RWS Holdings plc

2024 ANNUAL REPORT

Welcome to our 2024 Annual Report

We have continued to make good progress in the delivery of our medium-term strategy, having returned to growth in the second half of the year on an organic constant currency basis. It is clear that our investments in growth and AI and the efficiency actions that we have taken in line with our strategy are allowing us to successfully pivot towards both AI-led and more specialist solutions, as well as facilitating a more resilient performance.

Contents

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

Group Overview

The RWS Group comprises four operating divisions. Each division carries overall accountability and responsibility for revenue, profit, operations, research and development, as well as sales, marketing and client delivery.

RWS'S FOUR DIVISIONS

LANGUAGE SERVICES

+2.5%
Organic constant currency revenue increase in FY24

The Language Services division provides localisation and related solutions across a wide range of end markets including automotive, chemical, consumer goods, retail, technology, travel and telecommunications.

The range of services includes AI-centred localisation and data services, eLearning, interpreting services and multimedia localisation. The division has three client segments – global technology enterprises (served by the Enterprise Services business unit), major accounts and small and medium enterprises (both served by the Strategic Content Solutions business unit). RWS's technology products, such as Language Weaver® and Trados®, either underpin the division's services solutions (such as Evolve and HAI) or are sold in combination with them. The division provides solutions to support clients at any stage of their globalisation journey.

REGULATED INDUSTRIES

-6.8%
Organic constant currency revenue decline in FY24

The Regulated Industries division provides a range of localisation services for three verticals – life sciences, financial services and the legal sector. Service provision is centred around highly specialised technical translations with a strong emphasis on quality and security, and an increasing adoption of technology. The division's clients include 19 of the world's top 20 pharmaceutical companies, all of the top 10 asset management companies and 18 of the top 20 law firms. In the pharmaceutical and medical device verticals, we work in both the clinical and regulatory phases of therapy development and our services often make a critical contribution to life safety.

LANGUAGE & CONTENT TECHNOLOGY

-0.7%
Organic constant currency revenue decline in FY24

The Language and Content Technology ("L&CT") division offers a range of technology products which deliver translation and content management solutions. A pioneer in machine translation ("MT"), Language Weaver® is a neural MT product, using linguistic AI. With Trados®, RWS offers a suite of translation productivity and management solutions for enterprises, small and medium-sized organisations and professionals. Tridion®, Contenta® and Propylon® are the Group's portfolio of content management products, which offer specialised solutions for multiple end markets, including aerospace and defence, high-tech, law-makers and law-takers, life sciences and manufacturing, alongside a leading XML editor (Fonto). All these products offer clients enterprise grade privacy, security and quality.

IP SERVICES

+3.3%
FY23 to FY24 organic constant currency revenue increase

The IP Services division is one of the world's leading providers of patent translations, filing solutions and Intellectual Property ("IP") search, renewal, recordals and monitoring services. The division delivers highly specialised technical translations to patent applicants and their representatives and counts 19 of the world's top 20 patent filers as its clients.

OPERATING DIVISIONS	LANGUAGE SERVICES		REGULATED INDUSTRIES		LANGUAGE & CONTENT TECHNOLOGY		IP SERVICES	
	• AI-enabled localisation solutions for multiple verticals • Includes data training, multimedia localisation, eLearning and interpreting services		• Highly specialised technical translations, increasingly influenced by technology, for specific verticals: • Life Sciences • Financial Services • Legal Services		• Linguistic AI – neural machine translation • Language technology – translation management and productivity • Content management technology		• Technical translations for clients in multiple end markets • IP lifecycle services including: • Search • Translation • Filing • Monitoring • Recordals • Renewals	
GROUP REVENUE SHARE	FY23: 45%	FY24: **46%**	FY23: 22%	FY24: **20%**	FY23: 19%	FY24: **20%**	FY23: 14%	FY24: **14%**
PRODUCTION PLATFORM	Language e**X**perience Delivery							
SUPPORT FUNCTIONS	Corporate Development • Finance • Human Resources • Information Technology • Legal & Professional Advisory							

LANGUAGE EXPERIENCE DELIVERY

Language eXperience Delivery ("LXD"), RWS's unique production platform, supports all four divisions. The LXD translates the majority of client content from the Language Services and Regulated Industries divisions: 83% (FY23: 63%) and, as part of its transformation programme, began handling volumes from the IP Services division in the first quarter of FY24. The LXD uses RWS's AI-enabled technology products to support operational efficiency and excellence in the delivery of solutions to clients - the Trados Enterprise product is deployed to aid translation productivity and management and Language Weaver AI is routinely used both to analyse client content to enable it to be better assigned to linguists and to pre-translate content before it is post-edited by linguists. Approximately 55% of client content is machine-translated first by Language Weaver, making the LXD an extensive and experienced user of AI.

The LXD also gives clients access to the world's largest linguistic network, which includes over 1,800 in-house translators and in excess of 40,000 freelance specialists. The LXD's linguistic and technical expertise serves as the bedrock for offering uninterrupted services 24/7/365 to clients in over 106 countries. The LXD is now running a common supply chain for the whole Group and, as a result, all three services divisions benefit from volume discounts with our freelance network of language specialists. LXD supply chain team expertise is used to support the sourcing and management of the communities that underpin the delivery of TrainAI and other data services.

SUPPORT FUNCTIONS

Our support functions provide a range of shared services, playing a pivotal role in supporting our four divisions and facilitating the integration of acquisitions while furthering margin development. These functions include Corporate Development, Finance, Human Resources, Information Technology and Legal and Professional Services.

Performance and Financial Highlights

25%
Proportion of revenue by AI

650
Language pairs

3.27bn
Words processed in FY24 by our Language eXperience Delivery platform

9,059	FTE employees at 30 September 2024
1,816	In-house translators
40,000+	Freelance linguists
193	Countries our in-house and network of translators are located across
47	AI-related patents
+48	Client NPS Score
8,000	Number of clients
106	Countries our clients are located across

OUR GEOGRAPHICAL REACH

BASIC EPS
12.8p
+19.9p
2023: (7.1)p

ADJUSTED EPS[2]
21.6p
-7%
2023: 23.3p

ADJUSTED PBT[2]
£106.7m
-11%
2023: £120.1m

PROPOSED FINAL DIVIDEND
10.00p
+2%
2023: 9.80p

NET (DEBT)/CASH[3]
£(12.9)m
-£36.5m
2023: £23.6m

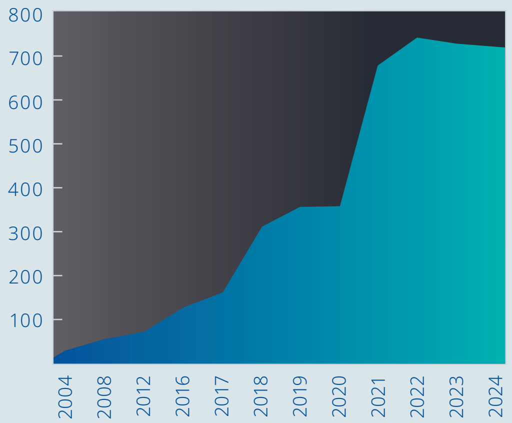
NET DEBT
INCLUDING LEASE LIABILITIES
£(40.1)m
2023: £(9.9)m

REVENUE
£718.2m
-2% (0% OCC[1])
2023: £733.8m

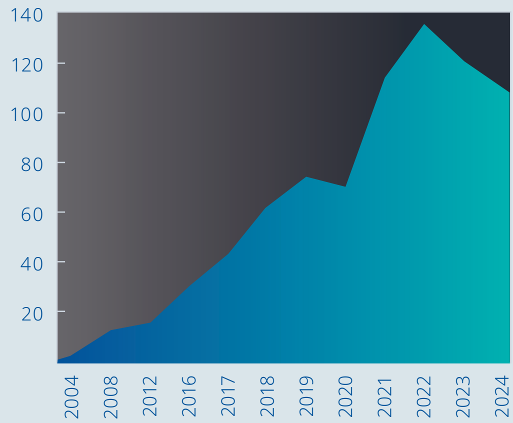
PROFIT BEFORE TAX
£60.0m
2023: £(10.9)m

CASH
£61.5m
-£14.7m
2023: £76.2m

ANNUAL REVENUE (£M)



ANNUAL ADJUSTED PBT (£M)



1 Excluding the impact of acquisitions and assumes constant currency.
2 Adjusted profit before tax or Adjusted PBT – is stated before amortisation of acquired intangibles, acquisition costs, share-based payment expense and exceptional items (refer to page 157). Adjusted earnings per share adjusts for amortisation of acquired intangibles, share-based payment expense, acquisition costs and exceptional items, net of associated tax effects. See Alternative Performance Measures on page 156.
3 Comprises loans less cash and cash equivalents excluding lease liabilities (refer to Note 16).

Chairman's Statement

In FY24 we continued to invest in line with our strategy and the changing nature of our industry, particularly the growing role that AI is playing. That response was demonstrated by the launch of Evolve, our pioneering linguistic AI solution, the further adoption of AI features and functionality into our software products and the increasing deployment of AI across our operations. In our Language eXperience Delivery ("LXD") platform approximately 55% of words are machine-translated first and AI-related products and services now account for a quarter of Group revenues.

The Group continues to operate in attractive markets with a combined global size estimated at £49bn, where our specialist knowledge, in-house technology, proprietary linguistic data, security, reputation and scale are critical enablers for our clients embarking on an AI-influenced strategy. Our results reflect encouraging progress in a number of areas and demonstrate that we are well positioned for clients' increased appetite to harness AI to meet their language and content needs.

PERFORMANCE

In FY24 the Group delivered £718.2m of revenues, a decline of approximately 2% compared with the previous year (FY23: £733.8m). This reflected a combination of good progress with our growth initiatives, particularly TrainAI and Linguistic Validation and recovery in some end markets, offset by continuing reduced activity in others. We were pleased to see a return to underlying growth during the year – on an organic constant currency ("OCC") basis, RWS grew 2% in the second half, bringing FY24 in line with the prior year. Both Language Services and IP Services delivered encouraging growth for the full year along with significant improvements in both Regulated Industries and Language & Content Technology in the second half. In parallel, we have continued to focus on making the business more efficient and delivering our planned investments in transformation.

Reported profit before tax for the year was £60.0m (FY23: £(10.9)m). Adjusted profit before tax declined to £106.7m (FY23: £120.1m), reflecting our ongoing investments in growth and transformation, foreign exchange headwinds and unfavourable client and business mix in some parts of the Group, offset by the benefits of continued focus on cost efficiency and an increasing proportion of work delivered by the LXD.

The Group continues to have a strong balance sheet, with net assets of £899.6m (FY23: £987.3m) at 30 September 2024. This included net debt (excluding lease liabilities) of £(12.9)m (FY23: net cash of £23.6m).

PEOPLE AND BOARD

At 30 September 2024, RWS employed 9,059 full-time equivalents (FY23: 7,910) across 62 locations in 34 countries. This increase is driven by the resources recruited to support the increase in TrainAI business during the year. Our agile working policy has successfully balanced regular face-to-face interactions for effective collaboration with the benefits of technology, leading to significant time and energy savings by reducing commuting. Amid cost-of-living challenges in many regions, our commitment to flexible working has been well-received globally. Additionally, we continued to assess the effectiveness and operating costs of our locations and reduced the number of offices by approximately 7%, resulting in further savings in property and related costs.

Julie Southern

Despite challenging global macroeconomic and political conditions, our Group has navigated the year with resilience and dedication. On behalf of the Board, I extend our gratitude to all our teams worldwide for their unwavering commitment to delivering high-quality services and products to our clients. Additionally, the Group has continued to provide support to colleagues affected by the ongoing conflicts in Ukraine and the Middle East.

Paul Abbott and Graham Cooke joined RWS as Independent Non-executive Directors with effect from 1 January 2024. Their combined breadth of experience in technology platforms and solutions, implementing organisational change and driving business growth in customer-focused, international organisations further strengthens the Group's highly experienced Board.

Paul Abbott is currently Chief Executive Officer of American Express Global Business Travel, the global software and services company for travel and expense for more than 20,000 businesses. Since 2019 Paul has led Amex Global Business Travel through several strategic acquisitions, transforming the company's product and technology solutions and driving significant growth.

Graham Cooke was the founder and Chief Executive Officer of Qubit, a leading SaaS company in the e-commerce space, providing AI-personalised shopping recommendations to more than a billion shoppers per month. He oversaw the sale of Qubit to Coveo Solutions in 2021. Prior to Qubit, Graham was one of the first European employees at Google, working on its Ad Platform and Google Analytics products.

On 12 January 2024 Lara Boro, Senior Independent Director, informed the Board of her intention to step down as a Non-executive Director at the Annual General Meeting on 22 February after six years on the Board. We would like to extend a warm thank you to Lara for all her support over the years. David Clayton succeeded Lara Boro as Senior Independent Director.

On 23 May Ian El-Mokadem informed the Board of his intention to step down as Chief Executive Officer and Director of the Company to pursue the next stage of his career. On 26 November the Group announced the appointment of Benjamin Faes as Chief Executive Officer, succeeding Ian El-Mokadem, with effect from 6 January 2025.

We are grateful for his leadership of RWS during a pivotal time for the business and the industry. He, and our broader leadership team, have made considerable progress in line with the Group's strategy. We wish Ian all the very best in his future.

SUSTAINABILITY AND ESG

Our commitment to uphold the highest standards in environmental, social and corporate governance is the foundation for all our business activities and stakeholder engagements. We are proud to have achieved significant milestones in the past year.

On 18 June 2024, RWS announced that the Science Based Targets initiative ("SBTi") had validated our commitment to reduce Scope 1 and 2 GHG emissions by 54.6% by the end of the year ending 30 September 2033, and Scope 3 carbon emissions by 61.1% per million GBP value added within the same time frame. We also announced on 11 December 2023 that RWS had been awarded a silver medal by EcoVadis for its sustainability achievements. We are proud of these significant achievements which underscore our commitment and journey towards being a sustainable business.

The RWS Foundation made more than £200,000 in donations over the year, supporting three programmes – the RWS-Brode Scholarship Programme with the University of Manchester, together with our ongoing work with CLEAR Global, and the development work to make Trados an accessible tool for those with visual impairments.

DIVIDEND

The Group continues to deliver in against its progressive dividend policy and this marks the 21st year in succession that we have increased the dividend. The Group remains cash generative and, while our investment programme has meant a higher level of capital expenditure in FY24, we continue to focus on cash conversion and managing our net cash/net debt position effectively.

The Board therefore recommends a final dividend of 10p per share. Together with the interim dividend of 2.45p per share, this will result in a total dividend of 12.45p for the year, an increase of 2% compared with FY23. Subject to final approval at the AGM, the final dividend will be paid on 14 February 2025 to shareholders on the register at 17 January 2025.

SUMMARY

Whilst our market has been more challenging than anticipated when we set out our medium-term strategy in 2022, it is clear that ongoing investments in our growth initiatives and the efficiency actions we have made in line with that strategy have enabled a more resilient performance.

We are uniquely positioned to capitalise on advancements in AI and technology. The demand drivers for our products and services are well-established and, combined with the ongoing success of our growth initiatives, we see clear opportunities ahead to emerge from the current market transition in a position of strength. The Group maintains a robust balance sheet, ensuring our capacity to be able to invest to ensure our long-term competitiveness.

Our global presence, diverse market portfolio and excellent client retention rates further strengthen our confidence in the Group's long-term potential. Our innovation in AI is a key pillar of our strategy, ensuring we stay ahead in a rapidly evolving landscape.

Julie Southern | Chairman

11 December 2024

Market Overview

RWS, leveraging its AI-first solutions, addresses a market valued at approximately £49bn. Below is a breakdown of the key end markets in which we operate, along with estimated market sizes, demonstrating significant opportunities for expansion.

MARKET SIZE SERVICES AND TECHNOLOGY BREAKDOWN

£49bn MARKET SIZE

28	Core localisation services
9	Specialist localisation services (Life Sciences, Finance & Legal, IP)
6	Specialist non-localisation services (Intellectual Property, AI Data Services)
3	Language AI (Neural Machine Translation)
0.7	Language Technology
2.8	Content Technology

Source: Analysis by RWS based on research from Slator, CSA and Cognilytica.

CORE LOCALISATION SERVICES

As organisations seek to establish communication channels with internal and external audiences across diverse geographies and languages, they require the linguistic and cultural expertise offered by language service providers. The core localisation services market (excluding Life Sciences, Finance, and Legal) was estimated at approximately £28 billion in 2024.

This market, though highly fragmented, experienced a decline from 2023 to 2024 and, while we believe there increasingly are AI-driven opportunities, technology continues to have an impact on price. RWS is well-positioned to capitalise on this dynamic, not only through growing revenues in sales of our technology products such as Language Weaver, but also as a leader in applying AI to enhance localisation efficiency through combining machine intelligence and human intelligence for scalability, agility and accuracy – further reinforcing RWS's competitive edge in a rapidly evolving space.

SPECIALIST LOCALISATION SERVICES

LIFE SCIENCES, FINANCE AND LEGAL, IP SERVICES

The Life Sciences sector includes a diverse range of businesses, such as pharmaceutical companies, clinical research organisations and medical device firms. Each of these sectors has unique and specific requirements for translation and linguistic expertise, heavily influenced by regulatory demands. Additionally, these industries are increasingly adopting digital strategies and AI capabilities to enhance their operations.

Financial institutions and legal firms require advanced and secure technology and services to create, manage and transform their business-critical content for their local and global audiences. The rising emphasis on sustainability is creating the demand for content that supports environmental, social and governance initiatives.

IP Services clients also require specialised localisation support to manage the complexities of patent translation. Together with the Life Sciences and Finance & Legal end markets, we estimate the market for these services at £9 billion.

SPECIALIST NON-LOCALISATION SERVICES

AI DATA SERVICES

The emergence of generative AI is driving organisations to rapidly scale their AI initiatives and enhance their adoption strategies. A crucial factor in the success of these efforts is access to high-quality, curated data for training AI and machine learning ("ML") models. This high-quality data is achieved through the collection, annotation and labelling of datasets at scale and in various languages and formats by human experts, which is essential for developing multimodal AI systems.

The market for AI data training, annotation and labelling services was estimated at approximately £2 billion in 2024. With the rise of generative AI, this sector is set for substantial growth in the short to medium-term.

IP SERVICES

Enterprises looking to protect and monetise their innovations must collaborate with a partner who fully understands every aspect of the patent process. This involves not only patent translation and filing but also managing renewals, recordals and conducting thorough IP research. Our IP Lifecycle Management strategy has opened up IP product adjacencies that were previously not considered as our core market and we therefore estimate the addressable IP Services market size (excluding the translation component) as approximately £4 billion in 2024.

LANGUAGE TECHNOLOGY

Enterprises and translators, both freelance and in-house, rely heavily on advanced language technology tools, including translation management systems, collaboration platforms and computer-assisted translation software. These technologies are essential for localisation teams, streamlining workflows, enhancing collaboration with multiple stakeholders and ensuring the seamless creation, management and delivery of content optimised for global markets. The integration of AI capabilities further amplifies efficiency, enabling smarter automation, improved translation accuracy and scalability across diverse languages and regions. The market for Language technology was estimated at approximately £0.7 billion in 2024.

LANGUAGE AI (NEURAL MACHINE TRANSLATION)

Advancements in Language AI neural machine translation ("NMT") have not only continued to improve translation accuracy but also expand support for a broader range of language combinations, positioning the technology for widespread adoption across global markets. As NMT models are typically trained on controlled datasets focused on specific language pairs, this reduces the risk of exposure to sensitive information and supports the maintenance of accuracy. NMT remains the preferred option for high-accuracy translations in specific domains, while LLMs offer versatility and potential for handling more nuanced language tasks. As these technologies develop, we see convergence that combines the strengths of both approaches. The market for Language AI (NMT), was estimated at approximately £3 billion in 2024.

CONTENT TECHNOLOGY

Enterprises are increasingly adopting strategies to streamline their fragmented content management systems and establish a unified source of truth across their content ecosystem. Leveraging AI-driven capabilities, organisations can automatically structure and tag content, enabling centralised management and seamless re-use across multiple devices and channels, including web, intranet, technical documentation and immersive platforms such as virtual reality. AI also enhances content discovery, personalisation and scalability, driving greater operational efficiency and business value. The market for Content Technology was estimated at approximately £2.8 billion in 2024.

Strategy and Growth Model

The Group has continued to make solid progress with the delivery of its medium-term strategy, navigating a series of market headwinds over the last 18 months and remaining committed to its investments in growth and transformation. RWS remains dedicated to building a long-term sustainable business, delivering both financial and social value.

The Group's five-year plan is centred on growing organically through:

- Accelerating penetration into existing high growth segments (e.g. Linguistic Validation)
- Pivoting into adjacent high growth segments (e.g. TrainAI)
- Growing share of wallet through expanding our service range (e.g. IP life cycle services and Evolve, our linguistic AI Solution)
- Winning more clients, through targeted sales approaches in key end markets (e.g. content management solutions for life sciences clients)
- Re-affirming our technology leadership, sunsetting some of our legacy translation management solutions

The Language eXperience Delivery ("LXD") platform uses RWS's AI-enabled technology products to support operational efficiency and excellence in the delivery of solutions to clients – the Trados Enterprise product is deployed to aid translation productivity and management and Language Weaver is routinely used both to analyse client content to enable it to be better assigned to language specialists and to pre-translate content before it is post-edited by linguists.

The LXD is now running a common supply chain for the whole Group and, as a result, all three services divisions benefit from volume discounts with our extensive freelance network of language specialists. LXD supply chain team expertise is also used to support the sourcing and management of the communities that underpin the delivery of TrainAI and other data services.

We continued to invest in the transformation of the Group in line with our medium-term strategy and remain committed to our planned investments in sales and marketing, R&D and the consolidation of our operating platforms including HR and Finance systems. We believe that these investments will underpin future growth, efficiency and margin development.

The focus on new sources of organic growth is complemented by a disciplined M&A programme to selectively acquire businesses which enhance our organic growth profile, deliver above industry margins and align with our strategic priorities to add:

- Assets that broaden our natural language processing, content creation and linguistic testing capabilities
- New capabilities in AI technology and technology-enabled language services in both text and multimedia formats
- AI data services
- Localisation assets with attractive end-market exposure

RWS PURPOSE AND VALUES

Our purpose is Unlocking Global Understanding. Everything we create and deliver, whether it is technology-enabled services, AI-centred solutions or software products, is about transforming content to enable universal understanding, allowing our clients to connect with their audiences. Our purpose is supported by our values. These values capture RWS at our best and reflect what our clients and other stakeholders consistently tell us they appreciate about RWS. These values are a daily reminder of what is important to us, helping to guide and strengthen our culture as we work together with purpose. Our focus on partnership, the pioneering spirit of our people and our growth mindset all contribute to our ability to deliver consistently for clients.

RWS VALUES

WE PARTNER	WE PIONEER	WE PROGRESS	WE DELIVER
We play as one team – with colleagues, clients and partners	We shape the future – combining the best of people and technology	We choose to be positive – using every experience to grow	We keep our promises – to clients, colleagues and communities

RWS DEMAND DRIVERS

Our strategy is underpinned by five fundamental drivers of demand for our products and services. These drivers vary in emphasis across the markets in which we operate.

EXPLOSION OF DATA / CONTENT	INCREASING ESG / REGULATORY REQUIREMENTS	CONTINUED INNOVATION	GROWTH IN AI / AUTOMATION	CHANGING GLOBALISATION MARKET
90% of the world's data was generated in the last two years alone[1]	>3k rules/ regulations added annually to US Federal Register since 1993[2]	CapEx investment surged 13% in 2021 and is forecast to continue growing to 2030[3]	AI to contribute $15tn (14%) of global GDP by 2030[4]	Value of global trade expected to grow 70% from 2020 to $29.7tn in 2030[5]

Sources: [1] Statista; [2] Office of the Federal Register; [3] SP Global Intelligence; [4] PWC; [5] Standard Chartered

To address these demand drivers, we provide a unique combination of technology and human expertise. We support our clients to create, collect, transform and analyse, launch and manage content. This helps our clients grow ensuring they are understood anywhere, in any language and in any medium.

Strategy and Growth Model (continued)

CONTENT VALUE CHAIN

CREATE → COLLECT → TRANSFORM → ANALYSE & ENGAGE → LAUNCH & MANAGE

MULTIPLE MEDIUMS

TEXT | IMAGE | AUDIO | VIDEO

RWS'S RIGHT TO WIN

1 Building long-term client relationships

- We offer a broad range of technology and AI-enabled services and software products to many of the world's largest organisations.
- We have deep specialist sector expertise in multiple verticals including automotive, chemical, consumer, retail, financial, government, legal, medical, pharmaceutical, technology and telecommunications.
- Our client base is well-diversified both by sector and by geography, spanning Europe, APAC, North and South America and Africa.
- We support clients through dedicated sector account management teams and enjoy high average levels of tenure – more than 17 years for our top 30 clients.

2 Deepening our cultural expertise

- We offer true global coverage, with a presence in more than 30 countries.
- We have the largest linguist network in the sector, with more than 1,800 in-house language specialists, complemented by access to more than 40,000 freelance experts in 193 countries.
- We support more than 650 language pairs.
- We are rich in data – with our translation memories and term bases across multiple markets becoming increasingly valuable.

Deploying our unique technology and AI

3

- We are award-wining machine translation ("MT") pioneers via our AI-based Language Weaver product and Evolve solution. Our neural MT research team is accredited with 47 patents.
- Through Trados we offer a range of market-leading, cloud-oriented translation management and productivity tools, with functionality that allows clients to make use of LLMs in a secure way within the tool.
- Our content management technologies – Tridion, Fonto, Propylon and Contenta – are used by some of the world's largest companies to better reach their audiences and make optimal use of their content.
- Our software product suite is sold both separately and alongside our service solutions, as well as supporting our internal efficiency and effectiveness.
- We continue to shift towards a higher proportion of SaaS revenues in our technology products to enhance recurring revenues and quality of earnings.

Developing our portfolio

4

- Our cash generation enables us to invest in service and technical development.
- We are well-diversified and strongly positioned to take advantage of:
  - Ongoing growth in multiple end markets, with greater emphasis on higher growth segments such as data services (via our TrainAI solution) and linguistic validation (in Life Sciences).
  - Continued growth in data and content that is driving increased outsourcing of localisation, language and intellectual property services by multinationals to well-reputed partners of scale.
  - Continued innovation as our clients actively seek our support in launching and supporting new products and services.
  - The trend towards globalisation, which brings greater demand for digital content and language services.
  - Growth in AI, with clients looking to RWS to help them access the benefits of AI and navigate its potential risks.
- We continue to seek opportunities to enhance our offering to clients, gain market share and consolidate fragmented service provision through adding to our strong track record of value-accretive acquisitions.

Leveraging our global scale and reach

5

- Our unique production platform, LXD, provides 24/7 coverage via a blend of human expertise and technology.
- Our solutions can meet any mix of quality, speed and value required by our clients.
- The LXD platform delivers operational leverage, with potential for sustained efficiency and margin improvement.
- We are continuing to invest to establish effective and lean shared services which will support our four operating divisions and facilitate further organic growth, the integration of acquisitions and continued margin development.

Chief Executive Officer's Review

We have continued to make solid progress in relation to the strategy we launched in early 2022. Navigating a series of market headwinds over the last 18 months, we have returned the business to growth on an organic constant currency ("OCC") basis in the second half of FY24, with significant improvements in performance across the Group during this period. We have continued to invest in sales effectiveness, transformation and improved efficiency to help ensure that we are well placed to emerge from the current market transition in a position of strength.

Client satisfaction remained high, with our 12-month rolling client Net Promoter Score at +48, continuing an encouraging trend as our Voice of the Customer programme further matures (FY23: +42). We have continued to win new logos across multiple end markets including e-commerce, food & beverages, government, legal services, medical devices, pharmaceutical and technology.

AI-based solutions and functionality are central to our future success and, as an AI-native organisation, we have long-established capabilities across the content value chain. With AI-related products and services now accounting for a quarter of the Group's revenues, RWS is both an established industry leader and one of the principal AI innovators.

83
out of the top 100 global brands

Ian El-Mokadem

19
out of the globe's top 20 pharmaceutical companies

9
out of the globe's top 10 medical device companies

9
out of the globe's top 10 contract research organisations

10
out of the globe's top 10 asset management companies

8
out of the globe's top 10 investment banks

18
out of the globe's top 20 law firms

19
out of the top 20 patent filers

16
clients on Fortune's top 20 'Most Admired Companies' list

PROGRESS IN RELATION TO OUR MEDIUM-TERM STRATEGY

AI AND TECHNOLOGY

In March 2022, when we launched our medium-term strategy, we highlighted the critical role that technology and AI would play in the future of our business and that of our clients. As anticipated in our strategy, within a year generative AI had become mainstream with the launch of several free-to-use solutions. With our long history in AI innovation, we continue to capitalise on the opportunities presented by AI and believe strongly that we are well positioned to support clients on their AI journey.

We achieved high levels of repeat revenue with existing clients, supported by some significant new wins and further incremental revenue contributions from our growth initiatives, particularly TrainAI and Linguistic Validation, as well as a very strong year for Language Weaver. The launch of Evolve in early 2024 experienced positive traction with clients. Evolve, our patent-pending and award-winning linguistic AI solution, utilises a private large language model in combination with Language Weaver to significantly reduce the time it takes to achieve near human-like translation quality. We have secured a number of substantial client wins and have started to see some efficiency benefits from deploying the solution internally.

In June we launched HAI, a digital self-service platform designed to streamline the translation experience by combining human expertise and AI, simplifying project management, offering real-time cost visibility and security and ensuring high-quality translations, all in one place.

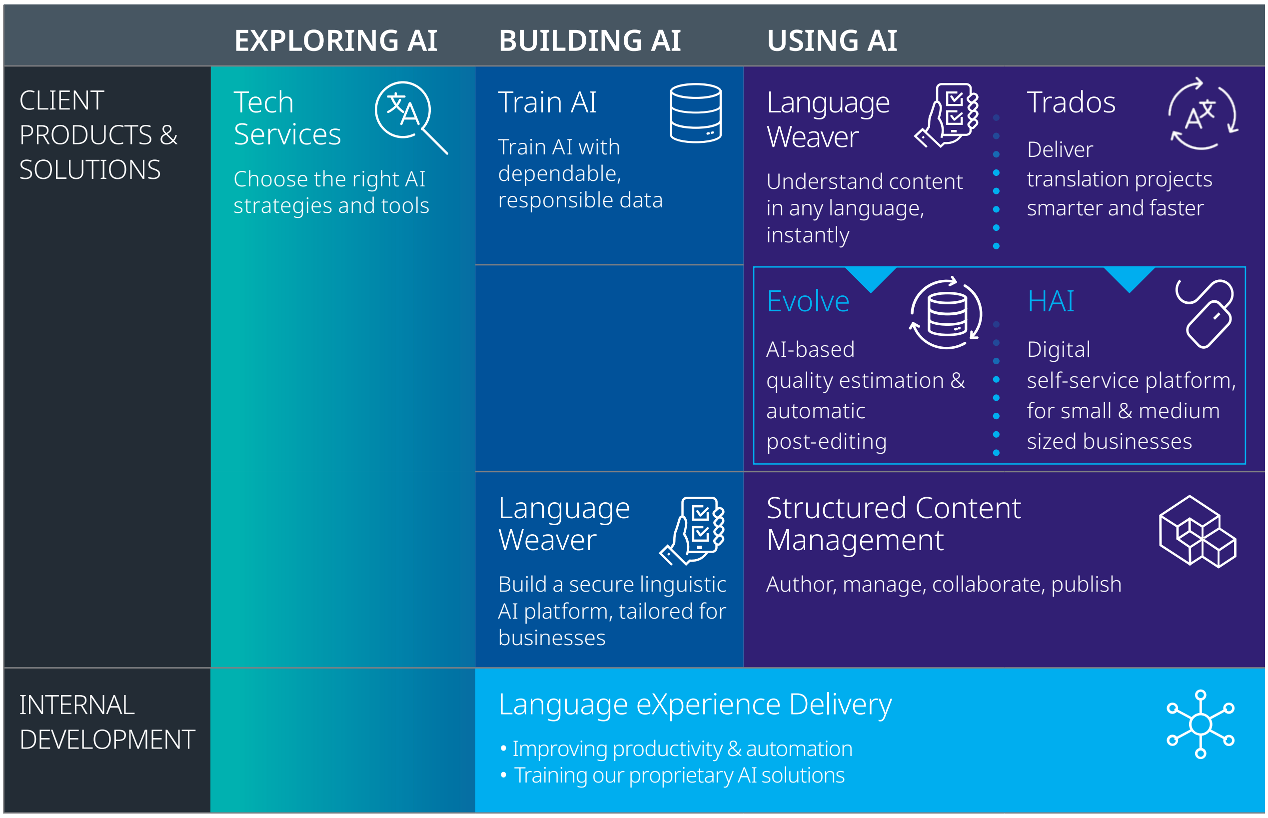
We made significant progress with one of our growth initiatives, TrainAI. We invested in people, marketing and sales, and further developed the scope of our TrainAI community, balancing our established network of 100,000+ freelance members with some in-house recruitment to effectively meet increased demand for the service. We also transformed our approach to managing the freelance community, using the Language eXperience Delivery's capabilities and expertise to successfully recruit, onboard, train, manage and pay community members.

In September we announced a strategic collaboration agreement with Amazon Web Services ("AWS") to bring to market new solutions powered by generative AI. Under the agreement RWS and AWS will develop generative AI solutions, enabling clients to increase efficiencies when creating, translating and delivering content. RWS is working with AWS on 25 new product features and multiple new proofs of concept.

People are always at the heart of our technology developments and partnerships. This approach is reflected in our Genuine Intelligence™ philosophy, bringing together human and artificial intelligence in way that delivers real value for our clients. Genuine Intelligence enables us – and our clients – to work confidently with AI, to mitigate the risks of naïve AI implementation and to unlock the true potential of AI for business and society.

Chief Executive Officer's Review (continued)

EVOLVE AND HAI JOIN ESTABLISHED SET OF AI-RELATED SOLUTIONS



TRANSFORMATION

We continued to invest in our transformation in line with our medium-term strategy and remain committed to our planned investments in sales and marketing, R&D and consolidation of our operating platforms that will underpin future growth, efficiency and margin development. We successfully completed our HR transformation by the end of 2024, with Dynamics 365 for Human Resources being adopted across the Group. We were also pleased to launch iCIMS, our new Applicant Tracking System, which delivers a One RWS recruitment process, enabling effective hiring and a better candidate and colleague experience through automation, self-service and simplified processes.

In finance the first phase of the shared service centre implementation has been completed. We also have made good progress on moving a greater proportion of translation volumes into the Language eXperience Delivery platform (including some IP Services content) and we have rationalised the supply chain for our freelance network of language specialists, with the resulting efficiency benefits already supporting margin. Looking forward, we will continue the transformation programmes in finance and IP Services and look to access new opportunities in the further development and scaling of our AI propositions, end-to-end optimisation and legal entity rationalisation.

ACQUISITIONS AND DIVESTMENTS

Through the acquisition of Cape Town-based STComms Language Specialists Proprietary Limited ("ST Communications") early in the year, we were delighted to establish a local presence and operations in Africa, further strengthening RWS's ability to support clients with rarer languages. The integration of ST Communications marks a significant milestone for RWS and will enable clients to further their reach into the African market with locally-based talent and linguistic expertise across an additional 40+ African languages.

In May the Group further strengthened its balance sheet with the disposal of its interest in a revenue and cost sharing arrangement, together with certain associated assets, relating to a patent information resource business known as 'PatBase,' receiving £25m in cash in May, with the remaining £5m paid in November 2024.

The Group continues to seek acquisitions which can accelerate delivery of our medium-term plans. Our disciplined M&A programme is focused on selectively acquiring complementary businesses which enhance our organic growth profile, including new capabilities in AI technology and technology-enabled language services in text and multimedia formats, assets that broaden our natural language processing capabilities, data annotation solutions and localisation assets with attractive end market exposure.

OPERATING REVIEW

LANGUAGE SERVICES

First half OCC growth momentum maintained, underpinned by delivery of several TrainAI programmes and further Evolve wins

The Language Services division represented 46% of Group revenues in the year (FY23: 45%). Revenues of £327.1m were 0.8% lower on a reported basis (FY23: £329.8m) and increased by 2.5% on an OCC basis.

We were pleased to see the return to growth on an OCC basis, driven by a good performance in Enterprise Services, particularly in TrainAI, where our global technology clients are increasingly benefiting from our data services expertise. Clients are attracted to the enterprise-grade security and privacy that RWS offers, as well as its strong ethical practices in the sourcing and quality checking of data for training their AI models.

We also won our first TrainAI contracts from clients in other parts of the Group and, with an encouraging pipeline, we anticipate TrainAI will make a further positive contribution to revenue growth in FY25.

We are also encouraged by the impact of Evolve on clients. Evolve, our pioneering linguistic AI solution, combines RWS's language services expertise with our translation management system (Trados Enterprise) and neural machine translation technology (Language Weaver), alongside language specialist-trained quality estimation and a fine-tuned private large language model. After a successful beta program in the second quarter of FY24 in which a number of clients participated, we are now receiving revenues from Evolve contracts with major clients. We anticipate Evolve continuing to play an important part in our AI-enabled services portfolio.

We made good progress in respect of growth initiatives in the division during the period. In the third quarter we successfully launched HAI, a digital self-service platform which streamlines the translation experience for small and medium businesses and combines the best of our human expertise and AI capability. We anticipate HAI making an important contribution to FY25 performance. In eLearning we increased the number of pilots and opportunities across all verticals.

Once again, we saw high levels of client retention and satisfaction in the division, a number of new client wins in the technology and e-commerce sectors and a strong organic performance in the Asia-Pacific region.

Operating profit was £25.4m (FY23: £18.8m). Adjusted operating profit was £39.6m (FY23: £39.4m), reflecting changes in service and language mix offset by strong cost control.

REGULATED INDUSTRIES

Impact of corrective actions delivered strong second half recovery, accompanied by continued progress with Linguistic Validation

The Regulated Industries division accounted for 20% of Group revenues in the year (FY23: 22%). Revenues of £146.5m decreased by 9.8% on a reported basis (FY23: £162.5m) and by 6.8% on an OCC basis.

In Regulated Industries the early signs of recovery highlighted in the Group's mid-year results were maintained, with OCC revenues meaningfully improved in the second half compared with the prior year. While a number of our larger life science clients implemented cost-cutting exercises and there was no repeat of the boost in FY23 from compliance work to meet PRIIPS regulatory changes in the financial services segment, the corrective actions that we have taken are having a positive impact. By contrast, Linguistic Validation, one of our growth initiatives and a service used by clients at the clinical phase of therapy development, again performed strongly over the course of the year – pointing to improved demand in the regulatory and launch phases of life sciences in due course.

In FY24 we were pleased to have secured our first Evolve contract with a large life sciences client. We finished the year with an important technology win in the Life Sciences division, demonstrating both our improving cross-selling effectiveness and the willingness of life sciences clients to embrace technology solutions.

Operating profit was £5.9m (FY23: £9.1m). Adjusted operating profit decreased to £19.8m (FY23: £22.9m), reflecting the reduction in topline revenue and adverse foreign exchange impact, partially mitigated by increased use of LXD and cost actions taken through the year.

Chief Executive Officer's Review (continued)

LANGUAGE & CONTENT TECHNOLOGY

Second half recovery driven by improving performance in content technology, alongside strong year in Linguistic AI, particularly Language Weaver

The Language and Content Technology ("L&CT") division accounted for 20% of Group revenues in the year (FY23: 19%). Revenues of £142.3m were 4.1% higher on a reported basis (FY23: £136.7m) and decreased by 0.7% on an OCC basis, reversing the first half decline to deliver modest OCC growth in H2.

Divisional performance was underpinned by continued strong revenues in Language Weaver (our long-established AI-centred machine translation solution), Propylon performing ahead of plan and improved second half performance elsewhere in the content technology segment. We saw new logo wins across a range of end markets, including financial services, government, media and retail. In the final quarter we secured our largest ever three-year Language Weaver contract.

We achieved an 18% growth in SaaS licence revenues in the period compared with FY23 and SaaS revenues as a percentage of total licence revenues in the division increased to 39% (FY23: 34%), demonstrating the continued shift in our licence models to SaaS, linked to the increased R&D investments in our technology products. This transition to SaaS builds long-term value for FY25 and beyond by supporting greater stability and predictability of future revenue streams.

The division's in-house R&D team led the development of the Evolve solution and continues to roll out the range of language pairs available through Evolve, with 22 language pairs expected to be available by the end of 2024. In parallel, having announced end of life timelines for the majority of our legacy translation management products in March 2024, we have continued to work on the transition programme to Trados Enterprise for clients of these products, with 29% of transitions completed so far.

We also launched Trados Studio 2024 in June, the latest version of our computer-assisted translation tool for individual users. Delivering access to cutting-edge AI, multiple usability improvements and enhanced accessibility features, and with Language Weaver as a standard feature, Trados Studio 2024 continues to address the diverse, evolving needs of users and reinforces the position of Trados as the backbone of the industry.

The release of Tridion Docs 15.1 included a host of new AI features, including Tridion Docs Genius, a new AI-driven knowledge portal that helps employees, customers and partners find the information they need more quickly across vast amounts of information. In addition, a new Draft Companion feature, based on generative AI, acts as a second pair of eyes for the author by spotting and fixing grammar and spelling issues, rephrasing sentences and phrases and summarising text.

The launch of Contenta Cloud S1000D in September benefits our clients in aerospace and defence, allowing them to more effectively create, manage and publish technical documentation.

Operating profit was £18.5m (FY23: £(40.9)m). Adjusted operating profit was at £34.2m (FY23: £37.0m), reflecting the higher proportion of SaaS revenues, ongoing planned investments, adverse foreign exchange impact and the Propylon acquisition.

IP SERVICES

Return to OCC growth driven by strong Eurofile revenues and good growth in renewals

The IP Services division represented 14% of Group revenues in the year (FY23: 14%). Revenues of £102.3m were 2.4% lower on a reported basis (FY23: £104.8m) and 3.3% higher on an OCC basis.

OCC revenue growth in IP Services division was driven by a strong performance in the Eurofile segment with many patent filers remaining committed to the existing arrangements over the Unitary Patent. The IP Services division secured several new client wins and we saw growth in patent renewals work, particularly in China and Japan. With an expanded product offering in IP recordals and docketing, we further demonstrated our ability to serve clients across the entire IP lifecycle, reflecting an improved sales structure and effectiveness.

Operating profit was £33.3m (FY23: £21.6m). Adjusted operating profit was £26.9m (FY23: £27.7m), reflecting changes in mix, partially offset by some transition of volumes to the LXD and the disposal of PatBase.

PEOPLE & CULTURE

We are committed to making RWS a great place to work and we are proud to have built an inclusive environment where everyone has the opportunity, and support around them, to be their best.

We aim to ensure that everyone understands the Group's overriding priorities – growth, efficient delivery and engagement – through a regular cadence of communications. This includes CEO-led messages, our monthly newsletter, updates on transformation programmes and regular town hall events across divisions and functions, as well as on a Group-wide basis.

Now in its fourth year, our annual RWS Engagement Survey explores colleagues' attitudes and experiences towards RWS – what's working well and what can be improved with regards to collaboration, engagement, inclusion, growth and development, leadership and living the Group's values. This year's survey achieved another strong response rate of 81% (FY23: 84%) and a 61% (FY23: 61%) favourable engagement score. We were pleased to note that there is strong flexibility, trust and respect between colleagues and that managers are seen as effective in removing barriers and engendering caring and trusting relationships with their teams. In addition, we saw an improvement in the belief amongst colleagues that their voice matters and that there will be positive change as a result of the insights that the survey offers.

Over the year we have continued to address the feedback from our 2023 colleague engagement survey, with action plans in place across four global workstreams and at divisional and functional levels to focus and drive improvements. In support of one of the global workstreams we held 67 'One RWS' events in 43 locations in the last week of April, supplemented by a number of virtual events for those colleagues who are fully remote.

It was an opportunity for colleagues to be recognised for their contribution, to better connect them to strategy, group priorities and one another, to learn more about our portfolio of products and solutions, particularly how critical AI is to our future, and to focus on our community and culture. These events were well received and we anticipate them becoming annual events in our calendar.

I am also pleased to report an improvement to our voluntary colleague attrition levels which have fallen to 10.6% (FY23: 11.9%). Combined with an improvement in the 'intent-to-stay' measurement in the 2024 engagement survey to 67% (FY23: 64%), we believe that we are building the kind of organisation where colleagues feel that they can develop their careers.

We were also pleased to continue our Ambassador Awards – a recognition programme that encourages all colleagues to nominate a fellow colleague or team. Now in its second year, all colleagues (across each division, the LXD and our Group functions) nominate one colleague or team that exemplifies each of our four values. These 24 semi-annual winners are given a financial reward and their stories are shared and promoted internally to acknowledge their outstanding contributions. This programme has been highly popular, attracting over 800 entries throughout the year.

Our eLearning platform, MyLX, continues to be the bedrock of our learning and development. Colleagues have access to more than 360,000 training courses from Skillsoft. A majority of our colleagues use MyLX on an ongoing basis and have completed over 150,000 various learning assets during FY24. The platform, which we have contractually renewed this year, has also enabled us to roll out important business-wide learning initiatives, including our compliance and quality training, professional and technical skill development, and DEI and wellbeing sessions.

Three significant appointments were made during the year to further strengthen our Executive Team and focus on delivering against our medium-term strategy.

