



2014 ANNUAL REPORT



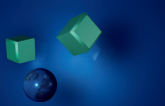
RWS HOLDINGS PLC

AUSTRALIA CHINA FRANCE GERMANY JAPAN SWITZERLAND UK USA



www.rws.com

2014 ANNUAL REPORT RWS HOLDINGS PLC



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It gives me great pleasure to be able to report another year of progress for RWS against a stuttering, slowly improving, economic backdrop and volatile currency markets. For the eleventh 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. inovia has grown quickly whilst a renewed focus on margins is delivering incremental benefits. Elsewhere, the search business prospered, as did PatBase and our operation in China.

RESULTS AND FINANCIAL REVIEW

The Group has achieved further significant progress in underlying operational performance, reflecting continued growth in the core patent translations business, together with enhanced contributions from the Information division (including PatBase) and China in particular.

Group sales advanced by 21% to £93.6 million (2013: £77.4 million), assisted by a first full year contribution from inovia. In constant currency terms, sales were up by 26% to £97.8 million, of which 19% arose from acquisitions. Adjusted operating profit before amortization of intangibles and share option costs was up 9% to £22.0 million (2013: £20.1 million).

Adjusted profit before tax, amortization of intangibles, share option costs, and in 2013 a gain on sale of associate increased by 5% to £22.1 million (2013: £21.0 million). This produced a 5% increase in adjusted earnings per share to 40.5p (2013: 38.6p), with no change in the number of shares in issue. As described below, RWS has been adversely affected by the strength of sterling in 2014 compared to 2013. At constant currency, the adjusted profit before tax would have been £23.0 million, a 10% increase over 2013. The principal causes of the adverse currency movement were exchange losses on Euro denominated assets coupled with unrealised losses on forward contracts.

Reported profit before tax was £19.6 million (2013: £20.5 million), a fall of 4%, due to higher amortization charges and increased share based payment costs. The basic earnings per share were 35.9p (2013: 37.6p), a fall of 5%. The effective tax rate was 22.6% (2013: 22.4%).

At 30 September 2014, shareholders' funds had reached £78.4 million (2013: £71.7 million), of which net cash represented £22.5 million (2013: £18.3 million). The positive movement in net cash is despite significant outlays in respect of corporation tax of £5.2 million, the final dividend for 2013 and the interim dividend for 2014, totalling £8.7 million, and £4.3 million for the purchase of a new building adjoining Group headquarters for future expansion.

CURRENCY EFFECTS AND HEDGING

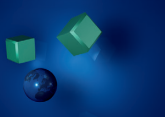
Reported revenues were £4.2 million lower than they would have been on a constant currency basis, resulting from the strong performance of sterling. The average rate used for conversion of Euro revenues was 81.5p to the € versus 84.2p in 2013. For the US dollar, the average rate was 1.66 dollars to the £ versus 1.56 dollars in 2013.

RWS's policy is to hedge its net trading exposure to the Euro, and since the inovia acquisition, to the US\$. Looking forward, RWS has hedged its estimated Euro exposure from 1 January 2015 to 31 December 2015 at an average rate of 1 Euro = 81.0p. Similarly, the Group's estimated net exposure to the US\$ has been hedged from 1 January 2015 to 30 September 2015 at an average rate of 1 GBP = US\$1.60.

DIVIDEND

I am pleased to announce that the Board has recommended a final dividend of 18.0p per share. The interim dividend, paid in July, was 4.9p per share, so that the total payout in respect of the year will amount to 22.9p per share, an increase of 13% over 2013, reflecting both the underlying growth in Group earnings during 2014 and the Board's confidence in the Group's continued progress. This proposed payout marks an eleven year unbroken record of double digit increases in the dividend since flotation in November 2003.

The proposed total dividend is 1.57 times covered by basic earnings per share. Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 27 February 2015 to all shareholders on the register at 30 January 2015.



Chairman's Statement (continued)

SHARE OPTION PLAN

RWS announced on 4 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 ten 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.

AUDITORS

Earlier this year, in line with best practice, RWS carried out a competitive audit tender process. As a result of which, PricewaterhouseCoopers LLP "PwC" were appointed as the Group's auditors.

Shareholders will be invited to approve PwC's re-appointment as auditors at the Company's Annual General Meeting in February 2015.

I would like to take this opportunity to thank BDO for their help and support over many years as we have grown and developed the RWS business.

PROPOSED SHARE SPLIT

The Directors, having consulted with the Group's brokers, consider that an enlarged number of ordinary shares with a lower price per share will serve to improve the marketability and liquidity of the Group's shares.

A proposal will therefore be put to the forthcoming AGM that, subject to shareholder approval, a 5 for 1 share split will be effected.

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 605 full time equivalents (2013: 591), with productivity continuing to improve. I wish to record my thanks to all of them for their contribution.

I am delighted to announce that David Shrimpton, the Group's senior Non Executive Director, has agreed to become Non Executive Deputy Chairman. David has worked with RWS since January 2010 and continues to bring a wealth of financial and business experience to the Board. His appointment is a significant step towards ensuring the future growth of the RWS business.

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's staff contributes 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 reasonable start to the new financial year and expect to make further progress as we experience the full benefit of 2014 client wins and develop the targeted cross selling opportunities provided by the inovia acquisition.

The Board fully expects the Group to grow revenues and profits in 2015, consolidating its market leading position in the intellectual property support services space.

Andrew Brode

8 December 2014

BUSINESS MODEL

RWS is the world's largest provider of patent translations and one of the leading players in the provision of intellectual property support services and high level technical translation services. 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. The Group's principal business activities are:

- Patent translations, which currently accounts for over 55% of Group revenue. RWS differentiates itself from the competition through the quality of its translations and the high level of customer service and support it provides.
- 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.
- International web based patent filing solutions via the recently acquired inovia business. This activity is expected to grow and continue to be a significant source of patent translation revenues for the RWS Group.
- Commercial translations, with a particular emphasis on medical and technical translations.

OUR STRATEGY

RWS's objective is to increase shareholder value by growing the Group's revenue and adjusted 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:

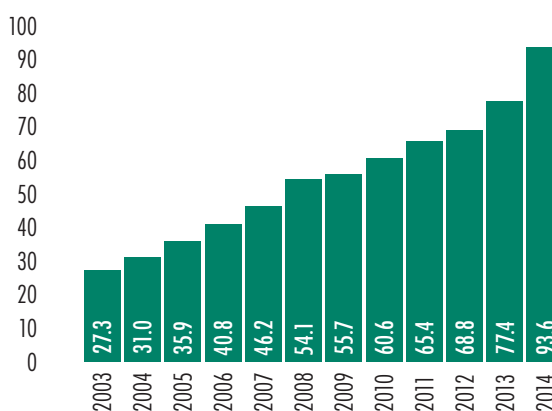
- increases in the worldwide patent filing activities of existing and potential multinational clients
- corporates, law firms and attorneys outsourcing all or part of the foreign patent search, filing and translation process
- the growing demand for language services and the Group's ability to increase its market share by winning new clients attracted by its leading position and reputation, in an otherwise fragmented sector

- the retention of our client base, which includes the majority of the top 20 patent filers both 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.

