2008

Interim Report

RWS Holdings plc

RWS GROUP

THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE

RWS GROUP

www.rws.com

Contents

The Group has achieved record results for the six months to 31 March 2008, which reflect strong organic performances across most of the Group's activities enhanced, towards the end of the reporting period, by the acquisition of DSC on 11 February.

This is the first set of financial statements produced under IFRS rules with comparisons against restated 2007 full year and interim results.

Business Overview

RWS is Europe's leading provider of intellectual property support services and high level technical, legal and financial translation services. Its main business – patent translations – is the largest operation of its kind in Europe, translating over 50,000 patents and intellectual property related documents each year. It addresses a blue chip multinational client base from Europe, North America and Japan, active in patent filing in the medical, pharmaceutical, chemical, aerospace, defence, automotive and telecoms industries, as well as patent agents acting on behalf of such clients. The Group has two principal business activities: Translations, which accounts for well over 90% of sales and incorporates patent, commercial and technical translation services and Information, which includes a comprehensive range of patent search, retrieval and monitoring services as well as PatBase, the largest searchable commercial patent database, available as a subscription service.

Strategy

Our strategy is focused upon organic growth complemented by deploying our substantial cash holdings for selective acquisitions providing they can be demonstrated to enhance shareholder value. Organic growth is driven by the increasing numbers of patent applications worldwide, the growing demand for language services and our ability to enhance our market share by exploiting our leading position and reputation in an otherwise fragmented sector.

In terms of acquisitive growth, having been pleased with the return on acquisitions made to date, we have upgraded the search for suitable potential acquisitions in the high level technical translation and intellectual property support services spaces.

Results and Financial Review

Sales for the six months ended 31 March 2008 grew by 19.3% to £26.9m (2007: £22.6m) driven by good growth across most of our business areas. Profit before tax and amortization of intangibles rose by 25.9% to £6.8m (2007: £5.4m) – the higher rate of growth in profitability was achieved through margin improvement, and increased productivity, enhanced by favourable currency movements.

Normalised earnings per share were up by 29.4% to 13.2p (2007: 10.2p) on an increased number of shares in issue following the exercise of employee options and a consequently lower tax rate. This lower tax rate is likely to be charged for the year as a whole, but is expected to return to the standard rate in RWS' next financial year.

RWS' strong financial position has improved further. At 31 March 2008 shareholders' funds stood at £30.9m, of which net cash represented £17.9m. The Group's excellent cash position has been achieved despite a net cash outlay of £5.8m in respect of the acquisition of DSC and the 2006/07 final dividend of £2.6m, which was paid in February 2008. Free cash flow advanced substantially to £5.3m (2007: £3.2m). Capital expenditure of £120,000 was again extremely modest. The net working capital increase required to fund the growth in revenues was £0.6m.

Currencies moved in our favour in the period. Business is principally transacted in Euros, with rather less exposure in Yen, US$ and Swiss Francs. As a result of a foreign exchange hedging operation concluded in Spring 2007 we were obliged to sell much of our net Euro receipts during this half year at just above 69 pence to the Euro. This arrangement expired on 31 March 2008 and new hedging arrangements for the remainder of the financial year will now allow us to benefit fully from the significant appreciation of the Euro versus Sterling.

Dividend

The Directors have approved an interim dividend of 2.5 pence per share, an increase of 16.3% over the 2007 interim dividend of 2.15 pence per share. The dividend will be paid on 18 July to shareholders on the register on 20 June 2008. In line with our progressive dividend policy, we expect the total dividend for the year to continue to advance in line with the Group's growth for the year as a whole.

Operating Review

Translations

The patent translations business, which accounts for almost 80% of Group revenues, demonstrated its defensive qualities through further sales growth during the period. This growth was a result of the combination of steadily increasing numbers of patent grants and new client wins, with RWS' high quality and competitive "translate and file" service continuing to be particularly attractive to multinational corporates seeking comprehensive geographical patent protection. Having replicated our successful European model in Japan, where sales continue to advance, we are now developing this service on a global scale.

Our commercial translation services (which includes medical, legal, financial and other technical translation work) have all performed well in a competitive market. We announced, on 11 February 2008, the acquisition of Document Service Center (DSC), a Berlin-based provider of technical translations to a cross-section of German and Swiss corporates. The integration of DSC into our existing Berlin translation activities is proceeding to plan and, given the favourable acquisition price paid for DSC, we are confident DSC will be earnings enhancing in the current financial year.

