities and 4,194,012kWh related to offshore activities. The Group's tCO₂e emissions for 2020, totalling 2,309, comprises 348 tCO₂e of onshore activities and 1,961 tCO₂e of offshore activities.

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

Greenhouse gas emission source (base year 2013)

	2020		Current revision 2019		Current revision 2013	
	2020 Dec YTD tCO ₂ e	2020 Dec YTD tCO ₂ e per head	2019 Dec YTD tCO ₂ e	2019 Dec YTD tCO ₂ e per head	2013 Dec YTD tCO ₂ e	2013 Dec YTD tCO ₂ e per head
Scope 1						
Vehicle fleet and purchased gas	519	0.20	681	0.20	507	0.26
Total Scope 1 emissions	519	0.20	681	0.20	507	0.26
Scope 2						
Purchased electricity and heat	1,310	0.50	1,761	0.55	2,146	1.11
Total Scope 2 emissions	1,310	0.50	1,761	0.55	2,146	1.11
Scope 3						
Business travel – air	274	0.11	1,560	0.49	488	0.25
Business travel – land ¹	117	0.04	376	0.12	231	0.12
Transmission and distribution	89	0.03	117	0.04	166	0.09
Total Scope 3 emissions	480	0.18	2,053	0.65	885	0.46
Total Group emissions	2,309	0.88	4,495	1.40	3,538	1.83
Carbon offset	(2,309)	(0.88)	(4,314)	(1.24)	(935)	(0.48)
Total net emissions	0	0.00	181	0.16	2,603	1.35

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

Base year

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

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

Reducing carbon

The Group set a target to reduce the mandatory Scope 1 and 2 CO₂e emissions per head by 20% across the Group by 2023, from a full-year 2013 baseline.

The Group's Scope 1 and 2 mandatory emissions per head are down to 0.70 from the 2013 base year revised number of 1.35, a decrease of 48%, meaning we are currently on track to meet the target set in 2013.

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

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

In addition, the Group is investigating possible approaches for further reducing carbon emissions in the areas listed on page 47.

Gender equality

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

As shown in the table below, the gender split for 2020 has improved by 1% for senior managers and remained constant for other employees.

In 2020, female employees made up 56% of all promotions globally and 52% of all managerial promotions. In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Group has provided the table below.

Gender pay gap reporting UK

We support gender equality and we published our UK gender pay gap report on 6 April 2020. The Robert Walters and Resource Solutions reports can be found on the Group's website.

Human rights and ethical behaviour

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

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

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

The Group has a zero-tolerance approach to bribery and corruption and has specific processes in place to prevent it. The Group's Anti-Bribery policy (with specific reference to the Bribery Act) is included in core training to all employees.

The Anti-Bribery policy is reviewed annually to ensure that it is current.

The Group is aware of the UK Modern Slavery Act 2015 and complies with its obligations under it. In respect of actions taken during the year, we believe that we operate a supply chain with a very low inherent risk of slavery and human trafficking potential. As such, over and above our normal operating procedures, we have taken no specific steps in this regard.

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

Health and safety

The Chief Executive has overall responsibility for the implementation of the Group's Health and Safety policy, with specific operational responsibility delegated to managers at each location. Every effort is made to ensure that all national safety requirements are met at all times, and there were no notable injuries or health and safety issues identified during the year. The Group's offices were all modified during the year to ensure adherence to local government Covid-related guidelines, with staff working remotely as required.

Political donations

The Group made no political donations during the year (2019: £nil).

FTSE4Good Index

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

	2020 average employees			2019 average employees		
	Male	Female	Total	Male	Female	Total
Board Directors	4	2	6	4	2	6
Senior managers ¹	122	84	206	135	90	225
Other employees	1,325	2,061	3,386	1,545	2,467	4,012
Total	1,451	2,147	3,598	1,684	2,559	4,243

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

Financial Review

Financial and operational highlights

Year ended	2020	2019	% change	% change (constant currency*)
Revenue	£938.4m	£1,216.1m	(23%)	(23%)
Gross profit (net fee income)	£302.4m	£405.5m	(25%)	(26%)
Operating profit	£14.8m	£51.2m	(71%)	(71%)
Profit before taxation	£12.1m	£47.4m	(75%)	(75%)
Basic earnings per share	8.0p	48.4p	(83%)	

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

Revenue

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

Revenue decreased 23% (23%*) to £938.4m (2019: £1,216.1m). Revenue was £442.0m in the second half of the year compared to £496.4m in the first half (2019: 1H £634.5m, 2H £581.6m).

Revenue from temporary placements represents 79% (2019: 77%) of revenue.

Gross profit (net fee income)

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

Net fee income for the year decreased by 25% (26%*) to £302.4m (2019: £405.5m) with 48% (2019: 49%) of the annual total being generated in the second half of the year. The decrease in net fee income was due to the impact of Covid in both the permanent and temporary Robert Walters divisions and the Resource Solutions business.

Operating profit

Operating profit decreased by 71% (71%*) to £14.8m (2019: £51.2m). Administrative expenses were £287.6m (2019: £354.3m). The principal reason for the 19% (19%*) decrease in costs was due to a decrease of 15% in the Group's average headcount to 3,598 in 2020, down from 4,243 in 2019. We have endeavoured to maintain headcount where possible and where governments created furlough schemes across the world, we have maintained employment status for as many individuals as commercially sensible in those locations. The vast majority of furlough schemes have now ceased and included in the operating profit for the year is £8.7m of global government support.

Conversion ratio

Operating profit as a percentage of gross profit was 4.9%, a decrease of 7.7%. The Group continues to focus on consultant productivity and hiring in the areas of the business where recruitment activity levels are increasing.

Interest and financing costs

The Group incurred a net interest charge for the year of £2.8m (2019: £3.4m), including £2.4m relating to the interest charged on leases (2019: £2.8m), and has a £60.0m financing facility until March 2024. At 31 December 2020, £nil (2019: £25.5m) was drawn down under this facility, and the Group also has a £15.0m non-recourse facility. More details are provided in note 14 to the accounts.

A foreign exchange gain of £0.1m arose during the year on translation of the Group's intercompany trading accounts and external borrowings (2019: loss of £0.4m).

Taxation

The taxation charge in 2020 was £6.4m (2019: £13.4m) which gives an effective rate of 53.3% (2019: 28.3%). The tax rate is higher than the standard UK rate of 19%, primarily as a result of overseas losses not capitalised and higher rates of overseas taxation in Japan, Australia, France and the Netherlands.

Over the medium term, other than governmental changes to corporation tax rates, the key factor affecting the effective tax rate is likely to be the mix of profits generated across low and high tax jurisdictions.

Earnings per share

Basic earnings per share was 8.0p (2019: 48.4p).

The weighted average number of shares for the year was 71.6m (2019: 70.2m).

Dividend

A final dividend of 11.0p (2019: 11.0p before the cancellation of the final dividend as a result of Covid) per ordinary share is being proposed by the Board. Together with the interim dividend of 4.5p (2019: 4.5p) per ordinary share paid in November 2020, the total dividend per share would amount to 15.5p (2019: 4.5p after the cancellation of the final dividend). The final dividend, if approved, which amounts to £7.9m, will be paid on 4 June 2021 to those shareholders on the register as at 7 May 2021.

Balance sheet

The Group had net assets of £169.3m at 31 December 2020 (31 December 2019: £160.6m) including goodwill of £8.0m (2019: £8.0m). The increase in the Group net assets of £8.7m comprises profit after taxation for the year of £5.7m, credits relating to share schemes of £2.2m, and currency movements of £3.4m, offset primarily by dividends paid of £3.2m. The fluctuations in payables and receivables during the year relate to working capital movements.

Cash flow and net cash position

At 31 December 2020, the Group had net cash balances of £155.5m (31 December 2019: £85.8m). Cash inflow from operating activities was £113.6m (2019: £82.4m). Operating cash flows increased due to the movement in working capital.

The significant cash outflows in the year were: £26.6m of repayments of bank borrowings; £18.6m of lease liability payments; £14.7m of corporation tax payments; £3.2m of dividends; £2.5m of fixed asset expenditure; and £7.4m of intangible asset investments. The Group received cash inflows totalling £12.9m of global government support in relation to furlough schemes, of which £8.7m related to permanent employees and £4.2m was in respect of client based contractors. The Group also took advantage of various tax deferral arrangements during the year, all of which had been fully repaid by 31 December 2020.

The Group had positive cash flows from operations and is currently well placed to meet future working capital cash requirements.

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

Subsidiary undertakings

The subsidiary undertakings and branches principally affecting the profits or net assets of the Group in the year are listed in note 11 to the accounts.

Going concern

Details on the Directors' consideration and decision to adopt the going concern basis in preparing the accounts can be found on pages 96 to 97.

Key Performance Indicators

Net fee income



£302.4m

(2019: £405.5m)

Definition

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

Analysis

Net fee income decreased by 25% (26%*), as a result of the Covid pandemic impacting the wider economy.

Debtor days



26

(2019: 25)

Definition

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

Analysis

Tight control over debtor collection assists in reducing the overall risk profile of the business. The small increase is due to customers taking slightly longer to pay in this difficult market.

Operating profit



£14.8m

(2019: £51.2m)

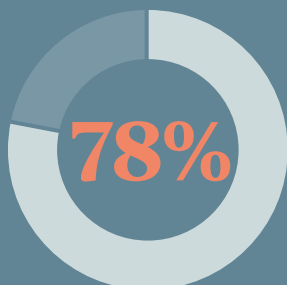
Definition

Operating profit represents net fee income less administrative expenses.

Analysis

Net fee income reductions as a result of market uncertainty led to a 71% (71%*) reduction in operating profit.

International mix



(2019: 76%)

Definition

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

Analysis

There has been a 2% movement in the international mix, primarily due to operations in Asia Pacific and Europe still delivering robust performances in light of Covid.

Productivity



£142.8k

(2019: £141.4k)

Definition

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

Analysis

The increase in productivity in 2020 shows the resilience of our fee-earners in a difficult market.

Candidate engagement



4.0

Glassdoor rating

(2019: 4.4)

Definition

The Glassdoor rating recognises companies that embrace transparency and engage with jobseekers.

Analysis

Our Company rating is 4.0 out of 5 which is considered a high score.

Net cash

**£155.5m**

(2019: £85.8m)

Definition

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

Analysis

After £26.6m of bank facility repayments, £18.6m of lease liability payments and £14.7m of tax payments, net cash still increased from £85.8m to £155.5m, primarily as a result of reduced working capital requirement.

Business mix

Permanent v contract 62%: 38%

(2019: 66%: 34%)

Definition

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

Analysis

Permanent recruitment enables the Group to benefit quickly from operational gearing, whilst contract provides a cash hedge in the event of a downturn.

Environmental

**Decreased carbon emissions per head****Definition**

The Group set a target to reduce the mandatory Scope 1 and 2 CO₂e emissions per head by 20% across the Group by 2023, from a full-year 2013 baseline.

Analysis

The Group's Scope 1 and 2 mandatory emissions per head are down to 0.70 from the 2013 base year revised number of 1.35, a decrease of 48%, already ahead of the target set in 2013.

Basic earnings per share

**8.0p**

(2019: 48.4p)

Definition

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

Analysis

The 83% decrease reflects the impact of Covid in 2020 and the negative operating gearing of the Group.

Risk management

Continue to enhance the risk management framework**Definition**

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

Analysis

A risk review is undertaken each year to assess the principal risks in the existing framework against the current environment and operations, with the required changes made to the risk profile.

Candidate satisfaction

**Definition**

The candidate satisfaction score recognises the percentage of candidates who would recommend our services to others.

Analysis

The score is taken from responses to our candidate satisfaction surveys in 2020.

Principal Risks and Uncertainties

Risk management process

The Board recognises the importance of identifying and actively monitoring the full range of financial and non-financial risks facing the business, at both a local and Group level. The effectiveness of the risk management process is monitored by the Audit and Risk Committee. A review and refresh of the Company's risk profile was carried out during the year, including the identification and consideration of emerging and ESG (Environmental, Social and Governance) related risk. The process involves identifying and prioritising the key risks within the Group and developing and implementing appropriate mitigation strategies to address those risks. By regularly reviewing the risk profile of the business, the Board ensures that the risk strategy remains appropriate at any point in the cycle. ESG related risk is continually evolving, and the potential impact to our organisation in the short and long term and our impact on the environment is considered. We will continue to monitor the significance of these risks, implement actions to mitigate the risk where possible and report on these where it is considered that they could have a material impact on the Group. The Covid global pandemic remains ongoing, presenting the Group with an unprecedented set of challenges and uncertainties, and increasing the rating on some individual risk categories.

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

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

Risk	Actions to mitigate risk
<p>Political factors, economic, environmental and market uncertainty</p> <p>The level of candidate and client confidence in the employment market and job availability are important factors in determining the total number of recruitment transactions in a given year, and are significantly impacted by political and economic turbulence and uncertainty. Candidates are less inclined to move jobs when the number of jobs available is in decline or stagnant, which could lead to a deterioration in the Group's financial performance. The impact of the Covid pandemic as well as unprecedented political turbulence, including the ongoing US-China trade war, increasing regulation particularly in South East Asia, Brexit and unrest in Hong Kong, could have a significant negative impact on the job market and result in reduced hiring volumes.</p>	<p>The Group is geographically diversified, spanning 31 countries, which reduces the reliance on the success of any particular market. The Group also continues to develop its contract and Resource Solutions businesses, both of which provide more resilient revenue streams in the event of an economic downturn. The Group has successfully diversified into other sectors to reduce its concentration risk in the event of a downturn.</p> <p>The Board's strategy when facing a slowdown in a market is to balance the cost base, such that the impact on profit is mitigated, against the perceived future benefit from the retention of key staff. Historically, the Group has benefited substantially from increased operational gearing as a result of its policy of deliberately retaining key staff through economic downturns.</p> <p>The Resource Solutions business is prepared to support the relocation of workers, with the opportunity to leverage off existing infrastructure within the Robert Walters Group. Live job availability is monitored to ensure action plans are documented for immediate action in response to any potential adverse impact on hiring volumes.</p> <p>The Group has strong but prudent cost management. Management continuously monitor the ongoing impact of political and economic factors, and increased market uncertainty on individual markets, implementing appropriate actions as required.</p>
<p>Talent attraction and retention</p> <p>The Group relies heavily on recruiting and retaining talented individuals with the right skill sets and diversity to grow the business. In addition, as the Group expands its operations in emerging markets the supply of people with the required skills in specific geographic regions may be limited. Failure to attract and retain key employees with the required sales, management and leadership skills may adversely affect the Group's financial results. A lack of diversity and inclusion in the workforce could have an adverse impact on talent attraction and retention, strategic thinking, decision making and overall employee engagement. A global pandemic and unusual and stressful working environments could have an impact on employees' mental health, which could lead to increased staff turnover and reduced engagement.</p>	<p>The Group's policy of linking bonuses to profitability in discrete operating units has a high correlation to the retention of efficient and effective members of staff.</p> <p>The long-term incentive schemes that are detailed in note 19 to the accounts form a key part of a wider strategy to improve levels of staff retention, particularly of the Group's senior employees.</p> <p>Other elements of the strategy to improve staff retention and maximise career opportunities include significant investment of time and financial resources in employee training and development including regular appraisals, aimed at core consultant competencies and focused on enhancing management potential. The Group culture and the associated processes help to increase productivity and also improve employee alignment to the business. A comprehensive approach to succession planning is also in place across the Group.</p> <p>Diversity and inclusion and gender pay initiatives are in place, including review of family friendly policies, with target setting and committed actions to close gaps to mitigate the impact over time. The Board promotes, monitors and benchmarks diversity and inclusion, with initiatives and actions being a focus across all of the Group's regions. The Group has a zero tolerance policy towards inappropriate behaviour.</p> <p>The Group offers international career opportunities and actively encourages the redeployment of existing talent to international offices and also to establish new offices.</p>
	<p>There are a significant number of mental health initiatives in place across the Group and it is considered as high priority by management.</p>

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
<p>Competition and emerging technologies Competition risk varies in each of the Group's main regions depending on the maturity of the client and candidate market. The emergence of new technology platforms such as web-based applications and artificial intelligence for recruitment purposes may also lead to increased competition.</p>	<p>The development of strong commercial relationships with clients has enabled the Group to win and then maintain its contracts with large global organisations and the Group also has a significant and diverse income stream across the SME marketplace.</p> <hr/> <p>The Group reviews and monitors changes in technology and social media trends to ensure that it evolves appropriately. The Group continues to promote itself as a relationship recruiter operating in specialised markets, ensuring its online presence is competitive and provides a high-quality customer experience.</p> <hr/> <p>Through our innovation, marketing and technology and transformation teams, we continue to identify, trial and adopt new technology to both enhance and augment the service our consultants can provide and to drive efficiencies across our business.</p>
<p>Brand, reputation and business strategy There is an inherent risk that the brand and reputation of the Group could be impacted by failure to maintain high-quality service levels to both candidates and clients. The increasing use of social media increases the Group's exposure to reputational damage. The Group strategy and objectives could either be ineffective, or damaging to the Group, by failing to deliver improved performance and achieve the Group's long-term strategy for growth.</p>	<p>Quality control standards are maintained and reviewed for each stage of the recruitment cycle.</p> <hr/> <p>A 'contact us' email address is available on the Group's website so any negative feedback or improper conduct can be acted upon swiftly by the Chief Marketing Officer and local senior management.</p> <hr/> <p>The Group's long-term strategy for growth is founded on the two pillars of organic international expansion and discipline diversification. It is a testament to this strategy and underlying strength of the Group's brand and management team that we have delivered a resilient performance over the last five years whilst continuing to invest for the future.</p>
<p>Candidate risk A negative candidate experience as a result of poor candidate service, data breach or other candidate dissatisfaction, could result in candidate complaints, loss of quality candidate base or loss of referrals.</p>	<p>Candidate satisfaction surveys are carried out on a regular basis, with Directors addressing any negative feedback directly with the candidate.</p> <hr/> <p>Clear policies and processes are in place around candidate engagement and active candidate management. Quality control standards are maintained and reviewed for each stage of the recruitment cycle with all new employees receiving appropriate levels of training applicable to their role.</p> <hr/> <p>We monitor consumer trends outside of the recruitment industry and analyse how consumers' changing expectations could drive the imperative for change within our industry.</p>

Risk	Actions to mitigate risk
<p>Non-compliance with laws, regulations and contractual obligations</p> <p>The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international laws and regulations and other specific contractual obligations. Any non-compliance with legislation, regulatory requirements or contractual obligations may result in legal penalties, non-renewal or revocation of a local business licence or financial loss which could have a detrimental effect on the Group's financial performance and reputation.</p>	<p>To ensure compliance, our legal department works with leading external advisers as required to monitor potential changes in employment legislation across the markets in which we operate.</p> <hr/> <p>Contractual terms and conditions are thoroughly reviewed before signing to ensure contract provisions are fully understood, risks are fairly allocated between parties and are monitored to ensure contractual obligations are adhered to.</p> <hr/> <p>An escalation process exists such that contracts with non-standard terms are reviewed and approved by the Chief Legal Officer and Chief Financial Officer as appropriate.</p> <hr/> <p>ESG-related risk and opportunities disclosures, including guidance from the Task Force on Climate-related Financial Disclosures, and compliance with ESG-related corporate reporting in conjunction with other regulatory requirements are reviewed on an ongoing basis and appropriate disclosures are made where considered to have a material impact on the business strategy, operations or the environment. Although the Group does not operate in a sector with a significant environmental impact, the Group recognises its requirements and embraces environmental stewardship. The Group already has in place numerous schemes to ensure it is carbon-balanced on an annual basis and for 2020 committed to an additional tree planting programme to achieve a net carbon capture result.</p>
<p>Regulatory environment</p> <p>The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international regulations. Any change in the regulatory environment, particularly impacting employment legislation for both candidates and clients, could have a detrimental effect on the Group's financial performance.</p>	<p>The Group's legal department, together with local legal expertise, remains up to date with any proposed regulatory changes, allowing the Group sufficient time to assess the impact and implement processes to minimise the exposure and maximise opportunity.</p> <hr/> <p>A log of licences and renewals is maintained. There is formalisation of regulatory reporting and escalations with legal oversight of licensing processes, and the Group makes use of external counsel where necessary.</p>
<p>Data breach and cyber security</p> <p>A data breach, cyber attack or loss of confidential and competitive information could have a material impact on the Group's financial results, an adverse impact on operations and the reputation of the Group.</p>	<p>The Group maintains an IT security policy, which is comprehensive but not able to eliminate all risk, which is reviewed on a regular basis, covering all areas of IT security from user access through to server access. Third-party advisers are used to perform penetration tests on major systems and operations.</p> <hr/> <p>All candidate and client information is held securely with restricted access and with data protection rules in place.</p> <hr/> <p>Appropriate guidance and training on the security and handling of both manual and electronic documents including confidential and sensitive data is available to all staff.</p> <hr/> <p>The Group has a dedicated Chief Technology Architect and Group Information Security Officer with specific remits to consider and ensure that appropriate and reasonable controls are put in place, particularly in respect of cyber-related threats and data breach. The Group has appointed a Data Protection Officer to oversee the handling of personal data and compliance with Data Protection laws.</p>

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
<p>Reliance on technology infrastructure</p> <p>The Group is reliant on its technological infrastructure for day-to-day operations and for delivering client and candidate services. A critical infrastructure or system disruption could have a material impact on the Group's financial results and an adverse impact on operations and the reputation of the Group.</p>	<p>The Group continues to review and improve its business continuity and disaster recovery plans to mitigate against any critical infrastructure disruptions. Remote IT access is available for performing both critical business functions and operational continuity and is assessed as part of scheduled business continuity simulations. The Group invested in technology and innovation pre-Covid, enabling a seamless transition to remote working.</p> <hr/> <p>Third-party advisers are used to perform penetration tests on major systems and operations.</p> <hr/> <p>A change management team is in place to ensure that appropriate consideration is given to all change requirements, including a risk analysis of the requirement, and appropriate plans are developed to deal with any potential critical disruptions.</p> <hr/> <p>Our disaster recovery processes, which are regularly reviewed, ensure the Group is able to mitigate natural disaster risks (e.g. floods, earthquakes), and the Group is also geographically diversified. In addition, the 2019 completion of the roll out of Microsoft Surface Pros to all front office staff ensures consultants have the flexibility to work remotely as required.</p>
<p>Treasury risk</p> <p>The Group operates under a number of functional currencies. Any unfavourable movements in the foreign exchange rates may have an adverse effect on translation of overseas operations, and subsequently the Group's Pounds Sterling financial results. An adverse cash position, or the inability to access capital/funding, could result in an inability to pay creditors and to fulfil day-to-day operations and requirements. There is an increased uncertainty over cash flows due to Covid, which could have an adverse impact on working capital balances. The expected impact of Brexit increases the level of risk of an adverse affect on Pounds Sterling and client payment risk profile. The future success of the Group could be affected if the Group fails to align its capital planning with its business strategy.</p>	<p>Revenues and costs are in their functional currencies in the local entities, which minimises the Group's transactional exposure. Additionally, there are no material net foreign exchange exposures to monetary assets and monetary liabilities.</p> <hr/> <p>Credit worthiness and client risk profiles are monitored, with prompt escalation procedures for disputes and instances of slow payment.</p> <hr/> <p>The Group continues to monitor the sensitivity to foreign currency fluctuations through performing regular sensitivity analysis and reducing exposure wherever possible.</p> <hr/> <p>Cash flow and working capital forecasts are prepared and reviewed regularly to ensure the Group remains in a strong balance sheet position and a detailed plan for any growth opportunities is created before any deal is executed to ensure that the appropriate finance is in place.</p>

Section 172 Statement

The Board acknowledges Section 172 (1) of the UK Companies Act 2006, and its duty to promote the success of the Company.