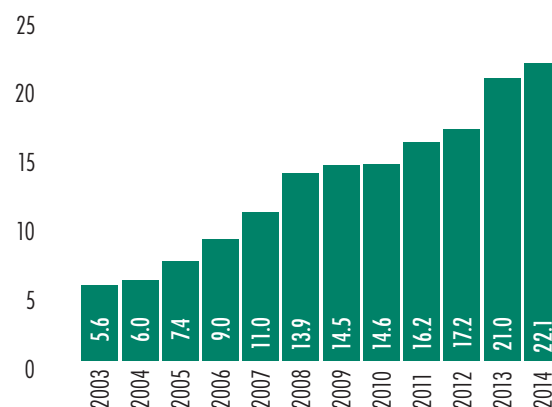
In terms of acquisitive growth, we continue to search for suitable potential acquisitions in the intellectual property support services and specialist commercial translation spaces. We seek niche businesses capable of delivering well above industry average levels of profitability or highly complementary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

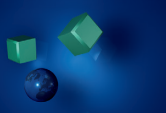
We are particularly pleased to be able to show our progress against these stated objectives with 11 straight years of sales and profit growth.

Annual Revenue £m



Annual Adjusted PBT £m





OPERATING REVIEW

Patent Translations

The Group's core patent translations business represents approximately 55% of Group sales and grew underlying revenues by 7% to £52.0 million (2013: £48.8 million, after elimination of £4.7 million of intercompany sales to inovia). The growth drivers were earlier client wins, and organic growth from the established client base. The macroeconomic background delivered further grounds for optimism with record numbers of new patent applications recorded in 2013.

The Group has enhanced its market leadership within its chosen niche of servicing a worldwide blue-chip client base, embracing many of the world's leading patent filers. As evidence of this leading role, the Group serviced 10 of the top 15 applicants at the World Intellectual Property Office and 11 of the top 15 applicants at the European Patent Office in 2013. Following the acquisition of inovia in September 2013, we have been able to combine the direct sales efforts of RWS and inovia in the US (the largest market for intellectual property support services) and have been successful in Europe in developing selective cross selling opportunities with major European corporates. China continues to attract North American and European patent filers seeking patent protection there, as a result of which our headcount in China has grown to 57 employees. As first outlined in last year's review, we have continued to develop the production and training centre with two universities in Rizhao, which has caught the attention of the university in Xi'an where a similar centre has been established. These centres enable the Group to expand its Chinese offering but at a lower cost than in Beijing. Our long term relationship with international patent bodies seeking to enlarge their collections of translated Chinese patent prosecution documents has prospered.

Commercial Translations

The commercial translations business, which accounts for 17% of Group sales, experienced currency headwinds and cyclical downturns. We group all non-patent translations in this division and it remains the sector of our business most exposed to competition. It operates in the UK, Germany and Switzerland. Given the intensity of the competition, we continue to focus upon specialist niches and larger projects where the Group's resources and

expertise can provide a competitive edge. We experienced subdued trading in our German-speaking activities in the first half, followed by some improvement in the second half. We have now established an into-German patent translation facility in the Berlin office, which will balance the cyclical effect evident in the commercial translation activities and improve margins through better utilisation of existing resources. The commercial translation business does enable RWS to offer customers a complete solution to their translation needs whilst continuing to provide good cross selling opportunities for the patent translation business.

Information

The information business accounts for 7% of Group sales and enjoyed an outstanding year, with growth of 17% in revenues to £6.2 million (2013: £5.3 million). In particular, our patent search and watch services grew by 36%, whilst the high margin subscription service – PatBase – grew by a further 5%. We have continued to invest in PatBase searchability, content and geographic coverage, and will make further investments in 2015 to secure the resilience and robustness of the platform which provides 24/7 worldwide access.

inovia

The Group acquired the remaining two thirds of inovia's equity in September 2013. In its first full year contribution, inovia achieved a 15% increase in gross sales to US\$33.0 million (2013: US\$28.8 million, of which only US\$1.8 million was post acquisition revenue and consolidated into the 2013 financial statements). In sterling terms, gross sales reached £19.4 million (after elimination of £0.5 million of intercompany sales to Patent Translations), and as a continued underlying benefit of the acquisition, patent translation transfer revenues reached \$7.1 million (2013: \$7.3 million).

With new product developments and as a full member of the Group, inovia has been able to attract larger corporates. Its largest customer in 2014, a leading pharmaceutical group, developed from a small volume of sales in 2013. Further penetration of larger corporates is likely to put pressure on margins, but forms part of the strategy for inovia within the Group. It helps to achieve growth and increase market share, generates incremental higher margin translation revenue, and further improves client retention rates. We have

started to see the benefits from the reorganisation of the senior sales management in the US in 2014 (inovia's key market) and we expect a further double digit sales growth in 2015.

In October this year inovia was recognised for the first time as the leading foreign filing provider by Managing Intellectual Property magazine's annual ranking of the top Patent Cooperation Treaty (PCT) firms, further consolidating the Group's position as a leading provider of intellectual property support services, which now account for over 80% of the Group's sales.

MARKET UPDATE

Patent Filing Statistics

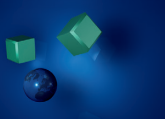
The USA and China drove record-level patent-filing activity via WIPO in 2013 as the number of annual international patent applications surpassed the 200,000 mark for the first time, showing a 5% increase in the 2013 PCT filings to 205,300 (2012: 195,400). The European Patent Office (EPO) also published record numbers, with the total number of European patent filings increasing by 3% to 265,690 (2012: 258,450). European filings from Chinese applicants grew by 16%. Patent applications in China increased by 26% to 825,136 (120,200 of which came from foreign applicants).

RISK MANAGEMENT

The Group maintains a risk register which is reviewed and assessed on an annual basis by the Board of Directors. The key 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 in the failure to successfully integrate acquired businesses 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.
- As previously reported, currency risk is partly mitigated via hedging operations.
- 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 hurdles, the Unitary Patent has been making further progress. There appears to be consensus now that the earliest implementation would be in 2016 and that this is still very optimistic. 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 implacably opposed to the Unitary Patent. Professional opinion remains highly sceptical both as regards jurisdiction and actual financial benefits, which cannot be quantified until fees have been set and published. Because the proposed Unitary Patent will run in parallel with the existing system, it will not provide any financial advantage to many corporates seeking patent protection in only selected key countries, 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 full usage of the new system. That being the case, we anticipate minimal, incremental loss of revenues in the first few years after the introduction of the Unitary Patent.



Strategic Review (continued)

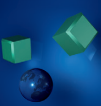
■ In September 2013 RWS acquired the inovia business. Integration is ongoing and focuses on several areas. Supplier and service consolidation continues to reduce technical costs and improve underlying margins. New technical developments ensure maintenance of our leading market position and help to increase the attractiveness of our technical solutions for new markets and existing RWS customers. Selected cross-selling opportunities have brought in new clients and continue to enhance our pipeline. inovia Directors and other senior managers, regularly attend Board and other meetings in the UK, which improves communication and enhances the integration process.

■ 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

8 December 2014



Board of Directors at 30 September 2014

Andrew S Brode (74)

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 Chairman of Learning Technology Group plc and Electric Word plc and Non-Executive Director of Vitesse Media plc

Non-Executive Director of a number of private companies

Reinhard Ottway (55)

Chief Executive Officer

Appointed as a Director 1 January 2012

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

Richard Thompson (52)

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 (71)

Senior independent Non-Executive Director and Deputy Chairman

Chairman of the Remuneration Committee, member of the Audit Committee

Appointed as a Director 1 January 2010

Non-Executive Director of a number of private companies

Peter Mountford (57)

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 and a Non-Executive Director of a number of other private companies

Elisabeth A Lucas (58)

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

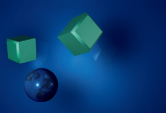
Appointed as a Director on 11 November 2003

Registered office

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

Company registration number

3002645



Directors' Report

The Directors present their annual report together with the audited consolidated financial statements for the year ended 30 September 2014.

