ANNUAL REPORT

2013

RWS HOLDINGS PLC

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THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2009

RWS GROUP

It gives me great pleasure to be able to report another year of progress for RWS against a sluggish, slowly improving economic backdrop. For the tenth consecutive year as a public company we have delivered growth in sales, underlying profits and dividends, demonstrating the strength and resilience of the Group's core, market leading patent translations business. RWS' businesses in China and Germany grew significantly, as did our medical division, whilst PatBase remained the primary driver of growth within the Group's information services business. inovia achieved an outstanding performance in the year prior to becoming a wholly-owned subsidiary.

RESULTS AND FINANCIAL REVIEW

The Group has achieved a further significant improvement in underlying operational performance, reflecting continued growth in the core patent translations business, together with excellent progress in China, Germany, and the medical division, and further growth in its database subscription service – PatBase.

Sales advanced by 12.5% to £77.4 million (2012: £68.8 million), an encouraging achievement given that market conditions have only improved gradually during the period. Adjusted operating profit before amortization of intangibles, share option costs and profit on sale of associate, was up 20% to £20.1 million (2012: £16.8 million). Adjusted profit before tax, intangibles amortization, share option costs and profit on sale of associate, rose by 22.1% to £21.0 million (2012: £17.2 million), giving rise to a 24.5% increase in adjusted earnings per share to 38.6p (2012: 31.0p). There was no change during 2013 in the number of shares in issue. Reported profit before tax was £20.5 million (2012: £16.6 million), a rise of 23.5%, and basic earnings per share 37.6p (2012: 29.9p), a rise of 25.7%. The effective tax rate was 22.4% (2012: 23.6%); the reduction was due to the fall in corporation tax rates and prior year over provisions.

At 30 September 2013, shareholders' funds had reached £71.7 million (2012: £63.2 million), of which net cash represented £18.2 million (2012: £25.1 million). The movement in net cash reflects an underlying increase of £8.2 million before an outlay of £15.1 million in respect of acquisitions. The significant other cash outlays included corporation tax of £4.2 million, the final dividend for 2012 and the interim dividend for 2013, totalling £7.6 million.

RWS' policy was to hedge its net trading exposure to the Euro at an average rate of 85p per Euro during 2012/13. Looking forward, RWS has hedged that exposure at 1 Euro = 87p until 30 September 2014, and will seek further suitable hedges. As regards the US$ exposure, the Group intends to enter into rolling 12 month forward hedges in the near term.

Interest income on the Group's substantial cash balances remained at comparably subdued levels with the Bank of England maintaining a base rate of 0.5% throughout the financial year.

DIVIDEND

The Board recommend a final dividend of 15.75p per share. The interim dividend, paid in July, was 4.50p per share, so that the total payout in respect of the year will amount to 20.25p per share, an increase of 15.7% over 2012, reflecting the growth in Group earnings during 2013 and the Board's confidence in the continued progress of the Group.

The proposed total dividend per share is 1.86 times covered by basic earnings per share. Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 21 February 2014 to all shareholders on the register at 24 January 2014.

OPERATING REVIEW

Translations

The Group's core patent translations business, which accounts for approximately 69% of Group sales, grew its revenue by 10.5% to £53.5 million (2012: £48.4 million) despite the subdued economic conditions during the period. The Group has further consolidated its market leadership, with its European and International blue-chip client base representing many of the world's most active patent filers; its clients include 12 of the top 20 applicants at the World Intellectual Property Office in 2012 and 14 of the top 20 applicants at the European Patent Office in 2012. We are particularly pleased with our recent progress in strengthening our new business pipeline with wins including significant household names in the USA, a prominent European pharmaceutical group and a new three year contract with a world leading agri-business. Importantly, the patent translations business also derived significant benefit from a full year's transfer of work generated by the inovia international patent filing business, amounting to £4.2 million (2012: £1.4 million) in the UK alone

We provide a high quality and competitive "translate and file" service which began in Europe and has now been successfully extended on a global scale. US multinationals wishing to file via the national and PCT routes recognise the benefits of the Group's WorldFile service and RWS is benefiting from its increased direct sales effort in the US, still the largest potential market for intellectual property protection services.

Work from US clients has driven the growth in the Group's Beijing patent translation service. It has also increased its share of a contract with an international patent body through its ability to provide high quality work. These factors have led to a 62% increase in revenue. Given this demand, we have continued to invest in staff, training and systems to develop our services, which are primarily focused on European and North American corporates' patent applications for filing in China and are typically sourced from our other offices. A new Chinese production and training centre has been established in the city of Rizhao. The site has also been designated a centre of excellence for translation technology, leveraging the latest developments in translation memory and machine translation to maximise productivity and profitability. A cooperation agreement has been signed with local universities in Qufu and Rizhao, with RWS offering translation training to students and providing investment in the university technology infrastructure, in return for which the students undertake translation and terminology work on behalf of the company.

Our commercial translations business, which accounts for approximately 22% of Group sales, delivered increased revenue of £17.4 million (2012: £15.5 million), within which we experienced considerable variability across regions and market segments. Our commercial translations business includes all non-patent translations and is typically more exposed to competition and the economic cycle than our patent translations business, though it remains differentiated by its ability to manage larger projects and deliver high quality client service, whilst its focus on technical, specialist niches enables it to achieve excellent margins. During the year we saw an encouraging performance in medical translations, enhanced by the PharmaQuest acquisition in May 2013, and large projects for existing clients at major EU institutions. We also experienced good growth in our German/Swiss business, influenced by a cyclical upturn in the work performed for one major international client.

Information

Our information business, which accounts for 7% of Group sales and a significantly higher proportion of operating profit, grew its revenue by 6% to £5.3 million (2012: £5.0 million). This performance was primarily driven by the 11% growth in subscription revenue from PatBase, our subscription patent database service, offset by the continued low demand for our search services, which now represents less than 3% of Group revenue and has greater sensitivity to the economic environment. Our ongoing investment in improving PatBase's searchability and coverage enabled us to secure a strong level of new subscriptions during the year as well as an increase in the number of users within existing client accounts.

ACQUISITIONS

inovia

In line with the Board's stated strategy, RWS announced on 17 September 2013 the completion of the acquisition of inovia Holdings Pty Limited ("inovia"), a leading provider of web-based international patent filing solutions. IFRS accounting required this transaction to be reflected as a disposal of the one third interest acquired in October 2011, and the acquisition of 100% of the issued share capital of inovia.

The total cash consideration for 100% of the issued share capital amounted to US$29.1 million before related costs, calculated by reference to an agreed earnout formula based upon the financial performance of inovia for its financial year ended 30 June 2013.

For this reference year, inovia's gross revenue increased by 37% to US$26.5 million compared to 2012 and it achieved EBITDA of US$2.7 million. In addition, as noted elsewhere, the inovia business generated sufficient patent translation revenue for it to be RWS' largest customer prior to the full acquisition.

PharmaQuest
Again in line with the Board's strategy, RWS announced on 1 May 2013 the acquisition of the entire issued share capital of PharmaQuest Limited for an all cash consideration of £2.2 million. The company specialises in providing high quality translation and linguistic validation of patient reported outcome measures resulting from clinical trials conducted globally. In the year ended 31 March 2013 PharmaQuest had revenue of £1.4 million and adjusted profit before tax of £0.6 million.

MARKET AND REGULATORY UPDATE

Patent Filing Statistics
In March, the World Intellectual Property Office (WIPO) published figures showing a 6.6% increase in the 2012 PCT filings to 194,400 (2011: 182,379). The European Patent Office (EPO) also published figures in January 2013 showing the total number of European patent filings increased by 5.2% to 257,744 (2011: 244,934). Both the WIPO and EPO figures established new records for numbers of filings. Current expectations are that 2013 will see further record patent filings with growth of not less than 4%.

European Union Patent
We have in the past drawn the market's attention to the proposed European Union Patent ("the Unitary Patent") and its potential impact upon the Group's sales and profits. Despite significant legal hurdles it now appears possible that the Unitary Patent will come into effect in late 2015, and that the first patents could be granted in early 2016. It should be noted that a number of member states of the current European Patent system are not EU members, and that Spain and Italy remain opposed to the Unitary Patent. Professional opinion remains highly sceptical both as regards jurisdiction and the fee structure.

Because the proposed Unitary Patent will run in parallel with the existing system and will have a new and untried litigation system, our research indicates that there is currently little interest amongst large corporates and their professional advisers in using the new system. That being the case, we anticipate minimal loss of revenue in the first few years after the introduction of the Unitary Patent.

SHARE OPTION PLAN

RWS announced on 3 April 2013 that the Board had approved a new share option plan for executive directors and senior managers, under which options would be granted over ordinary shares representing up to a maximum of 4% of the Group's share capital. The plan is designed to further align the interests of senior employees and shareholders and to promote the retention of the Group's senior executives.

Options have been issued to eleven participants, with a subscription price of 646p per share. The earliest vesting date is 3 April 2015 and the latest exercise date is 3 April 2021.

PEOPLE

RWS has always been dependent upon the quality and commitment of its entire staff to provide and maintain the high levels of service expected by the Group's clients. We were pleased that we were able to avoid net staff reductions in the recent recession and headcount has now reached 591 full time equivalents (2012: 497), including the inovia staff, with productivity continuing to improve.

CORPORATE SOCIAL RESPONSIBILITY

RWS seeks to be a socially responsible Group which has a positive impact on the communities it operates in. We look to employ a workforce which reflects the diversity of the Group's communities. No discrimination is tolerated, and we endeavour to give all employees the opportunity to develop their capabilities. We provide an excellent working environment, the latest technology and appropriate training.

RWS' staff contribute generously on a monthly basis to a wide selection of local and national charities and their contributions are matched by the Group.

CURRENT TRADING AND OUTLOOK

We have made a solid start to the new financial year, in line with management's expectations and comfortably ahead of the comparable period. Notwithstanding any changes to global macroeconomic conditions, we expect to continue to make good progress in the current year as we realise the full year benefit of 2013 client wins, the ongoing positive trends in worldwide patent applications, and the full benefit of the PharmaQuest and inovia acquisitions

The Board is confident that we will materially enhance the Group's leading position in the intellectual property arena over the near to medium term.

Andrew Brode
Executive Chairman

6 December 2013

THE BUSINESS

RWS is the world's leading provider of patent translations and one of Europe's leading players in the provision of intellectual property support services and high level technical, medical, legal and financial translation services. Its main business – patent translation – translates well over 65,000 patents and intellectual property related documents each year. It has a blue chip multinational client base spanning Europe, North America and Asia, active in patent filing in the medical, pharmaceutical, chemical, aerospace, defence, automotive and telecoms industries, as well as patent agents representing such clients. The Group's principal business activities include

- Translations, which currently accounts for over 90% of sales and incorporates both patent translation and commercial translation services;

- Information, which includes a comprehensive range of patent search, retrieval and monitoring services as well as PatBase, one of the world's largest searchable commercial patent databases, access to which is sold exclusively as an annual subscription service; and:

- Following the recent acquisition of inovia, RWS is now a provider of international web based patent filing solutions; an activity which is expected to continue to be a significant source of Group patent translation revenue.