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term
- b) the interests of the company's employees
- c) the need to foster the company's business relationships with suppliers, customers and others
- d) the impact of the company's operations on the community and the environment
- e) the desirability of the company maintaining a reputation for high standards of business conduct
- f) the need to act fairly between members of the company

Key stakeholders are identified as those stakeholder groups fundamentally impacted by the performance and decisions of the Company, and those which have a significant impact on the long-term success of the Company. Our key stakeholder groups identified are our candidates and clients, our workforce, our community, our environment and our shareholders.

The Board has considered the interests of key stakeholders through fostering the Company's business relationships and actively engaging with them. Our key stakeholder groups and other interested parties, and how we engage with them, are detailed in the Engagement with shareholders and key stakeholders section of the Corporate Governance Statement on page 65. We consider the most effective way of communicating with our stakeholders to be through encouraging participation and active consultation, particularly whilst navigating through the Covid pandemic.

The interests of key stakeholder groups are considered in Board discussions and decision-making, and define our purpose of powering people and organisations to fulfil their unique potential. This includes interests of the workforce (People and Culture on pages 26 to 33 and Diversity and Inclusion on pages 34 to 37), relationships with candidates, clients, suppliers and others (Strategy in action on pages 16 to 25 and Technology and Innovation on pages 38 to 43), and the impact of the Company's operations on the community and the environment (Corporate Social Responsibility on pages 44 to 53).

The interests of key stakeholder groups were considered in Board decision making in the year, in particular in regard to significant decisions made in response to the Covid pandemic. Balance of interests of different stakeholder groups were assessed, with outcomes managed through effective engagement and active consideration of any feedback received.

The Board's focus on clients, candidates and culture ensures the Group maintains a reputation for high standards of business conduct, and the need to act fairly between members of the Company.

Through the risk management process as detailed in the Principal Risks and Uncertainties section of the Strategic Report on pages 58 to 62, the Board has assessed the Company's risk profile, consequences of any decision in the long term, appropriate risk mitigation strategies and identification and consideration of emerging risks.

Strategic Report approval

The Strategic Report, outlined on pages 3 to 63, incorporates the 2020 Highlights, Robert Walters Group at a Glance, Chairman's Statement, Chief Executive's Statement, Market Opportunities and Key Trends, Strategy in Action, People and Culture, Diversity and Inclusion, Technology and Innovation, Corporate Social Responsibility, Financial Review, Key Performance Indicators, Principal Risks and Uncertainties and Section 172 statement.

By order of the Board,



Alan Bannatyne
Chief Financial Officer
1 March 2021

Corporate Governance Statement



66

The Board is committed to promoting the long-term success of the Group, creating value for our shareholders and proactively investing in a sustainable future for people and communities around the world.”

Ron Mobed
Chairman

Dear Shareholder

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

As a Board, we are pleased with the further progress that the Group has made to ensure high standards of corporate governance are maintained. We monitor developments and trends in corporate governance both in the UK and internationally, adopting emerging practice we feel improves our governance. For example, in 2020 there was a particular focus on Diversity and Inclusion.

As a Group, we have an expressed aim of respecting the needs of shareholders, employees, clients, candidates, contractors and suppliers. The Board has a wide range of responsibilities and it is my duty to ensure it has the right mix of skills and talent, that the Directors have sufficient time available to meet Board responsibilities and that we work effectively as a team. The shared objectives of the Board are to promote the long-term success of the Group, create value for our shareholders and proactively invest in a sustainable future for people and communities around the world.

The Board also monitors the risks and opportunities arising from climate-related factors to ensure that the Group meets and embraces the requirements from environmental stewardship. Further details can be found in the Principal Risks and Uncertainties report on pages 58 to 62 and the Corporate Social Responsibility section of this report on pages 44 to 53.

The Board Committees have had a successful year. The Audit and Risk Committee continued to see appropriate controls evident in all areas of risk management. The Internal Audit function built upon the areas covered in the previous year, with a continued focus on the Group's risk register and overall risk profile of the Group as well as carrying out a review and refresh of the risk profile of the Group during the year and adapting to the increased pressures on the business as a consequence of the Covid pandemic. Further information on the work and responsibilities of the Audit and Risk Committee and the effectiveness of the Group's system of internal control is detailed in the Report of the Audit and Risk Committee and the audit, risk and internal control sections of this report. The Remuneration Committee has continued to engage with our shareholders and the workforce, completing a comprehensive review of Executive Directors' pay during the year and incorporating current best practice.

A key aspect of ensuring your Board's effectiveness is our annual Board and Committee evaluation process. Further details can be found on page 69.

Carol Hui stepped down from the Board and her role of Chairman at the end of her nine-year tenure and I would again like to extend a sincere thank you to Carol for her contribution to the Group during her tenure.

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

A handwritten signature in black ink, appearing to read 'R. Mobed', written in a cursive style.

Ron Mobed
Chairman
1 March 2021

Statement of compliance with the UK Corporate Governance Code

The Company has complied fully throughout the year ended 31 December 2020 with the Code provisions set out in the 2018 UK Corporate Governance Code (the Code).

The Board of Directors is committed to the highest standards of corporate governance and has applied the principles set out in the Code, including the provisions, by complying with the Code as reported above. Further explanation of how we integrate the principles of the five sections of the Code into our business, being: Board leadership and Company purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration, is set out below.

Our principles and policy in relation to remuneration are covered separately in our Directors' Remuneration Report on pages 74 to 93.

Board leadership and Company purpose

Company's purpose, values and strategy

Our purpose as a business is to power people and organisations to fulfil their unique potential. How our purpose defines our strategy is covered separately in our Strategy in Action section of the Strategic Report on pages 16 to 25, and is aligned with our purpose-driven culture covered separately in our People and Culture section of the Strategic Report on pages 26 to 33 and our core principles of teamwork, integrity, passion, innovation, quality and inclusion. The Group's objective is a global, truly meritocratic and diverse business with a culture that enables all of our employees to build long-term and rewarding careers. The People and Culture section of this report on pages 26 to 33 highlights this in action through a selection of case studies of the careers forged by a number of employees across the globe.

Culture

The Board regularly monitors culture for alignment with the Group's purpose, core principles and strategy. Corporate culture has been fundamental to our success over the years. Employee engagement surveys, third-party awards for employer brand excellence (e.g. Great Places to Work), external benchmarking and professional certifications and accreditations are examples of metrics used by the Board in assessing corporate culture, and they are embedded in the Board agenda. The Group's cultural values and principles of teamwork, passion, innovation, quality and inclusion are evident in our Strategy in Action section and throughout our People and Culture section on pages 26 to 33. The Board has appointed a member of the Board to be responsible for employee engagement, as detailed in the Directors' Remuneration Report on pages 74 to 75, and this encompasses regular meetings with employees, including meeting with new starters and leavers.

Engagement with shareholders and key stakeholders

In order to meet its responsibilities to shareholders and stakeholders, the Board ensures the Group has processes in place to engage with all key stakeholder groups through encouraging participation, active consultation and by building long-term relationships in order to achieve our strategic priorities. How we engage with some of these key stakeholder groups and other interested parties is detailed below.

Key stakeholder groups	How we engage
Candidates and clients	The engagement of the Executive Directors with candidates and clients is driven by the Group's commitment to quality. Candidate and client satisfaction surveys are carried out on a regular basis, with feedback addressed directly with the candidate or client. Through building relationships with integrity, the Group is able to focus on our service and customer satisfaction and to build consultative, long-term relationships. Feedback is taken extremely seriously and where appropriate is brought to the attention of the CEO during the year.
Workforce	The Remuneration Committee Chairman has undertaken additional engagement internally in order to have greater visibility of internal behaviours and values, and assess and monitor corporate culture. Staff attrition rates and employee engagement surveys are reviewed, together with other engagement activities as detailed in the Directors' Remuneration Report on page 87. A whistleblowing policy is in place to ensure that employees/workers have a formal system that encourages them to voice their concerns. We are further supplementing these efforts with the establishment of an Organisation Health Committee (see page 67).
Corporate Social Responsibility	Part of the Group's responsibility is to maintain the highest ethical standards in all our operations. We continue to support and invest in initiatives and partnerships that help individuals and communities to fulfil their own unique potential through economic empowerment and corporate advocacy, with our initiatives detailed in our Corporate Social Responsibility Report on pages 44 to 53.

Corporate Governance Statement continued

Environment	<p>The Group is committed to minimising our impact on the environment. Since 2008, we've been a constituent member of the FTSE4Good Index, which recognises the measures we've taken to reduce the impact of our operations on the environment and society while proactively investing in a sustainable future for people and communities around the world.</p> <p>The Group acknowledges the global threat posed by climate change and is taking positive steps to reduce our environmental impact and offset our carbon emissions. Since 2015, our global operations have been certified as carbon-balanced by the World Land Trust's Carbon Balanced programme. Furthermore, the Group planted a tree for every permanent position filled by the recruitment business and for every employee in our Resource Solutions business during 2020. Greater detail can be found on pages 52 to 53.</p>
Shareholders	<p>Dialogue with institutional shareholders</p> <p>The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by:</p> <ul style="list-style-type: none"> – Making annual and interim presentations to institutional investors; – Meeting shareholders to discuss long-term issues and obtain their views; – Providing direct access to the Chairman for regular meetings with shareholders, including an annual invitation to meet with the top ten shareholders; – Communicating regularly throughout the year; and – Regular meetings of the Board being used as the forum to ensure that Non-executive Directors are updated on the views of major shareholders that have been communicated to the Executive Directors. <p>Constructive use of the Annual General Meeting</p> <p>The Board seeks to use the Annual General Meeting as an opportunity for all shareholders to question the Board and the Chairman of the Board Committees on matters put to the meeting including the Annual Report. The Board seeks to encourage shareholder participation by:</p> <ul style="list-style-type: none"> – Inviting shareholders to submit questions in advance; and – Providing a balanced and understandable assessment of the Group's position and prospects. <p>The results of voting at general meetings are published on the Company's website, robertwaltersgroup.com/investors, as required by the Code.</p> <p>We are happy to be able to report that we regularly receive positive feedback from numerous shareholders.</p>
Suppliers	<p>The Group maintains a zero-tolerance policy for bribery and modern slavery, and all suppliers are required to behave ethically, in accordance with all legislation including the Anti-Bribery and Modern Slavery Acts. We value our suppliers and adopt the principles of prompt payment and the agreement of mutually sensible and beneficial contractual terms. The Board considers this ethical approach to be appropriate and our whistleblowing processes ensure confidential escalation can take place as required.</p>

The Board and its role

The Board is responsible to the Group's shareholders for the conduct and performance of the Group's business. Having strong governance processes and oversight helps drive the culture of the business so that it can better deliver on its responsibility to all of our stakeholders, including creating long-term value for our shareholders and proactively investing in a sustainable future for people and communities around the world.

The Board has developed a Board governance framework which sets out the governance structure of the Board and its Committees. The Board considers that it has shown its commitment to assessing opportunities and risks to achieve long-term success and leading and controlling the Group by:

- Having a Board constitution which details the Board's responsibility to the Group's shareholders for the management of the Group's affairs. It exercises direction and supervision of the Group's operations throughout the world and defines the line of responsibility from the Board to the Chief Executive and the Executive Directors, in whom responsibility for the Executive management of the business is vested;
- The Board retaining specific responsibility for agreeing the strategic direction of the Group, the approval of accounts, business plan, budget and capital expenditure, the review of operating results, the effectiveness of governance practice and risk management, and also the appointment of senior Executives and succession planning;
- Consideration of Section 172 (1) of the UK Companies Act 2006 and their duty to promote the success of the Company;

- Oversight of the Group's organisational health, working culture and wellbeing of employees;
- Full attendance by the Directors at the eleven Board meetings held during the year;
- All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters;
- Considering any concerns about the operation of the Board or management of the Company, and recording any unresolved concerns in the Board minutes, including obtaining a written statement on resignation of a Non-executive Director, of any such concerns;
- The provision of appropriate training to all new Directors at the time of appointment to the Board, and by ensuring that existing Directors receive such training as to be equipped with the skills required to fulfil their roles;
- Delegating responsibilities to sub-Committees: Organisational Health Committee, Audit and Risk Committee; Remuneration Committee; and Nominations Committee.

Organisational Health Committee

The Company has very recently established a Board committee for Organisational Health (the "OHC"). The members of the OHC are the Non-executive Directors and the Chairman. The OHC will make recommendations to maintain, encourage and improve the health of the organisation from a people perspective, including assisting in the Company's efforts to promote diversity and inclusion. It will also assume the responsibility for the review of the Group's whistleblowing procedures and ensure that appropriate arrangements are in place for employees to be able to raise matters of concern in confidence. The OHC meets bi-annually.

Audit and Risk Committee

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

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

Further information on the work of the Audit and Risk Committee during the year can be found on pages 71 to 73.

Nominations Committee

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

- Monitoring the Board's structure, size, composition and diversity to achieve a balanced and effective Board in terms of skills, knowledge and experience;
- Considering all aspects of the Board with regard to succession planning;
- Engaging the assistance of an external adviser, performing a detailed Board skills analysis and subsequently recommending Ron Mobed for appointment as the Non-executive Chairman;
- Reviewing the leadership capabilities, needs and succession planning of the Group including identifying and developing talent;
- Recommending any changes in the membership of the Board Committees;
- Assessing potential conflicts of interest of all Directors, including those resulting from significant shareholdings; and
- An annual review of progress achieved, including the diversity objectives of the Group, the gender balance and other aspects of diversity of those in senior management and their direct reports.

Remuneration Committee

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

- Engaging with our largest shareholders and the workforce to ensure a strong level of communication and dialogue;
- Ensuring the framework for Executive remuneration remains effective, incorporating current guidance on best practice and in line with the tri-annual requirement for shareholder approval of the remuneration policy;
- Determining the individual remuneration packages for Executive Directors;
- Approving the targets and performance assessments for performance-related incentive schemes; and
- Overseeing the operation of all incentive schemes and awards and determining whether the performance criteria had been met.

Further information on the work of the Committee during the year can be found in the Directors' Remuneration Report on pages 74 to 75, including the CEO pay ratio and incentive outcomes.

Corporate Governance Statement continued

Attendance at meetings

The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the year is set out below. The Executive Directors, by invitation, attended three Audit and Risk Committee and five Remuneration Committee meetings during the year. Alan Bannatyne also attended two Nominations Committee meetings during the year.

	Board (11 meetings)	Audit and Risk Committee (3 meetings)	Nominations Committee (2 meetings)	Remuneration Committee (5 meetings)
Carol Hui	11	n/a	2	n/a
Ron Mobed ¹	1	n/a	n/a	n/a
Robert Walters	11	n/a	2	n/a
Alan Bannatyne	11	n/a	n/a	n/a
Brian McArthur-Muscroft	11	3	2	5
Tanith Dodge	11	3	2	5
Steven Cooper	11	3	2	5

1. Ron Mobed joined the Board on 1 December 2020.

Division of responsibilities

Division of responsibilities between Chairman and Chief Executive

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

- During the year, as Chairman, Carol Hui was responsible for leading the Board, and for its effectiveness and integrity. The Chairman sets the tone for the Company, ensures the links between the Board and shareholders are strong, and that Directors receive accurate, timely and clear information and management are held accountable. Carol Hui's nine-year tenure expired on 31 December 2020 and she stepped down as Non-executive Chairman on that date. Ron Mobed was appointed to succeed Carol. He joined the Robert Walters Group as Chairman Designate and as a member of the Board on 1 December 2020 and worked closely with Carol to ensure a smooth hand over of responsibilities before formally taking on the Non-executive Chairman role on 1 January 2021; and
- As Chief Executive, Robert Walters is responsible for the day-to-day management of the Group's operations, implementing Board-approved strategic objectives and policies, and developing vision and strategy for the Board's review and approval.

Board balance and independence

The Board comprises the Chairman, two Executive Directors and three independent Non-executive Directors. Carol Hui stepped down as Non-executive Chairman on 31 December 2020. Ron Mobed joined the Robert Walters Group as Chairman Designate and as a member of the Board on 1 December 2020 before formally taking on the Non-executive Chairman role on 1 January 2021.

The Board annually reviews its composition to ensure there is an appropriate balance between Executive and Non-executive Directors and by promoting diversity ensures the Board has the appropriate mix of skills, experience and knowledge.

The Group's commitment to achieving a balance of Executive and Non-executive Directors is shown by:

- The Non-executive Directors comprising more than half of the Board of Directors;
- The Non-executive Directors comprising Carol Hui (stepped down as Non-executive Chairman on 31 December 2020), Ron Mobed (joined the Board on 1 December 2020 before formally taking on the Chairman role on 1 January 2021), Brian McArthur-Muscroft, Tanith Dodge and Steven Cooper being considered to act independently of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement; additionally no Non-executive Director, including the Chairman, has served on the Board for more than nine years from the date of their first appointment; and
- The four independent Non-executive Directors met a number of times during the year without management present.

Senior Independent Director

Brian McArthur-Muscroft is the Senior Independent Director. As such, he is available to shareholders and other Directors when they may have issues or concerns where contact through the normal channels of either the Chairman or the Executive Directors has failed to resolve concerns, or where contact is deemed inappropriate.

Board composition, succession and evaluation

Transparency of Board appointments

The Nominations Committee nominates candidates to fill Board vacancies, considers the ongoing succession of the Board and its Committees and makes recommendations on Board composition and balance. The members of the Committee are the Non-executive Directors and Robert Walters. During the year, the Nominations Committee met to consider and approve the re-election of the Directors at the May 2020 Annual General Meeting, considering both sufficient time available to meet Board responsibilities and other significant commitments which are disclosed in the Directors' Report on page 95.

We are committed to equality of opportunity regardless of gender, sexual orientation, race, age, disability or religious belief. We promote an honest and open environment and encourage colleagues with any concerns to report issues directly through line managers or via an independent, confidential integrity line. The Board also has a policy to ensure that there will be an equal gender quota for any future long list for a Board appointment.

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

Understanding the business

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

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

Professional development

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

Performance evaluation

In line with the Code, a formal and rigorous performance appraisal of the Board, its Committees, the Directors and the Chairman is conducted annually as we recognise that our effectiveness is critical to the Group's continued long-term success. This process includes a tailored questionnaire that specifically includes, among other areas, Board effectiveness on communication, strategic approach and risk assessment.

In 2020, a detailed review was completed by each Director and individual discussions took place between the Chairman and each of the Directors; in the case of the Chairman's performance and leadership, this was reviewed by the Senior Independent Director. Subsequently, there was a full Board discussion of the matters that were raised and a process to ensure that the decisions taken were appropriately implemented. Overall, the outcome of the evaluation process was very positive, with good progress noted on the areas of focus raised in previous evaluations. This process did not identify any material issues that needed to be addressed.

Regular re-election of Directors

In line with the recommendations of the Code, the Board has agreed to submit all Directors for annual election. As a result of their annual performance evaluation, the Chairman considers that their individual performances continue to be effective, with each Director demonstrating commitment to their role. The Chairman is therefore pleased to support the re-election of all Directors. Carol Hui stepped down from the Board and her role as Chairman on 31 December 2020, after a nine-year tenure. Ron Mobed joined the Board on 1 December 2020 as Chairman Designate and worked closely with Carol to ensure a smooth hand over of responsibilities before formally taking on the Non-executive Chairman role on 1 January 2021.

Corporate Governance Statement continued

Succession planning

A clear focus on career progression for employees is core to the Group's growth and helps attract and retain talented individuals.

The Group remains committed to maximising career opportunities through significant investment in training and professional development. Executive succession planning discussions were held in 2020 and a succession plan is in place for the Executive Board and their direct reports which strives to reflect talent and diversity.

Audit, risk and internal control

Internal control

The Board is responsible for the effectiveness of the Group's system of internal control. A review has been completed by the Board for the year ended 31 December 2020 and up to the date of approval of the Annual Report. The Board's monitoring covers all controls, including financial, operational, compliance controls and risk management. It is based primarily on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Audit and Risk Committee assists the Board in discharging its review responsibilities. During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

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

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

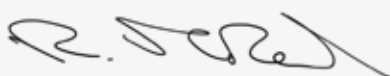
The Board has put in place an organisational structure with clearly defined responsibilities and delegation of authority. The Board constitution clearly sets out those matters for which the Board is required to give its approval. The Board delegates the implementation of the Board's policy on risk and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

The Internal Audit function provides objective assurance to both the Audit and Risk Committee and to the Board. The Internal Audit annual plan is submitted for approval by the Audit and Risk Committee. The reviews and tests of key business processes and control activities are reported on throughout the year, including follow-up in respect of the implementation of management action plans to address any identified key control weaknesses or potential improvements. It was pleasing to note that once again there were no findings that indicated the existence of significant control weaknesses and that for areas capable of improvement identified in 2019, improvements had been made during 2020. In conclusion, there were no areas that were deemed to be unfit for purpose.

The Internal Audit function assists the Board in reviewing the principal risks of the business by continually assessing the principal risks in the existing framework against the current environment and operations. A review and refresh of the Company's risk profile was carried out during the year, including the identification and consideration of emerging risks. The risk review process is detailed in the Audit and Risk Committee Report on pages 71 to 73. Following its review, the Board concluded that the principal risks and framework are in line with the current business model. The risk profile and framework are reviewed by the Board on an ongoing basis. Internal Audit has an increasingly wide scope across the business operations and, in conjunction with the recent review of risk, has a number of focus areas in testing and required level of reporting at Board level.

Report of the Audit and Risk Committee and the Auditor

A separate report of the Audit and Risk Committee is set out on pages 71 to 73 and provides details of the role and activities of the Committee and its relationship with the external auditor.



Ron Mobed
Chairman
1 March 2021

Report of the Audit and Risk Committee



A robust Group-wide risk analysis, including the identification and consideration of emerging and ESG related risk, was performed during the year.”

Brian McArthur-Muscroft
Audit and Risk Committee Chairman

Dear Shareholder

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

Composition of the Audit and Risk Committee

The members of the Audit and Risk Committee are appointed by the Board from the Non-executive Directors of the Company. The Audit and Risk Committee's terms of reference include all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the 2018 UK Corporate Governance Code (the Code). The terms of reference are considered annually by the Audit and Risk Committee and are available upon request.

Members of the Audit and Risk Committee include myself, Brian McArthur-Muscroft (Chairman), Tanith Dodge and Steven Cooper; all of whom are Non-executive Directors. The Audit and Risk Committee met three times during the year, with full attendance at each of the meetings.

The composition of the Audit and Risk Committee was reviewed during the year with the Board and the Committee is satisfied that it has the expertise and resource to fulfil its responsibilities effectively including those relating to risk and control.

The Audit and Risk Committee is required to include one financially qualified member, with this requirement currently fulfilled by myself. All Audit and Risk Committee members are considered to be financially literate.

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

Role of the Audit and Risk Committee

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

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

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

Report of the Audit and Risk Committee continued

Significant accounting judgements and estimates

The Audit and Risk Committee reviewed the Group's draft full-year and half-yearly results statements prior to Board approval and reviewed the external auditor's detailed reports thereon. In particular, the Committee reviewed the opinions of management and the Auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2020 and matters where the Committee specifically considered the judgements that had been made are set out below:

Revenue recognition – permanent placements

Revenue in respect of permanent placements is deemed to be earned when a candidate accepts a position and a start date is determined. A provision is made by management, based on historical evidence, for the proportion of those placements not yet invoiced where the candidate is expected to reverse their acceptance prior to the start date. The Audit and Risk Committee reviewed the detailed criteria for revenue recognition and was satisfied by the judgements made by management. Internal Audit report regularly on key processes, which includes revenue recognition and earned but not invoiced revenue. The Audit and Risk Committee also reviewed the judgements made by management in determining the back-out provision applied to this revenue, whereby a percentage of candidates may in reality reverse their acceptance prior to their start date and the level of provision is considered to be calculated on a consistent basis and appropriate based on historical trends and considering the impact of Covid on current client conditions.