BUSINESS PERFORMANCE AND RISKS

The review of the business, operations, principal risks and outlook are dealt with in the Strategic review on pages 4 to 7. The key performance indicators of the Group are revenues and adjusted pre-tax profit before amortization of acquired intangibles, 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 2014 which are shown on page 20.

Group revenues advanced by 20.9% to £93.6 million (2013: £77.4 million) and pre-tax profit before amortization of intangibles and share option costs, and in 2013 gain on disposal of associate, was £22.1 million (2013: £21.0 million), a rise of 5.2%. Profit before tax was £19.6 million (2013: £20.5 million). The current year total tax expense was £4.4 million (2013: £4.6 million) an effective tax rate of 22.6% (2013: 22.4%).

Basic earnings per share was 35.9 pence (2013: 37.6 pence).

DIVIDENDS

The Directors recommend a final dividend of 18.00 pence per Ordinary share to be paid on the 27 February 2015 to shareholders on the register at 30 January 2015, which, together with the dividend of 4.90 pence paid in July 2014, makes a total dividend for the year of 22.90 pence (2013: 20.25 pence). The final dividend will be reflected in the financial statements for the year ending 30 September 2015.

The proposed total dividend per share is 1.57 times covered by basic earnings per share.

GOING CONCERN ACCOUNTING BASIS

In view of the Group's cash resources (£22.5 million at 30 September 2014), combined with the free cash flow in 2014 of £13.1 million (2013: £16.0 million) and recent operating results, 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 17 to the financial statements.

EVENTS AFTER THE REPORTING DATE

No significant events have occurred between 30 September 2014 and the date of authorisation of these financial statements.

DIRECTORS

Details of members of the Board at 30 September 2014 are set out on page 8.

The interests of the Directors in shares during the year are set out on page 15 in the Directors' Remuneration Report.

Andrew Brode and Reinhard Ottway retire by rotation at the Annual General Meeting and being eligible offer themselves for re-election.

The Company's Annual General Meeting will be held in London on 10 February 2015.

DIRECTORS' INDEMNITIES

As permitted in its articles of association, the Directors have the benefit of an indemnity which is a third party indemnity provision as defined in section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. (The Company also purchased and maintained throughout the financial

year, Directors and Officers liability insurance in respect of itself and its Directors).

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 six 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; Caroline Chenique, European Sales Director; Roberto Aletto, IT Director and David Nelson, Managing Director inovia. 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 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 four times.

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 14 in the Directors' Remuneration Report.

Internal controls and risk management

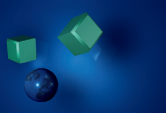
The Board has overall responsibility for the Group's system of internal controls. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

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.

In addition, a further Board Meeting is held during the year to consider and assess the risks facing the business and approve the steps and timetable senior management have established to mitigate those risks.

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



Directors' Report (continued)

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 2014, excluding the Directors, the following were substantial shareholders:

	% holding
Liontrust Asset Management	11.7
Octopus Investments	4.9
Investec Wealth and Investment	4.3
Blackrock Investment Management	4.2
Invesco Perpetual	3.2

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 10 February 2015 Annual General Meeting which renews, for the period ending 10 May 2016, or if earlier the date of the 2016 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 8 December 2014.

The Directors have no immediate plans to make use of this authority except in respect of the issue of shares under the employee share option scheme. 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

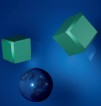
Under section 561 of the Companies Act 2006, when new shares are allotted, they must first be offered to existing shareholders pro rata to their holdings. A special resolution will be proposed at the 10 February 2015 Annual General Meeting which renews, for the period ending on 10 May 2016 or, if earlier, the date of the 2016 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 8 December 2014).

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 four years.

RULE 9 OF THE CITY CODE

Under rule 9 of the city code, where any person acquires an interest in shares which carry 30 per cent or more of the voting rights, that person is normally required to make a general offer to all the remaining shareholders of the Company to acquire their shares. An ordinary resolution was approved at the 11 February 2014 Annual General Meeting which approved, for the period ending on 10 May 2017 or, if earlier, the date of the 2017 Annual General Meeting, the waiver by the Panel on Takeovers and Mergers of any requirement under rule 9 for Andrew Brode (Chairman) and related parties to make a general offer to the shareholders of the Company as a result of any market purchase by the Company of its own shares.



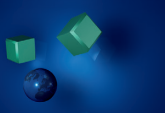
Directors' Report (continued)

CHANGE OF AUDITOR

Following a tender process in 2014, Pricewaterhouse Coopers LLP (PwC) was appointed as the Company's external auditor commencing with the 2014 financial year. PwC have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

INDEPENDENT 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.



Statement of Directors' Responsibilities

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.

On behalf of the Board

Richard Thompson

8 December 2014

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 once 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 the 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 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 OPTIONS

On 3 April 2013 the Board approved a new share option scheme. The scheme was designed to incentivise Executive Directors and 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

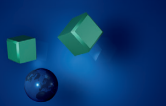
The Non-Executive Directors do not have service contracts. Their appointments will continue unless and until terminated by either party giving not less than 30 days' notice.

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

The date of the 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 Directors' service contracts provide 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 2014 was £952,000 (2013: £965,000). The remuneration of individual Directors and the pension contributions paid by the Group to their personal pension schemes during the year were as follows:



Directors' Remuneration Report (continued)

				2014	2014	2013	2013
	Salary or fees	Bonus	Taxable benefits	Total	Pension contributions	Total	Pension contributions
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Andrew Brode	247	—	3	250	15	239	26
Michael McCarthy (to 31 December 2013)	—	—	—	—	—	83	2
Reinhard Ottway	305	33	1	339	9	322	8
Richard Thompson (from 28 November 2013)	229	19	—	248	7	206	3
Elisabeth Lucas	45	—	—	45	—	45	—
Peter Mountford	35	—	—	35	—	35	—
David Shrimpton	35	—	—	35	—	35	—
	896	52	4	952	31	965	39

DIRECTORS' INTERESTS IN SHARES

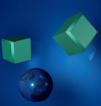
The interests of the Directors as at 30 September 2014 (including the interests of their families and related trusts), all of which were beneficial, in the Ordinary shares were:

	Ordinary shares of 5 pence
Andrew Brode	18,034,812
Elisabeth Lucas	10,000
Peter Mountford	13,755
Richard Thompson	2,600
	18,061,167

The interests of the 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 2013	Issued in the year	Exercised in the year	At 30 September 2014	Exercise price pence	First date exercisable	Last date exercisable
Reinhard Ottway	4,643	—	—	4,643	646.00	03/04/16	03/04/21
Richard Thompson	4,643	—	—	4,643	646.00	03/04/16	03/04/21

Unapproved Share Option scheme	Number of shares under option						
	At 1 October 2013	Issued in the year	Exercised in the year	At 30 September 2014	Exercise price pence	First date exercisable	Last date exercisable
Reinhard Ottway	503,149	—	—	503,149	646.00	03/04/15	03/04/21
Richard Thompson	249,253	—	—	249,253	646.00	03/04/15	03/04/21



Directors' Remuneration Report (continued)

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 2014 and the highest and lowest market prices during the year are as follows:

30 September 2014	760p
Highest Market Price	1,030p
Lowest Market Price	731p

All participants in the share option scheme have indemnified the Company against any tax liability relating to the option including class 1 employer's national insurance contribution.