RWS provides these services through offices in 6 countries. The table below shows their location and the principal services they deliver for RWS.

	Translation – Patent	Translation – Commercial	Information Services	inovia web based patent filing
UK	x	x	x	
Germany		x		
Japan	x			
China	x	x		
Australia				x
USA				x

In addition to the above locations, services are also offered through sales liaison offices in France and Switzerland.

Strategy and Business Model

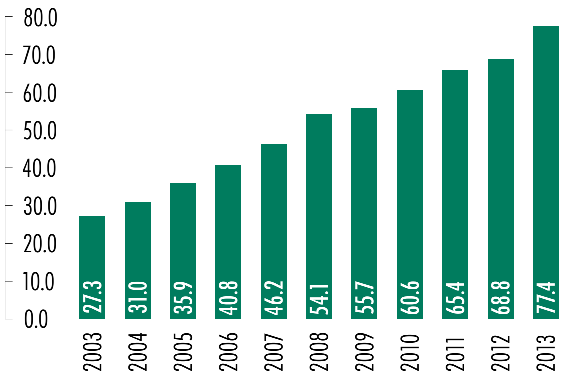
RWS' objective is to increase shareholder value by increasing the Group's sales revenue and profit before tax.

Our strategy to achieve this is focused upon organic growth complemented by deploying the Group's substantial cash holdings for selective acquisitions, providing these can be demonstrated to enhance shareholder value. Organic growth is driven by increases in the worldwide patent filing activities of existing and potential multinational clients, the growing demand for language services and the Group's ability to increase its market share by winning new clients attracted by its leading position and reputation, in an otherwise fragmented sector. Our business model focuses on the retention of our client base, which includes the majority of the top 20 patent filers in Europe and Globally, (many of which will use the Group for substantially all of their patent translation requirements), and the addition of several key new clients each year with whom activity levels build up over time. The global number of patent applications reached new record levels in both 2011 and 2012 and RWS has successfully grown market share amongst its target blue-chip customers who have historically remained committed to protecting their intellectual property through the economic cycle.

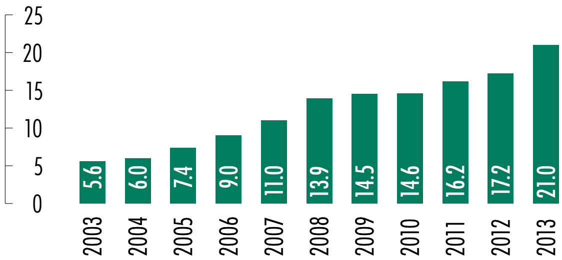
In terms of acquisitive growth, having been pleased with the return on acquisitions made to date, we continue to search for suitable potential acquisitions in the high level commercial translation and intellectual property support services spaces. We seek niche businesses capable of delivering well above industry average levels of profitability or highly complementary businesses capable of reinforcing the Group's dominant position in intellectual property support services.

Progress against our stated objectives is shown below.

Annual Revenue (£m)



Annual PBT Adj (£m)



The remuneration of the Executive Directors and Senior Executives is largely dependent upon growth in sales and adjusted profit before tax.

PRINCIPAL RISKS

The Directors, having conducted a further annual review of the Group's risk profile, are convinced that the principal risks to the business are errors in the provision of the Group's services, in a mismatch between currencies (especially as between the Euro and Sterling), in regulatory changes to patent translation requirements in Europe and following the acquisition of inovia, the integration of that business into RWS. Additionally, as with any people business delivering high quality services, the Group depends upon its ability to attract and retain well trained staff.

These risks are mitigated as follows:

■ Failings in service provision are most likely to arise as a result of human error. RWS was one of the earliest adopters of ISO certification and invests in exhaustive and regularly updated procedures to minimise the risk of error. In addition, the Group carries substantial professional indemnity insurance.

■ Currency risk is normally addressed via hedging operations. Currently, Sterling/Euro net trading exposure is hedged to 30 September 2014 at 1 Euro = 87p.

■ The London Agreement was implemented in May 2008 and the five financial years thereafter have borne the full effect, which was broadly in line with management expectations. RWS could also be impacted if a further initiative – the European Union Patent – were to become effective, and be adopted by its clients. Whilst the inovia acquisition would also be impacted by the proposed European Union Patent, its key business territories are outside of Europe. The Group sales strategy focuses on expanding its share in international non-European patent translations, especially of patents filed in BRIC countries, and with a strong focus on China. The thrust of the Board's acquisition strategy since 2005 has been to target technical translation businesses which have zero exposure to any regulatory developments in the patent field. Management is currently of the opinion that the EU Patent will not be introduced before late 2015 / early 2016, and is highly unlikely to be adopted by RWS' major clients for a number of years thereafter.

■ In October 2011 RWS acquired the first one third of the inovia business. From then through to the final acquisition in September 2013, RWS and inovia had the opportunity to work together to understand each others' business model, culture and ethos. This enabled the preparation of a detailed integration plan which identified areas and a timetable for integration. In line with that plan, since acquisition, meetings and detailed discussions have taken place between both teams which have so far resulted in a smooth integration process and substantial cross selling opportunities.

■ As a significant employer in the local area of South Buckinghamshire, we believe we offer stability of employment, competitive salaries and an excellent working environment. In the current economic climate we have been successful in recruiting high calibre staff as required, but competition for talented people to work on the periphery of the London conurbation is undoubtedly intensifying.

On behalf of the Board

Richard Thompson
6 December 2013

Andrew S Brode (73)
Executive Chairman

Member of the Audit Committee and Remuneration Committee

Appointed as a Director 11 April 2000

Founder of Bybrook and led the management buy in of the RWS Group. A substantial shareholder in the Company

Non-Executive Director of Vitesse Media plc, Non-Executive Chairman of Electric Word plc and Learning Technologies Group plc.

Director of other private equity financed media companies

Reinhard Ottway (54)
Chief Executive Officer

Appointed as a Director 1 January 2012

Joined RWS Group in 1994 and was Business Development Director from 2001

Richard Thompson (51)
Finance Director and Company Secretary

Appointed as a Director and Company Secretary 28 November 2012

Previously worked for Actix International Limited, a global supplier of software and services to the telecommunications market

David E Shrimpton (70)
Senior independent Non-Executive Director

Chairman of the Remuneration Committee and member of the Audit Committee

Appointed as a Director 1 January 2010

Non-Executive Director of a number of private companies

Peter Mountford (56)
Non-Executive Director

Chairman of the Audit Committee and member of the Remuneration Committee

Appointed as a Director 11 April 2000

Chairman of Mountford Capital Limited, Chairman of Heropreneurs, Deputy Chairman of Learning Technologies Group plc and a director of a number of other private companies

Elisabeth A Lucas (57)
Non-Executive Director

Member of the Audit Committee and member of the Remuneration Committee

Joined RWS Group in 1977, Managing Director of Translations Division from 1992 and Chief Executive Officer from 1995 to 2011

Appointed as a Director on 11 November 2003

Registered office
Europa House
Chiltern Park
Chiltern Hill
Chalfont St Peter
Buckinghamshire
SL9 9FG

Company registration number
3002645

The Directors present their annual report together with the audited financial statements for the year ended 30 September 2013.

BUSINESS PERFORMANCE AND RISKS

The review of the business, operations, principal risks and outlook are dealt with in the Strategic review on pages 6 and 7. The key performance indicators of the Group are revenue and pre-tax profit before amortization of customer relationships and trademarks, share option costs and any profits or losses on disposal of subsidiaries or associates.

FINANCIAL RESULTS

The financial statements set out the results of the Group for the year ended 30 September 2013 which are shown on page 19.

Group revenue advanced by 12.5% to £77.4 million (2012: £68.8 million) and pre-tax profit before amortization of intangibles, share option costs and profit on disposal of associate was £21.0 million (2012: £17.2 million), a rise of 22.1%. Profit before tax was £20.5 million (2012: £16.6 million). The current year total tax expense was £4.6 million (2012: £3.9 million) an effective tax rate of 22.4% (2012: 23.6%). Basic earnings per share was 37.6 pence (2012: 29.9 pence).

DIVIDENDS

The Directors recommend a final dividend of 15.75 pence per Ordinary share to be paid on the 21 February 2014 to shareholders on the register at 24 January 2014, which, together with the dividend of 4.50 pence paid in July 2013, makes a total dividend for the year of 20.25 pence (2012: 17.50 pence). The final dividend will be reflected in the financial statements for the year ending 30 September 2014. The proposed total dividend per share is 1.86 times covered by basic earnings per share.

GOING CONCERN ACCOUNTING BASIS

In view of the Group's resources, cash at 30 September 2013 of £18.2 million, free cash flow in 2013 of £16.1 million (2012: £13.2 million), results of operations and overall financial condition, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL INSTRUMENTS

Information about the use of financial instruments by the Group is given in note 18 to the financial statements.

EVENTS AFTER THE REPORTING DATE

No significant events have occurred between 30 September 2013 and the date of authorisation of these financial statements.

DIRECTORS

Details of members of the Board at 30 September 2013 are set out on page 8.

The interests of the Directors in shares during the year are set out on page 13 in the Directors' Remuneration Report.

Michael McCarthy retired as a Director on 31 December 2012.

Peter Mountford retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

The Company's Annual General Meeting will be held in London on 11 February 2014.

CORPORATE GOVERNANCE

The Board

The Board comprised three Executive and three Non-Executive Directors. The Board considers that all of the Non-Executive Directors are independent in character and judgement and that there are no relationships or circumstances which are likely to affect their independent judgement.

The Executive Directors have direct responsibility for business operations whilst the Non-Executive Directors have a responsibility to bring independent, objective judgement to bear on Board decisions. The Board met seven times during the year to review financial performance and approve key business decisions, so that it retained control over strategic, budgetary, financial and organisational issues and monitored executive management. In addition to the Executive Directors, the members of the Senior Executive Team are:

Charles Sitch, Managing Director UK Translations Division; Neil Simpkin, Deputy Managing Director UK Translations Division; Jo Hindley, Commercial Director UK Translations Division; Yvette Edwards, Managing Director Information Division and Roberto Aletto, IT Director.

They are invited to attend various board meetings and report on the areas of responsibility delegated to them.

Audit Committee

The members of the Audit Committee are Peter Mountford (committee Chairman), David Shrimpton, Elisabeth Lucas and Andrew Brode. The members, with the exception of Andrew Brode, are Non-Executive Directors and the Board is satisfied that they have recent and relevant financial experience. Andrew Brode is the Group's Executive Chairman and a substantial shareholder in the Ordinary shares of the Company. The Finance Director and representatives from the external auditors attend meetings at the request of the Committee. During the year the Committee met twice.

