PRESS RELEASE

Record plc

16 June 2015

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

Second successive year of growth

Record plc, the specialist currency manager, today announces its audited results for the year ended 31 March 2015.

Financial headlines:

- *AUME[1] $55.4bn at 31 March 2015 (up 7%)*
- *AUME £37.3bn at 31 March 2015 (up 20%)*
- *Revenue of £21.1m (up 6%)*
- *Pre-tax profit of £7.7m (up 18%)*
- *Operating profit margin of 36% to 31 March 2015 (2014: 32%)*
- *Financial position remains strong with net assets of £35.8m at 31 March 2015 (2014: £32.9m).*
- *Basic EPS of 2.66p per share (2014: 2.48p)*
- *Proposed final dividend for the year to 31 March 2015 is 0.90p per share, giving a total dividend in respect of the year of 1.65p per share (2014: 1.50p)*

Key developments:

- *Client numbers increased to 55 at 31 March 2015 (up 15%)*
- *Total dividend for the year increased from 1.50p per share to 1.65p per share (up 10%)*
- *Currency for Return – two new Multi-Strategy mandates added in the year ended 31 March 2015. The Multi-Strategy product reaches its third anniversary in July 2015*
- *The continued expectation of monetary policy divergence and the return of volatility has resulted in a high level of engagement with potential clients and consultants on currency-related issues*

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[1] As a currency manager Record manages only the impact of foreign exchange and not the underlying assets, therefore its "assets under management" are notional rather than tangible. To distinguish this from the AUM of conventional asset managers, Record uses the concept of Assets Under Management Equivalents ("AUME") and by convention this is quoted in US dollars.

Commenting on the results, Neil Record, Chairman of Record plc, said:

"The twelve months to 31 March 2015 have been characterised in FX markets by the two central themes of continued expectation of monetary policy divergence and the re-emergence of volatility. Such market factors have served to increase the focus amongst the institutional investment community on currency-related issues, resulting in a more supportive environment for Record's products and services.

"The Group's strategy remains focused on building long-term, sustainable growth of the business through excellent client relationships and offering a wide range of diversified solutions to fit clients' objectives. This strategy has so far succeeded in giving the Group a more diversified spread of clients and revenue sources, less exposed to any one investment process or market environment.

"Against this backdrop it is pleasing to announce a second consecutive year of growth in AUME, client numbers, revenues and earnings. In addition to growing Passive Hedging AUME during the year, the Group's higher-margin Currency for Return products have also seen net inflows. The Multi-Strategy product reaches its third anniversary in July 2015 and we have added two new mandates during the year. The Group also saw strong inflows into a bespoke mandate of a more tactical nature.

"The Board is recommending a final dividend of 0.90 pence per share, taking the total dividend for the year to 1.65 pence per share, an increase of 10%, reflecting the improved financial performance of the Group.

"With divergence in monetary policies and currency market volatility seemingly set to continue, we would expect the increased focus on currency-related issues to be maintained. This view is reinforced by the current high level of engagement with potential clients and investment consultants across a broad range of currency issues. The pace and extent to which this engagement translates into new business opportunities is necessarily uncertain, although the Group is well placed to take advantage of such opportunities as they arise."

Analyst briefing

There will be a presentation for analysts at 9.30am on Tuesday 16 June 2015 at Cenkos plc offices: 6-8 Tokenhouse Yard, London, EC2R 7AS. A copy of the presentation will be made available on the Group's website at www.recordcm.com.

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Consolidated statement of comprehensive income

Year ended 31 March

	Note	2015 £'000	2014 £'000
Revenue	3	**21,057**	**19,922**
Cost of sales		(148)	(86)
Gross profit		20,909	19,836
Administrative expenses		(13,373)	(13,412)
Operating profit	4	**7,536**	**6,424**
Finance income		146	113
Profit before tax		**7,682**	**6,537**
Taxation	6	(1,708)	(1,494)
Profit after tax and total comprehensive income for the year		5,974	5,043
Profit and total comprehensive income for the year attributable to:			
Non-controlling interest		192	(364)
Owners of the parent		5,782	5,407

Earnings per share for profit attributable to the equity holders of the Group during the year (expressed in pence per share)			
Basic earnings per share	7	**2.66p**	**2.48p**
Diluted earnings per share	7	2.65p	2.47p

Consolidated statement of financial position

As at 31 March

	Note	2015 £'000	2014 £'000
Non-current assets			
Property, plant and equipment	10	129	86
Intangible assets	11	504	734
Investments	12	2,567	2,754
Deferred tax assets	13	73	158
		3,273	3,732
Current assets			
Trade and other receivables	14	6,324	5,646
Derivative financial assets	15	619	198
Money market instruments with maturity > 3 months	16	18,100	15,488
Cash and cash equivalents	16	12,010	11,503
Total current assets		37,053	32,835
Total assets		40,326	36,567
Current liabilities			
Trade and other payables	17	(2,949)	(2,706)
Corporation tax liabilities	17	(893)	(832)
Derivative financial liabilities	15	(680)	(122)
Total current liabilities		(4,522)	(3,660)
Total net assets		35,804	32,907
Equity			
Issued share capital	18	55	55
Share premium account		1,847	1,838
Capital redemption reserve		20	20
Retained earnings		30,006	27,327
Equity attributable to owners of the parent		**31,928**	**29,240**
Non-controlling interest	20	3,876	3,667
Total equity		**35,804**	**32,907**

Chairman's statement

In line with the improved performance of the Group, the Board is increasing the total dividend for the year by 10% to 1.65 pence per share.

Overview

This year has been one of elevated currency volatility, both at very short horizons, and in longer-term trends. This is in contrast to the previous three or four years, where currency volatility had been low by historical standards, and very low compared to the years 2008 and 2009 when the Global Financial Crisis spilled over to the currency markets.