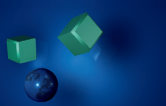
TRANSACTIONS WITH DIRECTORS

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

8 December 2014



Independent Auditor's Report to the Members of RWS Holdings plc

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- RWS Holdings plc's Group financial statements and parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2014 and of the Group's profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

RWS Holdings plc's financial statements comprise:

- the Consolidated Statement of Financial Position as at 30 September 2014;
- the Company Balance Sheet as at 30 September 2014;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation

of the company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER 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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 13, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 December 2014



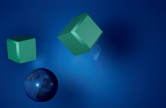
2014 FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income for the year ended 30 September

		2014	2013
	Note	£'000	£'000
Revenue	3	93,556	77,404
Cost of sales		(56,783)	(45,558)
Gross profit		36,773	31,846
Administrative expenses		(17,187)	(12,981)
Operating profit	4	19,586	18,865
Analysed as:			
Operating profit before charging:		22,036	20,060
Amortization of customer relationships, trademarks and technology	11	(1,572)	(727)
Share based payment costs	19	(878)	(468)
Operating profit		19,586	18,865
Finance income	6	57	456
Finance costs	6	(14)	—
Share in results of associate		—	496
Gain on disposal of associate		—	693
Profit before tax		19,629	20,510
Taxation expense	7	(4,430)	(4,592)
Profit for the year		15,199	15,918
Other comprehensive expense*			
Loss on retranslation of foreign operations		(618)	(294)
Total other comprehensive expense		(618)	(294)
Total comprehensive income attributable to:			
Owners of the parent		14,581	15,624
Basic earnings per Ordinary share (pence per share)	9	35.9	37.6
Diluted earnings per Ordinary share (pence per share)	9	35.6	37.6

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

The notes on pages 24 to 48 form part of these financial statements.



Consolidated Statement of Financial Position at 30 September

Registered Company 3002645		2014	2013
	Note	£'000	£'000
Assets			
Non-current assets			
Goodwill	10	30,512	30,780
Intangible assets	11	8,228	9,896
Property, plant and equipment	12	17,310	13,002
Deferred tax assets	13	353	270
		56,403	53,948
Current assets			
Trade and other receivables	14	16,385	16,574
Foreign exchange derivatives	17	554	566
Cash and cash equivalents	20	22,479	18,305
		39,418	35,445
Total assets	3	95,821	89,393
Liabilities			
Current liabilities			
Trade and other payables	15	12,277	11,512
Income tax payable		2,198	2,555
Provisions	16	480	740
		14,955	14,807
Non-current liabilities			
Other payables	15	30	—
Provisions	16	378	530
Deferred tax liabilities	13	2,024	2,343
		2,432	2,873
Total liabilities	3	17,387	17,680
Total net assets		78,434	71,713
Equity			
Capital and reserves attributable to owners of the parent			
Share capital	18	2,116	2,116
Share premium		3,583	3,583
Share based payment reserve		1,346	468
Reverse acquisition reserve		(8,483)	(8,483)
Foreign currency reserve		569	1,187
Retained earnings		79,303	72,842
Total equity		78,434	71,713

The notes on pages 24 to 48 form part of these financial statements.

The financial statements on pages 20 to 48 were approved by the Board of Directors and authorised for issue on 8 December 2014 and were signed on its behalf by:

Andrew Brode
Director

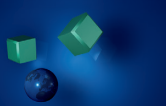
Consolidated Statement of Changes in Equity for the year ended 30 September

	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 2012	2,116	3,583	(7,002)	64,532	63,229
Profit for the year	—	—	—	15,918	15,918
Currency translation differences	—	—	(294)	—	(294)
Total Comprehensive income for the year 30 September 2013	—	—	(294)	15,918	15,624
Dividends	—	—	—	(7,608)	(7,608)
Credit arising on share based payments	—	—	468	—	468
At 30 September 2013	2,116	3,583	(6,828)	72,842	71,713
Profit for the year	—	—	—	15,199	15,199
Currency translation differences	—	—	(618)	—	(618)
Total Comprehensive income for the year 30 September 2014	—	—	(618)	15,199	14,581
Dividends	—	—	—	(8,738)	(8,738)
Credit arising on share based payments	—	—	878	—	878
At 30 September 2014	2,116	3,583	(6,568)	79,303	78,434
Other reserves		Share based payment reserve	Reverse acquisition reserve	Foreign currency reserve	Total other reserves
		£'000	£'000	£'000	£'000
At 1 October 2012		—	(8,483)	1,481	(7,002)
Other Comprehensive loss for the year		—	—	(294)	(294)
Credit arising on share based payments		468	—	—	468
At 30 September 2013		468	(8,483)	1,187	(6,828)
Other Comprehensive loss for the year		—	—	(618)	(618)
Credit arising on share based payments		878	—	—	878
At 30 September 2014		1,346	(8,483)	569	(6,568)

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 24 to 48 form part of these financial statements.

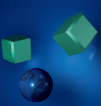


Consolidated Statement of Cash Flows for the year ended 30 September

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Profit before tax		19,629	20,510
Adjustments for:			
Depreciation of property, plant and equipment	12	599	666
Amortization of intangible assets	11	1,632	799
Share based payment costs		878	468
Finance income		(57)	(456)
Finance expense		14	—
Share in results of associate		—	(496)
Gain on disposal of associate		—	(693)
Operating cash flow before movements in working capital and provisions		22,695	20,798
Decrease/(increase) in trade and other receivables		64	(309)
Increase/(decrease) in trade and other payables		503	(36)
Cash generated from operations		23,262	20,453
Income tax paid		(5,239)	(4,249)
Net cash inflow from operating activities		18,023	16,204
Cash flows from investing activities			
Interest received		108	151
Acquisition of subsidiary, net of cash acquired	21	—	(14,892)
Purchases of property, plant and equipment	12	(4,919)	(376)
Purchases of intangibles (computer software)	11	(78)	(34)
Net cash outflow from investing activities		(4,889)	(15,151)
Cash flows from financing activities			
Dividends paid	8	(8,738)	(7,608)
Net cash outflow from financing activities		(8,738)	(7,608)
Net increase/(decrease) in cash and cash equivalents		4,396	(6,555)
Cash and cash equivalents at beginning of the year		18,305	25,096
Exchange losses on cash and cash equivalents		(222)	(236)
Cash and cash equivalents at end of the year	20	22,479	18,305
Free cash flow			
Analysis of free cash flow			
Net cash generated from operations		23,262	20,453
Net interest received		108	151
Income tax paid		(5,239)	(4,249)
Purchases of property, plant and equipment		(4,919)	(376)
Purchases of intangibles (computer software)		(78)	(34)
Free cash flow		13,134	15,945

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 24 to 48 form part of these financial statements.



Notes to the Consolidated Financial Statements

1 ACCOUNTING POLICIES

Basis of accounting and preparation of financial statements

RWS Holdings plc is a public limited company incorporated and domiciled in England and Wales whose shares are publicly traded on the Alternative Investment Market of the London Stock Exchange.

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 (IFRS) as adopted by the EU, IFRIC interpretations and Companies Act 2006 applicable to Companies reporting under IFRS.

The consolidated financial statements have been prepared under the historic cost convention as modified, where applicable, by the revaluation of financial assets and financial liabilities at fair value through the income statement.

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 49 to 55 and the accounting policies in respect of Company information are set out on pages 51 to 52.

Changes in accounting policies

There were no new standards, interpretations and amendments, applied for the first time from 1 October 2013, that have had a material effect on the financial statements.

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 revenues 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.

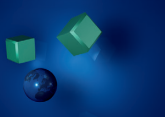
On 11 November 2003, RWS Holdings plc became the legal parent company of Bybrook Limited and its subsidiary undertakings. The substance of the combination was that Bybrook Limited acquired RWS Holdings plc in a reverse acquisition.