In December 2023, Amanda Newton was appointed President of Global Content Services, bringing together RWS's linguistic, intellectual property and cultural expertise – alongside our AI-enabled technologies – to support clients on their globalisation journey. We also appointed Vasagi Kothandapani in January 2024 as President of Enterprise Services, taking a leading position in how RWS partners with its clients to ensure that AI becomes the driving force behind their future success. In September 2024 Mark Lawyer, previously General Manager of Linguistic AI, was appointed President of Regulated Industries & Linguistic AI. Mark's appointment reinforces RWS's focus on delivering AI technology to financial, legal and life sciences clients. Thomas Labarthe continues to lead RWS's content technology portfolio.

Chief Executive Officer's Review (continued)

SUSTAINABILITY AND ESG

Environmental, social and governance ("ESG") matters continue to be core to the way RWS operates. Clients, partners and colleagues are keen to understand the steps we are taking to become a more sustainable business.

On environmental matters, the Group formally submitted its greenhouse gas ("GHG") emissions reduction targets to the Science Based Targets initiative ("SBTi") for validation in December 2023. We were delighted to receive confirmation from the SBTi that the targets had been validated. We have committed to reduce absolute Scope 1 and 2 GHG emissions by 54.6% by the end of the financial year ending 30 September 2033 (FY33) from a FY22 base year. The Group has also committed to reduce Scope 3 GHG emissions from purchased goods and services and colleague commuting by 61.1% per million GBP value added within the same time frame.

In recognition of our ESG progress, in December 2023 we were awarded a Silver Medal by EcoVadis for the second year running. Once again we ranked in the top quartile of participating companies and in the top 10% of companies in our industry category, improving our score to 66% (FY22: 63%).

The RWS Campus, a global programme nurturing localisation talent, continues to partner with around 600 universities worldwide, fostering strong relationships to develop the next generation of professionals who will positively impact our industry. One of these relationships is with the University of Manchester, where The RWS Foundation provides funding via the RWS-Brode scholarship and, during the last year, several professional development workshops were delivered to students.

Earlier in the year our Trados team – funded by The RWS Foundation – embarked on a profound learning journey, exploring ways in which to make Trados more accessible for the visually impaired. Working with a blind language specialist, a dedicated team has worked to improve the tool – ensuring that it is accessible to those with visual impairments. The latest improvements include enhanced screen reader compatibility, improved keyboard navigation and accessible project list and workflow navigation.

In February 2024 RWS joined Meta's Open Loop to help bridge the gap between rapid advances in AI innovation and policy-making. Open Loop is a global programme involving a consortium of technology businesses, academics and civil society representatives that connects policymakers and technology companies to help develop effective and evidence-based policies around AI and specifically generative AI systems. As an extensive developer and user of AI, RWS believes that it is critical that proposed AI regulations strike the right balance between fostering innovation and ensuring that AI is developed safely and securely for the benefit of customers and broader society.

CURRENT TRADING AND OUTLOOK

The Group's FY24 results reflect good progress in a number of key areas and demonstrate that we are well positioned for clients' increased appetite to harness AI to meet their language and content needs. Our successes with TrainAI, Language Weaver and Evolve demonstrate that our AI-enabled solutions are resonating with clients at this transitional moment for our industry.

Given our rich history and deep experience in developing AI and technology, we are confident that we are well positioned to support clients throughout their AI journey, developing the tools and solutions required to help them engage with their customers and users on a global scale.

It is clear that our investments in growth, AI and transformation are allowing us to successfully pivot away from an overreliance on traditional localisation revenues and underpin future revenue and margin development, alongside ongoing effective cost management.

In May 2024 I announced my intention to step down as Chief Executive Officer and Director of the Company. Since the start of December I have been handing over my responsibilities to my successor, Benjamin Faes, and I will remain available to him until the end of January 2025, when I will leave the Company. It has been my privilege to lead our talented and diverse global team and to serve our wonderful clients over the past three and half years.

Ian El-Mokadem | Chief Executive Officer

11 December 2024

Key Performance Indicators

GROUP REVENUE

£718.2m

2024	**£718.2m**
2023	£733.8m
2022	£749.2m
2021	£694.5m

Description Reflects the total value of work sold during the financial year.

GROSS MARGIN

46.9%

2024	**46.9%**
2023	46.3%
2022	46.7%
2021	45.1%

Description Reflects gross profits, being revenues less costs directly incurred in generating revenues, expressed as a percentage of revenues.

ADJUSTED BASIC EARNINGS PER SHARE

21.6p

2024	**21.6p**
2023	23.3p
2022	26.6p
2021	23.8p

Description Adjusted basic earnings per share is calculated as adjusted earnings (calculated as profit for the year less amortisation of acquired intangible assets, acquisition costs, share-based payment expense and exceptional items, net of any associated tax effects), divided by the weighted average number of ordinary shares in issue during the financial year. See Note 11 for further details.

ADJUSTED PROFIT BEFORE TAX

£106.7m

2024	**£106.7m**
2023	£120.1m
2022	£135.7m
2021	£116.4m

Description Adjusted profit before tax is profit before tax before amortisation of acquired intangible assets, acquisition costs, share-based payment expense and exceptional items. The Directors believe this alternative performance measure provides a more consistent measure of the Group's performance. See page 156 for further details.

CASH CONVERSION

51%

2024	**49%**
2023	74%
2022	93%
2021	66%

Description Cash conversion is calculated as free cash flow expressed as a percentage of adjusted net income. This is viewed as a key adjusted performance measure to understand how much of the Group's profits have been converted to cash. See page 157 for further details.

COLLEAGUE ATTRITION (VOLUNTARY)

10.6%

2024	**10.6%**
2023	11.9% [1]
2022	15.9% [1]
2021	19.2% [2]

Description Colleague turnover is calculated as the number of FTE leavers compared with the average number of FTE during the financial year. This includes our managed services employees where the fluctuation is much higher as it varies according to client needs.

1 Figure based on strongest collation possible from multiple data sources, arising from wide range of HR systems across the enlarged Group.

2 SDL plc's turnover figures have been included in 19/20 number, however Iconic Translation Machines and Webdunia's pre-acquisition figures have not been included.

Environmental, Social and Governance

INTRODUCTION

Sustainability is central to our business and operational strategy, shaping how we create value and drive sustainable growth over the long term.

Our approach is built on four key sustainability pillars – environment, people, community and governance. We are proud of our progress across these pillars, including the recent validation of our near- and long-term carbon targets by the Science Based Targets initiative.

Our achievements reflect the dedication and support of our global team, whose commitment has been essential to reaching these milestones and advancing our sustainability goals.

OUR APPROACH TO CORPORATE SUSTAINABILITY

We are committed to transparent, comprehensive and timely reporting, continually enhancing the clarity and credibility of our environmental, social and governance ("ESG") disclosures.

By aligning and benchmarking our progress against globally recognised sustainability reporting frameworks, we strengthen our accountability and commitment to achieving the highest sustainability standards.

We currently collaborate with leading organisations, including:

- SASB Standards
- Science Based Targets initiative
- Task Force on Climate-related Financial Disclosures
- United Nations Global Compact

STAKEHOLDER FRAMEWORK

Engaging in ongoing dialogue with our stakeholders allows us to align our sustainability strategy and models with their key concerns and priorities. While our framework recognises several stakeholder communities, our core focus remains on client, colleague and investor groups.

ENVIRONMENTAL

We hold ourselves to high accountability standards. As a result, in 2024 we set near-term science-based carbon emissions reduction targets that were approved by the Science Based Targets initiative ("SBTi"). We also improved the accuracy of our footprint by improving our data collection and greenhouse gas ("GHG") emissions accounting.

In 2021, we became a signatory to the Task Force on Climate-related Financial Disclosures ("TCFD") and have adopted its framework. As part of our strategy in FY24 we re-assessed three different climate scenarios using Representative Concentration Pathways ("RCP") - RCP 2.6, RCP 6.0 and RCP 8.5. RCPs are used by the Intergovernmental Panel on Climate Change ("IPCC") to illustrate future concentrations of greenhouse gases in the atmosphere.

We are committed to reviewing and improving the environmental aspects and impacts of our operations by preventing pollution, protecting the environment and enhancing positive impacts wherever we can.

To demonstrate how important climate change and the environment is to RWS, the CEO retains overall responsibility for all relevant climate-related and environmental matters whilst the General Counsel and Company Secretary has overall responsibility for the Group's risk management programme. For climate-related risks they are assisted by the Executive Team and additional top management.

The Group categorises risks according to the likelihood of occurrence and the potential impact on the Group. Impact is assessed on both financial and reputational grounds.

Financial impact in the period could be increased costs, reduced revenue, fines or increased management time required to deliver a given activity. The Board has direct oversight of climate-related issues as part of the risk review process, and it agrees our position and commitments on climate change.

We are proud to hold ISO 14001:2015 Environmental Management certification. This certification covers a number of our offices, and we aim to increase this compliance to over 90% by the end of FY30.

During FY24 we made several strides toward improving our environmental impact, including:

- Enhanced climate risk and opportunity disclosure in line with TCFD guidelines.
- Office relocations with a focus on sustainable practices.
- Engaged colleagues in various environmental awareness campaigns such as Earth Day, World Bee Day, Forests and Wildlife protection, Clean Air Day and many others.
- Organised local events promoting sustainable practices, including 'bike to work' initiatives, tree planting, and cleaning up days.
- Published environmental articles in our Group-wide newsletter. Including highlighting urgent environmental challenges and sustainability efforts from our office locations around the world.
- Increased internal engagement of colleagues and ´Green Champions´ through our Green Agenda intranet and Viva Engage channel.
- Hosted sustainability-focused interviews and presentations, including webinars with Everyday Plastic, Home energy saving tips with Irish Energy Agency and a presentation from 'Sailors for Sustainability.'
- Promoting green office policy and biodiversity projects.
- Selected sustainable corporate merchandise.

We remain committed to:

- Reducing our Group-wide carbon emissions.
- Continuously improving our environmental management systems globally.
- Meeting and exceeding all applicable environmental regulations.
- Collaborating positively with regulatory authorities.
- Supporting our clients' environmental goals.

Environmental, Social and Governance (continued)

ENERGY AND GREENHOUSE GAS REPORT

As part of the Streamlined Energy and Carbon Reporting ("SECR") requirement, RWS is required to report its energy and GHG emissions within its Directors' Report.

During FY23 we improved the accuracy of our footprint by improving our data collection and GHG emissions to include both our operations and supply chain and committed to setting carbon reduction targets which are aligned with SBTi. In FY24 we delivered on this commitment, achieving SBTi approval for RWS's science-based targets, using FY22 as the base year.

METHODOLOGY

Emissions were calculated following the GHG Reporting Protocol (Corporate Standard) using the Watershed platform. Energy usage data was collected or estimated based on building square-footage for all facilities, and was combined with emission factors from the US Environmental Protection Agency ("EPA"), Ecoinvent, Technical Compliance Rate ("TCR") and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid.

GHG Scope	tCO2e (FY22 Base Year)
Scope 1	549
Scope 2	3,663
Scope 3	33,876
Total	**38,088**

All numbers are market-based.

On 15 May, 2024, the SBTi approved RWS's near-term science-based targets with the following wording:

APPROVED

NEAR-TERM SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by RWS Holdings plc conform with the SBTi Criteria and Recommendations (Criteria version 5.1).

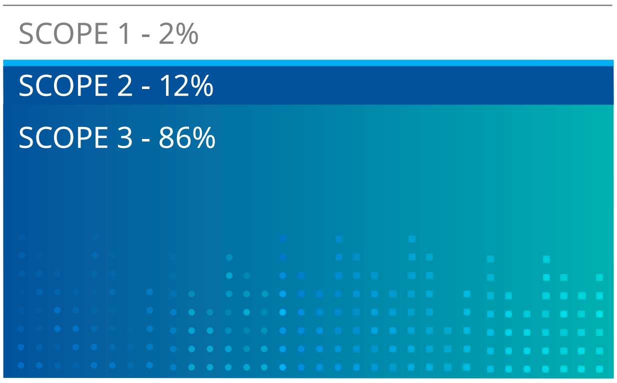
SBTi has classified your company's Scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

The official near-term science-based target language:

RWS commits to reduce absolute Scope 1 and 2 GHG emissions 54.6% by FY33 from a FY22 base year. RWS also commits to reduce Scope 3 GHG emissions from purchased goods and services and employee commuting 61.10% per million GBP value added within the same timeframe.

Our carbon emissions for FY24 are as follows:

Overall FY24 carbon emissions (tCO2e)	
Scope 1	610
Scope 2 (location-based)	4,610
Scope 2 (market-based)	3,960
Scope 3 (location-based)	29,139
Scope 3 (market-based)	29,230
Total (market-based)	**33,799**
Total (location-based)	**34,412**



A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-averaged emission factor data).
A market-based method reflects emissions from electricity that companies have purposely chosen.

ANNUAL ENERGY USE AND EMISSIONS

Our annual global energy use (in kWh) and associated greenhouse gas emissions (tCO2e) have been summarised in the table.

	FY22			FY23			FY24		
	UK and offshore	Global (excluding UK and offshore)	**Total**	UK and offshore	Global (excluding UK and offshore)	**Total**	UK and offshore	Global (excluding UK and offshore)	**Total**
MWh									
Energy consumption used to calculate emissions (see Scope 1 & 2 categories below)	1,269	11,935	**13,204**	1,438	13,733	**15,171**	1,524	14,443	**15,967**
tCO2e									
Emissions from sources which are owned or controlled by the company including combustion of fuel for transport & operation of facilities (Scope 1)	44	505	**549**	44	444	**488**	80	530	**610**
Emissions from purchased electricity, heat, steam, and cooling (Scope 2, market-based)	202	3,461	**3,663**	207	4,427	**4,634**	186	3,774	**3,960**
Total gross tCO2e	246	3,966	**4,212**	251	4,871	**5,122**	266	4,304	**4,570**

These numbers are market-based and include: electricity, natural gas, diesel, heat and steam, refrigerants and company car fuel consumption from Scope 1 + 2.

INTENSITY RATIOS

RWS uses the intensity ratios of full-time equivalent ("FTE"). The FTE in FY24 was 9,059. This provides another way of assessing our carbon performance taking into consideration key variables that affect our overall carbon footprint.

Our Scope 1, 2 and 3 FTE intensity performance shows a collective improvement of 7.5% when compared with the previous year. Our Scope 1,2 and 3 revenue intensity performance shows a circa 3.7% improvement per £1m.

Annual GHG emissions (tCO2e, market-based unless otherwise indicated)	**2022**	**2023**	**2024**
Scope 1	549	488	**610**
Scope 2 (location-based)	4,167	5,147	**4,610**
Scope 2	3,665	4,634	**3,960**
Scope 3	33,874	30,824	**29,230**
Scope 3.1 Purchased Goods and Services	22,295	18,274	**16,453**
Scope 3.2 Capital Goods	241	341	**382**
Scope 3.3 Fuel and Energy Related Activities	1,705	2,003	**1,870**
Scope 3.5 Waste Generated in Operations	136	282	**432**
Scope 3.6 Business Travel	989	3,234	**3,526**
Scope 3.7 Employee Commuting	8,508	6,689	**6,566**
Total tCO2e (location-based)	35,764	34,112	**34,412**
Total tCO2e	38,088	35,946	**33,799**
Total tCO2e / £1M Revenue	**50.84**	**48.99**	**47.17**
Total tCO2e / FTE	**4.91**	**4.54**	**3.73**

Environmental, Social and Governance (continued)

MANAGING ENERGY USE

We recognise the importance of energy efficiency and renewable energy. In FY24, we took steps to reduce energy use and emissions by:

- Increasing awareness and enabling the use of renewable energy in our offices where possible.
- Implementing energy-saving measures such as setting timers, using energy-efficient lighting, establishing 'closed-door' and 'switch off at night/weekend' policies.
- Engaging in discussions with the IT team to raise the temperature in our data centres, reducing the need for cooling where feasible.

With many of our initiatives, we recognise that what is good for the environment is also good for business. Energy savings, for example, reduce our emissions output while cutting costs.

MINIMISING WASTE

Being a service-based company, our waste generation is naturally low and non-hazardous. However, we continue to engage colleagues, suppliers and other stakeholders to take ownership and create more efficient operations and practices.

In FY24, the Group took several measures to reduce waste. These included:

- Ensuring the Group-wide Waste Policy and Green Office Procedure are followed.
- Improving waste collection and recycling processes in various offices.
- Collaborating with suppliers and landlords for better waste management.
- Promoting recycling and waste reduction through events like World Cleanup Day, Recycling week, Compost Week, No Mow May and many others.

Where our offices are in managed buildings, we are working with landlords to derive better data on waste and then implement programmes to reduce, reuse and recycle.

WATER

Most of our offices use water from the local municipal supply and are in developed countries with a high capability for water adaptation and mitigation.

We are taking steps to reduce water usage across our offices, such as installing low-flow fixtures, fixing leaks, and ensuring offices follow the Green Office Procedure. In FY24, we shared awareness campaigns like World Wetlands Day, World Oceans Day and Healthy Soil Day to promote responsible water use.

PAPER

Our shift to agile working has reduced paper consumption. We continue to prioritise sustainable paper sourcing and encourage double-sided printing where possible.

ELECTRONIC WASTE

RWS seeks to purchase the most energy efficient IT hardware and work with global suppliers who are committed to reducing their global footprint.

We purchase our end use computers from a supply base which utilise carbon fibre and tree-based bio plastics. Our supply base has been an ENERGY STAR partner for over a decade, demonstrating its ongoing commitment to energy efficiency in its products. ENERGY STAR certified laptops use 25-40% less energy than conventional monitors by using the most efficient components and better managing energy use when idle. We also operate a buy-back scheme with our supply base to further enhance reuse and certified Waste Electrical and Electronic Equipment ("WEEE") recycling as part of our disposal policy.

We encourage our colleagues globally to switch off laptops and monitors when not in use and have configurations in place for inactivity to reduce energy consumption. Our strategy incorporates consolidation to reduce overall footprint of hardware and software across our IT estate.

BUSINESS TRAVEL

As conditions return to normal post the Covid-19 pandemic, business travel and commuting have increased. The Group continues to use software to hold virtual meetings and these are promoted as a way to reduce unnecessary business travel.

SOCIAL

OUR PEOPLE

We are proud to continue our ESG progress and be recognised by our people. Our 2024 engagement survey shows 79% of colleagues believe RWS fosters environmentally friendly practices; 80% believe RWS shows a commitment to ethical business decisions and conduct; 79% believe RWS is taking action to be socially responsible; 72% say RWS supports their efforts to balance work and personal life; and 81% believe RWS promotes a diverse culture where individuals from all backgrounds feel a sense of belonging.

Engagement Survey

6,279
Respondents

81%
Response rate

DIVERSITY, EQUITY AND INCLUSION

RWS is part of a vibrant, globally diverse community and recognises the tremendous value gained from people's differences. We know that an inclusive and inviting culture that recognises and celebrates diversity enables people to be their best. This is fundamental to RWS and critical to our success.

We continue to demonstrate our commitment to diversity, equity and inclusion ("DEI") with a specific focus on key pillars in line with the Group's Diversity, Equity and Inclusion Policy. Each pillar has its own Employee Resource Group ("ERG") to provide feedback on the Group DEI plans, and guide initiatives that are bespoke to their pillar. Each ERG has an Executive Team member as a sponsor to ensure appropriate organisational prioritisation and influence. We have evolved our ERGs to best represent the needs and interests of our organisation and people. To that end, in 2024 we added a new ERG on Neurodiversity. We have also included Wellbeing as a separate ERG with a wide range of initiatives to support all colleagues.

Our ERGs are:

- Culture & Ethnicity
- LGBTQ+
- Persons with disabilities
- Women at RWS
- Neurodiversity
- Wellbeing

Our ERGs identify strategies for meeting the collective interests identified by each group, thereby driving engagement and increasing the representation, voice, contribution and influence of that group over time. The RWS Diversity Council's purpose is to guide and support RWS in creating a diverse and inclusive organisation. The council plays an important role in connecting the work of all the ERGs into a broader business-driven results-oriented strategy. To bring all DEI activities together more effectively, we host an annual RWS Diversity Festival. The success of our Language Pal programme inspired us to expand our 'Pal' programme, which now includes Language Pals, Career Pals and Support Pals. All of our Pal programmes endeavour to connect colleagues around shared interests and provide support and insight.

MENTAL HEALTH, PHYSICAL HEALTH AND WELLBEING

Throughout 2024, we have grown our programmes to support mental health and wellbeing. We offer ongoing programmes on a range of topics such as stress management, meditation and yoga, mental health and nutrition. Additionally, we promote our Employee Assistance Program which provides support to managers and colleagues in areas such as stress management, mental and physical wellbeing, dependent care and financial health. RWS supports colleagues sharing their interests and hobbies through our colleague-led clubs, which include areas like music, photography, running, sewing, knitting, books, nutrition, chess and mindfulness & meditation.

AGE

<30	<30-50>	>50	Undisclosed
22%	59%	8%	11%

GENDER

Female	Male	Undisclosed
50%	40%	10%

EMPLOYEE CATEGORY

	Female	Male	Undisclosed
MANAGER	48%	50%	2%
NON-MANAGER	50%	39%	11%

YEARS OF SERVICE

<1 yr	1-5 yrs	>5 yrs
23%	43%	34%

OUR COMMUNITIES

We provide an active programme of charitable support and promote foreign language learning actively through school and university partnership programmes including RWS Campus and the RWS-Brode Scholarship Programme. Our philanthropic initiatives fall under The RWS Foundation. RWS committed to another £200,000 of funding in FY24 that The RWS Foundation can call upon at any time. The RWS Foundation donations in the year amounted to £206k. RWS encourages its colleagues to volunteer in the community and five working days can be taken annually to get involved in charitable initiatives.

CLEAR GLOBAL

CLEAR Global (formerly Translators without Borders) was selected as the Foundation's beneficiary in 2023. CLEAR Global is a non-profit global community of linguists who help people in need to get vital information and be heard, whatever language they speak. RWS is supporting the initiative by sharing resources and providing support with our own network of in-house language specialists. Ongoing support includes translating, localising and reviewing critical content, managing large-scale projects, providing training to translators and members and analysing data to ensure the highest translation standards are maintained.

RWS CAMPUS

RWS Campus is our pioneering global programme, with a clear mission: to inspire great futures in localisation and to be recognised in our industry for developing localisation talent and markets worldwide. Since its inception, we have been working to bring as many benefits as possible to the academic world. Over the years we have progressed in our ambition to be a future talent incubator and to bring the benefits of translation technology to universities and students, to help bridge the gap between the academic world and industry.

RWS SCHOLARSHIP PROGRAMME WITH UNIVERSITY OF MANCHESTER

In 2019 we launched the RWS-Brode Scholarship Programme – named after our former Chairman, Andrew Brode – in collaboration with the University of Manchester, to encourage students to complete a degree in modern languages. Since its launch, we have supported more than 60 students. This year saw 20 students in their final year of study and graduating. Currently, there are 32 scholarship recipients studying at the university receiving financial support from Andrew Brode and The RWS Foundation.

GOVERNANCE

We are strongly committed to upholding the values of good governance as we believe it is important for the long-term success of the business – our clients can depend on us, we can attract the top talent we need to help us innovate, our suppliers can rely on us and it helps us secure the support of our investors. RWS is committed to promoting transparent, fair and timely decision-making that considers the needs of all our stakeholders.

For more detail on our approach to governance, see the Corporate Governance Report section of this annual report.

BUSINESS ETHICS

RWS is committed to acting professionally, fairly and with integrity in all our business dealings and does so in compliance with RWS's Code of Conduct. The Code of Conduct is reviewed annually to remain consistent with ever-changing regulatory standards and guidance.

RWS requires all colleagues, contractors and partners to operate in a professional, ethical and diligent manner and be transparent on all possible conflicts of interest. RWS works with external law firms and consultants to keep up-to-date globally on any changes to legal and regulatory standards to ensure that any new legal requirements are reflected in its policies.

KEY POLICIES AND CODES OF CONDUCT PUBLISHED ON THE GROUP'S WEBSITE INCLUDE:

- Anti-Bribery and Corruption Policy
- Business Continuity Policy
- Client Entertainment and Gifts Policy and Procedure
- Code of Conduct
- Conflicts of Interest Policy
- Corporate Sustainability Policy Statement
- Diversity, Equity and Inclusion Policy
- Environmental Policy
- Harassment, Bullying and Victimisation Policy
- Health and Safety Policy
- ISMS Policy
- Labour and Human Rights Policy
- Modern Slavery and Human Trafficking Policy
- Speak-up Policy
- Supplier Code of Conduct
- Sustainable Procurement Policy

GOVERNANCE AND REPORTING

As an AIM listed company, RWS has chosen to implement The Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The principles and disclosures laid out by the QCA Code provide a framework to ensure we have the appropriate governance arrangements in place. The Board believes that it complies with all the principles of the QCA Code; see pages 69 to 73 for details of our compliance, which is reviewed annually in line with the requirements of the QCA Code.

CORPORATE GOVERNANCE STRUCTURE

The Chairman leads the Board and has overall responsibility for corporate governance and the effective management of the Board. The CEO provides leadership and management to the Group and its senior management team.

To learn more about RWS's Corporate Governance Structure, see pages 66 to 73.

MANAGING RISKS

Identifying and managing risks is fundamental to protecting the business, our people and our communities as well as delivering long-term shareholder value. The Board routinely monitors risks that could materially and adversely affect the Group's ability to achieve strategic goals, its financial condition and the results of its operations. The Board is supported by senior management who collectively play a key role in risk management and regularly report to the Board.

Six of our 11 principal business risks are relevant to ESG and these are set out in the Principal Risks and Uncertainties section of this annual report.

TAX TRANSPARENCY

RWS is committed to being a responsible corporate citizen within each jurisdiction in which it operates and does not use 'tax haven' countries or other tax avoidance arrangements as part of its tax planning. Visit the Directors' Report on page 91 for more information.

CYBER SECURITY

RWS understands that its cyber security preparedness must continue to evolve to address the changing nature of risk. The strategic security posture for RWS is set by the Security and Privacy Committee, chaired by the CTIO. This group includes stakeholders from all relevant business units to collaborate on continual improvement of increasing awareness and supporting a consistent risk-based approach to information security. The Information Security Management System ("ISMS") is the framework that underpins the globally recognised ISO 27001:2013 certification. We hold this for our hosted product solutions, Regulated Industries division, IP Services division and their supporting services, people, processes and technology.

FY24 RECOGNITION

ISO International Organization for Standardization

DURING FY24 THE GROUP HAD:

- ISO 9001: applicable in 41 offices, 36 offices certified and 5 offices compliant
- ISO 17100: applicable in 38 offices, 33 offices certified and 5 offices compliant
- ISO 18587: applicable in 35 offices, 30 offices certified and 5 offices compliant
- ISO 27001: applicable in 9 offices and 9 offices certified
- ISO 13485: applicable in 7 offices, 2 offices certified and 5 offices compliant
- ISO 21500: applicable in 13 offices and 13 offices compliant
- ISO 14001: applicable in 31 offices, 5 offices certified and 26 offices compliant

All applicable sites are sites providing services which are in scope of the ISO certification within the reporting year.

DATA PROTECTION

RWS has adopted a global data protection programme anchored to the EU GDPR and UK Data Protection Act 2018, ensuring adherence to the highest data protection standards while incorporating local regulations' requirements as needed. The programme includes a comprehensive set of policies and processes focused on the protection of personally identifiable information. RWS does not undertake profiling of consumers independently or on behalf of clients. Data provided by clients is never sold or rented. As required to perform and deliver its products and services, RWS will share and transfer personal data between affiliate companies and approved third-party contractors; appropriate privacy agreements are in place to govern such data sharing and transfers.

Sustainability Accounting Standards Board Disclosure ("SASB")

SERVICE SECTOR: PROFESSIONAL AND COMMERCIAL SERVICES

REPORTING YEAR: ALL DATA REPORTING FOR FY23 UNLESS SPECIFIED

RWS has chosen to report by disclosing sustainability topics and certain accounting metrics in line with the SASB Standards. In August 2023, the International Sustainability Standards Board ("ISSB") of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

The Standards:

- Surface information about sustainability-related risks and opportunities that is likely to be decision-useful for investors
- Are industry-based because those risks and opportunities vary by industry
- Are designed to be cost-effective for companies to use
- Are developed using an evidence-based and market-informed process similar to that which is used to develop financial accounting standards
- Put preparers on the path toward ISSB implementation

Global investors recognise SASB Standards as essential requirements for companies seeking to make consistent and comparable sustainability disclosures.

RWS is supportive of the SASB framework as it allows companies to provide comparable and consistent ESG-related data. We have modified some metrics to reflect our domicile in the UK. In addition, we have provided additional metrics where we believe they will provide further information regarding a specific sustainability topic.

We have chosen to report in conformance with the SASB Standard for the Professional & Commercial Services industry, which includes the following disclosure topics:

- Data security
- Workforce diversity and engagement
- Professional integrity

These ESG topics are reviewed along with specific metrics in the following sections of the ESG Report:

Topic	Summary approach	For more information
Data Security	We understand that information security is important to all our stakeholders including clients, investors and colleagues. We take a risk-based approach to the implementation and maintenance of a robust baseline of security controls which are specified in our information security management system, monitored by senior management and subject to regular external and internal validation. This allows RWS to ensure our safeguards are appropriate and proportionate and facilitates the continual improvement of our information security position.	SASB metrics: page 35 Discussion and Analysis: page 33
Workforce Diversity & Engagement	RWS success is based on its delivery of high-quality solutions. RWS recognises the importance of having an engaged, motivated and diverse team of colleagues and has several initiatives in place that seek to maintain an inclusive culture, recognising achievement and support of all its colleagues.	SASB metrics: pages 35 & 36 Our people: pages 29 & 30
Professional Integrity	For RWS, acting and being seen to act with the highest level of professional standards and integrity is fundamental to developing and maintaining trusted partnerships with its various stakeholders. RWS seeks to act with transparency, honesty and integrity at all times.	SASB metrics: page 35 Governance: pages 32 & 33

Sustainability disclosure topics and accounting metrics

Topic	Summary approach	Category	SASB code	For more information
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	SV-PS-230a.1	See page 33
	Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	SV-PS-230a.2	See page 33
	(1) Number of data breaches (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII) (3) number of customers affected	Quantitative	SV-PS-230a.3	As per the SASB requirements a data breach is defined as 'the unauthorised movement or disclosure of sensitive information to a party, usually outside the organisation, that is not authorised to have or see the information.' There have been no known data breaches of this nature.
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Quantitative	SV-PS-330a.1	As RWS is a global business, and in keeping with local legislation which differs from region to region, once again the decision was taken to reach out to all colleagues globally on a totally anonymous and voluntary basis. This was done so that RWS was deemed to be acting inclusively rather than excluding certain regions. The survey asked colleagues to share information on their gender, age, ethnicity, sexuality and disability. This was the fourth year RWS has undertaken this survey and the response rate was 15.9%. Due to the still relatively low response rate, we are unable to substantiate that RWS is a truly diverse company. Going forward we hope that the voluntary response rate will increase. For the results of our survey, please see Tables 1, 2 and 3.
	(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	SV-PS-330a.2	See Table 4
	Employee engagement as a percentage	Quantitative	SV-PS-330a.3	See Table 5 FY24 was the fourth year RWS undertook a Group-wide employee engagement survey. Using a world-class external engagement survey and platform, which provides precise colleague engagement data, enables us to benchmark our results externally. The survey was completed again in September FY24 and we achieved a global response rate of 81%, slightly down on last year's score of 84%. This year we achieved a 61% favourable employee engagement score (see Table 5). We remain encouraged by the results regarding diversity and inclusion with a 81% favourable response to the critical question "RWS promotes a diverse culture where individuals from all backgrounds feel a sense of belonging."
Professional integrity	Description of approach to ensuring professional integrity	Discussion and Analysis	SV-PS-510a.1	See pages 32 & 33
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Quantitative	SV-PS-510a.2	There have been no monetary losses in FY24 as a result of legal proceedings associated with professional integrity.

SASB Disclosure (continued)

Activity metrics

Activity metric	Category	SASB code	Response
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Quantitative	SV-PS-000.A	(1) 86% (7,752 FTE) (2) 13% (1,170 FTE) (3) We have around 40,000 vendors and freelancers who are paid on invoice.
Employee hours worked, percentage billable	Quantitative	SV-PS-000.B	3,299,809 19% Our primary business model is based on words translated but billing per hour is typical of some services adjacent to localisation such as testing, DTP and multimedia services, etc.

Table 1. ROLE REPRESENTATION OF RWS EMPLOYEE RESPONSES (FY24)

Role	%
Senior Manager or Executive	9.50%
Manager or Team Leader	27.40%
Non-Manager	57.32%
Prefer not to say	5.78%

Table 2. GLOBAL GENDER REPRESENTATION OF RWS EMPLOYEES* (FY24)

Gender	%
Female (Female or Cis woman)	66.19%
Genderqueer	0.63%
Genderfluid	0.32%
Intersex	0.16%
Male (Male or Cis man)	28.42%
Non-binary	0.87%
Trans woman/Trans female	0.08%
Trans man/Trans male	0.00%
Prefer not to say	2.69%
Other	0.63%

*For inclusivity, we included additional options under gender representation.

Table 3. RACIAL/ETHNIC GROUP REPRESENTATION* (%) (FY24)

Ethnicity	All employees
Arab	1.33%
Black or African or Caribbean (For example: African / Caribbean / Any other Black, African or Caribbean background)	0.55%
East or South-East Asian (For example: Chinese / Korean / Japanese / Vietnamese / Filipino / Any other East or South-East Asian background)	23.94%
Hispanic or Latino (For example: Brazilian / Argentine / Colombian / Chilean)	4.92%
Mixed or Multiple ethnic groups (For example: White and Black Caribbean / White and Black African / White and Asian / Any other Mixed or Multiple ethnic background)	1.67%
Native Hawaiian or Pacific Islander	0.08%
Native American or Alaskan	0.17%
South Asian (For example: Indian / Pakistani / Bangladeshi / Any other South Asian background)	5.84%
White	55.21%
Prefer not to say	4.42%
Other	1.92%

*As RWS is a UK-based company, and for inclusivity, we did not restrict the racial/ethnic groups

Table 4. EMPLOYEE TURNOVER RATES, % (FY24)

FY24	%
Turnover*	21.3%
Voluntary	10.6%
Involuntary	10.7%

*Challenges remain with data collection given the migration of some data from multiple legacy sources onto a unified HR system.

Table 5. EMPLOYEE ENGAGEMENT SCORES (FY24)

	Favourable	Neutral	Unfavourable
My work gives me a feeling of personal accomplishment	64%	21%	15%
I would recommend RWS to people I know as a great place to work	62%	25%	13%
RWS as a company motivates me to excel in my work	56%	26%	17%

Non-Financial and Sustainability Information Statement

The following aligns to the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Policies

All public policies, codes and standards are available on our website rws.com

Chief Financial Officer’s Review

"The Group maintains a robust balance sheet, ensuring our capacity to invest in long-term competitiveness and deliver sustained value to our shareholders. Our continued investment in growth initiatives and ongoing efficiency efforts have resulted in a more resilient performance in FY24, with a return to growth in the second half. We further strengthened our balance sheet by disposing of our interest in PatBase, have successfully integrated our recent acquisitions (Propylon and ST Comms), and have completed our first share repurchase programme. We continue to make good progress on the Group’s transformation programme.“

During 2024 total revenue declined by 2%, adjusted operating profit by 9%, and adjusted profit before tax by 11%. Whilst the Group experienced continued pressure from reduced client budgets and longer decision-making cycles in some parts of the business this year, we were pleased that the Group returned to growth in the second half. Gross margin expansion of 60bps to 46.9% for FY24 was driven by efficiencies from LXD, group restructuring and broader cost control efforts. Cost of inflation in overheads was also offset by restructuring and broader cost control efforts, whilst incremental levels of investment were made to support the growth initiatives and ongoing transformation. Gains from hedging were £5m in FY24 compared to £13m in FY23. The Group continued to enhance its portfolio with the successful integration of Propylon, the acquisition and integration of ST Communications and the disposal of its interest in PatBase.

The Group continues to be highly cash generative, with cash generated from operations of £94.5m, notwithstanding acquisitions and costs associated with restructuring and integration. Net cash (excluding lease liabilities) declined in the period from £23.6m to net debt (excluding lease liabilities) of £12.9m reflecting £25m proceeds from the disposal of PatBase, capital expenditure of £43.1m, dividend payments of £45.5m and a further £30.4m paid for the share repurchase programme.

Candida Davies

REVENUE

Overall, in FY24 the Group generated revenues of £718.2m, which is 2% lower than FY23. The second half reported revenue was in line with prior year due to an improved performance across all divisions which is reflected in a second half OCC revenue growth of +2%. For the full year OCC revenue growth was flat compared to FY23.

In divisional terms, Language Services recorded £327.1m in revenue, a 1% decrease in total revenue and a 3% improvement on an OCC basis. Client retention and satisfaction remain high, albeit we continue to see reduced volume from certain clients in some end markets as they adjust to continued challenging conditions. The TrainAI growth initiative performed well and provides good momentum going forwards. Regulated Industries recorded £146.5m in revenue, a decrease of 10%, although a decline of 7% on an OCC basis year-on-year. Positive progress continues to be made with Linguistic Validation and while some Life Sciences clients continued to deliver reduced levels of activity, we anticipate volumes to recover as more products move through regulatory and launch phases in due course. Language and Content Technology had total revenue of £142.3m, an increase of 4% year on year and a decline of 1% on an OCC basis. Language Weaver and Propylon performed well supporting a more challenged performance elsewhere in the division. IP Services recorded £102.3m in revenue, a decrease of 2% on prior year and an increase of 3% on an OCC basis. The growth was driven by a strong performance in the Eurofile segment with many patent filers remaining committed to the existing arrangement over the Unitary Patent.

The majority of the Group revenue, categorised by geography, is in the US market, which accounts for 53% of the total. No one client accounts for more than 10% of Group revenue.

GROSS PROFIT

Gross profit decreased by 1% to £336.5m, delivering a gross margin of 46.9%, up 60bps from 46.3% in the prior year. Cost of inflation and foreign exchange headwinds were more than offset by efficiencies from LXD, group restructuring and broader cost control efforts. We continue to identify further opportunities for efficiency gains through our transformation programmes and LXD platform and the use of AI internally.

ADMINISTRATIVE EXPENSES

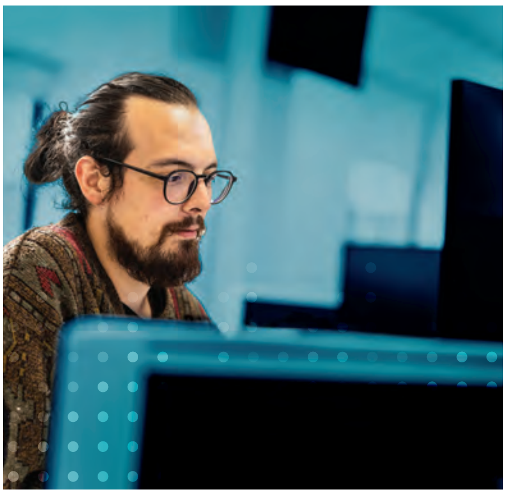
Administrative expenses have decreased to £270.7m (FY23: £346.4m). Administrative expenses as a percentage of revenue have decreased from 47% to 38%, which reflects the lower exceptional items and impairment charges within adjusting items. Adjusted administrative expenses (gross profit less adjusted operating profit) increased by £8.5m to £224.2m, with cost control measures not quite offsetting cost of inflation, the additional overheads costs associated with Propylon, incremental investments in growth initiatives and reduced foreign exchange gains.

Amortisation of acquired intangibles was £40.8m (FY23: £38.8m). This included additional amortisation for Propylon intangible assets, partially offset by the impact of exchange rate movements during the period. Amortisation of non-acquired intangibles was £14.0m (FY23: £18.1m).

The Group recorded a £10.5m impairment charge on its revalued freehold building at 1-3 Chalfont St Peter after a recent revaluation lowered its value from £14.0m to £3.5m. The revaluation took place as part of a Group property portfolio review. Furthermore, an impairment charge of £11.7m was recognised on IT investments after a change in strategy resulted in the impairment of a previous solution that was in development.

Exceptional costs of £3.4m were incurred during the year, relating to Group restructuring, integration and the disposal of PatBase.

Acquisition costs of £7.2m were primarily related to the contingent consideration and purchase of ST Communications during the period and contingent consideration for the purchase of Propylon Holdings Limited in the prior period.



FINANCE COSTS

Net finance costs were £5.8m (FY23: £4.0m), with the year on year increase due primarily to an increase of £2.2m in interest payable on external debt, reflecting higher interest rates and increased borrowings. The Group has a US$220m Revolving Credit Facility ("RCF") maturing on 6 August 2027, after triggering the option to extend maturity by one year. With only $100m drawn as at 30 September 2024, we have further flexibility as we continue to grow the business and seek selective acquisitions to enhance the Group's capabilities and geographic reach.

PROFIT BEFORE TAX

The Group reported a profit before tax of £60.0m (FY23: loss of £10.9m), the increase being driven by lower impairment charges and lower exceptional charges primarily related to group restructuring as well as the profit on sale of Patbase of £30.0m.

ADJUSTED PROFIT BEFORE TAX

Adjusted profit before tax ("Adjusted PBT") is stated before amortisation and impairment of acquired intangibles, share-based payment expense, acquisition costs and exceptional items (see reconciliation on page 156). The Group uses adjusted results as a key performance indicator, as the Directors believe that these provide a more consistent and meaningful measure of the Group’s underlying performance across financial periods. The Adjusted PBT of £106.7m (Adjusted PBT margin: 14.9%) recorded in the period has decreased from £120.1m (Adjusted PBT margin: 16.4%) in the prior year. Strong cost control measures and restructuring efforts were implemented to counteract inflation and ongoing investments in growth and transformation. However, weaker business performance and foreign exchange headwinds led to the release of management bonuses and a slightly lower adjusted PBT compared to the previous year. Excluding the impact of foreign exchange, both the adjusted PBT and margin are in line with the prior year.

TAX CHARGE

The Group’s tax charge for the year was £12.5m (FY23: £16.8m). The adjusted tax charge for the period was £26.6m (FY23: £29.6m) representing an effective adjusted tax rate of 24.9% compared with 24.6% in the prior financial year. The rise in the effective rate largely reflects the full year impact of the increase in the UK rate change to 25%, from the blended rate of 22% in the prior year.

EARNINGS PER SHARE AND DIVIDEND

Basic earnings per share for the financial year increased from (7.1)p to 12.8p, while adjusted basic earnings per share decreased from 23.3p to 21.6p, representing a decrease of 7%, which reflects the drop in adjusted profit before tax. The weighted average number of ordinary shares in issue for basic and adjusted basic earnings decreased from 388.2m to 371.3m, principally due to the proportionate impact of the ordinary shares repurchased through the share repurchase programme.

A final dividend for the financial year ended 30 September 2024 of 10.0 pence per share has been proposed, equivalent to £36.9m, while an interim dividend of 2.45 pence per share, equivalent to £9.1m, was paid during the financial period. A final dividend for the year ended 30 September 2023 of 9.8p pence per share, equivalent to £45.5m, was paid in this financial period.

The proposed total dividend for the year of 12.45 pence per share represents a 2% increase on the total dividend relative to the prior financial period of 12.2 pence per share.

BALANCE SHEET

Net assets at 30 September 2024 decreased by £87.7m to £899.6m. The main drivers of this decrease was the decreasing foreign currency denominated net assets, mainly due to the weakening US Dollar.

Current assets at 30 September 2024 of £278.3m have decreased by £11.9m on the prior year. This includes a decrease in trade and other receivables of £1.1m and cash and cash equivalents balances of £14.7m to £61.5m.

Current liabilities have also decreased to £158.4m at 30 September 2024, a decrease of £24.2m, primarily due to a decrease in trade and other payables balances of £22.1m. Non-current liabilities have increased by £2.6m, reflecting a net increase in loan balances under our RCF of £21.8m, partly offset by a decrease in lease liabilities of £4.9m, trade and other payables of £1.9m and deferred tax of £4.2m.

CASH FLOW AND WORKING CAPITAL

Cash generated from operations was £95.5m, £33.7m less than the prior year, when cash generated was £129.2m. Operating cash flow before movements in working capital and provisions was £128.6m decreased from £130.9m in the prior year. The key items within the net working capital outflow of £32.2m relate to the restructuring of the Group, revenue related phasing, supply chain management and other procurement activities.

Significant cash outflows from investing activities included purchases of intangible software of £40.5m and property plant and equipment of £2.6m partially offset by the £25.0m receipt for the disposal of Patbase.

The Group completed its share repurchase programme during the period with £19.4m of shares repurchased in FY23 and the remaining £30.4m repurchased in FY24. Cash flows from other financing activities included dividends paid within the financial year ended 30 September 2024 of £45.5m.

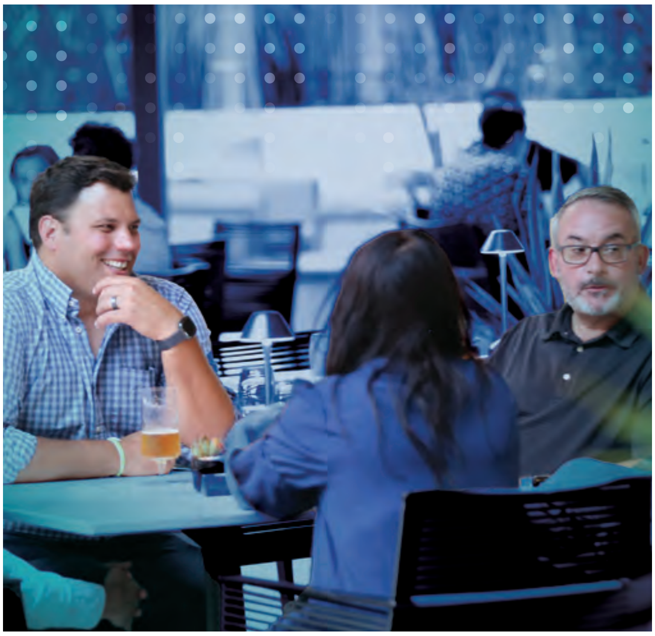
Cash balances at the financial year end amounted to £61.5m, with external borrowings of £74.4m, excluding lease liabilities, resulting in a net debt position of £12.9m (FY23: £76.2m cash and external borrowings of £52.6m, resulting in net cash of £23.6m). Net debt including lease liabilities was £40.1m (FY23: net debt of £9.9m).