Looking at shorter horizons, the abandonment on 15 January 2015 of the Swiss Central Bank policy of capping the Swiss Franc's value against the Euro resulted in the largest recorded one-day movement (18%) of a major currency pair since the advent of floating currencies in 1972.

At longer horizons, the US Dollar's rise against the Euro was also large by recent standards (at 28% between 31 March 2014 and 31 March 2015).

Such market factors have only served to increase the focus as we engage with clients, potential clients and investment consultants on currency-related issues which, as would be expected, has resulted in a more supportive environment for Record's products and services across a broad range of clients and currency issues. Consequently, it is pleasing to note a second consecutive year of growth in AUME, client numbers, revenue, profits and earnings.

Financial highlights

AUME increased to $55.4 billion (2014: $51.9 billion) including net inflows of $2.9 billion over the year. The shift in product mix from Dynamic Hedging to lower-margin Passive Hedging over the last few years has slowed considerably, with outflows in Dynamic Hedging of $2.3 billion over the year being matched by inflows to Currency for Return of $2.3 billion and further inflows to Passive Hedging of $2.9 billion. Client numbers increased during the year by seven, ending the year at 55 clients (2014: 48 clients).

Total revenues grew 6% to £21.1 million (2014: £19.9 million) due to growth in both existing client mandates during the year and, more latterly, by new client wins further bolstered by Record's first performance fee for five years of £0.5 million. It should be noted that the majority of the growth in AUME and client numbers occurred in the latter part of the year, so the full year benefit of these movements will only be seen in the current financial year. The doubling in our Currency for Return AUME to $4.8 billion (2014: $2.4 billion) includes our second segregated Multi-Strategy mandate and the launch of a new pooled fund implementing the Multi-Strategy programme. These flows, in conjunction with the further inflows to Passive Hedging mentioned above, underline the strength of our product suite and increased diversity across Record's client base by objectives and geography.

This growth in revenues and consistent cost control has resulted in an increase in operating margin to 36% (2014: 32%), an increase in profit before tax of 18% to £7.7 million (2014: £6.5 million), achieving an increase in basic earnings per share of 7% to 2.66 pence (2014: 2.48 pence).

Dividend

Our dividend policy has been both consistent and transparent with a view to achieving a level of dividend which is at least covered by earnings and which allows for sustainable dividend growth by the business in line with the trend in profitability. The dividend has been maintained at 1.50 pence per share for the last three years.

In line with the improved performance of the Group, the Board is increasing the total dividend by 10%, recommending a final dividend of 0.90 pence per share and taking the total dividend in respect of the year ended 31 March 2015 to 1.65 pence per share. Subject to shareholders' approval, the dividend will be payable on 29 July 2015 to shareholders on the register at 26 June 2015.

For the current financial year, the Board's expectation, subject to business conditions, is to maintain the total dividend at 1.65 pence per share, which the Board would expect to be payable equally in respect of an interim and a final dividend. However, in setting the interim and final dividends the Board will be mindful of setting a level of dividend payments which it expects to be at least covered by earnings and which allows for future sustainable dividend growth by the business in line with the trend in profitability, such that the total dividend may be more or less than 1.65 pence per share.

Group strategy

The Group's strategy remains focused on building long-term, sustainable growth of the business through excellent client service and relationships. With this in mind, over recent years the business has focused on recruiting high-quality people, investing in systems and infrastructure and producing a diversified product suite.

The result is that the Group now has a more diversified spread of clients and a product suite developed to offer opportunities for assisting clients with currency issues irrespective of their primary objective or where the market stands within the current economic cycle. Over recent years, the focus on building a strong base of Passive Hedging clients during a period of low volatility and risk sentiment whilst developing a suite of Currency for Return products has borne fruit – Passive Hedging now accounts for 74% of AUME (2014: 73%) and, despite lower revenue margins, represents a strong and stable revenue stream.

In addition, heightened currency volatility has resulted in increased opportunities for our Currency for Return products at higher revenue margins, culminating in two new mandates for our Multi-Strategy product plus inflows from an existing client into a bespoke mandate of a more tactical nature – all evidence of our ability to offer flexibility of approach to meet changing client demands during fluctuating market conditions.

The Board

There have been no changes to the Board composition during the year. However, the Board is cognisant of the fact that two of the current three independent directors, Cees Schrauwers and Andrew Sykes, will no longer be deemed independent from November 2016, having joined Record just prior to IPO in December 2007. With a view to enabling a smooth transition and handover period, the Nomination Committee is managing a process to identify and recruit replacement independent directors. Further announcements will be made in due course.

Outlook

With divergence in monetary policies and geopolitical and economic uncertainty seemingly set to continue for the foreseeable future, contributing to renewed and sometimes heightened volatility in currency markets, we would expect the increased focus on currency-related issues to be maintained. This view is reinforced by the current high level of engagement with potential clients and investment consultants across a broad range of currency issues. The pace and extent to which this engagement translates into new business opportunities is necessarily uncertain. However, the Group is well placed to take advantage of such opportunities as they arise by servicing clients' needs to the highest possible standards and in doing so generating long-term sustainable growth for shareholders.

On behalf of the Board, I would like to take this opportunity to thank everyone at Record for their hard work during the year and for helping to deliver a second consecutive year of growth for the Group.

Neil Record

Chairman

Chief Executive Officer’s Statement

A second successive year of growth in client numbers, AUME, revenues and profits confirms the Group’s strategy of offering a wide range of diversified solutions to clients’ objectives.

Record’s second successive year of growth can be credited to gains in both hedging and return-seeking strategies, the rate of which has accelerated throughout the year to culminate in substantial inflows in the final quarter.

The benefits of these inflows in the form of revenues and profits are expected to be seen fully in the current financial year. The increasingly divergent and volatile market environment offers opportunities for our strategies to perform well, and diversification of Record’s clients as well as within strategies should protect the Group from any one event or environment.