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, where previously they were treated 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



Notes to the Consolidated Financial Statements (continued)

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.

Goodwill and other intangible assets

Intangible assets are stated at historic purchase cost less accumulated amortization.

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. At the date of acquisition, goodwill is allocated at the lowest levels for which there are separate identifiable cash flows for the purpose of impairment testing. Assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

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 Statement of Comprehensive Income.

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

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation where cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for intended use.

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 and buildings – Nil to 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. Any assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

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 are subsequently measured at amortized cost, using the effective interest rate method.

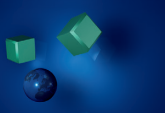
Cash and cash equivalents

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



Notes to the Consolidated Financial Statements (continued)

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.

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.

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 19.

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 the number 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.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which dividends are approved by the Company's shareholders.

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 the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects 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 valuers or internally generated discounted cash flow forecasts.

Share based payments

The Group operates a share based payment 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 19.

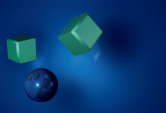
An element of the share based payment charge also relies on certain assumptions over the future performance of the share price which may not be met or may be exceeded by the time the relevant awards vest.

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.

Provisions

Provisions are assessed annually in accordance with the Group's accounting policy. Provisions are recognised when it is probable that an outflow of economic benefits will occur as a result of a past event or transaction and a reliable estimate of the outflow can be made. In the event that estimates are wrong, this may impact the financial statements in future periods.



Notes to the Consolidated Financial Statements (continued)

3 SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources, and to date has divided the Group into four reportable segments. The Board assesses the performance of the segments based on revenue and profit/(loss) from operations. These are measured on a basis consistent with the income statement.

The Group comprises 4 divisions, Patent and Commercial translations (for management reporting purposes analysed between UK and Overseas), the Information division, offering a full range of patent search, retrieval and monitoring services and inovia, a global provider of web-based filing solutions.

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

The segment results for the year ended 30 September 2014 are as follows:

	Translations UK £'000	Translations Overseas £'000	inovia £'000	Information £'000	Unallocated £'000	Group £'000
Revenue						
Patent translation	47,738	4,288	—	—	—	52,026
Commercial translation	10,502	5,499	—	—	—	16,001
inovia	—	—	19,373	—	—	19,373
Information	—	—	—	6,156	—	6,156
Revenue	58,240	9,787	19,373	6,156	—	93,556
Operating profit/(loss) before charging:	16,383	2,175	967	3,135	(624)	22,036
Amortization of customer relationships and trademarks	(1,429)	—	—	(143)	—	(1,572)
Share based payment (charges)/credit	(320)	(117)	—	19	(460)	(878)
Profit/(loss) from operations	14,634	2,058	967	3,011	(1,084)	19,586
Finance income						57
Finance expense						(14)
Profit before taxation						19,629
Taxation						(4,430)
Profit for the year						15,199

Overseas intercompany revenues to the UK amounting to £4.8 million have been eliminated on consolidation. All sales between segments are carried out on an arm's length basis.

3 SEGMENT INFORMATION (CONTINUED)

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

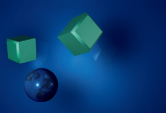
	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue						
Patent translation	49,035	4,505	–	–	–	53,540
Commercial translation	11,010	6,366	–	–	–	17,376
inovia	–	–	1,186	–	–	1,186
Information	–	–	–	5,302	–	5,302
Revenue	60,045	10,871	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 charges	(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 revenues to the UK amounting to £4.2 million have been eliminated on consolidation. All sales between segments are carried out on an arms length basis.

The segment assets and liabilities at 30 September 2014 are as follows:

	Translations UK	Translations Overseas	inovia	Information	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	70,247	5,739	5,448	6,148	8,239	95,821
Total liabilities	6,851	1,893	2,881	2,709	3,053	17,387
Capital expenditure	4,614	217	6	127	33	4,997
Depreciation	345	94	1	98	61	599
Amortization	1429	60	–	143	–	1,632

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



Notes to the Consolidated Financial Statements (continued)

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

	Translations UK £'000	Translations Overseas £'000	inovia £'000	Information £'000	Unallocated £'000	Group £'000
Total assets	62,744	5,250	4,508	5,286	11,605	89,393
Total liabilities	6,451	1,849	4,081	1,950	3,349	17,680
Capital expenditure	6,408	159	8	88	126	6,789
Depreciation	367	98	—	142	59	666
Amortization	584	65	—	143	7	799

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.

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

	Assets 2014 £'000	Liabilities 2014 £'000	Assets 2013 £'000	Liabilities 2013 £'000
Segment assets and liabilities	87,582	14,334	77,788	14,331
Unallocated:				
Deferred tax	250	1,712	189	2,048
Property, plant and equipment	102	—	130	—
Non-financial assets	216	483	271	771
Other financial assets and liabilities	7,671	858	11,015	530
Total unallocated	8,239	3,053	11,605	3,349
	95,821	17,387	89,393	17,680

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

The 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.

	2014 £'000	2013 £'000
UK	16,511	11,401
Continental Europe	46,134	43,522
Asia, United States of America and Australia	30,911	22,481
	93,556	77,404

No customer accounted for more than 7% of Group turnover in either the current or prior year.

3 SEGMENT INFORMATION (CONTINUED)

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	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
UK	64,396	65,347	84,633	79,636	4,774	6,656
Continental Europe	5,499	6,335	2,588	2,440	106	43
Asia, United States of America and Australia	23,661	5,722	8,600	7,317	39	90
	93,556	77,404	95,821	89,393	4,919	6,789

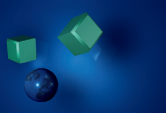
4 PROFIT FROM OPERATIONS

	2014	2013
	£'000	£'000
This has been arrived at after charging/(crediting):		
Staff costs (note 5)	25,632	22,091
Depreciation of property, plant and equipment and motor vehicles (note 12)	599	666
Amortization of intangible assets (note 11)	1,632	799
Foreign exchange gains	(481)	(316)
Operating lease rentals:		
– Property	627	621
– Plant and equipment	132	175
Auditor's remuneration		
Fees payable to the Company's auditors and its associates for the audit of the Group's annual accounts	50	53
Fees payable to the Company's auditors and its associates for other services:		
– The audit of the Company's subsidiaries	95	87
– Tax Compliance services	60	58
– Audit-related assurance services	–	18
Total fees	205	216

5 STAFF COSTS

	2014	2013
	£'000	£'000
Staff costs (including Directors) comprise:		
Wages and salaries	21,847	18,910
Social security costs	2,493	2,345
Other Pension costs	414	368
Share based payment expense (note 19)	878	468
	25,632	22,091

The Group operates a defined contribution pension scheme making payments on behalf of employees to their personal pension plans.



Notes to the Consolidated Financial Statements (continued)

Payments of £414,000 (2013: £368,000) 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 £53,000 (2013: £44,000).

Details of Directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 14 to 16.

Key management compensation

	2014	2013
	£'000	£'000
Short term employee benefits	2,466	2,434
Post employment benefits	77	75
Share based payments	878	468
	3,421	2,977

The key management compensation includes the six (2013: seven) Directors of RWS Holdings plc, the five (2013: five) members of the Senior Executive Team who are not Directors of RWS Holdings plc and the four (2013: three) Managing Directors of the operating subsidiary undertakings based overseas.

