RECORD PLC

CAPITAL REQUIREMENTS DIRECTIVE

PILLAR 3 DISCLOSURE

Background

The 2006 Capital Requirements Directive ('the Directive') of the European Union created a revised regulatory capital framework across Europe based on the provisions of the Basel 2 Capital Accord.

The new framework consists of three 'pillars':

- Pillar 1 sets out the minimum capital requirements that we are required to meet for credit, market and operational risk;
- Pillar 2 requires us, and the FSA, to take a view on whether additional capital should be held against capital risks not covered by Pillar 1; and
- Pillar 3 requires us to publish certain details of our risks, capital and risk management process.

In this document we disclose information in relation to our various risks, unless it has been determined as immaterial or of a proprietary or confidential nature:

- Our risk management objectives and policies;
- Our capital requirements;
- Our compliance with the rules on Pillar 2 requirements; and
- Our financial resources

The disclosures in this document are in respect of Record plc ('Record') in accordance with the BIPRU rules, and are intended to show clearly the risks that are relevant to Record and the steps Record takes to manage that risk. In particular the document discloses how Record has satisfied itself that it has sufficient capital in respect of those risks. Record contains a subsidiary, Record Currency Management Limited, authorised to undertake regulated business under the Financial Services and Markets Act 2000 and regulated by the FSA. This report has been prepared on a consolidated basis for Record plc and all its subsidiaries.

Frequency

This report will be made on an annual basis. The disclosures will be as at the Accounting Reference Date (ARD), i.e. as at 31 March, and will be published within four months of the ARD. Record will aim, however, to make the disclosures shortly after the publication of the Annual Report & Accounts.

Verification

The Pillar 3 disclosures are subject to internal review procedures consistent with those undertaken for unaudited information published in the Annual Report. The information contained in this document has not been audited by Record's external auditors.

The Pillar 3 disclosures have been prepared purely for explaining the basis on which Record has prepared and disclosed certain capital requirements and information about the management of certain risks and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement on Record.

Capital Requirement

Record is a BIPRU Limited Licence 50k firm. As such the Pillar 1 capital resource is the higher of £50k; the fixed overhead requirement and the sum of Credit and Market Risks. The Pillar 1 Capital for Record is the fixed overhead requirement, being £2,715k as at 31 March 2012. The Group consists of seven legal entities and all regulated activities bar the management of a small fund based in Jersey are conducted through Record Currency Management Limited ("RCML"), the Group's FSA regulated subsidiary. Regarding the Record Jersey subsidiary, it delegates the investment management activity of the Jersey fund back to RCML and holds within the Jersey legal entity the required capital per Jersey regulations.

As a Limited Licence firm the Pillar 1 requirements do not take account of the operational risk capital component, however, Pillar 2 additional capital requirements have been identified in order to mitigate against the following risks from happening:

- Errors – the risk that in implementing the investment mandates on behalf of clients, an error occurs which requires compensation and which includes consideration of dealing, portfolio and settlement errors
- Loss of key personnel – Record recognises the importance of attracting and retaining high quality, experienced senior management and has set aside capital to ensure staff can be recruited
- IT systems – risk that system issues requiring timely corrective action
- Mis-selling – the risk that during the sales process misleading information or advice is given

Record generated £6.7m pre tax profits from £20.5m revenue for the year ended 31 March 2012. Given this level of profitability Business risk has been considered as part of the stress testing rather than the Pillar II capital requirement.

Record's overall approach to assessing the adequacy of our internal capital is set out in our Internal Capital Adequacy Assessment Process ("ICAAP"). The ICAAP process involves separate consideration of risks to our capital combined with stress testing using scenario analysis.

In order to determine the level of capital that Record needs in respect of its current risks and those expected over a 3 year cycle, the management has gone through the process of:

- Identifying key risks;
- Quantifying them;
- Considering the mitigations in place;
- Stress testing the relevant key variables of the business in respect of these risks;
- Determining what action would be taken in the possible event that a key risk crystallised;
- Determining what level of capital is appropriate having considered the above.