Market overview

The twelve months to 31 March 2015 have been characterised in FX markets by two themes in particular: the continued expectation of monetary policy divergence; and the re-emergence of volatility.

Amongst major developed market central banks, the US Federal Reserve stopped its asset purchase programme in October 2014, and is widely expected to increase interest rates in 2015. As a result the US Dollar strengthened markedly over the year, particularly in the last quarter against the Euro. Euro weakness in turn can be attributed to the European Central Bank launching its own asset purchase programme, confirming it at the opposite end of the “loosening vs. tightening” spectrum to the Federal Reserve. The Bank of England is perceived to be on the path towards rate tightening, although declining UK inflation has caused the market’s expectation of the timing of rate rises to be extended. The Bank of Japan has also maintained, and during the year sought to accelerate, its loose monetary policy.

The most dramatic example of loosening came from the Swiss National Bank, which announced a further reduction to negative interest rates, in conjunction with dropping the cap on the value of the Swiss Franc against the Euro. This unexpected event caused the Swiss Franc to strengthen dramatically, in the largest one-day movement ever seen in a major developed market currency pair.

Investment performance

In this environment Record’s strategies performed as expected. Passive Hedging should have no unpredictable investment outcomes, and in particular the hedging programmes for our Swiss clients all performed as expected in the aftermath of the Swiss National Bank’s announcement. All of our clients had chosen to retain their hedges on Euro-denominated assets, precisely to protect against such an announcement and its consequences.

Dynamic Hedging programmes also performed as expected. US-based clients experienced modest underperformance in the first quarter as the US Dollar broadly weakened, followed by three successive quarters of increasing outperformance, offsetting a large part of the clients’ underlying losses on depreciating foreign currencies. UK-based clients saw mixed performance over the year, with hedging gains and losses broadly tracking the path of Sterling.

Currency for Return strategies largely performed positively over the year, with each of the Emerging Market, Momentum, Value and Multi-Strategy programmes generating positive returns. Forward Rate Bias (“FRB”) strategies, both the Active FRB and the index-tracking FTSE Currency FRB10 strategy, generated negative returns, largely attributable to the dramatic appreciation of the Swiss Franc in January. The FRB10 strategy outperformed Active FRB over the year, leading the standard Multi-Strategy product as implemented in two mandates launched in the last quarter of the year to outperform modestly that implemented in the first Multi-Strategy mandate, now approaching its third anniversary.

Asset flows and financial performance

AUME grew by 7% over the financial year to $55.4 billion. This was achieved through new clients and increases to existing mandates, resulting in net inflows of $2.9 billion, notwithstanding the termination of a Dynamic Hedging mandate at the start of the year, and some reductions in other Dynamic Hedging mandates attributable to clients taking profits. External factors (i.e. equity and other market movements and the impact of exchange rates over the period) also contributed $0.6 billion.

Modest shifts in product mix towards lower-margin Passive Hedging, and the inflows into higher-margin Currency for Return strategies taking place towards the end of the year, meant that underlying[1] revenues increased more modestly, by 3% to £20.9 million. Continued discipline on costs allowed the Group to improve its underlying operating margin to 35%, leading to growth in underlying operating profit before tax of 7% to £7.3 million, and in basic earnings per share of 7% to 2.66 pence.

The tactical bespoke mandate which recently received inflows of $1.75 billion (as announced on 13 March 2015) remains substantially unchanged as at the date of this report.

Strategic progress

Client relationships – we have grown client numbers, and of equal importance, we have grown our mandates with existing clients. This has been achieved through our long-standing approach of building trusted relationships with clients and their advisors, in particular investment consultants. Building these relationships, and then robustly and reliably implementing clients' individual mandates, requires highly-experienced, skilled and professional teams in all areas of the firm, which in turn puts pressure on remuneration and on scalability.

Innovation – enhancement of existing products is a constant feature at Record, driven by clients' needs and market opportunities. During the year the dramatic change in the Swiss Franc interest rate environment has created such needs, to which Record has responded through increased flexibility in our Passive Hedging. No new strategies were launched during the year, as the Group focused on monetising the research commitment made in particular to the Multi-Strategy product, but research has continued into further extending and enhancing this product.

People – we have continued to attract, retain and develop high-quality people. This starts with intern programmes, which at Record are remunerated on the same scale as graduate hires, continues through graduate and early-stage career hires, and is then focused on internal development and retention. Mid-career lateral hires tend to be less frequent, given the highly-specialised nature of the Group's work. We have largely succeeded in retaining key staff in a highly competitive employment market. The trend towards higher fixed remuneration in financial services in general and banking in particular is something that the Group has had to recognise. We have chosen to do so in a way that reflects the contribution of every part of the firm to our clients' outcomes, by a one-off firm-wide salary increase of 10%, with effect from 1 May 2015, outside the normal salary review round.

Growth – we have achieved growth in client numbers and in AUME. Growth in revenues and in underlying profit before tax also reflects shifts in product mix and the timing of inflows into

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[1] The Group uses non-GAAP measures such as "underlying revenue" and "underlying operating profit". These measures are calculated by removing the impact of non-controlling interests from the normal GAAP measures presented in the financial statements calculated in accordance with IFRS. The Group believes that these non-GAAP measures provide a useful indication of the performance of the business.

higher-margin products. This growth has been accompanied by further diversification, in both investment strategy with inflows into Multi-Strategy and other Currency for Return products, and in structure with the launch by a third party of a UCITS-compliant fund implementing the Multi-Strategy programme, to which Record is the investment advisor. We continue to focus on growth from our core markets of North America, continental Europe and in particular Switzerland, and the United Kingdom while exploring potential new markets such as Australia.

Risk management – we have continued to develop and invest in systems, people and processes to manage the operational risk that we assume from clients. During the year we have pursued a project to strengthen the systems through which we implement the wider diversity and greater volume of Hedging mandates we now manage.