We have continued to achieve high and improving levels of staff productivity in our translations business and intend to support further productivity improvements through investment in new technology including an information management system which facilitates more efficient text searches.

Information

The Information services business accounts for less than 10% of sales but disproportionately higher profit. The core activities of patent search and watch services achieved modest growth and sustained the prior year margin improvement.

The PatBase subscription database service continues to attract worldwide subscriber interest and we have made further investments in its coverage and searchability, which will support continued growth. PatBase revenues grew by 56% in the period and, with the continued benefit of operational gearing, it has become a meaningful contributor to overall profit.

People

The success of RWS derives from the quality of its staff and the services they deliver. As at 31 March 2008 the Group employed 425 people, up from 366 a year ago, following the acquisition of DSC. Overall headcount has not increased as quickly as sales as a reflection of continued improvements in productivity. Recruitment and retention of the right calibre of staff remains a key challenge for the business.

Current Trading and Outlook

We have continued to see strong trading in the opening weeks of the second half and 1 May 2008 saw the implementation of the London Agreement. Overall, we expect the second half to benefit fully from the recent acquisition of DSC, which is performing well, as well as the new translation clients and PatBase subscribers won in the first half.

As the economic climate becomes more challenging, our strong financial position and market leadership places us well to continue to grow our share of the highly defensive intellectual property translation and services market. We, therefore, look to the second half of the year with confidence.

Andrew Brode
Executive Chairman
30 May 2008

Consolidated Income Statement
for the six months ended 31 March 2008

	Note	Unaudited 6 months ended 31 March 2008 £'000	Restated audited Year ended 30 Sept. 2007 £'000	Restated unaudited 6 months ended 31 March 2007 £'000
Revenue		**26,992**	46,208	22,627
Cost of sales		**(16,264)**	(26,920)	(13,150)
Gross profit		**10,728**	19,288	9,477
Other operating income		**–**	5	–
Administrative expenses		**(4,525)**	(9,087)	(4,414)
Operating profit		**6,203**	10,206	5,063
Analysed as:				
Operating profit before amortization of customer relationships and trademarks		**6,313**	10,222	5,063
Amortization of customer relationships and trademarks		**(110)**	(16)	–
Operating profit		**6,203**	10,206	5,063
Finance income		**500**	765	347
Finance expense		**(1)**	(7)	(5)
Profit before taxation		**6,702**	10,964	5,405
Taxation		**(1,467)**	(2,563)	(1,377)
Profit for the period		**5,235**	8,401	4,028
Attributable to:				
Equity holders of the parent	8	**5,235**	8,401	4,028
Basic earnings per 5 pence Ordinary share (pence per share)		**13.0**	21.1	10.2
Diluted earnings per 5 pence Ordinary share (pence per share)		**12.4**	20.0	9.6

Consolidated Statement of Recognised Income and Expense
for the six months ended 31 March 2008

	Unaudited 6 months ended 31 March 2008 £'000	Restated audited Year ended 30 Sept. 2007 £'000	Restated unaudited 6 months ended 31 March 2007 £'000
Profit for the period	**5,235**	8,401	4,028
Foreign exchange adjustments on consolidation	**350**	15	(26)
Total recognised income and expense for the period	**5,585**	8,416	4,002
Attributable to:			
Equity holders of the parent	**5,585**	8,416	4,002

Consolidated Balance Sheet
31 March 2008

	Note	Unaudited 6 months ended 31 March 2008 £'000	Restated audited Year ended 30 Sept, 2007 £'000	Restated unaudited 6 months ended 31 March 2007 £'000
Non-current assets				
Property, plant and equipment		**792**	729	776
Intangible assets		**14,631**	7,675	6,453
Deferred tax asset		**207**	224	193
Total non-current assets		**15,630**	8,628	7,422
Current assets				
Trade and other receivables		**12,243**	10,642	10,222
Cash and cash equivalents	6	**17,898**	22,144	18,406
Total current assets		**30,141**	32,786	28,628
Total assets		**45,771**	41,414	36,050
Current liabilities				
Bank overdraft		**13**	1,755	426
Trade and other payables		**7,307**	5,382	5,602
Income tax payable	7	**6,080**	6,308	5,792
Derivative financial instruments		**11**	63	51
Total current liabilities	7	**13,411**	13,508	11,871
Non-current liabilities				
Deferred tax liabilities		**1,456**	133	–
Total non-current liabilities		**1,456**	133	–
Net assets		**30,904**	27,773	24,179
Equity				
Share capital		**2,052**	2,016	2,006
Share premium account		**3,123**	2,992	2,955
Capital reserve		**1,124**	474	292
Share option reserve		**906**	1,556	1,738
Reverse acquisition reserve		**(8,483)**	(8,483)	(8,483)
Foreign currency reserve		**365**	15	(26)
Retained earnings		**31,807**	29,193	25,687
Equity attributable to equity holders of the parent		**30,894**	27,763	24,169
Minority equity interest		**10**	10	10
Total equity	8	**30,904**	27,773	24,179