Revenue recognition – temporary placements

Revenue from temporary placements, which is amounts billed for the services of temporary staff, is recognised when the service has been provided. Rate cards are used, particularly in the Resource Solutions business, to determine the temporary worker rates and to calculate the amounts to be billed. The Committee reviews and discusses revenue recognition from temporary placements with management, internal audit and the external auditor. Internal Audit report on and evaluate the design, implementation and operating effectiveness of the internal controls in place to ensure that changes in rate cards are being processed appropriately and temporary worker rates are being recorded accurately. The Committee concluded that management's approach to revenue recognition from temporary placements was consistent with the accounting policy, that any judgements made were appropriate, and that the internal controls currently in place around rate cards are operating effectively.

Other significant matters considered by the Audit and Risk Committee

The Committee considered other significant matters as set out below:

Going concern and viability statement

In order to support the going concern assumption, the Committee was presented with detailed forecasts showing the current Group financing position and future cash flows; please refer to the going concern and viability statement on pages 96 to 97. For the three-year period ending 31 December 2023, the Group's financing arrangements include:

- Net funds totalling £155.5m (this is net of the facility drawn down to the extent of £nil at 31 December 2020);
- A non-recourse £15.0m facility;
- A guaranteed four-year borrowing facility of £60.0m; and
- Net current assets of £119.9m.

The Committee considered that a three-year period is appropriate as the timeframe over which any reasonable view can be formed given the cyclical nature of the market in which the Group operates (more detail is provided on page 96).

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

Future accounting standards

The Committee receives regular updates on future accounting standards changes and the potential impact that these may have on the Group's financial statements. A few amendments to accounting standards will apply for the financial year 2021 and the Committee will continue to assess the impact on the Group's financial statements as detailed in the Developments in accounting standards/ IFRS section of the Statement of Accounting Policies on page 116.

Fair, balanced and understandable

A final draft of the Annual Report is reviewed by the Audit and Risk Committee prior to consideration by the Board and the Committee considered whether the 2020 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's performance, business model and strategy. They were satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable and provided the necessary information for shareholders to assess the Group's performance, business model and strategy.

Internal Audit and risk

At the end of 2019, the Committee approved the Internal Audit plan for 2020. During the year the impact of Covid on the business resulted in the plan being critically reviewed whilst considering management pressures, resources, data availability, remote auditing potential and the impact on the Group risk profile. The Internal Audit function has still delivered both significant geographic and financial coverage, as well as risk-based assurance across a wide remit including operational activities and support departments such as human resources. Internal Audit reports regularly on key business processes and control activities, following up on the implementation of management action plans to address any identified control weaknesses. At each meeting, the Committee received a summary of new audit findings and a progress update on previously raised audit recommendations. A robust Group-wide risk analysis, including the identification and consideration of emerging and ESG (Environmental, Social and Governance) related risk, was performed during the year as detailed in the Strategic Report: Principal Risks and Uncertainties. The Committee reviewed the independence and objectivity of the Internal Audit function and concluded that it was fit for purpose and also approved the Internal Audit plan for 2021.

Assessment of effectiveness of external audit process

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

Reappointment of Auditor

The Audit and Risk Committee is responsible for making recommendations to the Board regarding the appointment of its external auditors and their remuneration. BDO has been the Group's auditor since 2019, following a competitive tender in line with the European Union Audit Directive and Regulation. The Audit and Risk Committee, following a review during the year, remains satisfied with the effectiveness and independence of BDO. There are no contractual obligations restricting our choice of external auditor.

Independence of our external auditor

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

Raising concerns in confidence

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

Approved

This report was approved by the Board of Directors on 1 March 2021 and is signed on its behalf by:



Brian McArthur-Muscroft

Audit and Risk Committee Chairman
1 March 2021

Directors' Remuneration Report



We are a professional services company and our approach to the remuneration of all employees, including the Executive Directors, has been fundamental to our culture and our success over the years.”

Tanith Dodge
Remuneration Committee Chairman

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2020. The report is divided into two sections.

- The Annual Report on remuneration which details payments made to Directors in 2020, showing the link between Group performance and remuneration for the 2020 financial year and the intended approach to be applied for the 2021 financial year. The Annual Report on remuneration will be subject to an advisory vote at the 2021 Annual General Meeting.
- A summary of the Directors' remuneration policy which sets out the Group's remuneration policy for Directors. This was approved by shareholders at the 2020 Annual General Meeting and is included for information, with the next regular triennial submission required in 2023.

Principles of pay across Robert Walters Group

Robert Walters Group operates in a highly competitive sector. We are a professional services company and our approach to the remuneration of all employees, including the Executive Directors, has been fundamental to our culture and our success over the years. We pay well across the Group, based upon talent, merit and performance. This approach has endured for many years.

Our objective is to ensure that our shareholders receive value for money from our investment in remuneration. The total employee pay cost in 2020 was £197.0m of which the Executive Directors' total remuneration in 2020 was 0.6% of this. The Committee's remit includes approval of the Operating Board's pay and an overall review of the annual changes in workforce remuneration and bonus pay.

In addition to my role as Remuneration Committee Chairman, I have undertaken the role of reviewing organisation health and employee engagement (as more fully detailed on page 67) in order to have greater visibility of internal behaviours and values within the Group. The Remuneration Committee will take all these factors into account when setting policy and assessing outcomes for the Executive Directors' remuneration, ensuring alignment of incentives and rewards with the culture of the Group.

Remuneration Report at a glance

- > Executive Directors took a 20% voluntary salary reduction for six months in 2020
- > Executive Directors did not receive bonuses for 2020 in light of business performance resulting from economic turbulence
- > Performance shares granted in 2018 will lapse in March 2021
- > Executive Directors will receive no salary increases for 2021

Share ownership is considered to be a key element of remuneration across the Group, with 142 senior employees participating in one of the Group's share incentive schemes. Additionally, the Executive Directors have an obligation to acquire minimum shareholdings in order to align their interests with those of long-term shareholders.

The performance of the business in 2020

The Group experienced difficult trading conditions during the year, as a result of the Covid pandemic and social distancing measures impacting the wider economy. The Group's net fee income decreased by 25% to £302.4m as a result. We have applied strong cost control measures throughout the year; driven by Executive Directors' temporary salary reductions of 20% for a period of six months, voluntary reduced working hour schemes for employees globally and reductions in discretionary spending.

We have endeavoured to maintain headcount where possible and where governments created furlough schemes across the world, we have maintained employment status for as many individuals as commercially sensible in those locations. The vast majority of furlough schemes have now ceased and the quantum of global state aid received in respect of permanent employees was £8.7m.

Overall the business is currently well positioned for future growth opportunities and to begin to, once again, manage headcount accordingly in line with the economic backdrop. Profit before taxation of £12.1m has decreased by 75% from the prior year following the impact of Covid. The balance sheet remains strong and our net cash position was £155.5m at the year-end. 78% of our net fee income now comes from outside the UK and only 11% of recruitment net fee income from the financial services sector. Basic earnings per share was 8.0p, a decrease of 83% on the prior year basic earnings per share of 48.4p. A proposed final dividend payment of 11.0p per ordinary share represents an increase on the prior-year nil final dividend payment and a 244% increase in the total dividend payment year on year.

Pay decisions and outcomes in 2020

The performance goals for the annual bonus of the Executive Directors for 2020 were set at the start of the year, before the impact of the pandemic was known. They are profit before taxation and specific Key Performance Indicators (KPIs) which are aligned to the business strategy and culture of the Group. The profit before taxation achieved for the year of £12.1m was below the minimum threshold, and as a result no bonus for the financial element was payable. The maximum bonus hurdle of £54.6m set at the start of the year was 15.2% higher than the profit before taxation reported for 2019, reflecting a significant stretch based on both internal budgeting and external consensus forecasts which were considered relevant at the time.

The challenging trading conditions as a result of Covid made it impossible to achieve these targets. However, even though the adverse conditions were outside the control of the Executive Directors, the Committee did not use its discretion to alter the performance targets. The specific strategic KPIs set at the start of the year included both individual objectives for the Executive Directors and team objectives. Three key areas of focus this year included delivery of high calibre candidate experience, delivery of strategic objectives and CSR/Environment/Culture targets. Based on performance objectively assessed against these KPIs it was determined that, for both Robert Walters and Alan Bannatyne, the objectives were partially achieved. The Committee has paid close attention to the views of those shareholders who voted against last year's Directors' Remuneration Report. We have sought to address the main concern raised on the level of disclosure provided and how bonus had been earned against strategic KPIs, by providing shareholders with greater information about the performance measures used and how they were assessed. In light of the performance of the Group and the difficult nature of the year as a result of Covid and before the Remuneration Committee's decisions were made, both Robert Walters and Alan Bannatyne said they would decline the bonus payable under this element. This was discussed and agreed at the Remuneration Committee that no bonus will be paid out. Consequently, no bonuses were awarded to Robert Walters and Alan Bannatyne (2019: 30% of salary).

The EPS reduction over the three-year period of 81% will result in the lapse of the performance shares granted in 2018 under the EPS performance condition. The Group's total shareholder return (TSR) over the three-year performance period was negative 23.7% compared to a relative result for the FTSE Small Cap Index of 6.5%, failing to reach the required threshold of the TSR performance conditions. This means that the awards failed the performance criteria and the performance shares granted in 2018 will lapse in March 2021.

As a result of the incentive outcomes noted above, the total remuneration of the Chief Executive is 54% lower than his total remuneration for the previous year. The Committee is satisfied that overall the pay outcomes are a fair reflection of the individual performances delivered over the year and in line with the performance of the Group. This means that the ratio of the CEO's total realised pay to average pay in the Group is 14:1 for 2020 (2019: 37:1). Further details in respect of the CEO pay ratio are disclosed on page 83.

Details of 2021 base salary levels

The Remuneration Committee has reviewed the base salaries of the Executive Directors and considered the average increase for employees across the Group as a whole; and information from relevant comparator groups including our industry peer group, together with current trading conditions. As a result, the Committee has decided not to increase Executive Directors' salaries with effect from 1 January 2021. The average increase for employees across the Group is 1.8%.

Pension levels for incumbent Executive Directors remain unchanged for 2021, but as noted in the Directors' Remuneration Report last year the pension allowances for both Executive Directors will be aligned to the wider workforce by the end of 2021.

Details of the 2021 annual bonus

For 2021, the Remuneration Committee has determined that the annual bonus payment for the Executive Directors will be by reference to specific performance targets set at the beginning of the year. The performance measures are:

- Reported profit before taxation for the Group (75% weighting); and
- Key Performance Indicators (25% weighting).

The performance shares to be granted in 2021 will continue to be granted subject to a combination of EPS and TSR performance measures. No other changes are proposed to the implementation of the remuneration policy.

I look forward to your support on all of the resolutions relating to remuneration at the AGM on 12 May 2021.



Tanith Dodge
Remuneration Committee Chairman
1 March 2021

Directors' Remuneration Report continued

Annual Report on remuneration

This section of the report provides details of the payments made to Directors in respect of the 2020 financial year. The sections of the report which are subject to audit have been highlighted.

Single total figure of remuneration (audited)

As illustrated by the TSR performance graph on page 82, the Group's performance was below the FTSE Small Cap and the correlation between performance and pay has been adjusted accordingly, with nil variable element of pay in the current year for the Executive Directors.

Executive Directors

The total remuneration for 2020 and comparative prior year figures for each Executive Director are set out in the table below. The single total figures for 2020 are lower than those for the previous year and reflect the voluntary salary reduction of 20% between April and September, no annual bonus payment, and the 2018 performances shares not vesting in March 2021.

The single total remuneration figures for 2019 have also been updated to reflect the share price on the date of vesting of LTIP awards (rather than the estimated price used last year prior to them vesting). The total realised remuneration for the Executive Directors is equivalent to 1.5% of the increase in the market capitalisation of the Company created over the last five years.

	2020							Total ⁴ £'000
	Base salary £'000	Other ¹ benefits £'000	Pension £'000	Total fixed pay £'000	Bonus ² £'000	LTIPs ³ £'000	Total variable pay £'000	
R C Walters	577	60	128	765	-	-	-	765
A R Bannatyne	352	26	78	456	-	-	-	456
	929	86	206	1,221	-	-	-	1,221

	2019							Total ⁴ £'000
	Base salary £'000	Other ¹ benefits £'000	Pension £'000	Total fixed pay £'000	Bonus ² £'000	LTIPs ³ £'000	Total variable pay £'000	
R C Walters	626	60	125	811	188	675	863	1,674
G P Daubeney*	555	47	111	713	208	599	807	1,520
A R Bannatyne	382	26	76	484	115	412	527	1,011
	1,563	133	312	2,008	511	1,686	2,197	4,205

* Giles Daubeney stepped down from the Board on 17 May 2019. He ceased to be employed by the Group at the end of his notice period on 16 May 2020.

- Each of the Executive Directors received a range of benefits, comprising permanent health insurance, private medical insurance, a car allowance and mortgage subsidy. The benefits for Robert Walters and Giles Daubeney have not been increased in value since 2000; and, in the case of Alan Bannatyne, since his promotion to Chief Financial Officer in 2007.
- Two thirds of any annual bonus is paid in cash and one third is deferred and held as shares. The performance measures, targets and the outcomes for the annual bonus plan are described on page 78.
- The performance measures, targets and the performance outcomes for the Performance Share Plan are detailed on page 80.
- The single total LTIP figures for each Executive Director are based on an estimate of the share price on the date of vesting. The 2019 single total figures were based on an estimate using the average share price for the final quarter of the financial year for 2019 of 519p and have been revised (in accordance with the reporting regulation) to reflect the actual share price on vesting of 261p for the PSP and co-investment awards.

Chairman and Non-executive Directors (audited)

The total remuneration for 2020 and 2019 for the Chairman and each Non-executive Director is set out in the table below.

	2020 ^{1,3}	2019 ¹
	Total fees £'000	Total fees £'000
C Hui	120	124
B McArthur-Muscroft	74	76
T Dodge	69	71
S Cooper	59	61
R Mobed ²	5	-
	327	332

- No taxable benefits are payable to the Chairman and Non-executive Directors.
- R Mobed joined the Board on 1 December 2020.
- The 2020 fees reflect the voluntary fee reduction of 10% between April and September.

Additional details in respect of the single total figure (audited)

Base salary

For 2020, the Committee gave Robert Walters and Alan Bannatyne a base salary increase of 2.5% and this came into effect on 1 January 2020. These salary increases were lower than the expected average salary increase for employees across the Group of 3.2%. During the year, both Robert Walters and Alan Bannatyne took a voluntary salary reduction of 20% between April and September in light of the Covid pandemic.

Other benefits

Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, private medical insurance, car allowance and mortgage subsidy.

Pensions

During the year, each of the Executive Directors received an allowance of 20% of salary to be paid as cash in lieu of a pension contribution. All of the Executive Directors take their pension contribution as a cash allowance. These allowances will be aligned (as a percentage of salary) with that payable to employees generally by the end of 2021 and, for any new Executive Directors, on appointment.

Annual bonus

For 2020, the Remuneration Committee determined the annual bonus payment for the Executive Directors by reference to specific performance targets set at the beginning of the year. The total maximum bonus pay-out is 150% of salary of which 112.5% is subject to profit before taxation performance and 37.5% is subject to personal KPI performance.

Annual bonus performance outcomes

Profit before taxation

The 2020 threshold, budget (i.e. target) and maximum performance standards for reported profit before taxation (which has a 75% weighting) were set in the light of both internal budgets and market expectations at the start of the year before the impact of the Covid pandemic was known. The upper end of the target range represented a 15.2% increase on the prior year outturn and was therefore considered to be particularly stretching at the time.

The table below shows the maximum bonus payable under each performance standard.

	Performance standards			Performance
	Threshold	Target	Maximum	Achieved
Profit before taxation	£44.6m	£49.6m	£54.6m	£12.1m
% of maximum bonus payable	29.5%	37.5%	75.0%	0%
% of salary	39.4%	50.0%	112.5%	0%

The outcome of profit before taxation was £12.1m. This was below threshold and resulted in the payment of 0% of salary for each Executive Director (2019 payment: 0% of salary).

Key Performance Indicators

Performance against the Key Performance Indicators (KPIs) (which have a 25% weighting) has been assessed against a number of objectives which cover several different areas including financial, environmental, social and governance. The Remuneration Committee takes a systematic approach to setting the KPIs and to the assessment of performance against them. Although many of the objectives are individual, the Remuneration Committee seeks to encourage the Executive Directors to work effectively as a team, which aligns to the culture of the business. The KPIs therefore reflect their shared responsibilities for moving the business forward and investing appropriately in the long-term sustained performance of the Group. At the start of the year, the Remuneration Committee selects and agrees, for each of the Executive Directors, specific goals which are designed to develop the Group and to mitigate a variety of the risks that face the Group. They are designed to be stretching and require actions and delivery to a high standard. The objectives for 2020 covered three key areas of focus that included delivery of high-calibre candidate experience, delivery of strategic objectives and CSR, environment and culture targets.

Directors' Remuneration Report continued

KPIs were evaluated in detail by the Remuneration Committee after the end of the financial year and it was considered that the following were achieved to the respective degree:

Performance goals and targets	Bonus outturn and weighting as a % of maximum bonus	Factors considered in assessment of performance
<p>Delivery of high-calibre candidate experience, including: Quality of candidate engagement; measuring the milestone delivery of the new CRM platform; review and update of manager and consultant training courses.</p>	8% of a maximum of 10%	<ul style="list-style-type: none"> – Overall candidate satisfaction rating in internal surveys was recorded as 86% and the target in this respect was achieved – A very challenging metric for candidate engagement levels was set at the beginning of the year. Whilst Covid created additional challenges and this was achieved in one region, it is considered that this objective was not met in full – Internal training courses relating to achieving excellent candidate service levels were delivered to all new consultants – Two modules of the new CRM platform were successfully developed with deployment on track for 2021 <p>The Remuneration Committee concluded that especially in the light of Covid, the candidate performance metrics were considered to be a strong achievement.</p>
<p>Delivery of strategic objectives, including: Specific client engagement metrics, establishment of global consistency across shared service centres, cost control metrics and geographical focus with specific headcount investment and profit targets in respect of certain locations.</p>	6% out of a maximum of 12%	<ul style="list-style-type: none"> – RS won a number of new client contracts (12) and extensions (27) during the year. However, it did not achieve its overall target in respect of larger clients and therefore this element of the KPI was not achieved – Strict cost control measures put in place as a result of Covid, resulting in a far greater cost reduction than the initial target and this element was achieved – Headcount growth in strategic locations were not achieved given Covid, although, proportionately, headcount was maintained at higher rates relative to the rest of the Group. Nevertheless, this KPI element was not achieved – A number of cross-selling initiatives were set and these were achieved during the year – Specific profit targets were set in respect of certain offices and whilst good progress was made, these were not achieved – The establishment of specific areas of sales focus was set and this element was achieved <p>The Remuneration Committee concluded that, although several of these objectives were achieved the headcount and specific profit targets were not however met.</p>
<p>CSR, environment and culture targets, including: Continuing improvement in line with new regulatory and sector developments, with delivery against a number of specific diversity initiatives, industry accreditation targets and to achieve a positive carbon footprint outcome for the year.</p>	2% out of a maximum of 3%	<ul style="list-style-type: none"> – A number of diversity & inclusion targets were set at the beginning of the year. Several of these objectives were met, however this remains a key area of focus for the Group in the light of the ongoing external developments globally in this area and the significance to our employees – The Group was ranked Number 1 in the annual CSR/ESG annual Business Services review conducted by a leading investment bank – Relative to the 2023 target for the business to become carbon neutral, the Group became a carbon capture business during 2020 – 5 Employer Awards and 18 Industry Awards were achieved across the Group. Overall this element was not considered to have been achieved <p>The Remuneration Committee in its evaluation decided that in spite of the pressures of Covid many of the objectives were met. In other areas, there had been progression but there remained work to do.</p>
Overall weighting	16% out of 25%	

It was therefore determined that 64% of the maximum was payable under this element to Robert Walters and Alan Bannatyne, representing 16% of the maximum bonus and 24% of salary, with the outcome the same for both Executive Directors as the objectives were considered as team objectives. Given the broader performance of the Group during the year as a result of Covid, both Robert Walters and Alan Bannatyne requested not to receive the bonus payable under this element. This was discussed and agreed by the Remuneration Committee.

Consequently, no bonus payments were made to Robert Walters and Alan Bannatyne (2019: 30% of salary). One third of the earned bonus in the prior year was deferred for two years into shares, payable in equal tranches after one and two years respectively. Details of the cash payment and the deferred shares are set out below.

	2020			2019 ¹		
	Annual bonus £'000s	Cash payment – two thirds £'000s	Deferred payment – one third £'000s	Annual bonus £'000s	Cash payment – two thirds £'000s	Deferred payment – one third £'000s ¹
R C Walters	0	0	0	188	125	63
G P Daubeney ²	0	0	0	208	208	0
A R Bannatyne	0	0	0	115	77	38

- 50% of the deferred shares awarded in 2019 and the remaining 50% of the deferred shares awarded in 2018 have vested at the end of 2020.
- Giles Daubeney stepped down from the Board on 17 May 2019. He ceased to be employed by the Group at the end of his notice period on 16 May 2020.

Over the last five years, the average total bonus pay-out has been 57% of total bonus opportunity, reflecting the difficult macroeconomic backdrop and the impact of Covid.

Long-term incentive plans (audited)

The remuneration shown in the long-term incentive plan (LTIP) figures in the single total figure table on page 76 shows the total vested value of shares granted under the Performance Share Plan (PSP) which are detailed below:

Performance Share Plan (PSP)

The 2020 value represents an estimate of the value of the PSP share awards that were granted in March 2018. PSP awards granted in March 2018 are scheduled to vest in March 2021 subject to the achievement of stretching performance conditions over the three-year period ending on 31 December 2020 and continued employment until vesting. Details of the performance levels achieved over this three-year period are set out below:

Performance measure	Weighting	Performance required for minimum vesting (i.e. 33% of award)	Performance required for maximum vesting (i.e. 100% of award)	Actual performance	% of vesting achieved
Compound annual increase in EPS compared to the increase in RPI over three years.	50%	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 8%.	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 14%.	The Group's annualised compound EPS growth was negative 43% and below the threshold of the performance range.	0.0%
Relative TSR measured against the FTSE Small Cap Index over three years.	50%	Relative TSR of the Group matches the median relative TSR performance of the FTSE Small Cap Index.	Relative TSR of the Group exceeds the median relative TSR performance of the FTSE Small Cap Index by at least an annual compound growth of 12.5%.	TSR over the three-year period ended 31 December 2020 was negative 23.7% compared to a median TSR of the FTSE Small Cap Index of 6.5%. Therefore, performance was below threshold.	0.0%
Total to vest in March 2021					0.0%

The table below details the awards granted in March 2018, the potential value of these awards at grant date and the estimated value of the shares awarded under the PSP included in the single figure table for the financial year 2020.

	No. of PSP awards granted	Grant price (p) ¹	Face value (£'000) ²	Fair value (£'000) ³	% of vesting achieved	No. of vested awards	Value attributable to share price increases ⁴	Total value of vested awards (£'000) ^{4,5}
R C Walters	172,055	636	1,094	1,139	0.0%	0	0	0
A R Bannatyne	105,054	636	668	695	0.0%	0	0	0

- Grant price is the market value at the time of grant.
- Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
- Fair value has been calculated as the fair value of one share as provided by Aon Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of shares granted.
- The component value of the awards vesting which is the direct result of the share price increasing over the vesting period.
- The total value of awards has been estimated using the average share price for the final quarter of 2020 of 429p per share. The value of the award may differ as it is dependent on the share price on the vesting date.

The Remuneration Committee has powers to exercise discretion in relation to the vesting of shares under the PSP. The vesting of share awards is subject to the Remuneration Committee being satisfied that there has been a genuine improvement in the underlying performance of the business. No discretion to enhance or reduce remuneration was exercised in the year. The performance conditions for all outstanding awards under the PSP can be found on the next page.