Profitability – the Group's profitability has strengthened with an underlying operating margin of 35%. Whilst our Hedging mandates are bespoke to each client and so offer fewer economies of scale than pooled funds, the more supportive environment for Currency for Return strategies may allow some shift of product mix back to those offering higher fees.

Outlook

The market backdrop of increasingly divergent interest rates and rising volatility provides a more supportive environment for our strategies than has been the case for many years.

In longer-established markets such as the UK and Switzerland, the Group will continue to pursue gaining market share in established strategies such as Passive Hedging through a determined focus on better implementation and cost management for clients. In other areas, whether currency management in general in the United States, or return-seeking strategies in much of the world, the Group will seek both to stimulate and to respond to demand from clients as it emerges.

In all cases Record's management is very aware of the benefits of diversification within and across our strategies, and management and staff remain wholly focused on managing programmes to meet our clients' best interests, and growing the business to create value for shareholders.

James Wood-Collins

Chief Executive Officer

Key Performance Indicators

The Board and Executive Committee use a number of key performance indicators (KPIs) to monitor the performance of the Group. A five year history of these KPIs is shown below.

KPIs	2015	2014	2013	2012	2011
AUME at 31 March – US Dollars	$55.4bn	$51.9bn	$34.8bn	$30.9bn	$31.4bn
Client numbers at 31 March	55	48	44	41	46
Underlying operating profit margin	35%	33%	31%	32%	44%
Basic earnings per share (“EPS”)	2.66 pence	2.48 pence	1.98 pence	2.23 pence	4.03 pence

How we performed this year

- The AUME reached $55.4 billion at the year end, the highest closing level of AUME for seven years. Net AUME inflows for the year were $2.9 billion.
- Client numbers at the end of the year reached a five year high of 55.
- Underlying operating profit margin increased from 33% to 35%.
- EPS increased by 7% due to increased revenues and continued cost control during the year.

Business review

Market review

The predominant factors driving FX markets have been monetary policy divergence and volatility.

The twelve months to 31 March 2015 have been characterised in FX markets by two themes in particular: firstly, the continued expectation of divergence in monetary policy between major developed market central banks; and secondly, the re-emergence of volatility, both day-to-day exchange rate volatility, and unanticipated market events.

This section comments on the impact of both of these factors on exchange rates and also considers questions of market structure and functioning, which may in turn be contributing to the increased volatility observed. This section also addresses the effects of these on Record's strategies.

Monetary policy divergence

Major developed market central banks, in particular those of the United States, the Eurozone, the United Kingdom, Japan and Switzerland (referred to as the "G5"), uniformly pursued unusually loose monetary policy as a consistent response to the global financial crisis of the last decade. This highly convergent strategy became more divergent in the prior financial year, and this divergence has become more pronounced in the year to 31 March 2015.

In the United States, the Federal Reserve had decided to reduce asset purchases (one of the tools of loose monetary policy, and known as "quantitative easing") from December 2013, and stopped such purchases altogether from October 2014. Debate has continued throughout the year over when the Federal Reserve will first increase interest rates, broadly leading the US Dollar to weaken against many developed market currencies in the first three months of the period, then strengthen markedly in the remaining nine months. The US Dollar's almost universal appreciation against developed market currencies, and indeed many emerging market currencies, has been highly notable over the year, with the Dollar appreciating 28% against the Euro, 12% against the Pound, and by a similar magnitude against many other developed market currencies.

The US Dollar's outperformance against the Euro can be attributed as much to Euro weakness as Dollar strength, and Euro weakness in turn can be attributed to the announcement by the European Central Bank on 22 January 2015 of a larger than expected asset purchase programme of €60 billion a month, running at least until September 2016. This announcement, and the programme's launch in March 2015, has confirmed the ECB at the opposite end of the "loosening vs. tightening" spectrum to the Federal Reserve. Political uncertainty focused on Greece has also contributed to pressures on the Euro, and in our view continues to hold the potential for an adverse shock.

The Bank of England by contrast is perceived to be on the path towards rate tightening, not least due to the relative strength of the UK economy. However, declining UK inflation, as indicated by the change in the Consumer Prices Index falling to 0.0% in the year to February 2015, has caused the market's expectation of the timing of rate rises to be extended. As a result, although Sterling strengthened over the first three months of the financial year, it broadly weakened over the following six months, before strengthening again somewhat in the final quarter.

The Bank of Japan has also maintained, and during the year sought to accelerate, its loose monetary policy. The most dramatic example of loosening though has come from the Swiss National Bank, which announced a further reduction in the interest rate on certain deposit accounts by 0.5 percentage points, to -0.75%, on 15 January 2015, in conjunction with ending its prior policy of capping the value of the Swiss Franc against the Euro. Despite the interest rate cut, the Swiss Franc appreciated dramatically on the day, as discussed further under

"Volatility" below. Negative interest rates have also been imposed in other countries adjacent to (but not part of) the Eurozone such as Denmark.

Although this trend towards more divergent monetary policy has been widely reported, there are at least two aspects of it that are worth emphasising. Firstly, a considerable deal of market focus and attention is given to the specifics of, for example, at which meeting one or other central bank is expected first to raise rates. In our view, such focus risks "missing the wood for the trees", at least as far as our strategies are concerned. We claim no advantage in foreseeing the specific details of any one central bank's decision-making, but instead focus on the bigger picture of increasingly divergent action between central banks.

Secondly, it is easy to forget amidst the focus on central bank divergence, that we have yet to see any policy rate amongst the G5 increase from their uniformly close-to-zero level (although some divergence has emerged with Swiss Franc rates decreasing further still). Whilst FX markets naturally seek to anticipate rate increases, and are certainly pricing in wider rate divergence at more distant time horizons, it is worth remembering that all of the market movement so far attributed to monetary policy and interest rate divergence reflects only its expectation, not yet its delivery, and hence there is scope for the delivery to exceed expectations (or, of course, to fall short).