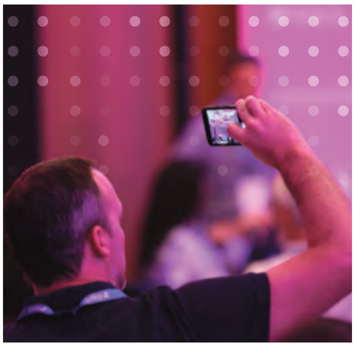
POST BALANCE SHEET EVENTS

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

Candida Davies | Chief Financial Officer

11 December 2024





Principal Risks and Uncertainties

The 11 risks outlined below are those that the Board considers material to the Group. They are not presented in any order of priority. There may be other risks that are either currently unknown, or considered by the Board to be immaterial, which could adversely affect the Group's business, the results of its operations or financial condition.

The Board routinely monitors risks that could materially and adversely affect the Group's ability to achieve strategic goals, its financial condition and the results of its operations.

The Board is supported by the Executive Team and other senior leaders who collectively play a key role in the identification, assessment and mitigation of risk and periodically report to the Board on progress.

Risk category	Description	Mitigation
PEOPLE		
Failure to attract, engage, retain, incentivise and develop key talent	The quality of service provided by RWS is fundamentally derived from the quality of our people. Our performance could therefore be adversely affected if we are unable to recruit, train, incentivise and retain the key talent required for the future needs of the Group. We are also exposed to wage inflation and talent shortages in certain countries and markets, which is fueling the 'war for talent'.	RWS has an attractive proposition for current and future employees, operating in a fast-moving sector; we are at an inflection point within the industry and have the competitive and technological capability and capacity to remain at the forefront of the industry. We continue to offer internal development/career options, a positive culture and values; and strong communications. We have introduced structured job architecture; job grading; and benchmarking; and embedded onboarding and engagement programmes. The Group also plans for succession at senior levels.
OPERATIONAL		
Failure to deliver transformation programme	The Group's transformation programme is addressing its core systems, processes and operating models to enable faster response to market, efficiency and growth opportunities. The Group would be exposed to commercial, operational and reputational risk if the execution of the implementation programme does not deliver the planned benefits to time, plan and cost.	The Group has established an overarching Business Transformation Office ("BTO") with the required structure, processes, experience and capabilities to support the executive sponsors responsible for each prioritised transformation. The BTO is responsible for assisting the Executive Team in driving a successful integrated plan and playing an independent role in oversight and governance ensuring risks are appropriately monitored and mitigated. Risks are reduced by ensuring appropriate focus, and quality and quantity of resource is provided to each activity. This ensures that where resource constraints emerge, timely impact analysis and prioritisation occurs. The Executive Team meet monthly in the Steering Committee and the Board receives periodic status updates.

Risk category	Description	Mitigation
Complexity risk	The Group's current structure and operating model are complex due to past organic and inorganic growth. This risk manifests itself in the breadth of service offering, a multitude of different operational systems and the associated workload involved in maintaining, securing and using them.	The Group is currently investing in a transformation programme to significantly simplify its operating model. Protocols are also in place to ensure that acquisitions are better integrated in order to avoid adding to complexity wherever practical. The Board and Executive Team reviews the Group's operating model and transformation programme regularly to ensure progress is being made.
TECHNOLOGY		
Technology and AI	RWS's leading position in AI-enabled linguistic processes requires agile development, deployment and commercialisation of AI technology such as Evolve. We could, however, be disrupted if we are unable to respond rapidly to changing technological or market developments. This could challenge our competitive standing, customer proposition and put customer relationships, demand for our services, new growth opportunities and revenues at risk.	There is continuous review of AI technology, possible disruptions and the risks and commercial opportunities for RWS. We invest in our linguistic AI portfolio to leverage our unique technology, product and sector expertise and differentiate our offering. We actively pursue opportunities to secure patent protection for our innovations. We also constantly monitor AI developments in the market to identify and manage potential threats and opportunities and incorporate leading edge innovation in our solutions.
STRATEGIC AND FINANCIAL		
Data Services Business Model risk	AI data services such as TrainAI are a key growth initiative for RWS. We could be at risk if we are unable to scale our business model and processes in line with growth expectations to support data services. The business model requires agile resourcing and active management of large numbers of individuals which result in a range of compliance obligations in areas such as onboarding, supply chain management, data privacy and fraud prevention. We also need to actively manage the client portfolio to focus on higher margin projects and to avoid concentration risk.	RWS is leveraging Group policies and procedures as well as introducing additional AI / Data services specific amendments in key control areas such as onboarding, workforce management, data privacy, audit & compliance and operations. RWS is also monitoring the future portfolio to manage margins and avoid portfolio concentrations.

Principal Risks and Uncertainties (continued)

Risk category	Description	Mitigation
Failure to deliver profitable growth	The Group is seeking organic growth in competitive markets with rapidly evolving client expectations. Whilst our client retention remains strong, we need to remain commercially attractive and respond effectively to client demands, to avoid losing clients or having our share of spend reduced. We might also be unable to fully pass on inflationary pressures in our pricing which could compress margins unless we find efficiency gains to offset any reduction in margins. There is also a risk that our ability to forecast client spend may be unreliable leading to our business planning and associated market guidance being inaccurate.	In terms of retention, we measure client satisfaction regularly and, where appropriate, have account managers and client service teams focused on our key accounts. We have been investing in our sales and marketing capabilities and in a series of new growth initiatives. We have appointed an SVP of sales operations to facilitate best practice sharing and drive consistent performance management. We have also been training our sales and account managers through our 'Leading for Growth' programme and have been making improvements to our Key Account Plans and our approach to pricing. We continue to manage long-term relationships closely to reduce revenue risk. Forecasts are also reviewed regularly at Board and Executive Team level to inform business planning and shareholder communications.
LEGAL AND COMPLIANCE		
Legislative and regulatory compliance risk	The pace and demands of legislative and regulatory change as well as the increase in stakeholder expectations, can adversely impact on RWS's revenues and increase potential compliance and reputational risks (e.g. AI, privacy and cyber, corporate governance, climate, sanctions, environmental, health and safety).	The Group has established a unified Legal & Professional Advisory team under the Group General Counsel and Company Secretary to support the business and ensure a consistent, global approach to legal, governance and privacy risk management and to monitor and manage the impact of regulatory change. The RWS Code of Conduct is underpinned by an all-colleague training programme. Our ethics and compliance policy framework is reviewed and enhanced periodically and as necessary.
Failure to manage data-privacy requirements and expectations	The Group is facing increasing regulation across its multi-national operations as the global landscape of data protection, privacy, AI and cyber regulation develops. The current pace of innovation and regulation also leads to additional expectations from our clients in relation to the protection of personal data and the deployment of AI. The broader scope of data processing anticipated by the Group's AI and data services strategic initiatives increases our risk exposure.	The Group has established and expanded its Data Privacy Office under the General Counsel and Company Secretary to oversee data privacy matters globally. The legal team also plays an active role in reviewing data privacy requirements and obligations in client and vendor contracts. Data privacy and AI policies and procedures are being further developed and rolled-out.
EXTERNAL ENVIRONMENT		
Competitive risk	We face competitive risks across products and services from existing and new entrants, market consolidation and other market dynamics as well as development of new offerings and technology solutions. We could also be at risk of disintermediation if customers become competitors. There is continuous review of the competitive risks facing RWS across its products and services.	We have a Group-level monitoring and business intelligence for monitoring existing and potential competitors. We also scan the technology / AI developments in conjunction with the linguistic AI team to identify and manage potential threats and to counter these by incorporating leading edge technology in our solutions. There is a structured client engagement programme to help identify and mitigate competitive threats.

Risk category	Description	Mitigation
Cyber security	RWS may be adversely affected by activities such as systems intrusions, denial of service attacks, ransomware, virus spreading and phishing. AI is increasing the volume and sophistication of such activities and further heightens the people risk associated with cyber attacks. The cyber threat level is increasing and successful attacks on legacy and new IT estate could also lead to data loss and adverse financial and reputational impact.	The Group operates a network of systems to act as barriers to outside attacks. It has third party threat detection and response services, fully supported firewall protection, data and systems recovery procedures, BCP, MFA, and uses targeted third-party penetration testing. The Group also conducts employee cyber / information security training and holds an appropriate level of cyber insurance.
Geopolitical	The Group is exposed to the heightened global geopolitical uncertainty. The risk could lead to changes to demand, growth rates and attractiveness of clients and markets, and have an impact on the geographical focus of the Group and the cost of doing business.	The Group monitors the changing global situation and is alert to any relevant changes. It can then take action by reallocating work where relevant across its global infrastructure and ensuring the safety of its people. The Group reflects changes to the geopolitical risk in its budgeting, investments, planning and decision-making.

REVIEWING AND MAPPING OUR RISKS

During FY24 the Board reconsidered the relevance of climate change as a Group principal risk. This risk is defined as a combination of increasing disclosure and reporting obligations and exposure to natural disasters. The Board's review recognised the importance of climate risk for the Group and its stakeholders but concluded that both elements of the risk are well-managed through the oversight and activities of the Group's ESG Steering Committee. In addition, the Group has made good progress in setting its carbon reduction pathway, with its targets formally approved by the SBTi in May 2024 (see pages 25 to 28 for more detail). Noting also that climate risk has a relatively lower impact for the Group in comparison with other industries, the Board concluded that climate risk should be retired as a principal risk.

The Group categorises risks according to the likelihood of occurrence and the potential impact on the Group. Impact is assessed on financial grounds. Financial impact in the period could be increased costs, reduced revenue, fines or increased management time required to deliver a given activity. The Directors have also assessed the risks on a gross basis (i.e. without existing mitigations) and a net basis (i.e. with existing mitigations). During FY24, the Board conducted a risk appetite and exposure exercise to help better inform the focus of its mitigation efforts.

Task Force on Climate-related Financial Disclosures ("TCFD")

Recognition of climate-change impacts and the need to act proactively is increasing. The hottest recorded June, July and August was experienced in 2024 for the eleventh consecutive year and, if action is not taken by all, these changes will become long lasting. RWS has the desire to lead by example. This is evidenced by it becoming a signatory of the TCFD before it became mandatory and achieving SBTi approval of its science-based targets in FY24, ensuring that RWS can support the achievement of keeping global temperature rises to 1.5°C or less.

Following our decision in 2021 to start reporting in line with TCFD early, these disclosures include our actions taken to date to align our climate risk disclosures with the TCFD recommendations. Doing so will enable our stakeholders to understand the ways in which climate change is affecting our business now, and in the future, as well as the steps that we are taking.

In meeting the requirements of Financial Conduct Authority (FCA) listing rule 9.8.6R in respect of TCFD we have concluded that:

- We comply fully with recommended disclosures 1 to 11.

TCFD pillar	TCFD recommended disclosures	Cross-reference or reason for non-compliance	Comments and next steps
Governance	1. Board oversight of climate-related risks and opportunities	Page 48 Compliant	The Board will continue to review the climate-related risks and opportunities routinely.
	2. Management's role in assessing and managing climate-related risks and opportunities	Page 48 Compliant	We will continue to develop the roles and responsibilities of management in assessing and managing climate-related risks and opportunities across the Group.
Strategy	3. Climate-related risks and opportunities in the short, medium-, and long-term	Pages 48 to 52 Compliant	We have completed a scenario analysis in respect of climate-related risks and opportunities across the short-, medium-, and long-term, and will continue to review and update the respective scenarios.
	4. Impact of climate-related risks and opportunities on our business, strategy, and financial planning	Pages 53 & 54 Compliant	We have completed a scenario analysis in respect of climate-related risks and opportunities and these are being incorporated into financial planning. In FY24 we will further integrate our climate-related risk mitigation into our strategic planning and forecasting, and continue to review how climate change may impact our medium-term strategy.
	5. Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 54 & 55 Compliant	Based on current weather fluctuations, we have made a number of assumptions associated with those states and what could be experienced. Through our climate scenario analysis we believe our business is resilient in the short-, medium-, and long-term. In FY24 we will continue to review how climate change may impact our strategy.
Risk management	6. Our processes for identifying and assessing climate-related risks	Page 55 Compliant	The Executive Team will continue to be responsible for identifying potential climate-related risks which will be assessed as part of the Group's risk process.
	7. Our processes for managing climate-related risks	Page 55 Compliant	Climate change risks are managed through our risk management process and after they are assessed, risk profiles are produced at a business level with Board-level oversight.
	8. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Page 55 Compliant	We will continue to monitor and manage our climate-related risks and ensure that each risk is monitored and managed appropriately.
Metrics and targets	9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 56 Compliant	RWS worked with the industry-leading carbon accounting platform and consultancy team, Watershed, to report against our emissions-related performance metrics for Scopes 1, 2 and 3.
	10. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks	Page 56 Compliant	We have disclosed our Scope 1, 2 and 3 emissions the past several years.
	11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 57 Compliant	In FY24 we received SBTi approval for our near-term science-based emissions reduction targets. We will continue to report regularly on our progress to reduce our carbon emissions.

Task Force on Climate-related Financial Disclosures (continued)

GOVERNANCE

a. Board oversight of climate-related risks and opportunities

The Board is responsible for overseeing and directing the overall RWS strategy, including agreeing the Group's position and commitments on key sustainability and climate-related matters. Climate-related issues are discussed during Board meetings, in addition they receive regular reports on sustainability and ESG issues.

The climate-related issues raised to the Board inform and influence business strategy decisions, including annual budgets, major plans of action and associated capital expenditures, remuneration, transition plans and targets.

The Board and Executive Team oversee progress against climate-related goals and targets including the annual reporting of the Group's science-based targets to the Science Based Targets initiative ("SBTi").

b. Management's role in assessing and managing climate-related risks and opportunities

The CEO oversees the sustainability and climate agenda with the Executive Team, in order to identify climate-related risks and opportunities, and to manage the implementation of any key actions approved by the Board. The Executive Team oversees the implementation of the Group's policies and programmes in order to mitigate risk, including risks that relate to sustainability and climate.

The Executive Team considers climate-related issues as part of the overall ESG strategy, led by the General Counsel and Company Secretary, who is responsible for coordinating the Group's overall risk management program. The Board formally reviews ESG and climate-change topics at least once annually, and more frequently where required.

RWS's remuneration philosophy reflects the importance of sustainability and aims to incentivise senior leaders to contribute to the Group's ESG strategy individually, by including ESG targets in each senior leader's annual objectives.

STRATEGY

a. Climate-related risks and opportunities in the short-, medium- and long-term

RWS considers a range from one to three years as 'short-term', from three to five years as 'medium-term', and anything over five years as 'long-term' which is aligned with the Group's business planning.

Working with a third-party external consultant and their expert handling of climate impact analytics tools, key risks and opportunities were identified for our operations locations. Risks and opportunities were then assessed for likelihood of materialisation, risk level, and time period in which risk could arise and impact business. Risks and opportunities were considered across separate RCP scenario analyses.

As part of its overall risk-management strategy, RWS has identified a number of climate-related risks and opportunities that potentially could have a material financial impact on the organisation. These have been categorised into physical risks and transition risks and opportunities.

An overview of the identified short-, medium-, and long-term risks and opportunities have been summarised on the next page.

Risk	Business disruption	Increased energy costs	Heat stress and reduced labour productivity
PHYSICAL RISKS			
Risk Level	Medium	Medium	Low
Description	Physical risks such as flooding can impact RWS Holdings plc business by causing disruptions and outages within offices and data centres. Employees may be prevented from accessing necessary data. In extreme cases, IT infrastructure may be compromised and locally hosted data could be lost. Additionally physical climate risks could impact employees abilities to be able to perform their day to day roles due to acute climate events, for example severe storms or hurricanes.	Warmer average temperatures will require additional cooling capacity. Energy usage and costs will likely increase due to higher demand for heating and air conditioning within offices and data centres, as well as for employees and freelancers working from home.	Heightened heat stress may cause lower labour productivity. Reduced productivity of the labour force in impacted areas would directly impact RWS's revenue if no measures were implemented. Labour productivity could be reduced both in RWS offices and at the homes of remote workers due to insufficient air conditioning.
Likelihood	Unlikely	Likely	Likely
Scenario analysis	RWS has mapped its operations, and conducted scenario analysis to determine sites with the highest exposure to flood risk. Under RCP 6.0, exposure to flood risk was highly or very highly increased at one site out of the 62 sites assessed in the medium-term and nine sites in the long-term.	Average temperature rises are expected to be highly or very highly impactful at one site in the long-term under the RCP 6.0 scenario. Under the RCP 8.5 scenario, this increases to thirteen sites out of our 63 total sites.	Under RCP 6.0, heat stress is likely to cause at least a 10% reduction in productivity at 4 sites by 2100 and at least 5% at 4 additional sites by 2100. RWS expects that heat stress in these geographical locations will also pose similar risks to homeworkers, primarily in India, Thailand, and China.
Impacts	Reduced revenue, increased operational costs	Increased operational costs	Reduced revenue, increased operational costs (energy)
Timeframe	Short, Medium, Long	Medium, Long	Medium, Long
Management response and mitigation	Apart from our head office (Chalfont St Peter), RWS lease all offices and data centres. We are therefore able to have flexibility to move our locations as required in the event of climate impacts or insurance premiums becoming uneconomical. We have an agile working policy for employees who are able to utilise the office or home working as suited. This is in addition to our business continuity policies.	This risk will be mitigated through actively monitoring our energy consumption using a carbon emissions tracking platform. Identifying, assessing and investing in energy saving opportunities in the short-term will help keep costs down in the long-term. An example is RWS Holdings plc's recent transformation plan which is dedicated to upgrading complex and outdated systems, harmonising ways of working and using a single, cloud-based system to improve accessibility around the globe.	Increased costs are expected and will be budgeted for, to allow for higher demand for air conditioning within offices and data centres. Emerging legislation that may increase energy prices, such as the introduction of carbon pricing, will be continually monitored.

Task Force on Climate-related Financial Disclosures (continued)

Risk type	Current and emerging legislation	Market and reputation	Policy	Technology
TRANSITION RISKS				
Risk	Non-compliance with regulation	Clients' demands for effective sustainability management	Increased energy costs	Substitution of existing products and services with lower emissions options
Risk Level	Low-Medium	Medium	Medium	Low
Description	RWS Holdings plc's global reach means that it must be aware of and comply with current climate-related regulation. Emerging climate regulations, such as UK Sustainability Disclosure Standards ("SDS"), Corporate Sustainability Reporting Directive ("CSRD"), Corporate Sustainability Due Diligence Directive ("CSDDD"), and pending SEC and California state legislations must also be considered given our global footprint. These regulations are anticipated to focus on enhancing climate change management practices, improving transparency surrounding reporting carbon emissions and climate change management strategies. Non-compliance with regulation may result in fines and reputational damage. Compliance with emerging carbon pricing legislation, may also contribute to increased costs.	Our clients are demanding increasingly effective environmental and sustainability practices, as well as improved transparency in the reporting on sustainability topics. Failure to meet these high standards may risk losing some of our higher value customers, which would cause a decrease in revenue.	The energy transition may bring a period of high energy prices in the short to medium-term. Higher carbon prices may be introduced to support the shift to investments in, and adoption of, renewable energy, driving increased fossil fuel prices. Wholesale fossil fuel prices may also increase as a result of lower supply and higher relative demand, due to the potential for reduced investment in new oil and gas supplies.	Technology, including data centres and network infrastructure, is central to RWS Holdings plc's offerings. It constitutes an important aspect of its energy consumption and associated carbon emissions. Innovation focused on low/no carbon technology forms a central part of RWS Holdings plc sustainability agenda and climate change goals. Failure to respond sufficiently to trends in technological advancement could lead to increased energy costs, as well as decreased asset value or useful economic life, leading to write-offs, asset impairment or early retirement of existing assets.
Likelihood	Unlikely	Likely	Likely	Unlikely

Risk type	Current and emerging legislation	Market and reputation	Policy	Technology
TRANSITION RISKS				
Risk	Non-compliance with regulation	Clients' demands for effective sustainability management	Increased energy costs	Substitution of existing products and services with lower emissions options
Scenario analysis	Enhanced regulatory requirements are expected as organisations transition to a lower carbon economy, and particularly under RCP 2.6, where a strong regulatory response will be necessary to limit warming to below 2 degrees.	Under the 'very stringent' RCP 2.6 pathway, greater emphasis will be placed on companies to improve the transparency of their supply chains, and to demonstrate the environmental and sustainability credentials of their suppliers.	Under the RCP 2.6 pathway, increased energy costs are highly likely due to a more rapid decarbonisation of global energy supply. A rapid transition will likely necessitate high levels of global investment in renewable energy and grid infrastructure, as well as regulatory interventions such as high carbon prices to disincentivise fossil fuel consumption. These would contribute to higher global energy prices in the short-term as carbon prices increase. Energy prices would decrease over the medium-to long-term as renewable energy increases in the global energy mix.	There is an expectation that, under RCP 2.6, rapid technological advancement across sectors will be required to limit warming to below 2 degrees. This will primarily increase costs to organisations who operate high-emission data centres and use outdated technology as energy costs will increase in the short-term and inefficient equipment will become obsolete and / or prohibitively expensive to operate, regardless of remaining asset life value.
Impacts	Increased operational costs	Reduced revenue	Increased operational costs	Reduced revenue, increased operational costs, increased capital expenditure
Timeframe	Medium, Long	Short, Medium, Long	Medium, Long	Long
Management response and mitigation	RWS continues to monitor the evolving regulatory landscape in order to ensure it is complying with all relevant legislation and is prepared for emerging legislation as it becomes applicable. RWS ensures preparedness by seeking external support where required in order to ensure full compliance. RWS has demonstrated its commitment to this through the engagement of external consultants to quantify its Scope 1, 2 and 3 carbon footprint.	RWS ensures alignment with market expectations through seeking external consultancy support to ensure compliance with legislation, and the accreditation of its carbon emissions. It has recently received approval of its near-term science based targets by the Science Based Targets initiative ("SBTi").	Increased costs are expected and will be budgeted for, to allow for higher demand for air conditioning within offices and data centres. Emerging legislation that may increase energy prices, such as the introduction of carbon pricing, will be continually monitored.	RWS has migrated servers to the cloud through large, reputable suppliers. Additionally, RWS is actively pursuing optimisations to systems that serve large language models and artificial intelligence to reduce processing power requirements, and therefore energy use and costs. RWS will continue to assess the energy transition plans of our technology third-party suppliers to evaluate their resilience to technological changes as a result of transition climate-related risks. Additionally, RWS will continue to monitor alternative technological solutions to ensure it is keeping up with market trends. RWS has a transformation plan in place that is dedicated to upgrading outdated systems, harmonising ways of working, and implementing a single, cloud-based system to improve accessibility across the globe.

Task Force on Climate-related Financial Disclosures (continued)

Opportunity type	Energy efficiency	Market and reputation	Technology
OPPORTUNITIES			
Opportunity	Participation in renewable energy programmes and adoption of energy efficiency measures	Aligning to customer priorities and market expectations	Use of more efficient production and distribution processes / Development of low emissions goods/services.
Opportunity Level	Medium	High	Low
Description	RWS continues to identify energy and carbon savings opportunities through compliance with regulations. Energy savings have been made to date, and efficiency improvement opportunities are continually monitored and explored. RWS has a focused effort on increasing the source of renewable energy procured further leading to additional carbon savings and emission reductions in line with our SBTi goal.	Many of RWS's clients and other stakeholders have an increasing focus on sustainability issues within their own operations and in their supply chain. RWS's continuing alignment with current and emerging regulations, such as TCFD and CDP, demonstrate its commitment to transparency and to contributing to the transition to a lower carbon economy. This, therefore, represents opportunities as existing and potential customers focus on managing and reducing their supply chain emissions.	Technology is a key focus of RWS, and it continually monitors and realises opportunities relating to emerging technologies. Increased efficiencies due to an increasing adoption of, and improvements to, artificial intelligence (AI) services for example, poses opportunities for reducing emissions associated with translation services. RWS is actively pursuing reductions to energy use and resultant energy costs for large language models and AI through the quantising of models - enabling the use of efficient central processing units ("CPUs") in place of higher energy demanding graphics processing units ("GPUs").
Likelihood	Likely	Likely	Likely
Scenario analysis	Under RCP 2.6, an accelerated transition may mandate further measures to improve energy efficiency or increased transparency.	Under RCP 2.6, existing and potential customers are more likely to place increased emphasis on visibility over their supply chain emissions, increasing the potential for opportunities related to aligning to market expectations.	Under RCP 2.6, technological advancement is likely to occur at a more rapid pace, potentially bringing down the cost of adoption of lower emission technologies.
Impacts	Decreased operational costs	Increased revenue	Decreased operational costs
Timeframe	Short, Medium	Short, Medium, Long	Short, Medium
Management response and mitigation	RWS continues to work to realise the opportunity for energy savings, through allocating personnel resources to manage its climate change strategies, and to support in the identification of opportunities.	RWS allocated internal and external resources to managing climate impact strategies and increasing transparency through verification of emissions and other sustainability metrics. New sources of revenue are also monitored to identify realised opportunities.	RWS will continue to invest in R&D that will enable the production of energy-efficient AI-based technology and products.

b. Impact of climate-related risks and opportunities on business, strategy, and financial planning

RWS conducts three different scenario analyses using Representative Concentration Pathways ("RCPs") to assess the identified climate-related risks and opportunities in the short-, medium-, and long-term. They are then prioritised using the risk matrix method as described above.

RWS business, strategy, and financial planning are affected by climate-related issues in the following seven ways:

PRODUCTS AND SERVICES

For the last few years there has been a noticeable increase in the demand for sustainable products and services.

There has been a shift in market preferences, with clients preferring to engage with sustainable businesses. RWS continues to investigate ways to optimise its products and services, focusing on reducing carbon emissions while also ensuring client satisfaction and improving efficiencies wherever possible.

Strong demand has also continued from our corporate and financial services clients in relation to the reporting of their own ESG initiatives and progress. We are working with numerous multinationals, asset managers and investment banks in translating their stakeholder communications for global audiences, particularly as they relate to decarbonising the global economy through investment in renewable energy and the transition away from fossil fuels.

RWS has also begun to identify projects undertaken for clients which are directly linked to climate change, e.g. localising patents for blades for windmills or insulation material; localising information related to electric vehicles and solar panels; localising ESG-related information resulting from regulatory disclosures such as the Corporate Sustainability Reporting Directive ("CSRD") and the Sustainable Finance Disclosure Regulation ("SFDR"); and thought leadership content produced by clients to market and sell financial products.

SUPPLY CHAIN/VALUE CHAIN

In FY24, the majority of the RWS global carbon footprint was related to Scope 3 categories. A significant portion was attributable to its value chain. To reduce upstream carbon emissions, RWS rolled out a programme of engagement with its suppliers on their climate-change management strategies through supplier questionnaires and/or engagement through a risk screening, performance mapping and rating software platform for supply chain sustainability issues. Suppliers who are seen as managing their climate-change strategy actively are preferred, and suppliers who are not will be encouraged to improve. The Group's expectations are listed in its Supplier Code of Conduct and Corporate Sustainability Policy Statement.

To promote the ethos of sustainable management of climate-change, clients and investors are informed of RWS climate-related risk management strategies through published reports, including Annual Reports , CDP disclosures, and TCFD statements.

ADAPTATION AND MITIGATION ACTIVITIES

RWS has considered its impact on the environment and on overall climate-change carefully. The Group's risk management programme is headed by the General Counsel and Company Secretary, and is supported by the Executive Team and relevant top management.

To demonstrate its commitment to being a sustainable business, in 2024 RWS received approval for its near-term greenhouse gas emissions reductions targets from the SBTi.

Additional sustainable and climate-change mitigation activities are encouraged throughout the RWS global offices.

INVESTMENT IN R&D

Technological advancements have been identified as a primary risk in the Group's risk management programme.

RWS scans for and reviews innovations in technology that can improve efficiencies while reducing energy consumption. As virtual workplaces become more common and its clients span across the globe, important consideration is given to new, innovative ways to deliver products and services as efficiently as possible. RWS is committed to investing in growth areas, technology products and infrastructure with a view to accelerate organic growth.

OPERATIONS

RWS has noted a significant increase in the number of clients requesting robust climate-change management from their suppliers. To ensure RWS meets or exceeds these expectations, it complies with all relevant climate-change regulations and actively improves its climate change management wherever possible.

ACQUISITIONS AND DIVESTMENTS

In FY24 RWS acquired a Cape Town-based STComms Language Specialists Proprietary Limited (“ST Communications”), one of Africa’s leading language services providers.

ST Communications offers a wide range of professional language and linguistic solutions to African and international businesses such as localisation services including translation, interpreting, software testing, subtitling and transcreation. ST Communications’ services covers industries, from life sciences and financial services to government, technology and gaming.

Establishing a local presence and operations in Africa marks a significant milestone for RWS and enables clients to further their reach into the African market with locally-based talent and linguistic expertise across 40+ African languages.

In May 2024, RWS agreed the terms for the disposal of its interest in a revenue and cost sharing arrangement, together with some associated assets, relating to a patent information resource business known as 'PatBase' for £30,000,000 in cash, of which £5,000,000 was deferred and will be payable during first quarter of FY25.

ACCESS TO CAPITAL

Many of the measures detailed throughout this section contribute to ensuring RWS has access to capital. Strengthening its climate-change management strategy through commitments to carbon emissions reduction targets, transparent engagement with its value chain, and investments in technological advancements can generate additional revenue from drawing in new clients with similar values. The initiatives themselves may have several benefits. For example, improving the accuracy of our data collection and carbon footprinting not only aids in achieving our carbon emissions reduction targets, but also can lead to improved business decisions.

A commitment to carbon emissions reduction targets allows RWS to access new sources of investment, while also more traditional lenders are favouring businesses with a clear strategy.

c. Resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

RWS analyses identified risks and opportunities across three different RCPs scenarios to assess climate-related risks and opportunities in the short-, medium-, and long-term. RCPs are a method for capturing and modelling future climate change impacts, as adopted by the Intergovernmental Panel on Climate Change ("IPCC"), and are characterised by their range of increase in global mean temperature by 2100. The three climate scenarios used include:

- Low emission scenario (RCP 2.6) – this pathway predicts keeping global temperature increases below 2°C.
- Medium emission scenario (RCP 6.0) – under this pathway, global temperatures are predicted to increase an average of 3-4°C.
- High emission scenario (RCP 8.5) – here, global temperatures are predicted to increase an average of over 4°C.

Assumptions used for the scenario analysis include relevant weather fluctuations, carbon tax levels, extreme weather impacts on businesses and supply chains. The assessments span the identified climate-related physical risks, transition risks, and opportunities.

A qualitative scenario analysis was also undertaken to analyse the impacts of climate change on revenue; assumptions for the qualitative scenarios include various increases in energy costs due to climate change.

RWS incorporates each of the scenario analyses in its climate change risk assessments, which is used to drive the overall business strategy. These risks are assessed annually, and any additional significant risks and opportunities identified will be incorporated into the scenario planning to influence the overall strategy and planning.

Similar to FY23, it was not possible to estimate a single figure for the full financial impact of all identified climate change risks and opportunities. However, ranges, where used, have been calculated based on conservative estimates. The costs associated with mitigation activities are also factored into strategic planning. RWS is confident that the costs of meeting its sustainability and climate change goals will be at least partly mitigated by its climate-related initiatives and associated benefits. Some of the initiatives undertaken in FY24 include:

1. Submitting science-based targets to the SBTi and obtaining approval in FY24.
2. To reduce operating costs and minimise energy consumption, RWS identified several locations as larger than necessary, given its agile working approach. Some offices like in Berlin (Germany), Sheffield (UK), and Mumbai (India) were downsized to limit excess energy usage and carbon emissions.
3. Investment in R&D to improve the RWS IT system – RWS continues to review technological advancements and use the most energy efficient and latest technology available, which supports the attainment of its sustainability and climate change goals.
4. Enhanced engagement with its value chain. RWS utilises the Watershed platform, which pulls data from CDP, and EcoVadis to engage with suppliers and track details on their climate-change management. This approach is tailored to each supplier based on size, where more climate change information is being requested from larger suppliers. This enables RWS to target the larger carbon emitting suppliers and encourage them to reduce their climate change impact.

RISK MANAGEMENT

THE PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

The Executive Team assists the General Counsel and Company Secretary with the identification of risks through horizon-scanning activities. Potential risks related to existing and future regulation, reputation and markets, potential financial impacts, and physical climate change are all considered carefully.

Once identified, risks are prioritised using a risk matrix approach which assesses the potential impact, both financial and reputational, on the Group and the likelihood of occurrence. Risks are assessed over the short-, medium-, and long-term on both a gross basis and net basis, i.e. without considering existing mitigations and then with existing mitigations, respectively. As detailed under 'Governance', climate strategy scenarios are also used to quantify the impact that risks may have on the business.

THE PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

A formal risk assessment review is undertaken annually to prioritise principal risks using the above defined risk matrix (impact equals level of hazard vs likely probability). Potential appropriate actions are also identified. These risks and actions are presented to the CEO and Board, influencing business strategy.

The Group routinely monitors for emerging regulatory developments, complies with reporting requirements, annually benchmarks its performance against climate and sustainability targets, and develops specific action plans for carbon reduction.

A good example of this is the Group's approval of its near-term carbon emissions reduction targets by the SBTi in 2024. This significant action addresses several risks at once; e.g. the reputational and market risks associated with a noticeable shift in consumer preferences towards companies with robust climate-change mitigation strategies.

a. How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management

As mentioned above in the 'Governance' and 'Strategy' sections, the General Counsel and Company Secretary has overall responsibility for co-ordinating the Group's risk management programme including in relation to climate-related risks. She is assisted by the Executive Team, the ESG Steering Committee, and additional top management.

RWS promotes transparency on its climate-change management strategy through engagement with stakeholders throughout its value chain. Details on how RWS has responded to risks are provided through news releases, stock exchange announcements, and published reports such as its CDP submission and TCFD report.

METRICS AND TARGETS

a. The metrics used to assess climate-related risks and opportunities are in line with the strategy behind RWS's SBTi-approved science-based targets

RWS uses two metrics to compare its carbon emissions and measure its climate change impact: absolute Scope 1 and 2 emissions, and Scope 3 economic intensity showing emissions as a function of gross profit.

An example of strategy alignment is the initiative to move all leased cars to electric or hybrid models as soon as possible. RWS has also implemented an energy performance site selection programme, where the energy efficiency of new buildings is considered before leases are secured.

b. Scope 1, Scope 2, and Scope 3 greenhouse gas ("GHG") emissions and the related risks

RWS Scope 1, 2 and 3 greenhouse gas ("GHG") emissions are included in detail on pages 26 and 27 of this report. These have been calculated using the GHG Protocol methodology. RWS emissions are as follows:

Overall FY24 carbon emissions (tCO_2e)	
Scope 1	610
Scope 2 (location-based)	4,610
Scope 2 (market-based)	3,960
Scope 3 (location-based)	29,139
Scope 3 (market-based)	29,230
Total (market-based)	**33,799**
Total (location-based)	**34,412**

Note: The above Scope 3 emissions include the following categories:

- Category 1 (Purchased Goods and Services)
- Category 2 (Capital Goods)
- Category 3 (Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2)
- Category 5 (Waste Generated in Operations)
- Category 6 (Business Travel)
- Category 7 (Employee Commuting)

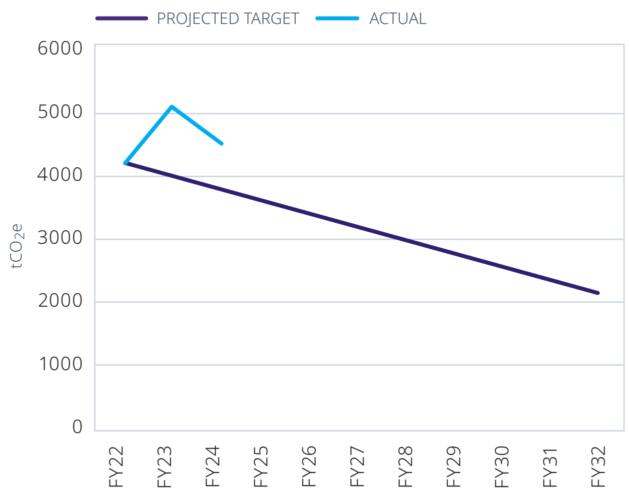
RWS recognises that the risks associated with ignoring climate change include physical climate disruption, resource depletion, and various knock-on transitional effects, as well as the business specific risks already identified and discussed in detail within the TCFD strategy section. As a business with a complex and vast value chain, RWS also recognises that it must play its part to mitigate the effects of climate change through a robust climate change management strategy.

c. Targets to manage climate-related risks and opportunities, and performance against SBTi-approved near-term science-based targets

Target reference number	1	2
Type of target	Absolute	Intensity
Coverage	Scope 1 and 2	Scope 3: Purchased Goods and Services (100%) & Employee Commuting (20%)
Metric (if applicable)	N/A	Gross profit (£1M)
Target	54.6% Reduction by FY33	61.1% Reduction by FY33
FY 2022 Result (Base Year)	4,214	66.9
FY 2023 Result (Previous Year)	5,122	55.7
FY 2024 Result (Current Year)	5,122	55.7
FY 2024 Progress vs. Base Year	**8% Increase**	**24% Reduction**
FY 2024 Progress vs. Previous Year	**11% Reduction**	**9% Reduction**

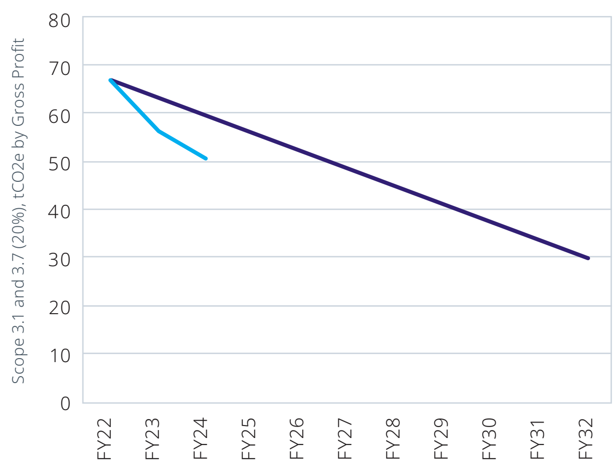
Absolute reduction target 1

54.6% reduction in Scope 1 and 2 carbon emissions by FY33



Intensity reduction target 2

61.1% reduction in all Scope 3.1 Purchased Goods & Services and 20% of Scope 3.7 Employee Commuting carbon emissions vs £M gross profit by FY33



Although the Scope 1 and 2 carbon emissions in FY24 continue to be above target, they have dropped considerably when compared to FY23. After experiencing a dramatic increase in Scope 1 and 2 emissions in FY23 versus the base year of FY22 due to the large-scale return of employees to the office workplace, the energy saving and efficiency initiatives that were put in place are beginning to take effect. The expectation is for this trend to continue into FY25. It is important to point out that emissions from Scope 1 and 2 combined make up less than 15% of RWS's total overall emissions.

The Scope 3 intensity performance in FY24 shows a positive improvement, indicating that RWS is 13% ahead of the annual target. This is the result of working with the supply chain, increasing the emphasis on carbon performance, and enhancing carbon measurement methodologies.

In addition, RWS is committed to transitioning to 100% renewable electricity across its estate portfolio wherever possible. In FY24 14.5% was achieved.

In summary, the overall trend for RWS in financial year 2024 is a very positive one, with three additional key indicators marking a reduction in GHG output year on year since the base year of 2022. Since financial year 2022, total carbon emissions per one million pounds of revenue are down 7.2%, per employee by 24%, and company-wide emissions have dropped 11.3%.

Our Stakeholders

Our stakeholders are key to the delivery of our strategy. Below we set out the many ways we engage with stakeholders and why their engagement matters. The Board seeks regular feedback from investors, clients and suppliers, colleagues and the communities we operate in through various mechanisms, to identify what matters to our stakeholders. The Board is committed to enhancing engagement and seeks to build honest, respectful and transparent relationships, taking into consideration what matters to each group.

Why we engage	What matters to this group	How we engage
SHAREHOLDERS		
We provide regular updates to investors, who provide capital for our business, so that they can be assured that the Company is being managed responsibly. This includes ESG updates alongside financial and performance information to enable investors to take a broader view of value and risk.	Our shareholders are concerned with a broad range of issues, including how the Company has responded to and is affected by: • Profitability and business growth • Impact of economy-wide forces such as price inflation • Other operational and financial performance issues • Developments in our markets • Regulatory developments and the execution and delivery of our strategy • Sustainability of our business • Capital return through share price appreciation and dividends	We held roadshow events at the full and half year as part of a proactive investor relations programme covering 120 engagements during FY24. Our Annual General Meeting (AGM) took place in February and we engaged directly with investors ahead of the AGM as well as at the meeting. For further details see pages 69 to 73.
CLIENTS AND SUPPLIERS		
Our clients expect us to provide reliable, innovative products and services that meet their needs. We actively seek feedback on what clients think about us so we can make our services better and address the issues that matter. Developing strong relationships with our suppliers is key to success, ensuring mutual respect and understanding of how we should work together.	**Clients:** • Reliable and consistent service • Quality products and services that are value for money • Product and process innovation • Ability to solve complex problems • Innovation • Environmental impact of the products and services we provide **Suppliers:** • Fair treatment and timely payment • Growing their business • Quality management • Cost-efficiency • Developing long-term relationships • Environmental and climate impact	The RWS 'Voice of the Customer' and 'Voice of the Vendor' programmes aim to generate better understanding of clients and suppliers, to build better experiences and positive business outcomes. The programmes turn client and supplier feedback into actionable insight, to easily understand the core drivers of client behaviours and improve our business KPIs and support organic growth. Customers complete satisfaction surveys on our products and services enabling us to monitor our Net Promoter Score. The Board receives regular updates on the outcomes of these surveys. Supplier onboarding process and regular dialogue throughout supplier relationship to build good partnerships and ensure best possible service to RWS. For further details see page 32.

Why we engage	What matters to this group	How we engage
COLLEAGUES		
Our colleagues are at the heart of our business. Our activities are highly reliant upon the skills, dedication and passion of all our colleagues and freelancers around the world. We are the sum of the efforts, energy and values of our colleagues, who are critical to meeting our clients' demands for excellent quality, timely delivery and effective product solutions. It is essential to proactively engage with colleagues to establish a positive culture based on trust.	• Career progression and fulfilment • Flexible working • Reward and recognition • Belonging to an organisation with purpose and strong values • Wellbeing • Safe inclusive ethical working environment	• 'One RWS' events held in 2024 • CEO and Executive Team site visits • Global/divisional/functional town halls • Board member filmed interviews shared across internal communications platforms • RWS's annual Group-wide engagement survey • Employee Resource Groups • Training and development • Colleague volunteering days For further details see Our People section on page 29. Employee engagement metrics can be found on page 36.
COMMUNITY & ENVIRONMENT		
Our communities comprise those living and working in close proximity to our operations, and those who represent the needs of the communities we operate in, including charities, schools and universities. RWS strives to understand the needs of our communities, recognising our responsibility to contribute to the sustainability and well-being of society and the economy wherever we operate.	**Our Communities:** • Our commitment to the local communities and environment • Our conduct as a socially responsible organisation • The positive impact we can have on the community living and working around us • Employment and training opportunities	Employee volunteering through local sites, providing wide-ranging variety of fundraising opportunities, engaging directly with local communities. Charitable donations, long-term charitable partnerships and initiatives via The RWS Foundation. RWS continues to promote Campus, a global programme nurturing localisation talent, partnering with universities worldwide to foster strong relationships and future talent in industry. The internal 'Green Agenda' team/local environmental initiatives at site level that can help RWS to meet carbon reduction commitments. By setting science-based targets, we can track and measure carbon emissions. For details see pages 25 to 28.

Section 172 Statement

The Directors of the Company are bound by their duties under the Companies Act 2006 and, in particular, must act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the factors listed in section 172(1) (a) to (f) of the Companies Act 2006.

The following disclosure describes how the Board has had regard to those matters and forms the Directors' statement required under section 414CZA of the Companies Act 2006:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

KEY DECISIONS IN THE YEAR

Considering stakeholders in key decisions is fundamental to RWS's long-term growth and success, and engagement with our stakeholders enables the Board to clearly understand what matters to them. It is not always possible to provide positive outcomes for all stakeholders and the Board may have to make decisions based on balancing competing priorities of stakeholders. Differing interests are considered by the Board, who assess the likely long-term consequences of decisions, including the impact on stakeholders.

Details of our key stakeholders, how we have engaged with them during the year and the outcomes of that engagement are set out on pages 58 to 59 and are incorporated by reference into this Section 172 statement. A summary of how the Board applied the factors listed in section 172(1)(a) to (f) of the Companies Act 2006 when making principal decisions during the year is set out on the opposite page.