Directors' Remuneration Report continued

Long-term incentives awarded in 2020 (audited)

Performance Share Plan (PSP)

On 1 March 2020, the Executive Directors were granted share awards to the value of 180% of salary as follows:

	Share awards	Grant price (p) ¹	Face value (£'000) ²	Fair value (£'000) ³	% award vesting at minimum threshold performance
R C Walters	194,346	594	1,154	972	25%
A R Bannatyne	118,659	594	705	593	25%

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

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

Performance measures	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index over a three-year period	50%	12.5%
Earnings per share (EPS) growth over a three-year period	50%	12.5%
Total	100%	25.0%

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

- In determining the three-year EPS targets, the first year is set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Company, taking into account all available data. For the 2020 awards, the first year target was set at an increase of 12.5% over the previous year. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The three-year threshold will be the compound result of EPS growth in years one, two and three. There is then a straight-line increase in vesting, with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three.
- In relation to the three-year relative TSR performance measure no vesting occurs unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs only when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%. This is deemed to be the equivalent of upper quartile performance.

Statement of Directors' shareholding and share interests (audited)

Share options

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

	Options at 1 January 2020	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options at 31 December 2020 ¹	Price granted (p) ²	Share price on exercise (p)	Gain on exercise (p)	Exercise dates
R C Walters									
Executive Options	300,000	-	-	-	300,000	353	-	-	Mar 2017 – Mar 2024
SAYE Options	4,945	-	(4,945)	-	-	364	-	-	May 2020 – Nov 2020
SAYE Options	-	5,521	-	-	5,521	326	-	-	Sep 2023 – Mar 2024
	304,945	5,521	(4,945)	-	305,521				
A R Bannatyne									
Executive Options	200,000	-	-	-	200,000	211	-	-	Mar 2016 – Mar 2023
Executive Options	200,000	-	-	-	200,000	353	-	-	Mar 2017 – Mar 2024
SAYE Options	4,945	-	(4,945)	-	-	364	-	-	May 2020 – Nov 2020
SAYE Options	-	5,521	-	-	5,521	326	-	-	Sep 2023 – Mar 2024
	404,945	5,521	(4,945)	-	405,521				
	709,890	11,042	(9,890)	-	711,042				

1. In total there are 700,000 options that have vested but are unexercised.

2. Market price when awarded, except for SAYE Options which were granted at a 20% discount to the market price.

The performance criteria of the options are detailed in note 19. SAYE Options are not subject to any performance measures.

The market price of the ordinary shares at 31 December 2020 was 473p per share (2019: 556p per share) and the range during the year was 237p to 614p per share.

Performance Share Plan (PSP) (audited)

There are currently 142 senior Executives who participate in the PSP, including the Executive Directors. The table below shows the number of shares that have been awarded to the Executive Directors under the PSP and that remained unexercised at the end of the financial year, and also shows the shares which were granted, which vested and which lapsed during the year. All PSP awards are subject to the same performance measures and targets.

	Date of grant	Share awards	Vested during the year	Lapsed during the year	At 31 December 2020	Share price on date of award (p) ¹	Exercise date
R C Walters							
	March 2017	264,067	(258,257)	(5,810)	-	402	March 2020
	March 2018	172,055	-	-	172,055	636	March 2021
	March 2019	207,798	-	-	207,798	542	March 2022
	March 2020	194,346	-	-	194,346	594	March 2023
		838,266	(258,257)	(5,810)	574,199		
A R Bannatyne							
	March 2017	161,216	(157,669)	(3,547)	-	402	March 2020
	March 2018	105,054	-	-	105,054	636	March 2021
	March 2019	126,872	-	-	126,872	542	March 2022
	March 2020	118,659	-	-	118,659	594	March 2023
		511,801	(157,669)	(3,547)	350,585		

1. Market price when awarded.

In accordance with the guidance issued by The Investment Association and consistent with the rules of the Company's share schemes, the maximum number of new shares that may be issued in respect of all share schemes is limited to 10% of the issued share capital. At 1 January 2021 the Company had outstanding options representing 4.6% of issued share capital. Share awards made under the PSP are satisfied with market-purchased shares through the Employee Benefit Trust.

In the event of a change of control, the rules specify that all awards would vest subject to satisfaction of the performance conditions. The awards would normally then be pro-rated to reflect the period of time between the date of grant and the date of change of control. Further information relating to all equity awards currently available to Executive Directors is detailed on pages 80 and 81 and in note 19 to the accounts.

Directors' interests in shares (audited)

The Directors who held office at 31 December 2020 had the following interests in the ordinary shares of the Company:

	31 December 2020 Number	31 December 2019 Number
R C Walters	2,644,301	2,452,567
A R Bannatyne	689,106	585,804
R Mobed	12,000	-
C Hui	10,000	10,000
B McArthur-Muscroft	7,140	7,140
S Cooper	6,000	6,000
T Dodge	6,000	6,000

There has been no change to the interest of the Directors between 31 December 2020 and the date of the Annual Report.

Share ownership policy (audited)

Executive Directors are subject to share ownership guidelines which recommend a minimum holding of 200% of salary. Their current holdings are all well in excess of this, which we believe aligns their interests with those of shareholders. Only shares that are beneficially owned by the Executive Directors and connected persons count towards the share ownership policy. For the avoidance of doubt, Directors are not permitted to take forward options or in any way securitise or hedge their holdings of Robert Walters plc shares.

The percentage and value of the shareholdings of the Executive Directors, based on the share price at 31 December 2020 and expressed as a percentage of salary, are as follows:

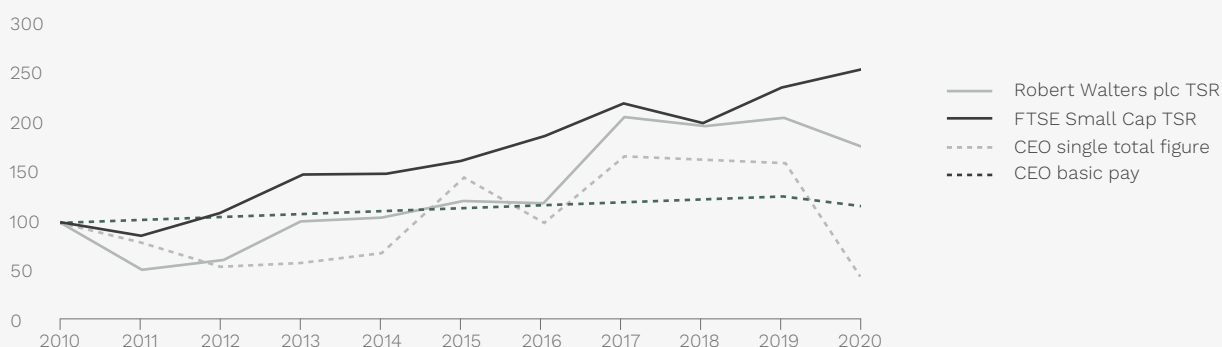
Shares held	% of issued share capital	% of salary
R C Walters	3.30%	1,958%
A R Bannatyne	0.86%	836%

Directors' Remuneration Report continued

TSR performance and the CEO's pay

The Remuneration Committee supports the Group's strong view that remuneration should be linked to performance. The following graph shows how the Chief Executive's base salary (and total realised pay) has changed since 2010. It also shows the Company's total shareholder return (TSR) against the TSR of the FTSE Small Cap Index. The FTSE Small Cap Index has been selected because Robert Walters plc is a constituent.

Total return (rebased to 100)



The following table shows the Chief Executive's total realised pay (calculated using the same approach we have used to calculate the single total figure) in each of the last ten years. It also shows the levels of pay-outs from the annual bonus and the long-term share-based plans in each year going back to 2011.

R C Walters	Single total figure showing realised remuneration £'000 ¹	% of total bonus paid against maximum opportunity ²	% of LTIPs vesting against maximum opportunity ³	Period over which the LTIP performance targets are based
2020	765	0%	0%	2017 - 2020
2019	1,674	20%	98%	2016 - 2019
2018	3,471	96%	89%	2015 - 2018
2017	3,501	95%	100%	2014 - 2017
2016	2,092	80%	78%	2013 - 2016
2015	3,014	93%	100%	2012 - 2015
2014	1,463	100%	18%	2011 - 2014
2013	1,241	100%	0%	2010 - 2013
2012	1,168	0%	71%	2009 - 2012
2011	1,699	40%	35%	2008 - 2011
Total average		62%	59%	

1. Total remuneration is calculated as the total of fixed and variable pay based on the same calculation method used in the single total figure table on page 76.
2. The percentage (%) of total bonus paid against maximum opportunity is calculated as the annual bonus pay-out in each respective year based on the same calculation method used in the single total figure table as a % of the maximum opportunity.
3. The percentage (%) of LTIP shares vesting against maximum opportunity is calculated as the number of share options and PSP awards that have vested in the year as a % of number granted.

Percentage change in the Board Directors' pay compared to employees

The table below shows the year-on-year percentage movement of base pay, other benefits and annual bonus in 2020 for each member of the Board, compared with the average percentage change for Group employees. The average percentage change for Group employees has been used as there are no employees in Robert Walters plc.

The remuneration disclosed in the table below uses the same information for base salary, other benefits and bonus as the single total figure on page 76. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

	Base salary/fee (without voluntary salary reduction)	Base salary/fee (with voluntary salary reduction)	Other benefits including pension	Bonus
R C Walters	2.5%	(7.7%)	1.7%	(100.0%)
A R Bannatyne	2.5%	(7.7%)	1.9%	(100.0%)
C Hui	2.5%	(2.6%)	n/a	n/a
B McArthur-Muscroft	2.5%	(2.6%)	n/a	n/a
S Cooper	2.5%	(2.6%)	n/a	n/a
T Dodge	2.5%	(2.6%)	n/a	n/a
R Mobed	n/a	(2.6%)	n/a	n/a
All employees	4.8%	0.4%	(4.5%)	(31.3%)

Chief Executive's pay ratio to the UK workforce

The Group has disclosed the Executive pay ratios, showing the relationship between the Company's Chief Executive's pay, and the pay of the UK-based workforce. Accordingly, the table below shows the ratio of the Chief Executive's single figure total remuneration to the UK-based lower, median and upper quartile paid (full-time equivalent) employees' single figure total remuneration. The employee total remuneration includes base salary, other benefits including pension, annual bonus and share-based remuneration.

	Method	Lower quartile	Median	Upper quartile
2020 ratio	Method A	24:1	17:1	12:1
2020 total pay and benefits (£'000s)	Method A	34.2	49.7	69.0
2020 salary component (£'000s)	Method A	31.5	46.9	61.5

	Method	Lower quartile	Median	Upper quartile
2019 ratio	Method A	76:1	51:1	52:1
2019 total pay and benefits (£'000s)	Method A	30.8	45.9	65.0
2019 salary component (£'000s)	Method A	26.0	38.0	52.8

The ratio of the CEO's pay to the median level of pay across the Group has changed largely because of the absence of variable pay for the CEO this year. Our pay, reward and progression policies are designed to be applied in the same way to all employees across the Group. A much higher proportion of the CEO's pay is related to performance than is the case for employees across the Group generally.

The Group has chosen to calculate the ratios in accordance with Option A methodology laid out in the remuneration regulations as the lower quartile, median and upper quartile employees could be identified based on full-time equivalent pay data as at 31 December 2020 and the Group felt that this was the most accurate way of calculating the ratios.

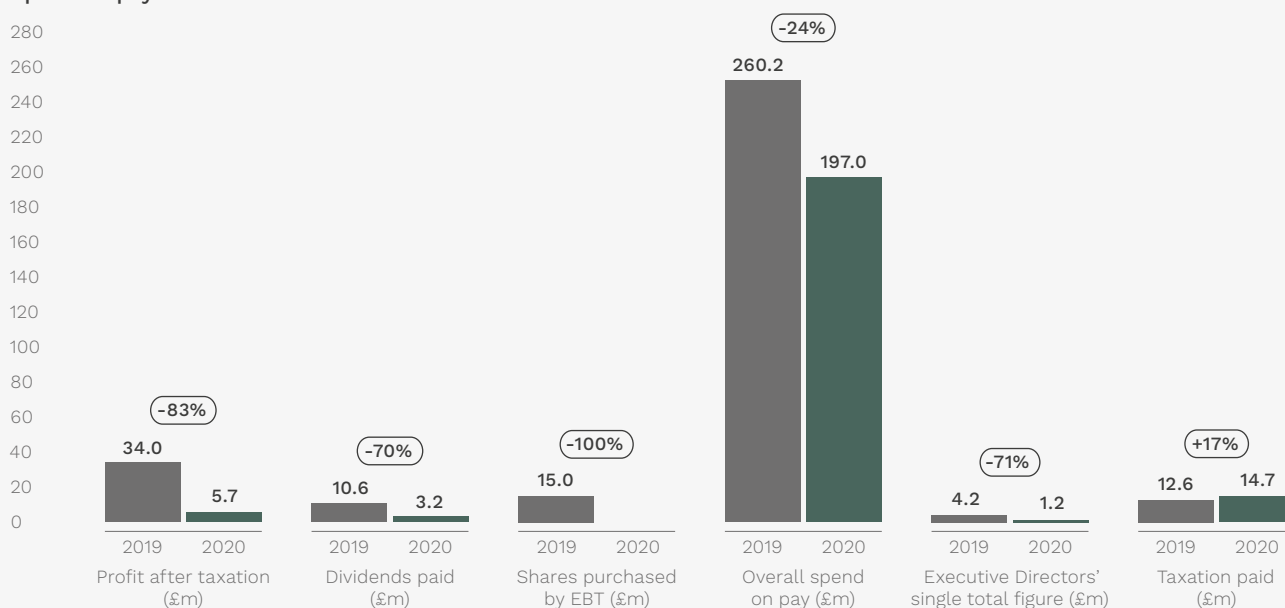
The employee pay data was obtained from the single payroll system used in the UK and after reviewing the data, the Group is satisfied that it fairly reflects the relevant quartiles given the range of roles within the UK business. As the head office is located in the UK and based on the Group's organisational shape and nature, there is a large proportion of administrative and support roles in the UK which explains both the ratios at the lower quartile and median. The upper quartile ratio is reflective of the make-up of Group management and senior management who have a broad range of salaries. Given potential volatility in the CEO single figure, year-to-year movements can be significant.

Directors' Remuneration Report continued

Relative importance of the spend on pay

The graph below shows details of the Group's profit after taxation, dividends paid, share buybacks, total spend on pay and taxation paid for the years ended 31 December 2019 and 2020. In the opinion of the Board, profit after taxation and taxation paid are both helpful reference points for putting the investment of pay costs necessary in a professional services business into context.

Spend on pay



Notes to the illustrative graph:

- The total dividend paid during the year ended 31 December 2020 was £3.2m based on a final dividend of nil, and an interim dividend of £3.2m paid on 6 November 2020. Further details on dividends are given in note 6.
- The shares purchased by the EBT represent the total amount spent by the EBT on shares during the year ended 31 December 2019. No shares were purchased by the EBT in 2020.
- Overall spend on pay includes wages and salaries, social security costs, pension costs and share-based payments for all employees including Directors. Further details of the total remuneration of the Group are given in note 4.
- Taxation paid during the year represents the corporation taxation paid for the Group during the year ended 31 December 2020.

Payments to past Directors and payments for loss of office (audited)

Giles Daubeney stepped down from the Board on 17 May 2019. He ceased to be employed by the Group at the end of his notice period on 16 May 2020. He was treated as a good leaver for the purposes of outstanding incentive awards.

Giles' remuneration for 2019 is included in the single total figure table on page 76. For 2020, he received the payments set out below (less any required tax withholdings):

- His normal remuneration arrangements until the end of his notice period on 16 May 2020, totalling £269,000;
- £599,000 from the vesting and exercise of the 2017 Performance Share Plan on 9 April 2020, which remained subject to the original performance conditions and other terms;
- No bonus will be payable for the year ended 31 December 2020; and
- His remaining unvested deferred annual bonus awards will continue to vest at the normal vesting dates and will be reported in the respective Directors' Remuneration Report.

The implementation of our remuneration policy in 2021

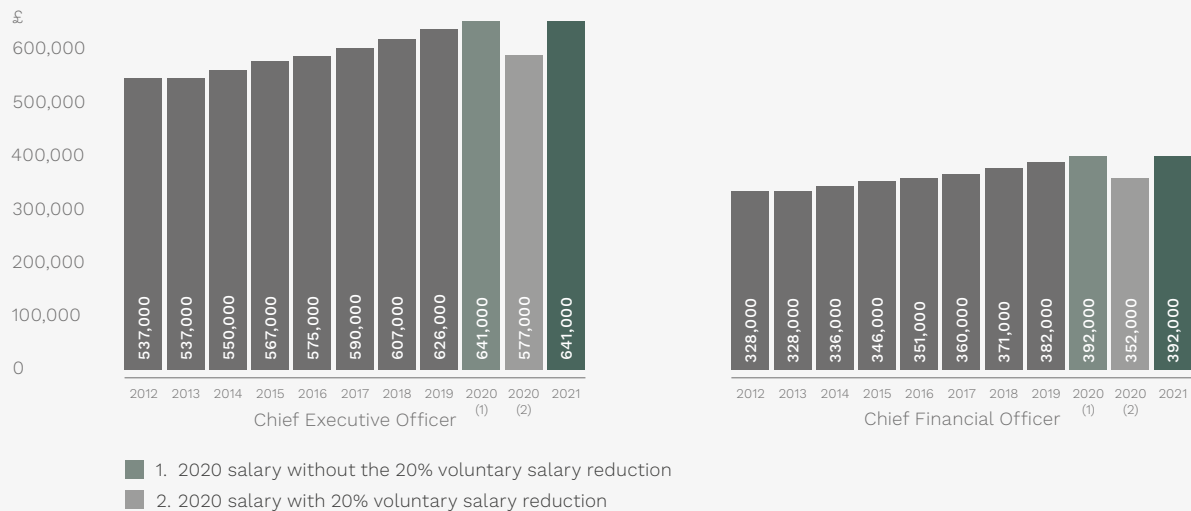
The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2021 will be as follows:

(a) Executive Directors

(i) Base salary

For 2021, the average salary increases for employees across the Group other than Executive Directors is expected to be approximately 1.8%. The Remuneration Committee has agreed that Robert Walters and Alan Bannatyne will not receive a base salary increase in 2021. The graph below sets out the base salaries of the Executive Directors going back to 2012.

Base salaries of the Executive Directors



(ii) Other benefits

No changes will be made to benefits in 2021.

(iii) Annual bonus

For 2021, the Remuneration Committee has determined that the annual bonus payment for the Executive Directors will be by reference to specific performance targets set at the beginning of the year. The performance measures are:

- Reported profit before taxation for the Group (75% weighting); and
- Key Performance Indicators (25% weighting) which include objectives covering a range of key areas such as strategic development, clients, locations, the Group's people, internal systems and Corporate Social Responsibility. The maximum bonus potential remains unchanged at 150% of salary. One third of any earned bonus will be deferred for two years into shares, payable in equal tranches on the first and second anniversary of grant.

The Remuneration Committee has decided that the disclosure of the profit before taxation performance standards or targets set for 2021 is commercially sensitive and this will be disclosed retrospectively in next year's Remuneration Report.

(iv) Performance Share Plan (PSP)

For 2021, it is envisaged that each Executive Director will receive awards under the PSP to the value on grant of 180% of base salary.

The performance period is the three-year period ending 31 December 2023. The performance conditions and weightings for these PSP awards are set out as follows:

Performance condition over a three-year period to 31 December 2023	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index	50%	12.5%
Earnings per share (EPS) growth	50%	12.5%
Total	100%	25.0%

Directors' Remuneration Report continued

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

- a. In determining the three-year EPS targets, the first year is set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Company, taking into account all available data. For 2021 the first year target is set at a stretching target of 17.8p given the current market conditions which have deteriorated year-on-year. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The overall threshold target will be the compound result of years one, two and three. There is then a straight-line increase in vesting with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three.
- b. In relation to the TSR performance condition, no vesting will occur unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%. The Remuneration Committee believes that this is broadly equivalent to upper quartile performance.

(v) Pensions

Pension contributions or cash in lieu of pension as a percentage of base salary are 20% of salary. This falls within the range of existing pensions; however, is greater than the Group average. It has been agreed to keep existing service contracts unchanged; however, any new appointments or change of role will result in a review to greater align with the Group average. Also as noted in the policy section, it is intended that the pension rate for current Executive Directors will be aligned with the wider workforce by the end of 2021.

(b) Chairman and Non-executive Directors

The Remuneration Committee is responsible for determining the remuneration of the Chairman and the Board is responsible for determining the fees of the Non-executive Directors.

As of 1 January 2021, the agreed fees for the Chairman (as determined by the Remuneration Committee) and the Non-executive Directors (as determined by the Chairman and the Executive Directors) are as follows:

	2021 Total fees ¹ £'000	2020 Total fees ¹ £'000
C Hui	-	120
B McArthur-Muscroft	78	74
T Dodge	73	69
S Cooper	62	59
R Mobed	127	5
	340	327

1. No other taxable benefits are payable to the Chairman and Non-executive Directors.
2. The 2020 fees reflect the voluntary salary reduction of 10% between April and September.

The Remuneration Committee

The Remuneration Committee comprises Tanith Dodge (Chairman), Brian McArthur-Muscroft and Steven Cooper, all of whom are independent Non-executive Directors. On invitation, the Chairman and Executive Directors attended all Remuneration Committee meetings during the year.

The purpose of the Committee is to consider all aspects of the Executive Directors' and other senior management roles' remuneration and to make recommendation to the Board of the specific remuneration packages, including bonus schemes, severance, pension contributions and other benefits. The Committee also recommends to the Board the remuneration of the Chairman. The Committee ensures that the remuneration packages are competitive within the recruitment industry and reflect both Group and personal performance during the year, while also having regard to the broader levels of remuneration within the Group itself and environmental, social and governance issues. The Committee meets when required to consider all aspects of Executive Directors' remuneration.

Advisers to the Remuneration Committee

The Committee received independent external advice from FIT Remuneration Consultants LLP during the year. The Committee has satisfied itself that the advice provided is independent and objective. FIT Remuneration Consultants LLP has been formally appointed by the Committee and does not provide other services to the Remuneration Committee or to the Group. The Committee has used its best judgement to satisfy itself that the advice provided is objective and independent.

FIT Remuneration Consultants LLP is also a member of the Remuneration Consultants Group. The fees paid during the year were £10,200. The fees are charged on a time and expenses basis.

Remuneration for employees below Board

The Committee's extended remit considers and approves the reward structure and levels of remuneration for the Operating Board. In addition, the Committee continues to review overall Group remuneration average increases and workforce-related pay policies and takes these into consideration when setting pay increases for the Executive Directors.

Our senior management has an annual bonus scheme that is measured against Group and regional financial targets and personal and strategic objectives. Members of the Operating Board also participate in the Performance Share Plan (PSP) with the same performance conditions as the Executive Directors. Employees below the Operating Board receive salary and benefits which are benchmarked to the local markets and countries in which they work. These are reviewed annually. There is a strong tie of reward to performance which is recognised through annual bonuses, commission or other non-financial recognition. Employees who hold key strategic positions or are deemed critical to the business through their performance are also offered the opportunity to participate in the Performance Share Plan with performance conditions based on Group EPS and TSR results measured over three years.

Employee engagement

In line with the Code, the Board appointed Tanith Dodge, Non-executive Director and Chairman of the Remuneration Committee, to represent employee engagement. Tanith's annual responsibilities will include, but are not limited to, the following:

- Hosting breakfast sessions with a cross-section of employees (this was not possible in 2020 due to Covid);
- Office visits to improve dialogue with employees (this was not possible in 2020 due to Covid);
- Meet with a sample of new hires and departing employees at exit interviews (these were done via Zoom in 2020);
- Review internal benchmarking, including staff attrition rates and employee engagement surveys; and
- Chairing the newly established Organisational Health Committee.

These actions will enable the Board to understand the views of employees and to ensure that the Board's approach to investing and rewarding its workforce is appropriate and aligns with the culture and principles of the Group.

The Board believes that a diverse workforce and inclusive culture are essential to business success and the Group supports and values diversity in all forms, not just gender. The Committee believes this is an important part of the employee engagement in relation to remuneration. A detailed explanation of the Group's approach to diversity and inclusion can be found in the Corporate Social Responsibility Report on pages 35 to 37.