Volatility

Volatility has also become more pronounced over the year, measured both by the volatility of day-to-day exchange rate movements, which had fallen to unusually low levels in the early part of the year, and by unanticipated market events.

The most prominent of these over the financial year was the surprise announcement by the Swiss National Bank of its removal of the CHF1.20 ceiling on the value of the Swiss Franc against the Euro, as referred to above. This was explicitly attributed to divergent monetary policies, and was widely believed to be in anticipation of the ECB announcing its asset purchase programme, which followed the Swiss National Bank's announcement by one week. The Swiss Franc immediately appreciated all the way to (and through) parity against the Euro, in the largest one-day movement ever seen in a major developed market currency pair. The Swiss Franc market was effectively closed for up to an hour after the announcement, and continued to be volatile and illiquid over subsequent days.

A separate example of market volatility was provided by the overnight (London time) reaction to remarks made by Federal Reserve Chair Janet Yellen on 18 March 2015. These remarks, which were taken to indicate that US interest rate rises were more distant than the market had anticipated, caused the US Dollar to weaken against the Euro by approximately 4% in overnight trading, before recovering almost to its prior level.

FX markets

Throughout this financial year, FX markets have continued to come under greater regulatory focus than has been the case historically. This has taken many forms, including continued investigation into FX benchmarks, the inclusion of FX markets in broader reviews such as the Fair and Effective Markets Review undertaken by the Bank of England, the Financial Conduct Authority, and HM Treasury, and regulatory fines and penalties on banks exceeding $10 billion.

As a specialist currency manager whose interests are completely aligned with those of its clients, Record is wholly supportive of appropriate and considered regulatory change to maintain the fair, effective and open functioning of the FX markets. We do however recommend that any change starts from a detailed understanding of how the market functions today.

We continue to believe that the currency markets as they function presently can serve their users extremely well. The FX spot, forward and non-deliverable forward markets, constructed from a series of bilateral relationships with market-making counterparties competing on standard terms, and offering round-the-clock pricing, continue to remain highly liquid, with very competitive transaction costs. Attempts at reform must therefore avoid any unintended consequences that may disrupt the already efficient currency markets.

Indeed, it may be the case that the FX market has already begun to see undesirable and unintended consequences of reforms attempted so far. Whilst the immediate reaction to the Swiss National Bank's surprise announcement was inevitably dramatic, the Swiss Franc market continued to be surprisingly volatile and fragile for some days. The causes of this prolonged market impact are unclear, but it has been suggested that it may be attributable to less appetite to hold risk within banks, to liquidity fragmentation amongst trading venues, and even to less experienced bank FX traders.

Effects on Record's strategies

The effects of the various factors above on Record's strategies and on demand for them are complex, but some conclusions can be drawn.

Although the long-term strategic arguments in support of currency hedging are focused around volatility reduction, there is no doubt that the prospect of a strengthening base currency, and hence the risk of losses caused by depreciating exposure currencies, can encourage investors to consider hedging on a more tactical basis.

The experience of US investors since the middle of the financial year, with a strengthening US Dollar causing currency to detract from the performance of international asset allocations, has allowed Record's currency hedging strategies to generate attractive off-setting performance for US clients. It has also contributed to a marked increase in interest from investment consultants and prospective clients. As ever, some investors will be encouraged to consider hedging against the prospect of further appreciation, while others may feel they have "missed the boat". In any event, the US Dollar strength alone has given currency and currency strategies greater prominence amongst US investors.

With respect to return-seeking currency strategies, the most obvious beneficiary of monetary policy divergence, and hence anticipated interest rate divergence, are forward rate bias or "carry trade" strategies, which tend to perform well both in anticipation of rate divergence, as well as in established divergent environments with larger rate differentials to harvest. Record has seen continued interest in forward rate bias strategies throughout the financial year.

Momentum and value strategies are less evidently directly affected by developed market interest rates. Although emerging market currency strategies are widely perceived to underperform in periods of US Dollar strength, this sensitivity can be offset to a large degree by appropriate portfolio construction.

The differing reactions of currency strategies to market conditions highlight the benefits of diversification. These are evident both within Record's client base, as measured by clients' objectives and by their geography and hence base currency, as well as within strategies, in particular the Currency Multi-Strategy product which will reach its third anniversary this year.

The impact on Record's clients of the unexpected Swiss decision in January serves as a microcosm to illustrate these benefits. Our Swiss hedging clients benefited significantly from the appreciation of the Swiss Franc, although of course only to the extent that these hedging gains offset currency losses in the underlying assets. Correspondingly our non-Swiss hedging clients suffered losses in their hedging portfolios, although again only offsetting gains on their typically modest allocation to Swiss assets. Performance across return-seeking strategies was diverse, with the standard Multi-Strategy product overall recording a modest loss on the day, all of which was recouped in the rest of the quarter.

Whilst market volatility can present challenges, the need to access limited liquidity, and to ensure clients continue to receive the best-available execution, provide an environment in which Record's skill and experience can be demonstrated to good effect.

Operating review

Growth in AUME and client numbers has been accompanied by diversification in investment strategy, in structure and in geography.

Product investment performance

Our hedging products are predominantly systematic in nature. The effectiveness of each client mandate is assessed regularly and adjustments are made when necessary in order to respond to changing market conditions or to bring the risk profile of the hedging mandate in line with the client's risk tolerance.

The performance of our Dynamic Hedging product depends on how the foreign currencies change in value relative to the base currency of a client. During the last year, mandates for our US and UK-based Dynamic Hedging clients performed as expected in terms of allowing clients to benefit from periods of strengthening foreign currencies, whilst being protected against periods of weakening foreign currencies.