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

	2014	2013
	Number	Number
Production staff	464	434
Administrative staff	129	98
	593	532

6 FINANCE INCOME AND EXPENSE

	2014	2013
	£'000	£'000
Finance income		
– Returns on short-term deposits	57	149
– Movement in the fair value of foreign currency contracts	–	307
Finance expense		
– Interest on deferred consideration relating to an acquisition	(1)	–
– Movement in the fair value of foreign currency contracts	(13)	–
Net finance income	43	456

7 TAXATION

	2014	2013
	£'000	£'000
Taxation recognised in the income statement is as follows:		
Current tax expense		
Tax on profit for the current year		
– UK	4,077	4,097
– Overseas	717	861
Adjustment in respect of prior years	89	(180)
	4,883	4,778
Deferred tax		
Current year movement	(395)	(196)
Prior year movement	(58)	10
Total tax expense in the Statement of Comprehensive Income	4,430	4,592

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

	2014	2013
	£'000	£'000
Profit before taxation	19,629	20,510
Notional tax charge at UK corporation tax rate of 22.0% (2013: 23.5%)	4,318	4,820
Effects of:		
Items not deductible or not chargeable for tax purposes	(116)	(160)
Gain on disposal of associate not chargeable for tax	–	(163)
Differences in overseas tax rates	139	275
Adjustments in respect of prior years	89	(180)
Total tax expense for the year	4,430	4,592

Factors that may affect future tax charges

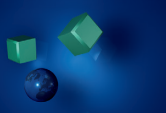
The standard rate of corporation tax in the UK changed from 24.0% to 23.0% with effect from 1 April 2013. Legislation was enacted to reduce the main rate of corporation tax from 23.0% to 21.0% with effect from 1 April 2014.

The main rate will reduce further to 20% (and will become unified with the small companies rate) from 1 April 2015. The reductions in tax rate to 21% and subsequently to 20% were substantively enacted for the purposes of IAS 12, 'Income taxes', on 2 July 2013.

As these rate changes have been substantively enacted at the balance sheet date, their effects have been included in these financial statements.

8 DIVIDENDS TO SHAREHOLDERS

	2014	2014	2013	2013
	pence per share	£'000	pence per share	£'000
Final, paid 21 February 2014 (2013: paid 22 February 2013)	15.75	6,665	13.48	5,704
Interim, paid 25 July 2014 (2013: paid 19 July 2013)	4.90	2,073	4.50	1,904
	20.65	8,738	17.98	7,608



Notes to the Consolidated Financial Statements (continued)

The Directors recommend a final dividend in respect of the financial year ended 30 September 2014 of 18.00 pence per Ordinary share to be paid on 27 February 2015 to shareholders who are on the register at 30 January 2015. This dividend is not reflected in these financial statements as it does not represent a liability at 30 September 2014. The final proposed dividend will reduce shareholders' funds by an estimated £7.6 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:

	2014	2013
Weighted average number of Ordinary shares in issue for basic earnings	42,315,968	42,315,968
Dilutive impact of share options	410,758	23,190
Weighted average number of Ordinary shares for diluted earnings	42,726,726	42,339,158

Adjusted earnings per Ordinary share is also presented to eliminate the effects of amortization of customer relationships, trademarks and share options and in 2013 a gain on sale of an associate. 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:

	2014	2013	2014	2013	2014	2013
	2014	2013	Basic earnings per share	Basic earnings per share	Diluted earnings per share	Diluted earnings per share
	£'000	£'000	pence	pence	pence	pence
Profit for the year	15,199	15,918	35.9	37.6	35.6	37.6
Post tax adjustments						
Amortization of customer relationships, trademarks and technology	1,242	574	3.0	1.4	2.9	1.4
Gain on sale of Associate	—	(547)	—	(1.3)	—	(1.3)
Charges for share based payments	694	370	1.6	0.9	1.6	0.9
Adjusted earnings	17,135	16,315	40.5	38.6	40.1	38.6

10 GOODWILL

		restated
	2014	2013
	£'000	£'000
Cost and net book value		
At 1 October	30,780	14,053
Additions	—	16,800
Exchange adjustments	(268)	(73)
At 30 September	30,512	30,780

In the year management finalised the fair value adjustments relating to the acquisition of inovia in 2013. This has resulted in a £455,000 increase to goodwill. Further details can be seen in note 21.

10 GOODWILL (CONTINUED)

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 being used within the calculations. 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.

Key assumptions for the value in use calculations are as follows:

	Long Term Growth Rate	Discount Rates
Translations UK	2%	11%
Translations Continental Europe	2%	12%
inovia	2%	17%
Information	2%	12%

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 extrapolates the cash flows for 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 Group has conducted a sensitivity analysis on the carrying value of each of the CGUs. For the Translations UK and Information CGUs there are no reasonably possible changes in the key assumptions that could cause the carrying value of the CGUs to exceed their recoverable amounts. For the Continental Europe and inovia CGUs a reduction in growth rates of 56% and 64% respectively would be required to cause the carrying value of goodwill to equal the recoverable amount.

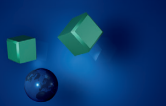
Based on the result of the value in use calculations undertaken, the Directors conclude that the recoverable amount in the CGUs exceeds its carrying value.

The allocation of goodwill to CGUs is as follows:

	2014 £'000	2013 £'000
Translations		
UK	17,751	17,751
Continental Europe	4,143	4,411
	21,894	22,162
inovia	6,837	6,837
Information	1,781	1,781
At 30 September	30,512	30,780

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.



Notes to the Consolidated Financial Statements (continued)

11 INTANGIBLE ASSETS

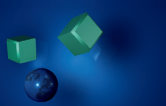
	Technology	Trademarks	Customer relationships	Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2012	—	236	6,324	339	6,899
Additions	2,011	—	4,368	34	6,413
Disposals	—	—	—	(61)	(61)
Currency translation	(37)	12	109	13	97
At 30 September 2013	1,974	248	10,801	325	13,348
Additions	—	—	—	78	78
Disposals	—	—	—	(10)	(10)
Currency translation	—	(16)	(218)	(22)	(256)
At 30 September 2014	1,974	232	10,583	371	13,160
Accumulated amortization and impairment					
At 1 October 2012	—	220	2,187	218	2,625
Amortization charge	—	17	710	72	799
Disposals	—	—	—	(61)	(61)
Currency translation	—	11	70	8	89
At 30 September 2013	—	248	2,967	237	3,452
Amortization charge	385	—	1,187	60	1,632
Disposals	—	—	—	(6)	(6)
Currency translation	10	(16)	(123)	(17)	(146)
At 30 September 2014	395	232	4,031	274	4,932
Net book value					
At 1 October 2012	—	16	4,137	121	4,274
At 30 September 2013	1,974	—	7,834	88	9,896
At 30 September 2014	1,579	—	6,552	97	8,228

Trademarks, Technology and Customer Relationships are amortized over 5 to 10 years and Software over 3 years.

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 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
Currency translation	—	—	(39)	—	(39)
Additions	4,538	62	319	—	4,919
Disposals	—	—	(9)	—	(9)
At 30 September 2014	16,913	581	2,613	79	20,186
Accumulated depreciation					
At 1 October 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
Currency translation	—	—	(27)	—	(27)
Depreciation charge	215	4	378	2	599
Disposals	—	—	(9)	—	(9)
At 30 September 2014	704	330	1,808	34	2,876
Net book value					
At 1 October 2012	12,064	257	913	51	13,285
At 30 September 2013	11,886	193	876	47	13,002
At 30 September 2014	16,209	251	805	45	17,310

The Freehold addition in 2014 includes £4,300,000 of new office space on the Chiltern Park estate for future business expansion.



