

HARVEY NASH GROUP PLC

("Harvey Nash" or "the Group")

Harvey Nash, the international executive recruitment and IT outsourcing group, announces strong results and an increased dividend for the year ended 31 January 2009.

Financial Highlights

	2009	2008	Change
Revenue	£420.1m	£318.6m	↑ 32%
Gross Profit	£69.2m	£58.5m	↑ 18%
Operating Profit	£10.4m	£8.5m	↑ 22%
Profit Before Tax	£9.5m	£7.6m	↑ 25%
Profit After Tax	£6.9m	£5.4m	↑ 28%
Basic Earnings Per Share	9.00p	7.54p	↑ 19%
Operating cash flow	£11.4m	£9.5m	↑20%
Net Cash	£4.5m	£4.2m	↑£0.3m
Final dividend	1.2p	1.1p	↑9%
Full year dividend	2.0p	1.8p	↑11%

Operational Highlights

- Robust revenue growth in the UK, up 12% achieved through leveraging portfolio of services
- Revenue in Europe up 44% with a strong performance in Scandinavia
- Excellent revenue growth in the US, up 20% despite challenging market conditions
- €54m new outsourcing contract win as strategic partner to Alcatel-Lucent
- All recent acquisitions on track

Commenting on the results, the Chief Executive Officer, Albert Ellis, said:

"Our strategy of focusing on annuity revenue streams has put the Group in a strong position at a time of uncertain market conditions. The excellent financial results for the year were the result of increased market share combined with a prudent approach to managing the business.

We are successfully capitalising on our competitive advantages and will continue to leverage our unique portfolio of services across our Fortune 1000 client base.

The economic environment in the current year will be challenging and we have already undertaken a prudent review of our expectations for the current year. The Board is confident however, that the Group's market leading businesses will continue to benefit from a flight to quality and growing demand for offshore and outsourcing services."

ENQUIRIES:

Harvey Nash

Tel: 020 7333 2635

Albert Ellis, Chief Executive Officer

Richard Ashcroft, Group Finance Director

College Hill

Tel: 020 7457 2020

Mark Garraway, Gareth David

A presentation for analysts will take place at 09:30 this morning at the offices of College Hill, The Registry, Royal Mint Court, London, EC3

CHAIRMAN'S STATEMENT

The Group has performed exceptionally well despite the challenging global economic environment and we are pleased with the strong growth achieved in the year to 31 January 2009.

Excellent profit growth has been reported in Europe and the USA, where a combination of new contract wins and the full year impact of recent earnings enhancing acquisitions have underpinned growth.

The prevailing economic climate has driven clients to reduce costs and this has benefited the Group's strategic outsourcing and offshoring business. However, recruitment market conditions have been mixed; demand for senior executive hiring continued throughout the year but requirements for permanent IT professionals declined. Demand for freelancers has been stable, although deflationary trends have impacted pay rates and margins.

All of the Group's recent acquisitions achieved their first full year targets. We are satisfied with the progress of integration to date and the cross selling synergies that have been generated. We believe that our successful track record will attract further interest from management teams who in the current environment wish to join a strong international group with a robust balance sheet and renowned brand.

Productivity increased during the year by 14% and this enabled the Group to achieve 32% growth in revenue, including the new outsourcing contract win with Alactel-Lucent, while reducing headcount which at the end of January 2009 was below the level of the previous year. We enter the current year in good shape to meet the challenges of the market and take advantage of the opportunities that arise.

Financial Results

Revenue for the year ended 31 January 2009 increased by 32% to £420.1m (2008: £318.6m). Gross profit was £69.2m (2008: £58.5m) with profit before tax increasing 25% to £9.5m (2008: £7.6m). Basic earnings per share increased 19% to 9.00p (2008: 7.54p).

Strong trading cash inflow of £11.4m facilitated the settlement of all material deferred consideration payable during the year and still resulted in an increased net cash position of £4.5m, up 7% on the previous year.

Dividend

Following another year of strong growth in earnings and cash generation and with the Board confident of the Group's prospects, the Board is recommending a 9% increase in the final dividend for the year to 1.2p (2008: 1.1p) which will be paid on 17 July 2009 to shareholders on the register as at 3 July. If passed, this will take the total payout for the year to 2.0p (2008: 1.8p), an increase of 11%.

Strategy

The Group's key asset is its unique portfolio of services which caters for all stages of the economic cycle. This competitive advantage is a major factor in developing long term boardroom relationships with our clients, winning new contracts and attracting suitable acquisitions into the Group.