UK investors generally saw underlying losses from currency over the year as Sterling strengthened against most G10 currencies, leading to lower Sterling valuations for foreign currency investments. UK-based Dynamic Hedging programmes systematically increased Euro hedge ratios over the year in response to Sterling strength to protect against these losses. Conversely, in the case of the strengthening US Dollar, hedge ratios declined during the year, thus containing hedging losses and allowing UK investors to capture the gains in the underlying US currency exposure. Overall, the returns from hedging were positive and helped to offset the effects of the underlying foreign currency exposure.

US investors also saw losses from currency on international exposures when valuing positions in US Dollars, as the US Dollar strengthened against every G10 currency. Record's Dynamic Hedging product increased hedge ratios over the year in response to the US Dollar's strength. As a result, returns from hedging were positive and compensated losses from foreign currency exposure.

Record had a number of "live" Currency for Return products in the year. The Active Forward Rate Bias ("FRB"), Record Currency – FTSE FRB10 Index Fund, and Emerging Market products are founded on market risk premia and as such perform more strongly in "risk on" environments. By contrast, Momentum and Value strategies are more behavioural in nature, and as a result are less risk-sensitive. Active FRB or FRB10 Index, Emerging Market, Momentum and Value can also be combined to create the Record Currency Multi-Strategy product.

For the Active FRB product, the core investment process – the Trend/Forward Rate Bias strategy – aims to buy selected developed market higher interest rate currencies and sell selected lower interest rate currencies and to manage these positions with a view to controlling downside risk. Historically this investment approach has shown positive returns due to the existence of the Forward Rate Bias and trending movements in selected currency pairs. The year saw negative returns mainly due to the short position in the Swiss Franc which appreciated sharply following the Swiss National Bank's decision to abandon the cap on the value of the currency. A complementary investment process – the Range Trading strategy – generated a positive return as selected currency pairs tended to mean revert, partially offsetting the underperformance of the FRB strategy.

Similarly, the Forward Rate Bias Index product produced negative returns as low interest rate currencies appreciated. Record remains committed to our belief that over time currency, and in particular the FRB strategy, can be a persistent and uncorrelated source of returns for investors, and that the FRB will continue to generate long-term returns.

Record's Emerging Market Currency Fund generated positive returns over the period as emerging market currencies appreciated against a basket of developed market currencies, notwithstanding US Dollar strength.

Record's first live Multi-Strategy mandate combining Active FRB, Emerging Market, Momentum and Value strategies, delivered positive performance over the period. Gains were led by returns in the Value and Momentum strategies, although these were partially offset by negative returns from the Active FRB strand and, to a lesser extent, the Emerging Market strand (the divergence in the performance of the latter versus the Emerging Market Currency Fund was due to differences in portfolio construction).

In the last quarter Record also established two new Multi-Strategy accounts, one on a segregated basis and one within a UCITS fund, with both including the FRB10 Index product in place of the Active FRB strategy. At the end of the reporting period both mandates had positive performance.

Returns data for Currency for Return strategies

Fund Name	Gearing	Return for the 12 months to 31 March 2015 %	Return since inception % p.a.	Volatility since inception % p.a.
FTSE FRB 10 Index Fund[3]	**1.8**	**-1.34%**	**2.24%**	**7.76%**
Emerging Market Currency Fund[4]	**1**	**1.02%**	**0.64%**	**6.70%**
Index /composite returns		**Return for the 12 months to 31 March 2015 %**	**Return since inception % p.a.**	**Volatility since inception % p.a.**
Alpha composite[5]		**-1.66%**	**0.03%**	**3.09%**
FTSE Currency FRB10 GBP Excess return[6]		**-0.90%**	**2.45%**	**4.69%**
Currency Value[7]		**5.97%**	**3.46%**	**3.07%**
Currency Momentum[8]		**1.74%**	**2.63%**	**2.92%**
Record Multi-Strategy (ungeared)[9]		**1.08%**	**1.83%**	**2.22%**

Gearing

The Currency for Return product group allows clients to pick the level of exposure they desire in their currency programmes. The pooled funds have historically offered clients a range of

[3] FTSE FRB10 Index Fund return data is since inception in December 2010, GBP base.

[4] Record Currency – Emerging Market Currency Fund return data is since inception in December 2010, GBP base.

[5] Alpha Composite data is since January 2003, USD base.

[6] FTSE Currency FRB10 GBP Excess return data is since December 1987, GBP base.

[7] Currency Value return data is since inception in July 2012, CAD base.

[8] Currency Momentum return data is since inception in July 2012, CAD base.

[9] Record Multi-Strategy return data is since inception in July 2012, CAD base.

gearing and target volatility levels. The segregated mandates allow clients to individually pick the level of gearing.

It should be emphasised that in this case “gearing” refers to the multiple of the maximum size of the aggregate forward contracts in the currency programme, to the pooled fund’s net assets or the segregated mandate size. This is limited by the willingness of counterparty banks to take exposure to the pooled fund or segregated client. Gearing in this context does not involve borrowing.

AUME development

The Group has seen an aggregate increase in AUME of $3.5bn (+7%) to finish the year at AUME of $55.4bn compared with $51.9bn at the end of the previous year.

When expressed in Sterling, AUME increased by £6.2bn (+20%) to finish the year at £37.3bn (2014: £31.1bn).

AUME development ($bn)

Opening AUME at 1 April 2014	Net client inflows	Markets	FX effects	Closing AUME at 31 March 2015
51.9	+2.9	+5.6	-5.0	55.4

AUME movements

The Group has seen net inflows of $2.9bn from clients. Inflows from both new and existing clients totalled $12.9bn, and were offset by outflows of $10.0bn.