Principal decision	How the Board made the decision	Stakeholder consideration	Outcome and impact of decision
Approval of dividend policy	When considering the proposals to pay interim and final dividends during 2024, the Board considered cash generation, the performance of the underlying business and the long-term impact of paying the dividends on the liquidity and solvency positions. The Board also considered the impact of the dividend decisions on expectations relating to the dividend policy.	Shareholders' expectations in relation to the payment of dividends, both from a capital return perspective and as a signal of future performance. The impact of paying dividends on whether the business remained within the financial covenants agreed with lenders.	The Board recommended a full-year dividend of 12.45p per share, with the payment of a final dividend of 10p to shareholders in February 2025 and an interim dividend of 2.45p in July 2024. The Board concluded that it was in the long-term interest of the Company to proceed with the payment of the dividends.
Implementing the Leading for Growth sales initiative to embed best in class sales practices and performance, driving the enablement of cross-selling of technology enabled services.	Recognising the evolving marketplace for the Group's services, the Board considered the detailed scope of the initiative, aimed at enabling stronger, data-driven sales performance and consistent marketing of RWS's services and technology across its portfolio.	Shareholders' expectations in relation to business growth. Sales teams given clear and consistent performance targets and training to drive growth in revenue streams and across services and technology. Customers are consistently presented with RWS's offering and capabilities.	Leading for Growth has been fully deployed, with sales practices, performance measurement and sales training now embedded across RWS's sales teams. The Board receives regular progress updates on a quarterly basis.
Investment in new revenue streams (Evolve/TrainAI)	In conjunction with insights from the Group's Executive Team and Marketing team, the Board considered investment in new revenue streams in response to a rapidly changing marketplace and client needs.	Impact on colleagues, clients, investors, environment of rapid growth and development, whilst managing risks and opportunities of technology and product propositions different to RWS's historical mix of propositions.	Ongoing review of business growth and risk management, with regular presentations by management to the Board.
Developing roadmaps for growing revenue streams (HAI/Evolve/TrainAI) and for standardising our services portfolio.	Overseeing and considering the realignment of the Group's business development and operational functions to fit with evolving changes in portfolio mix, to enable and drive cross selling and increasing operational efficiencies.	Impact on colleagues and organisation of building our capability to grow, mitigate associated risks and effectively manage implementation.	Ongoing review of road map implementation over a period of time, with regular progress updates presented to the Board.
Talent and succession planning	Following significant changes to senior leadership team during year, due to organisational changes, the Board has worked actively with the ET on monitoring talent and succession planning.	Impact on colleagues, clients, investors – consider impact on people of volume of change and transformation,	Increased oversight by Board on ongoing succession planning and review of RWS's future skills needs. The Board will continue to regularly engage with Executive Team to monitor progress.
PatBase disposal	Review of Group assets, capital structure, opportunities for simplification, return on investment in PatBase,a revenue and cost sharing arrangement, together with some associated assets, relating to a patent information resource business.	Stakeholders jointly benefitting from a strengthening of RWS's balance sheet from sales proceeds, and the disposal of PatBase offered simplification to the Group's operations.	As part of the Board's regular review of the Group's assets and capital structure, opportunities for simplification and return on investment, the Board resolved to sell the Group's interests in PatBase, a patent information resource business.

Ian El-Mokadem | Chief Executive Officer

11 December 2024

Chairman's Letter to Shareholders

On behalf of the Board, I am pleased to introduce our Governance Report for the year ended 30 September 2024, my first year as Chairman.

BOARD ACTIVITIES IN 2024

During the year, the Board has overseen the execution of the Group's strategy, which is focused on accelerating penetration into existing and adjacent higher growth segments, leveraging our AI technology and capabilities to develop innovative solutions and re-affirming our technology product leadership. The Board has monitored progress of significant transformation programmes designed to strengthen organisational capability and efficiencies, and increased its focus on risk review and oversight in the context of an ever changing global environment. A summary of activities during the year is set out on page 67.

BOARD CHANGES

As reported in last year's Annual Report, two new Non-Executive Directors joined our Board in January 2024, strengthening and supplementing the Board's skillset. Paul Abbott and Graham Cooke joined as Non-executive Directors in January 2024. Lara Boro stepped down as Senior Independent Director in February 2024, and was succeeded in that role by David Clayton in April 2024.

In May this year, the Company announced that Ian El-Mokadem had informed the Board of his intention to step down as CEO to pursue the next stage in his career. A significant priority for the Board, supported by the Nomination Committee, during the second half of FY24 has been to identify a candidate to succeed Ian.

As announced on 26 November 2024, Benjamin ('Ben') Faes will succeed Ian as CEO. Ben became CEO Designate on 2 December 2024, and will be appointed CEO and Executive Direcor on 6 January 2025. Ian will remain with RWS to the end January 2025, to facilitate a smooth transition and handover to Ben.

The Board and I are delighted to welcome Ben to RWS. His extensive, international track record in developing new revenue streams and implementing go-to-market strategies will be a significant asset to us. I am confident that Ben's longstanding experience across sales, business development and marketing, combined with his strong technology background, will enable him to build on the strong foundations Ian has established.

We are grateful for Ian's leadership of RWS over the last three and half years, and I would like to thank him for his continued commitment to the Group over the last six months while we have recruited his successor

The Board will also continue to oversee the execution of RWS's strategy and in particular sustainable growth, the exploitation of our expertise in AI to develop new services, transformation programmes, efficiencies, executive talent and succession, while continuing to deliver for our clients, and continuing positive engagement with our clients, colleagues, suppliers and communities.

BOARD PERFORMANCE EVALUATION

This year we undertook an internal review of the performance of the Board and its Committees, facilitated by the Company Secretary. The Board discussed the findings and agreed on a number of areas for improvement. Following the evaluation, I am satisfied that all Directors continue to perform well in their roles and contribute effectively, and that the Board and its Committees operated effectively and discharged their respective responsibilities during 2024. My own performance as Chairman was also reviewed through a process facilitated by the Senior Independent Director and found to be satisfactory. The results of the performance review are set out on page 68.

ESG

Environmental, social and governance ("ESG") matters continue to be core to the way RWS operates. Clients, partners and colleagues are keen to understand the steps we are taking to become a more sustainable business.

On environmental matters, the Group formally submitted its greenhouse gas ("GHG") emissions reduction targets to the Science Based Targets initiative ("SBTi") for validation in December 2023. We were delighted to receive confirmation from the SBTi in May 2024 that the targets had been validated. We have committed to reduce absolute Scope 1 and 2 GHG emissions by 54.6% by FY33 from a FY22 base year. The Group has also committed to reduce Scope 3 GHG emissions from purchased goods and services, and colleague commuting by 61.1% per million GBP value added within the same timeframe.

In recognition of our ESG progress, in December 2023 we were awarded a Silver Medal by EcoVadis for the second year running. Once again we ranked in the top quartile of participating companies and in the top 10% of companies in our industry category, improving our score to 66% (FY22: 63%).

RWS continues to promote the RWS Campus, a global programme nurturing localisation talent. By partnering with over 600 universities worldwide, we foster strong relationships to develop the next generation of professionals who will positively impact our industry. One of these is the University of Manchester, where The RWS Foundation provides funding via the RWS-Brode Scholarship and, during the last six months, professional development workshops were delivered to students. The RWS Foundation also provided funding for our project to make Trados Studio more accessible to visually impaired and blind language specialists, as well as financial support to match the funds raised by colleagues across a range of local community initiatives.

In February 2024 RWS joined Meta's Open Loop to help bridge the gap between rapid advances in AI innovation and policy-making. Open Loop is a global programme involving a consortium of technology businesses, academics and civil society representatives that connects policymakers and technology companies to help develop effective and evidence-based policies around AI and specifically generative AI systems. As an extensive developer and user of AI, RWS believes that it is critical that proposed AI regulations strike the right balance between fostering innovation and ensuring that AI is developed safely and securely for the benefit of customers and broader society.

BOARD ENGAGEMENT WITH STAKEHOLDERS

The Board appreciates that effective stakeholder engagement is essential to ensuring the long-term success of the Group and establishing and maintaining good relationships with all stakeholders is important to us. We are strongly committed to upholding the values of good corporate governance and accountability to all the Group's stakeholders, including shareholders, colleagues, clients and suppliers. We believe that good governance, which includes taking account of environmental and social issues, is important for the long-term success of the business.

We believe that success should be pursued without detriment to others or our environment. We are committed to generating prosperity for our shareholders and colleagues, the clients we serve, the suppliers we engage and the communities in which we operate.

The Board is informed of stakeholder views and interests in the following ways:

- Reports and presentations at Board and Committee meetings by the CEO, CFO and other members of the Executive Team and senior leaders on topics such as:
  - Strategy delivery
  - Markets and business performance
  - Financial performance
  - Capital allocation and shareholder returns
  - Investor relations
  - Voice of Customer insights and marketing strategy
  - Transformation programmes
  - Colleague engagement and wellbeing
  - Talent and succession planning
  - RWS Code of Conduct
  - Supplier partnerships
  - Community engagement
  - Environment and sustainability
- Annual Board and Executive Team strategy reviews
- Feedback from colleagues via the annual RWS engagement survey results
- Focused face-to-face client engagement by senior leaders with significant enterprise clients, with outcomes reported to the Board
- Engagement and communications via regulatory news announcements, RWS's website, social media, investor roadshows, investor meetings and at the Annual General Meeting

Details of the Group's stakeholders, and of stakeholder engagement during the year, are set out on pages 58 and 59 of the Strategic Report.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on 11 February 2025, at Slaughter and May, One Bunhill Row, London EC1Y 8YY. Details of how shareholders can attend the meeting are set out in the Notice of AGM.

We value engagement with shareholders and the Board and I look forward to answering questions at the AGM.

Julie Southern | Chairman
11 December 2024

Julie Southern

Board of Directors

JULIE SOUTHERN

N C

Non-executive Chairman

Julie joined RWS as a Non-executive Director in July 2022 and became Non-executive Chairman in October 2023.

Her executive career includes a number of senior finance, operations and marketing roles, where she has driven significant growth and revenues, including at Porsche Cars, as Group Finance Director from 1996, and at Virgin Atlantic, as CFO from 2000 until becoming Chief Commercial Officer in 2010. In addition, Julie has significant Board experience having previously held non-executive director positions at Rentokil Initial, easyJet, DFS Furniture Company, Cineworld Cinemas, Stagecoach and Gategroup.

Julie is the Non-executive Chairman of NXP Semiconductor NV, and a Non-executive Director and Chairman of the Remuneration Committee at Ocado Group plc.

IAN EL-MOKADEM

Chief Executive Officer

Ian was appointed Chief Executive Officer in July 2021 and an Executive Director in August 2021.

Ian was previously CEO of V.Group, the world's leading ship management and marine support services business, where he oversaw a significant digital transformation programme. Prior to that, he was CEO of Exova Group, the global materials testing and calibration services provider, which he steered through its IPO in 2014 and where he grew revenues and profitability substantially. Ian's earlier career included divisional leadership roles at Compass Group plc and Centrica plc as well as strategy consulting with Accenture.

Ian is a Non-executive Director of Serco Group plc and a Director at Roegate Consulting Limited.

Benjamin Faes was appointed CEO Designate on 2 December 2024 and will succeed Ian El-Mokadem as CEO and Executive Director on 6 January 2025.

CANDIDA DAVIES

Chief Financial Officer

Candida was appointed Chief Financial Officer and Executive Director in October 2022.

Candida has considerable experience in financial, commercial and operational leadership in global multinational companies in the pharmaceutical, consumer and health technology sectors with a focus on driving successful business and finance transformation. Previously Candida was Head of Finance for the Personal Health division of Royal Philips where she also supported the Group Innovation and Strategy function. Prior to this she held Group Controller and Divisional Finance Director roles as Reckitt Benckiser. Earlier in her career she held several roles with Eli Lilly & Co, having qualified as a chartered accountant with KPMG.

DAVID CLAYTON

A N

Senior Independent Director

David was appointed a Non-executive Director in November 2020, following the acquisition of SDL plc, of which he was Non-executive Chairman. David became Senior Independent Director in April 2024.

He was Managing Director and Head of European Technology Research at CSFB from 1997 until 2004. David was Non-executive Director of The Sage Group plc in 2004 before taking up an executive role as Director of Strategy and Corporate Development from 2007 to 2012.

David is Chairman of Forensic and Compliance Systems, and a member of the boards of FCS (UK) Limited, Solar Archive Ltd and Albora Technologies Ltd.

AUDIT COMMITTEE A
REMUNERATION COMMITTEE R
NOMINATION COMMITTEE N
CHAIR C

PAUL ABBOTT

R N

Independent Non-executive Director

Paul was appointed to the RWS Board in January 2024.

He is Chief Executive Officer of American Express Global Business Travel (Amex GBT), the leading global software and services company for travel and expense for more than 20,000 businesses globally. Since joining in 2019, Paul has led Amex GBT through several strategic acquisitions, transforming the company's product and technology solutions and driving significant growth with SME customers. After initially leading the business as a private equity-backed joint venture, Paul took Amex GBT public in May 2022. Before Amex GBT. Paul as Chief Commercial Officer at American Express, where he has spent twenty-four years in a variety of senior roles across the business.

ANDREW BRODE

N

Non-executive Director

Andrew led the management buy-in of RWS in 1995 and the Group's flotation on AIM in 2003. He acted as Executive Chairman between 1995 and 2023. He is the Group's largest shareholder. He is the Non-executive Chairman of Learning Technologies Group plc, an AIM listed company, and a Non-Executive Director of several private companies.

GRAHAM COOKE

A N

Independent Non-executive Director

Graham joined RWS as a Non-executive Director in January 2024.

He is the founder and former CEO of Qubit, a leading SaaS company in the e-commerce space, providing AI-personalised shopping recommendations to more than 1 billion shoppers per month. He oversaw the sale of Qubit to Coveo So-lutions in 2021 followed by a listing on the Toronto Stock Exchange, and he remained an advisor to the company until 2023. Prior to Qubit, Graham was one of the first European employees at Google, working on its Ad Platform and Google Analytics products.

Graham is a Non-executive Director of ITV plc.

FRANCES EARL

A R C N

Independent Non-executive Director

Frances was appointed as a Non-executive Director in November 2020.

Previously Frances was a Managing Director at Accenture, where she held senior HR positions both locally (in UK and Ireland) and globally. She served as HR Director on Accenture's UK and Ireland Executive Board, Products Operating Group Executive Board and Financial Services Operating Group Executive Board and was Global Recruitment Director for all Executive and Partner Recruitment across 20 countries.

GORDON STUART

A C R N

Independent Non-executive Director

Gordon joined RWS as a Non-executive Director in November 2020, following the acquisition of SDL plc, of which he was Non-executive Director.

He is Interim CEO of AMS, the global total workforce solutions provider of talent acquisition and contingent workforce management, internal mobility and skills development, and talent and technology advisory services. Prior to his current role, Gordon re-joined AMS as CFO in May 2022, having previously held that position between 2008 and 2012. He has over 25 years of experience leading financial organisations at global companies including Dell, London Bridge Software, Xansa, TMF Group and Unit4. He has also held Non-executive roles at Sepura plc, Intec Telecom Systems plc. In each instance he served as Chairman of the Audit Committee.

JANE HYDE

General Counsel and Company Secretary

Jane joined the RWS Board and Executive Team in October 2022 and holds responsibility for the Group's legal, governance and privacy functions. She also oversees the company's risk management capabilities.

Jane was previously General Counsel and Company Secretary of De La Rue plc and prior to that, Head of Corporate and European Legal at Hikma Pharmaceuticals plc. Before then, Jane led the Investment Banking Compliance function at Nomura International and spent six years as a corporate broker at JP Morgan Cazenove. She qualified as a solicitor with Freshfields.

Corporate Governance Report

Good governance and business standards are essential to the success and prosperity of RWS.

RWS is committed to promoting transparent, fair and timely decision making that considers the needs of all our stakeholders – colleagues, shareholders, clients, suppliers and our community.

THE BOARD

The Board considers that all the Non-executive Directors are independent (save for Andrew Brode who is not deemed independent due to his previous executive role at RWS) and that there are no relationships or circumstances which are likely to affect their independent judgement.

The Board believes that, as a collective, the Directors have the necessary blend of sector, financial and public market skills and experience, along with an effective balance of personal qualities and capabilities. A summary of the relevant experience of each of the Directors can be found on pages 64 and 65.

DIVISION OF ROLES AND RESPONSIBILITIES

The Chairman, Julie Southern, leads the Board and has overall responsibility for corporate governance and the effective management of the Board. She supports communication between the Board and shareholders: a key part of the Board's commitment to high standards of governance is an active dialogue with its shareholders.

The CEO, Ian El-Mokadem, provides leadership and management to the Group and the Executive Team, who manage the day-to-day operations of the Group. The CEO promotes the development of objectives, strategies and performance standards whilst also overseeing key risks across all divisions of the Group. The CEO also plays a lead role in devising and implementing the Group's corporate development strategy, including identifying and evaluating potential acquisition targets, and in investor relations to ensure that communications with the Group's existing shareholders and prospective investors are maintained.

Candida Davies, our CFO, is responsible for shaping and executing the financial strategy and operational direction of the Group. In this role Candida also supports the Group's investor relations programme and corporate development efforts.

Our Senior Independent Director, David Clayton, acts as a sounding board for the Chairman and a trusted intermediary for other Board members, leads the Chairman's performance review and succession process, and acts as an additional point of contact for shareholders.

Jane Hyde, our General Counsel and Company Secretary, holds overall responsibility for the Group's legal, governance and privacy functions. Jane attends all Board and Committee meetings, ensures timely dissemination of information to the Board, supports the Board with inductions, training and evaluations, advises on all corporate governance matters, and acts as a point of contact for shareholders. Jane also oversees the Group's risk management capabilities.

BOARD IN ACTION

The Board held six scheduled board meetings in the year, with additional meetings as required. The Board is tasked with developing the overall structure and direction of the business, ensuring that appropriate delegations of authority are communicated throughout the Group, monitoring Executive Director performance, reviewing the monthly operational and financial performance of the Group and formally approving the annual budget and audited financial statements of the Group. The Board routinely reviews and monitors risks that could materially and adversely affect the Group's ability to achieve strategic goals, its financial condition and the results of its operations. The Board assumes overall accountability for the management of risk whilst the Audit Committee monitors and review the effectiveness of the Group's risk management and internal control systems. Various members of the Group's Executive Team are invited to certain Board meetings to report on their particular areas of responsibility.

Each Board meeting is preceded by a clear agenda and relevant information is provided to Directors in advance of the meeting. The Chairman and the Company Secretary are responsible for ensuring that all Directors receive relevant Board papers in a timely fashion to facilitate a full and effective discussion of matters during Board meetings.

The Non-executive Directors are expected to dedicate not less than one day per month to fulfilling their duties. This includes, but is not limited to, preparation and attendance of Board meetings of the Company and, where agreed, other Group companies and the general meeting of the shareholders of the Company.

The Group believes it has effective procedures in place to monitor and deal with potential conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed by the rest of the Board.

BOARD ACTIVITIES DURING THE YEAR

- Review and approval of the proposed budget and business plan for FY25
- Oversight of Group transformation programmes in HR, Finance, Technology and LXD
- Approval of the dividend policy for the final payment for FY23 and interim payment for FY24
- Review of ESG strategy and reporting
- Review of all investor communications
- Review of potential M&A opportunities and the disposal of the Group's interests in the PatBase business
- Review of Group-wide 'Voice of the Customer' marketing programme
- Review of obligations with the updated QCA Corporate Governance Code and overall corporate governance framework
- Review and approval of Group's principal risks and risk appetite
- Review of bank counterparty risk and mitigation of credit exposure
- Review of succession planning and talent retention
- Monitoring of culture and colleague engagement

For further details on principal decisions made by the Board during the year, see page 61.

DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Julie Southern	6/6	4/4*	3/3	7/7*
Ian El-Mokadem	5/6	4/4*	2/3*	6/7*
Candida Davies	6/6	4/4*	-	-
David Clayton	6/6	4/4	3/3	7/7
Paul Abbott[1]	4/4	-	3/3	7/7
Andrew Brode	6/6	-	3/3	-
Graham Cooke[1]	4/4	3/3	3/3	-
Frances Earl	6/6	4/4	3/3	6/7
Gordon Stuart	6/6	4/4	3/3	6/7
Lara Boro[2]	3/3	-	-	2/2

1 Joined the Board on 1 January 2024
2 Stepped down from the Board on 22 February 2024

Ian El-Mokadem, Frances Earl and Gordon Stuart each missed one meeting during the year, due to personal reasons.

* Attended by invitation

Corporate Governance Report (continued)

OUR STRATEGY

Through our defined growth initiatives, we are accelerating penetration into existing higher growth segments, leveraging our capabilities into adjacent higher growth segments such as AI data services (TrainAI), Linguistic Validation and eLearning and reaffirming our technology product leadership. In respect of our language technology portfolio, we are underway with our Trados transition programme.

AI is at the heart of these developments and we are already well-established as developers, providers and users of AI technology through products such as Language Weaver and Trados and AI data services such as TrainAI. Large language models ("LLMs") represent an exciting development as far as content generation and transformation is concerned and we have deployed a private LLM as a core part of our Evolve solution.

In parallel, the Group is investing to create an efficient, scalable platform that can underpin both organic and inorganic growth, with the completion of the HR transformation and the implementation of the first phase of our finance shared service centre in FY24. We have made good progress on moving a greater proportion of volume into the Language eXperience Delivery ("LXD") platform (including some IP Services content) and we have fully rationalised the supply chain for our freelance network, with the resulting efficiency benefits helping to support margin.

RWS's cash position means that the Group continues to seek acquisitions which can accelerate delivery of our medium-term plans. Our disciplined M&A programme is focused on selectively acquiring complementary businesses which enhance our organic growth profile and fit with our strategic priorities to add:

- Assets that broaden our natural language processing, content creation and linguistic testing capabilities
- New capabilities in AI technology and technology-enabled language services in both text and multimedia formats
- AI data services; and localisation assets with attractive end market exposure

In overseeing the Group's strategy, the Board participated in the annual Board strategy sessions to discuss longer-term strategy, direction of travel and our strategic priorities. The Board received and reviewed regular reports and presentations from the Executive Team on progress against strategic objectives and reviewed risk management and operational matters. The Board reviewed the Group's principal risks and uncertainties, reviewed risk appetite and considered whether such key risks might impact on medium- and long-term strategy.

BOARD EVALUATION

In order to ensure that the Board continues to operate as efficiently as possible, this year the Board undertook an internal appraisal of its capabilities facilitated by the Company Secretary, to confirm that the Board is capable and effective in undertaking its responsibilities and duties. The Board commissioned an independent review in 2022 and has committed to independent, externally facilitated reviews periodically to ensure its ongoing effectiveness.

The Board discussed the findings of the 2024 review and agreed on a number of areas for improvement, including striking the right balance between review and discussion at Board meetings, refinements to Board reporting, approach to the Board strategy sessions and formalising a colleague engagement programme for the Board. .

Following the review, it was concluded that the Board and its Committees contained the appropriate combination of skills, experience and knowledge, and that they continue to effectively discharge their duties and responsibilities. The Chairman was satisfied that all the directors continued to perform well in their roles and contribute effectively. The Chairman's performance was also deemed satisfactory and effective, following an assessment facilitated by the Senior Independent Director.

The Board continues to hold formal annual performance assessments for the CEO (led by the Chairman) and CFO (led by the CEO). Factors considered in the evaluation process include, but are not limited to, commitment to the long-term development of the Group; attendance at formal meetings; meaningful and varied contributions at Board meetings; personal interaction and relationship building with the Non-executive Directors, shareholders, other professional advisers to the Group, and the Executive Team.

ELECTION AND RE-ELECTION OF DIRECTORS

All Directors will stand for re-election at the 2025 AGM, with the exception of Ian El-Mokadem, who will step down as CEO and Executive Director on 6 January 2025.

Ben Faes will stand for election at the 2025 AGM, having been appointed to the Board after the last AGM.

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 regular 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 each division, of actual performance compared to budget and previous year; annual budget setting; and a defined organisational structure with appropriate delegation of authority. In addition, the Board assesses the risks facing the business and approves the steps and timetable senior management has established to mitigate those risks.

The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Group's risk management and internal control systems.

OUR GOVERNANCE MODEL

As an AIM listed company, RWS has chosen to implement the Quoted Companies Alliance Corporate Governance Code (the QCA Code). The principles and disclosures laid out by the QCA Code provide a framework to ensure we have the appropriate corporate governance arrangements in place.

The Board believes that it complies with all the principles of the QCA Corporate Governance Code and the following pages include details of our compliance, which is reviewed annually in line with the requirements of the QCA Code.

	Principle	How we comply
1	Establish a strategy and business model which promote long-term value for shareholders	• The Group strategy is set out on pages 12 to 15 in the Strategic Report section of our Annual Report. • The strategy for RWS is agreed by the Board, and progress towards delivering against objectives is tracked and debated by the Board and the Executive Team. • During FY24, the Board and Executive Team held several meetings specifically focusing on the Group's strategic plan for creating value for the Group. Any significant business decision is taken with reference to this plan. • Our objective is to continue to increase shareholder value in the medium- to long-term by growing the Group's revenue, profit before tax and earnings per share. • Our strategy to achieve this is focused on providing a range of complementary specialist localisation, language and content technology, intellectual property (IP) translation, filing and broader language services, increasingly AI-centred, to existing and new clients and driving organic growth. • This is supplemented by selective acquisitions, providing these are complementary to our existing business, enhance shareholder value and allow the Group to maintain conservative debt leverage within existing covenant requirements.

Corporate Governance Report (continued)

	Principle	How we comply
2	Seek to understand and meet shareholders' needs and expectations	• Investor relations is a priority for RWS and we strive to ensure that both the investor and analyst communities understand our strategy, business model and financial and operational performance. • Regular meetings are held with investors and analysts, mainly at investor roadshows and conferences. • Our AGM is our primary forum to meet and communicate with our wider shareholder base. • Shareholder feedback is received from our brokers and all shareholder feedback is distributed to the Board. • Decision making at the Board takes into consideration how its decisions would impact our shareholders. See page 61 for further details. • The Group maintains a disciplined approach to investment, returns and capital efficiency.
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	• The Board has identified the main stakeholders in the business as our shareholders, colleagues, clients, suppliers and the communities in which it operates. • Decision making takes account of how our various stakeholders may be affected by our decisions and developments. • We pride ourselves on transparency and open communication. • We take our corporate sustainability seriously and aim to incorporate best practice in all our initiatives and actions. • See pages 58 to 61 of the Strategic Report and pages 62 to 63 of the Corporate Governance Report. **Colleagues** • Regular online meetings take place to share strategy, keep colleagues updated and seek feedback. • The Group conducts an annual engagement survey with an overall engagement score of 61% in the FY24 survey (FY23: 61%). • Together with our employees, we have established a set of values that will bring us together to achieve our shared goals in a way we can be proud of. These values are: 'We partner, we pioneer, we progress and we deliver.' Our values give guidance to everyone at RWS as to the behaviours that underpin our success. • We consider the health, safety and wellbeing of our colleagues in general and specifically in countries experiencing war. • The Board works with active Employee Resource Groups to discuss how we can foster culture, diversity and inclusion and environmental impacts in the workplace.

Principle	How we comply

	Clients
	• Building long-term client relationships and a client-centric culture starts with an accurate and consistent understanding of our clients. A Group-wide 'Voice of the Customer' Net Promoter Score ("NPS") programme ensures we effectively turn client feedback into key driver analysis, aligned to our values to improve client experience and accelerate growth through the client lifecycle and buyer journey. We deliver this through:
	  ◦ Reliable metrics – consistent approach to getting feedback, both relational (NPS) and transactional (CSAT).
	  ◦ Insight – client journey performance, topics driving NPS and key actions to close the loop on client issues.
	  ◦ Operational infrastructure – best-in-class experience management suite (Qualtrics) used to run surveys and provide real-time trends and insight.
	  ◦ Drive business growth – trigger actions based on negative feedback. A formal process of closed loop actions in addition to acknowledging promoters.
	• Executive oversight workgroup. Quarterly review meeting on issue resolutions with action planning for wider macro topics.
	
	Suppliers
	• We believe it is important to have two-way communication with our suppliers. We strive to foster better relationships with our suppliers, keeping them updated on our requirements, as well as assisting with efficiencies, quality, insight, costs and reliability.
	• We have implemented a Supplier Code of Conduct which sets out the standards and responsibilities that RWS expects its suppliers to adhere to when working with RWS.
	
	Community
	• The Group supports local organisations through colleague-led community initiatives and donations. The RWS Foundation boosts funds raised by colleagues in support of charitable organisations and causes.
	• We also promote foreign language learning actively through university partnership programmes, including RWS Campus (our global university programme) and the RWS Scholarship Programme with the University of Manchester.

4 Embed effective risk management, considering both opportunities and threats, throughout the organisation	• RWS considers a risk management framework to be a vital tool to ensure existing and potential risks to the business are identified and mitigating actions are considered in full. • The General Counsel and Company Secretary is responsible for assessing risks and mitigations with the Executive Team, for review by the Board. • Whilst the General Counsel and Company Secretary is responsible for risk management, Executive Team members are also empowered to manage risk effectively. The Audit Committee keeps under review the Group's internal controls and risk management systems that identify, assess, manage and monitor risks. • See Principal Risks and Uncertainties on pages 42 to 45.

Corporate Governance Report (continued)

	Principle	How we comply
5	Maintain the Board as a well-functioning, balanced team led by the Chairman	• Our Board brings together significant experience in executive leadership, strategic planning, the sector, operations and financial matters. • The majority of the Board comprises independent, non-executive directors. • Open communication, debate and thought leadership are encouraged and new proposals are challenged rigorously. • The Board regularly assesses its effectiveness (see further detail on Board evaluation on page 68). • The Nomination Committee reviews the size, composition, tenure and skills of the Board. It also leads the process for new appointments, monitors Board and senior management succession planning, considers independence, diversity, inclusion and Group governance matters. See pages 78 to 79 for further detail. • See Board of Directors pages 64 and 65, and 66 to 69 of the Corporate Governance Report.
6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	• The Board believes that, as a collective, the Directors have the necessary blend of sector, financial and public market skills and experience, along with an effective balance of personal qualities and capabilities. • The Nomination Committee reviews the current Board and Committee composition, the existing diversity of skills, knowledge and experience on the Board, the diversity of gender and ethnicity, together with the skills, experience and time commitments required in the delivery of the role. Appointments are based on merit and relevant experience, while taking into account the broadest definition of diversity. The Committee challenges external search consultants where necessary, to ensure that diversity is always considered when drawing up candidate shortlists. • All members of the Board keep their skill sets current in a variety of ways. Their skills and expertise are reviewed on an annual basis. • The Board has access to external advice, and receives periodic training, and business insights and updates as required. • See Board of Directors pages 64 to 65 and 68 of the Corporate Governance Report.
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	• Performance is reviewed annually and objectives set for the CEO and CFO. • An internal Board and Committee evaluation, facilitated by the Company Secretary, was undertaken during the year. Individual questionnaires were completed by each Director, and a summary of the results together with feedback was presented to the Board, who then discussed and agreed follow-up actions.
8	Promote a corporate culture that is based on ethical values and behaviours	• The Board is committed to setting the tone and high standards for the corporate culture of the Group to ensure the delivery of long-term value to shareholders whilst engaging effectively with all stakeholders. • The RWS Code of Conduct encompasses the way we do business, our colleagues, our clients, our community and the environment around us. • Our commitment to corporate sustainability is underpinned by our core ethical values and behaviours and aims to deliver continual improvement in our economic, social and environmental performance.

	Principle	How we comply
9	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	• The Board is responsible for ensuring that effective corporate governance procedures are in place that are appropriate for a public company of RWS's size and complexity. • For details of how the Board operates, see pages 66 to 69. • The Board has a properly constituted governance framework with clearly defined responsibilities, through its formal schedule of matters reserved for the Board, and matters delegated to its Committees. The Committees' respective terms of reference are available on the Group's website. The work of the Board's Committees is described on pages 74 to 87. • Members of the Group's Executive Team are invited to certain Board meetings to report on their particular areas of responsibility. • See the Corporate Governance Report on page 66 for further information on Board members' roles and responsibilities.
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	• We pride ourselves on having open communication with a range of stakeholders. • Communications with shareholders are explained in Principle 2 above. • Other communication includes investor roadshows and conferences, meetings with our brokers, prospective investors, colleague engagement events, quarterly employee town halls and one-on-one meetings with clients and suppliers, and engaging with stakeholders on social media. . • Company news and presentations, regulatory announcements, financial reports and results are available on the Group's website www.rws.com.

Audit Committee Report

Dear Shareholder

During FY24, the Committee has supported the Board on a number of significant governance matters relating to financial reporting and internal control.

The Committee has looked at upcoming regulatory changes and regulatory risk and considered how to exercise effective oversight of risk management processes.

MEMBERSHIP AND ATTENDANCE

Committee members are independent Non-executive Directors of the Company, with diverse skills and experience. The Committee has competence relevant to the sector and both David Clayton and I have recent and relevant financial experience, as required by the provisions of the QCA Code.

All Committee members have significant executive experience in various industries. This range and depth of financial and commercial experience enables them to deal effectively with the matters they are required to address and to challenge management when necessary.

The Company Secretary is secretary to the Committee.

The Board evaluates the membership of the Committee on an annual basis. During the year, the Committee has met four times and details of attendance can be found on page 67. Following his appointment to the Board on 1 January 2024, Graham Cooke became a member of the Committee in April 2024.

Only the members of the Committee have the right to attend Committee meetings, however the CFO, CEO, Group Financial Controller, Group Head of Tax, senior representatives of the external auditor, other external advisors and other senior management attend meetings by invitation. If the presence of any attendee is inappropriate or might compromise discussion, then the Committee would either not invite the attendee concerned or request that they not attend that part of the meeting. Separate sessions with external auditors are held with the Committee without management present.

GOVERNANCE AND COMPLIANCE

The Audit Committee Chair together with the other members of the Audit Committee, regularly meet with the key people involved in the Company's governance, including the Chairman, the CEO, the CFO, the external auditor's lead partner and other senior management.

TERMS OF REFERENCE

The Committee undertakes its duties in accordance with its terms of reference. These are regularly reviewed to ensure that they remain fit for purpose and in line with best practice guidelines and were last updated in June 2024. The terms of reference are available on the Company's website (www.rws.com).

Gordon Stuart

KEY PURPOSE OF THE AUDIT COMMITTEE: RESPONSIBILITIES AND ACTIVITIES

The Audit Committee is responsible for the independent monitoring of the effectiveness of the systems of internal control and risk management, accounting policies and published financial statements on behalf of the Board. It receives and reviews reports from the Group's management and external auditors relating to the annual financial statements and the accounting and internal control systems in use throughout the Group. Any significant findings or identified risks are reviewed so that appropriate action may be taken.

The Committee's responsibility is to ensure that financial information published by the Group properly presents its activities to stakeholders in a way that is fair, balanced and understandable, as well as overseeing the effective delivery of both external and internal audit services.

The Committee operates on the basis of open and challenging dialogue with management and with the external auditors. The Committee is responsible for reporting on its responsibilities to the Board. The Group has engaged a third party to conduct internal audit reviews where it is thought such investment is required and in the best interests of the Company. The Audit Committee reviews this decision on an annual basis.

FAIR, BALANCED AND UNDERSTANDABLE

The Committee assessed whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee ensures that all contributors and senior management are fully aware of the requirements and their responsibilities. This included the use and disclosure of alternative performance measures and the financial reporting responsibilities of the Directors under s172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as well as considering the interests of other stakeholders which will have an impact on the Company's long-term success. During the year, the Committee met four times and full details of matters discussed are covered later in this report. This includes an annual calendar of standing items, including the review of the annual and half-yearly financial statements to ensure these properly present the Group's activities in accordance with accounting standards, law, regulations and market practice.

In addition to the above, particular areas on which the Committee focused included: the approach to internal control and internal audit, accounting judgements and estimates, treasury effectiveness, finance transformation, tax strategy and tax policies, developments in financial reporting and dividend planning.

COMMITTEE ACTIVITY IN THE YEAR ENDED 30 SEPTEMBER 2024

Financial statements and reports	Reviewed the Annual Report and Accounts, together with the full year results announcement and the half year results announcement and received reports from the external auditor on the above. Reviewed the effectiveness of the Group's internal controls and disclosures made in the Annual Report and Accounts. Reviewed executive management's representation letter to the auditor, going concern reviews, fair, balanced and understandable criteria and significant areas of accounting estimates and judgement. Reviewed the Group's cash flow forecasts, the Group's bank facilities and the Viability Statement. Received updates from the Group's Head of Tax on compliance with global tax regulations.
Internal control and risk management	Assessed the Committee's role in monitoring and reviewing the effectiveness of risk management and internal control processes, identifying specific areas for oversight including Group Finance function resourcing and allocation of responsibilities.
Internal audit	Reviewed proposals for internal audits to be conducted during FY24 and FY25.
External auditor and non-audit work	Recommended to the Board the re-appointment of EY as external auditor at the 2024 Annual General Meeting. Reviewed, considered and agreed the scope of the audit work to be undertaken by the external auditor, and agreed the terms of engagement and fees to be paid to the external auditor. Reviewed external auditor reporting and assessed independence and effectiveness of external auditor. Reviewed and approved non-audit services and reviewed and non-audit fees.
Governance	Monitored progress of the Group's Finance Transformation programme. Considered the impact of certain regulatory developments, including the enactment of the Economic Crime and Corporate Transparency Act 2023, the implementation of the OECD's Pillar Two rules, and amendments to the UK Corporate Governance Code, and reviewed management's proposed response. Reviewed Committee's annual work plan and terms of reference, and evaluated Committee performance. Monitored Speak-up reporting and mandatory training statistics.

Audit Committee Report (continued)

SIGNIFICANT JUDGEMENTS

Identification of the issues deemed to be significant takes place following open, frank and challenging discussion between the Audit Committee members, with input from the CFO, the external auditor, the Group Financial Controller and other relevant personnel.

The Audit Committee considered the following significant matters during the course of the financial year. In all cases, papers were presented to the Audit Committee by management, setting out relevant facts, material accounting estimates and the judgements associated with them. The Committee satisfied itself that the disclosures in relation to accounting judgements and key sources of estimation were appropriate and obtained, from the external auditor, an independent view of the issues and risks. The Committee is satisfied that the judgements made are reasonable and appropriate disclosures have been included in the accounts.

CAPITAL ALLOCATION

The Group has a strategy to optimise utilisation of cash resources and return capital to shareholders where appropriate. The Group's capital and dividend policy includes both dividends and share repurchases as tools for capital distribution to shareholders.

Papers submitted to the committee have detailed the Group's progressive approach to dividend policy and the Committee has challenged key assumptions including the sufficiency of the Groups distributable reserves to support the policy.

CAPITALISED SOFTWARE DEVELOPMENT

The Audit Committee has reviewed reports on the capitalisation policies and procedures for internally developed software. The papers submitted considered detail of individual products, features and enhancements to products, together with the incremental economic value-add to support the addition to intangible assets. Specifically, the Committee has considered whether the capitalisation policy enables the Group to meet the criteria set out under IAS 38 and is sufficient to enable identification of costs to be capitalised and costs to be expensed, such as support and maintenance expenditure.

CARRYING VALUE OF GOODWILL

The Group considers the carrying value of goodwill at a minimum on a yearly basis, and also when there is an indicator of impairment. Management prepared a paper at the half-year that suggested that weak first-half performance in the RI division constituted an indicator of impairment. Subsequent analysis indicated sufficient headroom to conclude no impairment existed.

Management also prepared a paper for the annual assessment which concluded that no indicators of impairment exist, and that sufficient headroom exists within the Group's value in use models. The Audit Committee reviewed this paper which included challenging the key assumptions: revenue growth rates, forecasting accuracy, cash flow projections and discount rates. The Group has not recognised any goodwill impairment in the current year (FY23: £62.4m). See Notes 2 and 12 to the financial statements for further information, including reasonable possible changes to the assumptions which would cause an impairment.

CARRYING VALUE OF INTANGIBLE ASSETS

The Group considers the carrying value of intangible assets at a minimum on an annual basis, and also when there is an indicator of impairment. Following a review of transformation activities, it was concluded that due to IP Services embarking on an alternative solution to satisfy their need to streamline and modernise its customer engagement processes, intangible assets which related to a previous solution were now impaired. The Group has recognised £11.7m impairment in the current year. See Notes 2 and 13 to the financial statements for further information.

CARRYING VALUE OF TANGIBLE ASSETS

During the year, the Group performed a property portfolio review, where different options, including the disposal of certain freehold interests, were considered. As part of the review an initial valuation report on the freehold building at Chiltern Park, Chalfont St Peter, UK, indicated that the carrying value was higher than the recoverable amount. An impairment was therefore recorded of £10.5m which lowered the carrying value from £14.0m to £3.5m.

REVENUE RECOGNITION

The Audit Committee has continued to receive and review reports on the standard processes in place around revenue recognition. Management's paper covered whether service revenue is recognised at a point in time or over time. It was concluded that point in time revenue recognition be reserved for the completion of filings revenues in IP Services and the recognition of perpetual/term licence revenue in Technology and for other services provided, the revenue is recognised over time.

The Committee discussed and challenged management's papers, satisfying itself that a consistent approach had been applied to determine revenue recognised in 2024. The Audit Committee has reviewed the disclosures provided in the FY24 financial statements in relation to revenue recognition policy and to the significant estimates and judgements policy on Note 2.

UNCERTAIN TAX PROVISIONS

The Group recognises a provision for uncertain tax positions within the financial statements.

The Committee has reviewed management's consideration of uncertain tax provisions and understood the involvement of experts in the preparation and determination of these provisions.

The Committee has reviewed movements in the key uncertain tax position provisions that have been recognised and understood the basis for the recognition of any new provisions made during the year.

The Committee discussed and challenged management's papers satisfying itself that a consistent approach had been applied to the identification and recognition of provisions in respect of uncertain tax positions recognised in 2024.

The Committee has reviewed the disclosures provided in relation to taxation in Note 9 and the significant estimates and judgements policy in Note 2.

GOING CONCERN

The Committee has reviewed management's assessment that the Group has adequate resources to continue in operational existence for the foreseeable future. This includes the Directors' review of the current liquidity of the Group, the profitability and liquidity in the Group budget for FY25 and beyond and the impact on the Group's banking covenants.

After reviewing the Group's performance in 2024, along with budget and forecasts, the Committee endorses the Directors' reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. Given this expectation they have continued to adopt the going concern basis in preparing the financial statements.

INTERNAL CONTROL AND RISK MANAGEMENT

The risk management process enables the identification, assessment and prioritisation of risk through discussions with executive management. The Executive Team and other delegated senior leadership committees review risks to ensure that they continue to remain relevant. A risk that can seriously affect the performance or reputation of the Group or the delivery of the Group's strategic objectives is termed a principal risk.

Whilst the Audit Committee has delegated authority for assessing the Group's internal control and risk management systems, the Board is ultimately responsible for reviewing and determining the Group's principal risks and setting the Group's risk appetite. The Board has established a level of risk which it believes is appropriate for the business and acceptable in the pursuit of the strategic objectives. During the year, following a governance review, the Board and the Audit Committee agreed to update the Committee's terms of reference to include regular review of the effectiveness of the Group's internal control and risk management systems, including its procedures for identifying and assessing emerging and principal risks to the Group's business, and the management and mitigation of those risks.

This process ensures that risks are not just the product of a bottom-up approach but are also examined from a top-down perspective via an integrated senior management process, which is closely aligned with the Group's strategy, in order to enhance the Group's approach to risk generally.

During the year the Committee reviewed the Group's approach to internal control and internal audit. The Board reviewed the output from the Executive Team's risk review process to identify, evaluate and mitigate the Group's principal risks and considered whether changes in risk profile were adequately addressed. The Board also reviewed and set the Group's risk appetite in respect of its principal risks.

Further information on risk can be found on pages 42 to 45.

EXTERNAL AUDITOR AND INDEPENDENCE

The Committee is responsible for assessing the effectiveness of the external audit process, for monitoring the independence and objectivity of the external auditor and for making recommendations to the Board in relation to the appointment of the external auditor. The Committee is also responsible for developing and implementing the Group's policy on the provision of non-audit services by the external auditor.

In 2021, Ernst & Young LLP was appointed as the Group's auditor following a competitive audit tender process.

The Committee has considered Ernst & Young LLP's effectiveness, independence, objectivity and scepticism throughout the audit tender process and the period since appointment, through its own observations and interactions with the external auditor. The Committee meets the external auditor both formally and informally throughout the year to discuss, amongst other things, materiality, audit strategy and audit findings. In accordance with International Standards on Auditing (UK & Ireland) 260 and Ethical Standard 1 and as a matter of best practice, the external auditor has confirmed its independence as auditor of the Company. The Audit Committee assesses external auditor effectiveness through meetings with management, the external auditor and a review of the audit completed subsequent to receipt of the signed audit opinion.

NON-AUDIT SERVICES

To safeguard the independence and objectivity of the external auditor, the Committee reviews the nature and extent of the non-audit services supplied, receiving reports on the balance of audit to non-audit fees. Pre-approval is required for any non-audit work from the Audit Committee Chair. For the financial year ended 30 September 2024, the external auditor has provided £17k of non-audit work for other assurance related services. Fees paid to Ernst & Young LLP are set out in Note 5 to the financial statements.

The Committee is satisfied that the external auditors remain fully independent, objective and effective and has recommended to the Board that a resolution for the re-appointment of Ernst & Young LLP should be put to shareholders at the 2025 AGM.

Gordon Stuart | Audit Committee Chair

11 December 2024

Nomination Committee Report

Dear Shareholder

On behalf of the Nomination Committee ("Committee"), I am pleased to present our report for 2024. During the year, the Committee focused on Board and senior executive succession planning, including undertaking the search for our new CEO.

MEMBERSHIP AND ATTENDANCE

The Committee's members comprise the Chairman of the Board, who is the Committee chair, and all Non-executive Directors of the Company. Other individuals, such as other Board members and external advisers, may be invited to attend for all or part of any meeting. The Company Secretary is secretary to the Committee.

The Nomination Committee met three times during the year to 30 September 2024 with all members present.

KEY RESPONSIBILITIES

The Nomination Committee supports the Board in ensuring that the Board and its Committees are appropriately constituted and operate effectively. The Committee identifies qualified individuals to join the Board, recommends any changes to the Board and Committee composition and monitors the annual process to assess Board effectiveness.