A substantial proportion of revenue comes from successfully cross-selling other services into our blue-chip client base. Almost all our significant outsourcing clients have been introduced to our offshoring service in Vietnam via existing relationships in other parts of the business.

We have focused on growing our Fortune 1000 client base whilst endeavouring to ensure that no individual client represented more than 5% of the Group's gross profit. Global companies are generally more consistent purchasers of recruitment and outsourcing services and the Group's strategy is to increasingly invest in our client relationships with a view to maintaining high levels of repeat business going forward.

The current global slowdown appears to have affected all sectors of the economy and no market has been immune. The Group's strategy to diversify the client base has resulted in increased resilience as the energy, utility and public sectors have been relatively less affected than the financial services market. In the UK, the fastest growth market has been public sector executive recruitment, in which we have established a leading position over the last four years.

Clients increasingly want to be associated with strong quality brands. In the UK and mainland Europe, our brand is recognised as a market leader by clients and candidates and, as the economic uncertainty increases, so does the benefit of this advantage. In Scandinavia, Harvey Nash Alumni is the largest executive recruitment and leadership business in the region. In Vietnam, we are working at the highest levels of government to assist in the development of the country's technology expertise and leverage its value across the world and we are now one of the largest and most widely recognised foreign investors in the Vietnamese service economy.

With our offshore and business process outsourcing offering in Vietnam we are able to align our interests with clients wishing to rapidly reduce development and processing costs. The gross profit attributable to contractor, offshore and business process outsourcing is longer term in nature with increased visibility and comprised 62% of the total gross profit during the year, supporting the trend towards increased quality of earnings.

Looking forward, the Group's ongoing strategy will continue to be based on the successful formula of combining a strong organic growth model with bolt-on earnings enhancing acquisitions in new markets.

Board and Employees

On behalf of the Board, I would like to thank all of the Group's talented employees and associates who have demonstrated excellence in delivery to our clients throughout the year. In a period of rising unemployment our people will have extra demands made on them to advise and support candidates in a difficult market. We know they will do this with sensitivity and professionalism and this is much appreciated by the Board.

Deputy Chairman and non executive Director, David Higgins stepped down from the Board on 27 March 2009, following his decision to retire from public life and focus on his interests outside the Group. On behalf of the Group and the Board of Harvey Nash, we all wish him well in his plans for the future.

Prospects and Outlook

Our strategy of focusing on annuity revenue streams has put the Group in a strong position at a time of uncertain market conditions. The excellent financial results for the year were the result of increased market share combined with a prudent approach to managing the business.

We are successfully capitalising on our competitive advantages and will continue to leverage our unique portfolio of services across our Fortune 1000 client base.

The economic environment in the current year will be challenging and we have already undertaken a prudent review of our expectations for the current year. The Board is confident however, that the Group's market leading businesses will continue to benefit from a flight to quality and growing demand for offshore and outsourcing services."

Ian Kirkpatrick
Chairman

OPERATIONAL REVIEW

United Kingdom and Ireland

Revenue in the UK and Ireland has increased by 12% to £118.3m (2008: £105.8m) and operating profit increased by 4% to £4.9m (2008: £4.7m). Included in these results are revenues of £2.6m (2008:£0.5m) attributable to subsidiaries of UK clients based in Asia.

Demand for strategic executive recruitment and interim management in support of change programmes (widely implemented by many of our clients) was strong for most of the year. Demand was most consistent from the public sector where Harvey Nash is now a significant supplier at the senior levels.

Demand from the professional, online retail, infrastructure, business services and retail banking sectors was fairly buoyant. Technology recruitment had a strong year with demand for freelance IT professionals continuing to hold up reasonably well. The opening of a second location in the north of England (Leeds) and in Scotland (Edinburgh) ensures that the Group is well placed to capitalise on its market share gains.

Offshore services in the UK were affected by market consolidation and a number of financial services clients reducing or terminating their technology development but still ended the year up 8% on 2008.

Gross margins improved as a result of the growth of business process outsourcing.

Mainland Europe

Revenue in mainland Europe increased by 44% to £273.2m (2008: £189.1m), and operating profit increased by 41% to £4.3m (2008: £3.0m).

Demand for specialist recruitment in Europe has been strong throughout the year.