Notes to the Consolidated Financial Statements (continued)

13 DEFERRED TAX

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

	Share Options	Accelerated tax depreciation	Other temporary differences	Total
	£'000	£'000	£'000	£'000
Deferred tax assets				
At 1 October 2012	–	67	161	228
Credited/(charged) to income	58	(5)	(11)	42
At 30 September 2013	58	62	150	270
Credited/(charged) to income	111	(4)	(24)	83
At 30 September 2014	169	58	126	353

	Accelerated tax depreciation	Intangibles	Total
	£'000	£'000	£'000
Deferred tax liabilities			
At 1 October 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
Charged/(credited) to income	18	(330)	(312)
Credited to equity	–	(7)	(7)
At 30 September 2014	312	1,712	2,024

	2014	2013
	£'000	£'000
Deferred tax assets	353	270
Deferred tax liabilities	(2,024)	(2,343)
Net deferred tax balance at 30 September	(1,671)	(2,073)

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.

14 TRADE AND OTHER RECEIVABLES

	2014	2013
	£'000	£'000
Trade receivables	13,792	13,523
Less: allowance for doubtful debts	(144)	(156)
	13,648	13,367
Other receivables	131	222
Prepayments and accrued income	2,606	2,985
	16,385	16,574

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:

	2014	2013
	£'000	£'000
Sterling	2,555	2,423
Euros	6,311	5,907
Japanese Yen	444	562
US Dollars	3,656	4,110
Swiss Francs	504	351
Other	178	14
	13,648	13,367

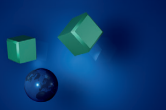
The ageing of trade receivables at the reporting date was:

	2014	2013
	£'000	£'000
Not past due	9,191	8,390
Past due 1-30 days	3,268	3,657
Past due 31-60 days	805	935
Past due 61-90 days	288	311
Past due > 90 days	96	74
	13,648	13,367

Movement in allowance for doubtful debts:

	2014	2013
	£'000	£'000
At 1 October	156	161
Utilised	(23)	(14)
Charged	11	9
At 30 September	144	156

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.



Notes to the Consolidated Financial Statements (continued)

15 TRADE AND OTHER PAYABLES

	2014	2013
	£'000	£'000
Due in less than one year		
Trade payables	5,771	4,944
Other tax and social security payable	1,015	969
Other creditors	590	737
Accruals and deferred income	4,901	4,862
	12,277	11,512

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

	2014	2013
	£'000	£'000
Due in more than one year		
Rental deposits	30	–

This long term creditor relates to rental deposits received in relation to the leasing of a portion of the newly acquired property, Randall House.

16 PROVISIONS

	2014	2013
	£'000	£'000
Due in less than one year		
At 1 October	740	336
Charged to the income statement	–	404
Utilised	(55)	–
Released	(281)	–
Transferred from provisions due in more than one year	76	–
At 30 September	480	740

Of the above provision, £404,000 relates to a claim made by a third party for the cost of work performed during the sale of inovia to RWS in September 2013. This is the full value of the claim, which is expected to be determined by arbitration in the first half of 2015.

	2014	2013
	£'000	£'000
Due in more than one year		
At 1 October	530	530
Utilised	(76)	(75)
Charged to the income statement	–	75
Transferred to provisions due in less than one year	(76)	–
At 30 September	378	530

This long term provision relates solely to monthly ongoing future pension payments to a third party and will continue for the remainder of the recipients life.

17 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.

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

	Carrying value	Carrying value
	2014	2013
	£'000	£'000
Financial assets		
Trade and other receivables – current	15,246	15,303
Foreign exchange derivatives	554	566
Cash and cash equivalents	22,479	18,305
	38,279	34,174
Financial liabilities		
Trade and other payables – current	8,486	7,655
	8,486	7,655

Trade and other receivables – current includes accrued revenue of £1,598,000 (30 September 2013: £1,936,000).

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 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.

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.

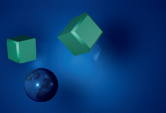
The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

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%.



Notes to the Consolidated Financial Statements (continued)

The currency profiles of the Group's cash and cash equivalents at 30 September 2014 are set out below.

	Floating rate 2014	Floating rate 2013
	£'000	£'000
Assets – Cash and cash equivalents		
Sterling	9,607	11,645
US Dollar	4,324	3,317
Euros	6,175	2,144
Yen	961	597
Swiss Francs	1,206	585
Other	206	17
	22,479	18,305

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.

The Directors believe that a change of 1% represents a reasonable sensitivity of the Group's interest rate risk. The analysis assumes that all other variables remain constant.

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, and also with an additional two institutions carrying an A and A- rating.

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 7% (2013: 6%) of group revenues 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 51% (2013: 50%) of group external sales in the reporting period were denominated in Euros and 20% in US dollars (2013: 17%) 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 Investec at a level that enables it to manage most of its Euro and US dollar 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.

17 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Assets and liabilities of Group entities located in Germany, Switzerland, the United States, Japan and China 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 2014	Liabilities 2013	Assets 2014	Assets 2013
	£'000	£'000	£'000	£'000
Euros	2,052	942	11,046	6,429
US Dollars	185	186	5,345	2,997
Swiss Francs	–	–	1,277	577
Yen	408	–	21	457
Other	59	59	92	121
	2,704	1,187	17,781	10,581

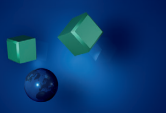
Foreign currency sensitivity analysis

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	
	2014	2013
	£'000	£'000
Euros	818	499
US Dollars	469	256
Swiss Francs	116	52
Yen	(35)	42
	1,368	849

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 2014 was £554,000 which was confirmed to the valuation provided by Barclays Bank plc and Investec respectively.



Notes to the Consolidated Financial Statements (continued)

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

	2014	2013
	£'000	£'000
Forward foreign currency exchange contracts	554	566

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

	2014	2013
	£'000	£'000
Up to 3 months	186	139
3 to 6 months	105	137
6 to 12 months	263	290
	554	566

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.

Following dividend payments of £8,738,000, closing reserves are £78,434,000 and there is no external debt finance.

The Group is not subject to externally imposed capital requirements.

18 SHARE CAPITAL

	2014	2014	2013	2013
	Number	£'000	Number	£'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

19 SHARE BASED PAYMENT

On 6 April 2013 the Company adopted a new share option scheme for senior 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 3 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		Lapse Date
					approved options	unapproved options	
	32,501	1,660,141	6.46	3 April 2013	3 April 2016	3 April 2015	3 April 2021

A charge of £878,000 (2013: £468,000) 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
Option value	1.31	1.11

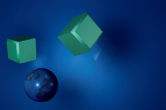
Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 years.

20 CASH AND CASH EQUIVALENTS

	2014	2013
	£'000	£'000
Cash at bank and in hand	12,990	14,255
Short-term deposits	9,489	4,050
	22,479	18,305

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.



Notes to the Consolidated Financial Statements (continued)

21 ACQUISITIONS

inovia Holdings Pty Limited

On 17 September 2013 the Group acquired the remaining two thirds share of inovia Holdings Pty Limited. The fair values disclosed at 30 September 2013 were provisional. These have now been finalised and the balance sheet at 30 September 2013 restated.

The adjustments shown below have been reflected in the 2013 balance sheet and all relevant notes.