The Committee reviews and makes recommendations to the Board on: any change in accounting policies; decisions requiring a major element of judgement and risk; compliance with accounting standards and legal and regulatory requirements; disclosures in the interim and annual report and accounts; dividend policy and payment; any significant concerns of the external auditor about the conduct, results or overall outcome of the annual audit of the Group; and, any matters that may significantly affect the independence of the external auditor.

In addition the Committee has oversight of the external audit process and reviews its effectiveness and approves any non-audit services provided.

Remuneration Committee

Further information about the Committee and the Company's remuneration policy is set out on page 12 in the Directors' Remuneration Report.

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal controls. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors believe that the Group has internal control systems in place appropriate to the size and nature of the business. The key elements are: bimonthly Group board meetings with reports from and discussions with senior executives on performance and key risk areas in the business; monthly financial reporting, for the Group and for each subsidiary, of actual performance compared to budget and previous year; annual budget setting; and, a defined organisational structure with appropriate delegation of authority. The Board also receives a report from the external auditor on matters identified in the course of the statutory audit work.

EMPLOYMENT OF DISABLED PERSONS

It is Company policy that people with disabilities should have the same consideration as others with respect to recruitment, retention and personal development. People with disabilities, depending on their skills and abilities, enjoy the same career prospects as other employees and the same scope for realising potential.

EMPLOYEE INVOLVEMENT

The Company's policy is to consult and discuss with employees at staff meetings matters likely to affect employee interests. The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability irrespective of sex, race or religion. Group subsidiaries endeavour to provide equal opportunities in recruiting, training, promoting and developing the careers of all employees.

SUBSTANTIAL SHAREHOLDINGS

At 30 September 2013, excluding the Directors, the following were substantial shareholders:

	% holding
Liontrust Asset Management	11.0
Blackrock Investment Management	8.1
Invesco Perpetual	4.1
Investec Wealth	3.9
Octopus Investments	3.9

AUTHORITY TO ALLOT

Under section 549 Companies Act 2006, the Directors are prevented, subject to certain exceptions, from allotting shares in the Company or from granting rights to subscribe for or to convert any security into shares in the Company without the authority of the shareholders in General meeting. An ordinary resolution will be proposed at the forthcoming Annual General Meeting which renews, for the period ending on 10 May 2015, or if earlier the date of the 2015 Annual General Meeting, the authority previously granted to the Directors to allot shares, and to grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £705,266, representing approximately one third of the share capital of the Company in issue at 6 December 2013 (being the last practicable date prior to the publication of this Annual Report). This authority complies with guidelines issued by institutional investors.

The Directors have no immediate plans to make use of this authority, although the Company approved on 2 April a share option plan pursuant to which all available options were granted to employees on that date. As at the date of this report the Company does not hold any Ordinary shares in the capital of the Company in treasury.

STATUTORY PRE-EMPTION RIGHTS

Under section 561 of the Companies Act 2006, when new shares are allotted, they must first be offered to existing shareholders pro rata to their holdings. A special resolution will be proposed at the forthcoming Annual General Meeting which renews, for the period ending on 10 May 2015 or, if earlier, the date of the 2015 Annual General Meeting, the authorities previously granted to the Directors to:

(a) allot shares of the Company in connection with a rights issue or other pre-emptive offer; and
(b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £211,579 representing in accordance with institutional investor guidelines, approximately 10% of the share capital in issue as at 6 December 2013 (being the last practicable date prior to the publication of this Annual Report) as if the pre-emption rights of section 561 did not apply.

The Directors have no immediate plans to make use of these authorities. In addition, and in line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pro rata basis over the last three years.

AUDITORS

All of the Directors have taken all the steps that they ought to have taken to make themselves aware of any information relevant to the audit and established that the auditors are aware of that information. As far as each of the Directors is aware, the auditors have been provided with all relevant information.

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

On behalf of the Board

Richard Thompson
6 December 2013

REMUNERATION COMMITTEE

The members of the Remuneration Committee are David Shrimpton (committee Chairman), Peter Mountford, Elisabeth Lucas and Andrew Brode.

With the exception of Andrew Brode the members are Non-Executive Directors.

The remit of the Committee is primarily to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Directors and, if required by the Board, the Senior Executives of the Group. The remuneration of Non-Executive Directors is a matter for the Board, excluding the Non-Executive Directors. No Director or Senior Executive is involved in any discussion or decision about his or her own remuneration.

The Remuneration committee met twice during the year.

The Board has confirmed that the Group's overall remuneration policy is designed to attract and retain the right people and provide appropriate incentives to encourage enhanced performance so as to create growth in shareholder value.

INDIVIDUAL ELEMENTS OF REMUNERATION

For Executive Directors and Senior Executives the components contained in their total remuneration package are: base salary, performance related annual bonus, share options and other customary benefits such as holidays and health benefits, sickness benefit and pension contributions.

Neither the performance related annual bonus nor the share options apply to the Executive Chairman.

Performance related bonuses are based on a combination of sales and/or adjusted profit before tax targets depending on an individual's area of responsibility.

For Non-Executive Directors there is only one component, a base fee.

SHARE BASED PAYMENTS

On 2 April 2013 the Board approved a new share option scheme. The scheme was designed to incentivise Executive Directors and Senior Executives and further align the interests of senior employees and shareholders. The Committee has responsibility for supervising the scheme and the grant of options under its terms.

SERVICE CONTRACTS

The Non-Executive Directors do not have service contracts. Their appointments will continue unless and until terminated by either party giving not less than 30 days' notice.

The service contracts of Executive Directors continue unless and until terminated by either party giving at least six months' notice.

The date of the Executive Chairman's service contract is 30 October 2003 and the service contracts of Reinhard Ottway and Richard Thompson are dated 20 December 2011 and 1 November 2012 respectively. In the event of early termination, the Executive Director's service contract provides for compensation up to a maximum of the total benefits which he or she would have received during the notice period.

DIRECTORS' EMOLUMENTS AND PENSION CONTRIBUTIONS

The aggregate remuneration, excluding pension contributions, paid or accrued for the Directors of the Company for service in all capacities during the year ended 30 September 2013 was £965,000 (2012: £925,000). The remuneration of individual directors and the pension contributions paid by the Group to their personal pension schemes during the year were as follows:

	Salary or fees	Bonus	Taxable benefits	**2013 Total**	**2013 Pension contributions**	2012 Total	2012 Pension contributions
	£'000	£'000	£'000	**£'000**	**£'000**	£'000	£'000
Andrew Brode	236	–	3	**239**	**26**	239	26
Michael McCarthy (to 31 December 2012)	80	3	–	**83**	**2**	282	8
Reinhard Ottway	275	46	1	**322**	**8**	223	6
Richard Thompson (from 28 November 2012)	169	37	–	**206**	**3**	–	–
Elisabeth Lucas	45	–	–	**45**	–	111	2
Peter Mountford	35	–	–	**35**	–	35	–
David Shrimpton	35	–	–	**35**	–	35	–
	875	86	4	**965**	**39**	925	42

DIRECTORS' INTERESTS IN SHARES

The interests of the Directors as at 30 September 2013 (including the interests of their families and related trusts), all of which were beneficial, in the Ordinary shares were:

	Ordinary shares of 5 pence
Andrew Brode	18,034,812
Elisabeth Lucas	10,000
Peter Mountford	13,755
Richard Thompson	1,380
	18,059,947

The interests of Directors at the year end in options to subscribe for Ordinary shares of the Company, together with details of options granted during the year are included in the following table. All options were granted at market value at the date of grant.

Approved Share Option scheme	Number of shares under option						
	At 1 October 2012	Issued in the year	Exercised in the year	At 30 September 2013	Exercise price Pence	First date exercisable	Last date exercisable
Reinhard Ottway	–	4,643	–	4,643	646.00	02/04/16	02/04/21
Richard Thompson	–	4,643	–	4,643	646.00	02/04/16	02/04/21

Unapproved Share Option scheme	Number of shares under option						
	At 1 October 2012	Issued in the year	Exercised in the year	At 30 September 2013	Exercise price Pence	First date exercisable	Last date exercisable
Reinhard Ottway	–	503,149	–	503,149	646.00	02/04/15	02/04/21
Richard Thompson	–	249,253	–	249,253	646.00	02/04/15	02/04/21

The options granted under both schemes will be exercisable at the mid market price of 646p.

The market price of the Company's share as at 30 September 2013 and the highest and lowest market prices during the year are as follows:

30 September 2013	765p
Highest Market Price	800p
Lowest Market Price	530p

All participants in the share option scheme have indemnified the Company against any tax liability arising from the exercising of any of the above options, including any employer's national insurance contribution.

TRANSACTIONS WITH DIRECTORS

During the year there were no material transactions between the Company and the Directors, other than their emoluments.

On behalf of the Board

Richard Thompson
6 December 2013

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 have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union and the Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

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.

We have audited the financial statements of RWS Holdings plc for the year ended 30 September 2013 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the Company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standard (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 30 September 2013 and of the Group's profit for the year then ended;

- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; 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.

Julian Frost, senior statutory auditor
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
6 December 2013

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

FINANCIAL STATEMENTS

2013

RWS Holdings plc

	Note	2013 £'000	2012 £'000
Revenue	3	**77,404**	68,825
Cost of sales		**(45,558)**	(39,614)
Gross profit		**31,846**	29,211
Administrative expenses		**(12,981)**	(13,035)
Profit from operations	4	**18,865**	16,176
Analysed as:			
Operating profit before charging:		**20,060**	16,773
Amortization of customer relationships and trademarks	11	**(727)**	(597)
Share based payment costs	20	**(468)**	–
Profit from operations		**18,865**	16,176
Finance income	6	**456**	405
Finance expense	6	**–**	(1)
Share in results of associate		**496**	18
Gain on disposal of associate	13	**693**	–
Profit before tax		**20,510**	16,598
Taxation expense	7	**(4,592)**	(3,925)
Profit for the year		**15,918**	12,673
Other comprehensive expense*			
Loss on retranslation of foreign operations		**(294)**	(694)
Share in other comprehensive income of associate		**–**	(135)
Total other comprehensive expense		**(294)**	(829)
Total comprehensive income attributable to:			
Owners of the parent		**15,624**	11,844
Basic earnings per Ordinary share (pence per share)	9	**37.6**	29.9
Diluted earnings per Ordinary share (pence per share)	9	**37.6**	29.9

*Other Comprehensive expense includes only items that will be subsequently reclassified to Profit before tax when specific conditions are met.

The notes on pages 23 to 48 form part of these financial statements.