In particular the stress tests have considered Business risk, principally:

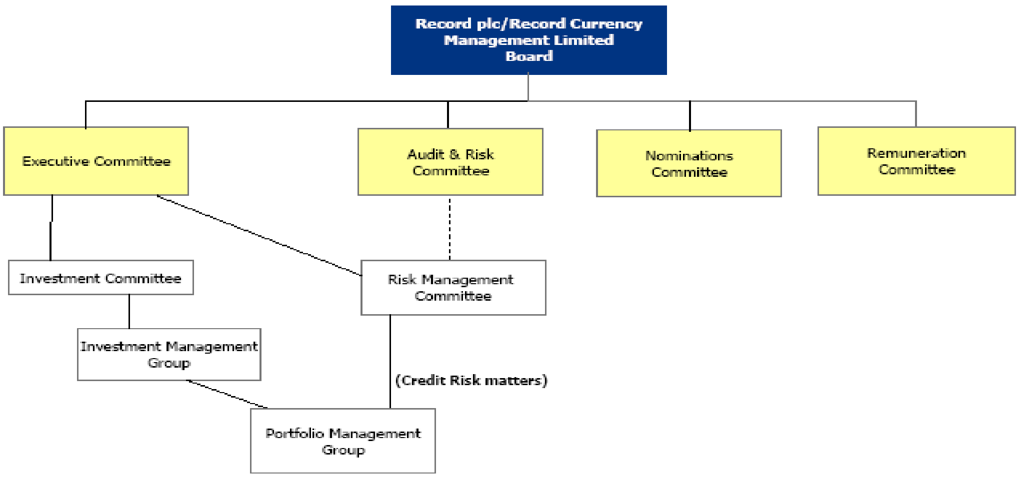
- Decline in performance of products – the risk that poor performance or market conditions lead to falling revenues
- Counterparty risk – the risk that failure of significant market counterparty caused a follow on loss of AUME and mandates
- Loss of some of the largest clients
- A serious failure of trading systems

Record has made its own assessment of the minimum amount of capital that we believe is adequate against the risks identified. While not all material risks can be mitigated by capital the Board has adopted a "Pillar 1 Plus" approach to determine the level of capital the Record needs to hold. Therefore, additional capital is held in excess of Pillar 1 capital.

Risk management objectives and policies

The Board of Record determines its business strategy and risk appetite and is responsible for overseeing the risk management framework. It delegates authority for the daily oversight of this role to the Executive Committee. The Board places a high priority on the risk management culture within the Group. The risks are set out in the risk register and the assessment of those risks are analysed in detail in the ICAAP document which confirms the capital requirements of the firm in light of that analysis.

The corporate governance structure at Record is as follows:



The Board is assisted by the Audit and Risk Committee, the Risk Management Committee ("RMC") and the Compliance Department as well as the implementation of the Compliance Monitoring Programme and a programme of Internal Audits that are performed over the financial year.

The risks are mitigated by the recruitment and retention of highly trained staff, clear reporting lines, appropriate segregations of duties and clearly set out procedures and policies. Ownership of risks is clearly set out and the Board encourages a culture of transparency and openness in all activities.

The risks assessed by the business and within the ICAAP document include: operational, business, credit, market, employee, systems, interest rate and liquidity risk. In respect of this disclosure it is the first six of these risks that are most relevant, therefore, it is these that are set out in further detail below.

Operational Risk

Operational risk is defined as the risk of loss to the Firm resulting from inadequate or failed internal processes, people and systems, or from external events; it includes legal and financial crime risks, but does not include strategic, reputational and business risks.

In general, Record seeks to mitigate operational risk by implementing and maintaining a strong control environment and managing risk proactively through staff who are highly specialised and qualified. Record has a concentrated suite of currency products which are controlled via a systematic implementation process. The IT infrastructure plays an important role in the structured implementation of the managed assets. In addition the risk-based Compliance and Internal Controls work undertaken on a periodic basis, together with an Internal Audit programme (outsourced to Deloitte LLP) is designed to ensure the regulatory and operational and control risks faced by the business are well managed and mitigated as strongly as possible.

The RMC has responsibility for oversight of the material risks faced by the business. It is tasked with overseeing the identification of operational risks across the business, assessing how those risks are mitigated by the controls in place and the likelihood of occurrence and impact of failure. The RMC also agrees enhancements to controls where weaknesses are identified, and tracks implementation and progress of work performed.

The firm has in place a Risk Register which summarises these details and feeds into the control environment of the firm.