Consolidated Cash Flow Statement
for the six months ended 31 March 2008

	Note	Unaudited 6 months ended 31 March 2008 £'000	Restated audited Year ended 30 Sept. 2007 £'000	Restated unaudited 6 months ended 31 March 2007 £'000
Cash flow from operating activities				
Profit for the period		**5,235**	8,401	4,028
Adjustments for:				
Taxation		**1,467**	2,563	1,377
Depreciation of property, plant and equipment		**154**	316	153
Amortization of intangible assets		**110**	16	–
Finance income		**(500)**	(765)	(347)
Finance expense		**1**	7	5
Gain on sale of property, plant and equipment		**–**	(5)	–
Other non cash movements		**(147)**	(26)	(7)
Operating cash flow before movements in working capital		**6,320**	10,507	5,209
Increase in trade and other receivables		**(945)**	(1,756)	(1,397)
Increase in trade and other payables		**1,523**	71	296
Net cash inflow from operating activities		**6,898**	8,822	4,108
Investing activities				
Interest paid		**(1)**	(7)	(5)
Interest received		**459**	752	347
Income tax paid		**(1,953)**	(1,859)	(1,153)
Acquisition of subsidiary, net of cash acquired	9	**(5,817)**	(1,130)	–
Purchases of property, plant and equipment		**(120)**	(250)	(115)
Sale of property, plant and equipment		**–**	26	–
Net cash used in investing activities		**(7,432)**	(2,468)	(926)
Financing activities				
Proceeds from the issue of share capital		**167**	1,077	1,030
Dividends paid		**(2,621)**	(2,990)	(2,123)
Net cash used in financing activities		**(2,454)**	(1,913)	(1,093)
Net (decrease)/increase in cash and cash equivalents		**(2,988)**	4,441	2,089
Cash and cash equivalents at beginning of the period		**20,389**	15,912	15,912
Exchange gains/(losses) on cash and cash equivalents		**484**	36	(21)
Cash and cash equivalents at end of the period		**17,885**	20,389	17,980

Free cash flow

Analysis of free cash flow			
Net cash generated from operating activities	**6,898**	8,822	4,108
Net interest received	**458**	745	342
Income tax paid	**(1,953)**	(1,859)	(1,153)
Purchases of property, plant and equipment	**(120)**	(250)	(115)
Sale of property, plant and equipment	**–**	26	–
Free cash flow	**5,283**	7,484	3,182

1 Accounting policies

Basis of preparation

The interim financial statements were approved by the Board of Directors on 30 May 2008 and the interim results for the half years ended 31 March 2008 and 31 March 2007 are neither audited nor reviewed by our auditors. The accounts in this interim report do not constitute statutory accounts in accordance with Section 240 of the Companies Act 1985. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2007. The Group's statutory accounts for the year ended 30th September 2007 have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

The financial information presented in this document has been prepared on the basis of the IFRS in issue that are either endorsed by the EU and effective at 30 September 2008 or are expected to be endorsed before the financial statements are approved and authorised for issue. Based on these adopted and unadopted IFRS, the directors have made assumptions about the accounting policies expected to be applied when the first annual IFRS statements are prepared for the year ended 30 September 2008. In addition, the adopted IFRS that will be effective in the annual financial statements for the year ended 30 September 2008 are still subject to change and to additional interpretations and therefore can not be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements for the Group are prepared for the year ended 30 September 2008.