Registered Company 3002645	Note	2013 £'000	2012 £'000
Assets			
Non-current assets			
Goodwill	10	**30,325**	14,053
Intangible assets	11	**9,896**	4,274
Property, plant and equipment	12	**13,002**	13,285
Investment in associate	13	**–**	4,345
Deferred tax assets	14	**270**	228
		53,493	36,185
Current assets			
Trade and other receivables	15	**16,670**	14,612
Foreign exchange derivatives	18	**566**	260
Cash and cash equivalents	21	**18,211**	25,096
		35,447	39,968
Total assets		**88,940**	76,153
Liabilities			
Current liabilities			
Trade and other payables	16	**11,463**	8,015
Income tax payable		**2,555**	2,007
Put and call option liability	18	**–**	769
Provisions	17	**336**	336
		14,354	11,127
Non-current liabilities			
Other creditors	16	**–**	100
Provisions	17	**530**	530
Deferred tax liabilities	14	**2,343**	1,167
		2,873	1,797
Total liabilities		**17,227**	12,924
Total net assets		**71,713**	63,229
Equity			
Capital and reserves attributable to owners of the parent			
Share capital	19	**2,116**	2,116
Share premium		**3,583**	3,583
Share based payment reserve		**468**	–
Reverse acquisition reserve		**(8,483)**	(8,483)
Foreign currency reserve		**1,187**	1,481
Retained earnings		**72,842**	64,532
Total equity		**71,713**	63,229

The notes on pages 23 to 48 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2013 and were signed on its behalf by:

Andrew Brode
Director

	Share capital	Share premium account	Other reserves (see below)	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000
At 1 October 2011	2,116	3,583	(6,173)	58,532	58,058
Profit for the year	–	–	–	12,673	12,673
Currency translation differences	–	–	(829)	–	(829)
Other Comprehensive income for the year 30 September 2012	–	–	(829)	12,673	11,844
Dividends	–	–	–	(6,673)	(6,673)
At 30 September 2012	2,116	3,583	(7,002)	64,532	63,229
Profit for the year	–	–	–	15,918	15,918
Currency translation differences	–	–	(294)	–	(294)
Other Comprehensive income for the year 30 September 2013	–	–	(294)	15,918	15,624
Dividends	–	–	–	(7,608)	(7,608)
Credit arising on share based payment charges	–	–	468	–	468
At 30 September 2013	**2,116**	**3,583**	**(6,828)**	**72,842**	**71,713**

Other reserves	Share based payment reserve	Reverse acquisition reserve	Foreign currency reserve	Total other reserves
	£'000	£'000	£'000	£'000
At 1 October 2011	–	(8,483)	2,310	(6,173)
Currency translation differences	–	–	(829)	(829)
Other Comprehensive income for the year 30 September 2012	–	–	(829)	(829)
At 30 September 2012	–	(8,483)	1,481	(7,002)
Currency translation differences	–	–	(294)	(294)
Other Comprehensive income for the year 30 September 2013	–	–	(294)	(294)
Credit arising on share based payment charges	468	–	–	468
At 30 September 2013	**468**	**(8,483)**	**1,187**	**(6,828)**

The nature and purpose of each reserve within equity is as follows:

– Share capital is nominal value of the shares issued.

– Share premium is the amount received for shares issued in excess of their nominal value.

– Share based payment reserve is the credit arising on the share based payment charges in relation to the Company's share option schemes.

– Foreign currency reserve is the cumulative gain or loss arising on retranslating the net assets of overseas operations into sterling.

– Reverse acquisition reserve was created when RWS Holdings plc became the legal parent of Bybrook Limited. The substance of this combination was that Bybrook Limited acquired RWS Holdings plc.

– Retained earnings are the cumulative net gains and losses, including the capital reserve from the company balance sheet.

The notes on pages 23 to 48 form part of these financial statements.

	Note	2013 £'000	2012 £'000
Cash flows from operating activities			
Profit before tax		**20,510**	16,598
Adjustments for:			
Depreciation of property, plant and equipment		**666**	593
Amortization of intangible assets		**799**	656
Share based payment costs		**468**	–
Finance income		**(456)**	(405)
Finance expense		**–**	1
Share in results of associate		**(496)**	–
Gain on disposal of associate		**(693)**	–
Operating cash flow before movements in working capital and provisions		**20,798**	17,443
(Increase)/decrease in trade and other receivables		**(318)**	63
Increase in trade and other payables		**119**	391
Cash generated from operations		**20,599**	17,897
Income tax paid		**(4,249)**	(4,297)
Net cash inflow from operating activities		**16,350**	13,600
Cash flows from investing activities			
Interest received		**151**	98
Acquisition of subsidiary, net of cash acquired	22	**(15,132)**	(2,480)
Acquisition of share in associate	13	**–**	(3,693)
Purchases of property, plant and equipment	12	**(376)**	(363)
Purchases of intangibles (computer software)	11	**(34)**	(92)
Net cash outflow from investing activities		**(15,391)**	(6,530)
Cash flows from financing activities			
Dividends paid	8	**(7,608)**	(6,673)
Net cash outflow from financing activities		**(7,608)**	(6,673)
Net (decrease)/increase in cash and cash equivalents		**(6,649)**	397
Cash and cash equivalents at beginning of the year		**25,096**	24,845
Exchange losses on cash and cash equivalents		**(236)**	(146)
Cash and cash equivalents at end of the year	21	**18,211**	25,096

Free cash flow

	2013 £'000	2012 £'000
Analysis of free cash flow		
Net cash generated from operations	**20,599**	17,897
Net interest received	**151**	98
Income tax paid	**(4,249)**	(4,297)
Purchases of property, plant and equipment	**(376)**	(363)
Purchases of intangibles (computer software)	**(34)**	(92)
Free cash flow	**16,091**	13,243

The Directors consider that the free cash flow analysis above indicates the cash generated from normal activities excluding acquisitions and dividends paid.

The notes on pages 23 to 48 form part of these financial statements.

1 ACCOUNTING POLICIES

Basis of accounting and preparation of financial statements
RWS Holdings plc is a company incorporated in the UK.

The Group financial statements consolidate those of the Parent Company and its subsidiaries. The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has elected to prepare the Company financial statements in accordance with UK Accounting Standards. These are presented on pages 50 to 55 and the accounting policies in respect of Company information are set out on page 51.

Changes in accounting policies
There were no new standards, interpretations and amendments, applied for the first time from 1 October 2012, that have had a material effect on the financial statements apart from IAS1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from this amendment is a requirement for entities to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss in future accounting periods.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting periods and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Group.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates. Judgements include classification of transactions between the income statement and the balance sheet, whilst estimations focus on areas such as carrying values and estimated lives.

Consolidation
A subsidiary is an entity controlled, directly or indirectly. Control is regarded as the power to govern the financial and operating policies of the entity so as to benefit from its activities. The financial results of subsidiaries are consolidated from the date control is obtained until the date that control ceases. All intra-group transactions are eliminated as part of the consolidation process.

On 11 November 2003, RWS Holdings plc became the legal parent company of Bybrook Limited and its subsidiary undertakings. The substance of the combination was that Bybrook Limited acquired RWS Holdings plc in a reverse acquisition. Goodwill arose on the difference between the fair value of the legal parent's share capital and the fair value of its net liabilities at the reverse acquisition date. This goodwill was written-off in the year ended 30 September 2004, because the goodwill had no intrinsic value.

Business combinations
Under the requirements of IFRS 3 (revised), all business combinations are accounted for using the acquisition method ('acquisition accounting'). The cost of a business acquisition is the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer. Following IFRS 3 (revised) becoming effective, costs directly attributable to business combinations are expensed as part of the cost of the acquisition. The cost of a business combination is allocated at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria, at their fair values at that date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. An intangible asset, such as customer relationships

or trademarks, is recognised if it meets the definition of an intangible asset under IAS 38 'Intangible assets'. The excess of the cost of the acquisition over the fair value of the Group's share of the net assets acquired is recorded as goodwill.

Intangible assets

(i) Goodwill arising on acquisitions is capitalised and subject to an impairment review, both annually and when there is an indication that the carrying value may not be recoverable.

(ii) Intangible assets separately identified from goodwill acquired as part of a business combination are initially stated at fair value. The fair value attributable is determined by discounting the expected future cash flows to be generated from that asset at the risk adjusted weighted average cost of capital appropriate to that intangible asset. The assets are amortized over their estimated useful lives which range from five to ten years.

(iii) Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These assets are amortized using the straight line method over their estimated useful lives (not exceeding three years).

Revenue recognition

Group revenue represents the fair value of the consideration received or receivable for the rendering of services, net of value added tax and other similar sales based taxes, rebates and discounts and after eliminating inter-company sales. Revenue, other than subscription and commission income, is recognised as a translation, filing or search is fulfilled in accordance with agreed client instructions and includes, where contracts are partially completed, the revenue on the element of the work performed to date.

Subscription revenue is recognised on a straight line basis over the term during which the service is provided. Commission income is credited to revenue upon securing the related sale.

Accrued income represents the full receivable value of work performed to date.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the individual financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences on all transactions are taken to operating profit.

In the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates, which approximate to actual rates, for the relevant accounting period. Exchange differences arising, if any, are classified as other comprehensive income and recognised in the Group's foreign currency reserve.

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 sterling-denominated assets and liabilities.

Segment information

Segment information reflects how management controls the business. This is primarily by the type of service supplied and then by the geographic location of the business units delivering those services. The assets and liabilities of the segments reflect the assets and liabilities of the underlying companies involved.

Property, plant and equipment
The Group's policy is to write off the difference between the cost of each item of property, plant and equipment and its estimated residual value systematically over its estimated useful life using the straight-line method on the following bases:

Freehold Land – Nil
Freehold buildings – 2%
Long leasehold and leasehold improvements – the length of the lease
Furniture and equipment – 10% to 33%
Motor vehicles – Over six years

All items of property, plant and equipment are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the Statement of Comprehensive Income.

The gain or loss on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

Associates
Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the Consolidated Statement of Financial Position at cost. The Group's share of post-acquisition profits and losses is recognised in the Consolidated Statement of Comprehensive Income, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investors' share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Derivative financial instruments
The Group uses derivative financial instruments to manage its exposure to foreign exchange arising from operational activities.

Derivative financial instruments are initially measured at fair value (with direct transaction costs being included in the Statement of Comprehensive Income as an expense) and are subsequently remeasured to fair value at each reporting date. Changes in carrying value are recognised in the Statement of Comprehensive Income.

Trade and other receivables
Trade and other receivables represent amounts due from customers in the normal course of business. All amounts are initially stated at fair value and carried at amortized cost where there is objective evidence of any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits held at call with banks and highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of changes in value.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items that are not taxable or deductible. The Group's current tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated using tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Employee benefits
The Group operates a defined contribution pension plan and has no further obligations once the contributions have been paid. Payments to the plan are recognised in the Statement of Comprehensive Income as they fall due.