The Pillar 2 Operations risk assessments considers the impact of the occurrence of a significant error to the firm and is a scenario for which Record believes it is appropriate to allocate additional Pillar 2 capital.

Business Risk

Business risk is defined as the risk to the firm arising from changes in its business, including the risk that the firm may not be able to carry out its business plan and its desired strategy.

Record has three core currency products. The revenue of the business is generated by management and performance fees. While Record’s products are in relation to currency and therefore the asset class to which the business is exposed is concentrated, there is diversification in the appetite of the investment community for hedging compared with absolute return products, both of which are offered.

The Stress tests performed by management include the results of significant falls in AuME as a result of poor performance or adverse market conditions. This includes consideration of declines in financial markets on which the hedging mandates are based e.g. equity and bond markets.

In addition, currency market conditions that prohibit or severely restrict the ability of Record to carry out trading activity as normal are considered.

Currency is the most liquid financial market and Record’s investment process is restricted to the developed market currencies that settle in CLS. The exception to this is the Emerging Market product where a minority of currencies are Non Deliverable and hence Non Deliverable forwards must be utilised. The Stress tests consider the effects of poor markets in terms of loss of mandates and hence AuME declines.

In addition Record has set aside Pillar 2 capital sufficient to cover the performance risk associated with the seed products.

Credit Risk

Credit risk is the risk that unexpected losses may arise as a result of the firm’s clients or market counterparties failing to meet their obligations to pay. The firm does not take proprietary positions but does have direct exposure with cash held across a diversified selection of major UK banks. Record seeks to place cash with a prudent spread of highly rated financial institutions. In addition, Record has exposure to the positions in the three products it is currently seeding. The amount of seed capital at any time is limited to 15% of liquid assets.

Record's clients face credit risks which if realised would result in direct loss of AuME and reputational risk to the firm. The primary credit risks faced by the clients are the unsettled profits on transactions and the extent to which margin is required for those transactions. In addition, where Record's mandate with clients includes being asked to manage the cash to support the currency programme, this will also be placed on deposit.

In order to manage these risks Record uses CLS settlement systems to manage daylight settlement risk as far as practicable. Record deals with a spread of creditworthy counterparties to diversify risks where possible and deals under netting arrangements set out in ISDA or IFEMA agreements. The credit risk is managed by the Risk Management Committee and is set out in the Credit Risk Policy

The Stress tests consider the effect of default on the firm of the most significant counterparty.

Market Risk

Market risk is the risk of any impact on the firm's financial condition due to adverse market movements caused by market variables such as interest rates, prices etc. The Board have agreed to allocate up to 15% of net assets to fund seed capital investments. To date, three investments of £1m have been made in an index tracking product, Carry 250 (now FRB 10), an Emerging Market product and the Euro Stress Fund. These investments assist in creating a track record for these products. The investments in the products are carried at market value.

Employee risk

Record is dependent on its ability to attract and retain the highest quality staff. Individual risk is mitigated in that the investment policy, supported by fundamental research, is agreed by the Investment Committee and implemented by systematically. As such the company is not dependent on any individual or a 'star' manager.

Record employees' interests are aligned with shareholders in that both employees and Directors of Record have significant interest in its shares. Furthermore, the remuneration of key members of staff will be in significant part made up of Record shares which will be locked in for periods such that the employees are incentivised to contribute to the company's success over the longer term horizon. In addition, Record is committed to engendering an open, positive and collegiate work environment in which its commitment to excellence in ethical and business standards and to its staff and clients creates an environment conducive to long term staff retention.

Record has recognised the need to have in place contingency plans to recruit senior staff should the need arise and an allocation to the cost of ensuring this process is adequately financially supported is made in the Pillar 2 capital provisions.

Systems Risk

Record delivers its investment process via a proprietary IT system and recognises the importance this system plays in the operational infrastructure of the firm. Record has in place detailed BCP plans to ensure any risks in relation to the normal functioning of that system are addressed with alternative procedures that will ensure operations risk is mitigated.

The Pillar 2 risk assessment considers the additional costs required to ensure that issues that could arise are rectified on a timely basis.

Remuneration Policy and Directors' Remuneration

The remuneration structures for the Executive Directors are designed to incentivise the delivery of sustained performance consistent with the Group's strategic goals and appropriate risk management, and to reward success in doing so.