The terms of reference of the Remuneration Committee are available on our website.

Voting at the Annual General Meeting

At the Group's Annual General Meeting on 13 May 2020, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2019. The table below shows the results in respect of the resolution. The table also shows the percentage of votes cast for and against the resolution on the Directors' remuneration policy, originally approved at the Group's Annual General Meeting on 13 May 2020.

Resolution	Votes for	%	Votes against	%	Votes withheld
Approve the Directors' remuneration policy (May 2020)	60,100,257	96.93	1,903,372	3.07	3,256
Approve the Directors' Remuneration Report (May 2020)	29,993,163	52.52	27,112,884	47.48	4,900,839

The Committee noted the vote in respect of last year's Remuneration Report and the desire from a number of shareholders for the Group to refine annual bonus disclosure levels moving forward. The Remuneration Committee Chair, prior to the Annual General Meeting and afterwards, has engaged with several shareholders who were focusing on the disclosure of the Key Performance Indicators (KPIs) relating to the annual bonus criteria. It is clear that many wanted greater visibility of the achievement levels against KPIs. The Remuneration Committee will continue to improve the transparency of KPIs, while at the same time, taking into account the Board's concerns about commercial sensitivity. The Board will continue discussions on an ongoing basis with shareholders to make sure that their views are fully understood. The Remuneration Committee reviewed in detail and approved the KPIs of the Executive Directors in January 2021 and continue to believe that KPIs form an important part of a balanced approach to pay and performance management.

Directors' Remuneration Report continued

Directors' remuneration policy

The second part of this report details the Group's remuneration policy (the policy) for Executive Directors, which was approved by the shareholders in a binding vote during the 2020 Annual General Meeting. The policy took effect from the Annual General Meeting on 13 May 2020. The full policy approved by shareholders can be found in the 2019 Annual Report. There are no proposed changes to the current policy for 2021 and therefore we do not propose to table a resolution seeking approval of the policy at the next Annual General Meeting.

The policy is designed to support the strategic business objectives of the Group in order to attract, retain and motivate our Executive Directors. We place considerable importance on pay for performance, on setting tough targets and on share ownership, which is in line with the entrepreneurial culture of the Group.

How the Remuneration Committee sets remuneration

The Remuneration Committee reviews the Group's remuneration philosophy and structure each year to ensure the remuneration framework remains effective in supporting the Group's business objectives. The review ensures that there is external input from professional advisers, consideration of the remuneration structures and quantum of the internal workforce and the performance of the business. The Remuneration Committee seeks to ensure that the policy is in line with best practice and fairly rewards individuals for the contribution to the business, having regard for the size and complexity of the Group's operations and the need to motivate and attract employees of the highest calibre.

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

Directors' remuneration policy

The table overleaf summarises the Directors' remuneration policy which was approved by shareholders at the Annual General Meeting on 13 May 2020. A copy of the full policy can be found in the 2019 Annual Report and can be accessed at www.robertwaltersgroup.com/AR2019.

Executive Directors

Element	Base salary
Link to strategic objectives	The base salary of each Executive Director takes into account the performance of each individual and is set at an appropriate level to secure and retain the talent needed to deliver the Group's strategic objectives.
Operation	Salaries are normally reviewed annually on 1 January and are influenced by: <ul style="list-style-type: none"> – The performance of each individual Executive Director; – Average increase for employees across the Group as a whole; and – Information from relevant comparator groups including our industry peer group.
Maximum potential	Annual increases will not exceed 7.5% + RPI, or the average increase of employees across the Group in any given year, whichever is higher. The level of increase may deviate from this maximum in the case of special circumstances (for example, increases in responsibilities or promotion). In these cases, any exceptional increase will not exceed 20% a year.
Performance conditions and assessment	Base salary increases are principally set in line with market movement and also consider the average salary increase for other employees across the Group rather than individual performance. Poor performance is likely to lead to no adjustment being made.
Element	Pensions
Link to strategic objectives	To provide a competitive employment benefit and long-term security.
Operation	The Group operates a money purchase pension scheme. Executive Directors participating in the pension plan may benefit from annual Group contributions worth up to 20% of base salary. Executive Directors are entitled to take all or part of their pension contributions as a cash allowance.
Maximum potential	20% of salary for current Executive Directors, which will be aligned to that available to the wider workforce at the end of 2021. For any new Executive Director the pension contribution will be aligned with that payable to the wider workforce.
Performance conditions and assessment	n/a
Element	Other benefits
Link to strategic objectives	To provide cost-effective employment benefits and encourage share ownership.
Operation	Benefits currently include car allowance, mortgage subsidy, permanent health insurance and private medical insurance, and may also include other benefits in future. Relocation assistance may also be provided – see notes for further clarity. All benefits are subject to annual review to ensure they remain in line with market practice. Reasonable business related expenses will be reimbursed (including any tax due). The Group will continue to operate the Save As You Earn (SAYE) Option Scheme – see notes for further detail.
Maximum potential	Maximum benefit costs will not exceed a value of £72,500 a year, indexed to inflation, except where a relocation package is required, and the costs will be capped by the Group's relocation policy.
Performance conditions and assessment	n/a

Directors' Remuneration Report continued

Element	Annual bonus
Link to strategic objectives	The annual bonus is designed to drive the achievement of the Group's financial and strategic business targets on an annual basis.
Operation	<p>The annual bonus is dependent upon the achievement of specific annual performance conditions.</p> <p>One third of any earned bonus will be deferred for two years into shares, payable in equal tranches at the end of years one and two.</p> <p>The Group will apply a clawback (i.e. recovery) provision in respect of any annual bonus deferral into shares in the event of material restatement of previously published financial statements within 18 months of the financial year end of the year in which the deferred shares were awarded.</p> <p>A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.</p>
Maximum potential	<p>The maximum bonus opportunity is 150% of salary for the achievement of stretch performance in any given year. Zero payment will be made for performance below threshold performance.</p> <p>The on-target bonus is 50% of maximum.</p>
Performance conditions and assessment	<p>Performance is measured over one financial year, based on the following measures:</p> <ul style="list-style-type: none"> – Financial targets as set out in the budget at the start of the year; and – KPIs set against pre-determined strategic performance objectives. <p>The intended weighting of these measures is not less than 75% financial and no more than 25% on KPIs.</p> <p>The Committee reserves the right to determine which performance measures and targets are to be used at the beginning of each financial year in order to align to the Group's strategic objectives.</p> <p>The Committee will not change the mix of measures or targets mid-year but does retain the right to apply its judgement when assessing formulaic outcomes in the case of a material misstatement of financial results or similar situation. The Committee will not exercise discretion to reward failure and will report on any exercise of discretion that changes the amount of remuneration paid in any year.</p>

Element	Performance Share Plan (PSP) award
Link to strategic objectives	<p>The PSP is designed to promote staff retention, motivate Executives across the Group and promote team efforts towards Group-wide strategic objectives.</p> <p>The three-year time horizon of these share awards also aligns leadership with the longer-term returns of the business and shareholder interests.</p>
Operation	<p>PSP awards are normally granted annually and vest after three years, dependent on the achievement of performance conditions over a three-year period.</p> <p>A two-year holding period will apply to the post-tax value of vested shares in respect of awards made from 2019 where Executive Directors have not met the share ownership guideline of two times salary.</p> <p>The Group will apply a clawback (i.e. recovery) provision in the event of material restatement of previously published financial statements within 18 months of the financial year end of the year in which the PSP shares were awarded.</p> <p>A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.</p>
Maximum potential	<p>The maximum award of PSP shares that may be made to an Executive Director in any financial year is limited to shares with an aggregate market value of 200% of base salary. The normal award level is 180% of salary and no change to this is envisaged.</p> <p>Threshold performance will result in the vesting of 25% of the shares under award while maximum performance will result in full vesting.</p> <p>There will be no vesting for performance below threshold.</p>
Performance conditions and assessment	<p>Performance will be measured over a three-year period, subject to the following performance conditions:</p> <ul style="list-style-type: none"> – 50% of the award will vest based on relative total shareholder return (TSR). This is currently measured relative to the FTSE Small Cap Index; and – 50% of the award will vest based on earnings per share (EPS) growth over the three-year period. <p>The TSR and EPS components will operate independently. Vesting levels between threshold and maximum performance will be calculated on a straight-line basis.</p>

Directors' Remuneration Report continued

Chairman and Non-executive Directors

The table below summarises the Directors' remuneration policy as it applies to the Chairman and Non-executive Directors:

Element	Chairman and Non-executive Directors
Link to strategic objectives	<p>The Group seeks to pay fees which reflect the level of responsibility, the time commitment and experience of the Chairman and Non-executive Directors and which are competitive with peer group fee levels.</p> <p>In order to ensure no potential impairment to the required impartiality and objectivity of the Chairman and Non-executive Directors, fees are not linked to performance.</p>
Operation	<p>The remuneration of the Chairman and Non-executive Directors is determined annually by the Remuneration Committee.</p> <p>The fee level is usually reviewed annually – and may be increased, in the light of practices in our peer group and in companies of similar size.</p> <p>The Chairman and Non-executive Directors have a letter of appointment and not an employment contract. Their appointment is terminable by either party giving not less than three months' written notice at any time. No compensation is payable on early termination.</p> <p>The Chairman and Non-executive Directors do not participate in any of the Group's share schemes, pension schemes or bonus arrangements.</p>
Maximum potential	<p>The maximum aggregate fees for the Non-executive Directors (excluding the Chairman) is set out in the Articles of Association and is currently £250,000.</p> <p>The fees for the Chairman and Non-executive Directors are determined by reference to benchmark market data and assessment of the expected time commitment.</p> <p>Reasonable business and travel expenses are reimbursed (including any tax due).</p> <p>Increases in fee value in any given year will be in line with market movement and will not exceed a maximum of 10% + RPI in any given year.</p> <p>In the event of a temporary but material increase in the time commitment required, an adjustment may be made to the fee level on a pro-rata basis.</p>
Performance conditions and assessment	<p>The Chairman and Non-executive Directors are subject to an annual evaluation as part of the assessment of the Board's performance but no element of pay is specifically linked to performance conditions or the outcome of this assessment.</p>

Legacy awards and any other contractual obligations

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

Alan Bannatyne is a Non-executive Director of XPS Pensions Group plc and his 2020 fees were £75,000. None of the other Executive Directors currently hold Non-executive Director positions.

Contract of service/letter of appointment ¹	Date of original contract/letter of appointment ¹
Executive Directors	
R C Walters	19 June 2000
A R Bannatyne	1 March 2007
Non-executive Directors	
C Hui	1 January 2012
B McArthur-Muscroft	1 May 2013
T Dodge	1 February 2017
S Cooper	8 October 2018
R Mobed	1 December 2020

1. The Directors' contracts of service/letters of appointment provide details of the Directors' obligations and are available to view at the Company's registered office.

The Directors all stand for election at the Annual General Meeting every year.

The tables on pages 80 and 81 show the details of the share options and PSP awards that are currently held by each Director and when they will vest.

The table on page 86 shows the fees payable to the Non-executive Directors.

The Executive Directors are required to seek approval from the Board prior to the acceptance of any such positions in companies outside the Group.

Approval

This report was approved by the Board of Directors on 1 March 2021 and signed on its behalf by:



Tanith Dodge

Remuneration Committee Chairman

1 March 2021

Directors' Responsibility Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and have chosen to prepare the Parent Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable laws). Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that the Directors:

- Suitably select and apply accounting policies consistently;
- Ensure information, including accounting policies, is presented in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare a Directors' Report, Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards to the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of the Directors in respect of the Annual Report

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

- The Annual Report is drafted by appropriate senior management with overall coordination by the Chief Marketing Officer and Group Financial Controller to ensure consistency across sections;
- An extensive verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the report are undertaken by members of the Executive Board and senior management team;
- An advanced draft is considered and reviewed by two Operating Board members; and
- The final draft is reviewed by the Audit and Risk Committee prior to consideration by the Board.

Responsibility statement

We confirm that to the best of our knowledge:

- The Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company together with a description of the principal risks and uncertainties that they face.

By order of the Board,



Alan Bannatyne
Chief Financial Officer
1 March 2021

Directors' Report

Overview

The Directors present their Annual Report on the activities of the Group together with the audited financial statements for the year ended 31 December 2020.

The Strategic Report provides information relating to the Group's activities, its business and strategy, the principal risks and uncertainties faced by the business and environmental and employee matters. The Group's analysis for greenhouse gases is shown on pages 52 to 53. These sections, together with the Corporate Governance and the Directors' Remuneration Reports provide an overview of the Group and offer an insight of future developments in the Group's business. The Directors consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, in accordance with the latest narrative reporting requirements.

Results and dividends

The Group's audited financial statements for the year ended 31 December 2020 are set out on pages 108 to 134 and the Company's audited financial statements are set out on pages 135 to 138. The Group's profit after taxation for the year ended 31 December 2020 was £5.7m (2019: £34.0m).

The Directors recommend a final dividend of 11.0p per ordinary share (2019: 11.0p which was subsequently cancelled) to be paid on 4 June 2021 to shareholders on the register on 7 May 2021, which together with the interim dividend of 4.5p paid on 6 November 2020 makes a total of 15.5p per share for the year (2019: 15.5p before the cancellation of the final dividend).

Post-balance sheet events

There have been no significant post balance sheet events to report since 31 December 2020.

Directors

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

C Hui¹ (stepped down 31 December 2020)

R Mobed¹ (appointed 1 December 2020)*

R C Walters

A R Bannatyne

B McArthur-Muscroft¹

T Dodge¹

S Cooper¹

1. Non-executive Directors.

* R Mobed was appointed Chairman on 1 January 2021.

Details of the Directors' service contracts are shown in the Directors' Remuneration Report on page 93.

Details of share awards granted to Directors and the interests of the Directors in the ordinary shares of the Company are shown on page 81.

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

Employees

The Group releases quarterly regional business update videos and financial results to employees via our Workplace from Facebook platform. The Directors also hold managers' forums and conferences to discuss and consult on business priorities.

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

Capital structure

Details of the authorised and issued share capital, together with the movements in the Company's issued share capital during the year, are shown in note 18. Each share carries the right to one vote at the general meetings of the Company. Further information on the voting and other rights of shareholders, including deadlines for exercising voting rights, are set out in the Company's Articles of Association and in the explanatory notes that accompany the Notice of the Annual General Meeting which are available on the Company's website at robertwaltersgroup.com/investors.

Restrictions on securities

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

Directors' Report continued

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

Substantial shareholdings

On 1 March 2021 the Company has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the Company:

Name of shareholder	Number of shares	%
Liontrust Asset Mgt	13,419,396	17.61
Aberforth Partners	8,194,147	10.75
BlackRock Investment Mgt	6,934,956	9.10
AEGON Asset Mgt	5,435,580	7.13
Canaccord Genuity Wealth Mgt	5,240,516	6.88
Jupiter Asset Mgt	4,880,697	6.41
Robert Walters plc Employee Benefit Trust (EBT) ¹	3,905,526	5.13
Aberdeen Standard Investments (Standard Life)	3,418,860	4.49
Mr Robert Walters	2,644,301	3.47
Franklin Templeton Investments	2,383,200	3.13

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

There is no significant change to substantial shareholdings between 31 December 2020 and the date of this report.

Appointment and retirement of Directors

The Directors may from time to time appoint one or more additional Directors. The Board may appoint any person to be a Director (so long as the total number of Directors does not exceed the limit prescribed in the Articles of Association). The UK Corporate Governance Code recommends that all Directors be subject to annual re-election by shareholders. Carol Hui stepped down from her role as Chairman on 31 December 2020, following a nine year tenure on the Board. Ron Mobed joined on 1 December 2020 to succeed Carol as Chairman and was appointed Chairman on 1 January 2021. Therefore all Directors, will offer themselves for re-election at the 2021 Annual General Meeting.

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

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

The Directors were authorised at the Company's last Annual General Meeting, held on 13 May 2020, to make market purchases of ordinary shares representing up to 10% of its share capital at that time and to allot shares within certain limits permitted by shareholders and the Companies Act. The Directors intend to renew this authority annually and will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will likely promote the success of the Company for the benefit of its members as a whole.

Provisions on change of control

The Company's revolving credit facility agreement for £60.0m includes a provision for a lending counterparty to amend, alter or cancel the relevant commitment to the Group following a change of control of the Company.

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

Articles of Association

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

Going concern and viability statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out on pages 58 to 62.

The Directors have assessed the long-term prospects of the Parent Company and the Group based upon business plans, cash flow projections for both the twelve-month period ending 31 December 2021 and the three-year period ending 31 December 2023 and the impact of the Covid pandemic.

The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed, given the cyclical nature of the market in which the Group operates. Furthermore, the nature of recruitment activity is highly reactive to market sentiment and the forward visibility of permanent recruitment, which represents 62% of the Group's net fee income, can be measured in weeks, whilst temporary recruitment and recruitment process outsourcing may be less affected.

The forecasts and cash flow projections being used to assess going concern have been comprehensively stress-tested by using simulation techniques involving sensitivity analysis applying, in particular, projections of reduced net fee income of up to 20% from forecasts each year over a three-year period. In light of the Covid pandemic, the Directors have also completed reverse stress testing (as per the FRC guidance), by running various downside scenarios, including but not limited to, no revenue for four months from February to May 2021, no further cost management, significant increase in debtors days and loss of key clients.

It should be noted that the Group has limited forward visibility and like all organisations, at this stage it is hard to predict the full extent of the impact of the Covid pandemic. Consequently there is a high degree of uncertainty in respect of future outcomes, however, the Group has a strong balance sheet with net cash as at 31 December 2020 of £155.5m and the various stress test scenarios indicate continued operation within its banking covenants and existing cash and financing facilities. Importantly, cash risk is mitigated to an extent as in the event of a reduction in the overall number of contractors working capital is released and credit risk is an ongoing area of key focus. Historically, the Group has successfully managed its cost base during previous economic downturns and managed to maintain dividend payments, however, the unprecedented uncertainty surrounding the Covid pandemic resulted in the cancellation of the final dividend for 2019. The Group reinstated and paid an interim dividend for 2020. Under an alternative economic downturn the Group would look to continue to pay the final dividend in line with the previous global financial crisis and prior economic downturns as it is the policy of the Directors to at least maintain the dividend in future periods, however, as per the recent cancellation, in the most extreme circumstances, the Board can and will review the payment of future dividends.

The Group reacted quickly to the Covid pandemic and prompt cost management measures together with a number of government furlough schemes resulted in the Group remaining profitable during the second and third quarters of the year that represented the greatest degree of global lockdown. In the event that there should be a more significant downturn than in the scenarios tested, there are further mitigating actions which could include but are not limited to, further reductions in capital expenditure, reductions in non-business critical expenditure as well as the potential for headcount reductions.

Given the strong balance sheet and considerable financial resources, the Directors remains confident of the Group's long-term growth prospects and a diverse range of clients and suppliers across different geographic locations and sectors means that while some countries are incurring further peaks of the Covid pandemic, many other countries have returned to office working and are seeing an increase in productivity.

In forming their opinion the Directors have performed a robust assessment of the principal risks and uncertainties facing the Group as set out on pages 58 to 62. In addition, note 17 to the accounts includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Group had £155.5m of net cash at 31 December 2020 and a £60.0m four-year committed financing facility until March 2024. The Group also has a £15.0m non-recourse facility. Further details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within the Financial Review.

As a result, 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 financial statements.

Auditor and disclosure of information to the Auditor

As required by Section 418 of the Companies Act 2006, each of the Directors as at 1 March 2021 confirms that:

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

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

Annual General Meeting

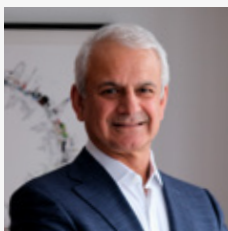
The Annual General Meeting will be held on 12 May 2021 and the Notice of the Annual General Meeting, including an explanation of the special business of the meeting, will be sent out in due course.

By order of the Board,



Alan Bannatyne
Chief Financial Officer
1 March 2021

Directors and Advisers



Ron Mobed

Chairman

Appointed: January 2021

Committees: Nominations and Organisational Health

Ron has a broad range of global experience across a number of sectors and regions and most recently held the position of Chief Executive Officer of Elsevier, the largest operating unit of RELX Group PLC, the global provider of information and analytics for professional and business customers. Prior to that, Ron spent 24 years at Schlumberger before joining IHS where he held multiple senior management roles including COO and Vice-Chairman. Ron is currently a Non-executive Director at AVEVA Group plc and Ordnance Survey as well as a Supervisory Board Member at Fugro N.V. He also serves as a Lay Member of Court at the University of Dundee and is a Trustee of the Campaign for Science and Engineering (CaSE).



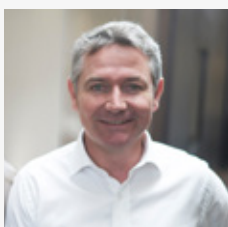
Robert Walters

Chief Executive Officer

Appointed: July 2000

Committees: Nominations

After three years at Touche Ross & Co., Robert joined the recruitment firm Michael Page as one of its very first employees. Following an eight-year period which included setting up the New York office, he returned to London and established his own recruitment business in 1985, specialising in middle management professional positions. Since then the Company has grown, largely organically, into different sectors and a variety of regional and international locations. Robert Walters plc is quoted on the London Stock Exchange and currently has a global presence spanning 31 countries.



Alan Bannatyne

Chief Financial Officer

Appointed: March 2007

After qualifying as a Chartered Accountant with Deloitte & Touche, Alan was Commercial Manager of Primecom and then Financial Director of Foresight, both subsidiaries of Primedia, a listed South African Media Group. Alan joined Robert Walters as Group Financial Controller in September 2002 and was appointed to the Board of Robert Walters Group as Chief Financial Officer in March 2007. In February 2017 he was appointed as a Non-executive Director of XPS Pensions Group.



Richard Harris

Company Secretary

Appointed: September 2019

Richard graduated from the University of Surrey with a degree in Sociology and then attended the College of Law, Guildford. After qualifying as a solicitor in 2000, he spent the early part of his career as a technology lawyer at a leading London law firm, Bird & Bird. Richard later made the move in-house and worked for several years for communications company, Tiscali. In 2005, he joined PartyGaming, an online gaming business, as Assistant General Counsel. In 2011, Richard joined the Robert Walters Group as General Counsel with responsibility for legal services across the Group. Richard was appointed Chief Legal Officer in 2016 and Company Secretary in September 2019. He has considerable experience in complex international outsourcing transactions, employment and commercial law. In 2020 Richard was elected as a member of the Representative Committee of APSCo, one of the leading trade bodies for the recruitment industry, and has a keen interest in public affairs.



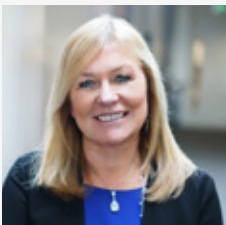
Brian McArthur-Muscroft

Non-executive Director and Senior Independent Director

Appointed: May 2013

Committees: Audit and Risk (Chairman), Nominations, Remuneration and Organisational Health

Brian McArthur-Muscroft is the Group Chief Financial Officer for Micro Focus International plc, a FTSE100 global infrastructure software company. Previously he was Chief Financial Officer at Paysafe Group plc and led the business to a FTSE 250 listing on the London Stock Exchange Main Market in December 2016. In 2017 Paysafe was then acquired by CVC and Blackstone for \$4.8 billion. Prior to joining Paysafe, Brian was Group Finance Director at Telecity Group plc where he led the IPO of the business in 2007 and raised £400m in senior debt facilities with major UK institutions. Brian was chosen as Business Week's Finance Director of the Year in 2017 and 2013 and ICAEW's FTSE 250 Finance Director of the Year in 2012. Also a restructuring specialist, Brian was the Interim Chief Financial Officer on the successful turnaround of MCI Worldcom EMEA. Brian holds a law degree and qualified as a chartered accountant with PricewaterhouseCoopers in London.