In Switzerland, where financial services is one of the main engines of growth for the economy, revenue increased by 4% despite the well publicised difficulties in the banking sector. We are encouraged by the pipeline of new requirements from the financial sector in the first quarter of this year where the smaller banks are growing and the more well-known banking names are rebuilding their management teams. The business increased revenues significantly in the first quarter of 2009 compared to the same period last year.

In Germany, a new outsourcing contract with strategic partner Alcatel-Lucent increased total revenue by 43% compared to the previous year. This resulted in an additional office being added in Nuremberg. A new subsidiary company, Nash Technologies, was incorporated as a centre of excellence providing wireless technology maintenance, research and development services. Revenue generated under the contract is expected to be approximately €54 million over an initial fixed term from 1st October 2008 to 31 December 2010 and there is incremental work in the pipeline for 2009. The Group is leveraging its Vietnam skills base where a research and testing laboratory facility is being established to partner with the team in Nuremberg. Currently, Nash Technologies develops and maintains a majority of AT&T's UMTS wireless network in the US and recently was the first private business to be granted a 4G licence in Europe's largest economy.

In Belgium, Harvey Nash's market leading technology recruitment business reported revenue growth of 40%, mainly as a result of increasing its market share and winning new contracts in the manufacturing, pharmaceutical and technology outsourcing sectors.

The Netherlands also reported a record year with revenue up 48% as the success of its HR outsourcing offering combined with increased demand for IT freelancers continued. The Group was active in supporting the integration and talent resourcing challenges in the insurance and telecom sectors, with KPN continuing to be a major client there.

Strong revenue growth of 47% in France was largely as a result of the broadening of our well established executive search service into the technology market.

In Scandinavia the Group's Alumni acquisition saw further growth. The new office in Copenhagen and new mid-market recruitment services under the Harvey Nash brand contributed to an overall 64% increase in revenue in the region. In December 2008 the Alumni brand was launched in Central and Eastern Europe, with the opening of a new office in Warsaw. Poland achieved its objectives in the final quarter, demonstrating the Group's commitment to a prudent organic growth strategy in new markets. Poland is one of the few economies expected to grow this year and provides the Group with a valuable strategic gateway to Eastern Europe.

United States

Revenue in the USA was 20% higher at £28.6m (2008: £23.7m), and operating profit increased 58% to £1.3m (2008: £0.8m). We are very pleased with this excellent result in challenging market conditions. The US was the first market to show signs of slowdown in 2007 and we acted quickly to adapt our strategy to capitalise on our position in this market.

During 2009 the East Coast and Chicago IT recruitment markets were impacted quite significantly by the issues in the global banking sector and demand for IT professionals has been limited to flexible freelancing. There has been some impact on the West Coast with large technology clients announcing some reductions in staff but overall, demand has been more robust.

Executive recruitment has been surprisingly strong with revenue similar to the previous year. Our approach has been to contain expansion, adopt a niche positioning and leverage the Group's leading European brand and capability into the US market.

Our success in the US has been the result of our focus on the strategic IT consulting and offshore services during the challenging market conditions all through 2008. This division grew substantially over the year on a like-for-like basis.

Summary

The Group's key strategic advantages, its strong balance sheet and unique portfolio of services continue to yield benefits even in more challenging market conditions. Based on the excellent organic performances in the UK and Europe, the success of the recent acquisitions and the new outsourcing contract wins, the Group was able to achieve its expectations for full year profits during the year.

Our success to date confirms the Boards belief that the current strategy of following on organic growth, supplemented by bolt-on acquisitions which meet strict criteria, will underpin the Group's continued development.

Given the current difficult market conditions, we are reasonably satisfied with the way the current year has started and we have confidence that the resilience of our strategy and prudent management approach will continue to benefit the Group in the year ahead.

Albert Ellis
Chief Executive Officer

Financial Review

Profit and Loss

Revenue increased by 32% to £420.1m for the year ended 31 January 2009 (2008: £318.6m). Growth was achieved in every geographical region with mainland Europe growing particularly strongly. Gross profit also increased during the year in every geographical region, up by 18% to £69.2m (2008: £58.5m). Operating profit grew 22% to £10.4m (2008: £8.5m) with tight control of the cost base. Net interest payable fell by 8% to £0.8m and profit before tax rose by 25% to £9.5 million.

Taxation

The tax charge for the year was £2.6m (2008: £2.2m), giving an overall effective rate of tax of 27.5% (2008: 29.3%). The overall effective rate of tax is a function of the mix of profits between the various countries in which the group operates. The group benefited from the reduction in the UK rate of corporation tax in April last year from 30% to 28%. The deferred tax asset of £1.6m represents unrelieved tax losses of £0.7m and short term timing differences of £0.9m.