The Executive Directors play key roles in the management of the Group, while also having hands-on responsibility for major client relationships and portfolio management. The Group's remuneration policy and structure are designed to reflect these combined roles.

The Group's remuneration policy for Executive Directors seeks to give a high proportion of the total annual remuneration in the form of variable compensation, which is directly linked to the profitability of the Group. At least a third of this variable compensation is awarded as share-based payments, in order to reward and incentivise long-term profits growth, and the shares awarded are required to be held for up to three years.

Executive Directors receive a salary and participate in the Group Profit Share Scheme, the objectives and terms of which are explained below. On 1 December 2011 all Board members agreed to reduce their salaries by 10% in response to the declining financial performance of the Group.

The Executive Chairman, Neil Record, has volunteered to take an additional reduction in his salary, which will be substantially reduced to £70,000 with effect from July 2012. Neil previously withdrew from the Group Profit Share Scheme in October 2010 when he took the role of Chairman of the Group and there will be no change to this. Neil will continue to devote substantially all his time to Record and its clients through this difficult phase for the business.

Remuneration of Non-executive Directors is determined by the Chairman and the Executive Directors within the limits of the Company's Articles of Association. Remuneration for the Non-executive Directors reflects the time commitment and responsibility of the role and does not include any component of variable remuneration or share options.

Service contracts

All Executive Directors have service agreements with effect from 15 November 2007, with the exception of James Wood-Collins, who has a service agreement dated 1 October 2010 to reflect his promotion to Chief Executive Officer, and Paul Sheriff who has a service agreement dated 27 June 2008, when he joined the Group. None of the service agreements is for a fixed term and all include provisions for termination on six months' notice by either party. Service agreements do not contain any contractual entitlement to receive bonuses, nor to participate in the Group Profit Share Scheme, nor to receive any fixed provision for termination compensation. Where applicable the broad aim in making termination payments is to avoid rewarding poor performance.

Non-executive Directors are appointed for an initial three-year period. Their continued engagement is subject to the Company's Articles relating to the retirement of Directors by rotation. The terms and conditions of appointment of the Non-executive Directors are available for inspection at the Company's registered office.

Details of service contracts for Directors who are subject to re-election at the forthcoming AGM are as follows:

	Contract date	Notice period	Expiry/review date
Executive Directors			
Leslie Hill (re-election)	15/11/07	6 months	Rolling
Non-executive Directors			
Cees Schrauwers (re-election)	15/11/07	-	15/11/13
David Morrison (re-election)	01/10/09	-	01/10/12

Risk Management

The Group has a prudent approach to risk management and meets the required standards of a Tier 4 firm under the FSA Remuneration Code. In accordance with the Remuneration Code the Group has a Remuneration Policy Statement and has defined a Remuneration Code Staff List. The Remuneration Policy promotes effective risk management and incentivises sustained long-term value creation consistent with the company's strategic goals and does not encourage excessive short-term risk taking. All staff defined as Code Staff are required to take a significant proportion of variable remuneration in share-based payments that are required to be held for up to three years.

Salaries

The Group's policy is to pay salaries which are competitive with other employers in our industry. A salary benchmarking exercise to establish the market position is carried out on a regular basis and this information contributes to the Group remuneration policy and any subsequent pay reviews. However, in the light of the recent financial performance of the Group it was decided that this year there would be no pay increases given to staff as well as the reduction in salaries for Board members noted above.

Variable compensation

At the time of the IPO in 2007 Record introduced a Group Profit Share Scheme, which allocated 30% of operating profits to a profit share pool to be distributed between all employees of the Group. In 2009 the Remuneration Committee was given the discretion to vary the quantum of the Group Profit Share Scheme between 25% and 35% of operating profits, with the intention of maintaining an average level of 30% of operating profits over the medium term.

Since 2007 30% of operating profit has been distributed to employees each year under the Scheme. This has created a transparent and predictable link between variable compensation and profitability, and has aligned the interests of employees with those of our shareholders.