Paid holidays are regarded as an employee benefit and as such are charged to the Statement of Comprehensive Income as the benefits are earned. An accrual is made at the balance sheet date to reflect the fair value of holidays earned but not yet taken.

Share based payments
The Group and Company provide benefits to certain employees (including certain Executive Directors), in the form of share based payment transactions whereby employees render services in exchange for rights over shares in the form of share options. These equity settled share based transactions are measured as the fair value of the share option at the grant date. The fair value excludes the effect of non market based vesting conditions. Details regarding the determination of the fair value of these options can be seen in note 20.

The fair value determined at the grant date of the share options is expensed on a straight line basis over the vesting period, based on the Group's estimate of share options that will vest. At each balance sheet date the Group revises its estimate of the number of options expected to vest as a result of the effect on non market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity reserves.

Trade and other payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event from which it is probable that it will result in an outflow of economic benefits that can reasonably be estimated.

Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rental payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The benefit of lease incentives is spread over the term of the lease.

Capital
The Group considers its capital to comprise its ordinary share capital, share premium, other reserves and accumulated retained earnings. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. The Group has historically considered equity funding as the most appropriate form of capital for the Group but keeps this under review bearing in mind the risks, costs and benefits to equity shareholders of introducing debt finance.

Equity issued by the Company is recorded as the proceeds received net of direct issue costs.

2 CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed on an ongoing basis. In the future, actual experience may vary materially from management expectation.

Key sources of estimation uncertainty
The following estimates and assumptions are considered to have a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and then discount these cashflows to their present value using a pre-tax discount rate that reflects both current market assessments of the time value of money and the risks specific to the cash-generating unit. More details on the carrying value of goodwill is included in note 10.

Fair value of identifiable net assets acquired
Upon acquisition of a business the fair value of identifiable assets and liabilities are calculated. These values are either based on reports obtained from independent 3rd party professional valuation experts or internally generated discounted cash flow forecasts.

Share based payments
The Group operates a share option scheme. The charge for share based payments is based on the fair value of awards at the date of grant which is partly calculated by use of the Black-Scholes pricing model which requires judgement to be made regarding volatility, dividend yield risk free rates of return and expected option lives. The inputs used in these pricing models to calculate the fair values are set out in note 20.

An element of the share based profit charge also relies on certain assumptions over the future performance of the share price which may not be met or may be exceeded by the time the relevant awards vest.

Useful economic lives of intangible and tangible assets
The useful economic lives and residual values of assets have been established using historic experience and an assessment of the nature of the assets involved.

Fair value of associate on disposal
The fair value of associate on disposal is based on future cashflows of the business discounted at an appropriate rate to reflect both the time value of money and the deemed risk specific to the associate.

Fair value of put and call option
The fair value of the put and call option is valued based upon reports obtained from independent 3rd party valuation experts.

3 SEGMENT INFORMATION

The Group comprises two principal divisions, the Translations division (for management reporting analysed between UK and Overseas operations) providing patent and technical document translation, filing and localisation services in the UK, USA, Europe, Japan and China, and the Information division, which offers a full range of patent search, retrieval and monitoring services as well as an extremely comprehensive patent database service accessible by subscribers, known as PatBase.

Following the acquisition of inovia Holdings pty Limited on 17 September 2013 (see note 22) the Group has treated their results as a separate segment and has shown them separately. inovia is a leading provider of web based international filing solutions.

The unallocated segment relates to corporate overheads, assets and liabilities.

The segment results for the year ended 30 September 2013 are as follows:

	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue						
Patent translation	49,035	4,505	–	–	–	53,540
Commercial translation	11,010	6,366	–	–	–	17,376
inovia	–	–	1,186	–	–	1,186
Information	–	–	–	5,302	–	5,302
Total Revenue	**60,045**	**10,871**	**1,186**	**5,302**	–	**77,404**
Operating profit/(loss) before charging:	15,973	2,322	129	2,390	(754)	20,060
Amortization of customer relationships and trademarks	(584)	–	–	(143)	–	(727)
Share based payment costs	(160)	(59)	–	(19)	(230)	(468)
Profit/(loss) from operations	**15,229**	**2,263**	**129**	**2,228**	**(984)**	**18,865**
Finance income						456
Share in results of associate						496
Gain on disposal of associate						693
Profit before taxation						20,510
Taxation						(4,592)
Profit for the year						**15,918**

Overseas intercompany revenue to the UK amounting to £4.2 million has been eliminated on consolidation.

The segment results for the year ended 30 September 2012 are as follows:

	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue						
Patent translation	43,593	4,761	–	–	–	48,354
Commercial translation	9,657	5,835	–	–	–	15,492
inovia	–	–	–	–	–	–
Information	–	–	–	4,979	–	4,979
Total Revenue	53,250	10,596	–	4,979	–	68,825
Operating profit/(loss) before charging:	13,322	1,974	–	2,135	(658)	16,773
Amortization of customer relationships and trademarks	(549)	–	–	(48)	–	(597)
Profit/(loss) from operations	12,773	1,974	–	2,087	(658)	16,176
Finance income						405
Finance expense						(1)
Share in results of associate						18
Profit before taxation						16,598
Taxation						(3,925)
Profit for the year						12,673

Overseas intercompany revenue to the UK amounting to £3.6 million has been eliminated on consolidation.

The segment assets and liabilities at 30 September 2013 are as follows:

	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	**62,289**	**5,250**	**4,510**	**5,286**	**11,605**	**88,940**
Total liabilities	**6,451**	**1,849**	**3,628**	**1,950**	**3,349**	**17,227**
Capital expenditure	6,416	159	8	88	126	6,797
Depreciation	367	98	–	142	59	666
Amortization	583	65	–	143	8	799

Capital expenditure comprises additions to property, plant and equipment and intangible assets, including additions from acquisitions through business combinations.

The segment assets and liabilities at 30 September 2012 are as follows:

	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	49,081	9,655	–	4,527	12,890	76,153
Total liabilities	7,237	1,728	–	1,970	1,989	12,924
Capital expenditure	108	176	–	1,580	23	1,887
Depreciation	366	77	–	100	50	593
Amortization	549	50	–	48	9	656

Capital expenditure comprises additions to property, plant and equipment and intangible assets, including additions from acquisitions through business combinations.

The majority of unallocated assets relates to cash held by the Parent Company.

3 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	Assets	Liabilities	Assets	Liabilities
	2013	**2013**	2012	2012
	£'000	**£'000**	£'000	£'000
Segment assets and liabilities	**77,335**	**13,878**	63,263	10,935
Unallocated:				
Deferred tax	**189**	**2,048**	201	955
Property, plant and equipment	**130**	**–**	62	–
Non-financial assets	**271**	**771**	244	504
Other financial assets and liabilities	**11,015**	**530**	12,383	530
Total unallocated	**11,605**	**3,349**	12,890	1,989
	88,940	**17,227**	76,153	12,924

Assets allocated to a segment consist primarily of operating assets such as property, plant and equipment, intangible assets, goodwill, receivables and cash.

Liabilities allocated to a segment comprise primarily trade payables and other operating liabilities.

The Group's operations are based in the UK, Continental Europe, Asia, United States of America and Australia. The table below shows turnover by the geographic market in which customers are located.

	2013	2012
	£'000	£'000
UK	**11,401**	8,584
Continental Europe	**43,522**	43,461
Asia, United States of America and Australia	**22,481**	16,780
	77,404	68,825

No customer accounted for more than 6% of Group turnover in either the current or prior year.

The following is an analysis of revenue, carrying amount of assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the Group's undertakings are located.

	Revenue		Segment assets		Capital expenditure	
	2013	2012	**2013**	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
UK	**65,347**	58,229	**79,181**	66,498	**6,664**	1,711
Continental Europe	**6,335**	5,779	**2,440**	2,530	**43**	142
Asia, United States of America and Australia	**5,722**	4,817	**7,319**	7,125	**90**	34
	77,404	68,825	**88,940**	76,153	**6,797**	1,887

4 PROFIT FROM OPERATIONS

	2013 £'000	2012 £'000
This has been arrived at after charging/(crediting):		
Staff costs (note 5)	**22,091**	20,804
Depreciation of property, plant and equipment and motor vehicles (note 12)	**666**	593
Amortization of intangible assets (note 11)	**799**	656
Foreign exchange (gains)/losses	**(316)**	147
Operating lease rentals:		
– Property	**621**	601
– Plant and equipment	**175**	181
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of the Group's annual accounts	**53**	49
Fees payable to the Company's auditor and its associates for other services:		
– the audit of the subsidiaries pursuant to legislation	**87**	82
– taxation	**58**	57
– all other services	**18**	8
Total fees	**216**	196

5 STAFF COSTS

	2013 £'000	2012 £'000
Staff costs (including directors) comprise:		
Wages and salaries	**18,910**	18,197
Social security costs	**2,345**	2,255
Pension costs	**368**	352
Share based payment costs (note 20)	**468**	–
	22,091	20,804

The Group operates a defined contribution pension scheme making payments on behalf of employees to their personal pension plans. Payments of £368,000 (2012: £352,000) were made in the year and charged to the income statement in the period they fell due. At the year end there were unpaid amounts included within Other Creditors totalling £44,000 (2012: £42,000).

Details of directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 12 to 14.

Key management compensation

	2013 £'000	2012 £'000
Salaries, bonuses, short-term employee benefits	**2,434**	2,243
Share based payment costs	**468**	–
	2,902	2,243

The key management compensation includes the seven (2012: six) directors of RWS Holdings plc, the five (2012: five) members of the Senior Executive Team who are not directors of RWS Holdings plc and the three (2012: three) managing directors of the operating subsidiary undertakings based overseas.

5 STAFF COSTS (CONTINUED)

The average number of people employed by the Group, including directors and part-time employees, during the year was:

	2013 Number	2012 Number
Production staff	**434**	394
Administrative staff	**98**	94
	532	488

6 FINANCE INCOME AND EXPENSE

	2013 £'000	2012 £'000
Finance income		
– Returns on short-term deposits	**149**	152
– Fair value of forward foreign currency contracts outstanding at the year end	**307**	253
Finance expense		
– Interest on deferred consideration relating to an acquisition	**–**	(1)
Net finance income	**456**	404

7 TAXATION

	2013 £'000	2012 £'000
Taxation recognised in the income statement is as follows:		
Current tax expense		
Tax on profit for the current year		
– UK	**4,097**	3,714
– Overseas	**861**	644
Adjustment to prior years	**(180)**	(250)
	4,778	4,108
Deferred tax		
Current year movement	**(196)**	(238)
Prior year movement	**10**	55
Total tax expense in the Statement of Comprehensive Income	**4,592**	3,925

The table below reconciles the UK statutory tax charge to the Group's total tax charge.