Tanith Dodge

Non-executive Director

Appointed: February 2017

Committees: Remuneration (Chairman), Organisational Health (Chairman), Audit and Risk and Nominations

Tanith is an HR Executive with a strong consumer background in international organisations. Her recent experience includes Chief People Officer at Bicester Village Shopping Collection. Prior to this she spent eight years at Marks & Spencer Group plc where she ran the global HR for 80,000 employees in 53 countries. Before joining Marks & Spencer Group plc, Tanith was Group Human Resources Director at WH Smith, where she also held responsibility for Public Relations, Communications and Post Office Operations. Prior to this, she was Senior Vice President Human Resources for Europe, Middle East and Africa (EMEA) at InterContinental Hotels Group. Tanith has also held senior HR roles at Diageo plc and Prudential Corporation plc. Since July 2019 Tanith has been a member of the Advisory Council for PricewaterhouseCoopers.



Steven Cooper

Non-executive Director

Appointed: October 2018

Committees: Audit and Risk, Nominations, Remuneration and Organisational Health

Steven is an experienced international business leader who has been at the forefront of business transformation in the banking and payments sector, generating sustainable returns and significantly improving colleague and customer engagement scores. This has been achieved through repositioning the customer offer and using digital and data-driven technologies, most recently as Chief Executive Officer of the leading UK Private Bank C. Hoare & Co. Steven began his career at Barclays in 1986 and occupied numerous senior positions, including Chief Executive Officer Barclaycard Business, Chief Executive Officer Business Banking and Chief Executive Officer Personal Banking for UK and Continental Europe. Steven is currently Chair of Experian UK and Co-Chair of the Social Mobility Commission; previously he was a Non-Executive Director of the Financial Services Compensation Scheme, served on the advisory board of Teach First and Critical Eye and was also a member of the FCA Practitioner Panel as well as various Government taskforces. He was awarded an Honorary Doctorate from Heriot Watt University for services to banking and social mobility and was last year named as Banking CEO of the Year by Today magazine.

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

Registered number
03956083

Auditor
BDO LLP
Chartered Accountants
55 Baker Street
London W1U 7EU

Solicitors
Travis Smith LLP
10 Snow Hill
London EC1A 2AL

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

Registrars
Link Asset Services
The Registry,
34 Beckenham Road
Beckenham, Kent BR3 4TU

Company Secretary
11 Slingsby Place
St Martin's Courtyard
London WC2E 9AB

Independent Auditor's Report

Opinion on the financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- The Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of Robert Walters plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise:

	Composition	Financial reporting framework
Group	<ul style="list-style-type: none"> – Consolidated Income Statement – Consolidated Statement of Comprehensive Income – Consolidated Balance Sheet – Consolidated Cash Flow Statement – Consolidated Statement of Changes in Equity – Notes 1 to 23 to the financial statements, including a summary of significant accounting policies. 	Applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.
Parent Company	<ul style="list-style-type: none"> – Company Balance Sheet – Company Statement of Changes in Equity – Notes 24 to 32 to the financial statements, including a summary of significant accounting policies. 	Applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 17 May 2018 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is two years, covering the years ended 31 December 2019 to 31 December 2020. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

Conclusion

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company'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.
- In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Approach

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

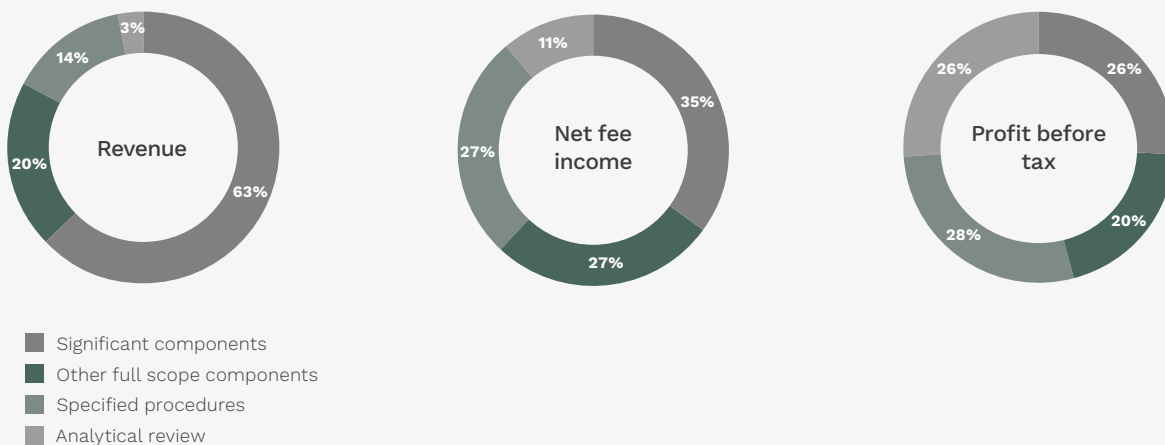
- Review and challenge, through enquiry and consideration of historical performance, of key assumptions applied by management in preparation of cash flow forecasts, including growth assumptions and movements in headcount and base costs, and the Group's ability to meet working capital requirements over the going concern period.
- Review of management's reverse stress tested forecasts, modelling scenarios to covenant and cash 'breaking points' and consideration of the likelihood of occurrence and feasible actions to increase headroom.
- Consideration of the adequacy of the Group's banking facilities and ability to meet key financial covenants.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

The Group has diverse international operations. 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. The coverage of our audit procedures is summarised graphically below and then detailed in the following table.



Independent Auditor's Report continued

The scope of our audit

Significant components

- We focused 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% (2019: 46%) of the Group profit before tax, 35% (2019: 36%) of the Group net fee income, and 63% (2019: 69%) 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 with the component auditor (a BDO Member firm) at the planning stage, we performed detailed review of the testing performed and attended remote 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

- Thirteen further components were subject to full scope audit procedures in addition to the four identified significant components above (17 in total).
- These components contribute 20% (2019: 26%) of the Group profit before tax, 27% (2019: 21%) of the Group net fee income, and 20% (2019: 16%) of the Group revenue.
- Full scope audit procedures were performed on components in the UK, Australia, Singapore, Netherlands, Belgium and France.
- All testing was 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 procedures

- Specified 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 28% (2019: 21%) of the Group profit before tax, 27% (2019: 27%) of the Group net fee income, and 15% (2019: 12%) of the Group revenue.
- These components included:
 - Robert Walters BV
 - Walters People BV
 - Walters People Sociedad Limitada Empresa de Trabajo Temporal
 - Robert Walters New Zealand Limited
 - Robert Walters Talent China Limited
 - Robert Walters Recruitment (Thailand) Ltd
 - Resource Solutions Inc (Delaware)
 - Robert Walters Luxembourg Investment SARL (Irish Branch)

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 and consolidation

- The Parent Company is located in the UK and is audited by the Group audit team. The Parent Company is treated as a significant component for the Group audit.
- 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Revenue recognition for permanent and temporary placements
Description	<ul style="list-style-type: none"> – The significant risk in revenue recognition lies within the valuation of accrued and uncollected revenues, due to the high degree of judgement and scope for fraud/error in the valuation as explained on page 117. There is a risk that revenue that has not yet been invoiced, or has been invoiced but the cash not yet collected, does not exist. – For permanent placements on non-retained assignments, as detailed in the summary of significant accounting policies on page 112, revenue is recognised when a start date is confirmed and a candidate has accepted in writing. A provision is held for candidates who accept but are expected to reverse their acceptance at a consistent percentage of the accrued income balance based on historical experience. 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.
How we addressed the key audit matter in the audit	<ul style="list-style-type: none"> – The operating effectiveness of key controls in the revenue cycle have been tested in the significant components 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 to ensure that the point of revenue recognition was supportable. – For those permanent candidates that had accepted but had not started at year end, where revenue is recorded in accrued income, we challenged the appropriateness of the provision rate applied by reference to the rate of historic and actual back outs post year end. – We recalculated the accrued income and associated costs recognised for 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 communicated to the Audit and Risk Committee	<ul style="list-style-type: none"> – We did not identify any significant deficiencies in internal control as a result of our audit work. – We did not identify any material indication that revenue, that has not yet been invoiced or has been invoiced but not cash collected, does not exist. We consider the provision rate applied to permanent accrued income to be a reasonable and fair estimate based on past experience.

Implementation of IFRS 16 Leases, effective for the first time in the prior financial year, was considered to be a key audit matter in the prior year due to judgements and estimations required on transition. We do not consider implementation of IFRS 16 Leases to be a key audit matter in the current financial year.

Independent Auditor's Report continued

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.

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

	Group	Parent Company
Materiality	£1.80m (2019: £2.40m)	£1.62m (2019: £1.87m)
Basis	5.0% of three year average profit before tax (2019: 5.0% profit before tax)	1.3% of net assets (2019: 1.7%)
Rationale	<p>Profit before tax is considered to be the most appropriate benchmark based on market practice and investor expectations.</p> <p>An average of three years has been applied to normalise results for the atypical impact of Covid in the year.</p> <p>The materiality applied equates to 14.8% of current year Group profit before tax, 0.6% of Group net fee income and 1.1% of Group net assets.</p>	<p>Net assets is considered to be the most appropriate benchmark as the Parent Company does not trade.</p>

Further materiality measures applied in the conduct of the audit include:

	Measure	Application
Performance materiality	£1.26m (70% of materiality) (2019: £1.68m)	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.
Component materiality	£0.53m - £1.62m (90% of materiality) (2019: £1.04m - £1.68m)	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	£72,000 (2019: £100,000)	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.
Quantitative and 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.	

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts 2020, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

Going concern and longer-term viability	<ul style="list-style-type: none"> – The Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified is set out on page 97; and – The Directors' explanation as to their assessment of the entity's prospects, the period this assessment covers and why the period is appropriate is set out on page 96.
Other Code provisions	<ul style="list-style-type: none"> – The Directors' statement on fair, balanced and understandable is set out on page 94 in the Annual Report. – The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks is set out on page 97; – The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems is set out on page 58; and – The section describing the work of the Audit and Risk Committee is set out on page 67.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic and Directors' Report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> – The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and – The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.</p>
Directors' Remuneration Report	<p>In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> – Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – The Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or – Certain disclosures of Directors' remuneration specified by law are not made; or – We have not received all the information and explanations we require for our audit.

Independent Auditor's Report continued

Responsibilities	
Directors	<p>As explained more fully in the Directors' responsibilities statement set out on page 94, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.</p>
Auditors	<p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.</p> <p>A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.</p>
Detection of irregularities, including fraud	<p>Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:</p> <p>We obtained an understanding of the legal and regulatory frameworks that are applicable to Robert Walters plc. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (IFRS, UK GAAP and the Companies Act 2006), regulations impacting recruitment company licensing in certain jurisdictions, and labour regulations and tax in key territories in which the Group operates.</p> <ul style="list-style-type: none"> – We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, legal correspondence or confirmations (where relevant) and specific audit testing within significant component and full scope entities. – We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with component management and component auditors. – We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and key areas of estimation uncertainty or judgement, for example: accrual or deferral of revenue from placements, placement 'back out' provisions, expected credit loss provisions, bonus accruals, provisions for losses on customer contracts and certain key assumptions underpinning the IFRS 16 right-of-use asset and lease liability calculations. <p>Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.</p>

Use of our report

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

The image shows the handwritten signature 'BDO LLP' in black ink. The letters are written in a cursive, slightly slanted style.**Mark Cardiff (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor
London, UK
1 March 2021

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

Consolidated Income Statement

For the year ended 31 December 2020

	Note	2020 £s millions	2019 £s millions
Revenue	1	938.4	1,216.1
Cost of sales		(636.0)	(810.6)
Gross profit (net fee income)		302.4	405.5
Administrative expenses		(287.6)	(354.3)
Operating profit		14.8	51.2
Finance income		1.0	0.6
Finance costs	2	(3.8)	(4.0)
Gain (loss) on foreign exchange		0.1	(0.4)
Profit before taxation	3	12.1	47.4
Taxation	5	(6.4)	(13.4)
Profit for the year		5.7	34.0
Attributable to:			
Owners of the Company		5.7	34.0
Earnings per share (pence):			
	7		
Basic		8.0	48.4
Diluted		7.5	44.9

The amounts above relate to continuing operations.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 £s millions	2019 £s millions
Profit for the year	5.7	34.0
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	3.4	(5.6)
Total comprehensive income and expense for the year	9.1	28.4
Attributable to:		
Owners of the Company	9.1	28.4

Consolidated Balance Sheet

As at 31 December 2020

	Note	2020 £s millions	2019 £s millions
Non-current assets			
Intangible assets	8	18.2	13.4
Property, plant and equipment	9	9.1	11.4
Right-of-use assets	10	59.5	72.9
Deferred tax assets	15	12.2	11.6
		99.0	109.3
Current assets			
Trade and other receivables	12	153.0	209.7
Corporation tax receivables		5.1	2.6
Cash and cash equivalents	17	155.5	112.4
		313.6	324.7
Total assets		412.6	434.0
Current liabilities			
Trade and other payables	13	(170.5)	(161.9)
Corporation tax liabilities		(5.5)	(6.8)
Bank overdrafts and borrowings	14	-	(26.6)
Lease liability	10	(15.7)	(17.4)
Provisions	16	(2.0)	(1.3)
		(193.7)	(214.0)
Net current assets		119.9	110.7
Non-current liabilities			
Lease liability	10	(48.1)	(58.1)
Deferred tax liabilities	15	(0.2)	-
Provisions	16	(1.3)	(1.3)
		(49.6)	(59.4)
Total liabilities		(243.3)	(273.4)
Net assets		169.3	160.6
Equity			
Share capital	18	16.0	16.0
Share premium		22.2	22.2
Other reserves	20	(71.8)	(71.8)
Own shares held	20	(18.1)	(26.5)
Treasury shares held	20	(9.1)	(9.1)
Foreign exchange reserves		12.5	9.1
Retained earnings		217.6	220.7
Equity attributable to owners of the Company		169.3	160.6

The accounts on pages 108 to 134 were approved and authorised for issue by the Board of Directors on 1 March 2021 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2020

	Note	2020 £s millions	2019 £s millions
Operating profit		14.8	51.2
Adjustments for:			
Depreciation and amortisation charges		23.3	21.7
Impairment of intangible assets		0.6	-
Impairment of right-of-use asset		1.3	-
Loss on disposal of property, plant and equipment and computer software		0.3	0.1
Charge in respect of share-based payment transactions		2.2	5.6
Unrealised foreign exchange losses		1.2	(1.3)
Operating cash flows before movements in working capital		43.7	77.3
Decrease in receivables		64.2	25.5
Increase (decrease) in payables		5.7	(20.4)
Cash generated from operating activities		113.6	82.4
Income taxes paid		(14.7)	(12.6)
Net cash from operating activities		98.9	69.8
Investing activities			
Interest received		1.0	0.6
Investment in intangible assets		(7.4)	(3.6)
Purchases of property, plant and equipment		(2.5)	(5.9)
Net cash used in investing activities		(8.9)	(8.9)
Financing activities			
Equity dividends paid		(3.2)	(10.6)
Proceeds from issue of equity		0.7	0.3
Interest paid		(1.4)	(1.2)
Interest on lease liabilities	10	(2.4)	(2.8)
Principal paid on lease liabilities	10	(16.2)	(16.4)
Proceeds from financing facility		17.7	25.5
Repayment of financing facility		(44.3)	(4.5)
Purchase of own shares		-	(15.0)
Net cash used in financing activities		(49.1)	(24.7)
Net increase in cash and cash equivalents		40.9	36.2
Cash and cash equivalents at beginning of year		112.4	79.9
Effect of foreign exchange rate changes		2.2	(3.7)
Cash and cash equivalents at end of year		155.5	112.4

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Group	Share capital £s millions	Share premium £s millions	Other reserves £s millions	Own shares held £s millions	Treasury shares held £s millions	Foreign exchange reserves £s millions	Retained earnings £s millions	Total equity £s millions
Balance at 1 January 2019	15.9	22.0	(71.8)	(18.3)	(9.1)	14.7	199.3	152.7
Profit for the year	-	-	-	-	-	-	34.0	34.0
Foreign currency translation differences	-	-	-	-	-	(5.6)	-	(5.6)
Total comprehensive income and expense for the year	-	-	-	-	-	(5.6)	34.0	28.4
Dividends paid	-	-	-	-	-	-	(10.6)	(10.6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	5.6	5.6
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(1.1)	(1.1)
Transfer to own shares held on exercise of equity incentives	-	-	-	6.5	-	-	(6.5)	-
New shares issued and own shares purchased	0.1	0.2	-	(14.7)	-	-	-	(14.4)
Balance at 31 December 2019	16.0	22.2	(71.8)	(26.5)	(9.1)	9.1	220.7	160.6
Profit for the year	-	-	-	-	-	-	5.7	5.7
Foreign currency translation differences	-	-	-	-	-	3.4	-	3.4
Total comprehensive income and expense for the year	-	-	-	-	-	3.4	5.7	9.1
Dividends paid	-	-	-	-	-	-	(3.2)	(3.2)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.2	2.2
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(0.1)	(0.1)
Transfer to own shares held on exercise of equity incentives	-	-	-	7.7	-	-	(7.7)	-
New shares issued and own shares purchased	-	-	-	0.7	-	-	-	0.7
Balance at 31 December 2020	16.0	22.2	(71.8)	(18.1)	(9.1)	12.5	217.6	169.3

Statement of Accounting Policies

For the year ended 31 December 2020

Accounting policies

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 2020 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 International Financial Reporting Standards (IFRSs) as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The financial statements have been prepared on a going concern basis. This is discussed in the Financial Review on page 54, and within the Directors' Report on page 96.

The principal accounting policies of the Group are summarised below and have been applied consistently in all aspects throughout the current year and preceding year, with the exception of the government grants policy and the IFRS 16 amendment published in May 2020, surrounding the treatment of rent concessions as a result of the Covid pandemic.

The financial statements have been presented in UK Pounds Sterling, the functional currency of the Company.

(a) Basis of consolidation

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

(b) Business combinations

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

All costs directly attributable to the business combination are accounted for as expenses in the periods in which the costs are incurred and the services received. The only exception to this is in respect of the costs incurred to issue debt or equity securities, which should be recognised in accordance with IAS 32 and IFRS 9. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

(c) Goodwill

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

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

(d) Taxation

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

Deferred taxation is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences (except unremitted earnings from overseas entities which the Group cannot control timing), and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax is posted as a credit to the Consolidated Income Statement up to the value of the tax impact of the share-based payment charge, with any excess deferred taxation being posted as a credit to equity.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Group operates in many countries therefore being subject to tax laws in a number of different tax jurisdictions. Management applies judgement in identifying uncertainties over income tax treatments based on interpretations of tax statute and case law, taking into account professional advice and prior experience.

(e) Employee share schemes

The cost of awards made under the Group's employee share schemes after 7 November 2002 is based on the fair value of the shares at the time of grant and is charged to the Consolidated Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(f) Revenue from contracts with customers

Revenue comprises the value of services, net of VAT and other sales-related taxes, provided in the normal course of business. Any bad debt provision that may be deemed necessary is treated as an administrative expense. The Group provides a breadth of services to clients with revenue generated by all service offerings, including recruitment process outsourcing, primarily due to the placement of permanent and temporary candidates. There are occasions where the Group will manage the recruitment supply chain on behalf of a client and in such cases a fee is received in respect of the work performed managing a supply chain. This is in accordance with IFRS 15 and is not considered a matter of judgement. The cash value of funds managed during 2020 was £1.8bn (2019: £2.5bn).

Revenue from the placement of permanent staff on non-retained assignments is recognised at the point in time when a candidate accepts a position and a start date is determined. A provision is made for the cancellation of placements prior to or shortly after the commencement of employment based on past experience of this occurring. For retained assignments revenue is recognised in line with completion of defined stages of work.

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

Robert Walters is acting as a principal for both its perm and its temp/interim business and as such presents its revenue gross (i.e. the whole amount collected from the clients) and then it presents its net fee income as gross profit. Resource Solutions is seen as an agent where it does not make a direct placement (i.e. for temp and put through) and as such presents its revenue net in the financial statements in relation to indirect placements with revenue recognised over time.

Revenue from other rechargeable services (e.g. advertising) is recognised when the service is provided.

(g) Gross profit (net fee income)

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

(h) Operating profit

Operating profit is the total revenue less the total associated costs incurred in the production of revenue. The only items that are excluded from operating profit are finance costs (including foreign exchange), investment income and expenditure and taxation.

(i) Finance income

Interest received is recorded as finance income in the Consolidated Income Statement in the period in which it is receivable.

(j) Foreign currency

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

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

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

Statement of Accounting Policies continued

For the year ended 31 December 2020

(k) Property, plant and equipment and computer software

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

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

Depreciation and amortisation are recognised in administration expenses.

Assets under construction relate to software under development presented under intangible assets and are stated at cost and are not amortised. When the assets are ready for use they will be transferred to computer software at cost less impairment, which is also when amortisation of the asset will commence.

(l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group applies the practical expedient surrounding Covid related rent concessions, published by the IASB on 28 May 2020, whereby any payment holidays and rent concessions granted as a result of the Covid pandemic have not resulted in a lease modification, any reduction in payment has been recognised in the profit and loss account.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonable certain extension options are also included in the measurement of the liability.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification. Where the renegotiated lease increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Short-term leases and leases of low-value assets

For short-term leases (lease term of 12 months or less) and leases of low-value assets (less than £3,000), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

(m) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Investments

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

(ii) Receivables

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Consolidated Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(iii) Cash and cash equivalents

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

(iv) Derecognition of financial assets

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

Financial liabilities

(v) Other financial liabilities

Other financial liabilities, including borrowings, are measured at fair value, net of transaction costs and subsequently held at amortised cost.

(vi) Pensions

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

(vii) Provisions

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

(viii) Derecognition of financial liabilities

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

(n) Employee Benefit Trust

The own shares are held by an Employee Benefit Trust (EBT) to satisfy the potential share obligations of the Group. Own shares are recorded at cost and deducted from equity. As the Company is deemed to have control of its EBT, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements.

(o) Government grants

The Company applied for various government support programmes introduced in response to the global pandemic.

Payroll support

The Group received total global government support of £12.9m. Included in the profit for the year is £8.7m of global government support relating to the payroll of the Group's employees, and £4.2m was in respect of client based contractors. The Group has elected to present the government support by reducing the related expenses. The Group committed to spending the support on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to the support programmes.

The Company has applied for additional government grants, which did not meet the recognition criteria as at 31 December 2020. See note 4.

Statement of Accounting Policies continued

For the year ended 31 December 2020

Developments in accounting standards/IFRSs

At the date of authorisation of these financial statements, the Group has not applied the following new and revised relevant IFRSs that have been issued but are not yet effective:

IFRS 3 (amendments)	Definition of a Business
IAS 1 and IAS 8 (amendments)	Definition of Material
IAS 1 (amendments)	Classification of Liabilities as Current or Non-current
IAS 37 (amendments)	Provisions, Contingent Liabilities and Contingent Assets
IFRS 9 (amendments)	Interest Rate Benchmark Reform – Phase 2
IAS 39 (amendments)	Interest Rate Benchmark Reform – Phase 2
IFRS 7 (amendments)	Interest Rate Benchmark Reform – Phase 2
IFRS 4 (amendments)	Interest Rate Benchmark Reform – Phase 2
IFRS 16 (amendments)	Interest Rate Benchmark Reform – Phase 2

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to IAS 1, which are intended to clarify the requirements that an entity applies in determining whether a liability is classified as current or non-current. The amendments are intended to be narrow-scope in nature and are meant to clarify the requirements in IAS 1 rather than modify the underlying principles. The amendments include clarifications relating to: how events after the end of the reporting period affect liability classification; what the rights of an entity must be in order to classify a liability as non-current; how an entity assesses compliance with conditions of a liability (e.g. bank covenants); and how conversion features in liabilities affect their classification.

Amendment to IFRS 16: Leases Covid Related Rent Concessions

On 28 May 2020, the IASB issued final amendments to IFRS 16 related to Covid rent concessions for lessees.