2 Implementation of International Financial Reporting Standards

In implementing the transition to IFRS, the Group has followed the requirements of IFRS 1 'First time adoption of International Financial Reporting Standards', which in general requires IFRS accounting policies to be applied fully retrospectively in deriving the opening balance sheet at the date of transition. IFRS 1 contains certain mandatory exceptions and some optional exemptions to this principal of retrospective application. When the Group has taken advantage of the exemptions they are noted below. The adoption of IFRS represents an accounting change only and does not affect the operations or cash flow of the Group. The principal areas of impact are described below.

(a) On adoption of IFRS 3 'Business combinations' the Group has elected to take the exemption not to apply this retrospectively to business combinations occurring prior to the date of transition. Goodwill arising on such acquisitions has therefore been retained at its UK GAAP carrying value of £6,418,000 at 1 October 2006. Under IFRS 3 this goodwill is subject to impairment reviews and is not amortized, any goodwill previously amortized under UK GAAP has been reversed. In 2007 the amount of amortization reversed was £635,000.

In respect of the acquisition of Japanese Language Services Limited in June 2007, a provisional fair value of £494,000 has been attributed to intangible assets (customer relationships). This amount is being amortized over 10 years.

(b) IAS 12 'Income taxes' has been adopted and resulted in the recognition of deferred tax on temporary differences rather than just timing differences as under UK GAAP deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which tax deductible temporary differences can be utilised. Notably deferred tax has been provided on recognised intangible assets.

(c) As a result of adopting IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' software which is not an integral part of a related item of hardware is now disclosed as an intangible asset, whereas under UK GAAP such software was included in tangible fixed assets. The measurement at the transition date was cost less accumulated depreciation.

(d) IAS 19 'Employee benefits' has been adopted and resulted in the provision for the unused element of employees' holiday entitlement for each reporting period.

(e) On adopting IAS 21 'The effects of changes in foreign currency rates' cumulative exchange differences are deemed to be zero at the date of transition.

(f) The adoption of IAS 32 'Financial instruments' and IAS 39 'Financial instruments recognition and measurement' has resulted in foreign forward exchange contracts being recognised at fair value through the income statement.

Reconciliations to previously presented financial statements are set out in Note 10.

3 **Taxation** – the charge for the 6 months ended 31 March 2008 is at the likely effective tax rate that will be applicable for the whole year. The UK standard rate of 30% is diluted by the effect of the deductible for employee share options exercised.

The Group has estimated capital losses of £20 million available for offset against the capital gain arising on the redemption of loan notes in the year ended 30 September 2004. As the quantum of the capital losses has not been agreed the offset of the capital losses has not been recognised in the current tax charge.

4 Dividends

	6 months ended 31 March 2008 £'000	Year ended 30 Sept. 2007 £'000	6 months ended 31 March 2007 £'000
Ordinary shares			
Interim for the year ended 30 September 2007: 2.15 pence per share (2006: 1.85 pence)	–	867	–
Final dividend for the year ended 30 September 2007: 6.50 pence per share (2006: 5.35 pence)	2,621	2,123	2,123
	2,621	2,990	2,123

An interim dividend of 2.50 pence per Ordinary share will be paid on 18 July 2008 to Shareholders on the register at 20 June 2008. This dividend, which was approved by the Directors after the balance sheet date, has not been recognised in these financial statements as a liability at 31 March 2008.

5 Earnings per Ordinary share

	6 months ended 31 March 2008 Earnings £'000	6 months ended 31 March 2008 EPS Pence	Year ended 30 Sept. 2007 Earnings £'000	Year ended 30 Sept. 2007 EPS Pence	6 months ended 31 March 2007 Earnings £'000	6 months ended 31 March 2007 EPS Pence
Profit attributable to equity holders of the parent for basic earnings per share calculation	5,235	13.0	8,401	21.1	4,028	10.2
Amortization of customer relationships and trademarks (after taxation)	80	0.2	11	–	–	–
Adjusted earnings	5,315	13.2	8,412	21.1	4,028	10.2
Diluted adjusted earnings	5,315	12.6	8,412	20.0	4,028	9.6

5 Earnings per Ordinary share (continued)

	Number of shares 6 months ended 31 March 2008	Number of shares Year ended 30 Sept. 2007	Number of shares 6 months ended 31 March 2007
Diluted earnings per share are based on the group profit for the period and a weighted average of Ordinary shares in issue during the period calculated as follows:			
In issue	**40,394,812**	39,883,725	39,514,905
Dilutive potential Ordinary shares arising from unexercised share options	**1,711,321**	2,108,859	2,310,152
	42,106,133	41,992,584	41,825,057

The weighted average number of Ordinary shares in issue reflects the 726,000 Ordinary shares issued under options exercised during the period. At 31 March 2008 there were unexercised options over a total of 1,270,533 (2007 – 2,199,919) Ordinary shares.