Minority interest

The minority interest represents the minority share of profit after tax of TechDiscovery LLC, acquired in November 2007.

Earnings per Share

Basic earnings per share rose by 19% to 9.00p (2008: 7.54p). Fully diluted earnings per share rose by 22% to 8.92p (2008: 7.33p).

Balance Sheet

The net book value of tangible fixed assets rose during the year as a result of capital expenditure of £1.2m, of which £0.7m was incurred by Nash Technologies in Germany, a new subsidiary company incorporated to run a new outsourcing contract with strategic partner Alcatel-Lucent.

The Group had a strong operating cash flow during the year which enabled settlement of all the deferred consideration on acquisitions made before the start of the year. The Group ended the year with a positive net cash position of £4.5m (2008: £4.2m).

The value of intangible assets rose during the year by £5.9m mainly as a result of exchange retranslation.

Trade and other receivables have increased by £33.4m as a result of increased trading, particularly in Europe. The increase of £31.0m in trade and other payables was also the result of increased trading.

Contingent consideration of £0.05m represents amounts payable in cash for the acquisition in December of Fila & Myszel Associates in Poland.

Cash Flow

There was a trading cash inflow in the year of £11.4m (2008: £9.5m) generated from operating activities before working capital movements. A net increase in working capital of £1.9m resulted in a total of £9.5m being generated from operating activities. Tax paid in the year was £2.2m (2008: £2.3m).

Contingent consideration of £4.9m (out of a total of £5.2m) was paid in cash during the year and represented the settlement of all contingent consideration expected to be payable in cash on acquisitions made in prior years. Capital expenditure in the year excluding non cash capital items acquired in relation to Nash Technologies was £0.5m (2008: £0.6m) of which the majority was spent on technology to support the Group's systems.

Dividends paid during the year amounted to £1.4m and net interest payable was £0.8m (2008: £0.9m). During the year, the Group implemented a system of pooling its cash resources in parts of Europe to achieve greater interest savings going forward.

Banking Facilities

The Group benefits from substantial headroom in relation to its overall banking facilities of circa £30.0m. The facilities comprise invoice discounting and overdraft facilities for working capital in the UK of £14.0m and in The Netherlands €18.0m. These facilities were renewed in March 2009 with the notice term of the invoice discounting arrangements extended from 6 months to 1 year. The Group has no term debt following the early repayment of the balance of its term loan on 31 January 2008.

Acquisitions

The final tranche of contingent consideration for the acquisition of the business and certain assets of Bluesuit Consulting Inc, the Group's Chicago based business, of £0.33m was paid in cash in February 2008 based on the results for the year ending on 16 December 2007.

Contingent consideration for the acquisition of 100% of the share capital of Alumni AB, an Executive Search and Strategic Leadership Consultancy in Sweden of £0.83m was paid in cash in August 2008 based on the results for the year ending on 30 April 2008.

Contingent consideration for the acquisition of 100% of the share capital of Rescon IT Limited an IT recruitment and solutions business based in Dublin, Ireland of £1.30m in cash and £0.09m in shares was paid in November 2008 based on the results for the year ending 31 July 2008.

Contingent consideration for the acquisition of 100% of the share capital of SilkRoad Systems Limited and its subsidiary, SilkRoad Systems (Vietnam) Limited, a technology and software development company based in Ho Chi Minh City, Vietnam of £0.03m in shares was paid in November 2008 based on the results for the year ended 30 June 2008.

Contingent consideration for the acquisition of 56.6% of the share capital of TechDiscovery LLC, which specialises in business-focused IT solutions based in Atlanta, USA of £2.44m in cash and £0.13m in shares was paid in December 2008 and January 2009 respectively based on the results for the year ended 30 September 2008.

On 18 December 2008, the Group acquired 75% of Fila & Myszel Associates an Executive Search and Strategic Leadership Consultancy company based in Poland. The consideration comprises initial cash consideration of £0.02m and contingent consideration of £0.03m in cash paid in March 2009. The acquisition of the remaining 25% of Fila & Myszel Associates will take place on 1 April 2014 on agreed terms and conditions with settlement in a combination of cash or Harvey Nash shares at the Group's sole discretion and is capped at £0.90m.