The Committee's principal duties are to:

- Monitor the structure, size and composition of the Board and make recommendations to the Board regarding any changes.
- Give full consideration to succession planning for Directors and other senior executives in the course of its work, considering challenges and opportunities facing the Group, its leadership needs and the skills and expertise needed on the Board in the future.
- Assess the effectiveness of the Board and its Committees.

In fulfilling these responsibilities, the Committee's work includes:

- Overseeing and facilitating annual reviews of the Chairman, the Board, its Committees and individual Directors, including periodic externally facilitated reviews.
- Evaluating the balance of skills, knowledge and experience on the Board and its Committees and any potential gaps.
- Monitoring the independence and time commitments of the Directors.
- Overseeing Board and senior executive succession plans and leading the process to identify suitable candidates to fill Board vacancies, nominating candidates for approval by the Board and ensuring that appointments are made on merit and against objective criteria.
- Overseeing the induction of new Directors and assessing the training needs of existing Directors.

Julie Southern

TERMS OF REFERENCE

The Committee undertakes its duties in accordance with its terms of reference which will be regularly reviewed to ensure that they remain fit for purpose and in line with best practice guidelines. The terms of reference are available on the Company's website (www.rws.com).

KEY ACTIVITIES IN 2024

There were several Board changes during the year.

Paul Abbott and Graham Cooke joined the Board on 1 January 2024 as Non-executive Directors, following a search process supported by Spencer Stuart. Paul and Graham's combined breadth of experience in technology platforms and solutions, implementing organisational change and driving business growth in customer-focused, international organisations has further strengthened the Board. On joining the Board, our new Non-executive Directors received a structured induction, comprising comprehensive management information and details of RWS's governance framework, and meetings with Board colleagues, the Executive Team and external advisers.

Lara Boro stepped down from the Board as Senior Independent Director on 22 February 2024. The Board approved the appointment of David Clayton as Lara's successor, effective 23 April 2024, following a selection process overseen by the Committee.

On 23 May 2024, the Company announced that Ian El-Mokadem had informed the Board of his intention to step down as CEO to pursue the next stage of his career. As a result, much of the Committee's focus has been on identifying Ian's successor. To ensure we identified candidates from the widest pool, the Committee instructed the consultant firm, Spencer Stuart to advise on the search.

On 26 November 2024, the Company announced Benjamin ('Ben') Faes as Ian's successor. Ben became CEO Designate on 2 December 2024, and will become CEO and a Board Director on 6 Janaury 2025. Ian will remain with RWS until the end of January 2025 to ensure an orderly transition and handover to Ben.

Other principal matters considered during the year were:

- Reviewing the annual workplan
- Reviewing the composition of the Board, including the directors' tenure, skills and experience and diversity
- Overseeing the appointment of Paul Abbott and Graham Cooke to the Board's Committees
- Executive Team succession planning
- Considering the independence of the Directors and diversity of the Board
- Overseeing the Board performance review
- Reviewing Director induction process and training requirements

BOARD EVALUATION

During the year, an internal evaluation of the performance and effectiveness of the Board and its Committees was carried out, facilitated by the Company Secretary. Further details are set out on page 68.

DIVERSITY AND INCLUSION

The Committee believes it is important to promote a culture that values diversity in all areas, including an inclusive and diverse culture in terms of ideas, skills, knowledge, experience, education, age, gender, social and ethnic backgrounds, cognitive and person strengths and other factors. As a result of Board changes during 2024, the % of female Directors on the Board declined, from 50% in FY23, to 33% currently. Nevertheless, some of the most senior leadership roles in RWS are occupied by women, at Board level, in our Executive Team and in our senior leadership population. The Committee will continue to seek progress in all facets of diversity.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

I was appointed Non-executive Chairman on 2 October 2023, and was considered independent on appointment. With the exception of Andrew Brode, who is not deemed to be independent due to his previous executive role with the Group, the Committee considers that all Non-executive Directors are independent and that there are no relationships or circumstances which are likely to affect their independent judgement.

ELECTION AND RE-ELECTION OF DIRECTORS

All Directors will stand for re-election at the 2025 AGM, with the exception of Ian El-Mokadem, who will step down as CEO and Executive Director on 6 January 2025.

Ben Faes will stand for election at the 2025 AGM, having been appointed to the Board after the last AGM

The Board has carried out a performance evaluation and considers each of the Directors to be effective in their respective roles. It judges that they demonstrate commitment and is of the opinion that all Directors continue to provide valuable contributions to the long-term success of the Company. The Board strongly supports their re-election to the Board and recommends that shareholders vote in favour of the re-election resolutions at the AGM.

Julie Southern | Nomination Committee Chair

11 December 2024

Directors' Remuneration Report

ANNUAL STATEMENT

Dear Shareholder

I am pleased to introduce the Directors' Remuneration Report for FY24. The report comprises three sections, being:

- This Annual Statement, which summarises the work of the Committee, remuneration outcomes in FY24 and how the Remuneration Committee intends to implement the Remuneration Policy in FY25
- The Remuneration Policy Report, which summarises the Company's Remuneration Policy
- The Annual Report on Remuneration, which discloses how the Remuneration Policy was implemented in FY24

Consistent with best practice, the Directors' Remuneration Report will be taken to the 2025 AGM for shareholder approval by way of an advisory vote.

COMMITTEE RESPONSIBILITIES

The Remuneration Committee is primarily responsible for determining the Directors' Remuneration Policy and the terms and conditions of service and remuneration for the Executive Directors. The Committee also determines the remuneration of the Chairman and the members of the Executive Team.

Frances Earl

COMMITTEE ACTIVITIES DURING THE YEAR

In FY24, the Committee met seven times and details of Committee member attendance can be found on page 67. The Committee's key activities during F24 were as follows:

- Reviewed the FY23 Directors' Remuneration Report prior to its approval by the Board
- Reviewed performance against the FY23 annual bonus plan targets and agreed the metrics and targets for the FY24 bonus plan
- Reviewed and set targets for the FY24 LTIP awards
- Reviewed and approved updated terms of reference for the Remuneration Committee
- Considered the new QCA Code
- Agreed the outgoing CEO's remuneration arrangements and considered incoming CEO remuneration
- Agreed the CFO's retention award terms following consultation with, and supportive feedback from, major shareholders
- Reviewed the annual fees for the Chairman

ADVISORS TO THE COMMITTEE

FIT Remuneration Consultants LLP ("FIT") was appointed by the Remuneration Committee during FY21 and continued to provide the Remuneration Committee with independent advice as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally during FY24. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at www.remunerationconsultantsgroup.com. FIT provides no other services to the Company.

IMPLEMENTING THE REMUNERATION POLICY FOR FY24

In respect of the implementation of the Remuneration Policy for FY24:

- No changes were made to the CEO and CFO's base salaries which remained at £621,000 and £410,000 respectively;
- As was noted in the FY23 Directors' Remuneration Report, reflecting a desire to refocus the FY24 annual bonus performance metrics, annual bonus potential was reduced by 25% with two thirds of the reduced potential based on sliding scale revenue, profit, personal and ESG targets and one third of the bonus based on key strategic targets. Following a review of performance in respect of the FY24 annual bonus, no bonus was awarded in respect of the two thirds of bonus potential based on revenue, profit, personal and ESG targets. In respect of the one third of the reduced bonus potential measured against strategic targets, these targets were considered to have been met in full;
- The Long Term Incentive Plan ("LTIP") awards granted in January 2022 will lapse in full in January 2025 as a result of threshold Earnings Per Share ("EPS") and relative Total Shareholder Return ("TSR") targets not being met. Details of the outstanding share awards held by Ian El-Mokadem and Candida Davies as at 30 September 2024 are set out in the Annual Report on Remuneration;
- The Committee granted an LTIP award in January 2024 to the CEO and CFO in line with the Remuneration Policy. Reflecting a desire to set a more balanced set of performance targets at that time, a cash conversion target was introduced to complement the existing EPS and relative TSR targets, with each metric weighted equally at a third each. Details of the award levels and the performance targets are set out on page 86; and
- Following the announcement of Ian El-Mokadem's intention to step down as CEO in early 2025, the Board believed that it was in the best interests of the Company to ensure the retention of Candida Davies. As such, RWS's major shareholders were consulted on a proposal to grant Candida a retention share award with a value on grant equal to 75% of her base salary. Following confirmation that the major shareholders were supportive of the proposal, an award was granted under the RWS Holdings plc Long Term Incentive Plan over 189,908 ordinary shares in the Company on 23 September 2024 with 40% of the award vesting on the first anniversary of the grant date and the remaining 60% vesting on the second anniversary of the grant date. Given the primary objective of this award is retention, vesting will be conditional on Candida's continued service, with the award ordinarily lapsing if she ceases employment ahead of the respective vesting dates. All of the net of tax shares which vest are expected to be retained against the 175% of salary shareholding guidelines.

IMPLEMENTING THE REMUNERATION POLICY FOR FY25

In respect of the implementation of the Remuneration Policy for FY25:

- The Committee agreed to move the Executive Director salary review date from 1 October to 1 January to align it with the rest of the workforce. In this regard, the CFO's salary will be increased by 3.6% to £424,760 from 1 January 2025 in line with the UK workforce. The incoming CEO's salary (set at £550,000 from appointment) will not be reviewed until 1 January 2026;
- No changes have been made to benefits or pension provision (5% of salary in line with the workforce);
- The annual bonus scheme for FY25 will be capped at 150% of salary for the incoming CEO (pro-rated) and 125% of salary for the CFO, based on sliding scale financial targets and strategic targets. Any bonus award greater than 100% of salary will normally be deferred into shares for three years;
- LTIP awards are expected to be granted in January 2025. As part of his recruitment arrangements and considered necessary by the Committee to secure the appointment, the incoming CEO's LTIP award will be set at 400% of salary. The CFO's LTIP award will continue to be set at 175% of salary. Reflecting the Board's desire to focus on share price recovery, stretching performance targets will be set based on TSR. The target range will be disclosed in the RNS issued immediately following grant; and
- Shareholding guidelines will continue to operate (200% of salary for the incoming CEO and 175% of salary for the CFO).

The Chairman's fee of £275,000 will be increased by 3.6% in line with UK workforce increases to £285,000 from 1 January 2025. Similarly, Non-executive Director fees (currently £55,000 base fee with an additional £10,000 fee for the Senior Independent Director, Audit Committee Chair and Remuneration Committee Chair) will be increased by 3.6% from 1 January 2025, to £57,000 and £10,500 (rounded up to the nearest £500), respectively.

As a Committee, we recognise the need to foster strong relations with our shareholders and encourage open dialogue. As such, the Chairman of the Remuneration Committee is available for discourse with institutional investors concerning the Company's approach to remuneration.

We look forward to receiving your support at our forthcoming AGM.

Frances Earl | Chairman of the Remuneration Committee

11 December 2024

REMUNERATION POLICY REPORT

In order to deliver the Group's strategy, the primary objectives of our Policy are:

- To have a transparent, simple and effective remuneration structure which encourages the delivery of Group targets in accordance with our business plan
- To motivate and retain the best people of the highest calibre by providing appropriate short- and long-term variable pay which is dependent upon challenging performance conditions
- To promote the long-term success of the Group and ensure that our policy is aligned with the interests of, and feedback from, our shareholders
- To have a competitive remuneration structure which will attract new appropriately skilled executives to complement our teams worldwide

The Remuneration Committee follows the principles of good corporate governance in relation to the structure of its remuneration policy and, accordingly, takes account of the QCA Code as adopted by the Board.

No changes have been made to the Directors' Remuneration Policy for FY25 other than to reflect the CEO's recruitment LTIP award (400% of salary) which the Committee intends to grant in January 2025 following consultation with major shareholders.

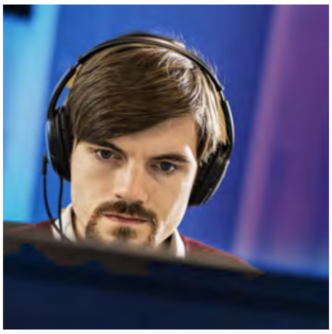
SUMMARY OF DIRECTORS' REMUNERATION POLICY

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To provide a competitive base salary to attract, motivate and retain directors with the experience and capabilities to achieve the strategic aims.	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide market-competitive benefits package.	Offered in line with market practice, and may include a car allowance, private medical, income protection and death in service insurance.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Workforce aligned pension provision.	5% of base salary	Not applicable
Annual bonus	To reward performance against annual targets which support the strategic direction of Group.	Awards are based on annual performance and are normally payable in cash up to 100% of salary. Bonus in excess of 100% of salary will be deferred into shares for three years.	150% of salary for the CEO 125% of salary for the CFO	Sliding scale financial and/or personal/ ESG/ strategic targets
LTIP	To drive and reward the achievement of longer term objectives, support retention and promote share ownership for Executive Directors.	Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/ clawback provisions at the discretion of the Committee.	200% of salary for the CEO (400% of salary for FY25 in respect of the CEO's recruitment) 175% of salary for the CFO	Performance metrics will be linked to financial and/or share price and/ or strategic and/or ESG performance
Shareholding Guidelines	To promote share ownership for Executive Directors.	Executive Directors are expected to build a shareholding in the Group over time by retaining 50% of the net of tax LTIP awards which vest.	200% of salary for the CEO, 175% of salary for the CFO	Not applicable
Non-executive Directors	The Committee determines the Chairman's fee and fees for the Non-executive Directors are agreed by the Chairman and Executive Directors.	Fees are reviewed annually taking into account the level of responsibility, relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are paid in cash.	n/a	n/a

ANNUAL REPORT ON REMUNERATION

SERVICE CONTRACTS

The Chairman and Non-executive Directors have letters of appointment, under which their appointments will continue unless and until terminated by either party giving not less than 30 days' notice and 6 months' notice in respect of the Chairman. The service contract of the CEO and CFO continues unless and until terminated by either the individual or the Company giving at least 12 months' notice. The dates of the service contracts of Ian El-Mokadem and Candida Davies are 28 June 2021 and 4 July 2022 respectively. The service contract for Ben Faes, who joined the Company on 2 December 2024 as CEO Designate and will step up to the Board as CEO on 6 January 2025, is dated 25 November 2024.



IMPLEMENTATION OF THE POLICY FOR FY24

During the year, the Directors received the following remuneration and pension contributions:

Directors	Salary £000	Taxable benefits £000	Pension contributions £000	Annual bonus £000	FY24 total £000	FY23 total £000
Executive Directors						
Ian El-Mokadem	621	-	31	233	**885**	652
Candida Davies	410	-	21	128	**559**	431
Non-executive Directors						
Julie Southern	275	-	-	-	**275**	150
Frances Earl	65	-	-	-	**65**	65
Gordon Stuart	65	-	-	-	**65**	65
David Clayton [1]	65	-	-	-	**65**	55
Andrew Brode [2]	55	2	-	-	**57**	265
Paul Abbott [3]	41	-	-	-	**41**	-
Graham Cooke [3]	41	-	-	-	**41**	-
Former Directors						
Lara Boro [4]	26	-	-	-	**26**	65
Rod Day	-	-	-	-	**-**	149
Total	**1,664**	**2**	**52**	**361**	**2,079**	**1,897**

1 Appointed Senior Independent Director 22 April 2024
2 Stepped down as Chairman, remaining on the Board as a Non-Executive Director, on 2 October 2023
3 Appointed 1 January 2024
4 Stepped down from the Board effective 22 February 2024

ANNUAL BONUS FOR FY24

Annual bonus potential was capped at 112.5% and 93.75% of salary for the CEO and CFO respectively for the year ended 30 September 2024. Details of the annual bonus awards are as follows:

Financial targets (75% of bonus potential)	PBT (40%)	Revenue (35%)
Threshold (start to earn)	£114.4m	£729.2m
On-target	£120.5m	£767.6m
Maximum	£132.5m	£805.9m
Actual (for bonus purposes)	Below Threshold	Below Threshold
% of max payable 75% of salary (CEO), 62.5% of salary (CFO)	**0%**	**0%**

Strategic targets (25% of bonus potential)	Committee Assessment
Strategy: Take forward the themes from the FY23 Strategy Day, follow-up and implement.	Target considered to have been met in full: • Evolve (RWS's linguistic AI solution, offering significant efficiency gains for global enterprises with substantial translation demands) successfully launched. • HAI (RWS's new digital self-service platform, integrating RWS's AI-powered technology and linguistic expertise) successfully launched. • Segmentation model presented to April Board meeting. • Three year financial plan presented to April Board. • Regular updates provided to the Board in May, July (strategy session) and October.
Efficiency: Support the development of proposals to deliver further step change in the efficiency of the group in respect of process, system, role and location with associated business case	Target considered to have been met in full: An updated approach to delivering approved end-to-end efficiency which aligns to the anticipated target operating model was presented to the Board and the FY25 elements were approved as part of the FY25 budget and are in the implementation phase.
% of max payable 37.5% of salary (CEO), 31.25% of salary (CFO)	**37.5% of salary for the CEO** **31.25% of salary for the CFO**

TOTAL BONUS AWARD FOR FY24

Reflecting the progress made against the strategic objectives, and noting the reduced bonus potential set for FY24 (the CEO and CFO's bonus potentials were reduced by 25% to 112.5% and 93.75% of salary respectively), the total FY24 bonus award for the CEO and CFO equated to £233,000 (37.5% of salary) and £128,000 (31.25% of salary) respectively. All of the CFO's bonus will be delivered in shares which will vest immediately, with at least 50% of the net of tax number expected to be retained against her 175% of salary shareholding guidelines. Reflecting the CEO's January 2025 departure date, the CEO's FY24 bonus will be payable in cash.

SHARE AWARDS GRANTED IN THE YEAR

The following LTIP awards were granted to the Executive Directors on 25 January 2024:

	Basis of award	Number of shares under award
Ian El-Mokadem	200% of salary	524,050
Candida Davies	175% of salary	302,742

The awards are nil cost awards and vest three years from the grant (with a two year post vesting holding period) subject to continued employment and the following Earnings Per Share (EPS), Cash Conversion and Total Shareholder Return ("TSR") targets:

One third of awards	One third of awards	One third of awards
Adjusted EPS targets for the year ending 30 September 2026:	Cash Conversion targets for the year ending 30 September 2026:	Relative TSR measured over the three years ending 30 September 2026:
0% of this part of an award vests for Adjusted EPS of 23.3p increasing pro-rata to 100% of this part of an award vests for Adjusted EPS of 29p or more.	0% of this part of an award vests for Average Cash Conversion of below 70% increasing pro-rata to 100% of this part of an award vests for Average Cash Conversion of 90% or more.	0% of this part of an award vests for TSR below median, 25% of this part of an award vests for median TSR increasing pro-rata to 100% of this part of an award vests for upper quartile TSR measured against the constituents of the FTSE 250 (excluding investment trusts).

In addition to the performance conditions detailed above, the Remuneration Committee retains the discretion to adjust the level of vesting that would apply (including to nil vesting) if it considers this to be appropriate (for example to counter windfall gains or to have regard to underlying financial performance and/or the shareholder experience over the measurement period).

As detailed in the Annual Statement, in addition to the LTIP awards detailed above, the following retention award was granted to the CFO under the LTIP on 23 September 2024:

	Basis of award	Number of shares under award
Candida Davies	75% of salary	189,908

40% of the award will vest on the first anniversary of the grant date and the remaining 60% will vest on the second anniversary of the grant date with vesting conditional on continued service, with the award ordinarily lapsing if she ceases employment ahead of the respective vesting dates. All of the net of tax shares which vest are expected to be retained against the 175% of salary shareholding guidelines.

CEO CHANGE

As per the RNS dated 1 October 2024, Ian El-Mokadem will step down from the Board and will leave the Company in January 2025. In respect of Ian's leaving arrangements, he will:

- Receive salary, pension and benefits up to cessation of employment and a payment in lieu of notice in respect of the remainder of the unexpired notice period.
- Not be eligible to participate in the annual bonus plan for the year ending 30 September 2025.
- Retain his unvested LTIP awards which will continue to vest at the normal vesting dates subject to performance and time pro-rating; and
- Continue to comply with the shareholding guidelines up to cessation.

As announced on 26 November 2024, Ben Faes joined the Company on 2 December 2024 as CEO Designate and will step up to the Board as CEO and Executive Director on 6 January 2025. Details of Ben's remuneration from appointment are set out in the 'Implementing the Remuneration Policy for FY25' section above.

DIRECTORS' INTERESTS IN SHARES

The interests of the Directors as at 30 September 2024 (including the interests of their families and related trusts), all of which were beneficial, in the ordinary shares of the Company were:

Interests of Directors in ordinary shares	Ordinary shares of 1 pence
Ian El-Mokadem	195,000
Candida Davies	20,000
Julie Southern	9,076
Frances Earl	3,000
Gordon Stuart	5,085
David Clayton	164,035
Andrew Brode	90,174,060
Paul Abbott	-
Graham Cooke	-

The interests of Directors at the year end in options to subscribe for ordinary shares of the Company, together with details of any options granted during the year, are as follows:

	Award Type	Date of grant	1 Oct 2023	Granted	Lapsed	30 Sep 2024	Exercise Price	First date normally exercisable	Last date normally exercisable
Ian El-Mokadem	LTIP	24.01.22	220,791	-	-	220,791	1p	Lapsed	Lapsed
	LTIP	24.01.23	314,207	-	-	314,207	1p	24.01.28	24.01.33
	LTIP	24.01.24	-	524,050	-	524,050	nil	24.01.29	24.01.34
Candida Davies	LTIP	24.01.23	181,516		-	181,516	1p	24.01.28	24.01.33
	SAYE	16.02.23	4,986		(4,986)	-	361p	Lapsed	Lapsed
	LTIP	24.01.24	-	302,742	-	302,742	nil	24.01.29	24.01.34
	SAYE	12.02.24	-	8,918		8,918	208p	01.04.27	30.09.27
	LTIP	23.09.24	-	189,908	-	189,908	nil	23.09.25	23.09.34

The market price of the company's shares at 30 september 2024 was 160 pence per share and the highest and lowest price in the year ended 30 september 2024 was 160 pence and 257.8 Pence per share respectively.

SHARE AWARDS VESTING/ EXERCISED IN THE YEAR

No share awards vested during the year ended 30 September 2024 and no share awards were exercised which meant that no gains were made on the exercise of share awards in the year ended 30 September 2024.

Frances Earl | Remuneration Committee Chair

11 December 2024

Directors' Report

The Directors present their Annual Report together with the audited consolidated financial statements for the year ended 30 September 2024.

GENERAL INFORMATION

RWS Holdings plc is the ultimate parent company of the RWS Group which operates internationally. RWS Holdings plc is registered in England and Wales (company number 03002645). The principal activities of the Company and its subsidiaries are described in the Strategic Report on pages 12 to 23. The Company's shares are admitted to trading on the Alternative Investment Market of the London Stock Exchange.

BUSINESS PERFORMANCE AND RISKS

The review of the business, operations, principal risks and outlook is dealt with in the Strategic Report on pages 12 to 23 and 42 to 45. The key performance indicators (page 23) of the Group are revenues and adjusted pre-tax profit before amortisation of acquired intangibles, share-based payment expenses, acquisition costs and exceptional items.

DIVIDENDS

The Directors recommend a final dividend of 10 pence per ordinary share to be paid on 14 February 2025 to shareholders on the register at 17 January 2025, which, together with the interim dividend of 2.45 pence paid in July 2024, results in a total dividend for the year of 12.45 pence (2023: 12.20 pence). Please refer also to Note 10 to the Consolidated Financial Statements.

The final dividend will be reflected in the financial statements for the year ending 30 September 2025, as it does not represent a liability at 30 September 2024.

GOING CONCERN

In assessing the basis of preparation of the financial statements for the year ended 30 September 2024, the Directors have considered the principles of the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, 2014'; particularly in assessing the applicability of the going concern basis, the review period and disclosures. The period of assessment is the 18 months ending 31 March 2026.

As at 30 September 2024, the Group has net debt including lease liabilities of £40.1m, comprising the Group's US$220m revolving credit facility ("RCF") (£76.5m drawn at year end) and lease liabilities of £27.2m, less cash and cash equivalents of £61.5m. The RCF is for US$220m and the term expires on 6 August 2027 after the one-year extension option was triggered in 2024. The facility is provided by a consortium of banks. At year end the Group's net leverage ratio (as defined by the RCF agreement) is 0.3 of EBITDA, while its interest coverage ratio (as defined by the RCF agreement) is 23.7 of EBITDA and are well within the covenants permitted by the Group's RCF agreement.

In making their going concern assessment, the Directors have considered the Group's current financial position and forecast earnings and cashflows for the 18-month period ending 31 March 2026. The business plan used to support this going concern assessment is derived from the Board-approved budget. The Directors have undertaken a rigorous assessment of going concern and liquidity considering key uncertainties and sensitivities, the committed funding and liquidity positions under its debt covenants and its ability to continue generating cash from trading activities.

In light of the Group's principal risks and uncertainties disclosed on pages 42 to 45 of the Strategic Report on the Group's profitability and financial position, the Directors believe that the appropriate sensitivity in assessing the Group and Company's ability to continue as a going concern are to model a range of downside scenarios, including a 20% reduction to the Group's revenues and corresponding cash flows, with mitigating actions from management limited to equivalent reductions in the Group's controllable cost base.

No significant structural changes to the Group have been assumed in any of the downside scenarios modelled with all mitigating actions wholly within management's control.

In each of these modelled downside scenarios, the Group continues to have significant covenant and liquidity headroom over the period through to 31 March 2026. Consequently, the Directors are confident that the Group and Company will have sufficient cash reserves and committed debt facilities to withstand reasonably plausible downside scenarios and therefore continue to meet its liabilities as they fall due for the period ending 31 March 2025 and therefore have prepared the financial statements on a going concern basis.

DIRECTORS

The names and biographical details of the Directors of the Company at the date of signing this report are set out on pages 64 to 65.

Further information on Board composition, responsibilities, commitments and re-election/election of Directors can be found on pages 66 to 73 of the Corporate Governance Report.

The interests of the Directors in shares during the year are set out on page 87 in the Directors' Remuneration Report.

DIRECTORS' INDEMNITIES

To the extent permitted in is 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 Company also purchased and maintained throughout the financial year, Directors' and Officers' liability insurance cover for the directors and officers of the Company and of all Group subsidiary companies.

CORPORATE GOVERNANCE

Further information about the Audit, Nomination and Remuneration Committees and details of the Company's Remuneration Policy are set out on pages 74 to 87.

EMPLOYMENT OF DISABLED PERSONS

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

EMPLOYEE ENGAGEMENT

The Company's policy is to consult and discuss with employees matters likely to affect employee interests. This includes building common awareness of the financial and economic factors affecting the Group's performance through newsletters, all-colleague emails, quarterly all-colleague calls with the CEO and CFO and local 'town hall' meetings with senior leadership. The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability irrespective of age, sex, race or religion. All group companies endeavour to provide equal opportunities in recruiting, training, promoting and developing the careers of all employees.

FOSTERING GOOD RELATIONSHIPS WITH STAKEHOLDERS

Understanding what matters to our stakeholders is achieved by building strong, constructive relationships and engaging regularly. We value the diverse perspectives that our broad range of stakeholders bring to our decision making. We recognise that engagement with stakeholders is a vital part in the execution of our long-term strategy. Our shareholders, colleagues, clients, suppliers and our local communities are our key stakeholder groups.

Please refer to pages 58 to 61, and 63 for further information on engagement with stakeholders.

DIRECTORS' AUTHORITIES IN RELATION TO SHARE CAPITAL

At the 22 February 2024 Annual General Meeting, the Directors were generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal value of £1,240,922 (being approximately one third of the Company's then issued share capital) or up to an aggregate nominal value of £2,481,844 (representing approximately two thirds of the Company's then issued share capital) in respect of a strictly pro-rata issue.

At the 2024 AGM, the Directors were also granted additional powers to allot ordinary shares for cash (i) up to a nominal value of £372,276 (being approximately 10% of the Company's then issued share capital) and (ii) up to a further nominal value of £372,276, in each case without regard to the pre-emption provisions of the Companies Act 2006, provided that the authority under (ii) can only be used in connection with an acquisition or specified capital investment.

These authorities are valid until the conclusion of the next following AGM.

The Directors propose to seek equivalent authorities at the 2025 AGM. The Directors have no immediate plans to make use of these authorities, if granted, other than to satisfy the exercise of options or vesting of awards under the Company's employee share schemes.

As at the date of this report, the Company does not hold any ordinary shares in the capital of the Company in treasury.

Directors' Report (continued)

AUTHORITY TO PURCHASE OWN SHARES

At the 2024 AGM, shareholders gave the Company authority to make market purchases of up to 37,227,600 of its own ordinary shares (representing 10% of the Company's then issued share capital). This authority expires at the conclusion of the next following AGM.

ACQUISITION OF OWN SHARES

On 14 June 2023 the Company announced a share repurchase programme of up to £50m to be executed by the Company's 2024 AGM. During the year, the Group completed the share repurchase programme. During 1 October 2023 to 22 February 2024 the Company purchased 12.9 million shares at an average price of 233.52p. The overall number of shares purchased under the programme was 20.8 million.

EMPLOYEE SHARE AND SHARE OPTION SCHEMES

The Company operates a number of employee and share option schemes. Details of outstanding share awards and share options are given in Note 22 to the consolidated financial statements on pages 141 to 143.

MAJOR SHAREHOLDINGS

As at 30 September 2024, insofar as it is known to the Company by virtue of notifications made in accordance with DTR 5, the table below sets out holders of notifiable interests representing 3% or more of the issued Ordinary share capital of the Company (such holdings may have changed since notification to the Company):

Substantial shareholder	% of Issued Share Capital	Number of Ordinary Shares
Andrew Brode	24.5	90,174,060
Liontrust Asset Management	13.05	48,134,918
Octopus Investments	5.04	19,039,802

RESEARCH AND DEVELOPMENT

RWS is constantly engaged in research and development activities to improve the quality of the services offered to customers and to optimise the operation of the Group. See Notes 5 and 13 for further details.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

Details of the Group's annual greenhouse gas emissions, energy consumption and energy efficiency are shown in the 'Task Force on Climate-related Financial Disclosures' section of the Strategic Report on pages 46 to 57.

POLITICAL DONATIONS

The Company made no political donations during the year ended 30 September 2024.

BRANCHES

RWS is a global business and our activities and interests are operated through subsidiaries and associated branches which are subject to the laws and regulations of many different jurisdictions. Our subsidiary undertakings and associated branches are listed in Note 7 to the Parent Company financial statements on pages 151 to 154.

SUBSEQUENT EVENTS

There are no material post balance sheet events that require adjustment or disclosure in the Annual Report.

FINANCIAL INSTRUMENTS

Information about the use of financial instruments by the Group is given in Note 20 to the financial statements.

BUSINESS ETHICS

We take a zero tolerance approach to bribery, corruption, and other financial crime.

TAX TRANSPARENCY

RWS is committed to being a responsible corporate citizen within each jurisdiction in which it operates and does not use 'tax haven' countries or other tax avoidance arrangements as part of its tax planning.

RWS is straightforward, transparent and co-operative in all its dealings with tax authorities, ensuring that it is in compliance with all local taxation legislation and meets all applicable filing and payment deadlines.

As an employer of more than 9,000 colleagues across 33 countries and 62 offices globally, RWS also makes significant tax payments in respect of payroll taxes, value-added taxes and business/premises taxes.

The RWS tax strategy is available to read on our website www.rws.com.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on 11 February 2025, at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY. Details of how shareholders can attend the meeting are set out in the Notice of AGM. Shareholders will be able to vote at the AGM in person or by submitting their proxy in advance of the AGM and to appoint the Chairman of the AGM as their proxy with their voting instructions.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the 2025 AGM.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

This Directors' Report was approved by the Board on 11 December 2024.

On behalf of the Board

Ian El-Mokadem | Chief Executive Officer

11 December 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the Group and Parent Company financial statements in accordance with applicable United Kingdom 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 UK-adopted international accounting standards ("IFRSs"), and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")) 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 Parent Company and of the profit or loss of the Group and the Parent Company for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs (and in respect of the Parent Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Parent Company financial position and financial performance.
- In respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- In respect of the Parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, 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 Parent Company and the Group will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that each comply with the relevant law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

DIRECTORS' RESPONSIBILITY STATEMENT

Each of the Directors confirm, to the best of their knowledge:

- That the Group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and undertakings included in the consolidation taken as a whole.
- That the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Parent Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- That they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Parent Company's position, performance, business model and strategy. For the details of the process that was followed to enable the Board to make this statement, please refer to the Audit Committee Report on pages 74 to 77.

For and on behalf of the Board of Directors

Ian El-Mokadem | Chief Executive Officer
11 December 2024

RWS Holdings plc

2024 FINANCIAL STATEMENTS

Independent Auditors' Report to the Members of RWS Holdings plc

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 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent 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.

We have audited the financial statements of RWS Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise:

Group	Parent company
Consolidated statement of comprehensive income for the year then ended 30 September 2024	Balance sheet as at 30 September 2024
Consolidated statement of financial position as at 30 September 2024	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 13 of the financial statements, including material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 27 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards . The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- understanding management's process and controls related to the assessment of going concern;
- assessing the adequacy of the going concern assessment period until 31 March 2026, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate;
- obtaining management's going concern models which included a base case and downside scenarios of the going concern assessment period. These forecasts include an assessment of liquidity including assessment of compliance with the covenant requirements of the Group's external debt;
- checking the arithmetical accuracy of the cash flow forecast models and assessing the Group's historical forecasting accuracy, comparing these conclusions to the downside scenarios prepared by management;
- confirming the continued availability of debt facilities by examining executed documentation including clauses relating to covenants;
- considering the downside scenarios identified by management and independently assessing whether there are any other scenarios which should be considered, and recalculated the impact on the available cash flows of the downside scenarios in the going concern period;
- considering whether the Group's forecasts in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including goodwill impairment and deferred tax asset recognition;
- evaluating what reverse stress testing scenarios could lead either to a breach of the Group's banking covenants or liquidity shortfall, and considering whether these scenarios were plausible;
- challenging management's assumptions within the cash flow forecasts in relation to the forecast growth rates in the going concern period, including comparison to internal and external economic forecasts;
- comparing management's forecasts to actual results through the subsequent events period and performing enquiries to the date of this report; and
- assessing if the going concern disclosures in the financial statements are appropriate and in accordance with the revised ISA UK 570 going concern standard.

We observed that the Group continues to remain profitable (2024: £112.3 million adjusted operating profit, 2023: £123.8 million) and the Group generates positive operating cashflows (2024: £75.3 million, 2023: £107.5 million) which are the key measures for covenant and liquidity compliance respectively. The Group has access to a committed revolving credit facility of $220 million, which expires in 2027. The covenant compliance necessary under both covenant test ratios within the RCF have been modelled as part of the going concern forecast.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 31 March 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Audit scope	• We performed an audit of the complete financial information of 7 components and audit procedures on specific balances for a further 5 components. • The components where we performed full or specific audit procedures accounted for 71% of profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles, 86% of Revenue and 90% of Total assets.
Key audit matters	• Revenue recognition • Impairment of goodwill and acquired intangibles • Capitalisation and impairment of development costs
Materiality	• Overall group materiality of £5.4m which represents 5% of profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles.

Independent Auditors' Report to the Members of RWS Holdings plc (continued)

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls and changes in the business environment when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the reporting components of the Group, we selected 12 components covering entities within the UK, US, Czech Republic and EMEA, which represent the principal business units within the Group.

Of the 12 components selected, we performed an audit of the complete financial information of 7 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 5 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

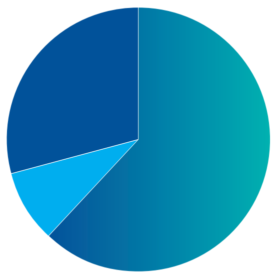
The reporting components where we performed audit procedures accounted for 71% (2023: 74%) of the Group's profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles, 86% (2023: 87%) of the Group's Revenue and 90% (2023: 92%) of the Group's Total assets. For the current year, the full scope components contributed 62% (2023: 71%) of the Group's profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles, 73% (2023: 77%) of the Group's Revenue and 88% (2023: 91%) of the Group's Total assets. The specific scope components contributed 9% (2023: 3%) of the Group's profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles, 13% (2023: 10%) of the Group's Revenue and 2% (2023: 1%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. We also instructed 1 location (Czech Republic) to perform specified procedures over certain aspects of capitalised development costs, as described in the Risk section above.

Of the remaining components that together represent 29% of the Group's profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles, none are individually greater than 6% of the Group's profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles. For these components, we performed other procedures, including analytical review and/or 'review scope' procedures, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

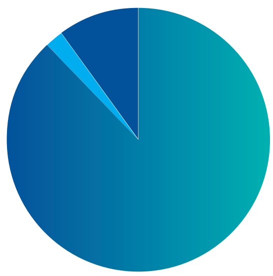
PROFIT BEFORE TAX (OR ADJUSTED PBT MEASURE USED)

62% Full scope components
9% Specific scope components
29% Other procedures



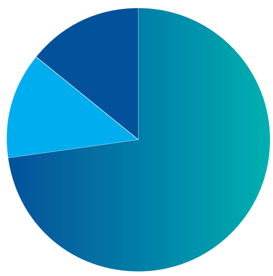
TOTAL ASSETS

88% Full scope components
2% Specific scope components
10% Other procedures



REVENUE

73% Full scope components
13% Specific scope components
14% Other procedures



INVOLVEMENT WITH COMPONENT TEAMS

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the 7 full scope components, audit procedures were performed on 6 of these directly by the primary audit team. All specific scope components were audited by the primary audit engagement team.

During the current year's audit cycle, visits were undertaken by the primary audit team to the component team in the Czech Republic. These visits involved review of the component's audit work and meeting with business unit management. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

CLIMATE CHANGE

Stakeholders are increasingly interested in how climate change will impact RWS Holdings plc. The Group has determined that the most significant future impacts from climate change on their operations will be from business interruption driven by extreme climate. These are explained on pages 46 to 57 in the Task Force On Climate Related Financial Disclosures and on pages 42 to 45 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

As explained in note 1, the basis of preparation, consideration of climate change impact on the judgements in the accounts is not considered to have a material impact at this time. Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted International Accounting Standards.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments and confirming the effects of material climate risks disclosed do not have a material impact on the financial statements. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

KEY AUDIT MATTERS

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

Independent Auditors' Report to the Members of RWS Holdings plc (continued)

Revenue recognition (2024: £718.2m, 2023: £733.8m)

Refer to the Audit Committee Report (page 76) and Note 3 of the Consolidated Financial Statements (page 112)

In "Our response to the risk" and "Key Observations" sections below, we have disaggregated revenue into two streams, being Technology revenue (relating to revenue recognised within the Language and Content Technology segment) and Services revenue (being revenue recognised within all other segments). Refer to Note 3 for further details.

There is a cut-off risk that revenue earned around the year-end date is inappropriately recognised in the period in order to meet budgets and market expectations. This can apply to both point in time and over time revenue recognition, arising from the sale of both technology and services to customers.

In addition, recognition of revenue may include an allocation of transaction price, specifically for bundled or bespoke technology deals where there are multi-element arrangements. There is a risk that the transaction price is incorrectly allocated to each performance obligation and/or recognised inappropriately (point in time or over time).

Our response to the risk

Our audit procedures comprised the following:

We understood the process for recognition of revenue transactions and assessed the design effectiveness of key controls.

Cut-off

For all revenue streams, we tested a sample of revenue transactions recognised around the balance sheet date to validate the correct timing of revenue recognition.

Where applicable, we vouched to supporting documentation including proof of completed works and acceptance documentation.

For services revenue, we understood the underlying process for identifying and measuring accrued income and performed analytical procedures to identify any specific risks. Further, we identified material or unusual accrued income balances, for which we performed the following procedures, where applicable:

- obtaining orders/contracts and supporting documentation to verify amounts, for example purchase invoices for costs incurred to date and completion documentation where applicable;
- for services revenue, meeting with project managers to challenge the valuation of accrued income;
- reviewing post year-end accrued income schedules to identify unusual movements in accrued income balances; and
- Obtaining post-year end invoices raised

We considered each component's application of IFRS 15 through review of underlying contracts and terms and conditions, particularly in relation to the timing and quantum of revenue recognition around the balance sheet date to validate that the "over time" or "point in time" recognition policy was appropriate and in line with the nature and characteristics of the services provided.

We reviewed the Group's disclosures in relation to revenue recognition made in the financial statements to confirm the adequacy of disclosure of the Group's revenue recognition policy.

Multi-element arrangements:

We tested a sample of technology revenue contracts by performing the following:

- agreeing revenues to contracts, purchase orders or software licence agreements;
- agreeing the revenue to subsequent payment as evidence of collectability;
- checking evidence, such as licence keys or evidence of filing of patents to support that performance obligation has been fulfilled prior to revenue recognition;
- reviewing terms and conditions to establish whether all performance obligations have been identified and for any conditions that would impact the timing of revenue recognition and in turn the completeness of contract liabilities;
- ensuring appropriate allocation of the fair value and recognition of revenue for other deliverables included within the contract based on relative standalone selling price;
- we obtained management's assessment of the determination of standalone selling price and validated this assessment to evidence obtained through our test of details above.

We performed full and specific scope audit procedures over this risk area in 10 locations, which covered 86% of the risk amount.

Key observations communicated to the Audit Committee

We concluded that revenue recognised was materially correct in accordance with IFRS 15. We concluded based on our procedures performed that the standalone selling price of multi-element arrangements has been calculated and recorded materially correctly in the Technology division.

Based on the procedures we performed we concluded that the accounting policy and associated disclosures are in line with IFRS 15.

Impairment of goodwill and acquired intangibles (2024: £570.8m goodwill and £239.8m acquired intangibles, 2023: £608.6m goodwill and £296.7m acquired intangibles)

Refer to the Audit Committee Report (page 76) and Notes 12 and 13 of the Consolidated Financial Statements (page 124 to 127)

Management applies judgement in assessing the valuation of acquired intangibles and goodwill, particularly in estimating future cash flows and deriving the appropriate discount rates. There is a risk that impairments are not identified, and the value of goodwill or acquired intangibles is overstated.

Our response to the risk

Our audit procedures comprised the following:

We understood the annual goodwill and acquired intangible impairment process and assessed the design effectiveness of key controls. We confirmed that management's process and methodology meet the requirements of IAS 36 'Impairment of Assets'.

We reviewed management's paper identifying the cash generating units (CGUs) to which impairment should be considered and assessed whether the CGU allocation is appropriate.

We performed the following procedures:

We validated the mathematical accuracy of management's impairment models.

We engaged EY specialists to determine if the discount rates and long-term growth rates applied for each CGU are within an acceptable range.

We challenged management as to the robustness of the process performed by discussing potential external and internal sources of indicators of impairment, and updates made to the cash flow forecast to reflect these. We challenged management in relation to the key assumptions included within the forecast through inquiries of local management, commercial finance and product development teams, as well as external market data. We ensured consistency of key assumptions (including revenue growth rates) with forecasts used in other management assessments, including going concern.

We searched for any contradictory evidence, including whether any indicators of impairment were omitted from management's assessment.

We assessed adequacy of sensitivity analysis performed and performed additional sensitivities.

We assessed the historical accuracy of management's forecasting process through reviewing forecast versus actuals analyses for the current year.

We reviewed the Group's disclosures in accordance with the requirements of IAS 36 and IAS 1, including in relation to the impairment recognised in the financial statements, to confirm the adequacy of disclosure. Our procedures covered 100% of the Goodwill and Acquired Intangibles risk amount.

Key observations communicated to the Audit Committee

We consider management's assessment appropriately reflects the requirements of IAS 36 and appropriately captures the risks to the future cash flows.

We concluded that the goodwill recognised within all CGUs was supported by the Value in Use calculated by management, and as such concluded that no impairment of goodwill should be recognised.

We concluded that that the disclosures, including key assumptions and sensitivities within Note 2, are appropriate.

Capitalisation and impairment of development costs (2024: £40.5m additions, 2023: £36.5m additions)

Refer to the Audit Committee Report (page 76) and refer to the Note 13 of the Consolidated Financial Statements (page 126).

The Group capitalises eligible costs in the development of its software products and internal systems. There is a risk of inappropriate capitalisation of these development costs, which require significant judgement as to whether the costs meet the capitalisation criteria per IAS 38.

Our response to the risk

Our audit procedures comprised the following:

We performed walkthroughs of the capitalised development cost process and assessed the design effectiveness of key controls.

We selected a sample of development cost business cases, supporting additions, to understand the nature of the costs, and to assess whether the items have been appropriately capitalised in accordance with IAS 38. We specifically challenged this with respect to capitalisation of costs incurred on products already in use, in order to validate managements judgements around whether the costs were likely to give rise to incremental economic benefit.

We performed analytical procedures, including comparison of capitalization and amortization to prior year.

Further to this, we challenged management on the useful economic life of assets capitalised, including validating that additions are amortised over the remaining useful life of the underlying asset to which they relate.

We audited capitalised costs to supporting documentation including 3rd party invoices. We also performed specific HR testing to validate salary information to supporting documentation.

We reviewed the Group's disclosures in relation to capitalised development costs made in the financial statements to confirm the adequacy of disclosure of the Group's capitalisation policy.

We assessed the impairment of assets in use and those still under development in accordance with IAS 36 by considering whether there were any indicators of impairment, including obsolescence of technology and changes to underlying business and market trends.

We performed full and specific scope audit procedures over this risk area in 3 locations, which covered 100% of the risk amount.

Key observations communicated to the Audit Committee

Management impaired previously capitalised amounts of £11.7m following a strategic review of solutions.

We concluded that remaining development costs capitalised under IAS 38 are materially correct and that it is reasonable that no impairment has been recorded on these assets as at 30 September 2024.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £5.4 million (2023: £5.9 million), which is 5% (2023: 5%) of profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles. We believe that profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles provides us with an appropriate basis for materiality as it represents the primary measure used by shareholders in assessing the performance of the Group, as it is a reflection of the underlying performance of the Group.