6 Cash and cash equivalents

	6 months ended 31 March 2008 £'000	Year ended 30 Sept. 2007 £'000	6 months ended 31 March 2007 £'000
Cash at bank and in hand	**6,198**	14,644	17,052
Short term deposits	**11,700**	7,500	1,354
Cash and cash equivalents	**17,898**	22,144	18,406
Bank overdrafts (secured)	**13**	1,755	426
Cash and cash equivalents in the cash flow statement	**17,885**	20,389	17,980

Short term deposits have original maturity of three months or less.

7 Current liabilities include income tax payable of £6,080,000 (31 March 2007 – £5,792,000). The income tax amount includes £4,434,000 being the liability on the gain arising on the redemption of loan notes in the year ended 30 September 2004.

8 Statement of changes in equity

	6 months ended 31 March 2008 £'000	Year ended 30 Sept. 2007 £'000	6 months ended 31 March 2007 £'000
Total equity at 1 October	**27,773**	21,270	21,270
Profit for the period	**5,235**	8,401	4,028
Dividends (Note 4)	**(2,621)**	(2,990)	(2,123)
Foreign exchange adjustments on consolidation	**350**	15	(26)
Shares issued in respect of options exercised	**167**	1,077	1,030
Total equity at the end of the period	**30,904**	27,773	24,179

9 Acquisition

On 11 February 2008, the Group acquired the whole of the issued share capital of Document Service Center Technische Ubersetzungen und Software-Lokalisierung GmbH, whose principal activity is the provision of technical translations to a cross-section of German and Swiss corporates, for a cash consideration of €9,303,000 (£6,944,000).

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

	Book value £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
Net assets acquired:			
Property, plant and equipment	83	–	83
Intangible assets – customer relationships	–	4,520	4,520
Intangible assets – trademarks	–	315	315
Trade and other receivables	593	–	593
Cash and cash equivalents	1,127	–	1,127
Trade and other payables	(349)	–	(349)
Current tax liabilities	(243)	–	(243)
Deferred tax liabilities	–	(1,354)	(1,354)
	1,211	3,481	4,692
Goodwill			2,252
Total consideration			6,944
Satisfied by:			
Cash			6,866
Directly attributable costs: legal and professional fees			78
Total consideration			6,944
Cash flow:			
Total consideration			6,944
Cash and cash equivalents included in undertaking acquired			(1,127)
Net cash consideration in cash flow statement			5,817

The intangible assets acquired are to be amortized over their estimated useful lives, which is 5 years for trademarks and 10 years for customer relationships.

10 IFRS restatements

Reconciliation of Consolidated Income Statement

for the year ended 30 September 2007

	Previously reported under UK GAAP	(a) IFRS 3 Business combinations	(b) IAS 12 Deferred tax	(d) IAS 19 Employee benefits	(f) IAS 39 Financial instruments	Restated under IFRS
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	46,208	–	–	–	–	46,208
Cost of sales	(26,920)	–	–	–	–	(26,920)
Gross profit	19,288	–	–	–	–	19,288
Other operating income	5	–	–	–	–	5
Administrative expenses	(9,635)	619	–	(8)	(63)	(9,087)
Operating profit	9,658	619	–	(8)	(63)	10,206
Finance income	765	–	–	–	–	765
Finance expense	(7)	–	–	–	–	(7)
Profit before taxation	10,416	619	–	(8)	(63)	10,964
Taxation	(2,634)	–	71	–	–	(2,563)
Profit for the year	7,782	619	71	(8)	(63)	8,401
Attributable to:						
Equity holders of the parent	7,782	619	71	(8)	(63)	8,401
Basic earnings per 5 pence						
Ordinary share (pence per share)	19.5					21.1
Diluted earnings per 5 pence						
Ordinary share (pence per share)	18.5					20.0

The description of each of the above IFRS adjustments are explained in Note 2.