Richard Ashcroft
Group Finance Director

Unaudited Consolidated Income Statement

for the year ended 31 January 2009

	2009 £ '000	2008 £ '000
Revenue	420,101	318,637
Cost of sales	(350,950)	(260,153)
Gross profit	69,151	58,484
Total administrative expenses	(58,794)	(49,972)
Operating profit	10,357	8,512
Finance income	117	893
Finance costs	(943)	(1,787)
Profit before tax	9,531	7,618
Income tax expense	(2,621)	(2,231)
Profit for the year	6,910	5,387
Attributable to:		
Equity holders of the company	6,524	5,305
Minority interest	386	82
	6,910	5,387

Earnings per share for profit attributable to the equity holders of the company during the year

- Basic earnings per share	9.00p	7.54p
- Diluted earnings per share	8.92p	7.33p

Unaudited Consolidated Statement of Recognised Income and Expense

for the year ended 31 January 2009

	2009 £ '000	2008 £ '000
Profit for the year	6,910	5,387
Foreign currency translation differences	6,811	1,652
Total recognised income for the year	13,721	7,039
Attributable to:		
Equity holders of the company	13,335	6,952
Minority interest	386	87
	13,721	7,039

Unaudited Consolidated Balance Sheet
as at 31 January 2009

	2009 £ '000	2008 £ '000
ASSETS		
Non-current assets		
Property, plant and equipment	2,256	1,662
Intangible assets	47,758	41,825
Deferred income tax assets	1,648	1,269
	51,662	44,756
Current assets		
Cash	4,458	4,184
Trade and other receivables	103,987	70,551
	160,107	119,491
LIABILITIES		
Non-current liabilities		
Contingent consideration	(21)	(689)
Deferred income tax liabilities	(305)	(132)
	(326)	(821)
Current liabilities		
Trade and other payables	(97,488)	(66,492)
Current income tax liabilities	(2,862)	(1,850)
Contingent consideration	(31)	(2,112)
	(100,381)	(70,454)
	(100,707)	(71,275)
Total liabilities	(100,707)	(71,275)
Net assets	59,400	48,216
EQUITY		
Capital and reserves attributable to equity shareholders		
Ordinary shares	3,669	3,622
Share premium	8,412	8,208
Shares to be issued	86	1,643
Fair value and other reserves	15,079	15,079
Own shares held	(120)	(148)
Cumulative translation reserve	7,579	767
Retained earnings	24,107	18,963
	58,812	48,134
Minority interest in equity	588	82
Total equity	59,400	48,216

Unaudited Consolidated Cash Flow Statement

for the year ended 31 January 2009

	2009	2008
	£ '000	£ '000
Profit before tax	9,531	7,618
Adjustments for:		
- depreciation	791	751
- amortisation	79	-
- finance income	(117)	(893)
- finance costs	943	1,787
- share based employee settlement and share option charge	173	210
Operating cash flows before changes in working capital	11,400	9,473
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)		
- increase in trade and other receivables	(19,919)	(21,467)
- increase in trade and other payables	18,007	29,176
- decrease in provisions for liabilities and charges	-	(328)
Cash flows from operating activities	9,488	16,854
Income tax paid	(2,207)	(2,275)
Net cash generated from operating activities	7,281	14,579
Cash flows from investing activities		
Purchases of property, plant and equipment	(445)	(574)
Cash acquired with acquisitions	11	1,278
Purchase of subsidiary undertakings	(4,923)	(6,514)
Interest received	117	893
Net cash absorbed from investing activities	(5,240)	(4,917)
Cash flows from financing activities		
Repayment of borrowings	-	(1,982)
Proceeds from issue of ordinary shares	-	60
Dividends paid to group shareholders	(1,369)	(1,228)
Interest paid	(943)	(1,787)
Net cash used in financing activities	(2,312)	(4,937)
(Decrease) / Increase in cash and cash equivalents	(271)	4,725
Cash and cash equivalents at the beginning of the year	4,184	(784)
Exchange gains on cash and cash equivalents	545	243
Cash and cash equivalents at the end of the year	4,458	4,184

1. General Information

Harvey Nash Group plc ('the Company') and its subsidiaries (together 'the Group') is a leading provider of specialist recruitment and outsourcing solutions. The Group has offices in the UK, Europe, United States and Vietnam.

The Company is a public listed company incorporated in the UK. Its registered address is 13 Bruton Street, London W1J 6QA and its listing is on the London Stock Exchange.