The recent decline in the Group's financial performance has meant that the Group Profit Share pool has reduced in line with performance, and payments to individual Directors and staff have reduced accordingly. The quantum of the profit share pool has fallen by 75% over the past three years, in line with the decline of 74% in earnings per share and a fall of 83% in the share price (based on 31 March 2012 closing price) over the same period. This link, coupled with the share element of variable compensation, provides a clear motivation for Executive Directors and employees to grow the business and improve the financial position of the Group. It is the Group's intention to maintain this remuneration structure, with some small changes noted below.

The Group Profit Share Scheme is payable through a combination of profit share payments in cash and share-based payments. The allocation of the profit share pool for Executive Directors is determined by the Remuneration Committee and for all other employees is delegated to management. The Group Profit Share Scheme is discretionary in that employees do not have a contractual right to receive awards. In addition, all payments made to Code Staff (including, but not restricted to Executive Directors and other Executive Committee members) are subject to Remuneration Committee approval and no payments are made automatically. Payments are awarded after input from the Compliance Officer, who reports any legal or compliance issues that relate to individuals who are in line to receive awards under the scheme. Any issues would also be monitored through compliance and risk reports at Audit and Risk Committee and Board meetings.

To ensure that the interests of management and shareholders are aligned, Directors and Code Staff are required to take a proportion (initially a third) of their Profit Share in shares rather than cash, subject to a three-year 'lock up'. These shares may be sold in three equal tranches on the first, second and third anniversary of the Profit Share payment date. Additionally, Directors and Code Staff are offered the opportunity for up to a further third of the Profit Share to be available for a share matching scheme that will also include a 'lock up' for three years. The remaining amount will be paid in cash. The cost of the matching scheme is borne within the overall Group Profit Share Scheme.

The Group is making two changes to variable compensation in the current financial year, being an operational change to the Group Profit Share Scheme that does not affect overall payments to participants and the introduction of sales-related payments as a cost of sales.

For the current financial year a change will be made to the way that the share matching element of the Group Profit Share Scheme operates. The Scheme will be split into two separate pools, one of which is the Group Profit Share Scheme and the other of which is the Matching Scheme. The intention is to maintain the scheme at 30% of operating profits over the medium term and so it is intended that the Group Profit Share Scheme operates at 27% and the Matching Scheme operates at 3% of operating profits. The reason for this change is to make the scheme more transparent for participants. There will be no change to the mechanism of the Group Profit Share Scheme save for the separation of the pools. In conjunction with this change, the number of matching shares distributed will be adjusted such that the total value of all matching shares provided in the relevant financial period is equal to 3% of operating profits. Whether the number of matching shares provided to any one participant is higher or lower than before this change will depend on the number of participants who elect for matching shares. This is a change to the operation of the scheme and not a change to the returns available to shareholders.

The Group recognises that increasing funds under management is a key priority. In order to incentivise the appropriate individuals to achieve this objective, the Group has introduced a sales-based incentive as part of the remuneration structure for our recently recruited Sales Executive in the US. This individual operates in a different market and conditions in that market mean that a sales-based incentive arrangement is required in order to be competitive. The Remuneration Committee believe it is in the best interests of the Group that this cost will be treated as a cost of sale. Sales-related payments will be 75% in the form of share-based payments, where the shares are required to be held for a minimum of three years.

The sum of the Group Profit Share Scheme (including the matching share element) and sales incentives is expected to remain between 25% and 35% of operating profit in most reasonable scenarios, and the Remuneration Committee will continue to monitor this.

Share Scheme

The Record plc Share Scheme was adopted by the Company on 1 August 2008 and was initially created to allow deferred share awards to be granted to new senior employees. During the year ended 31 March 2009, share awards with an aggregate value at grant of £400,000 were issued to two senior employees under the scheme. The shares are available to the employee after the vesting period for nil consideration upon exercise. The shares vest in three equal tranches on the second, third and fourth anniversary of appointment. Awards lapse on cessation of employment, subject to the Remuneration Committee's discretion to permit good leavers to exercise their awards. The rights to acquire shares were issued under nil cost option agreements.

The Directors are not entitled to participate in the Share Scheme. However, James Wood-Collins received a deferred share award upon joining the Group and prior to his appointment as Chief Executive Officer. Further details for this award are contained under Directors' interests in Record plc share awards below. No other Directors had any interests in the Share Scheme at the beginning, during, nor at the end of the period.