10 IFRS restatements (continued)

Reconciliation of Consolidated Income Statement

for the six months ended 31 March 2007

	Previously reported under UK GAAP	(a) IFRS 3 Business combinations	(b) IAS 12 Deferred tax	(d) IAS 19 Employee benefits	(f) IAS 39 Financial instruments	Restated under IFRS
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	22,627	–	–	–	–	22,627
Cost of sales	(13,150)	–	–	–	–	(13,150)
Gross profit	9,477	–	–	–	–	9,477
Administrative expenses	(4,680)	309	–	8	(51)	(4,414)
Operating profit	4,797	309	–	8	(51)	5,063
Finance income	347	–	–	–	–	347
Finance expense	(5)	–	–	–	–	(5)
Profit before taxation	5,139	309	–	8	(51)	5,405
Taxation	(1,412)	–	35	–	–	(1,377)
Profit for the period	3,727	309	35	8	(51)	4,028
Attributable to:						
Equity holders of the parent	3,727	309	35	8	(51)	4,028
Basic earnings per 5 pence						
Ordinary share (pence per share)	9.3					10.2
Diluted earnings per 5 pence						
Ordinary share (pence per share)	8.9					9.6

The description of each of the above IFRS adjustments are explained in Note 2.

10 IFRS restatements (continued)

Reconciliation of Consolidated Balance Sheet

at 30 September 2007

	Previously reported under UK GAAP £'000	(a) IFRS 3 Business combinations £'000	(b) IAS 12 Deferred tax £'000	(c) IAS 38 Intangibles - computer software £'000	(d) IAS 19 Employee benefits £'000	(e) IAS 21 Changes in foreign currency rates £'000	(f) IAS 39 Financial instruments £'000	Restated under IFRS £'000
Non-current assets								
Property, plant and equipment	749	–	–	(20)	–	–	–	729
Intangible assets	6,865	619	138	53	–	–	–	7,675
Deferred tax asset	–	–	224	–	–	–	–	224
Total non-current assets	7,614	619	362	33	–	–	–	8,628
Current assets								
Trade and other receivables	10,675	–	–	(33)	–	–	–	10,642
Cash and cash equivalents	22,144	–	–	–	–	–	–	22,144
Total current assets	32,819	–	–	(33)	–	–	–	32,786
Total assets	40,433	619	362	–	–	–	–	41,414
Current liabilities								
Bank overdraft	1,755	–	–	–	–	–	–	1,755
Trade and other payables	5,247	–	–	–	135	–	–	5,382
Income tax payable	6,308	–	–	–	–	–	–	6,308
Derivative financial instruments	–	–	–	–	–	–	63	63
Total current liabilities	13,310	–	–	–	135	–	63	13,508
Non-current liabilities								
Deferred tax liabilities	–	–	133	–	–	–	–	133
Total non-current liabilities	–	–	133	–	–	–	–	133
Net assets	27,123	619	229	–	(135)	–	(63)	27,773
Equity								
Share capital	2,016	–	–	–	–	–	–	2,016
Share premium account	2,992	–	–	–	–	–	–	2,992
Capital reserve	474	–	–	–	–	–	–	474
Share option reserve	1,556	–	–	–	–	–	–	1,556
Reverse acquisition reserve	(8,483)	–	–	–	–	–	–	(8,483)
Foreign currency reserve	–	–	–	–	–	15	–	15
Retained earnings	28,558	619	229	–	(135)	(15)	(63)	29,193
Equity attributable to equity holders of the parent	27,113	619	229	–	(135)	–	(63)	27,763
Minority equity interest	10	–	–	–	–	–	–	10
Total equity	27,123	619	229	–	(135)	–	(63)	27,773

The description of each of the above IFRS adjustments are explained in Note 2.