The amendments modify the requirements of IFRS 16 to permit lessees to not apply modification accounting to certain leases where the contractual terms have been affected due to Covid (e.g. rent holidays or other rent concessions). The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted.

Annual Improvements to IFRSs (2018-2020 Cycle) – IFRS 9, Illustrative Examples accompanying IFRS 16

In May 2020 the IASB issued "Annual Improvements to IFRS Standards 2018-2020". The narrow-scope amendments to IFRS Standards are as follows:

- IFRS 9 - Clarifies the fees a company includes in assessing the terms of a new or modified financial liability to determine whether to derecognise a financial liability.
- Illustrative Examples accompanying IFRS 16 Leases – Removes the potential for confusion regarding lease incentives by amending an Illustrative Example accompanying IFRS 16.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

On 27 August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2. These amendments complement those made in 2019 ('IBOR – phase 1') and focus on the effects on entities when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The amendments in this final phase relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

Key sources of estimation uncertainty

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

- Revenue recognition: revenue from the placement of permanent staff is recognised when a candidate accepts a position and a start date is determined. A provision is made by management, based on historical evidence, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date. As disclosed in note 12, the provision made in 2020 is £1.7m (2019: £2.4m). The Group does not expect changes to the provision to have a material impact on the financial statements of the Group, but it has been disclosed due to the large estimate.
- Expected credit losses: the Group applies a risk rating based on industry and market trends and a probability of default to its trade receivables and contract assets. A provision is then made by management, based on historical evidence and the risk assessment. As disclosed in note 17, the provision made in 2020 is £3.7m (2019: £2.8m). The Group does not expect movement in the provision to have a material impact on the financial statements of the Group, but it has been disclosed as it is a large estimate.
- Bonus accruals: the Group's bonus scheme is based on a team-based profit share with a defined percentage applied to the team profit on a quarterly basis. Timing differences arise between the bonus accrual and the payment of bonuses. A bonus accrual of £6.8m (2019: £9.3m) is included as a liability for the year ended 31 December 2020. The Group does not expect movement in the accrual to have a material impact on the financial statements of the Group, with bonus payments expected to be made in 2021 in relation to 2020 performance.

Critical accounting judgements

Management has identified the timing of revenue recognition, deferred tax assets and lease terms as critical judgements in arriving at the amounts recognised in the Group's financial statements.

- Revenue recognition: revenue in respect of permanent placements is deemed to be earned when a candidate accepts a position and a start date is agreed, but prior to employment commencing. In making this judgement, management considered the detailed criteria for the recognition of revenue from permanent placements.
- Deferred tax assets: deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In making this judgement, management considered the recoverability of the deferred tax assets over a five year period.
- Determining the lease term of contracts with renewal and termination options: The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Notes to the Group Accounts

For the year ended 31 December 2020

1. Segmental information

	2020 £s millions	2019 £s millions
i) Revenue:		
Asia Pacific	373.6	410.7
UK	329.1	514.0
Europe	204.6	252.5
Other International	31.1	38.9
	938.4	1,216.1
ii) Gross profit:		
Asia Pacific	124.1	164.6
UK	66.9	98.4
Europe	85.7	108.7
Other International	25.7	33.8
	302.4	405.5
iii) Profit before taxation:		
Asia Pacific	8.4	22.8
UK	1.3	11.7
Europe	4.7	15.4
Other International	0.4	1.3
Operating profit	14.8	51.2
Net finance costs	(2.7)	(3.8)
Profit before taxation	12.1	47.4
iv) Net assets:		
Asia Pacific	18.8	33.5
UK	(27.5)	6.9
Europe	8.1	20.9
Other International	2.8	5.9
Unallocated corporate assets and liabilities*	167.1	93.4
	169.3	160.6

* For the purposes of segmental information, unallocated corporate assets and liabilities include cash, bank borrowings, 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.

1. Segmental information continued

	P,P&E and software additions £s millions	Depreciation and amortisation £s millions	Non-current assets £s millions	Assets £s millions	Liabilities £s millions
v) Other information – 2020:					
Asia Pacific	1.4	8.7	26.4	75.9	(57.1)
UK	8.2	6.1	35.4	98.6	(126.1)
Europe	0.3	7.0	18.7	53.9	(45.8)
Other International	-	1.5	6.3	11.4	(8.6)
Unallocated corporate assets and liabilities*	-	-	12.2	172.8	(5.7)
	9.9	23.3	99.0	412.6	(243.3)

Other information – 2019:

Asia Pacific	3.1	8.1	34.9	90.1	(56.6)
UK	4.9	6.0	33.9	130.4	(123.5)
Europe	1.3	5.9	20.7	70.0	(49.1)
Other International	0.2	1.7	8.2	16.9	(11.0)
Unallocated corporate assets and liabilities*	-	-	11.6	126.6	(33.2)
	9.5	21.7	109.3	434.0	(273.4)

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

	2020 £s millions	2019 £s millions
vi) Revenue by business grouping:		
Robert Walters	627.7	730.8
Resource Solutions (recruitment process outsourcing)	310.7	485.3
	938.4	1,216.1

2. Finance costs

	Note	2020 £s millions	2019 £s millions
Interest on financing facilities		1.4	1.2
Lease interest	10	2.4	2.8
Total borrowing costs		3.8	4.0

3. Profit before taxation

	2020 £s millions	2019 £s millions
Profit is stated after charging:		
Auditor's remuneration – BDO LLP (as Auditor)		
– Fees payable to the Company's Auditor for the audit of the Company's annual accounts	0.1	0.1
– The audit of the Company's subsidiaries pursuant to legislation	0.6	0.4
	0.7	0.5
– Other services pursuant to legislation	-	-
– Fees payable to the Auditor pursuant to legislation	0.7	0.5
– Tax services – compliance	-	-
Total fees	0.7	0.5
Depreciation and amortisation of assets – owned	6.6	6.1
Depreciation of right-of-use assets	16.7	15.6
Loss on disposal of property, plant and equipment and computer software	0.3	0.1
Impairment of intangible assets	0.6	-
Impairment of right-of-use assets	1.3	-
Impairment of trade receivables (net)	1.2	(0.8)
Expense relating to short-term leases	1.1	2.1
Foreign exchange (gain) loss	(0.1)	0.4

Notes to the Group Accounts continued

For the year ended 31 December 2020

4. Staff costs

	2020 Number	2019 Number
The average monthly number of employees of the Group (including Executive Directors) during the year was:		
Group employees	3,598	4,243

The Group's closing headcount at 31 December 2020 was 3,147 (2019: 4,027). The Directors analyse headcount in a number of ways and therefore headcount has been presented on a global basis.

	2020 £s millions	2019 £s millions
Their aggregate remuneration comprised:		
Wages and salaries	168.8	224.2
Social security costs	19.0	23.9
Other pension costs	7.0	6.5
Cost of employee share options and awards	2.2	5.6
	197.0	260.2

The gain made on share options by the Directors during the year was £nil (2019: £0.8m). Full details of the Directors' remuneration are given in the Directors' Remuneration Report on page 76.

The Group applied for the various government support programmes introduced in response to the global pandemic.

Included in the profit for the year is £8.7m of global government support relating to the payroll of the Group's employees. The Group has elected to present the government support by reducing the related expenses. The Group committed to spending the support on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to the support programmes.

5. Taxation

	2020 £s millions	2019 £s millions
Current tax charge		
Corporation tax – UK	0.7	3.7
Corporation tax – Overseas	6.2	11.8
Adjustments in respect of prior years		
Corporation tax – UK	0.2	-
Corporation tax – Overseas	(0.2)	(0.5)
	6.9	15.0
Deferred tax		
Deferred tax – UK	(0.8)	(0.5)
Deferred tax – Overseas	(0.3)	(1.1)
Adjustments in respect of prior years		
Deferred tax – UK	0.3	-
Deferred tax – Overseas	0.3	-
	(0.5)	(1.6)
Total tax charge for year	6.4	13.4
Profit before taxation	12.1	47.4
Tax at standard UK corporation tax rate of 19% (2019: 19%)	2.3	9.0
Effects of:		
Unrelieved (relieved) losses	1.0	(0.1)
Tax exempt income and other expenses not deductible	0.5	1.6
Other timing differences	0.2	-
Overseas earnings taxed at different rates	1.8	3.3
Adjustments to tax charges in previous years	0.6	(0.5)
Impact of tax rate change	-	0.1
Total tax charge for year	6.4	13.4

5. Taxation continued

	2020 £s millions	2019 £s millions
Tax recognised directly in equity		
Tax on share-based payment transactions	0.1	1.1

The EU Anti Tax Avoidance Directive (ATAD) came into force with effect from 1 January 2019. The Finance Bill 2018-19 contains legislation that ensures that the UK CFC rules are fully compliant with the ATAD.

An investigation by HMRC remains ongoing. In common with other UK-based international companies, the Group, whose arrangements are in line with current UK CFC legislation, may be affected by the outcome of this investigation and is therefore monitoring developments. Based on the current status of the investigation, the Group fully provided for the full value of the potential liability in 2019.

6. Dividends

	2020 £s millions	2019 £s millions
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 4.5p per share (2019: 4.5p)	3.2	3.1
Final dividend for 2019 of nil p per share (2018: 10.7p)	-	7.5
	3.2	10.6
Proposed final dividend for 2020 of 11.0p per share (2019: nil p)	7.9	-

The proposed final dividend of £7.7m for 2019 was cancelled in 2020 as a result of the Covid pandemic.

The proposed final dividend of £7.9m is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

7. Earnings per share

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

	2020 Number of shares	2019 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	80,121,475	79,652,285
Shares issued in the year	18,850	284,468
Treasury and own shares held	(8,507,237)	(9,742,152)
For basic earnings per share	71,633,088	70,194,601
Outstanding share options	4,034,123	5,455,700
For diluted earnings per share	75,667,211	75,650,301

The total number of options in issue is disclosed in note 19.

	2020 £s millions	2019 £s millions
Profit for the period attributable to equity holders of the Parent	5.7	34.0

Notes to the Group Accounts continued

For the year ended 31 December 2020

8. Intangible assets

	Goodwill £s millions	Computer software £s millions	Assets under construction £s millions	Total £s millions
Cost:				
At 1 January 2019	8.1	13.7	-	21.8
Additions	-	1.4	2.2	3.6
Disposals	-	(2.8)	-	(2.8)
Foreign currency translation differences	(0.1)	-	-	(0.1)
At 31 December 2019	8.0	12.3	2.2	22.5
Additions	-	1.9	5.5	7.4
Disposals	-	(5.1)	-	(5.1)
Transfers	-	2.2	(2.2)	-
Foreign currency translation differences	-	-	-	-
At 31 December 2020	8.0	11.3	5.5	24.8
Accumulated amortisation and impairment:				
At 1 January 2019	-	10.6	-	10.6
Charge for the year	-	1.4	-	1.4
Disposals	-	(2.8)	-	(2.8)
Foreign currency translation differences	-	(0.1)	-	(0.1)
At 31 December 2019	-	9.1	-	9.1
Charge for the year	-	1.8	-	1.8
Disposals	-	(4.9)	-	(4.9)
Impairment	-	0.6	-	0.6
At 31 December 2020	-	6.6	-	6.6
Carrying value:				
At 1 January 2019	8.1	3.1	-	11.2
At 31 December 2019	8.0	3.2	2.2	13.4
At 31 December 2020	8.0	4.7	5.5	18.2

Goodwill impairment review

The carrying value of goodwill primarily relates to the acquisition of Talent Spotter in China (£1,202,000) and the historical 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, discount rates and the impact of Covid.

Estimated cash flow forecasts are derived from the most recent financial budgets and an assumed average growth rate of between 3-5% for years two and three. The forecast for revenue and costs as approved by the Board reflects the latest industry forecasts, the impact of Covid and management expectations based on past experience. Although the growth rates of 3-5% exceeds the long-term growth rate for the economy, the growth rates are considered appropriate based on the expected future growth rate of the business. If the lower economic growth rate was applied it would not suggest an impairment was required.

The value of the cash flows is then discounted at a post-tax rate of 7.5% (pre-tax rate of 11.4%), based on the Group's estimated weighted average cost of capital and risk adjusted depending on the location of goodwill. The discount rate for the forecast from year four onwards 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 charge would arise under each scenario.

8. Intangible assets continued

Computer software impairment review

An impairment test has also been completed on the carrying amount of intangibles where impairment indicators were identified and following the test, an impairment loss of £0.6m was recognised, mainly in respect of an in-house custom built system.

The recoverable amount of the intangible is based on value in use. The key assumptions in the value in use are those regarding expected changes to cash flow during the period and discount rates. Estimated cash flow forecasts are derived from expected fees generated by the in-house custom built system, any third party operating expenses and internal costs. The value of the cash flows is then discounted at a post-tax rate of 7.5% (pre-tax rate of 10.4%), based on the Group's estimated weighted average cost of capital.

As the full amount over the value-in-use is being recognised as an impairment, no further sensitivity analysis was required.

9. Property, plant and equipment

	Leasehold improvements £s millions	Fixtures, fittings and office equipment £s millions	Computer equipment £s millions	Total £s millions
Cost:				
At 1 January 2019	8.7	16.2	10.9	35.8
Additions	1.4	2.7	1.8	5.9
Disposals	(0.1)	(0.4)	(1.2)	(1.7)
Foreign currency translation differences	(0.1)	(0.6)	(0.2)	(0.9)
At 31 December 2019	9.9	17.9	11.3	39.1
Additions	-	1.3	1.2	2.5
Disposals	(0.2)	(1.2)	(1.5)	(2.9)
Foreign currency translation differences	-	0.5	0.1	0.6
At 31 December 2020	9.7	18.5	11.1	39.3
Accumulated depreciation and impairment:				
At 1 January 2019	6.5	10.3	8.4	25.2
Charge for the year	0.8	1.9	2.0	4.7
Disposals	(0.1)	(0.3)	(1.2)	(1.6)
Foreign currency translation differences	(0.1)	(0.4)	(0.1)	(0.6)
At 31 December 2019	7.1	11.5	9.1	27.7
Charge for the year	0.9	2.0	1.9	4.8
Disposals	(0.2)	(1.1)	(1.5)	(2.8)
Foreign currency translation differences	-	0.4	0.1	0.5
At 31 December 2020	7.8	12.8	9.6	30.2
Carrying value:				
At 1 January 2019	2.2	5.9	2.5	10.6
At 31 December 2019	2.8	6.4	2.2	11.4
At 31 December 2020	1.9	5.7	1.5	9.1

Notes to the Group Accounts continued

For the year ended 31 December 2020

10. Leases

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases where the Group is a lessee:

Right-of-use asset	Buildings £s millions	Equipment £s millions	Vehicles £s millions	Total £s millions
Cost:				
At 1 January 2019	79.6	0.2	2.3	82.1
Additions	7.0	-	1.4	8.4
Foreign currency translation differences	(1.9)	-	(0.1)	(2.0)
At 31 December 2019	84.7	0.2	3.6	88.5
Additions	5.3	-	-	5.3
Lease modifications	(3.2)	-	1.1	(2.1)
Foreign currency translation differences	0.9	0.4	0.6	1.9
At 31 December 2020	87.7	0.6	5.3	93.6
Accumulated depreciation and impairment:				
At 1 January 2019	-	-	-	-
Charge for year	14.5	-	1.1	15.6
At 31 December 2019	14.5	-	1.1	15.6
Charge for year	14.9	0.2	1.6	16.7
Impairment	1.3	-	-	1.3
Foreign currency translation differences	0.2	0.1	0.2	0.5
At 31 December 2020	30.9	0.3	2.9	34.1
Carrying value:				
At 1 January 2020	70.2	0.2	2.5	72.9
At 31 December 2020	56.8	0.3	2.4	59.5

Following the review of the recoverable amount of a number of subsidiaries where impairment indicators were identified, an impairment loss of £1.3m was recognised, mainly in respect of the operations which have seen an increase in risk and uncertainty as a result of the Covid pandemic.

The recoverable amount of the cash generating unit (CGU) 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 discount rates.

Estimated cash flow forecasts are derived from the most recent financial budgets and an assumed average growth rate of between 3% and 5% for years two and three. The forecast for revenue and costs as approved by the Board reflect the latest industry forecasts and management's expectations based on past experience.

The value of the cash flows is then discounted at a post-tax rate range of 8.0% and 8.3% (pre-tax rate range of 11.0% and 11.5%), based on the CGU's estimated weighted average cost of capital and risk adjusted depending on the location of the right of use asset. The discount rate for the forecast from year four onwards has been adjusted for a terminal growth rate, between 2-6% depending on location.

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 further impairment charge would arise under each scenario.

10. Leases continued

Lease liabilities	2020 £s millions	2019 £s millions
Current	(15.7)	(17.4)
Non-current ¹	(48.1)	(58.1)
At 31 December	(63.8)	(75.5)

1. Of the Non-current liability £37.5m relates to liabilities between two and five years (2019: £41.7m).

Amounts recognised in Consolidated Income Statement

The statement of profit or loss shows the following amounts relating to leases:

	2020 £s millions	2019 £s millions
Depreciation charge of right-of-use assets	16.7	15.6
Interest expense (included in finance cost)	2.4	2.8
Expense relating to short-term leases (included in administrative expenses)	1.1	3.4
Total charges in relation to leases	20.2	21.8

The total cash outflow for leases in 2020 was £18.6m (2019: £16.4m).

The Group's leasing activities and how these are accounted for

The leases held by the Group primarily relate to offices, equipment and vehicles. Rental contracts are typically made for fixed periods of four months to ten years. The Group sometimes negotiates break clauses and extension options into the rental contracts. This allows the Group to manage its risk arising from lease contracts and maximise the operational flexibility in terms of managing the assets used in the Group's operations. Approximately 10% of the Group's leases contain extension options of a two to five year period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments relating to reasonable certain extension options are also included in the measurement of the liability. On renegotiation of an existing lease, the Group will recognise any movement in the lease depending on the nature of the modification. Further details can be found in the accounting policies on page 114.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

For short-term leases (lease term of 12 months or less) and leases of low value assets (less than £3,000), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

Notes to the Group Accounts continued

For the year ended 31 December 2020

11. Group investments

Subsidiary undertaking	Effective ownership of ordinary shares	Principal activity	Country of incorporation
Robert Walters Pty Limited	100%	Recruitment consultancy	Australia
Robert Walters Australia Pty Limited	100%	Recruitment consultancy	Australia
Resource Solutions Corporation Pty Limited	100%	HR outsourcing services	Australia
Robert Walters SA	100%	Recruitment consultancy	Belgium
Robert Walters People Solutions SA	100%	Recruitment consultancy	Belgium
Robert Walters Brazil Limitada	100%	Recruitment consultancy	Brazil
Robert Walters Canada Inc	100%	Recruitment consultancy	Canada
Robert Walters Chile SpA	100%	Recruitment consultancy	Chile
Robert Walters Talent Consulting (Shanghai) Ltd	100%	Recruitment consultancy	China
Robert Walters Talent China Limited	100%	Recruitment consultancy	China
Resource Solutions Europe Limited (Czech Republic)	100%	HR outsourcing services	Czech Republic
Robert Walters SAS	100%	Recruitment consultancy	France
Walters People SAS	100%	Recruitment consultancy	France
Walters People Business Support SAS	100%	Recruitment consultancy	France
Robert Walters Germany GMBH	100%	Recruitment consultancy	Germany
Resource Solutions Consulting (Hong Kong) Limited	100%	HR outsourcing services	Hong Kong
Robert Walters (Hong Kong) Limited	100%	Recruitment consultancy	Hong Kong
Hungarian Branch Office of Resource Solutions Europe Ltd (Hungary)	100%	HR outsourcing services	Hungary
Resource Solutions India Private Limited	100%	HR outsourcing services	India
PT. Robert Walters Indonesia ⁴	49%	Recruitment consultancy	Indonesia
Robert Walters Limited	100%	Recruitment consultancy	Ireland
Robert Walters Luxembourg Investment SARL (Irish Branch)	100%	Investment	Ireland
Robert Walters Japan KK	100%	Recruitment consultancy	Japan
Resource Solutions Japan KK	100%	HR outsourcing services	Japan
Resource Solutions Europe Limited Lieturos Filialas (Lithuania)	100%	HR outsourcing services	Lithuania
Resource Solutions Europe Limited Luxembourg (Branch)	100%	Recruitment consultancy	Luxembourg
Robert Walters Luxembourg Investment SARL	100%	Investment	Luxembourg
Robert Walters (Luxembourg) Holdings Limited	100%	Recruitment consultancy	Luxembourg
Robert Walters Resource Solutions Sdn Bhd	100%	HR outsourcing services	Malaysia
Agensi Pekerjaan Walters Sdn Bhd ⁴	49%	Recruitment consultancy	Malaysia
Robert Walters Mexico S. de R.L. de C.V.	100%	Recruitment consultancy	Mexico
Walters People BV	100%	Recruitment consultancy	Netherlands
Robert Walters BV	100%	Recruitment consultancy	Netherlands
SAI Holdings BV ³	100%	Holding Company	Netherlands
Robert Walters New Zealand Limited	100%	Recruitment consultancy	New Zealand
Resource Solutions Global Service Centre (Philippines), Inc.	100%	HR outsourcing services	Philippines
Robert Walters Portugal Unipessoal Lda	100%	Recruitment consultancy	Portugal
Resource Solutions Consulting (Singapore) Pte Ltd	100%	HR outsourcing services	Singapore
Robert Walters (Singapore) Pte Ltd	100%	Recruitment consultancy	Singapore
Robert Walters South Africa Proprietary Limited	100%	Recruitment consultancy	South Africa
Robert Walters External Profit Company (South Africa)	100%	Recruitment consultancy	South Africa
Robert Walters Korea Limited	100%	Recruitment consultancy	South Korea
Robert Walters Holding SAS Sucursal En Espana	100%	Recruitment consultancy	Spain
Walters People Sociedad Limitada Empresa de Trabajo Temporal	100%	Recruitment consultancy	Spain
Robert Walters Switzerland AG	100%	Recruitment consultancy	Switzerland
Robert Walters Company Limited (Taiwan)	100%	Recruitment consultancy	Taiwan
Robert Walters (Eastern Seaboard) Ltd	100%	Recruitment consultancy	Thailand
Robert Walters Recruitment (Thailand) Ltd	100%	Recruitment consultancy	Thailand
Robert Walters Holdings (Thailand) Limited	100%	Holding company	Thailand
Robert Walters Middle East Limited	100%	Recruitment consultancy	UAE
Robert Walters Dubai Ltd	100%	Recruitment consultancy	United Kingdom
Robert Walters Operations Limited	100%	Recruitment consultancy	United Kingdom
Robert Walters Consultancy ²	100%	Recruitment consultancy	United Kingdom
Resource Solutions Limited	100%	HR outsourcing services	United Kingdom
Resource Solutions Europe Limited	100%	HR outsourcing services	United Kingdom
Resource Solutions Europe Limited External Profit Company	100%	HR outsourcing services	United Kingdom
Resource Solutions Technology Consultancy Services Ltd ²	100%	Recruitment consultancy	United Kingdom
Robert Walters Holdings Limited ^{1,3}	100%	Holding Company	United Kingdom
Walters Interim Ltd ²	100%	Recruitment consultancy	United Kingdom
Resource Solutions Inc (Delaware)	100%	HR outsourcing services	USA
Resource Solutions Inc (Florida)	100%	HR outsourcing services	USA
Robert Walters Associates Inc.	100%	Recruitment consultancy	USA
Robert Walters Associates California Inc.	100%	Recruitment consultancy	USA
Robert Walters Holdings North America	100%	Holding Company	USA
Robert Walters Vietnam Company Limited	100%	Recruitment consultancy	Vietnam

1. Robert Walters Holdings Limited has branch operations in Luxembourg and South Africa.

2. These subsidiaries, all of which are incorporated in England and Wales, are exempt from the requirements of the UK Companies Act 2006 relating to the individual directors.

3. Direct holdings of Robert Walters plc.

4. The holdings for Agensi Pekerjaan Walters Sdn Bhd and PT. Robert Walters Indonesia are 49%, however they are deemed 100% controlled.