The net assets acquired were:

	Original Book value	Estimated Fair value adjustments at 30 Sep 2013	Estimated Fair value at 30 Sep 2013	Measurement period adjustments	Revised Fair value at 30 Sep 2013
	£'000	£'000	£'000	£'000	£'000
Net assets acquired:					
Property, plant and equipment	7	–	7	–	7
Intellectual property	1,025	(1,025)	–	–	–
Intangible asset – customer relationships	–	2,975	2,975	–	2,975
Intangible asset – technology based	–	2,011	2,011	–	2,011
Trade and other receivables	1,594	49	1,643	(96)	1,547
Cash and cash equivalents	1,971	–	1,971	94	2,065
Trade and other payables	(2,849)	–	(2,849)	(373)	(3,222)
Provisions	–	–	–	(404)	(404)
Deferred tax liabilities	–	(1,047)	(1,047)	–	(1,047)
	1,748	2,963	4,711	(779)	3,932
Goodwill on acquisition			15,106		15,561
Total consideration			19,817		19,493
Satisfied by:					
Cash			14,871		14,871
Deferred consideration			180		(144)
Fair value of 33% associate			4,766		4,766
			19,817		19,493

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.

Goodwill arising from the acquisition of inovia has been allocated to both the inovia and the UK Translations CGU. The allocation is based on management's assessment of the relative future benefits to each CGU arising from the acquisition.

22 RELATED PARTY TRANSACTIONS

During the year in the normal course of business, RWS provided translation services worth £113,000 (2013: £81,000) to entities within the Learning Technologies Group plc and Andrew Brode has an interest in this Company. An amount of £2,000 due from Learning Technologies Group plc at 30 September 2014 was discharged in October 2014 (2013: £9,000).

23 COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments contracted for but not provided for in the financial statements (2013: £nil).

24 OPERATING LEASE COMMITMENTS

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.

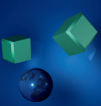
	2014	2013
	£'000	£'000
At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:		
Within one year	771	806
In the second to fifth years inclusive	861	1,117
After five years	478	29
	2,110	1,952

25 EVENTS SINCE THE REPORTING DATE

No significant events have occurred between the balance sheet date and the date of authorisation of these financial statements.



2014 PARENT COMPANY FINANCIAL STATEMENTS



Parent Company Financial Statements

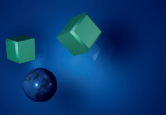
The following parent entity financial statements are prepared under UK GAAP and relate to the Company and not to the Group. The statement of accounting policies which have been applied to these accounts can be found on pages 51 and 52.

Company Balance Sheet at 30 September

Registered Company 3002645		2014	2013
	Note	£'000	£'000
Fixed assets			
Investments	4	14,871	13,993
		14,871	13,993
Current assets			
Debtors	5	5,984	4,013
Cash at bank and in hand		6,535	10,040
		12,519	14,053
Creditors: amounts falling due within one year	6	145	246
Net current assets		12,374	13,807
Total assets less current liabilities		27,245	27,800
Capital and reserves			
Share capital	7	2,116	2,116
Share premium account	8	3,583	3,583
Share option reserve	8	1,346	468
Capital reserve	8	2,030	2,030
Profit and loss account	8	18,170	19,603
Total shareholders' funds	8	27,245	27,800

The financial statements on pages 50 to 55 were approved by the Board of Directors and authorised for issue on 8 December 2014 and were signed on its behalf by:

Andrew Brode
Director



Notes to the Parent Company Financial Statements

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.

Going concern

The Directors believe that preparing these financial statements on the going concern basis is appropriate based on cash flow projections for the foreseeable future.

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.

Cash flow statement

The cash flows of the Company are included in the consolidated cash flow statement of RWS Holdings plc which is included in this annual report. Consequently, the Company is exempt under the terms of FRS1 (revised) from publishing a cash flow statement.

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 19 of the consolidated financial statements.

1 ACCOUNTING POLICIES (CONTINUED)

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 2014 under UK GAAP was £7,305,000 (2013: £7,064,000).

Audit fees payable in relation to the audit of the financial statements of the Company are £50,000 (2013: £53,000). Fees paid to PwC 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 (2013: 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:

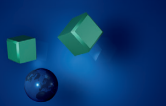
	2014	2013
	£'000	£'000
Directors' emoluments	952	965
Pension costs — paid to the Director's personal pension scheme	31	39
	983	1,004

During the year the Company had 6 (2013: 7) Directors, including three Non-Executive Directors, providing services to the Group. During the year 3 Directors (2013: 4) received contributions to their personal pension schemes.

Emoluments of the highest paid Director:

	2014	2013
	£'000	£'000
Emoluments	339	322
Pension costs — paid to the Director's personal pension scheme	9	8
	348	330

Details of Directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 14 to 16.



Notes to the Parent Company Financial Statements (continued)

4 INVESTMENTS

	2014	2013
	£'000	£'000
Cost and net book value at beginning of year	13,993	13,525
Additions – capital contributions	878	468
Cost and net book value at beginning and end of year	14,871	13,993

The Directors consider that the value of the company's fixed asset investments, which are listed below, is supported by their underlying assets.

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. Ltd	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 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

	2014	2013
	£'000	£'000
Amounts owed by Group undertakings	5,942	3,542
Deferred tax	–	396
Other debtors	14	18
Prepayments	28	57
Amounts due within one year	5,984	4,013

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

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Trade Creditors	6	9
Amounts owed to group undertakings	36	75
Accruals	103	162
	145	246

7 SHARE CAPITAL

	2014	2014	2013	2013
	Number	£'000	Number	£'000
Authorised				
Ordinary shares of 5 pence (2013: 5 pence) each	100,000,000	5,000	100,000,000	5,000
Allotted, called up and fully paid				
Ordinary shares of 5 pence (2013: 5 pence) each				
At beginning and end of the year	42,315,968	2,116	42,315,968	2,116

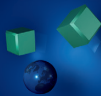
8 SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital	Share premium account	Share based payment reserve	Capital reserve	Profit & loss account	Total Shareholders' funds
	£'000	£'000	£'000	£'000	£'000	£'000
At beginning of year	2,116	3,583	468	2,030	19,603	27,800
Credit arising on share based payment charges	—	—	878	—	—	878
Dividends	—	—	—	—	(8,738)	(8,738)
Profit for the year	—	—	—	—	7,305	7,305
At end of year	2,116	3,583	1,346	2,030	18,170	27,245

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

	2014	2013
	£'000	£'000
Opening shareholders' funds	27,800	27,876
Profit for the year	7,305	7,064
Share Options	878	468
Dividends paid	(8,738)	(7,608)
Shareholders' funds at end of year	27,245	27,800



Notes to the Parent Company Financial Statements (continued)

10 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

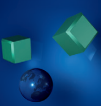
In respect of overdraft facilities, the Company, together with certain subsidiary undertakings, has given to the Group's principal bankers cross-guarantees secured by fixed and floating charges over the assets of the Group. At the end of the year liabilities covered by these guarantees totalled £nil (2013: £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 2014 that require disclosure.



Shareholder information

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Tel: +44 (0)20 3128 8100

Nominated adviser and broker

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London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT
Tel: +44 (0)20 7260 1000

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: 087 1664 0300
(calls cost 10p per minute plus network extras,
lines are open 8.30am–5.30pm Mon–Fri)
from outside the UK: +44 (0)20 8639 3399
Email: ssd@capita.co.uk

Independent Auditors

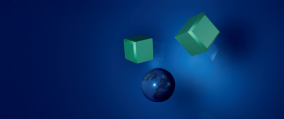
PricewaterhouseCoopers LLP
Embankment Place
London WC2N 6RH

Solicitors

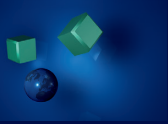
Olswang
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Principal bankers

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