10 IFRS restatements (continued)

Reconciliation of Consolidated Balance Sheet

at 31 March 2007

	Previously reported under UK GAAP £'000	(a) IFRS 3 Business combinations £'000	(b) IAS 12 Deferred tax £'000	(c) IAS 38 Intangibles - computer software £'000	(d) IAS 19 Employee benefits £'000	(e) IAS 21 Changes in foreign currency rates £'000	(f) IAS 39 Financial instruments £'000	Restated under IFRS £'000
Non-current assets								
Property, plant and equipment	798	–	–	(22)	–	–	–	776
Intangible assets	6,109	309	–	35	–	–	–	6,453
Deferred tax asset	–	–	193	–	–	–	–	193
Total non-current assets	6,907	309	193	13	–	–	–	7,422
Current assets								
Trade and other receivables	10,235	–	–	(13)	–	–	–	10,222
Cash and cash equivalents	18,406	–	–	–	–	–	–	18,406
Total current assets	28,641	–	–	(13)	–	–	–	28,628
Total assets	35,548	309	193	–	–	–	–	36,050
Current liabilities								
Bank overdraft	426	–	–	–	–	–	–	426
Trade and other payables	5,483	–	–	–	119	–	–	5,602
Income tax payable	5,792	–	–	–	–	–	–	5,792
Derivative financial instruments	–	–	–	–	–	–	51	51
Total current liabilities	11,701	–	–	–	119	–	51	11,871
Non-current liabilities								
Deferred tax liabilities	–	–	–	–	–	–	–	–
Total non-current liabilities	–	–	–	–	–	–	–	–
Net assets	23,847	309	193	–	(119)	–	(51)	24,179
Equity								
Share capital	2,006	–	–	–	–	–	–	2,006
Share premium account	2,955	–	–	–	–	–	–	2,955
Capital reserve	292	–	–	–	–	–	–	292
Share option reserve	1,738	–	–	–	–	–	–	1,738
Reverse acquisition reserve	(8,483)	–	–	–	–	–	–	(8,483)
Foreign currency reserve	–	–	–	–	–	(26)	–	(26)
Retained earnings	25,329	309	193	–	(119)	26	(51)	25,687
Equity attributable to equity holders of the parent	23,837	309	193	–	(119)	–	(51)	24,169
Minority equity interest	10	–	–	–	–	–	–	10
Total equity	23,847	309	193	–	(119)	–	(51)	24,179

The description of each of the above IFRS adjustments are explained in Note 2.

10 IFRS restatements (continued)

Reconciliation of Consolidated Balance Sheet

at 1 October 2006

	Previously reported under UK GAAP £'000	(b) IAS 12 Deferred tax £'000	(c) IAS 38 Intangibles - computer software £'000	(d) IAS 19 Employee benefits £'000	Restated under IFRS £'000
Non-current assets					
Property, plant and equipment	836	–	(25)	–	811
Intangible assets	6,418	–	52	–	6,470
Deferred tax asset	–	158	–	–	158
Total non-current assets	7,254	158	27	–	7,439
Current assets					
Trade and other receivables	8,839	–	(27)	–	8,812
Cash and cash equivalents	16,139	–	–	–	16,139
Total current assets	24,978	–	(27)	–	24,951
Total assets	32,232	158	–	–	32,390
Current liabilities					
Bank overdraft	227	–	–	–	227
Trade and other payables	5,233	–	–	127	5,360
Income tax payable	5,533	–	–	–	5,533
Total current liabilities	10,993	–	–	127	11,120
Non-current liabilities					
Deferred tax liabilities	–	–	–	–	–
Total non-current liabilities	–	–	–	–	–
Net assets	21,239	158	–	(127)	21,270
Equity					
Share capital	1,954	–	–	–	1,954
Share premium account	1,977	–	–	–	1,977
Capital reserve	157	–	–	–	157
Share option reserve	1,873	–	–	–	1,873
Reverse acquisition reserve	(8,483)	–	–	–	(8,483)
Retained earnings	23,751	158	–	(127)	23,782
Equity attributable to equity holders of the parent	21,229	158	–	(127)	21,260
Minority equity interest	10	–	–	–	10
Total equity	21,239	158	–	(127)	21,270

The description of each of the above IFRS adjustments are explained in Note 2.

Contact Information

Corporate headquarters
Europa House
Marsham Way
Gerrards Cross
Buckinghamshire
SL9 8BQ
United Kingdom
Tel: +44 (0)1753 480200
Fax:+44 (0)1753 480280

Registered office and registration number
55 Baker Street, London W1U 7EU
No. 3002645

Public relations advisers
Smithfield Consultants Limited
10 Aldersgate Street
London EC1A 4HJ
Tel: +44 (0)20 7360 4900

Nominated Adviser and Broker
Numis Securities Ltd
London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT
Tel: +44 (0)20 7260 1000

Registrars
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: +44 (0)87 0162 3100

Auditors
BDO Stoy Hayward LLP
55 Baker Street
London W1U 7EU

Solicitors
Olswang
90 High Holborn
London WC1V 6XX

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

www.rws.com

RWS Holdings plc · Interim Report 2008