Dynamic Hedging AUME experienced net outflows of $2.3bn, ending the year at $9.2bn (2014: $11.3bn). The loss of a Dynamic Hedging programme was reported in early April representing an outflow of $0.6bn, with the remaining net outflows attributable predominantly to clients taking profits partially offset by inflows from a new Dynamic Hedging client. The $0.8bn impact of growth in the value of underlying assets was mostly offset by the impact of movements in exchange rates of -$0.6bn.

Passive Hedging AUME continued to grow and reached $41.2bn (2014: $37.9bn) by the end of the year, an increase of 9% (2014: +71%). Net inflows of $2.9bn were from a combination of new and existing clients with the net impact of external factors contributing a further $0.4bn.

Currency for Return AUME has doubled to $4.8bn (2014: $2.4bn). The increase is due principally to aggregate inflows of $2.3bn both from an existing client into a bespoke programme during the year and from the addition of two new clients with Multi-Strategy mandates. The net impact of external factors increased AUME by $0.1bn.

Equity and other market performance

Record’s AUME is affected by movements in equity and other market levels because substantially all the Passive and Dynamic Hedging, and some of the Currency for Return mandates, are linked to equity and other market levels. Market performance increased AUME by $5.6bn in the year to 31 March 2015.

Further detail on the composition of assets underlying our Hedging mandates is provided below to help illustrate more clearly the impact of equity and fixed income market movements on these mandate sizes.

Class of assets underlying mandates by product as at 31 March 2015

	Equity	Fixed income	Other
	%	%	%
Dynamic Hedging	75%	0%	25%
Passive Hedging	33%	55%	12%

Forex

The percentage of the Group's AUME which is non-US Dollar denominated is 87%. The foreign exchange impact of the conversion of non-US Dollar mandate sizes into US Dollar AUME had the impact of reducing AUME by $5.0bn over the year. This movement does not have an equivalent impact on the Sterling value of fee income.

The split of AUME at the year end by base currency was 21% in Sterling, 61% in Swiss Francs, 13% in US Dollars, 5% in Euros and less than 1% in Canadian and Singapore Dollars.

Product mix

AUME composition by product	**31 March 15**		**31 March 14**	
	US $bn	%	US $bn	%
Dynamic Hedging	9.2	17%	11.3	22%
Passive Hedging	41.2	74%	37.9	73%
Currency for Return	4.8	9%	2.4	5%
Cash	0.2	-%	0.3	-%
Total	**55.4**	**100%**	**51.9**	**100%**

The gradual shift in product mix over the last few years from higher-margin to lower-margin products has slowed considerably. The doubling of AUME in the Currency for Return product has more than offset the reduction in Dynamic Hedging AUME over the year, although the majority of inflows into Currency for Return were from a bespoke mandate of a tactical nature, part of which may therefore only be temporary. With respect to actual flows, aggregate net flows amounted to zero between these two higher-margin products. Currency for Return represented 9% (2014: 5%) of total AUME and Dynamic Hedging 17% (2014: 22%). The proportion of total AUME represented by Passive Hedging was broadly unchanged at 74% (2014: 73%).

Client numbers

At 31 March 2015 Record had 55 clients compared to 48 clients at the end of the prior year, a net gain of seven clients over the year.

AUME composition by product and base currency

	Dynamic Hedging		Passive Hedging		Currency for Return	
Base currency	**31 Mar 15**	**31 Mar 14**	**31 Mar 15**	**31 Mar 14**	**31 Mar 15**	**31 Mar 14**
Sterling	**GBP 2.7bn**	**GBP 2.3bn**	**GBP 4.7bn**	**GBP 3.6bn**	**GBP 0.1bn**	**-**
US Dollar	**USD 3.2bn**	**USD 5.9bn**	**USD 0.2bn**	**USD 0.2bn**	**USD 3.6bn**	**USD 1.5bn**
Swiss Franc	**CHF 1.9bn**	**CHF 1.4bn**	**CHF 30.3bn**	**CHF 25.7bn**	**CHF 0.7bn**	**CHF 0.6bn**
Euro	**-**	**-**	**EUR 2.4bn**	**EUR 1.9bn**	**-**	**-**
Canadian Dollar	**-**	**-**	**-**	**-**	**CAD 0.3bn**	**CAD 0.3bn**
Singapore Dollar	**-**	**-**	**-**	**-**	**SGD 0.1bn**	**-**

Financial review

For the second consecutive year, it is pleasing to report growth in the main financial indicators of revenue, profits and earnings.

Group revenue increased by 6% to £21.1m for the year and includes the Group's first performance fees for five years, of £0.5m.

The Group maintained aggregate management fees at £20.3m (2014: £20.3m) despite the loss of a Dynamic Hedging client announced at the start of the year and the full year financial impact of reduced fee rates on Dynamic Hedging mandates announced in November 2013.

Careful management of costs resulted in a 2% decrease in personnel costs and a 5% decrease in non-personnel costs, which were offset by an increase in the Group Profit Share cost of 10%. Aggregate expenditure, including the Group Profit Share, was maintained at 2014 levels of £13.4m.

Profit before tax increased by 18% to £7.7m.

Profit and loss (£m) – Year ended 31 March	2015	2014
Revenue	21.1	19.9
Cost of sales	(0.2)	(0.1)
Gross profit	20.9	19.8
Personnel (excluding Group Profit Share Scheme)	(6.0)	(6.1)
Non-personnel cost	(4.2)	(4.4)
Total expenditure (excluding Group Profit Share Scheme)	(10.2)	(10.5)
Group Profit Share Scheme	(3.2)	(2.9)
Operating profit	7.5	6.4
Operating profit margin %	36%	32%
Net interest received	0.2	0.1
Profit before tax	7.7	6.5
Tax	(1.7)	(1.5)
Profit after tax	6.0	5.0

Revenue

Record's revenue is principally management fees earned from the provision of currency management services.