During the past financial year, the Record plc Share Scheme was amended to include the ability to grant HMRC-approved options under a separate section of the Share Scheme (the Approved scheme). The Approved Scheme enables the Group to provide HMRC-approved awards to employees of Record plc or its subsidiaries. Under the Approved Scheme, awards must be in the form of options with an exercise price equal to the market value of a share on the dealing day immediately preceding the date of grant. Each participant may be granted approved options over shares with a total market value of up to £30,000 on the date of grant. There is no such limit for the Unapproved Scheme. Awards under the Unapproved Scheme may be granted with any exercise price, but have recently been granted with a market-value exercise price in the same way as the approved awards.

This Record plc Share Scheme was used to grant options to a group of individuals below the Board, who have been assessed as having particular skills and potential to contribute significantly to the business in the future. A total of 2,000,000 options over shares were granted under the Share Scheme during the year of which 1,400,000 were granted under the Unapproved Scheme and 600,000 under the Approved Scheme. A total of 100,000 of the options over shares under the Unapproved scheme lapsed during the year. All options were granted at a strike price set at the share price prevailing at the time of grant. The options over shares under the Approved Scheme vest in full on the fourth anniversary of grant and are subject to a performance condition based on the total shareholder return value in comparison with a relevant peer group. One quarter of the Unapproved options vest each year over the next four years providing the employee has remained in employment at each vesting date and has satisfied certain personal performance conditions. The scheme is accounted for in accordance with IFRS 2 (share-based payments) and is not part of the Group Profit Share Scheme costs. At the time of grant the Group funded the Group's employee benefit trust to purchase in the market such number of shares as would be required to satisfy the exercise of the options in full.

Against the background of difficult trading conditions, it remains of great importance for the long-term success of the business that it retains and motivates its key employees. The Group intends to operate the Record plc Share Scheme such that options over up to 1% of the market capitalisation of Record plc (being approximately 2.2 million shares) can be granted under the scheme in the current financial year. The Share Scheme will be used to incentivise and retain key staff in the business (below the Board) and the Remuneration Committee retains the power to grant options or allow the purchase of options.

Delivery of share awards

Share awards under the Group Profit Share Scheme are covered wherever possible through market purchases, not through the issue of new shares, and this remains our intention for the future in order to avoid dilution. Awards under the Share Scheme must be satisfied with market purchase shares.

Share Incentive Plan

The Group plans to introduce an HMRC-approved Share Incentive Plan 'SIP' for the current financial year. The SIP will be offered to all staff, including Directors, who will be able to buy up to £1,500 worth of shares per year from pre-tax salary. To encourage employee share ownership the Group will match any shares purchased through this scheme at a rate of 50%, although staff will only receive the full benefit of the matched shares if they remain with the Group for three years.

Pension

The Group contributes to a defined contribution Group Pension Plan ('GPP'). The Group makes initial contributions into the GPP at a predetermined level depending on the seniority of the employee (the 'Group's Initial Contribution'). No employee contribution is necessary to benefit from the Group's Initial Contribution. From the start of the financial year more flexibility was given to employees, who now have a choice of how they wish to receive the balance of their full entitlement to Group contributions in excess of the Group's Initial Contribution (the 'Group's Flexible Contribution'). The employee can elect to receive the Group's Flexible Contribution wholly in cash, as pension or as a combination of both.

Employees can also make a personal contribution to their GPP and the Group will match this up to a maximum of 3% of salary (the 'Group's Additional Contribution').

Any employee over the age of 55 and who has taken early retirement according to tax legislation rules can have their standard contributions paid as additional taxable salary if they would prefer, but forego the Group matching contribution.

Directors' remuneration

The remuneration of the Directors listed by individual Director is as follows:

	Salaries and fees	Other cash payments[1]	Benefits	Profit Share Share-based payments	Profit Share Cash-based payments	Year ended 31 March 2012	Year ended 31 March 2011
Executive Directors							
Neil Record[2]	263,150	34,209	817	-	-	**298,176**	567,699
James Wood-Collins[3]	263,150	8,167	588	201,810	130,634	**604,349**	511,035
Leslie Hill	263,150	8,167	-	82,997	165,720	**520,034**	782,750
Bob Noyen	263,150	-	817	82,997	165,743	**512,707**	718,734
Paul Sheriff	263,150	-	817	124,237	144,957	**533,161**	727,805
Non-executive Directors							
Cees Schrauwers	72,500	-	-	-	-	**72,500**	75,000
Andrew Sykes	38,667	-	-	-	-	**38,667**	40,000
David Morrison	38,667	-	-	-	-	**38,667**	40,000
Total	**1,465,584**	**50,543**	**3,039**	**492,041**	**607,054**	**2,618,261**	**3,463,023**

[1] Other cash payments comprise cash allowances in lieu of pension contributions.