	2013 £'000	2012 £'000
Profit before taxation	**20,510**	16,598
Notional tax charge at UK corporation tax rate of 23.5% (2012: 25%)	**4,820**	4,150
Effects of:		
Items not deductible or not chargeable for tax purposes	**(160)**	(67)
Gain on disposal of associate not chargeable for tax	**(163)**	–
Differences in overseas tax rates	**275**	163
UK tax rate change	**–**	(71)
Adjustments in respect of prior periods	**(180)**	(250)
Total tax expense for the year	**4,592**	3,925

8 DIVIDENDS TO SHAREHOLDERS

	2013	2013	2012	2012
	pence per share	£'000	pence per share	£'000
Final, paid 22 February 2013 (2012: paid 17 February 2012)	**13.48**	**5,704**	11.75	4,972
Interim, paid 19 July 2013 (2012: paid 20 July 2012)	**4.50**	**1,904**	4.02	1,701
	17.98	**7,608**	15.77	6,673

The Directors recommend a final dividend in respect of the financial year ended 30 September 2013 of 15.75 pence per Ordinary share to be paid on 21 February 2014 to shareholders who are on the register at 24 January 2014. This dividend is not reflected in these financial statements as it does not represent a liability at 30 September 2013. The final proposed dividend will reduce shareholders' funds by an estimated £6.7 million.

9 EARNINGS PER ORDINARY SHARE

Basic earnings per share are based on the post-tax group profit for the year and a weighted average number of Ordinary shares in issue during the year calculated as follows:

	2013	2012
Weighted average number of Ordinary shares in issue for basic earnings	**42,315,968**	42,315,968
Dilutive impact of share options	**23,190**	–
Weighted average number of Ordinary shares for diluted earnings	**42,339,158**	42,315,968

Adjusted earnings per Ordinary share is also presented to eliminate the effects of amortization of customer relationships and trademarks, and gain on sale of associate and charges for share based payments. This presentation shows the trend in earnings per Ordinary share that is attributable to the underlying trading activities. The reconciliation between the basic and adjusted figures is as follows:

	2013	2012	2013 Basic earnings per share	2012 Basic earnings per share	2013 Diluted earnings per share	2012 Diluted earnings per share
	£'000	£'000	pence	pence	pence	pence
Profit for the year	**15,918**	12,673	**37.6**	29.9	**37.6**	29.9
Post tax adjustments						
Amortization of customer relationships and trademarks	**574**	460	**1.4**	1.1	**1.4**	1.1
Gain on sale of Associate	**(547)**	–	**(1.3)**	–	**(1.3)**	–
Charges for share based payments	**370**	–	**0.9**	–	**0.9**	–
Adjusted earnings	**16,315**	13,133	**38.6**	31.0	**38.6**	31.0

10 GOODWILL

	2013	2012
	£'000	£'000
Cost and net book value		
At 1 October	**14,053**	13,057
Additions	**16,345**	1,347
Exchange adjustments	**(73)**	(351)
At 30 September	**30,325**	14,053

During the year, goodwill was tested for impairment. The recoverable amount for each cash-generating unit ("CGU") has been determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period. All of these assumptions have been reviewed during the year. Management estimates discount rates using pre tax rates that reflect current market assessments of the time value of money and the risk specific to each CGU. This has resulted in a range of discount rates 12% – 19% (FY 2012: 15%) being used within the calculations. The FY 2013 acquisitions of PharmaQuest Limited (see note 22) and inovia Holdings Pty Limited being at the high end of the range. The growth rates used in the calculations are based on a review of both recently achieved growth rates and a prudent estimate of likely future growth rates for each specific market sector.

As part of the value in use calculation management prepare cash flow forecasts derived from the most recent financial budgets, approved by the Board of Directors for the next 12 months, and extrapolate the cash flows for the following 5 years based on an estimated growth rate. This rate does not exceed the expected growth rate for the relevant markets of each CGU.

The allocation of goodwill to cash generating units is as follows:

	2013	2012
	£'000	£'000
Translations		
UK	**17,501**	8,065
Continental Europe	**4,411**	4,207
	21,912	12,272
inovia	**6,632**	–
Information	**1,781**	1,781
At 30 September	**30,325**	14,053

Subsidiaries
A list of the subsidiaries whose results or financial position principally affect the figures shown in the Group financial statements is shown in note 4 to the Company's separate financial statements.

11 INTANGIBLE ASSETS

	Technology	Trademarks	Customer relationships	Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2011	–	256	5,173	291	5,720
Additions	–	–	1,432	92	1,524
Disposals	–	–	–	(23)	(23)
Currency translation	–	(20)	(281)	(21)	(322)
At 30 September 2012	–	236	6,324	339	6,899
Additions	2,011	–	4,368	34	6,413
Disposals	–	–	–	(61)	(61)
Currency translation	(37)	12	109	13	97
At 30 September 2013	**1,974**	**248**	**10,801**	**325**	**13,348**
Amortization and impairment					
At 1 October 2011	–	187	1,748	196	2,131
Amortization charge	–	48	549	59	656
Disposals	–	–	–	(23)	(23)
Currency translation	–	(15)	(110)	(14)	(139)
At 30 September 2012	–	220	2,187	218	2,625
Amortization charge	–	17	710	72	799
Disposals	–	–	–	(61)	(61)
Currency translation	–	11	70	8	89
At 30th September 2013	–	**248**	**2,967**	**237**	**3,452**
Net book value					
At 1 October 2011	–	69	3,425	95	3,589
At 30 September 2012	–	16	4,137	121	4,274
At 30 September 2013	**1,974**	–	**7,834**	**88**	**9,896**

Trademarks, Technology and Customer Relationships are amortized over 5 to 10 years and Software over 3 years on a straight line basis.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land, buildings and improvements	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2011	12,350	519	1,922	26	14,817
Currency translation	–	–	(35)	(2)	(37)
Additions	25	–	274	64	363
Acquisitions	–	–	12	–	12
Disposals	–	–	(151)	(9)	(160)
At 30 September 2012	12,375	519	2,022	79	14,995
Currency translation	–	–	9	–	9
Additions	–	–	376	–	376
Acquisitions	–	–	13	–	13
Disposals	–	–	(78)	–	(78)
At 30 September 2013	**12,375**	**519**	**2,342**	**79**	**15,315**
Depreciation					
At 1 October 2011	133	234	901	19	1,287
Currency translation	–	–	(20)	(1)	(21)
Acquisitions	–	–	11	–	11
Depreciation charge	178	28	368	19	593
Disposals	–	–	(151)	(9)	(160)
At 30 September 2012	311	262	1,109	28	1,710
Currency translation	–	–	6	–	6
Acquisitions	–	–	4	–	4
Depreciation charge	178	64	420	4	666
Disposals	–	–	(73)	–	(73)
At 30 September 2013	**489**	**326**	**1,466**	**32**	**2,313**
Net book value					
At 1 October 2011	12,217	285	1,021	7	13,530
At 30 September 2012	12,064	257	913	51	13,285
At 30 September 2013	**11,886**	**193**	**876**	**47**	**13,002**

13 INVESTMENT IN ASSOCIATE

Following the exercise of the Group's put and call option on 17 September the Group completed the acquisition of inovia by acquiring the remaining 66% (see note 22) for a cash consideration of $23,349,828. Under IFRS 3 this transaction is accounted for as a sale of an associate and the purchase of a subsidiary. The gain on sale of associate is calculated by comparing the fair value of the associate with its carrying value.

The fair value of the put and call option at the date it was exercised was deemed negligible and the change in fair value of this financial derivative of £769,000 has also been shown as a gain in the sale.

	2013	2012
Aggregated amounts relating to inovia are as follows:	**£'000**	£'000
Cost and net book value at beginning of year	4,345	–
Cash cost of investment acquired during the year	–	3,693
Change in fair value of put and call option (financial derivative)	–	769
Share in results of associate	496	18
Share in other comprehensive income of associate	–	(135)
Disposal of Associate	(4,841)	–
Cost and net book value at the end of year	–	4,345
Gain on disposal of Associate		
Fair Value of Associate	4,765	
Book Value of Associate	(4,841)	
Loss on remeasurement of Associate to fair value	(76)	
Change in fair value of put and call option	769	
Gain on Disposal of Associate	**693**	

	2013	2012
Aggregated amounts relating to the full results of the associate are as follows:	**£'000**	£'000
Total assets	–	3,387
Total liabilities	–	2,467
Revenue	–	12,218
Net profit (after amortization of intangibles)	–	165

14 DEFERRED TAX

The deferred tax assets and liabilities and the movements during the year, before offset of balances within the same tax jurisdiction, are as follows:

Deferred tax assets	Share Options £'000	Accelerated tax depreciation £'000	Other temporary differences £'000	Total £'000
At 1 October 2011	–	65	181	246
Credited/(charged) to income	–	2	(20)	(18)
At 30 September 2012	–	67	161	228
Credited/(charged) to income	58	(5)	(11)	42
At 30 September 2013	**58**	**62**	**150**	**270**

Deferred tax liabilities	Accelerated tax depreciation £'000	Intangibles £'000	Total £'000
At 1 October 2011	187	906	1,093
Acquisition of subsidiary	–	329	329
Charged/(credited) to income	24	(225)	(201)
Credited to equity	–	(54)	(54)
At 30 September 2012	211	956	1,167
Acquisition of subsidiary	–	1,340	1,340
Charged/(credited) to income	83	(227)	(144)
Credited to equity	–	(20)	(20)
At 30 September 2013	**294**	**2,049**	**2,343**

	2013 £'000	2012 £'000
Deferred tax assets	**270**	228
Deferred tax liabilities	**(2,343)**	(1,167)
Net deferred tax balance at 30 September	**(2,073)**	(939)

The deferred tax rate is lower than that applied in the prior year.

15 TRADE AND OTHER RECEIVABLES

	2013 £'000	2012 £'000
Trade receivables	**13,523**	11,772
Less: allowance for doubtful debts	**(69)**	(74)
	13,454	11,698
Other receivables	**231**	174
Prepayments and accrued income	**2,985**	2,740
	16,670	14,612

Trade receivables are non-interest bearing and generally have a 30 day term. Due to their short maturities, the carrying amount of trade and other receivables approximate to their fair value.

Trade receivables net of allowances are held in the following currencies:

	2013 £'000	2012 £'000
Sterling	**2,423**	2,123
Euros	**5,994**	6,094
Japanese Yen	**562**	660
US Dollars	**4,110**	2,224
Swiss Francs	**351**	527
Other	**14**	70
	13,454	11,698

The ageing of trade receivables at the reporting date was:

	2013 £'000	2012 £'000
Not past due	**8,477**	7,670
Past due 1-30 days	**3,657**	2,698
Past due 31-60 days	**935**	895
Past due 61-90 days	**311**	341
Past due > 90 days	**74**	94
	13,454	11,698

Movement in allowance for doubtful debts:

	2013 £'000	2012 £'000
At 1 October	**74**	60
Utilised	**(14)**	–
Charged	**9**	14
At 30 September	**69**	74

Given the profile of the Group's customers no further credit risk has been identified with trade receivables other than those balances for which an allowance has been made.