2. Accounting Policies

The financial information set out in this preliminary announcement has been prepared on the basis of the principal accounting policies set out in the audited financial statements for the year ended 31 January 2008, published on 18 May 2008 and available on our website. The financial information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The 2008 accounts were delivered to the Registrar of Companies and the audit opinion was unqualified and did not contain a statement under either section 237(2) or section 237(3) of the Companies Act 1985. Statutory accounts for the year ended 31 January 2009 will be dispatched to shareholders during June 2008 for approval at the Annual General Meeting to be held on 2 July 2009.

3. Segment Information

The consolidated entity operates in one business segment being that of recruitment and outsourcing services. As a result, no additional business segment information is required to be provided. The Group's secondary segment is geography. The segment results by geography are shown below including revenue by origin. The directors do not consider revenue by origin to be materially different from revenue by destination.

	Revenue		Segment assets		Capital expenditure	
	2009	2008	2009	2008	2009	2008
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
United Kingdom & Ireland	115,750	105,268	37,459	41,666	305	380
Germany	40,961	28,725	19,354	6,384	550	3
Netherlands	185,551	125,425	57,824	38,132	36	16
Rest of Europe	46,659	34,927	23,913	19,141	14	25
United States	28,583	23,744	18,503	12,440	76	48
Asia Pacific	2,597	548	1,406	459	197	102
Total	420,101	318,637	158,459	118,222	1,178	574

4. Earnings Per Share

	2009	2008
Profit attributable to shareholders £'000	6,524	5,305
Weighted average number of shares	72,471,450	70,339,958
Basic earnings per share	9.00p	7.54p

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held in the employee share trust, which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two categories of potential ordinary shares: those share options granted to employees where the exercise price is less than the average price of the Company's ordinary shares during the year, and deferred consideration shares to be issued.

	2009	2008
Profit attributable to shareholders £'000	6,524	5,305
Weighted average number of shares	72,471,450	70,339,958
Effect of dilutive securities	646,657	2,064,640
Adjusted weighted average number of shares	73,118,107	72,404,599
Diluted earnings per share	8.92p	7.33p

5. Income tax expense

	2009 £ '000	2008 £ '000
Corporation tax on profits in the year - UK	15	530
Corporation tax on profits in the year - overseas	2,839	1,932
Adjustments in respect of prior years	119	(9)
Total current tax	2,973	2,453
Deferred tax	(352)	(222)
Total tax charge	2,621	2,231

6. Analysis of Changes in Net Debt

	1 February 2008 £ '000	Cash flow £ '000	Foreign exchange movements £ '000	31 January 2009 £ '000
Cash and cash equivalents	4,184	(271)	545	4,458

Cash and cash equivalents includes £0.3m rental deposit (2008: £nil). These sums are not readily available for other purposes within the Group.

7. Retained Earnings

	2009 £ '000	2008 £ '000
At 1 February	18,963	15,218
Employee share options and bonus plan	136	(117)
IFRS 2 Deferred Tax charge to equity	(147)	(215)
Profit for the year	6,524	5,305
Dividends paid	(1,369)	(1,228)
At 31 January	24,107	18,963

8. Dividends

The dividends paid in year end January 2009 were £1.4m (2008: £1.2m).

The proposed final dividend of £0.9m (1.2p per share) is subject to approval by shareholders at the Annual General Meeting on 2 July 2009 (2008: 1.1p per share amounting to £0.8m) and has not been included as a liability at 31 January 2009.

	2009 £ '000
Final dividend for year end January 2008 of 1.1p per share	791
Interim dividend for year end January 2009 of 0.8p per share	578
	1,369
Proposed final dividend for year end January 2009 of 1.2p per share	881

9. Shareholders' Funds and Changes in Shareholders' Equity

	Share capital	Share premium	Shares to be issued	Fair value and other reserves	Own shares held	Cumulative translation reserve	Retained earnings	Total equity
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at								
1 February 2008	3,622	8,208	1,643	15,079	(148)	767	18,963	48,134
Employee share option and bonus plan	-	-	-	-	28	1	136	165
IFRS 2 Deferred Tax charge to equity	-	-	-	-	-	-	(147)	(147)
Acquisitions in the period	47	204	(1,745)	-	-	-	-	(1,494)
Profit for the year	-	-	-	-	-	-	6,524	6,524
Dividends paid	-	-	-	-	-	-	(1,369)	(1,369)
Currency translation adjustments	-	-	188	-	-	6,811	-	6,999
31 January 2009	3,669	8,412	86	15,079	(120)	7,579	24,107	58,812