[2] Neil Record relinquished the joint role of Chief Executive Officer and Chairman with effect from 1 October 2010, remaining as Executive Chairman.

[3] James Wood-Collins was appointed Chief Executive Officer with effect from 1 October 2010. Remuneration from 1 April 2009 to 30 September 2010 is excluded from the comparative figures. Gains made on the exercise of share options which were granted prior to his appointment as CEO are shown in Directors' Interests in Record plc share options table below.

Pensions

Executive Directors are entitled to join the Group Personal Pension Scheme. This is a defined contribution plan, to which the Group makes contributions up to 13% of each Director's salary which can be paid into Group Personal Pension Scheme, taken as cash or a combination of the two. The Group also matches any contributions made by the Director up to a further 2.5%, depending on the level of flexible and personal contributions made by the Director. There is no mandatory requirement for Executive Directors to contribute. The contributions disclosed in the table below exclude any personal contributions made by a Director.

	Year ended 31 March 2012	**Year ended 31 March 2011**
James Wood-Collins	32,622	10,800
Leslie Hill	32,622	42,195
Bob Noyen	38,747	38,679
Paul Sheriff	41,515	34,100
Total	**145,506**	**125,774**

Directors share options and share awards

No Director was awarded any share options during the financial year ended 31 March 2012.

The only Director to hold or exercise any share options during the financial year was James Wood-Collins. The grant of these share options was made upon his joining the Group, prior to his appointment to the Board of Directors and in accordance with the rules of the Record plc Share Scheme.

Directors' interests in Record plc share options

	Interest in unvested share options			
	At 1 April 2011	Shares awarded	Vested and Exercised	At 31 March 2012
Record plc Share Scheme[4]				
Executive Director				
James Wood-Collins	113,496	-	(56,748)	56,748

In the year, the gain made by James Wood-Collins on exercise of options over 56,748 shares was £18,372 (2011: gain of £26,104 on exercise of options over 56,749 shares).

[4] The shares are available to the Director after the vesting period for nil consideration upon exercise. A total of 170,245 shares were awarded to the employee upon joining the Group in August 2008. A total of 56,748 shares were exercised in August 2011 when the market share price was £0.32 per share. The remaining balance of 56,748 shares will vest in August 2012. The vesting of shares is subject to continued employment with the Group. The vested shares are included in Directors' interests in Record plc ordinary shares.

Directors' interests in Record plc share awards

	Interest in restricted share awards			
	At 1 April 2011	Awards with restrictions	Restrictions released	At 31 March 2012
Record plc Group Profit Share Scheme[5]				
Executive Directors				
James Wood-Collins	369,403	922,465	(62,188)	1,229,680
Leslie Hill	-	156,697	-	156,697
Bob Noyen	-	156,697	-	156,697
Paul Sheriff[6]	445,109	406,928	(75,127)	776,910

Financial Resources

The table below summarises the composition of regulatory capital for Record as at 31 March 2012:

	£k
Issued share capital	55
Share premium account	1,809
Retained earnings and other reserves	24,489
Tier 1 Capital before deductions	26,353
Deductions from Tier 1 Capital	1,141
Tier 1 Capital after deductions	**25,212**

5 The shares are held via a nominee and were acquired on behalf of the Director as beneficial owner under the terms of the scheme rules. These shares cannot be sold, transferred or otherwise disposed of ('Sold') without the consent of the Remuneration Committee except as given in the scheme rules, which place restrictions on the 'Sale' of shares until the first, second and third anniversary from the Profit Share payment date. None of the shares are subject to any vesting or forfeiture provisions and the beneficial owner is entitled to full rights and rewards of ownership subject to the restrictions on 'Sale'. The shares are included in Directors' interests in Record plc ordinary shares.

6 As permitted by the scheme rules, these shares are held in the names of the Director's spouse.