We determined materiality for the Parent Company to be £11.1 million (2023: £10.5 million), which is 1% (2023: 1%) of total assets.

- Profit before tax - £60.0m

- Exceptional items - (£26.6m)
- Impairment losses - £22.2m
- Acquisition costs - £7.2m
- Amortisation of acquired intangibles - £40.8m

- Profit before tax adjusted for exceptional items, impairment losses, acquisition costs and amortisation of acquired intangibles - £103.6m
- Materiality - £5.4m

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £2.7m (2023: £3.0m). We have set performance materiality at this percentage due to a combination of risk factors.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.5m to £1.3m (2023: £0.6m to £1.5m).

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3m (2023: £0.3m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Independent Auditors' Report to the Members of RWS Holdings plc (continued)

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 92, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 92, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those related to the reporting framework (international accounting standards in conformity with the requirements of the Companies Act 2006, FRS 101, and the Companies Act 2006) and the relevant tax compliance regulations in the components
- We understood how RWS Holdings plc is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, discussions with the Audit Committee and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. The key audit matters section above addresses procedures performed in areas where we have concluded the risks of material misstatement are highest (including where due to the risk of fraud). These procedures included testing manual journal entries.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of Board minutes to identify non-compliance with such laws and regulations, review of reporting to the Audit Committee on compliance with regulations and enquiries of management.
- All full and specific scope components were instructed to perform procedures in the identification of instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council’s website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

USE OF OUR REPORT

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

Jose Yglesia

(SENIOR STATUTORY AUDITOR)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

11 December 2024

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2024

	Note	2024 £m	2023 £m
Revenue	3	**718.2**	**733.8**
Cost of sales		**(381.7)**	(394.3)
Gross profit		**336.5**	**339.5**
Administrative expenses		**(270.7)**	(346.4)
Operating profit/(loss)	5	**65.8**	**(6.9)**
Analysed as:			
Adjusted operating profit:		**112.3**	123.8
Amortisation of acquired intangibles	13	**(40.8)**	(38.8)
Impairment of intangible assets	12,13	**(11.7)**	(62.4)
Impairment of property, plant and equipment	14	**(10.5)**	-
Acquisition costs	6	**(7.2)**	(5.1)
Share-based payment expense	22	**(2.9)**	(1.8)
Profit on disposal of business	6	**30.0**	-
Exceptional items	6	**(3.4)**	(22.6)
Operating profit/(loss)		**65.8**	**(6.9)**
Finance income	8	**0.9**	0.6
Amortisation of capitalised exceptional finance costs	8	**(0.2)**	(0.3)
Finance costs	8	**(6.5)**	(4.3)
Profit /(loss) before tax		**60.0**	**(10.9)**
Taxation	9	**(12.5)**	(16.8)
Profit/(loss) for the year attributable to the owners of the Parent		**47.5**	**(27.7)**
Other comprehensive (expense)/ income			
Items that may be reclassified to profit or loss:			
Gain /(loss) on retranslation of quasi equity loans (net of deferred tax)		**1.7**	(1.9)
Loss on retranslation of foreign operations		**(64.1)**	(60.3)
Gain on hedging (net of deferred tax)		**0.4**	2.0
Total other comprehensive expense		**(62.0)**	**(60.2)**
Total comprehensive expense attributable to owners of the Parent		**(14.5)**	**(87.9)**
Basic earnings per ordinary share (pence per share)	11	**12.8**	**(7.1)**
Diluted earnings per ordinary share (pence per share)	11	**12.8**	**(7.1)**

The Notes on pages 108 to 145 form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Goodwill	12	**570.8**	608.6
Intangible assets	13	**317.0**	359.4
Property, plant and equipment	14	**13.5**	27.5
Right-of-use assets	18	**22.7**	27.5
Non-current income tax receivable		**2.2**	1.4
Deferred tax assets	9	**2.0**	1.2
		928.2	**1,025.6**
Current assets			
Trade and other receivables	15	**211.2**	212.3
Income tax receivable		**5.6**	1.7
Cash and cash equivalents	23	**61.5**	76.2
		278.3	**290.2**
Total assets		**1,206.5**	**1,315.8**
Current liabilities			
Trade and other payables	17	**127.7**	149.8
Lease liabilities	18	**8.5**	9.9
Income tax payable		**14.3**	15.3
Provisions	19	**7.9**	7.6
		158.4	**182.6**
Non-current liabilities			
Loans	16	**74.4**	52.6
Lease liabilities	18	**18.7**	23.6
Trade and other payables	17	**0.4**	2.3
Provisions	19	**1.5**	9.7
Deferred tax liabilities	9	**53.5**	57.7
		148.5	**145.9**
Total liabilities		**306.9**	**328.5**
Total net assets		**899.6**	**987.3**
Capital and reserves attributable to owners of the Parent			
Share capital	21	**3.7**	3.8
Share premium		**54.5**	54.5
Share based payment reserve		**8.1**	5.3
Reverse acquisition reserve		**(8.5)**	(8.5)
Other reserve		**0.1**	-
Merger reserve		**624.4**	624.4
Foreign currency reserve		**(31.8)**	33.7
Hedge reserve		**-**	(3.5)
Retained earnings		**249.1**	277.6
Total equity		**899.6**	**987.3**

The Notes on pages 108 to 145 form part of these financial statements. The financial statements on pages 104 to 145 were approved by the Board of Directors and authorised for issue on 11 December 2024 and were signed on its behalf by:

Candida Davies | Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 30 September 2024

	Note	Share capital £m	Share premium account £m	Other reserves (see below) £m	Retained earnings £m	Total attributable to owners of Parent £m
At 30 September 2022		**3.9**	**54.4**	**712.3**	**371.1**	**1,141.7**
Loss for the year		-	-	-	(27.7)	(27.7)
Gain on hedging		-	-	2.0	-	2.0
Loss on retranslation of quasi equity loans		-	-	(1.9)	-	(1.9)
Loss on retranslation of foreign operations		-	-	(60.3)	-	(60.3)
Total comprehensive (expense)/ income for the year		**-**	**-**	**(60.2)**	**(27.7)**	**(87.9)**
Issue of shares		-	0.1	-	-	0.1
Deferred tax on unexercised share options	9	-	-	-	(0.2)	(0.2)
Deferred consideration settlement		-	-	(2.5)	-	(2.5)
Dividends	10	-	-	-	(46.3)	(46.3)
Purchase of own shares		(0.1)	-	-	(19.3)	(19.4)
Equity-settled share based payments charge	22	-	-	1.8	-	1.8
At 30 September 2023		**3.8**	**54.5**	**651.4**	**277.6**	**987.3**
Profit for the year		-	-	-	47.5	47.5
Gain on hedging		-	-	0.4	-	0.4
Gain on retranslation of quasi equity loans		-	-	1.7	-	1.7
Loss on retranslation of foreign operations		-	-	(64.1)	-	(64.1)
Total comprehensive (expense)/ income for the year		**-**	**-**	**(62.0)**	**47.5**	**(14.5)**
Deferred tax on unexercised share options	9	-	-	-	(0.1)	(0.1)
Dividends	10	-	-	-	(45.5)	(45.5)
Purchase of own shares		(0.1)	-	0.1	(30.4)	(30.4)
Equity-settled share-based payments charge	22	-	-	2.9	-	2.9
Deferred tax on share-based payments		-	-	(0.1)	-	(0.1)
At 30 September 2024		**3.7**	**54.5**	**592.3**	**249.1**	**899.6**

Other reserves	Share-based payment reserve £m	Other reserve £m	Reverse acquisition reserve £m	Merger reserve £m	Foreign currency reserve £m	Hedge reserve £m	Total other reserves £m
At 30 September 2023	**6.0**	**-**	**(8.5)**	**624.4**	**95.9**	**(5.5)**	**712.3**
Other comprehensive (expense)/income for the year	-	-	-	-	(62.2)	2.0	(60.2)
Equity-settled share-based payments charge	1.8	-	-	-	-	-	1.8
Deferred consideration settlement	(2.5)	-	-	-	-	-	(2.5)
At 30 September 2023	**5.3**	**-**	**(8.5)**	**624.4**	**33.7**	**(3.5)**	**651.4**
Other comprehensive (expense)/income for the year	-	-	-	-	(62.4)	0.4	(62.0)
Fair value losses on net investment hedge taken to currency reserve	-	-	-	-	(3.1)	3.1	-
Equity-settled share-based payments charge	2.9	-	-	-	-	-	2.9
Purchase of own shares	-	0.1	-	-	-	-	0.1
Deferred tax on share-based payments	(0.1)		-	-	-	-	(0.1)
At 30 September 2024	**8.1**	**0.1**	**(8.5)**	**624.4**	**(31.8)**	**-**	**592.3**

Consolidated Statement of Cash Flows

for the year ended 30 September 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Profit / (loss) before tax		**60.0**	(10.9)
Adjustments for:			
Depreciation of property, plant and equipment	14	**6.3**	7.3
Amortisation of intangible assets	13	**54.8**	56.9
Impairment of Intangible assets	12,13	**11.7**	62.4
Impairment of property, plant and equipment	14	**10.5**	-
Depreciation of right-of-use assets	18	**8.2**	9.4
Share-based payment expense	22	**2.9**	1.8
Profit on disposal of business	6	**(30.0)**	-
Lease modification	18	**(1.6)**	-
Net finance costs	8	**5.8**	4.0
Operating cash flow before movements in working capital		**128.6**	**130.9**
Increase in trade and other receivables		**(6.8)**	(2.3)
(Decrease) / Increase in trade and other payables and provisions		**(26.3)**	0.6
Cash generated from operations		**95.5**	**129.2**
Income tax paid		**(20.2)**	(21.7)
Net cash inflow from operating activities		**75.3**	**107.5**
Cash flows from investing activities			
Interest received		**0.9**	0.6
Disposal proceeds	6	**25.0**	-
Acquisition of subsidiary, net of cash acquired	24	**(0.5)**	(31.5)
Purchases of property, plant and equipment	14	**(2.6)**	(3.8)
Purchases of intangibles (software)	13	**(40.5)**	(36.5)
Net cash outflows from investing activities		**(17.7)**	**(71.2)**
Cash flows from financing activities			
Proceeds from borrowings		**87.0**	49.0
Repayment of borrowings		**(64.1)**	(25.0)
Interest paid		**(4.6)**	(2.6)
Lease liability payments (including interest charged of £1.1m (2023: £1.1m))	18	**(9.5)**	(11.9)
Proceeds from the issue of share capital		**-**	0.1
Purchase of own shares		**(30.4)**	(19.4)
Dividends paid	10	**(45.5)**	(46.3)
Net cash outflow from financing activities		**(67.1)**	**(56.1)**
Net decrease in cash and cash equivalents		**(9.5)**	**(19.8)**
Cash and cash equivalents at beginning of the year		**76.2**	101.2
Exchange losses on cash and cash equivalents		**(5.2)**	(5.2)
Cash and cash equivalents at end of the year	23	**61.5**	**76.2**

Notes to the Consolidated Financial Statements

1. ACCOUNTING POLICIES

Basis of accounting and preparation of financial statements

RWS Holdings plc ("the Parent Company") is a public company, limited by shares, incorporated and domiciled in England and Wales whose shares are publicly traded on AIM, the London Stock Exchange regulated market.

The consolidated financial statements consolidate those of the Company and its subsidiaries ("the Group"). 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 UK-adopted International Financial Reporting Standards ('IFRS') as required by the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention as modified, where applicable, by the revaluation of financial assets and financial liabilities held at fair value through profit or loss or through other comprehensive income.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below and within the Notes to which they relate to provide context to users of the financial statements. The policies have been consistently applied to both years presented, unless otherwise stated.

The potential climate change-related risks and opportunities to which the Group is exposed, as identified by Management, are disclosed in the Group's Task Force on Climate-related Financial Disclosures ("TCFD") on pages 46 to 56. Management has assessed the potential financial impacts relating to the identified risks and exercised judgement in concluding that there are no further material financial impacts of the Group's climate-related risks and opportunities on the financial statements. These judgements will be kept under review by Management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Group's control which are not all currently known.

New accounting standards, amendment and interpretations

The International Accounting Standards Board (IASB) issued the following amendments, which have been endorsed by the UK Board, for annual periods beginning on or after 1 January 2023.

- Amendments to IFRS 17, Insurance Contracts;
- Amendments to IAS 1 and IFRS Practice Statement 2;
- Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

These changes have not had a material impact on the Group.

On the 19th July 2023, the UK endorsed the amendments to IAS 12 Income Taxes, issued by the International Accounting Standards Board on 23rd May 2023, which grants companies a temporary exemption from applying IAS 12 to the International Tax Reform: Pillar Two Model Rules. The Group has adopted the amendments to IAS 12 and applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The following are accounting standards to be adopted by the Group in future reporting periods; they have not yet been endorsed by the UK Endorsement Board.

- IFRS 18, Presentation and Disclosure in Financial Statements, published by the IASB on 9th April 2024 and effective for accounting periods commencing 1st January 2027; and
- IFRS 19, Subsidiaries without Public Accountability, published by the IASB on 9th May 2024 and effective for accounting periods commencing 1st January 2027.

The Group will assess the impact of these new accounting standards in due course following endorsement by the UK Endorsement Board.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective. The Group does not expect these amendments to have a material impact on the Group's consolidated financial statements.

The list of amendments considered in relation to the above are as follows:

- Amendments to IAS 1, Classification of liabilities as current and non-current liabilities with covenants;
- Amendments to IFRS 16, Lease liability in a sale and leaseback;
- Amendments to IAS 7 and IFRS 7, Supplier finance arrangements; and
- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and subsidiaries controlled by the Parent Company, drawn up to 30 September 2024.

Subsidiary undertakings are entities that are directly or indirectly controlled by the Group. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Results of subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The separable net assets, including intangible assets of newly acquired subsidiaries, are incorporated into the consolidated financial statements based on their fair values at the effective date of control.

All intra-group transactions are eliminated as part of the consolidation process.

Audit exemption for subsidiaries

The Company has, in line with prior year, opted not to apply the audit exemption under s479A of the Companies Act 2006 for certain of its UK subsidiaries.

Going concern

The financial statements have been prepared on a going concern basis, as outlined in the Directors' report. The Directors have conducted an assessment of the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of the accounts.

In making this assessment, the Directors considered the Group's current financial position, as well as forecasted earnings and cash flows for the 18-month period ending 31 March 2026. The business plan supporting this evaluation is based on the Board-approved budget.

The Directors' assessment also considered the Group's existing debt levels, committed funding, liquidity position under its debt covenants, and its ongoing ability to generate cash through trading activities. As of 30 September 2024, the Group had net debt of £40.0m (2023: £9.9m), which includes the Group's US$220m revolving credit facility ("RCF") of which £74.4m was drawn at year end (2023: £52.6m), lease liabilities of £27.2m (2023: £33.5m), offset by cash and cash equivalents of £61.5m (2023: £76.2m). The RCF matures in August 2027, after the one-year extension option was triggered and approved by lenders in the period. At year-end, the Group's net leverage ratio, as defined by the RCF agreement, was 0.3 EBITDA (2023: -0.1), while the interest coverage ratio was 23.7 EBITDA (2023: 39.9), both of which are well within the limits set by the Group's RCF agreement.

In view of the Group's principal risks and uncertainties, detailed on pages 42 to 45 of the Strategic Report, the Directors have applied appropriate sensitivities in their going concern assessment. They modelled a range of downside scenarios, including a 20% reduction in the Group's revenues and corresponding cash flows, with management mitigating these impacts by only reducing the Group's directly attributable controllable costs of sale. No significant structural changes to the Group were assumed in these scenarios, and all mitigating actions were within management's control.

In each downside scenario, the Group maintained headroom with respect to both covenants and liquidity through to 31 March 2026. As a result, the Directors are confident that the Group and Company will have sufficient cash reserves and committed debt facilities to withstand reasonably plausible downside scenarios and continue to meet their liabilities as they fall due during the period ending 31 March 2026 and therefore prepared the financial statements on a going concern basis.

Business combinations

The acquisition method of accounting is applied to business acquisitions, with the acquisition cost measured as the aggregate fair value of the consideration paid. The identifiable assets, liabilities, and contingent liabilities of the acquiree that meet the recognition criteria under IFRS 3 "Business Combinations" are recognised at their fair values on the date the Group gains control of the acquiree.

Where applicable, the acquisition consideration includes assets or liabilities arising from contingent consideration, which is initially measured at fair value at the date control is obtained. Subsequent changes in fair value are adjusted against the acquisition cost if they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration, classified as either an asset or liability, are recognised in profit or loss and accounted for in accordance with relevant IFRS standards. The excess of the acquisition cost over the fair value of the Group's share of the net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed as incurred and reported under administrative expenses in the Consolidated Income Statement.

Contingent payments dependent on continued employment are accounted for as post-combination remuneration expenses in accordance with IAS 19 employment benefits.

Foreign currencies

Pounds Sterling is the ultimate Parent Company's functional and presentation currency, hence its adoption as the Group's functional and presentation currency.

Transactions in foreign currencies are translated to the functional currency of the Group at the exchange rate on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rates of exchange quoted at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Translation differences on monetary items are taken to the consolidated income statement.

Transactions in foreign currencies are recorded in the functional currency at an average rate for the period in which those transactions take place, which is used as a reasonable approximation to the exchange rates prevailing at the dates of the transactions.

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 using 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 foreign currency reserve in the consolidated statement of financial position.

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 exchange rates prevailing on the reporting date. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as Sterling-denominated assets and liabilities.

Exchange differences arising on the translation of the net investment in overseas subsidiaries are recorded through other comprehensive income. On disposal of the net investment, the cumulative exchange difference is reclassified from equity to operating profit. All other currency gains and losses are dealt with in the income statement.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to manage its exposure to foreign exchange volatility 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 the carrying value are also recognised in profit or loss in the statement of comprehensive income unless part of a designated hedging arrangement.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and certain non-derivative liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedge reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss in the Statement of Comprehensive Income.

The amount accumulated in the hedging reserve is reclassified to profit or loss in the statement of comprehensive income in the same period the hedged expected future cash flows affect the Group's profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the amount accumulated in the hedge reserve is reclassified to profit or loss in the statement of comprehensive income immediately.

The Group hedges the net investment in certain foreign operations by borrowing in the currency of the operations' net assets. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. Gains and losses accumulated in equity are included as part of the gain or loss on disposal in the consolidated statement of comprehensive income on loss of control of the foreign operation.

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.

Trade and other payables

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

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

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. These judgments and estimates are evaluated on a regular basis and reflect management's best estimates, drawing from historical experience and other relevant factors, including reasonable expectations of future events. Revisions to estimates are recognized prospectively. However, actual results may differ from these estimates due to unforeseen events or actions, and such differences could be material.

Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue - multi-element arrangements

Due to the complexity of multi-element contracts which often include the provision of products and services, management judgment is required to determine the appropriate revenue recognition. Management assesses whether the contract should be accounted for as a single performance obligation or as multiple performance obligations.

Judgment is applied in establishing the criteria for determining when revenue related to multiple elements should be recognized and in determining the stand-alone selling price of each element. The Group typically determines the stand-alone selling prices of elements based on prices that are not directly observable, relying on stand-alone list prices which are then subject to discounts. These prices are reviewed annually and adjusted as necessary. This process is undertaken alongside a fair value assessment of the stand-alone selling prices to ensure the reasonableness of the transaction price allocation. Further details regarding the determination of stand-alone selling prices for the purpose of allocating the transaction price in multi-element arrangements can be found in Note 3.

The judgement could materially affect the timing and quantum of revenue and profit recognised in each period. Licence revenue in the year amounted to £60.0m (2023: £61.1m).

Capitalised development costs

The Group capitalises development costs relating to product development and internally generated software in line with International Accounting Standard ('IAS') 38 'Intangible Assets'. Management applies judgement in determining if the costs meet the criteria and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, economic viability of the product, and potential market available considering its current and future customers and when, in the development process, these milestones have been met. Where software products are already in use, Management applies judgement in determining whether further development spend increases the economic benefit and whether any previously capitalised costs should be expensed. Development costs capitalised during the year amounted to £14.0m (2023: £19.3m) (see Note 13).

Estimates and assumptions

The key assumptions and estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are discussed below:

Acquisition accounting

Judgement is often required in determining the identifiable intangible assets acquired as part of a business combination that must be recognised in the Group's consolidated financial statements. Estimation is required in determining both the fair value of all identified assets, liabilities acquired, any contingent consideration and in particular intangible assets. In determining these fair values, a range of assumptions are used, including forecast revenue, discount rates, and attrition rates that are specifically related to the intangible asset being valued. The useful economic lives of these assets is being estimated using Management's best estimates and reassessed annually.

Other estimates and assumptions

The consolidated financial statements include other estimates and assumptions. Whilst Management do not consider these to be significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions which, if changed, could result in adjustments to the carrying amounts of and liabilities.

Revenue - rendering of services

Management estimates the total costs to be incurred on a contract-by-contract basis, and these estimates are reviewed on an ongoing basis to ensure that the revenue recognised accurately reflects the proportion of work completed as of the balance sheet date. All contracts are of a short-term nature, with the majority of services being invoiced upon completion. As at the year end, the value of work in progress amounted to £56.0m (2023: £52.7m). Changes in the estimated total costs of contracts could, in aggregate, have a material impact on the carrying amount of accrued income at the balance sheet date.

Impairment of goodwill and intangible assets

An impairment test of goodwill and other intangible assets, requires estimation of the value in use ('VIU') of the cash generating units ('CGUs') to which goodwill and other intangible assets have been allocated. The VIU calculation requires the Group to estimate the future cash flows expected to arise from the CGUs, for which the Group considers revenue growth rates and EBITDA margin to be a significant estimates. The estimated future cash flows derived are discounted to their present value using a pre-tax discount rate that reflects estimates of market risk premium, asset betas, the time value of money and the risks specific to the CGU. See Note 12 and 13 for further details.

Key assumptions used by management in estimating VIU are

Discount rates – Pre tax discount rates which are based on the Weighted Average Cost of Capital (WACC) of a typical market participant and reflect market volatility in risk free rate and equity risk premium inputs . The discount rates have increased reflecting market volatility in risk free rate and equity risk premium inputs. See Note 12 for details

Forecast cash flows - based on assumptions from the approved budget and 3-year plan which incorporate Management's best estimates of future cash flows and take into account future growth and price increases, have proved to be reliable guides in the past and the Directors believe the estimates are appropriate. See Note 12 for details of long term growth rates used outside of the plan period

Terminal growth rates - of 2.0% (2023: 2.0%) was used for cash flows outside the plan projections. This rate is conservative and is considered to be lower than the long-term historic growth rates in the underlying territories in which the CGUs operate and the long-term growth rate prospects of the sectors in which the CGUs operate.

Taxation - uncertain tax positions

Uncertainties exist in respect of interpretation of complex tax regulations, including transfer pricing, and the amount and timing of future taxable income. Given the nature of the Group's operating model, the wide range of international transactions and the long-term nature and complexity of contractual agreements, differences arising between the actual results and assumptions made, or future changes to assumptions, could necessitate future adjustments to taxation already recorded. The Group considers all tax positions on a separate basis, with any amounts determined by the most appropriate of either the expected value or most likely amount on a case by case basis.

Most deferred tax assets are recognised because they can offset the future taxable income from existing taxable differences (primarily on acquired intangibles) relating to the same jurisdiction or entity. Where there are insufficient taxable differences, deferred tax assets are recognised in respect of losses and other deductible differences where current forecasts indicate profits will arise in future periods against which they can be deducted. The total value of uncertain tax positions ('UTPs') was £6.4m (2023: £6.7m), see Note 9.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Accounting policy

Revenue represents transaction prices to which the Group expects to be entitled in return for delivering goods or services to its customers. The Group applies the five-step model in IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). Prescriptive guidance in IFRS 15 is followed to deal with specific scenarios requiring management judgement. The approach taken to evaluate revenue recognition is consistent across all divisions, although each contract is considered on a case-by-case basis.

Group contracts have single or multi-elements performance obligations. Multi-element arrangements revenue is allocated to each performance obligation based on stand-alone selling price, regardless of any separate prices stated within the contract. Some contracts include performance obligations in respect of the licences, support and maintenance, hosting services and professional services. Software licences are either perpetual, term or software as a service (SaaS) in nature.

Contract revenue is billed in advance and revenue is deferred where the performance obligation is satisfied over time. The Group's revenue contracts do not include any material future vendor commitments and thus no allowances for future costs are made.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts and the related revenue recognition policies, categorised by reporting segments:

1) Language and Content Technology Division

Identification of performance obligations

The Group's Language and Content Technology contracts typically include multi-elements performance obligations in respect of licences, support and maintenance, hosting services and professional services. Identification of the performance obligations in such arrangements involves judgement, more details of the nature and impact of the judgement are included in Note 2.

The Group provides professional services to customers including training, implementation and installation services alongside certain contracts for software licences. These services are sold in units of consultant time and are therefore measured on an output method basis.

Determining transaction prices

At the inception of a contract, a transaction price is agreed, being the amount, the Group expects to be entitled over the expected duration of the contract. Such expected amounts are only included to the extent that it is highly probable no revenue reversal will occur.

Allocation of transaction prices to performance obligations

The service contracts typically consist of multiple components and typically have more than one obligation, each with its own contract duration as adjudged by management. Management applies judgement to allocate the consideration specified in the contract with the customer to each performance obligation based on the stand-alone selling price. See below for details.

Revenue recognition

The Group's contracts for term licences are recognised upfront when performance obligations are delivered in the same manner as a perpetual licence sale but, typically, are billed annually and do not follow the same billing pattern as the Group's contracts for perpetual licences, instead billing follows more closely that of a SaaS licence contract.

The Group's perpetual and term licences are accounted for at a point in time when the customer obtains control of the licence, occurring either where the goods are shipped or, more commonly, when electronic delivery has taken place and there is no significant future vendor obligation.

Perpetual and term licences software licences have significant standalone functionality and the Group has determined that none of the criteria that would indicate the licence is a right to access apply. In addition, the Group has identified no other performance obligations under their contracts for these licences which would require the Group to undertake significant additional activities which affects the software. The Group therefore believes the obligation is right to use the licence as it presently exists and therefore applies the point in time pattern of transfer. Transaction price is allocated to licences using the residual method based upon other components of the contract. The residual method is used because the prices of licences are highly variable and there is no discernible standalone selling price from past transactions.

'SaaS' licences have material ongoing performance obligations associated with them. The Group has identified that this creates a right to access the intellectual property, instead of a right to use. Accordingly, the associated licence revenue is recognised over time, straight line for the duration of the contract. As with other licences, the Group utilises the residual method to allocate transaction price to these performance obligations.

A support and maintenance contracts have obligation to provide additional services to the Group's licence customers over the period of support included in the contract. The Group measures the obligation by reference to the standalone selling price, based upon internal list prices subject to discount. The pattern of transfer is deemed to be over time on the basis that this is a continuing obligation over the period of support undertaken and accordingly, recognised as revenue on a straight line basis over the course of the contract.

Hosting services contract revenue is recognised over time for the duration of the agreement. Transaction price from the contract is allocated to hosting services obligations based upon a cost plus method.

Professional services are sold in units of consultant time and are therefore measured on an output method basis. Revenue is therefore recognised on these engagements based on the units of time delivered to the end customer. Transaction price is allocated based upon the standalone selling price, calculated by reference to the internal list prices for consultant time subject to any discounts. A small number of the Group's professional services contracts are on a fixed price contract and the output method is used based on an appraisal of applicable milestones.

2) IP Services

Identification of performance obligations

The Group's Patent Filing Contracts have one performance obligation, which is to deliver patent filing or translation services.

Determining transaction prices

The transaction price is based on the value of services rendered.

Allocation of transaction prices to performance obligations

Transaction price is assigned to a single performance obligation.

Revenue recognition

Revenue is recognised at a point in time for patent filing services and over time for language translation services.

3) Language Services

Identification of performance obligations

The contracts provide for the Group to be reimbursed for translation services.

Determining transaction prices

The transaction price is the consideration specified in the contract.

Allocation of transaction prices to performance obligations

Each contract has a single performance obligation and so the whole contract price is assigned to that single obligation.

Revenue recognition

The Group recognises revenue over time and measures the completeness of this performance obligation using input method (cost incurred to date as a proportion of total costs).

4) Regulated Industries

Identification of performance obligations

Regulated Industries services contracts provide for the Group to be reimbursed for specialist translation services provided.

Determining transaction prices

The transaction price is as stipulated in the contract.

Allocation of transaction prices to performance obligations

Contract price is allocated to the sole performance obligation in the contract.

Revenue recognition

The Group recognises revenue over time and measures the completeness of this performance obligation using input methods. The relevant input method is the cost incurred to date as a proportion of total costs, in determining the progress.

Revenue from contracts with customers

The Group generates all revenue from contracts with its customers for the provision of translation and localisation, intellectual property support solutions and the provision of software. Revenue from providing these services during the year is recognised both at a point in time and over time as shown in the table below:

Timing of revenue recognition for contracts with customers	2024 £m	2023 £m
At a point in time	**22.4**	25.8
Over time	**119.9**	110.9
Language and Content Technology	**142.3**	**136.7**
At a point in time	**30.7**	22.4
Over time	**71.6**	82.4
IP Services	**102.3**	**104.8**
Over time	**327.1**	329.8
Language Services	**327.1**	**329.8**
Over time	**146.5**	162.5
Regulated Industries	**146.5**	**162.5**
Total revenue from contracts with customers	**718.2**	**733.8**

See Note 4 for information on revenue disaggregation by geographical location.

Capitalised contract costs

Capitalised contract costs primarily relate to sales commission costs capitalised under IFRS 15 and are amortised over the length of the contract. The group has taken advantage of the practical expedient to recognise, as an expense, any costs which would be recognised in fewer than 12 months from being incurred. This primarily relates to the Group's language services commissions and point in time technology revenue related commissions. The value of capitalised contract costs at year end was £1.5m (2023: £1.7m). Capitalised contract costs are recognised within other debtors on the statement of financial position.

Receivables, contract assets and contract liabilities with customers	Notes	2024 £m	2023 £m
Net trade receivables	15	**125.9**	138.6
Net contract assets (accrued income)	15	**56.0**	52.7
Contract liabilities (deferred income)	17	**(41.6)**	(49.9)

Contract assets are recognised where performance obligations are satisfied over time until the point at which the Group's right to consideration is unconditional when these are classified as trade receivables which, is generally the point of final invoicing.

For performance obligations satisfied over time, judgement is required in determining whether a right to consideration is unconditional. In such situations, a receivable is recognised for the transaction price of the non-cancellable portion of the contract when the Group starts satisfying the performance obligation. The Group recognises revenue for partially satisfied performance obligations as 'Accrued Income', which is presented in Note 15 to these financial statements.

The total value of the transaction price allocated to unsatisfied or partially unsatisfied performance obligations at the year-end is £56.0m (2023: £52.7m). Support and maintenance is a stand ready obligation discharged straight line over the duration of the Group's software contracts, the period over which this is recognised can be identified based on the value of current and non-current deferred income. Unsatisfied performance obligations in respect of language and professional services are all short-term and expected to be recognised in less than one year.

The Group offsets any contract liabilities with any contract assets that may arise within the same customer contract, typically, this only applies to the Group's licence and support and maintenance revenue contracts. In all material respects there are no significant changes in the Group's contract asset or liability balances other than business-as-usual movements during the year.

Revenue recognised in the year that was included in deferred revenue at 1 October 2023 was £47.6m (2023: £49.5m).

4. SEGMENT INFORMATION

The chief operating decision maker for the Group is identified as the Group's Board of Directors collectively. The Board reviews the Group's internal reporting in order to assess performance and allocates resources. The Board divides the Group into four reportable segments and assesses the performance of each segment based on the revenue and adjusted profit before tax. These measures are reconciled to the financial statements on page 157.

The four reporting segments, which match the operating segments, are explained in more detail below:

- Language and Content Technology ("L&CT"): Revenue is generated through the provision of a range of translation technologies and content platforms to clients. This was enhanced by the acquisition of Propylon Holdings Ltd in July 2023.
- IP Services: The Group's IP Services segment provides high quality patent translations, filing services and a broad range of intellectual property ("IP") search services.
- Language Services: The revenues are derived by providing localisation services which include translation and adaptation of content across a variety of media and materials to ensure brand consistency.
- Regulated Industries: Revenue is generated through the translation and linguistic validation for customers who operate in regulated industries such as life sciences.

Unallocated costs reflect corporate overheads and other expenses not directly attributed to segments.

Segment results for the year ended 30 September 2024	L&CT £m	IP Services £m	Language Services £m	Regulated Industries £m	Unallocated Costs £m	Group £m
Revenue from contracts with customers	142.3	102.3	327.1	146.5	-	718.2
Operating profit/(loss) before charging:	34.2	26.9	39.6	19.8	(8.2)	112.3
Amortisation of acquired intangibles	(14.9)	-	(14.0)	(11.9)	-	(40.8)
Impairment losses (see Note 13,14)	-	(22.2)	-	-	-	(22.2)
Acquisition costs	-	-	-	-	(7.2)	(7.2)
Profit on disposal of business	-	30.0	-	-	-	30.0
Exceptional items (see Note 6)	(0.3)	(0.9)	1.0	(1.6)	(1.6)	(3.4)
Share based payment expense	(0.5)	(0.5)	(1.2)	(0.4)	(0.3)	(2.9)
Profit from operations	18.5	33.3	25.4	5.9	(17.3)	**65.8**
Net finance expense						(5.8)
Profit before taxation						**60.0**
Taxation						(12.5)
Profit for the year						**47.5**

Segment results for the year ended 30 September 2023	L&CT £m	IP Services £m	Language Services £m	Regulated Industries £m	Unallocated Costs £m	Group £m
Revenue from contracts with customers	136.7	104.8	329.8	162.5	-	733.8
Operating profit/(loss) before charging:	37.0	27.7	39.4	22.9	(3.2)	123.8
Amortisation of acquired intangibles	(12.0)	(0.1)	(14.4)	(12.3)	-	(38.8)
Impairment Losses (see Note 12)	(62.4)	-	-	-	-	(62.4)
Acquisition costs	-	-	-	-	(5.1)	(5.1)
Exceptional items (see Note 6)	(3.3)	(6.0)	(5.7)	(1.3)	(6.3)	(22.6)
Share based payment expense	(0.2)	-	(0.5)	(0.2)	(0.9)	(1.8)
(Loss)/ profit from operations	(40.9)	21.6	18.8	9.1	(15.5)	**(6.9)**
Net finance expense						(4.0)
Loss before taxation						**(10.9)**
Taxation						(16.8)
Loss for the year						**(27.7)**

The table below shows revenue by the geographic market in which clients are located.

Revenue by client location	2024 £m	2023 £m
UK	**75.4**	81.7
Continental Europe	**171.0**	167.8
United States of America	**382.8**	393.2
Rest of the World	**89.0**	91.1
Total	**718.2**	**733.8**

The Group does not place reliance on any specific customer and had no individual customers that generated more than 10% or more of its total Group revenue.

The following is an analysis of revenue by the geographical area in which the Group's undertakings are located.

Revenue by subsidiary location	2024 £m	2023 £m
UK	**184.8**	191.8
Continental Europe	**146.7**	156.6
United States of America	**315.3**	334.6
Rest of the World	**71.4**	50.8
Total	**718.2**	**733.8**

The table below presents the Group's operating assets by geographical location. Goodwill and acquired intangible assets are excluded, as they support all four divisions across all countries where the Group operates (see Note 12 and 13 for further details on goodwill and intangible assets).

Operating assets by geography	2024 £m	2023 £m
UK	**209.8**	190.2
Continental Europe	**64.3**	80.8
United States of America	**115.3**	128.1
Rest of the World	**47.9**	59.1
Total	**437.3**	**458.2**
Goodwill	**570.8**	608.6
Acquired intangible assets	**198.4**	249.0
Current liabilities	**(158.4)**	(182.6)
Non-current liabilities	**(148.5)**	(145.9)
Net assets	**899.6**	**987.3**

5. OPERATING PROFIT

Operating (loss)/ profit has been arrived at after charging/(crediting):	2024 £m	2023 £m
Total staff costs (before the capitalisation of internal development costs) (Note 7)	**353.9**	351.6
Research and development expenditure	**38.0**	37.0
Depreciation of property, plant and equipment (Note 14)	**6.3**	7.3
Depreciation of right of use assets (Note 18)	**8.2**	9.4
Amortisation of intangible assets (Note 13)	**54.8**	56.9
Impairment of intangible assets (Note 12,13)	**11.7**	62.4
Impairment of property, plant and equipment (Note 14)	**10.5**	-
Foreign exchange losses	**(5.2)**	0.6
Expected credit loss expense (Note 15)	**1.6**	0.2
(Gain)/ loss on changes in fair values on derivative contracts	**(0.4)**	(13.6)
Operating lease rentals:		
- Property (Note 18)	**1.4**	1.9
- Plant and equipment (Note 18)	**0.5**	0.5
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	**1.4**	1.4
- The audit of subsidiaries of the Company	**0.7**	0.8
Total audit fees	**2.1**	**2.2**

The audit of subsidiary Companies amount includes £0.2m (2023 £0.3m) of fees relating to subsidiary audits for prior financial years. Non audit fees of £17k (2023: £16k) were incurred in the period in respect of assurance related services.

Research and development costs

Management continually review development expenditure to assess whether any costs meet the criteria for capitalisation. In addition to the amounts charged to the income statement, the Group has capitalised £14.0m (2023: £19.3m) of development costs in the year, further details can be found in Note 13.

6. EXCEPTIONAL ITEMS

Accounting policy

Exceptional items are those items that in Management's judgement should be disclosed separately by virtue of their size, nature or incidence, in order to provide a better understanding of the underlying results* of the Group. In determining whether an event or transaction is exceptional, Management considers qualitative factors such as frequency or predictability of occurrence. Examples of exceptional items include the costs of integration, severance and restructuring costs which Management do not believe reflect the business's trading performance and therefore are adjusted to present consistency between periods.

	2024 Pre-tax £m	2024 Tax impact £m	2024 Total £m	2023 Pre-tax £m	2023 Tax impact £m	2023 Total £m
Group transformation programme	**(1.4)**	**0.3**	**(1.1)**	(5.5)	1.1	(4.4)
Restructuring & integration related costs	**(2.2)**	**0.6**	**(1.6)**	(12.3)	2.9	(9.4)
Legacy payment arrangements	**1.7**	**-**	**1.7**	(4.8)	-	(4.8)
Total exceptional items - operating	**(1.9)**	**0.9**	**(1.0)**	**(22.6)**	**4.0**	**(18.6)**
Amortisation of exceptional finance (Note 8)	**(0.2)**	**-**	**(0.2)**	(0.3)	-	(0.3)
Disposal costs	**(1.3)**	**-**	**(1.3)**	-	-	-
Total exceptional items - excluding profit on disposal of business	**(3.4)**	**0.9**	**(2.5)**	**(22.9)**	**4.0**	**(18.9)**
Profit on disposal of business	**30.0**	**-**	**30.0**	-	-	-
Total exceptional items	**26.6**	**0.9**	**27.5**	**(22.9)**	**4.0**	**(18.9)**
Total exceptional items - financing and profit on disposal	**28.5**	**-**	**28.5**	**(0.3)**	**-**	**(0.3)**

*Underlying results are performance measures that exclude one-off charges or non-recurring events, offering a clearer reflection of the core financial performance without the influence of unusual or extraordinary items.

A description of the principal items included is provided below:

Profit on disposal of business: During the year the Group disposed of its interest in PatBase a revenue and cost sharing arrangement venture for £30m. £25m was paid on completion and £5m was received in November 2024.

Transformation costs – £1.4m was incurred during the period in respect of transformation programmes for Finance and Human Resources initiated as part of a strategic review of the business to drive improved efficiencies in future periods. In total £2.6m has been paid in the period. The severance costs are expected to be paid during the first half of FY25 and the ongoing benefits from the integration will be recognised in the operating profit in the Statement of Comprehensive Income.

Restructuring Costs - £1.4m was incurred in respect of severance and termination payments related to the Group's cost reduction plans. A total of £5.1m of these costs were paid during the period.

Integration costs - A £0.8m was incurred related to delivering synergies from business

Legacy payments - a £1.7m credit was recognised in the period in respect of ongoing liabilities related to historic agreements with former owners of the business and their respective families. This credit related to a reduction in the liability after a final settlement was agreed. A further £0.6m was paid during the period in respect of current year obligations.

Finance costs - £0.2m was incurred related to amortisation expense associated with a gain on debt modification recognised in previous accounting periods.

In the prior period, exceptional costs included £5.5m of Group transformation costs, £12.3m of restructuring and integration related costs and £4.8m for legacy payment arrangements. In total £22.6m was charged during the prior period.

Acquisition-related costs

Acquisition-related costs totalled £7.2m (2023: £5.1m) and include a £0.3m contingent payment linked to continued employment as part of the ST Communications acquisition, contingent consideration of £5.6m (223: £1.2m) in relation to the acquisition of Propylon and £1.2m (2023: £2.1m) in relation to the acquisition of Fonto, both of which were acquired in prior years.

These amounts are accounted for in compliance with IFRS 3 Business Combinations and IAS 19 Employee Benefits.

7. EMPLOYEE COSTS

Accounting policy

Pension cost

The Group operates a defined contribution pension scheme, for its employees. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions to defined contribution pension schemes are recognised in profit or loss in the Consolidated Statement of Comprehensive Income in the period to which they become payable.

	2024 £m	2023 £m
Wages and salaries	**291.5**	288.6
Reorganisation costs	**1.2**	7.6
Social security costs	**42.1**	43.2
Pension costs	**10.5**	10.4
Share-based payment expense (Note 22)	**2.9**	1.8
Total employee costs	**348.2**	**351.6**

Details of Directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 80 to 87. Key Management's remuneration disclosures are disclosed as part of Related Party Transactions in Note 25. Staff costs above are stated before the capitalisation of staff costs in respect of the Group's research and development activities, the total value of staff costs capitalised were £17.1m (2023: £19.1m).

The Group operates a defined contribution pension scheme, making payments on behalf of employees to their personal pension plans. Payments of £10.1m (2023: £10.6m) were made in the year. The amount charged to profit and loss in the Consolidated Statement of Comprehensive Income in the year was £10.5m (2023: £10.4m). At the year end there were unpaid amounts included in other payables totalling £2.7m (2023: £2.3m).

The monthly average staff numbers were:

	2024 No	2023 No
Production staff	**6,094**	6,248
Administrative staff	**1,846**	1,860
	7,940	**8,108**

8. FINANCE INCOME AND COSTS

	2024 £m	2023 £m
Finance income		
Return on short term deposits	**0.9**	0.6
	0.9	**0.6**
Finance costs		
Bank interest payable	**(4.7)**	(2.6)
Lease interest	**(1.1)**	(1.1)
Amortisation of borrowing costs	**(0.7)**	(0.6)
Finance costs excluding exceptional amortisation	(6.5)	**(4.3)**
Amortisation of borrowing costs - Exceptional (Note 6)	**(0.2)**	(0.3)
	(6.7)	**(4.6)**
Net finance cost	(5.8)	**(4.0)**

9. TAXATION

Accounting policy

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax assets and liabilities are offset when the relevant tax authority permits net settlement and the group intends to settle on a net basis.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes where this differs.

Deferred tax is not recognised for temporary differences related to investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the temporary difference and it is probable that this will not reverse in the foreseeable future; on the initial recognition of non-deductible goodwill; and on the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect the accounting or taxable profit.

Deferred tax is measured on an undiscounted basis, and at the tax rates that have been enacted or substantively enacted by the reporting date that are expected to apply in the periods in which the asset or liability is settled

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used and are reviewed at each reporting date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority, when the Group intends to settle its current tax assets and liabilities on a net basis and that authority permits the Group to make a single net payment.

Current and deferred tax is recognised in the income statement except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the current or deferred tax is also recognised within other comprehensive income or equity respectively (for example share-based payments).

Uncertain tax positions

The Group operates in numerous tax jurisdictions around the world. At any given time, the Group is involved in disputes and tax audits and will also have a number of tax returns potentially subject to audit. These tax audits may give rise to significant tax issues that take several years to resolve. In estimating the probability and amount of any tax charge, Management takes into account the views of internal and external advisers and updates the amount of tax provision whenever necessary. The ultimate tax liability may differ from the amount provided depending on interpretations of tax law, settlement negotiations or changes in legislation. As referenced in Note 2, the Group considers all tax positions separately and uses either the most likely or expected value method of calculation on a case by case basis.

Notes to the Consolidated Financial Statements (continued)

VAT

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and trade receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Taxation recognised in income and equity is as follows:	2024 £m	2023 £m
Current Tax Charge		
UK corporation tax at 25% (2023: 22%)	**1.9**	4.8
Overseas current tax charge	**17.4**	17.7
Adjustment in respect of previous years	**(4.0)**	(2.4)
Deferred Tax Charge		
Origination and reversal of temporary differences	**(7.5)**	(5.9)
Rate change impact	**1.3**	0.2
Adjustment in respect of previous years	**3.4**	2.4
Total tax expense in profit or loss	**12.5**	**16.8**
Total tax charge in equity	**0.1**	0.2
Total tax in other comprehensive income	**(0.2)**	(0.3)
Total tax charge for the year	**12.4**	**16.7**

Reconciliation of the Group's tax charge to the UK statutory rate:	2024 £m	2023 £m
Profit / (loss) before taxation	**60.0**	(10.9)
Tax charge at UK corporation tax rate of 25% (2023 notional rate: 22%)	**15.0**	(2.4)
Effects of:		
Expenses not deductible for tax purposes	**2.7**	3.1
Income treated as non taxable	**(7.5)**	-
Impact of impairment losses	**1.9**	13.7
Adjustments in respect of previous years	**(0.6)**	-
Rate change	**1.3**	0.2
Impact of overseas tax rates	**(0.3)**	2.2
Tax charge as per the income statement	**12.5**	**16.8**
Effective tax rate	**20.8%**	**(154.1)%**

Factors that may affect future tax charges

The Group's taxation strategy is aligned to its business strategy and operational needs. The Directors are responsible for tax strategy supported by a global team of tax professionals and advisers. RWS strives for an open and transparent relationship with all tax authorities and are vigilant in ensuring that the Group complies with current tax legislation. The Group's effective tax rate for the year is lower than the UK's statutory tax rate due to the impact of the non-taxable gain on the disposal of the PatBase business, which was treated as tax exempt under the UK's substantial shareholding exemption. The impact of this is offset, in part, by non deductibility of acquisition costs, as well as non recoverable withholding tax suffered of intragroup dividends. The Group's tax rate is also sensitive to the geographic mix of profits and reflects a combination of higher rates in certain jurisdictions, such as Germany and Japan, and a lower rate in the Czechia with other rates that lie in between.