16 TRADE AND OTHER PAYABLES

	2013	2012
	£'000	£'000
Due in less than one year		
Trade payables	**4,944**	2,588
Other tax and social security payable	**969**	921
Other creditors	**1,007**	1,711
Accruals and deferred income	**4,543**	2,795
	11,463	8,015

The carrying amount of trade and other payables approximates to their fair value. Trade payables normally fall due within 30 to 60 days.

	2013	2012
	£'000	£'000
Due in more than one year		
Other creditors – contingent consideration: re Davda & Associates Limited	**–**	100

17 PROVISIONS

	2013	2012
	£'000	£'000
Due in less than one year		
At 1 October	**336**	486
Utilised	**–**	(150)
At 30 September	**336**	336

The provisions relate to the cost of dilapidations arising on the move to the new Group Head Office at Chiltern Park.

	2013	2012
	£'000	£'000
Due in more than one year		
At 1 October	**530**	547
Paid in year	**(75)**	(72)
Unwinding of discount rate	**75**	55
At 30 September	**530**	530

This long term provision relates to monthly ongoing future pension payments to a third party.

18 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

All financial assets other than derivative assets are classified as loans and receivables, and all financial liabilities are held at amortized cost, apart from the put and call option shown in 2012, which is treated as being at fair value through the income statement.

The principal financial assets and liabilities on which financial risks arise are as follows:

	Carrying value 2013 £'000	Carrying value 2012 £'000
Financial assets		
Trade and other receivables – current	**15,390**	13,546
Foreign exchange derivatives	**566**	260
Cash and cash equivalents	**18,211**	25,096
	34,167	38,902
Financial liabilities		
Trade and other payables – current	**7,655**	5,357
Put and call option liability – inovia Holdings Pty Limited (see note 13)	**–**	769
	7,655	6,126

Trade and other receivables – current includes accrued revenue of £1,936,000 (30 September 2012: £1,848,000). Trade and other payables – current includes Trade payables, Other tax and social security balances plus certain other selected accruals.

Financial risk management objectives and policies

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Finance Director.

The principal financial risks to which the Group is exposed are those of liquidity, interest rate, credit, foreign currency and capital. Each of these is managed as set out below.

Liquidity risk

In addition to its cash balances the Group has an overdraft facility of £1.5 million which was undrawn as at the year end. Most available funds, after meeting working capital requirements, are invested in sterling, euro and US dollar deposits with maturities not exceeding three months. Accordingly, liquidity risk is considered to be low.

Interest rate risk

The majority of the Group's cash balances are held with its principal bankers earning interest at variable rates of interest. The target yield on deposits is UK base rate plus a margin. To the extent the sterling overdraft is utilised it attracts a rate of base plus 2%.

18 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The currency profiles of the Group's cash and cash equivalents at 30 September 2013 are set out below.

	Floating rate 2013 £'000	Floating rate 2012 £'000
Assets – Cash and cash equivalents		
Sterling	**11,645**	13,428
US Dollar	**3,223**	7,602
Euros	**2,144**	2,313
Yen	**597**	1,133
Swiss Francs/Australian Dollar	**602**	620
	18,211	25,096

If interest rates changed by 1%, the profit and loss impact would not be material to the Group's results in either the current or prior year.

Credit risk
The Group is exposed to credit risk on cash and cash equivalents, derivative instruments and trade and other receivables.

Cash balances, predominantly held in the UK, are placed with the Group's principal bankers who are rated A by Standard & Poor's. During the year funds have been mainly spread between three institutions.

Trade receivable exposures are managed locally in the operating units where they arise. The client base tends to be major blue chip organisations or self regulated bodies such as patent agents and legal firms. As a result the Group rarely considers a credit check is appropriate but, and where management have doubt, they will use their judgement and may impose a credit limit or require payment in advance. No client accounts for more than 6% (2012 – 5%) of group revenue and there were no significant concentrations of credit risk at the balance sheet date.

Provisions for doubtful debts are established in respect of specific trade and other receivables where it is deemed they may be irrecoverable.

Foreign currency risk
Approximately 50% (2012 – 54%) of Group external sales in the reporting period were denominated in Euros while the cost base of the Group is predominantly denominated in sterling.

The Group has established spot and forward foreign exchange facilities with its principal bankers and other financial institutions that enables it to manage most of its currency exposures on expected future sales over the next twelve months.

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in the functional currency with cash generated in that currency from their own operations. Transaction exposures arise from non-local currency sales and purchases by subsidiaries with gains and losses on transactions arising from fluctuations in exchange rates being recognised in the income statement. In entities which have a material exposure the policy is to seek to manage the risk using forward foreign exchange contracts.

Assets and liabilities of Group entities located in Germany, Switzerland, the United States, Japan, China and Australia are principally denominated in their respective currencies and are therefore not materially exposed to currency risk. On translation to sterling gains or losses arising are recognised directly in equity.

The carrying amounts of the Group's material foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Liabilities 2013 £'000	Liabilities 2012 £'000	Assets 2013 £'000	Assets 2012 £'000
Euros	**942**	1,028	**6,516**	6,668
US Dollars	**186**	71	**2,997**	9,394
Swiss Francs	**–**	2	**577**	770
Yen	**–**	17	**457**	380
Other	**59**	98	**121**	90
	1,187	1,216	**10,668**	17,302

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the major currencies listed in the table above. The sensitivity analysis includes only the outstanding denominated monetary items and adjusts their translation at the end of the period for a 10% change in the sterling exchange rate. A positive number below indicates an increase in profit and other equity where sterling weakens against the relevant currency. For a 10% strengthening of sterling against the relevant currency, there would be an equal and opposite impact on profit and other equity, and the balances would be negative. The sensitivities below are based on the exchange rates at the reporting date used to convert the assets or liabilities to sterling.

	Profit and loss impact 2013 £'000	Profit and loss impact 2012 £'000
Euros	**507**	513
US Dollars	**256**	848
Swiss Francs	**52**	70
Yen	**42**	33
	857	1464

If the exchange rate on uncovered exposures were to move significantly between the year end and date of payment or receipt there could be an impact on the Group's profit. As all financial assets and liabilities are short-term in nature this risk is not considered to be material.

Whilst the table above indicates the Group's gross exposure, in practice this would be reduced as a result of the forward foreign currency contracts in place. The fair value of the forward foreign currency contracts at 30 September 2013 was £566,000 which was confirmed to valuations provided by Barclays Bank plc and other financial institutions.

18 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's derivative financial instruments in place at the year end are as follows:

	2013 £'000	2012 £'000
Forward foreign currency exchange contracts	**566**	260

An analysis of the group's forward contracts' maturity is as follows:

	2013 £'000	2012 £000
Up to 3 months	**139**	216
3 to 6 months	**137**	44
6 to 12 months	**290**	–
	566	260

Capital risk

The Group considers its capital to comprise its ordinary share capital, share premium, other reserves and accumulated retained earnings. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. The Group has historically considered equity funding as the most appropriate form of capital for the Group but keeps this under review bearing in mind the risks, costs and benefits to equity shareholders of introducing debt finance.

The Group is not subject to externally imposed capital requirements.

19 SHARE CAPITAL

	2013 Number	2013 £'000	2012 Number	2012 £'000
Authorised				
Ordinary shares of 5 pence each	**100,000,000**	**5,000**	100,000,000	5,000
Allotted, called up and fully paid				
At beginning and end of year	**42,315,968**	**2,116**	42,315,968	2,116

20 SHARE BASED PAYMENT

On 2 April 2013 the Company adopted a new share option scheme for employees. Under the scheme, options to purchase ordinary shares are granted by the Board of Directors, subject to the exercise price of the option being not less than the market value at the grant date. The options typically vest after a period of 2 years and the vesting schedule is subject to predetermined overall company selection criteria. In the event that the option holder's employment is terminated, the option may not be exercised unless the Board of Directors so permits. The options expire 8 years from the date of grant.

	Number of approved options	Number of unapproved options	Exercise Price	Grant Date	Vesting date approved options	Vesting date unapproved options	Lapse Date
	32,501	1,660,141	6.46	2 April 2013	2 April 2016	2 April 2015	2 April 2021

A charge of £468,000 (2012: nil) has been made in the accounts relating to share options all of which related to equity settled share based payment transactions.

No options were exercised during the year.

The fair values of the share option is estimated as at the date of grant using the Black-Scholes option pricing model. The following table lists the range of assumptions applied to the options granted in the respective period shown.

	Approved Option Scheme	Unapproved Option Scheme
Weighted average share price at grant	6.46	6.46
Weighted average exercise price	6.46	6.46
Expected life of option (years)	3	2
Volatility (%)	33.5	33.5
Dividend yield (%)	2.69	2.69
Risk free interest rate (%)	2	2

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 years.

21 CASH AND CASH EQUIVALENTS

	2013	2012
	£'000	£'000
Cash at bank and in hand	**14,161**	14,241
Short-term deposits	**4,050**	10,855
	18,211	25,096

Short-term deposits have original maturity of three months or less. The fair value of these assets supports their carrying value.

There are no restrictions regarding the utilisation of the Group's cash resources.

22 ACQUISITIONS

Acquisitions during the period

PharmaQuest Limited
On 30 April 2013 the Group acquired the entire issued share capital of PharmaQuest Limited, whose principal activity is the provision of technical translations for the medical and pharmaceutical industries, for a cash consideration of £2,853,000.

The fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book value	Fair value adjustments	Fair value
	£'000	£'000	£'000
Net assets acquired:			
Property, plant and equipment	1	–	1
Intangible asset – customer relationships	–	1,391	1,391
Trade and other receivables	89	–	89
Cash and cash equivalents	621	–	621
Trade and other payables	(196)	–	(196)
Deferred tax liabilities	–	(292)	(292)
	515	1,099	1,614
Goodwill			1,239
Total consideration			**2,853**
Satisfied by:			
Cash			2,853
Cash flow:			
Total consideration			2,853
Cash included in undertaking acquired			(621)
Net cash consideration			**2,232**

The intangible assets acquired are to be amortized over their estimated useful lives of 10 years.

The main factors leading to a recognition of goodwill on the acquisition of PharmaQuest Limited are, the presence of certain intangible assets in the acquired entity which do not qualify for separate recognition such as the assembled workforce and cost synergies within the Group's operations in the United Kingdom, and, an unidentified proportion representing the balance contributing to profit generation.