Registered
address

Level 41, 385 Bourke St, Melbourne, Victoria 3000
 Level 41, 385 Bourke St, Melbourne, Victoria 3000
 Level 41, 385 Bourke St, Melbourne, Victoria 3000
 Avenue Louise 326, 10th Floor, Brussels, 1050, Belgium
 Avenue Louise 326, 10th Floor, Brussels, 1050, Belgium
 Rua de Rocio 350, Edif. Atrium IX – Conj 41, 4th Floor, 04552-000, Vila Olimpia, São Paulo, Brazil
 145 King Street West, Suited 720, Toronto, Ontario M5H 1J8
 Avenida El Bosque Central 92, 6th Floor, Las Condes, Santiago, Chile
 Unit 2206, 2207B No. 1601 West Nanjing Road, JingAn District, Shanghai, PRC
 2206-2207, 22nd Floor Park Place Office Tower No.1601 West Nanjing Road, Shanghai 200040
 Pujmanové 1753/10a, Praha 4, PSC 140 00, Prague, Czech Republic
 21-25 Rue Balzac, 75008 Paris, France
 251 Boulevard Pereire 6ème étage, 75017 Paris, France
 251 Boulevard Pereire 6ème étage, 75017 Paris, France
 Fuerstenwall 172, 40217 Dusseldorf, Germany
 Unit 2001, 20/F, Nexxus Building, 41 Connaught Road Central, Hong Kong
 Unit 2001, 20/F Nexxus Building, 41 Connaught Road Central, Central Hong Kong
 H-1037 Budapest, Montevideo u. 3/A
 3rd Floor, Plot Number 168, Kavuri Hills Phase II, Madhapur, Hyderabad, 500081 India
 World Trade Centre 3, 18th Floor, Jl. Jend. Sudirman Kav. 29-31 Jakarta 12920, Indonesia
 Level 3, Custom House Plaza 2, IFSC, Dublin 1, Ireland
 Level 3, Custom House Plaza 2, IFSC, Dublin 1, Ireland
 Shibuya Minami Tokyu Building, 14th Floor 3-12-18 Shibuya, Shibuya-ku, Tokyo, 150-0002
 TOC Daiichi Building 603 & 604, 1-8-3, Shibuya, Shibuya-ku, Tokyo, Japan 150-0002
 Antano Tumeno g.4, Vilnius, Lithuania
 681 Rue de Neudorf, 2220 Luxembourg
 681 Rue de Neudorf, 2220 Luxembourg
 681 Rue de Neudorf, 2220 Luxembourg
 B4-3A-6 Solaris Dutamas, No 1 Jalan Dutamas 1, 50480, Kuala Lumpur, Malaysia
 B4-3A-6 Solaris Dutamas, No 1 Jalan Dutamas 1, 50480, Kuala Lumpur, Malaysia
 Bosques de Duraznos 69, Local C, Bosque de las Lomas, Miguel Hidalgo, 11700 Mexico City, Mexico
 Zuidplein 28, WTC, Toren H, 1077 XV Amsterdam
 Zuidplein 28, WTC, Toren H, 1077 XV Amsterdam
 Herikerberweg 283, 1101CM, Amsterdam, the Netherlands
 Level 9, 11-19 Customs Street, Auckland, New Zealand
 37/F Philamlife Tower, 8767 Paseo De Roxas Makati City, Manila 1226
 Avenida da Liberdade n.110 Lisbon 1269-046
 6 Battery Road #22-01 Singapore 049909
 6 Battery Road #22-01 Singapore 049909
 19th Floor, GreenPark Corner, Cnr West Road South and Lower Road, Morningside, Sandton, Johannesburg, 2196 South Africa
 19th Floor, GreenPark Corner, Cnr West Road South and Lower Road, Morningside, Sandton, Johannesburg, 2196 South Africa
 21F East Center, Center 1 Building, 26 Euljiro 5 gil, Jung-gu, Seoul 04539
 Paseo de Recoletos 7-9, 28004 Madrid, Spain
 Paseo de Recoletos 7-9, 28004 Madrid, Spain
 Claridenstrasse 41, Zurich 8002, Switzerland
 10 F No 1 Songzhi Road, Xin-Yi District, Taipei, Taiwan
 Level 12, Room No. 1259-1260, Harbor Mall office, 4/222 Moo 10, Sukhumvit Road, Thungsukhla, Sriracha, Chonburi 20230 Thailand
 Q House Lumpini, 12th Floor, Unit 1201, 1 South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120
 175 Sathorn City Tower, Level 18/1, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
 WeWork Hub 71 Al Khatem Tower, ADGM, Abu Dhabi, UAE
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 7 Times Square, Suite 4301, New York NY 10036
 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB
 7 Times Square, Suite 4301, New York NY 10036
 575 Market Street, Suite 2950, San Francisco CA 94105
 7 Times Square, Suite 4301, New York NY 10036
 Unit 1, Level 9, The Metropolitan, 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

Notes to the Group Accounts continued

For the year ended 31 December 2020

12. Trade and other receivables

	2020 £s millions	2019 £s millions
Receivables due within one year:		
Trade receivables	93.3	127.6
Other receivables	11.1	7.8
Prepayments	5.6	5.1
Accrued income	43.0	69.2
	153.0	209.7

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 2020 is £1,658,000 (31 December 2019: £2,434,000). The movement in the provision during the year is a credit in the income statement of £776,000 (2019: charge of £110,000). Contract assets are expected to convert into contract receivables within three months of recognition.

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

	2020 £s millions	2019 £s millions
Trade payables	7.2	4.7
Other taxation and social security	37.6	21.9
Other payables	24.2	19.1
Accruals and deferred income	101.5	116.2
	170.5	161.9

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

14. Bank overdrafts and borrowings

	2020 £s millions	2019 £s millions
Bank overdrafts and borrowings: current	-	26.6
	-	26.6
The borrowings are repayable as follows:		
Within one year	-	26.6
	-	26.6

In June 2020, the Group renewed its four year committed financing facility of £60.0m which expires in March 2024.

At 31 December 2020, £nil (2019: £25.5m) was drawn down under this facility.

The Group also has a non-recourse £15.0m facility.

The Group has a short-term facility of Renminbi 25m (£2.9m) of which Renminbi nil (£nil) was drawn down as at 31 December 2020 (2019: £1.1m). 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 £nil (2019: £26,600,000).

The Group has not entered into any reverse factoring arrangements during the year ended 31 December 2020 (2019: none).

15. Deferred taxation

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

	Accelerated depreciation £s millions	Tax losses £s millions	Share-based payment £s millions	Accruals and provisions £s millions	Total £s millions
At 1 January 2019	0.4	2.7	3.8	5.5	12.4
Credit to income	0.3	0.9	0.2	0.2	1.6
Charge to equity	-	-	(2.3)	-	(2.3)
Foreign currency translation differences	-	-	-	(0.1)	(0.1)
At 31 December 2019	0.7	3.6	1.7	5.6	11.6
Credit to income	0.3	-	0.1	-	0.4
Charge to equity	-	-	(0.1)	-	(0.1)
Foreign currency translation differences	-	-	-	0.1	0.1
At 31 December 2020	1.0	3.6	1.7	5.7	12.0

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

	2020 £s millions	2019 £s millions
Deferred tax assets	12.2	11.6
Deferred tax liabilities	(0.2)	-
	12.0	11.6

At 31 December 2020, no deferred tax liability is recognised on temporary differences of £21.8m (2019: £22.4m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing and reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Where a reversal is foreseeable, deferred tax liabilities are provided for using the relevant tax rate applicable on distributed profits.

Deferred tax assets of £3.6m (2019: £3.6m) have been recognised in respect of carried forward losses and latest forecasts show that these are expected to be recovered against future profit streams over the next five years.

The Group has total unrecognised deferred tax assets relating to tax losses of £3.3m (2019: £1.6m) of which £2.0m (2019: £0.1m) have no time restriction over when they can be utilised, and the remaining £1.3m (2019: £1.5m) are time restricted, for which the weighted average period over which they can be utilised is seven years.

16. Provisions

	Total £s millions
At 1 January 2019	3.3
Additional provisions charged to income statement	1.1
Provision released	(1.2)
Utilisation of provisions	(0.3)
Foreign exchange movements	(0.3)
At 31 December 2019	2.6
Additional provisions charged to income statement	1.7
Provision released	(0.6)
Utilisation of provisions	(0.5)
Foreign exchange movements	0.1
At 31 December 2020	3.3
Analysis of total provision:	
Current	2.0
Non-current	1.3
	3.3

The provisions comprise of dilapidation provisions.

The payment of non-current provision (£1.3m) is expected to occur between two and five years.

Notes to the Group Accounts continued

For the year ended 31 December 2020

17. Financial risk management

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

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

(i) Financial assets

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

Cash	2020 £s millions	2019 £s millions
Euros	46.7	33.1
Great British Pounds	23.3	9.4
Japanese Yen	20.6	18.9
Australian Dollars	13.6	12.7
Hong Kong Dollars ¹	13.1	11.2
US Dollars	8.7	4.0
New Zealand Dollars	5.9	4.6
Singapore Dollars	3.9	3.7
Chinese Renminbi	2.9	2.5
South Korean Won	2.7	1.6
Thai Baht	2.2	1.8
Malaysian Ringgit	1.9	1.6
United Arab Emirates Dirham	1.8	2.0
Other	8.2	5.3
	155.5	112.4

1. Included in the Hong Kong Dollars cash balance is £nil (2019: £3.4m) of restricted cash held on deposit as security against the Chinese Renminbi bank loan. Further details of this loan are provided in note 14.

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

(ii) Currency exposures

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

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

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

(iii) Liquidity risk

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

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

The capital structure of the Group consists of net cash of £155.5m and equity of the Group, comprising issued share capital, reserves and retained earnings as disclosed in notes 18 to 20.

(iv) Interest rate risk

The Group manages its cash funds through its London head office and does not actively manage its exposure to interest rate fluctuations. Surplus funds in the UK earn interest at a rate linked to the Bank of England base rate.

Surplus funds in other countries earn interest based on a number of different indices, varying from country to country.

17. Financial risk management continued

(v) Credit risk

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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with counterparties that are deemed creditworthy and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with entities that are considered to have adequate credit ratings. This information is supplied by independent rating agencies where available and if not available the Group uses other publicly available financial information and its own trading records to rate its major customers. In light of the Covid pandemic, the Group has reassessed the credit-worthiness of its existing clients to assess any new risks arising from expected credit losses.

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

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

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected credit losses are estimated using a provision matrix and applying a probability of default. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions and the impact of Covid.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. When measuring expected credit losses the Group uses reasonable and supportable forward-looking information, adjusting for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2020					
Expected loss rate	1.1%	4.2%	8.1%	30.0%	3.8%
Trade receivables	53.2	28.5	12.3	3.0	97.0
Bad debt provision	0.6	1.2	1.0	0.9	3.7
31 December 2019					
Trade receivables	78.9	34.8	14.3	2.4	130.4
Bad debt provision ¹					2.8

1. The bad debt provision for 2019 was immaterial, as such no further analysis was disclosed.

(vi) Financial liabilities

The Group financed its operations during the year through a mixture of retained earnings and also has a Renminbi loan, which was taken out in 2008, and a four-year committed Pounds Sterling sales financing facility, expiring in March 2024. The average effective interest rate for 2020 on the sales financing facility approximates to 1.55% and is determined upon the lenders' published rate plus 1.45%. As the rates are floating, the Group is exposed to cash flow risk. Further details in respect of these loans are disclosed in note 14 to the accounts.

Trade and other payables are settled within normal terms of business and are payable in less than 120 days.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Notes to the Group Accounts continued

For the year ended 31 December 2020

18. Share capital

	2020 Number	2019 Number	2020 £s millions	2019 £s millions
Authorised				
Ordinary shares of 20p each	200,000,000	200,000,000	40.0	40.0
Allotted, called-up and fully paid				
Ordinary shares of 20p each	80,167,760	80,121,475	16.0	16.0

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

Share capital includes shares held in treasury and in the employee benefit trust (EBT); see note 20 for more detail.

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

19. Share options

Equity-settled share option plan

As at 31 December 2020 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive Share Option Scheme and SAYE Option Scheme:

	Share options granted	Price granted (p)	Exercisable	
			From	To
Executive Options	240,000	211	March 2016	March 2023
Executive Options	847,000	353	March 2017	March 2024
Executive Options	121,389	339	February 2018	February 2025
Executive Options	261,500	299	March 2019	March 2026
Executive Options	624,500	400	March 2020	March 2027
SAYE	294,795	364	June 2020	December 2020
Executive Options	204,999	667	March 2021	March 2028
SAYE	27,423	596	September 2021	March 2022
Executive Options	20,000	662	July 2021	July 2028
Executive Options	184,499	536	March 2022	March 2029
SAYE	151,421	409	September 2022	March 2023
Executive Options	170,050	552	March 2023	March 2030
SAYE	558,122	326	October 2023	March 2024
	3,705,698			

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

	2020		2019	
	Options	Weighted average exercise price (£)	Options	Weighted average exercise price (£)
At 1 January	3,647,201	3.94	4,240,319	3.66
Granted during the year	762,084	3.83	679,663	5.46
Forfeited during the year	(495,587)	4.47	(388,095)	5.13
Exercised during the year	(208,000)	3.67	(884,686)	2.60
At 31 December	3,705,698	3.86	3,647,201	3.94

The fair value of share options granted during the year was £142,000 (2019: £298,000).

The weighted average share price at the date of exercise for share options exercised during the period was £3.67 (2019: £2.60). The options outstanding at 31 December 2020 had a weighted average remaining contractual life of four years (2019: six years) and a weighted value of £3.86 (2019: £3.94).

The weighted average exercise price is calculated based on a range of share prices between £2.11 and £6.67.

19. Share options continued

There were 2,389,000 (2019: 1,538,000) options already exercisable at the end of the year, with a weighted exercise price of £3.46 (2019: £3.18). The inputs into the stochastic model are as follows:

	Executive options				SAYE options		
	2020	2019	2018	2017	2020	2019	2018
Weighted average share price	£5.00	£5.96	£6.62	£4.07	£3.26	£4.09	£5.96
Weighted average exercise price	£5.52	£5.46	£6.67	£4.00	£3.26	£4.09	£5.96
Expected volatility	31.3%	29.9%	26.0%	30.8%	31.3%	29.9%	26.0%
Expected life	6	6	6	6	3.25	3.25	3.25
Risk free rate	0.2%	1.0%	1.2%	0.5%	0.2%	1.0%	1.2%
Expected dividend yield	3.0%	2.5%	1.8%	2.1%	3.0%	2.5%	1.8%

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

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

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

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

Exercise of an option is subject to continued employment.

Equity-settled Performance Share Plan (PSP)

As at 31 December 2020 the following share awards had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive PSP Scheme:

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

	2020			2019		
	Share awards	Co-investment awards	Total	Share awards	Co-investment awards	Total
At 1 January	3,724,030	717,509	4,441,539	4,485,457	829,671	5,315,128
Granted during the year	1,163,201	277,075	1,440,276	1,272,681	296,170	1,568,851
Vested during the year	(1,437,351)	(217,311)	(1,654,662)	(1,561,220)	(330,459)	(1,891,679)
Lapsed during the year	(32,333)	(4,888)	(37,221)	(196,911)	(41,680)	(238,591)
Forfeited during the year	(329,126)	(97,306)	(426,432)	(275,977)	(36,193)	(312,170)
At 31 December	3,088,421	675,079	3,763,500	3,724,030	717,509	4,441,539

The fair value of share awards and co-investment awards granted during the year was £4,742,000 (2019: £6,484,000).

The awards outstanding at 31 December 2020 had a weighted average remaining contractual life of 15 months (2019: 14 months). No awards expired during the year (2019: none).

The inputs into the stochastic model are as follows:

	2020	2019	2018	2017
Weighted average share price	£5.00	£5.90	£6.62	£4.07
Weighted average exercise price	nil	nil	nil	nil
Expected volatility	34.5%	34.3%	32.0%	29.9%
Expected life (years)	3	3	3	3
Risk free rate	0.2%	0.8%	0.8%	0.0%
Expected dividend yield	3.0%	2.5%	1.8%	2.1%

Notes to the Group Accounts continued

For the year ended 31 December 2020

19. Share options continued

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

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

The Group recognised an expense of £2,185,000 (2019: £5,552,000) during the year in respect of equity-settled share-based payment transactions and £nil (2019: £nil) in respect of cash-settled share-based payment transactions.

20. Reserves

The other reserves of the Group include a merger reserve of £83,379,000 (2019: £83,379,000), offset by a capital reserve of £9,301,000 (2019: £9,301,000), capital redemption reserve of £2,216,000 (2019: £2,216,000) and a capital contribution reserve of £44,000 (2019: £44,000).

The own shares are held by an employee benefit trust (EBT) to satisfy the potential share obligations of the Group. The Company also has an obligation to make regular contributions to the EBT to enable it to meet its financing costs. Rights to dividends on shares held by the EBT have been waived by the trustees. Charges of £10,200 (2019: £27,000) have been reflected in the Consolidated Income Statement in respect of the EBT.

The number and market value of own shares held at 31 December 2020 was 3,888,040 (2019: 5,741,463) and £18,390,500 (2019: £31,923,000). The number and market value of treasury shares held at 31 December 2020 was 4,074,000 (2019: 4,074,000) and £19,270,000 (2019: £22,651,000).

21. Reconciliation of net cash and debt position

	Bank borrowings £s millions	Cash and cash equivalents £s millions	Leases £s millions	Total £s millions
Net cash (debt) as at 1 January 2019	(5.6)	79.9	(83.7)	(9.4)
Cash flow	(21.0)	36.2	16.2	31.4
Non cash flow:				
New leases	-	-	(8.4)	(8.4)
Interest	-	-	(2.8)	(2.8)
Foreign exchange movements	-	(3.7)	3.3	(0.4)
Other movement	-	-	(0.1)	(0.1)
Net cash (debt) as at 1 January 2020	(26.6)	112.4	(75.5)	10.3
Cash flow	26.6	40.9	18.6	86.1
Non cash flow:				
New leases	-	-	(5.3)	(5.3)
Interest	-	-	(2.4)	(2.4)
Foreign exchange movements	-	2.2	(1.3)	0.9
Other movement	-	-	2.1	2.1
Net cash (debt) as at 31 December 2020	-	155.5	(63.8)	91.7

22. Related party transactions

Transactions between Robert Walters Plc and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The remuneration of key management personnel who are deemed to be Directors has been disclosed in the Report of the Remuneration Committee on pages 76 to 87.

During the year, there were no related party transactions included within administrative expenses (2019: £4,000 with Tay Associates Limited, a related party through a Director of Robert Walters plc).

There were no outstanding balances as at 31 December 2020.

All transactions were undertaken on an arms-length basis.

23. Contingent liabilities

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

Other than as disclosed in note 5, the Group has no other contingent liabilities as at 31 December 2020 (2019: £nil).

Company Balance Sheet

As at 31 December 2020

	Notes	2020 £s millions	2019 £s millions
Non-current assets			
Investments	26	227.8	225.9
Current assets			
Trade and other receivables	27	39.7	38.3
Cash and cash equivalents		-	4.2
Total assets		267.5	268.4
Current liabilities			
Trade and other payables	28	(155.0)	(155.6)
Net current liabilities		(115.3)	(113.1)
Net assets		112.5	112.8
Equity			
Share capital		16.0	16.0
Share premium		22.2	22.2
Capital redemption reserve		2.2	2.2
Own shares held		(18.1)	(26.5)
Treasury shares held		(9.1)	(9.1)
Retained earnings		99.3	108.0
Shareholders' funds		112.5	112.8

Robert Walters plc reported a profit for the year of £nil (2019: £29.9m).

The accounts of Robert Walters plc, Company Number 3956083, on pages 135 to 138 were approved by the Board of Directors on 1 March 2021 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Company Statement of Changes in Equity

For the year ended 31 December 2020

Group	Share capital £s millions	Share premium £s millions	Capital redemption reserve £s millions	Own shares held £s millions	Treasury shares held £s millions	Retained earnings £s millions	Total equity £s millions
Balance at 1 January 2019	15.9	22.0	2.2	(18.3)	(9.1)	89.6	102.3
Profit for the year	-	-	-	-	-	29.9	29.9
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income and expense for the year	-	-	-	-	-	29.9	29.9
Dividends paid	-	-	-	-	-	(10.6)	(10.6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	5.6	5.6
Transfer to own shares held on exercise of equity incentives	-	-	-	6.5	-	(6.5)	-
New shares issued and own shares purchased	0.1	0.2	-	(14.7)	-	-	(14.4)
Balance at 31 December 2019	16.0	22.2	2.2	(26.5)	(9.1)	108.0	112.8
Profit for the year	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income and expense for the year	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(3.2)	(3.2)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	2.2	2.2
Transfer to own shares held on exercise of equity incentives	-	-	-	7.7	-	(7.7)	-
New shares issued and own shares purchased	-	-	-	0.7	-	-	0.7
Balance at 31 December 2020	16.0	22.2	2.2	(18.1)	(9.1)	99.3	112.5

Notes to the Company Accounts

For the year ended 31 December 2020

24. Accounting policies

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

(a) Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

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

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

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Statement of Accounting Policies to the consolidated financial statements on page 112 except as noted below.

(b) Foreign currencies

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

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

(c) Investments

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

(d) Employee Benefit Trust

The own shares are held by an Employee Benefit Trust (EBT) to satisfy the potential share obligations of the Group.

Own shares are recorded at cost and deducted from equity.

As the EBT is deemed to be an extension of the Company, the EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Company financial statements.

25. Profit for the year

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

£20.3m (2019: £22.8m) of the retained earnings of the Company represent distributable reserves.

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

Details of share-based payments are disclosed in note 19 to the accounts.

Details of Treasury and own shares held are disclosed in note 20 to the accounts.

There are no employees of Robert Walters plc.

26. Fixed asset investments

	Total £s millions
At 1 January 2020	225.8
Increase in the year due to equity incentive schemes	2.0
At 31 December 2020	227.8

There were no indicators to suggest an impairment review was required, as such there was no provision for impairment (2019: £nil). Please refer to note 11 for a list of the Company's principal investments.

Notes to the Company Accounts continued

For the year ended 31 December 2020

27. Trade and other receivables

	2020 £s millions	2019 £s millions
Amounts due from subsidiaries	39.7	38.3
	39.7	38.3

Amounts owed by Group undertakings are unsecured, carry no interest and are repayable on demand.

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

	2020 £s millions	2019 £s millions
Amounts due to subsidiaries	155.0	155.6
	155.0	155.6

Amounts owed to Group undertakings are unsecured, carry no interest and are repayable on demand.

29. Share capital

	2020 Number	2019 Number	2020 £s millions	2019 £s millions
Authorised				
Ordinary shares of 20p each	200,000,000	200,000,000	40.0	40.0
Allotted, called-up and fully paid				
Ordinary shares of 20p each	80,167,760	80,121,475	16.0	16.0

30. Commitments

The Company has no lease commitments (2019: £nil).

There are no capital commitments for the Company (2019: £nil).

31. Related party transactions

There are no disclosable related party transactions in the year to 31 December 2020 (2019: £nil) other than as disclosed in the Directors' Remuneration Report and notes 27 and 28.

32. Contingent liabilities

The Company has no other contingent liabilities than those disclosed in note 23 as at 31 December 2020 (2019: £nil).



This report is printed on 100% recycled material sourced from well-managed, responsible, FSC certified forests. Both the printer and paper company are ISO 14001 and FSC accredited. The printer is also a carbon neutral company.

Australia
Belgium
Brazil
Canada
Chile
Czech Republic
France
Germany
Hong Kong
India
Indonesia
Ireland
Japan
Luxembourg
Mainland China
Malaysia
Mexico
Netherlands
New Zealand
Philippines
Portugal
Singapore
South Africa
South Korea
Spain
Switzerland
Taiwan
Thailand
UAE
UK
USA
Vietnam