The adjustments in respect of prior periods includes a release of a release of historic uncertain tax positions, offset by new risks identified and provided for during the period. There has also been a recharacterisation of current and deferred tax assets and liabilities following true ups of filed tax returns.

Transfer pricing

Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. The methodology used to estimate liabilities is set out in Note 2. In common with other multinational companies and given the Group has operations in 33 countries, transfer pricing arrangements are in place covering transactions that occur between Group entities.

The Group periodically reviews its historic UTPs for transfer pricing and whilst it is not possible to predict the outcome of any pending tax authority investigations, adequate provisions are considered to be included in the Group accounts to cover any expected estimated future settlement. In carrying out this review, and subsequent quantification, Management has made judgements, taking into account: the status of any unresolved matters; strength of technical argument and clarity of legislation; external advice, statute of limitations and any expected recoverable amounts under the Mutual Agreement Procedure ('MAP'). During the period the Group reduced the provision for liabilities that are expected to no longer be sought by tax authorities on the basis that the relevant statute of limitations has expired.

The current tax liability of £14.3m on the balance sheet comprises £7.7m of UTPs, although it is not expected that these will be cash settled within 12 months of the year end date. Of the current tax assets of £5.6m, £1.3m relates to uncertain tax provisions. The deferred tax liability of £53.5m is net of deferred tax assets and liabilities arising on uncertain tax provisions of £0.1m.

Pillar Two

On 20 June 2023 the UK enacted Pillar Two legislation which will seek to impose a global minimum tax rate of 15%. The Group will be within the Pillar Two rules for the period ended 30 September 2025.

The Group has adopted the amendments to IAS 12 which was amended in response to the OECD's BEPS Pillar Two rules, which includes a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. RWS has applied the mandatory exception and is not recognising any deferred tax impact

The Group has sought to assess whether they would expect any Pillar Two top up taxes to apply in future periods based on its current jurisdictional profile, which concluded that the Republic of Ireland is the only jurisdiction that is likely to be affected. The Republic of Ireland has enacted a minimum corporate tax rate of 15% with effect from 1 January 2024, increasing the rate from its current 12.5%. The future impact on the Group's effective tax rate for this impact is expected to be negligible.

Deferred tax	Share based payments £m	Accelerated capital allowances £m	Other temporary differences £m	Acquired intangibles £m	Tax losses £m	Total £m
At 30 September 2022	**0.5**	**(1.8)**	**9.8**	**(75.7)**	**9.9**	**(57.3)**
Adjustments in respect of prior years	-	(0.1)	(0.1)	0.1	(2.3)	(2.4)
Acquisitions	-	-	-	(1.3)	-	(1.3)
Credited to income	0.2	-	1.7	4.4	(0.6)	5.7
Transfers to current taxes	-	-	-	-	(2.8)	(2.8)
Charged to equity / OCI	(0.2)	-	-	-	-	(0.2)
Foreign exchange differences	-	-	(1.4)	3.4	(0.2)	1.8
At 30 September 2023	**0.5**	**(1.9)**	**10.0**	**(69.1)**	**4.0**	**(56.5)**
Adjustments in respect of prior years	-	(0.6)	(0.5)	0.6	(2.9)	(3.4)
Acquisitions	-	-	-	(0.2)	-	(0.2)
Credited to income	0.5	0.7	(0.9)	7.3	(0.1)	7.5
Rate change	-	-	(0.1)	(1.2)	-	(1.3)
Charged to equity / OCI	(0.1)	-	-	-	-	(0.1)
Foreign exchange differences	-	-	(0.5)	3.1	(0.1)	2.5
At 30 September 2024	**0.9**	**(1.8)**	**8.0**	**(59.5)**	**0.9**	**(51.5)**

Deferred tax assets and liabilities are presented on the balance sheet after jurisdictional netting as follows:

	2024 £m	2023 £m
Deferred tax assets	**2.0**	1.2
Deferred tax liabilities	**(53.5)**	(57.7)
Net deferred tax liability	**(51.5)**	**(56.5)**

Deferred tax assets and liabilities

Deferred tax is calculated using tax rates that are expected to apply in the period when the liability has been settled or the asset realised based on tax rates that have been enacted or substantively enacted at the reporting date. Most deferred tax assets are recognised because they can offset the future taxable income from existing taxable differences (primarily on acquired intangibles) relating to same jurisdiction or entity. Where there are insufficient taxable differences, deferred tax assets are recognised in respect of losses and other deductible differences where current forecasts indicate profits will arise in future periods against which they can be deducted.

Losses

At the balance sheet date the Group has unused tax losses of £95.7m (2023: £113.0m) available for offset against future profits. A deferred tax asset of £0.9m (2023: £3.9m) has been recognised in respect of £4.5m (2023: £17.7m) of such losses. The reduction in recognised losses is mainly due to the unwind of deductions arising on corresponding adjustments that could be claimed on settlement of uncertain tax positions, as well as a classification of available deductions as a reduction to the current tax liability, as accounted for under International Financial Reporting Interpretations Committee 23 ('IFRIC 23').

No deferred tax asset has been recognised in respect of the remaining £91.2m (2023: £95.3m) as these can only be used to offset limited types of profits and as it is not considered probable that there will be the required type of future trading or non-trading profits available in the correct entities necessary to permit offset and recognition.

The unrecognised deferred tax asset on losses is £21.2m (2023: £21.9m).

Recognised deferred tax assets principally relate US activities of the acquired SDL business.

The Group has recognised deferred tax assets on losses in the US which have a 20 year expiry date and expects to use these losses in this period, the earliest date these losses expire is 31 December 2033 and at the year-end losses amounted to £2.7m (2023: £4.2m).

Unremitted earnings

Dividends received from subsidiaries are largely exempt from UK tax but may be subject to dividend withholding taxes levied by the overseas tax jurisdictions in which the subsidiaries operate. The gross temporary differences of those subsidiaries affected by such potential taxes is £84.4m. Since the Group is able to control the timing of reversal of these temporary differences, a deferred tax liability of £0.9m has been recognised on the unremitted earnings which the Group anticipate might give rise to a tax charge when distributed. The Group has an estimated unrecognised deferred tax liability of £3.8m of unremitted earnings where no distributions are expected to be paid in the foreseeable future

10. DIVIDENDS TO SHAREHOLDERS

Accounting policy

Dividends payable to the Parent Company's shareholders are recognised as a liability in the Group's financial statements in the period in which dividends are approved by the Parent Company's shareholders.

	2024 £m	2023 £m
Final ordinary dividend for the year ended 30 September 2023 was 9.8p (2022: 9.5p)	**36.4**	37.0
Interim ordinary dividend, paid 12 June 2024 was 2.45p (2023: 2.4p paid 21 July 2023)	**9.1**	9.3
	45.5	**46.3**

The Directors recommend a final dividend in respect of the financial year ended 30 September 2024 of 10.0 pence per ordinary share, to be paid on 14 February 2025 to shareholders who are on the register at 17 January 2025. This dividend is not reflected in these financial statements as it does not represent a liability at 30 September 2024. The final proposed dividend will reduce shareholders' funds by an estimated £36.9m.

11. EARNINGS PER SHARE

Accounting policy

Basic earnings per share

Basic earnings per share is calculated using the Group's profit after tax and the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the basic earnings per share for the effects of share options and awards granted to employees. These are included in the calculation when their effects are dilutive.

Adjusted earnings per share

Adjusted earnings per share is a trend measure, which presents the long-term profitability of the Group, excluding the impact of specific transactions that Management considers affects the Group's short-term profitability. The Group presents this measure to assist investors in their understanding of trends. Adjusted earnings is the numerator used for this measure. Adjusted earnings and adjusted earnings per share are therefore stated before amortisation of acquired intangibles, acquisition costs, share based payment expenses and exceptional items, net of any associated tax effects.

The reconciliation between the basic and adjusted earnings per share is as follows:

	2024 £m	2023 £m	2024 Basic earnings per share pence	2023 Basic earnings per share pence	2024 Diluted earnings per share pence	2023 Diluted earnings per share pence
Profit /(loss) for the year	**47.5**	(27.7)	**12.8**	(7.1)	**12.8**	(7.1)
Adjustments:						
Amortisation of acquired intangibles	**40.8**	38.8				
Impairment losses	**22.2**	62.4				
Acquisition costs	**7.2**	5.1				
Share based payments expense	**2.9**	1.8				
Net gain of debt modification	**0.2**	0.3				
Exceptional items	**(26.6)**	22.6				
Tax effect of adjustments	**(14.1)**	(12.8)				
Tax adjustments in respect of prior years	**-**	-				
Adjusted earnings	**80.1**	**90.5**	**21.6**	**23.3**	**21.6**	**23.3**

	2024 Number	2023 Number
Weighted average number of ordinary shares in issue for basic earnings	**371,315,586**	388,231,290
Dilutive impact of share options	**490,640**	30,688
Weighted average number of ordinary shares for diluted earnings	**371,806,226**	**388,261,978**

12. GOODWILL

Cost and net book value	2024 £m	2023 £m
At 1 October	**608.6**	692.6
Additions (Note 24)	**0.3**	12.9
Impairment	**-**	(62.4)
Exchange adjustments	**(38.1)**	(34.5)
At 30 September	**570.8**	**608.6**

Accounting policy

Goodwill arising on business combinations (representing the excess of fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised, and its subsequent measurement is based on annual impairment reviews, with any impairment losses recognised immediately in profit or loss in the statement of comprehensive income. Direct costs of acquisition are recognised immediately in profit or loss in the statement of comprehensive income as an expense.

At least annually, or when otherwise required, the Directors review the carrying amounts of the Group's property, plant and equipment and intangible assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. A full impairment review is performed annually for goodwill regardless of whether an indicator of impairment exists.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, 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 as well as risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss in the consolidated statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior-years. A reversal of an impairment loss is recognised immediately as income in the Consolidated Statement of Comprehensive Income, although impairment losses relating to goodwill may not be reversed.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its CGU. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Goodwill is allocated at the lowest level monitored by Management, and no higher than an operating segment.

Key assumptions for the value in use - 30 September 2024	Long-term growth rate	Discount rate	Average revenue growth	Average EBITDA margin
IP Services	2.0%	13.0%	4.6%	23.2%
Regulated Industries	2.0%	13.3%	2.0%	19.0%
Language Services	2.0%	13.3%	3.4%	17.5%
Language and Content Technology	2.0%	14.5%	6.7%	31.4%

Key assumptions for the value in use - 30 September 2023				
IP Services	2.0%	14.3%	4.0%	29.7%
Regulated Industries	2.0%	15.2%	2.7%	21.9%
Language Services	2.0%	15.1%	2.9%	17.2%
Language and Content Technology	2.0%	17.4%	8.7%	36.3%

The Group has four CGUs and in accordance with IAS 36, Management performed a value in use impairment test at 30 September 2024. The key assumptions for the value-in-use calculations are those regarding discount rates and revenue growth rates. 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 value in use calculations.

Determination of key assumptions

The long-term growth rate is the rate applied to determine the terminal value on year five cash flows. This rate is determined by the long term compound annual growth rate in adjusted operating profit as estimated by Management with reference to external benchmarks.

The discount rate is the pre-tax discount rate calculated by Management based on a series of inputs starting with a risk free rate based on the return on long term, zero coupon government bonds. The risk free rate is adjusted with a beta to reflect sensitivities to market changes, before consideration of other factors such as a size premium.

Revenue growth is the average annual increase in revenue over the five-year projection period. The revenue growth rate is determined by Management based on the most recently prepared budget for the future period and adjusted for longer term developments within operating segments where such developments are known and possible to reliably forecast.

The trading projections for the five-year period underpinning the value-in-use reflect assumptions for EBITDA margins. The EBITDA margin is based on a number of elements of the operating model over the longer-term, including pricing trends, volume growth and the mix of complexity of translation activity and assumptions regarding cost inflation.

As part of the value-in-use calculation, Management prepares cash flow forecasts derived from the most recent financial budgets as approved by the Board of Directors and extrapolates the cash flows for future years based on estimated growth rates which are based on Management's best estimate of the expected growth rate of the market in which the CGU operates.

The Group has conducted sensitivity analyses on the value in use/recoverable amount of each of the CGUs. Based on the result of the value in use calculations undertaken, the Directors conclude that the allocation of goodwill to each of the CGUs is as shown in the table below:

The allocation of goodwill to each CGU is as follows:	2024 £m	2023 £m
IP Services	**30.8**	33.2
Regulated Industries	**133.1**	141.8
Language Services	**208.1**	223.9
Language and Content Technology	**198.8**	209.7
At 30 September	**570.8**	**608.6**

Goodwill assessment

The value-in-use calculations performed confirm that the recoverable goodwill amount for all CGUs exceed their asset carrying value.

Additionally, the Group has considered other reasonable possible changes to the assumptions underpinning the Language and Content Technology CGU valuations that would need to occur and which would cause an impairment as follows:

EBITDA margin: By assuming the actual FY24 EBITDA margin (29.8%) across the projection period while keeping all other factors consistent with the base model, we have noted an impairment of £20m at the mid range of the WACC which is a reasonable possible change.

Revenue growth: adjusting revenue growth by 1% impacts the value in use by approximately £14m which is a reasonable possible change.

Discount factor (WACC): There is evidence of reasonable possible change at the higher end of WACC sensitivity (+100bps) which causes the headroom to be £0m.

13. INTANGIBLE ASSETS

Accounting policy

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Intangible assets acquired from a business combination are initially recognised at fair value. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights.

Where computer software is not an integral part of a related item of computer hardware, the software is classified as an intangible asset. The capitalised costs of software for internal use include external direct costs of materials and services consumed in developing or obtaining the software, and directly attributable payroll and payroll-related costs arising from the assignment of employees to implementation projects. Capitalisation of these costs ceases when the software is substantially complete and ready for its intended internal use.

Other intangible assets are amortised using the straight-line method over their estimated useful lives as follows:

Trade names	5 to 8 years
Clinician database	10 years
Supplier database	13 years
Technology	3 to 7 years
Non-compete clauses	5 years
Trademarks	5 years
Client relationships	7 to 20 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 amortised using the straight-line method over their estimated useful lives which range from one to five years, these costs are recognised in administrative expenses within the consolidated statement of comprehensive income.

Research and development

Research costs are expensed as incurred. Development expenditure is capitalised when Management is satisfied that the expenditure being incurred meets the recognition criteria from IAS 38. Specifically, this is at the point which Management believe they can demonstrate:

- The technical feasibility of completing the asset
- The intention to complete the asset for use or sale
- The ability to use or sell the asset
- The future benefits expected to be realised from the sale or use of the asset
- The availability of sufficient resources to enable completion of the asset
- Reliable measurement for the costs incurred during the course of development

Where these criteria are not met the expenditure is expensed to the income statement. Following the initial capitalisation of the development expenditure the cost model is applied, requiring the asset to be carried at cost less any accumulated amortisation and impairment losses. Any expenditure capitalised is amortised over the period of expected future economic benefit from the related project. For capitalised development costs this period is 3 to 7 years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

Development costs that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

	Trade names £m	Clinician & supplier databases £m	Technology £m	Non-compete & trademarks £m	Client relationships & order books £m	Software £m	Internally generated software £m	Total £m
Cost								
At 30 September 2022	0.4	7.6	142.2	2.5	367.5	13.5	20.3	554.0
Additions	-	-	15.4	-	-	2.5	18.6	36.5
Transfers	-	-	(1.0)	-	-	-	1.0	-
Acquisitions (Note 24)	0.7	-	3.1	-	8.0	-	-	11.8
Disposals	-	-	-	-	-	(0.6)	(3.7)	(4.3)
Currency translation	-	(0.6)	(1.2)	(0.2)	(23.9)	(0.2)	(0.1)	(26.2)
At 30 September 2023	**1.1**	**7.0**	**158.5**	**2.3**	**351.6**	**15.2**	**36.1**	**571.8**
Additions	-	-	11.2	-	-	0.1	29.2	40.5
Transfers	-	-	-	-	-	(11.2)	11.2	-
Acquisitions (Note 24)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(4.0)	(4.0)
Currency translation	(0.1)	(0.6)	(1.3)	(0.2)	(25.0)	(0.7)	1.4	(26.5)
At 30 September 2024	**1.0**	**6.4**	**168.4**	**2.1**	**326.6**	**3.4**	**73.9**	**581.8**
Accumulated amortisation and impairment								
At 30 September 2022	-	4.6	39.5	2.5	107.3	9.3	5.4	168.6
Amortisation charge	0.1	0.7	23.8	-	26.4	2.0	3.9	56.9
Disposals	-	-	-	-	-	(0.6)	(3.7)	(4.3)
Currency translation	-	(0.4)	(0.5)	(0.2)	(7.5)	(0.1)	(0.1)	(8.8)
At 30 September 2023	**0.1**	**4.9**	**62.8**	**2.3**	**126.2**	**10.6**	**5.5**	**212.4**
Amortisation charge	0.2	0.6	22.6	-	25.8	0.3	5.3	54.8
Impairment	-	-	-	-	-	-	11.7	11.7
Disposals	-	-	-	-	-	-	(4.0)	(4.0)
Transfers	-	-	-	-	-	(7.4)	7.4	-
Currency translation	-	(0.4)	(0.6)	(0.2)	(10.3)	(0.5)	1.9	(10.1)
At 30 September 2024	**0.3**	**5.1**	**84.8**	**2.1**	**141.7**	**3.0**	**27.8**	**264.8**
Net book value								
At 30 September 2022	0.4	3.0	102.7	-	260.2	4.2	14.9	385.4
At 30 September 2023	1.0	2.1	95.7	-	225.4	4.6	30.6	359.4
At 30 September 2024	**0.7**	**1.3**	**83.6**	**-**	**184.9**	**0.4**	**46.1**	**317.0**

Amortisation of acquired intangibles was £40.8m (2023: £38.8m) and amortisation of other intangibles was £14.0m (2023: £18.1m). The £14.0m amortisation of other intangibles includes £5.3m on internally developed intangibles (2023: £3.9m) and £8.4m (2023: £12.2m) of technology which related to the SDL business. The Group has identified intangible assets which are individually material as follows:

- SDL technology products acquired of £38.0.m (2023: £49.8m) with a remaining useful life of 3 years
- SDL's Helix platform of £7.9m (2023: £12.6m) with a remaining useful life of 3 years
- SDL's customer relationships of £86.8m (2023:£104.3m) with a remaining useful life of 7 years
- Moravia's customer relationships of £72.3m (2023: £85.4m) with a remaining useful life of 13 years and
- Life Science's customer relationships of £5.3m (2023: £8.2m) with a remaining useful life of 3 years.

No other classes of intangible asset hold individually material items. The remaining average useful life is 9 years.

Following a review of historical transformation activities during the year, it was concluded that due to IP Services embarking on an alternative solution to satisfy their need to streamline and modernise its customer engagement processes, historical intangible assets which related to a previous solution were now impaired. The Group has recognised £11.7m impairment in the current year.

14. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at 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 depreciates the cost of each item of property, plant and equipment (less its estimated residual value) using the straight-line method over their estimated useful lives as follows:

Freehold land	Nil
Buildings	50 years
Leasehold land, buildings and improvements	Shorter of useful economic life and lease term
Furniture and equipment	3 to 10 years
Motor vehicles	6 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 profit or loss 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 value of the asset and is recognised in profit or loss in the statement of comprehensive income.

Included within freehold land and buildings at 30 September 2024 was freehold land of £5.1m (2023: £5.6m).

There were no gains or losses on disposal in the year, no assets included in property plant and equipment were subject to any specific security or contractual commitments (2023: None).

	Freehold land and buildings £m	Leasehold land, buildings and improvements £m	Furniture and equipment £m	Motor vehicles £m	Total £m
Cost					
At 30 September 2022	17.0	9.3	34.6	0.2	61.1
Currency translation	-	(0.2)	-	-	(0.2)
Additions	-	0.1	3.7	-	3.8
Acquisitions	-	-	0.1	-	0.1
Disposals	-	(1.2)	(2.7)	(0.1)	(4.0)
At 30 September 2023	**17.0**	**8.0**	**35.7**	**0.1**	**60.8**
Currency translation	-	(0.4)	(1.9)	-	(2.3)
Additions	-	0.2	2.4	-	2.6
Acquisitions (Note 24)	-	-	-	-	-
Disposals	-	(0.6)	(2.2)	-	(2.8)
At 30 September 2024	**17.0**	**7.2**	**34.0**	**0.1**	**58.3**
Accumulated depreciation					
At 30 September 2022	2.5	4.2	22.9	0.2	29.8
Currency translation	-	0.1	(0.2)	-	(0.1)
Depreciation charge	0.2	1.3	5.8	-	7.3
Disposals	-	(0.9)	(2.7)	(0.1)	(3.7)
At 30 September 2023	**2.7**	**4.7**	**25.8**	**0.1**	**33.3**
Currency translation	-	(0.2)	(2.3)	-	(2.5)
Depreciation charge	0.2	1.2	4.9	-	6.3
Impairment	10.5	-	-	-	10.5
Disposals	-	(0.6)	(2.2)	-	(2.8)
At 30 September 2024	**13.4**	**5.1**	**26.2**	**0.1**	**44.8**
Net book value					
At 30 September 2022	14.5	5.1	11.7	-	31.3
At 30 September 2023	14.3	3.3	9.9	-	27.5
At 30 September 2024	**3.6**	**2.1**	**7.8**	**-**	**13.5**

The Group recorded a £10.5m impairment on its revalued freehold building at 1-3 Chalfont St Peter after a recent revaluation lowered its value from £14.0m to £3.5m. The revaluation took place as part of a Group property portfolio review, where different options, including the disposal of certain freehold interests, were considered. No impairment losses related to tangible assets were recognised in the Group income statement in FY23. The valuation was carried out by a third party valuer and was a level 3 valuation as it was based on spot market value on the valuation date.

15. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables are carried at amortised cost less expected credit losses. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Trade receivables are non-interest bearing and generally on terms ranging from 30 to 120 days. Due to their short maturities, the carrying amount of trade and other receivables approximates to their fair value.

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers and geographies.

Accrued income relates to the Group's rights to consideration for work performed but not billed at the reporting date for language and professional services. Accrued income balances are transferred to trade receivables when there is an unconditional right to consideration, generally, when an invoice is issued to the customer.

Both trade receivables and accrued income amounts are initially stated at fair value and subsequently at amortised cost using the effective interest method less an estimate made for expected credit losses. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. In order to estimate the expected credit losses, the Group reviews outstanding amounts at year end based on historical rates of default adjusted for forward looking information where material.

Upon reviewing the outstanding balance of other receivables, management determined that these receivables do not present a credit risk due to their short life expectancy and the nature of their contractual terms.

Other receivables represent security deposits held in respect of office leases, recoverable taxes and capitalised contract costs.

	2024 Gross	2024 Provisions	2024 Net	2023 Gross	2023 Provisions	2023 Net
Trade receivables	**129.3**	**(3.4)**	**125.9**	140.4	(1.8)	138.6
Other receivables	**10.7**	**-**	**10.7**	6.0	-	6.0
Prepayments	**18.6**	**-**	**18.6**	15.0	-	15.0
Accrued income	**56.1**	**(0.1)**	**56.0**	53.2	(0.5)	52.7
At 30 September	**214.7**	**(3.5)**	**211.2**	**214.6**	**(2.3)**	**212.3**

Trade receivables net of allowances are held in the following currencies at the reporting date:	2024 £m	2023 £m
Sterling	**4.3**	5.6
Euros	**30.3**	29.9
Japanese Yen	**2.3**	2.5
US Dollars	**81.5**	93.4
Swiss Francs	**1.8**	1.2
Other	**5.7**	6.0
	125.9	**138.6**

The following table provides information about the exposure to credit risk for trade receivables at 30 September 2024:	Gross amount £m	Loss allowance £m	Net amount £m
Not past due	**93.2**	**-**	**93.2**
Past due 1-30 days	**14.3**	**-**	**14.3**
Past due 31-60 days	**5.5**	**-**	**5.5**
Past due 61-90 days	**4.6**	**-**	**4.6**
Past due > 90 days	**11.7**	**(3.4)**	**8.3**
	129.3	**(3.4)**	**125.9**

The following table provides information about the exposure to credit risk for trade receivables at 30 September 2023:	Gross amount £m	Loss allowance £m	Net amount £m
Not past due	105.0	-	105.0
Past due 1-30 days	15.7	-	15.7
Past due 31-60 days	7.1	-	7.1
Past due 61-90 days	3.9	(0.2)	3.7
Past due > 90 days	8.7	(1.6)	7.1
	140.4	**(1.8)**	**138.6**

Movement in expected credit loss provisions:	Trade debtors 2024	Accrued income 2024	Trade debtors 2023	Accrued income 2023
At 1 October	**1.8**	**0.5**	2.3	0.5
Utilised	**-**	**-**	(0.6)	-
Released	**-**	**(0.4)**	-	-
Charge for the year	**1.6**	**0.1**	0.2	-
Exchange adjustment	**(0.1)**	**-**	(0.1)	-
At 30 September	**3.3**	**0.2**	**1.8**	**0.5**

16. LOANS

Accounting policy

Loans are recognised initially at fair value, less directly attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost using the effective interest method. Loans are classified as current, unless the Group has the discretion to roll over an obligation for a period of at least 12 months under an existing loan facility.

Directly attributable transaction costs are capitalised into the loans to which they relate and are amortised using the effective interest rate method.

Borrowings are derecognised from the Consolidated Financial Statements when the contractual obligation is discharged, canceled, or expires. Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Consolidated Income Statement as either Other Income or Finance Expense.

If an existing financial liability is replaced with a new one from the same lender under substantially different terms, or if the terms of an existing liability are significantly modified, the transaction is treated as the derecognition of the original liability and the recognition of a new liability. The resulting difference in carrying amounts is recorded in the Consolidated Income Statement.

	2024 £m	2023 £m
Due in more than one year		
Loan	**76.0**	54.7
Issue costs	**(1.6)**	(2.1)
At 30 September	**74.4**	**52.6**

Analysis of net debt 30 September 2024	At 1 October £m	Acquired £m	Cash flows £m	Non-cash charges £m	At 30 September £m
Cash and cash equivalents	76.2	-	(9.5)	(5.2)	61.5
Issue costs	2.1	-	-	(0.5)	1.6
Loans (current and non-current)	(54.7)	-	(22.9)	1.6	(76.0)
Net debt excluding lease liabilities ("Net debt")	**23.6**	**-**	**(32.4)**	**(4.1)**	**(12.9)**
Lease liabilities	(33.5)	-	9.5	(3.2)	(27.2)
Net debt including lease liabilities	**(9.9)**	**-**	**(22.9)**	**(7.3)**	**(40.1)**

Analysis of net debt 30 September 2023	At 1 October £m	Acquired £m	Cash flows £m	Non-cash charges £m	At 30 September £m
Cash and cash equivalents	101.2	3.3	(23.1)	(5.2)	76.2
Issue costs	2.9	-	-	(0.8)	2.1
Loans (current and non-current)	(32.2)	-	(24.0)	1.5	(54.7)
Net debt excluding lease liabilities ("Net debt")	**71.9**	**3.3**	**(47.1)**	**(4.5)**	**23.6**
Lease liabilities	(46.7)	(0.3)	11.9	1.6	(33.5)
Net debt including lease liabilities	**25.2**	**3.0**	**(35.2)**	**(2.9)**	**(9.9)**

Non-cash charges against the loan balance represent the effects of foreign exchange on the financial liability.

On 3 August 2022, the Group entered into an Amendment and Restatement Agreement ("ARA") with its banking syndicate which amended its existing US$120m RCF maturing on 10 February 2024, to a US$220m RCF Facility maturing on 3 August 2026 with an option to extend maturity to 3 August 2027.

Under the terms of the ARA, the Group's interest margin over the Secured Overnight Financing Rate ("SOFR") reference interest rate ranges from 95bps to 195bps and is dependent on the Group's net leverage. Commitment fees are payable on all committed, undrawn funds at 35% of the applicable interest margin. The ARA also contains a US$100m uncommitted accordion facility.

On 3 August 2024, the Group exercised its option to extend the maturity of its US$220m Revolving Credit Facility by one year, moving the loan's maturity date from August 3, 2026, to August 6, 2027. The terms of the facility, including the interest rate, remained unchanged. This extension did not qualify as a significant loan modification under IFRS 9.

All transaction costs incurred in amending and re-stating the RCF were capitalised and are being amortised over the extended maturity period of the facility on a straight-line basis. Currently all Group borrowings under the RCF are denominated in US Dollars or Sterling.

17. TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Due in less than one year		
Trade payables	**25.1**	25.7
Other taxes and social security costs	**1.8**	4.5
Other payables	**11.2**	11.5
Accruals	**46.6**	58.1
Contingent consideration	**1.8**	2.4
Deferred income	**41.2**	47.6
At 30 September	**127.7**	**149.8**

The contingent consideration of £1.8m comprises £1.5m for the acquisition of Propylon in the prior period and £0.3m for the acquisition of ST Comms. These amounts are being accrued on a straight-line basis and are payable on the anniversary of the respective transactions. The prior period amount included £1.2m of contingent consideration for Liones Holdings B.V. and £1.2m of contingent consideration for Propylon. Both amounts were settled during the period. The carrying amount of trade and other payables approximates to their fair value. Trade payables normally fall due within 30 to 60 days.

	2024 £m	2023 £m
Due in more than one year		
Deferred income	**0.4**	2.3
At 30 September	**0.4**	**2.3**

18. LEASES

Accounting policy

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the designated asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of certain leasehold property and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease modifications

Where factors arise which give rise to a modification of a lease and to re-measure a lease liability, the Group calculates the required re-measurement based on the revised discounted lease payments under the modified lease agreement with the lessor. Any re-measurement adjustments identified are recognised with a corresponding entry against the carrying value of the right of use asset unless the lease is being fully terminated where any gain or loss is recognised in profit or loss.

Nature of the leased assets

The property assets under lease are offices where our employees work. Office equipment includes photocopiers, water coolers and software.

Group as a lessee

The Group has entered into leases across the business, principally relating to property. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year, these are all property related.

Right-of-use assets	Total £m
At 1 October	39.0
Leased assets acquired on acquisition	0.3
Additions	1.0
Depreciation expense	(9.4)
Re-measurement adjustments	(2.4)
Currency adjustment	(1.0)
At 30 September 2023	**27.5**
Additions	2.9
Depreciation expense	(8.2)
Re-measurement adjustments	1.6
Currency adjustment	(1.1)
At 30 September 2024	**22.7**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities	2024 £m	2023 £m
At 1 October	**33.5**	46.7
Additions	**2.9**	1.0
Leases acquired on acquisition (see Note 24)	**-**	0.3
Accretion of interest	**1.1**	1.1
Re-measurement adjustments	**0.4**	(2.4)
Repayments	**(9.5)**	(11.9)
Currency adjustment	**(1.2)**	(1.3)
At 30 September	**27.2**	**33.5**
Current	**8.5**	9.9
Non-current	**18.7**	23.6

The maturity analysis of lease liabilities is disclosed in Note 20.

	2024 £m	2023 £m
Depreciation expense on right of use assets	**8.2**	9.4
Interest expense on lease liabilities	**1.2**	1.1
Expense relating to short term leases*	**1.4**	1.9
Expense relating to leases of low value assets*	**0.5**	0.5
Total amount recognised in profit or loss	**11.3**	**12.9**

*The expenses in respect of short term and low value leases are recognised in administrative expenses. The cash outflows in respect of short term and low value leases are presented within cash flows from operating activities in the Statement of Cash Flows.

The Group had total cash outflows for leases of £9.5m (2023: £11.9m). The Group had no non-cash additions to right-of-use assets and lease liabilities in the year (2023: £nil). There are no future cash outflows relating to leases not yet commenced to disclose separately.

The Group has several lease contracts that include scheduled rent reviews or rent increases based on future indices. Index linked payment increases are typically in respect of changes in the Consumer Price Index for leases in the United Kingdom, or similar indexes outside of the United Kingdom. These agreements represent standard commercial terms for several locations in which leases are held. The impact of index linked rent increases was not material for the Group in the period. The Group also has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

The property leases held by the Group have varying terms and renewal rights. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised by considering factors such as leasehold improvements. The Group's leasehold improvements are most heavily concentrated in its highest value leases, each of which has a lease term significantly above the Group's average lease term.

The Group has concluded that on this basis, there is no reasonable certainty regarding the exercising of extension options and there is reasonable certainty of not exercising early termination options within these leases. The Group's default position is that the lease term at inception of the lease, excluding any options, is the most probable duration over which that lease will be held. This is then overridden where facts and circumstances make it clear this is no longer reasonably certain, such as for key leases in certain locations where longer term investment may be required. The cashflows associated with leases expiring within the next 12 months are £8.9m (2023:£10.4m). Further information on the maturity profile of the Group's leases is shown in Note 20. The Group has concluded that this is not a significant judgement by virtue of the low number and value of leases due to expire near-term and the future cash outflows associated with such leases are not material for the Group.

19. PROVISIONS

Accounting policy

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The expense relating to any provision is presented in profit or loss in the consolidated statement of comprehensive income net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance expense.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Reconciliation of movement in provisions	Indirect tax related £m	Dilapidations £m	Severance £m	Other provisions £m	Total £m
At 1 October	**3.4**	**1.4**	**6.8**	**5.7**	**17.3**
Charged in the period	1.3	0.1	0.5	0.2	2.1
Utilised	(0.6)	(0.2)	(5.5)	(0.7)	(7.0)
Released	(1.3)	-	-	(1.7)	(3.0)
At 30 September 2024	**2.8**	**1.3**	**1.8**	**3.5**	**9.4**
Due in less than one year	2.8	0.3	1.8	3.0	7.9
Due in greater than one year	-	1.0	-	0.5	1.5
At 30 September 2024	**2.8**	**1.3**	**1.8**	**3.5**	**9.4**
Due in less than one year	-	0.4	6.8	0.4	7.6
Due in greater than one year	3.4	1.0	-	5.3	9.7
At 30 September 2023	**3.4**	**1.4**	**6.8**	**5.7**	**17.3**

Indirect tax related provisions comprise £0.4m in respect of Service Tax Declarations made by the Group's Brazilian subsidiary for periods that are still open to audit. Of the brought forward indirect tax provision, £0.6m was used to participate in a Brazilian tax amnesty to cover the Service Tax Declarations for the period between 2008 – 2012 which was being investigated by the Brazilian Tax Authorities, with the remaining provision of £1.3m being released.

A further £1.9m of the Indirect tax related provisions relates to potential penalties and interest that would be payable in respect of the Groups uncertain tax provisions as well estimated interest and penalties that would be due in relation to ongoing tax enquiries. The timing of the payment is uncertain at the reporting date. Additional indirect tax provisions of £0.3m were raised in the year for VAT liabilities that could arise in respects of the Group's European subsidiaries, as well as a £0.2m provision for employment taxes that could be payable in respect of the Group's operations in Argentina.

The majority of the dilapidation provisions relate to leased properties and are associated with the requirement to return properties to either their original condition, or to enact specific improvement activities in advance of exiting the lease. Dilapidations associated with leased properties are held as a provision until such time as they fall due, with the longest running lease ending in January 2032.Included within Other Provisions are the following:

Provisions for future severance liabilities, totalling £1.9m remain in relation to redundancies to be incurred as part of the Group's continuing transformation and cost reduction programmes. These amounts have been recorded in accordance with the criteria defined in IAS37 and are expected to be settled within the next 12 months

£2.0m relates to ongoing historic agreements with the former owners of the business and their respective families. One of these agreements will now be settled in FY25 for £1.7m, resulting in a £1.7m provision release.

£1.2m relates to TFR severance liabilities required under article 2120 of the Italian Civil Code. This provision has been valued in accordance with the requirements of IAS 19 as it represents long term benefits payable to employees of the Group's Italian subsidiary. The timing of the payment is uncertain at the reporting date.

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

All financial assets and liabilities, other than derivatives and contingent consideration, are held at amortised cost ("AC").

	2024 £m	2023 £m
Financial Assets		
Trade and other receivables	**193.3**	197.3
Cash and cash equivalents	**61.5**	76.2
	254.8	**273.5**
Financial Liabilities		
Loans	**74.4**	52.6
Trade and other payables	**86.1**	97.7
Lease liabilities	**27.2**	33.5
	187.7	**183.8**

The carrying amount of the Group's trade and other receivables and accrued income, trade and other payables and cash and cash equivalents are considered to be a reasonable approximation of their fair value. The fair value of the Group's loan at 30 September 2024 is £76.0m (2023: £54.7m), this is as per Level 2 of the fair value hierarchy.

Financial risk management objectives and policies

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 CFO.

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. Group borrowings have a number of financial covenants which are tested bi-annually. 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.

Notes to the Consolidated Financial Statements (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources to meet its liabilities as and when they fall due and payable.

In addition to the Group's cash and cash equivalents, which at 30 September 2024 amounted to £61.5m (2023: £76.2m), the Group has an overdraft facility of £1.5m (2023: £1.5m) which is unsecured. The reference interest rate on this facility is SONIA with the margin being 200 basis points. This overdraft was undrawn as at year end.

Any surplus funds are invested in Pound Sterling or US Dollar deposits, with maturities not exceeding three months.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted, and include contractual interest payments.

Contractual cash flows at 30 September 2024	Carrying amount £m	Total £m	Less than 12 months £m	1-2 years £m	2-5 years £m	More than 5 years £m
Non-derivative financial liabilities						
Revolving Credit Facility	74.4	90.3	5.0	5.1	80.2	-
Trade and other payables	86.1	86.1	86.1	-	-	-
Lease liabilities	27.2	29.8	8.9	5.9	11.6	3.4
	187.7	**206.2**	**100.0**	**11.0**	**91.8**	**3.4**

Contractual cash flows at 30 September 2023	Carrying amount £m	Total £m	Less than 12 months £m	1-2 years £m	2-5 years £m	More than 5 years £m
Non-derivative financial liabilities						
Revolving Credit Facility	52.6	70.7	4.2	4.2	62.3	-
Trade and other payables	97.7	97.7	97.7	-	-	-
Lease liabilities	33.5	35.1	10.4	7.0	11.5	6.2
	183.8	**203.5**	**112.3**	**11.2**	**73.8**	**6.2**

Interest rate risk

The majority of the Group's cash balances are held with its principal bankers, earning interest at variable rates of interest. To the extent the Pound Sterling overdraft is utilised, it attracts an interest rate of base rate plus a margin of 200 basis points.

The Group's US$220m Revolving Credit Facility ("RCF") matures on 6 August 2027 and incurs interest at a rate based on Secured Overnight Financing Rate ("SOFR") plus a margin which fluctuates based on the Group's net leverage. More details can be found in Note 1 and Note 16. The Group elected not to hedge its interest rate risk.

Exposure to interest rate risk

Interest rate profile of interest-bearing assets and liabilities - Variable rate instruments	2024 £m	2023 £m
Financial assets - Cash and cash equivalents		
Sterling	**3.9**	8.9
US Dollars	**14.3**	25.1
Euros	**9.9**	14.1
Yen	**6.1**	3.7
Swiss Francs	**1.5**	1.4
Other	**25.8**	23.0
	61.5	**76.2**
Financial liabilities – Loan		
Sterling	**74.4**	42.0
US Dollars	**-**	10.6
	74.4	**52.6**

If interest rates changed by 500 bps it is estimated that Group profit before tax would change by £3.7m (2023: £2.6m).

On 3 August 2022, the Group entered into an Amendment and Restatement Agreement ("ARA") with its banking syndicate which amended its existing US$120m RCF maturing on 10 February 2024, to a US$220m RCF maturing on 3 August 2026 with an option to extend maturity to 3 August 2027. During the year ended 30 September 2024, the Group exercised this option to extend maturity and a final extended maturity date of 6 August 2027 was agreed.

Under the terms of the ARA, the Group's interest margin over the SOFR reference interest rate ranges from 95bps to 195bps and is dependent on the Group's net leverage. Commitment fees are payable on all committed, undrawn funds at 35% of the applicable interest margin. The ARA also contains a US$100m uncommitted accordion facility.

Credit risk

Credit risk is the risk of a financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises from the Group's cash and cash equivalents and trade and other receivables.

The Group's cash and cash equivalents of £61.5m at 30 September 2024, are predominantly held with financial institutions who hold Standard & Poor's long term credit ratings of between A+ and A-. The Group considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

Trade receivable exposures are mitigated by each division's management team where they arise. The Group's clients are large international corporations or self-regulated bodies such as patent agents and legal firms. In accordance with IFRS 9, the Group has applied the simplified model specified for expected credit losses, based on historical default rates experienced across the Group as well as forward looking information where material. Consideration has also been given to the appropriateness of applying these historical default rates to the Group's future trade and other receivables. Expected credit losses are not material to the Group, no collateral is held in respect of trade receivables and the maximum potential credit loss is equal to asset carrying value. See Note 15 for further details.

No client accounted for more than 10% of Group turnover in the current year (2023: nil).

Foreign currency risk

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 with gains and losses on transactions arising from fluctuations in exchange rates being recognised in the statement of comprehensive income. Where we have a material or recurring exposure, the policy is to seek to mitigate the risk using forward foreign exchange contracts.

Approximately 66% (2023: 65%) of Group external sales in the reporting period were denominated in US Dollars, while a further 20% were denominated in Euros (2023: 21%). Similarly, the Group's cost base was 33% in US Dollars (2023: 39%) and 21% in Euros (2023: 22%).

The Group has a number of intercompany loans designated as quasi equity at inception. This designation is made where loan transactions between Group companies represent, in substance, long term investments in that subsidiary rather than intercompany loan transactions. These loans are often denominated in a currency other than the functional currency of at least one of the counterparties. Foreign currency translation on these loans is recognised in Other Comprehensive Income in the Statement of Comprehensive Income until the investment is disposed of at which point they are recognised in Profit or Loss in the Statement of Comprehensive Income.

Assets and liabilities of Group entities located overseas 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.

Moravia IT s.r.o. as discussed below designates its forward foreign exchange contracts as cash flow hedges in accordance with IFRS 9 to hedge its operating costs.

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

	Assets 2024 £m	Assets 2023 £m	Liabilities 2024 £m	Liabilities 2023 £m
Euros	**43.6**	47.3	**13.9**	21.4
US Dollars	**137.8**	154.8	**15.0**	67.0
	181.4	**202.1**	**28.9**	**88.4**

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 120% 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 20% change in the Sterling exchange rate. A positive number below indicates an increase in profit where Sterling weakens against the relevant currency. For a 20% strengthening of Sterling against the relevant currency, there would be an equal and opposite impact on profit, 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 2024 £m	Profit and loss impact 2023 £m
Euros	**4.9**	4.3
US Dollars	**20.5**	14.6
	25.4	**18.9**

If the exchange rate on uncovered exposures were to move significantly between the year end and the 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.

Hedging

The Group applies cash flow hedge accounting on foreign exchange forward contracts taken out by Moravia IT s.r.o to hedge its Czech Koruna expected future operating costs (Moravia is a US Dollar functional CGU). Any changes in the fair value of cash flow hedges outstanding at the reporting date, would be recognised in a separate hedge reserve in equity and recycled to the statement of comprehensive income as these costs are settled.

To safeguard the Group's strong balance sheet and mitigate cash flow risks, the Group hedged its US Dollar-denominated loan. During the year, the loan (FY23 £54.7m) was repaid, and the hedge was terminated. Consequently, a balance of £3.1m from the hedge reserves was transferred to the translation reserve. During the year ended 30 September 2024, no ineffectiveness was recorded in the Group's statement of comprehensive income (2023: £Nil). All amounts recorded in the hedge reserve pertain to continuing hedging relationships as at 30 September 2023.

At the year end the Group had no cash flow hedges, which take the form of forward foreign exchange contracts, in place.

	Assets 2024 £m	Assets 2023 £m	Liabilities 2024 £m	Liabilities 2023 £m
Forward foreign currency exchange contracts	-	-	-	-

Hedging reserve	2024	2023
At 1 October 2023	**(3.5)**	(5.5)
Cashflow hedges - fair value movement	**-**	0.5
Transfer to currency reserve	**3.1**	-
Net investment hedge	**0.4**	1.5
At 30 September 2024	**-**	**(3.5)**

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 debt financing has been introduced where it was felt that the benefits exceed the risks and costs to equity shareholders of further equity financings.

At 30 September 2024, there was £74.4m (2023: £52.6m) of external debt finance on the balance sheet. The Group is not subject to externally imposed capital requirements.

In addition, the Group held cash and cash equivalents at the year end of £61.5m (2023: £76.2m).

The Group funds dividend payments to shareholders through the profitability of its subsidiaries which are contributed between the subsidiary and the ultimate parent company, RWS Holdings plc. The profitability of the Group ensures that there is sufficient profitability within these subsidiaries and contributions from these subsidiaries to the Parent Company and that sufficient distributable reserves exist to maintain the Group's current dividend policy.