PharmaQuest Limited contributed £0.4 million revenue and £0.1 million to the Group's profit after tax for the year between the date of acquisition and the balance sheet date. If the acquisition had been completed on the first day of the financial year, group revenue for the year would have been £78.2 million and group profit £16.1 million.

Acquisition costs of £41,000 have been charged through the Comprehensive Income Statement.

inovia Holdings Pty Limited

On 17 September 2013 the Group acquired the remaining two thirds share of inovia for a cash consideration of £14,871,000 ($23,350,000).

The fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book value	Fair value adjustments	Fair value
	£'000	£'000	£'000
Net assets acquired:			
Property, plant and equipment	7	–	7
Intellectual property	1,025	(1,025)	–-
Intangible asset – customer relationships	–	2,975	2,975
Intangible asset – technology based	–	2,011	2,011
Trade and other receivables	1,594	49	1,643
Cash and cash equivalents	1,971	–	1,971
Trade and other payables	(2,849)	–	(2,849)
Deferred tax liabilities	–	(1,047)	(1,047)
	1,748	2,963	4,711
Goodwill on acquisition			15,106
Total consideration			**19,817**
Satisfied by:			
Cash			14,871
Deferred consideration			180
Fair value of 33% associate			4,766
			19,817
Cash flow:			
Cash consideration			14,871
Cash included in undertaking acquired			(1,971)
Net cash consideration			**12,900**

The fair value of the put and call option was deemed negligible at the transaction date.

The intangible assets acquired are to be amortized over their estimated useful lives of 10 years.

The main factors leading to a recognition of goodwill on the acquisition of inovia Holdings Pty Limited are, the presence of certain intangible assets in the acquired entity which do not qualify for separate recognition such as the assembled workforce and cost synergies within the Group's operations in the United Kingdom, and, an unidentified proportion representing the balance contributing to profit generation.

inovia Holdings Pty Limited contributed £1.2 million revenue and £0.1 million to the Group's profit after tax for the year between the date of acquisition and the balance sheet date. If the acquisition had been completed on the first day of the financial year, group revenue for the year would have been £90.5 million and group profit £17.2 million.

Acquisition costs of £133,000 have been charged through the Comprehensive Income Statement.

23 RELATED PARTY TRANSACTIONS

Prior to the completion of the full acquisition of inovia, sales for the period up to 17 September 2013 (the date of acquisition of the remaining two thirds of the business) made by RWS Group to inovia were £4.2 million (2012: £1.4 million) and £1,000,000 was owing to RWS at 30 September 2013 (2012: £513,000). This was fully discharged in November 2013.

Purchases from inovia over the same period amounted to £235,000 (2012: £10,000) of which £109,000 was outstanding at 30 September 2013 (2012: £10,000). Terms of trade are 30 days following invoice date for both sales and purchases.

During the year in the normal course of business, RWS provided translation services worth £81,000 (2012: £75,000) to Learning Technologies Group plc ("LTG") and Andrew Brode and Peter Mountford have an interest in this Company. An amount of £9,000 due from LTG at 30 September 2013 was discharged in October 2013 (2012: £55,000).

24 COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments contracted for but not provided for in the financial statements. (2012: £nil)

25 LEASES

Operating lease payments represent rentals payable by the Group for its office properties and certain equipment. Property leases have various terms, escalation clauses and renewal rights.

	2013	2012
	£'000	£'000
At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:		
Within one year	**806**	683
In the second to fifth years inclusive	**1,117**	647
After five years	**29**	222
	1,952	1,552

26 EVENTS SINCE THE REPORTING DATE

No significant events have occurred since 30 September 2013 at the date of authorisation of these financial statements.

PARENT COMPANY FINANCIAL STATEMENTS

The following parent entity financial statements are prepared under UK GAAP and relate to the Company and not to the Group. The statement of accounting policies which have been applied to these accounts can be found on page 51.

Company Balance Sheet
at 30 September

Registered Company 3002645		2013	2012
	Note	£'000	£'000
Fixed assets			
Investments	4	**13,993**	13,525
		13,993	13,525
Current assets			
Debtors	5	**4,013**	3,624
Cash at bank		**10,040**	11,017
		14,053	14,641
Creditors: amounts due within one year	6	**246**	290
Net current assets		**13,807**	14,351
Net assets		**27,800**	27,876
Capital and reserves			
Called up share capital	7	**2,116**	2,116
Share premium account	8	**3,583**	3,583
Share based payment reserve	8	**468**	–
Capital reserve	8	**2,030**	2,030
Retained earnings	8	**19,603**	20,147
Shareholders' funds	8	**27,800**	27,876

The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2013 and were signed on its behalf by:

Andrew Brode
Director

1 ACCOUNTING POLICIES

Basis of preparation
These financial statements present financial information for RWS Holdings plc as a separate entity, and have been prepared in accordance with the historical cost convention, the Companies Act 2006 and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). The Company's Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, are separately presented. The principal accounting policies adopted in these company financial statements are set out below and, unless otherwise indicated, have been consistently applied for all periods presented.

In accordance with FRS 18, Accounting policies, the Directors have reviewed the accounting policies of the Company as set out below and consider them to be appropriate.

Related party transactions
The Company is exempt under the terms of FRS 8, Related party disclosures, from disclosing related party transactions with entities that are part of the Group.

The principal accounting policies are:

Investments
Investments are stated at cost less provision for impairment.

Pensions
Contributions to personal pension plans are charged to the profit and loss account in the period in which they fall due.

Dividend distribution
Interim dividends are recorded when they are paid and the final dividends are recorded when they become legally payable.

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

Share based payments
The Group and Company provide benefits to certain employees (including certain Executive Directors), in the form of share based payment transactions whereby employees render services in exchange for rights over shares in the form of share options. These equity settled share based transactions are measured as the fair value of the share option at the grant date. The fair value excludes the effect of non market based vesting conditions. Details regarding the determination of the fair value of these options can be seen in note 20 of the consolidated financial statements.

The fair value determined at the grant date of the share options is expensed on a straight line basis over the vesting period, based on the Group's estimate of share options that will vest. At each balance sheet date the Group revises its estimate of the number of options expected to vest as a result of the effect on non market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity reserves.

2 PROFIT FOR THE YEAR

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The Company profit after tax for the year ended 30 September 2013 under UK GAAP was £7,064,000 (2012: £6,677,000).

Fees paid to BDO LLP and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of RWS Holdings plc because the Company's consolidated accounts are required to disclose such fees on a consolidated basis.

3 DIRECTORS AND EMPLOYEES

There were no employees (2012: nil) of the Company other than the Directors.

The remuneration of the Directors of RWS Holdings plc for services in all capacities is set out below:

	2013	2012
	£'000	£'000
Directors' emoluments	**965**	925
Pension costs – paid to the Director's personal pension scheme	**39**	42
	1,004	967

During the year the Company had 7 (2012: 6) directors, including three Non-Executive Directors, providing services to the Group.

During the year 4 directors (2012: 4) received contributions to their personal pension schemes.

	2013	2012
	£'000	£'000
Emoluments of the highest paid director:		
Emoluments	**322**	282
Pension costs – paid to the Director's personal pension scheme	**8**	8
	330	290

Details of directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 12 to 14.

4 INVESTMENTS

	2013 £'000	2012 £'000
Cost and net book value at beginning of year	**13,525**	13,525
Additions	**468**	–
Cost and net book value at beginning and end of year	**13,993**	13,525

The following were the principal wholly owned subsidiary undertakings and have been consolidated in the financial statements:

	Country of incorporation	Nature of business
Beijing RWS Science & Technology Information Consultancy Co. Limited	China	Patent, technical and legal translations
RWS Group Deutschland GmbH (formerly Document Service Center GmbH)	Germany	Technical and legal translations
Eclipse Translations Limited	England	Technical and legal translations
RWS Group Schweiz GmbH (formerly Ifama GmbH)	Switzerland	Technical and legal translations
KK RWS Group	Japan	Patent, technical and legal translations
Lawyers' and Merchants' Translation Bureau Inc	USA	Technical and legal translations
RWS Group GmbH	Germany	Technical and legal translations
RWS Group Limited	England	Holding company
RWS Information Limited	England	Patent and technical information searches
RWS (Overseas) Limited	England	Holding company
RWS Translations Limited	England	Patent, technical and legal translations
PharmaQuest Limited	England	Technical and medical translations
inovia Pty Holdings Limited	Australia	Patent filing

All principal subsidiary undertakings, except RWS Group Limited, are held indirectly.

5 DEBTORS

	2013 £'000	2012 £'000
Amounts owed by Group undertakings	**3,542**	3,542
Deferred tax	**396**	–
Other debtors	**18**	–
Prepayments	**57**	82
Amounts due within one year	**4,013**	3,624

The amounts owed by Group undertakings are repayable on demand and classified as due within one year.

6 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade Creditors	**9**	–
Amounts owed to group undertakings	**75**	124
Accruals	**162**	166
	246	290

7 SHARE CAPITAL

	2013 Number	2013 £'000	2012 Number	2012 £'000
Authorised				
Ordinary shares of 5 pence each	**100,000,000**	**5,000**	100,000,000	5,000
Allotted, called up and fully paid				
Ordinary shares of 5 pence each				
At beginning and end of the year	**42,315,968**	**2,116**	42,315,968	2,116

8 SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Share premium account £'000	Share based payment reserve £'000	Capital reserve £'000	Retained earnings £'000	Shareholders' funds £'000
At beginning of year	2,116	3,583	–	2,030	20,147	27,876
Credit arising on share based payment charges	–	–	468	–	–	468
Dividends	–	–	–	–	(7,608)	(7,608)
Profit for the year	–	–	–	–	7,064	7,064
At end of year	**2,116**	**3,583**	**468**	**2,030**	**19,603**	**27,800**

The balance on the capital reserve is an amount not distributable to shareholders and not transferred to the profit and loss account.

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£'000	£'000
Profit for the year	**7,064**	6,677
Credit arising on share based payment charges	**468**	–
Dividends paid	**(7,608)**	(6,673)
Net (decrease)/increase in shareholders' funds	**(76)**	4
Opening shareholders' funds	**27,876**	27,872
Net (decrease)/increase in shareholders' funds	**(76)**	4
Shareholders' funds at end of year	**27,800**	27,876

10 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

In respect of overdraft facilities, the Company, together with certain subsidiary undertakings, has given to the Group's principal bankers cross-guarantees secured by fixed and floating charges over the assets of the Group. At the end of the year liabilities covered by these guarantees totalled £nil (2012: £nil).

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption allowed under Financial Reporting Standard No 8 "Related Party Transactions" not to disclose any transactions or balances with entities which are part of the Group as consolidated financial statements of the ultimate parent company are available from Companies House.

12 POST BALANCE SHEET EVENTS

There have been no events since 30 September 2013 that require disclosure.

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