Included within retained earnings are £184.6m relating to gain recognised on a cash-box structure utilised as part of the Moravia acquisition. These amounts are not currently distributable.

Fair value measurement of financial assets and liabilities

The Group uses the following hierarchy for determining and disclosing the fair value of its financial instruments:

- Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the assets or liabilities that are not based on observable market data (level 3).

21. SHARE CAPITAL AND RESERVES

	2024 Number	2024 £m	2023 Number	2023 £m
Authorised				
Ordinary shares of 1 pence each	**500,000,000**	**5.0**	500,000,000	5.0
Allotted, called up and fully paid				
At beginning of year	**381,603,326**	**3.8**	389,463,810	3.9
Issue of shares	**-**	**-**	16,709	-
Purchase of own shares	**(12,885,346)**	**(0.1)**	(7,877,193)	(0.1)
At end of year	**368,717,980**	**3.7**	**381,603,326**	**3.8**

During the year, nil ordinary shares of 1p each (2023: 16,709) were allotted under the former SDL Save as You Earn schemes.

In line with the share repurchase programme that the Company announced on 8 June 2023, in FY24 12,885,346 (FY23 7,877,193) shares were acquired on the open market and cancelled. The cost of the shares was £30.4m (FY23: £19.4m).

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

- Share premium account represents the premium arising on the issue of equity shares.
- Share-based payment reserve is the credit arising on the share-based payment charges in relation to the Group's share option schemes.
- Foreign currency reserve is the cumulative gain or loss arising on retranslating the net assets of overseas operations into Sterling, except where the Group applies a net investment hedge.
- Hedge reserve is the fair value movement on the derivative contracts for the effective portion of the cash flow hedge and the gains and losses relating to the net investment hedge.
- Merger reserve represents the amounts of share premium that would have been recognised on a share for share exchange eligible for merger relief under the Companies Act 2006. This was created on the acquisition of SDL plc in 2021.
- 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 Parent Company balance sheet.

22. SHARE-BASED PAYMENTS

Share based payments

The Group and Parent 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 either share options (equity-settled) or cash options (cash-settled).

The equity-settled share-based transactions are measured at the fair value of the share option at the grant date. 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 profit or loss in the Consolidated Statement of Comprehensive Income, such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity reserves. For cash-settled share-based transactions, an expense is recognised, with a corresponding increase in liabilities, over the period during which employees become entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash options. Any changes in the liability are recognised in profit or loss.

The Group incurred a charge of £2.9m relating to share-based payments in the year ended 30 September 2024, as follows;

	2024			2023		
Scheme	Equity-settled £m	Cash-settled £m	Total £m	Equity-settled £m	Cash-settled £m	Total £m
Save As You Earn ("SAYE") scheme	-	-	-	-	-	-
LTIPs	**1.3**	**0.1**	**1.4**	1.8	-	1.8
RSA	**1.5**	-	**1.5**	-	-	-
Executive Share Option Plan ("ESOP')	-	-	-	-	-	-
Deferred consideration	-	-	-	-	-	-
	2.8	**0.1**	**2.9**	**1.8**	**-**	**1.8**

Summary of movements in awards	RSA	LTIPs	RWS Save As You Earn scheme Number	Executive share option plan Number	SDL Save as You Earn scheme Number	Weighted average exercise price (£)
Balance at 1 October 2022	-	2,381,371	554,172	844,151	44,867	2.088
Granted during the year	-	2,723,622	287,292	-	-	0.354
Lapsed during the year	-	(1,376,547)	(391,064)	(66,140)	(28,158)	1.177
Exercised during the year	-	-	-	-	(16,709)	3.348
Balance at 30 September 2023	**-**	**3,728,446**	**450,400**	**778,011**	**-**	**1.348**
Exercisable at 30 September 2023	**-**	**-**	**-**	**-**	**-**	
Granted during the year	1,039,043	4,325,498	499,627	-	-	0.192
Lapsed during the year	(117,093)	(1,370,943)	(333,017)	(219,738)	-	1.246
Exercised during the year	-	-	-	-	-	-
Balance at 30 September 2024	**921,950**	**6,683,001**	**617,010**	**558,273**	**-**	**0.609**
Exercisable at 30 September 2024	**-**	**-**	**-**	**-**	**-**	**-**

The weighted average share price at the date of exercise of shares exercised during the year was nil pence per share (2023: 388.9 pence). The weighted average remaining contractual life of outstanding options at the end of the year was 11.0 years (2023: 11.0 years). The aggregate fair value of options granted in the year was £11.2m (2023: £9.0m).

Notes to the Consolidated Financial Statements (continued)

Long term incentive plan ("LTIP")

On 22 January 2021, the Company adopted a long term incentive plan ("LTIP") for senior employees. These conditional awards vest after the performance period of three years and are subject to the achievement of certain performance conditions as well as continued employment on vesting for two years. The performance measures are earnings per share (EPS) which is a non-market performance condition and Total Shareholder Return ("TSR") which is a market-based performance condition. The awards are split with 50% on EPS performance and 50% on TSR performance. In 2024, the Company revised the vesting conditions for newly granted awards. The updated performance measures include earnings per share (EPS), a non-market performance condition; Total Shareholder Return (TSR), a market-based performance condition; and Cash Conversion, another non-market performance condition. The new awards are evenly allocated across EPS performance, TSR performance, and Cash Conversion performance. LTIP awards are valued using Black-Scholes. 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 ten years from the date of grant. These option grants are settled on exercise via the issue of new ordinary shares.

Date of grant	1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	30 September 2024 Number	Exercise price pence	Exercise period
24 January 2022	1,145,392	-	-	(256,736)	**888,656**	1	24 Jan 2025 - 24 Jan 2032
24 January 2023	2,408,042	-	-	(585,805)	**1,822,237**	1	24 Jan 2026 - 24 Jan 2033
30 June 2023	175,012	-	-	(19,429)	**155,583**	1	1 Jul 2026 - 1 Jul 2033
24 January 2024	-	4,013,228	-	(508,973)	**3,504,255**	nil	24 Jan 2027 - 24 Jan 2034
01 July 2024	-	122,362	-	-	**122,362**	nil	24 Jan 2027 - 24 Jan 2034
23 September 2024*	-	189,908	-	-	**189,908**	nil	23 Sep 2026 - 24 Sep 2028
Total	**3,728,446**	**4,325,498**	**-**	**(1,370,943)**	**6,683,001**		

* Retention award granted to CFO without performance conditions, subject only to continued service. See pages 86 and 87.

Restricted Stock Awards ("RSA")

On 24 January 2024, the Company granted nil-cost options under the LTIP, referred to as Restricted Stock Awards ("RSA") to participants. The RSA Options vest on 24 January 2025 and are subject to the achievement of non-market performance conditions as well as continued employment at vesting date. 100% of the RSA options will vest if personal performance is satisfactory or better and 0% if personal performance is less than satisfactory. These option grants are settled on exercise via the issue of new ordinary shares.

Date of grant	1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	30 September 2024 Number	Exercise price pence	Exercise period
24 January 2024	-	1,039,043	-	(117,093)	**921,950**	nil	25 Jan 2025 - 24 Jan 2034

Save As You Earn ("SAYE") scheme

On 19 February 2019, the Company announced a HMRC-approved SAYE scheme ("SAYE scheme") for all UK based employees. Under the terms of the SAYE scheme, the Board grants options to purchase ordinary shares in the Company to eligible employees who enter into the SAYE scheme for a term of three years. Options are granted at up to a 10% discount to the market price of the shares on the day preceding the date of offer and are normally exercisable for a period of six months after completion of the three-year term. These option grants are settled on exercise via the issue of new shares.

Date of grant	1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	30 September 2024 Number	Exercise price pence	Exercise period
22 February 2021	120,220	-	-	(44,751)	**75,469**	472	1 Apr - 30 Sep 2024
17 February 2022	91,544	-	-	(40,845)	**50,699**	504	1 Apr - 30 Sep 2025
10 February 2023	238,636	-	-	(159,582)	**79,054**	361	1 Apr - 30 Sep 2026
10 February 2024	-	499,627	-	(87,839)	**411,788**	208	1 Apr - 30 Sep 2027
Total	**450,400**	**499,627**	**-**	**(333,017)**	**617,010**		

Executive share option plan ("ESOP")

On 13 May 2019, the Group announced a new Share Option Plan for executives and selected senior management.

These options will normally vest on the third anniversary of the grant date subject to the rules of the plan, continued employment and achievement of performance conditions. The performance conditions applicable to the options are based on the Group achieving EPS targets, each option grant being split into three tranches, each subject to an EPS target for a reporting year, set annually in advance by RWS Remuneration Committee.

Vested options are exercisable, however if exercised before the fifth anniversary of the grant date, participants are not permitted to sell the ordinary shares until the fifth anniversary of grant date. All options will lapse on the tenth anniversary of the grant date and are subject to defined malus and claw-back provisions.

These option grants are normally settled on exercise via the issue of new shares but some are cash settled. Equity and cash settled shares follow the same vesting conditions.

Date of grant	1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	30 September 2024 Number	Exercise price pence	Exercise period
10 May 2019	216,556	-	-	-	**216,556**	601.0	10 May 2024 - 10 May 2029
22 January 2020	538,660	-	-	(210,117)	**328,543**	615.0	22 Jan 2025 - 22 Jan 2030
9 June 2021	22,795	-	-	(9,621)	**13,174**	613.0	9 Jun 2026 - 9 Jun 2031
Total	**778,011**	**-**	**-**	**(219,738)**	**558,273**		

The fair value of share options granted during the year under the SAYE scheme and LTIP award relating to the Non Market related performance condition were estimated using the Black-Scholes option pricing model. The share options granted under the LTIP award relating to the market performance condition (TSR performance condition) were valued using the Monte Carlo model. Equity settled options under the SAYE scheme and the LTIP scheme were valued at grant date.

The following table lists the assumptions applied to the options granted. Equity settled option grants are settled on exercise via new shares. The expected volatility reflects the assumption historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

	SAYE Scheme	RSA	LTIP -Market No Holding condition	LTIP - Non Market No Holding condition	LTIP - Market Holding Condition	LTIP - Non Market Holding Condition
Weighted average share price at grant (pence)	222.2	248	248	248	248	248
Weighted average exercise price (pence)	802	nil	nil	nil	nil	nil
Expected life of option (years)	3	1	3	3	3	3
Volatility (%)	51.0%	46.4	41.7%	41.7%	41.7%	41.7%
Dividend yield (%)	nil	nil	nil	nil	nil	nil
Risk free interest rate (%)	4.18%	4.55%	4.02%	4.02%	4.02%	4.02%
Fair value (pence)	90	248	149	248	123	205

23. CASH AND CASH EQUIVALENTS

	2024 £m	2023 £m
Cash at bank and in hand	**52.4**	68.5
Short-term deposits	**9.1**	7.7
	61.5	**76.2**

The fair value of cash and cash equivalents is £61.5m (2023: £76.2m). Restricted cash at 30 September 2024 was £Nil (2023: £Nil).

Short-term deposits have an original maturity of three months or less depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Management consider short term deposits to be subject to an insignificant risk of changes in value.

24. ACQUISITIONS

ST Comms Language Specialist Proprietary Limited ("ST Communications")

On 3 October 2023, the Group acquired ST Comms Language Specialists Proprietary Limited ("ST Communications"), a Cape Town based language services provider for an initial consideration of £0.6m (US$0.675m) on a cash and debt free basis with additional contingent consideration, deemed as remuneration of £0.5m (US$0.675m) due in two equal instalments on the first and second anniversary of the transaction.

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

The provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill were as follows:	Fair values £m
Net assets acquired:	
Trade and other receivables	0.3
Cash and cash equivalents	0.1
Trade and other payables	(0.1)
Total identifiable net assets	**0.3**
Goodwill	0.3
Total consideration	**0.6**

The fair value of the total amounts paid and payable are as follows:	Non-contingent consideration £m	Deemed Remuneration payable £m	Total consideration £m
Cash consideration payments made in the current period	0.6	-	0.6
Contingent consideration recorded in the current period and payable in cash	-	0.3	0.3
Future contingent consideration payable in cash	-	0.2	0.2
Total consideration	**0.6**	**0.5**	**1.1**

The difference between the total consideration and the carrying value of the acquired assets and liabilities was allocated to goodwill. The fair values of Trade and other receivables and other classes of assets and their gross contractual amount are the same.

ST Communications contributed £0.3m to the Group revenue and £0.1m to profit after tax in FY24. The goodwill of £0.3m on acquisition comprises the value of expected synergies to be realised across future periods. Including the integration of services work with the RWS language service teams, future growth of a new and diverse customer portfolio and ability to provide clients with solutions and technologies for rare languages. Integration of ST Communications into the RWS Group has continued successfully during FY24.

Contingent payments dependent on continued employment are accounted for as post-combination remuneration expenses in accordance with IAS 19 employment benefits.

25. RELATED PARTY TRANSACTIONS

On 23 February 2021, Ocorian Limited, acting as trustee of the RWS Holdings plc Employee Benefit Trust ("EBT") purchased in the market a total of 55,896 Ordinary Shares of 1p each at an average price of 637.43 pence per share. The shares were held in the EBT, a discretionary trust, and are intended to be used to satisfy the exercise of share options by employees.

On 3 October 2022, 25,208 shares were sold at 313.22 pence per share and 1 February 2024, 30,688 shares were sold at 242.05 pence per share.

During the year, in the normal course of business, the Group provided translation services worth £0.6m (2023: £0.7m) to subsidiaries of Learning Technologies Group plc (LTG), a company in which Andrew Brode, the Group's former Chairman, has a significant interest. An amount of £0.1m (2023: £0.2m) was due from LTG at the reporting date.

Key management compensation	2024 £m	2023 £m
Short-term employee benefits	**5.4**	5.9
Post-employment benefits	**0.2**	0.2
Share based payments	**1.9**	0.9
	7.5	**7.0**

The key management compensation includes the 10 (2023: 9) Directors of RWS Holdings plc and the 10 (2023: 10) members of the Executive Team who are not Directors of RWS Holdings plc.

During the year key management were granted 2,095,982 share options with an approximate fair value of £4.2m.

Details of the Group's share based payments and associated share option schemes can be found in Note 22.

26. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments contracted for, but not provided for, in the financial statements (2023: £Nil).

In respect of overdraft facilities, the Parent 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 amounted to £nil (2023: £Nil).

The Group's US$220m RCF is subject to guarantees provided by material Group companies, as well as from other Group companies as necessary to ensure that all guarantors together account for more than 75% of the Group's consolidated EBITDA and gross assets.

27. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events.

RWS Holdings plc Parent Company Financial Statements

The following Parent Company financial statements are prepared under FRS 101 and relate to the Parent Company and not to the Group.

Parent Company Balance Sheet Position at 30 September 2024 Registered Company 03002645	Note	2024 £m	2023 £m
Non-current assets			
Investments	7	**732.4**	729.8
Deferred tax assets		**0.2**	-
		732.6	729.8
Current assets			-
Debtors	8	**373.9**	309.5
Cash at bank and in hand		**0.5**	6.9
		374.4	316.4
Total assets		**1,107.0**	**1,046.2**
Creditors: amounts falling due within one year			
Trade creditors	10	**0.8**	0.1
Other creditors	10	**14.2**	7.1
		15.0	7.2
Net current assets		**359.4**	309.2
Creditors: amounts falling due after more than one year			
Loans	9	**74.4**	52.6
		74.4	52.6
Total liabilities		**89.4**	59.8
Net assets		**1,017.6**	**986.4**
Capital and reserves			
Share capital	11	**3.7**	3.8
Share premium		**54.5**	54.5
Share based payment reserve		**8.1**	5.3
Merger reserve		**624.4**	624.4
Capital reserve		**2.1**	2.0
Retained earnings		**324.8**	296.4
Total shareholders' funds		**1,017.6**	**986.4**
Statement of Comprehensive Income: Profit after taxation		**104.3**	**122.6**

The financial statements on pages 146 to 156 were approved by the Board of Directors and authorised for issue on 11 December 2024 and were signed on its behalf by:

Candida Davies | Chief Financial Officer

Parent Company Statement of Changes in Equity for the year ended 30 September 2024	Share capital £m	Share premium £m	Share-based payment reserve £m	Merger reserve £m	Capital reserve £m	Retained earnings £m	Shareholders' funds £m
Balance at 1 October 2022	**3.9**	**54.4**	**6.0**	**624.4**	**2.0**	**239.4**	**930.1**
Profit for the year	-	-	-	-	-	122.6	122.6
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**122.6**	**122.6**
Dividends	-	-	-	-	-	(46.3)	(46.3)
Issue of shares	-	0.1	-	-	-	-	0.1
Purchase of own shares	(0.1)	-	-	-	-	(19.3)	(19.4)
Deferred consideration settlement	-	-	(2.5)	-	-	-	(2.5)
Equity-settled share-based payments charge	-	-	1.8	-	-	-	1.8
Balance at 30 September 2023	**3.8**	**54.5**	**5.3**	**624.4**	**2.0**	**296.4**	**986.4**
Profit for the year	-	-	-	-	-	104.3	104.3
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**104.3**	**104.3**
Dividends	-	-	-	-	-	(45.5)	(45.5)
Issue of shares	-	-	-	-	-	-	-
Purchase of own shares	(0.1)	-	-	-	0.1	(30.4)	(30.4)
Deferred tax on share-based payment charge	-	-	(0.1)	-	-	-	(0.1)
Equity-settled share-based payment charge	-	-	2.9	-	-	-	2.9
Balance at 30 September 2024	**3.7**	**54.5**	**8.1**	**624.4**	**2.1**	**324.8**	**1,017.6**

Notes to the Parent Company Financial Statements

1. GENERAL INFORMATION

RWS Holdings plc is the holding company of a number of subsidiaries which provide patent translations, intellectual property support services, high-level technical and commercial translations, localisation and linguistic validation services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of RWS Holdings plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101 (where required these disclosures are included in the Group accounts):

- Paragraphs 45(b) and 46 to 52 of IFRS 2, "Share-based payment" (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures.'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - Paragraph 79(a) (iv) of IAS 1
  - Paragraph 73(e) of IAS 16 "Property, plant and equipment"
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 111 (cash flow statement information); and,
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows.'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors.' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of the Group (providing any subsidiary party to the transaction is wholly owned by a member of the Group).

New accounting standards, amendment and interpretations

There were no new standards effective during the year that have a material impact to the preparation of these Parent Company financial statements.

Going concern

The Directors have prepared cash flow forecasts for the 18 month period ending 31 March 2026, which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds to meet its liabilities as they fall due in the period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due over the period to 31 March 2026 and therefore have prepared the financial statements on a going concern basis. Note 2 to the Group Financial statements includes more details on the Directors' assessment of going concern for the entity and for the Group.

Derivative financial instruments and hedging activities

The Parent Company enters into foreign exchange forward contracts to hedge its GBP cash outflows. The Parent Company does not apply hedge accounting for these forward contracts which are marked-to-market at each reporting date with any changes in fair values recognised in the Parent Company's statement of comprehensive income.

Investments in subsidiaries

Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. Investments in subsidiaries are stated at cost less any provision for impairment in value. Investments are reviewed annually for evidence of impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use, where value in use is calculated as the present value of the future cash flows expected to be derived from the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable income streams (CGUs).

Pension costs

The Company contributes to a Group personal pension scheme for qualifying employees whereby it makes defined contributions to independently administered personal pension schemes. The Company does not control any of the assets or have any ongoing liabilities with regard to the performance of and payments from these individual personal schemes. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Dividends

Interim dividends are recorded when they are paid, and final dividends are recorded once they have been approved by the Parent Company's shareholders.

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 Parent Company provides 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 (equity settled) or rights to cash in the form of cash options (cash-settled).

The equity-settled share-based transactions are measured at 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 22 of the Group financial statements.

The fair value determined at the grant date of the share options is expensed on a straight-line basis over the vesting period, based on the Parent Company's estimate of share options that will vest. At each balance sheet date, the Parent Company revises its estimate of the number of options expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss in the statement of comprehensive income with a corresponding adjustment to equity reserves.

For cash-settled share-based transactions, an expense is recognised, with a corresponding increase in liabilities, over the period during which employees become entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash options. Any changes in the liability are recognised in profit or loss in the statement of comprehensive income in the period they occur.

Where the share options are awarded to employees of subsidiaries, the amount of the charge is passed down to the subsidiary as a capital contribution, which increases the investment in that subsidiary.

3. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES IN APPLYING THE PARENT COMPANY'S ACCOUNTING POLICIES

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.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. They are reviewed on an ongoing basis, but the future actual experience may vary materially from management's expectation.

Management have not identified any key judgements but have identified the following key estimates and assumptions.

Impairment

The determination of whether or not investment balances have been impaired requires an estimate to be made of the value in use of the investment. The value in use calculation includes estimates about the future financial performance of the investment, management's estimates of discount rates, long-term operating margins and long-term growth rates. If the results of the investment in a future period are materially adverse to the estimates used for the impairment testing, an impairment charge may be triggered. Further information on investments is included in Note 7 in the parent company Notes. Further information with respect to key assumptions in the assessment of impairment are detailed in Note 12 of the consolidated financial statements.

Notes to the Parent Company Financial Statements (continued)

4. DERIVATIVE FINANCIAL INSTRUMENTS

The Parent Company enters into forward foreign exchange contracts to mitigate its foreign exchange risk from foreign currency dividend payments received from its subsidiary undertakings. At 30 September 2024, there were no derivative contracts outstanding (2023: £Nil).

5. PARENT COMPANY PROFIT AND LOSS

The Parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The Parent Company's profit after tax for the year ended 30 September 2024 was £104.3m (2023: £122.6m).

Audit fees payable in relation to the audit of the financial statements of the Parent Company are £20,000 (2023: £18,000). Fees paid to the Group's auditor and its associates for non-audit services to the Parent Company itself are not disclosed in the individual financial statements of RWS Holdings plc. These are disclosed on a consolidated basis in Note 5 of the Group's financial statements.

6. DIRECTORS AND EMPLOYEES' COSTS

	2024 £m	2023 £m
Wages and salaries	**3.6**	3.6
Social security costs	**0.5**	0.4
Share-based payment expense	**0.3**	0.6
Total employee costs	**4.4**	**4.6**

During the year, the Parent had ten (2023: nine) Directors, including seven Non-executive Directors and fourteen other employees (2023: eleven), providing services to the Group.

Two Directors (2023: two) received pension allowances payments. Ten employees received employer contributions to their personal pension schemes (2023: seven).

Details of the Directors' remuneration and pension contributions are disclosed in the Directors' Remuneration Report on pages 80 to 87. The values above are lower than the key management remuneration disclosure in Note 25 of the Group's accounts as not all key management are remunerated through the Parent Company.

7. INVESTMENTS

	2024 £m	2023 £m
Cost and net book value at beginning of year	**729.8**	728.6
Increase in investments	**2.6**	1.2
Cost and net book value at end of year	**732.4**	**729.8**

The Company charges subsidiaries the amounts recognised as share-based payments relating to awards to their employees. These are recognised as an increase in the investment in relevant subsidiaries in accordance with IFRS 2 "Share-based Payment". For details of the share-based payments that have increased the Company's investments, see note 22 to the consolidated financial statements.

The Directors consider that the value of the Parent Company's fixed asset investments, which are listed below, is supported by the subsidiary undertakings profitability. Key assumptions for value in use calculations are detailed in Note 12.

Jurisdiction	Subsidiary undertakings	Registered address	Nature of business
Australia	Inovia Holdings Pty Limited	Suite 4 Level 12 45 Clarence Street Sydney NSW 2000 Australia	Patent filing
Belgium	SDL Belgium NV	Sluisstraat 79, Leuven, 3000, Belgium	Localisation services
Brazil	SDL do Brasil Global Solutions Ltda	Rua Barão do Triunfo 73, Brooklin Paulista, Saõ Paolo, Brazil	Localisation services
Canada	Alpha Translations Canada Inc.	421–7th Avenue SW Calgary Alberta T2P 4K9 Canada	Technical and legal translations
Canada	SDL International (Canada) Inc	1550 Metcalfe Street, Suite 800, Montreal, QC, H3A 1X6, Canada	Localisation and technology services
Chile	SDL Chile SA	Avenida Holanda 100 Oficina 1002 Providencia, Región Metropolitana, Santiago, 7510021 Chile	Localisation services
China	Beijing RWS Science & Technology Information Consultancy Co. Ltd	A601, Floor 6th, Building B-2, Northern Territory, Zhongguancun, Dongsheng Technology Park, No. 66 Xixiaokou Road, Haidian District, Beijing, China 100192	Patent, technical and legal translations
China	Moravia IT (Nanjing) Co., Ltd	4F Zhongnan International Mansion, no 129 Zhongshan Road, Nanjing, 210005 Jiangsu, China	Localisation services
China	SDL Software Technology (Shenzhen) Co. Ltd	Room 309, Floor 3, Resources-Tech-Building, Songping ShanRoad, Nanshan District, Shenzhen City, Guandong, China	Localisation and technology services
Colombia	RWS Moravia Colombia S.A.S.	Carrera 43 A 1 50 Torre 2 of 864, Medellin, Antioquia, Colombia	Localisation services
Croatia	SDL Zagreb d.o.o.	Bednjanska 14/II, 10 000 Zagreb, Croatia	Localisation services
Czechia	Moravia IT s.r.o.*	Vlněna 526/1, Trnita, 602 00 Brno, Czechia	Localisation services
Czechia	SDL CZ s.r.o.	Nerudova 198, Hradec Králové, 50002 Czechia	Localisation services
France	SDL France SARL	44-46 Rue Alphonse Penaud, Paris, 75020, France	Localisation services
Germany	Trados GmbH	Waldburgstraße 21, 70563 Stuttgart, Germany	Technology services
Greece	SDL Hellas Efarmoges Pliroforikis Limited	396 Mesogeion Avenue, 153 41 Agia Paraskevi, Attica, Athens, Greece	Localisation services
Hong Kong	SDL Hong Kong Limited	Suite 1017, 10th Floor Three Exchange Square, 8 Connaught Place, Central, Hong Kong	Localisation and technology services
Hungary	Moravia IT Hungary Kft.	Horvát utca 14-24, 1027 Budapest, Hungary	Localisation services
Hungary	SDL Magyarorszag Szolgaltato Kft	Arboc u 6 III, Budapest, Hungary	Localisation services
India	RWS Moravia India Private Limited	Unit 1319, 13 Floor, Building A1, Rupa Solitaire Sector 1, Millenium Business Park, Navi, Mumbai, Mumbai City, MH 400710, Maharashtra, India	Localisation and technology services
India	SDL Multilingual Solutions Private Ltd	312, Vardaan House, 7/28 Ansari Road Darya Ganj, New Delhi, Central Delhi, India	Localisation and Translation services

Notes to the Parent Company Financial Statements (continued)

Jurisdiction	Subsidiary undertakings	Registered address	Nature of business
India	SDL Technologies India Private Limited	Building 4, Block A, 7th Floor, 77 Town Centre, Yemalur Main Road, Off Old Airport Road, Bangalore - 560 037, India	Information and Technology Services
Ireland	Iconic Translation Machines Ltd (in liquidation)	Invent Building, DCU Campus, Glasnevin, Dublin 9, Ireland	Machine translation
Ireland	SDL Global Solutions (Ireland) Limited	2 Shelbourne Buildings, Crampton Avenue, Shelbourne Road, Dublin 4, Ireland	Localisation services
Ireland	Propylon Holdings Limited	36 Blackburne Square, Rathfarnham Gate, Dublin 14, Rathfarnham, Dublin, Ireland	Holding company
Ireland	Propylon Limited	36 Blackburne Square, Rathfarnham Gate, Dublin 14, Rathfarnham, Dublin, Ireland	Content authoring
Italy	SDL Italia Srl Unipersonale	Legale Tributario, Via 20 Settembre n 5 00187 Roma, Italy	Localisation services
Japan	KK RWS Group	Jimbocho Kita Tokyu Building, 4F 3-1-16 Kanda-Misakicho, Chiyoda-ku, Tokyo, Japan, 101-0061	Patent, technical and legal translations
Japan	SDL Japan KK	Jimbocho Kita Tokyu Building, 1-16 Kanda-Misakicho 3-chome, Chiyoda-ku, Tokyo, 101-0054, Japan	Localisation and technology services
Japan	SDL Tridion KK	Jimbocho Kita Tokyu Building, 1-16 Kanda-Misakicho 3-chome, Chiyoda-ku, Tokyo, 101-0054, Japan	Technology services
Japan	Horn & Uchida Patent Translations Ltd	6-11, Kitihama 2-Chome, Chuo-ku, Osaka-shi, Japan	Patent translation and filing
Luxembourg	SDL Luxembourg SARL	40, Boulevard Joseph II, L-1840, Grand Duchy of Luxembourg, Luxembourg	Localisation services
Netherlands	SDL Holdings BV	Herikerbergweg 292-342 1101CT Amsterdam Netherlands	Holding company
Netherlands	SDL Media Manager B.V.	Herikerbergweg 292-342 1101CT Amsterdam Netherlands	Technology
Netherlands	SDL Netherlands B.V.	Herikerbergweg 292-342 1101CT Amsterdam Netherlands	Localisation and technology
Netherlands	SDL Xopus B.V.	Herikerbergweg 292-342 1101CT Amsterdam Netherlands	Technology
Netherlands	Liones Holding B.V.	Polakweg 7, 2288 GG Rijswijk, Netherlands	Holding company
Netherlands	Liones Group B.V.	Polakweg 7, 2288 GG Rijswijk, Netherlands	Content authoring
Netherlands	Liones B.V.	Polakweg 7, 2288 GG Rijswijk, Netherlands	Content authoring
Netherlands	Fonto Group B.V.	Polakweg 7, 2288 GG Rijswijk, Netherlands	Content authoring
Poland	SDL Poland Sp. z o.o.	ul.Fordonska 246, 85 766 Bydgoszcz, Poland	Localisation services
Portugal	SDL Portugal Unipessoal LDA	Rua Santo António Contumil, nº 130, Porto, Portugal	Localisation services
Romania	SDL Language Weaver srl	Scala Office Building, 34 Someșului Street, Cluj-Napoca, Cluj County, Romania	Localisation services
Russia	LLC SDL Rus	Zanevsky prospect 71, building 2, letter A, office 1301, 195112, St. Petersburg, Russia	Localisation services
Singapore	SDL Multi-Lingual Solutions (Singapore) PTE Ltd *	600 North Bridge Road, #23-01 Parkview Square, Singapore 188778	Localisation and technology services
Slovenia	SDL d.o.o Ljubljana	Dunajska cesta 167, 1000 Ljubljana, Slovenia	Localisation services
South Africa	STComms Language Specialists Proprietary Limited *1	Unit E8 Westlake Business Square, 1 Westlake Drive, Westlake, Western Cape, 7985, South Africa	Localisation services
Spain	Software Development Language Solutions Hispania, SL	Claudio Coello, 37, 28001 Madrid, Spain	Localisation services
Sweden	SDL Sweden AB *	C/O BDO Mälardalen AB, Skatt, Box 6343, 102 35 Stockholm, Sweden	Localisation services

Jurisdiction	Subsidiary undertakings	Registered address	Nature of business
Sweden	SDL Tridion AB	C/O BDO Mälardalen AB, Skatt, Box 6343, 102 35 Stockholm, Sweden	Technology services
Switzerland	RWS Life Sciences International SA	Avenue Mon-Repos 14 1005 Lausanne Switzerland	Translation and linguistic validation
Türkiye	SDL ÇEVİRİ HİZMETLERİ LİMİTED ŞİRKET	Barbaros Mah. Kardelen Sk. Palladium Tower Blok No: 2 İç Kapı No: 41 Ataşehir, Istanbul, Türkiye	Localisation services
UK	Corporate Translations Inc (UK) Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Translation and linguistic validation
UK	RWS Language Solutions Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Technical and legal translations
UK	RWS Group Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Holding company
UK	RWS Information Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	IP searches
UK	RWS (Overseas) Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Holding company
UK	RWS Translations Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Patent translation and filing
UK	RWS UK Holding Co. Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Holding company
UK	SDL Limited *	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Localisation & technology services
UK	SDL Sheffield Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Localisation & technology services
UK	SDL Global Holdings Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Holding company
UK	SDL Tridion Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Localisation services
UK	XyEnterprise Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Technology services
UK	SDL Nominees Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Dormant
UK	Automated Language Processing Services Ltd	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Holding company
UK	Interlingua Group Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Dormant
UK	Alterian Holdings Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Dormant
UK	Alterian Technology Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Holding company
UK	SDL (Newbury) Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Technology services
UK	Intrepid Consultants Limited	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB, UK	Holding company
UK	RWS Global Holdings Limited	Europa House, Chiltern Park Chiltern Hill, Chalfont St Peter SL9 9FG England	Holding company
Ukraine	LLC SDL Ukraine	Business center SP Hall, Office 604, 28 A (letter G), Stepana Bandery avenue Kiev, Ukraine	Localisation services
USA	RWS Information US LLC	426 Industrial Avenue Suite 150, Williston VT 5495 USA	IP information searches
USA	Corporate Translations Inc	101 East River Drive East Hartford,Connecticut CT 06108 USA	Translation and linguistic validation
USA	Inovia LLC	251 Little Falls Drive, City of Wilmington, County of Newcastle , Delaware, USA 19808	Patent translations

Notes to the Parent Company Financial Statements (continued)

Jurisdiction	Subsidiary undertakings	Registered address	Nature of business
USA	RWS US Holding Co. Inc.	251 Little Falls Drive, City of Wilmington, County of Newcastle , Delaware, USA 19808	Holding company
USA	Lawyers' and Merchants' Translation Bureau Inc.	11 Broadway Ste 466 New York NY 10004 USA	Technical and legal translations
USA	LUZ, Inc.	555 Montgomery Street Suite 720 San Francisco CA 94111 USA	Translation and linguistic validation
USA	Moravia US Holding Company, Inc.	Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808 USA	Holding company
USA	Moravia US Intermediate Holding Company, LLC	Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808 USA	Holding company
USA	Moravia IT, LLC	223 E Thousand Oaks Blvd, Suite 202, Thousand Oaks CA 91360 USA	Localisation services
USA	Webdunia Technologies Inc.	515 Plainfield Avenue Suite 102, Edison, NJ - 08817, USA	Localisation and technology services
USA	SDL Inc *	201 Edgewater Drive, Suite 225, Wakefield, MA 01880-1296 USA	Localisation and technology services
USA	SDL XyEnterprise LLC	201 Edgewater Drive, Suite 225, Wakefield, MA 01880-1296 USA	Technology services
USA	SDL Government Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 USA	Technology services
USA	Alterian Holdings Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 USA	Holding company
USA	RWS Life Sciences Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 USA	Translation and linguistic validation
USA	Propylon Inc.	Registered Agent Solutions, Inc, 9 E. LOOCKERMAN STREET SUITE 311, DOVER, Kent, DE, 19901, United States of America	Content authoring
Vietnam	SDL Vietnam Limited	REE Tower, No. 9 Doan Van Bo Street, ward 12 district 4, Ho Chi Minh city, Vietnam	Localisation services

* Moravia IT s.r.o. also has branches operating in Argentina, Ireland, Japan, Poland and the United Kingdom. SDL Limited also has branches operating in Lebanon, Germany and Taiwan. SDL Inc also has branches in Korea and Thailand. SDL Multi-Lingual Solutions (Singapore) PTE Ltd also has a branch operating in Malaysia. SDL Sweden AB also has branches operating in Denmark, Finland and Norway.

*[1] Entities acquired in FY24.

On 30 January 2024 RWS Holdings plc entered into a share purchase agreement, relating to the sale of the entire issued share capital of RWS Group Limited and SDL Limited to RWS Global Holdings Limited, for group reorganisation purposes. This has resulted in a change in immediate parent undertaking of RWS Group Limited and SDL Limited from RWS Holdings plc to RWS Global Holdings Limited. RWS Holdings plc is now the immediate parent undertaking of RWS Global Holdings Limited.

All subsidiary undertakings, except RWS Global Holdings Limited, are held indirectly.

All subsidiary undertakings are 100% owned.

8. DEBTORS

	2024 £m	2023 £m
Amounts owed by Group undertakings	**373.7**	308.7
Other debtors	**-**	0.3
Prepayments	**0.2**	0.5
Amounts due within one year	**373.9**	**309.5**

Included within amounts owed by Group undertakings is an amount of £nil (2023 £13.2m) that is due after more than one year. Included in Amounts owed by Group undertakings is £273.1m (2023 233.4m), representing loans with subsidiary undertakings which are unsecured, interest bearing and repayable on demand. The interest on these loans is charged at a rate of 1.55% above the Bank of England Base rate. All other amounts owed by Group undertakings are unsecured, interest free and repayable on demand. An Expected Credit Loss (ECL) is recognised against amounts owed, only when it is considered to be material and there is evidence that the credit worthiness of a counterparty may render the balances irrecoverable. Management have considered the balances owed by Group undertakings and concluded any ECL to be immaterial.

9. LOANS

	2024 £m	2023 £m
Loans due in more than one year	**74.4**	**52.6**

On 3 August 2022, the Group entered into an Amendment and Restatement Agreement ("ARA") with its banking syndicate which amended its existing US$120m RCF maturing on 10 February 2024, to a US$220m RCF Facility maturing on 3 August 2026 with an option to extend maturity to 3 August 2027. During the year ended 30 September 2024, the Group exercised this option to extend maturity and a final extended maturity date of 6 August 2027 was agreed.

Under the terms of the ARA, the Group's interest margin over the Secured Overnight Financing Rate ("SOFR") reference interest rate ranges from 95bps to 195bps and is dependent on the Group's net leverage. Commitment fees are payable on all committed, undrawn funds at 35% of the applicable interest margin. The ARA also contains a US$100m uncommitted accordion facility.

On 3 August 2024, the Group exercised its option to extend the maturity of its US$220m Revolving Credit Facility by one year, moving the loan's maturity date from August 6, 2026, to August 6, 2027. The terms of the facility, including the interest rate, remained unchanged. This extension did not qualify as a significant loan modification under IFRS 9.

All transaction costs incurred in amending and re-stating the RCF have been capitalised and are being amortised over the extended maturity period of the facility on a straight-line basis. Currently all Group borrowings under the RCF are denominated in Sterling.

10. TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Amounts owed to Group undertakings	**11.9**	5.4
Other taxes and social security costs	**0.1**	0.1
Other payables	**(0.3)**	0.1
Accruals	**0.9**	1.5
Corporation Tax Payable	**1.6**	-
Total other creditors	**14.2**	7.1
Trade creditors	**0.8**	0.1
Amounts due within one year	**15.0**	**7.2**

Included in amounts owed to Group undertakings is a £7.3m loan drawndown, from an available $50.0m facility agreement. Interest is charged at a rate of 1.55% per annum above the Federal Reserve System. The loan is repayable on demand.

Remaining amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. SHARE CAPITAL, RESERVES AND SHARE-BASED PAYMENTS

Details of the share capital of the Parent Company can be found in Note 21 of the Group's financial statements.

Details of the dividend payments within the year can be found in Note 10 of the Group's financial statements.

During 2024, the total share-based payment charge amounted to £2.9m (2023: £1.8m). The Company has taken the exemption available under FRS101 available in respect of disclosures relating to IFRS 2 Share-based payments in respect of Group settled payments. For details of the Group's share-based payment transactions, see Note 22 of the Group Financial Statements. Most share-based payments are equity settled by the Parent Company.

Included within retained earnings are £184.6m relating to gain recognised on a cash-box structure utilised as part of the Moravia acquisition. These amounts are not currently distributable.

12. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

In respect of overdraft facilities, the Parent 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 amounted to £Nil (2023: £Nil).

The Group's RCF, to which the Parent Company is a borrower, is secured by guarantees provided by the material subsidiaries of the Parent Company's subsidiary undertakings.

13. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events.

ALTERNATIVE PERFORMANCE MEASURES

RWS uses adjusted results as a key performance indicator, as the Directors believe that these provide a more consistent measure of the Group's operating performance. Adjusted profit is therefore stated before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items. The table below reconciles the statutory profit before tax to the adjusted profit before tax.

Reconciliation of statutory profit before tax to adjusted profit before tax:	2024 £m	2023 £m
Statutory (loss)/profit before tax	**60.0**	(10.9)
Amortisation of acquired intangibles	**40.8**	38.8
Impairment losses (Note 12,13,14)	**22.2**	62.4
Acquisition costs	**7.2**	5.1
Share-based payment expense	**2.9**	1.8
Profit on sale of PatBase	**(30.0)**	-
Exceptional items (Note 6)	**3.4**	22.6
Exceptional finance costs (Note 8)	**0.2**	0.3
Adjusted profit before tax	**106.7**	**120.1**

Reconciliation of adjusted operating profit to statutory operating profit:	2024 £m	2023 £m
Adjusted operating profit	**112.3**	123.8
Amortisation of acquired intangibles	**(40.8)**	(38.8)
Impairment losses (Note 12)	**(22.2)**	(62.4)
Acquisition costs	**(7.2)**	(5.1)
Share-based payment expense	**(2.9)**	(1.8)
Exceptional items (Note 6)	**26.6**	(22.6)
Statutory operating (loss)/ profit	**65.8**	**(6.9)**

Cash conversion:	2024 £m	2023 £m
Adjusted profit before tax	**106.7**	120.1
Adjusted tax charge	**(26.6)**	(29.6)
Adjusted net income	**80.1**	**90.5**
Net cash inflow from operating activities	**75.3**	107.5
Exceptional cash flows	**21.6**	13.7
Purchase of PPE	**(2.6)**	(3.8)
Purchase of intangibles	**(40.5)**	(36.5)
Net interest	**(3.7)**	(2.0)
Lease liability payments	**(9.5)**	(11.9)
Free cash flow	**40.6**	**67.0**
Cash conversion	**51%**	**74%**

Organic Revenue

Organic revenue is calculated by adjusting the prior year's revenues. This involves adding the revenues from acquisitions during the corresponding ownership period and subtracting the revenues from disposal during the same period such that prior year results are prepared on a common basis with the current year.

	2022 Organic revenue[1]	2023 Organic revenue growth/(loss)	2023 Organic revenue	2024 Organic revenue growth/(loss)	2024 Organic revenue	2024 Organic revenue growth/(loss) %
IP Services	104.8	(2.6)	102.2	**0.1**	**102.3**	**0%**
Regulated Industries	173.0	(10.5)	162.5	**(16.0)**	**146.5**	**(10%)**
Language Services	342.1	(12.3)	329.8	**(2.7)**	**327.1**	**(1%)**
Language & Content Technology	139.2	7.8	147.0	**(4.7)**	**142.3**	**(3%)**
Total	**759.1**	**(17.5)**	**741.5**	**(23.3)**	**718.2**	**(3%)**

[1] Includes Liones Holdings B.V. and Propylon Holdings Ltd's pre-acquisition operating results and PatBase pre-divestment operating results

Organic revenue at constant exchange rates

Organic revenue at constant exchange rates is calculated by adjusting the prior year's revenues. This involves adding the revenues from acquisitions during the corresponding ownership period and subtracting the revenues from disposal during the same period such that prior year results are prepared on a common basis with the current year, and applying the 2024 foreign exchange rates to both years.

	2023 Revenue at FY24 rates	2023 Pre-acq revenue at FY23 rates[1]	2023 Organic revenue at constant exchange rates	2024 Revenue growth	2024 Organic revenue	Organic constant currency revenue growth
IP Services	101.6	(2.6)	99.0	**3.3**	**102.3**	**3%**
Regulated Industries	157.2	-	157.2	**(10.7)**	**146.5**	**(7%)**
Language Services	319.0	-	319.0	**8.1**	**327.1**	**3%**
Language & Content Technology	132.9	10.4	143.3	**(1.0)**	**142.3**	**(1%)**
Total	**710.8**	**7.7**	**718.5**	**(0.3)**	**718.2**	**0%**

[1] Includes Liones Holdings B.V. and Propylon Holdings Ltd's pre-acquisition operating results and PatBase pre-divestment operating results

Adjusted operating Profit

Adjusted operating profit is calculated by adjusting operating profit for the impact of exceptional items, amortisation acquired intangibles, impairments of other assets considered material and one off in nature, and share based payments. This is further analysed in Note 4 and labelled as 'Operating profit/(loss) before charging:'.

Glossary

Adjusted earnings per share or Adjusted EPS – is stated before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items, net of associated tax effects.

Adjusted net income – is calculated as profit for the year adjusted for amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items.

Adjusted operating cash flow – is operating cash flow excluding the impact of acquisition costs and exceptional items.

Adjusted operating profit – is operating profit before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items. The Group uses share-based payments as part of remuneration to align the interests of senior management and employees with shareholders. These are non-cash charges and the charge is based on the Group's share price which can change. These costs are therefore added back to assist with the understanding of the underlying trading performance.

Adjusted profit before tax or Adjusted PBT – is stated before amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items.

Amortisation of acquired intangibles – is the value of amortisation recognised on intangibles that were acquired as part of business combinations, net of the amortisation on those intangibles charged by the underlying business. This is reconciled to total amortisation as part of Note 13 in the financial statements.

Free cash flow – is the net cash inflow from operating activities before exceptional cash flows, less purchases of fixed assets, net interest paid and lease liabilities.

Cash conversion – is the free cash flow before exceptional cash flows, divided by adjusted net income.

Constant currency – constant currency measures apply consistent rates for foreign exchange to remove the impact of currency movements in financial performance.

EBITDA – is defined as the Group's profit before interest, tax, depreciation and amortisation.

Net debt – net debt is calculated by taking the Group's cash balance less any amounts under loans, borrowings and lease liabilities. The Group presents net debt both including and excluding the impact of lease liabilities as part of Note 16.

Organic – organic measures include pre-acquisition results of acquired businesses and exclude revenues from disposals during the same period such that prior year results are prepared on a common basis with the current year.

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