Revenue analysis (£m)	2015	2014
Management fees	20.3	20.3
Performance fees	0.5	-
Other income	0.3	(0.4)
Total	**21.1**	**19.9**

Record charges fees to its clients based upon the AUME of the product provided. Both Passive and Dynamic Hedging typically have management fee only arrangements, although some Dynamic Hedging programmes have a performance fee element. Record has historically offered both management fee only, and management fee plus performance fee structures on Currency for Return mandates. Higher performance fee rates usually accompany lower management fee rates and vice versa.

Management fees and performance fees are normally invoiced on a quarterly basis, although Record invoices management fees for some of its larger clients on a monthly basis.

Management fees

Management fee income earned during the year was £20.3m, in line with the previous year (2014: £20.3m). The composition of management fees has continued to reflect the shift from the high-margin Dynamic Hedging product into the lower-margin Passive Hedging product, lagging the corresponding shift in AUME reported last year. Dynamic Hedging management fees decreased by £2.5m with both the full year impact of the fee reductions given in the prior year and the loss of a Dynamic Hedging client announced at the start of the year being the main factors. This was mostly offset by the growth in Passive Hedging management fees of £2.4m due to the full year effect of prior year increases to Passive Hedging AUME plus growth in existing clients mandates through the year.

AUME growth reported in Currency for Return products occurred in the latter part of the year, meaning that the effect on management fees for the year ended 31 March 2015 was marginal, with related revenues increasing to £2.8m (2014: £2.7m).

Dynamic Hedging represents 46% (2014: 59%) of total management fees, and Passive Hedging increased to 40% (2014: 28%) and Currency for Return 14% (2014: 13%) of total management fees.

Management fees by product (£m)	**2015**	**2014**
Dynamic Hedging	9.4	11.9
Passive Hedging	8.1	5.7
Currency for Return	2.8	2.7
Total	**20.3**	**20.3**

As expected, the average fee rate achieved by the Dynamic Hedging product fell slightly year on year as a result of a full year’s impact of the decrease in Dynamic Hedging fee rates announced in November 2013.

Passive Hedging average fee rates have remained stable through the period whilst Currency for Return rates have fallen slightly due to inflows into mandates with tiered fee scales decreasing the overall average fee rate.

Average management fee rates by product – (bps)	2015	2014
Dynamic Hedging	15	16
Passive Hedging	3	3
Currency for Return	16	17

Performance fees

Performance fees of £0.5m were earned in the year, (2014: £nil). Performance fees can be earned either from Currency for Return or Dynamic Hedging mandates, dependent on the individual client mandate. Record currently has two active mandates incorporating a performance fee component, both of which are Dynamic Hedging mandates.

Other income

Other income is principally from gains made on forward foreign exchange contracts employed by the funds seeded by the Group and consolidated under IFRS. It also includes hedging gains/losses on revenues denominated in currencies other than Sterling, and other foreign exchange gains/losses.

Expenditure

Operating expenditure

The total operating expenditure of the Group was £13.4m during the year ended 31 March 2015, in line with the prior year. Due to careful cost control, expenditure reduced from the prior year by £0.1m and £0.2m for non-personnel and personnel costs respectively. The Group Profit Share cost increased by £0.3m over the prior year in line with the increase in profitability.

As detailed more fully in the Chief Executive’s statement, a firm-wide salary increase of 10% has been granted in the current year, effective 1 May 2015.

Group Profit Share Scheme

The Group operates a Group Profit Share Scheme such that a long-term average of 30% of operating profit before Group Profit Share (“GPS”) is made available to be awarded to staff. The Remuneration Committee has agreed that for the year ended 31 March 2015, the Group Profit Share Scheme is 30% of pre-GPS operating profit. This represents £3.2m, an increase of £0.3m from the previous financial year. Directors and senior management in Record are required to take a proportion of this remuneration in the form of shares which are subject to lock-up arrangements under the scheme rules.

Under the scheme rules, the intention is to purchase shares in the market following the announcement of interim and full year financial results.

Operating profit and margins

On a fully consolidated basis, operating profit for the year ended 31 March 2015 of £7.5m was 17% higher than the operating profit for the previous financial year (2014: £6.4m) and operating margin increased from 32% to 36%.

Management also considers operating profit and profit before tax on an "underlying" basis, which excludes the impact of the income and expenditure attributable to non-controlling interests (i.e. gains and losses attributable to other investors in the seed funds which are consolidated into the Group's financial statements on a line-by-line basis, as required under IFRS). This reflects the approach used for internal management reporting and is considered to represent more accurately the core revenues and costs driving current and future cash flows of the business. Underlying operating profit for the year was £7.3m (2014: £6.8m) with underlying profit before tax for the year of £7.5m (2014: £6.9m).

Cash flow

The Group's year end cash position was £12.0m (2014: £11.5m). The cash generated from operating activities before tax was £8.0m (2014: £6.7m), with £1.6m paid in taxation (2014: £1.6m) and £3.3m paid in dividends (2014: £4.9m). At the year end, the Group held money market instruments with maturities between 3 and 12 months, worth £18.1m (2014: £15.5m). These instruments are managed as cash by the Group but are not classified as cash under IFRS rules (see note 16 in the financial statements for more details).

Dividends

Shareholders received an interim dividend of 0.75p per share paid on 19 December 2014. The Board recommends paying a final dividend of 0.90p per share, equivalent to £1.9m, taking the overall dividend to 1.65p per share, an increase of 10% over the prior year (dividend paid in respect of year ended 31 March 2014: 1.50p per share).

Subject to shareholder approval, the dividend will be paid on 29 July 2015 to shareholders on the register on 26 June 2015, the ex-dividend date being 25 June 2015. The dividend cover in the year was 1.6 (2014: 1.7).

Financial stability and Capital management

The Group's financial position remains strong, with consolidated net assets growing to £35.8m (2014: £32.9m) at the end of the year represented predominantly by assets managed as cash totalling £30.1m (2014: £27.0m).

The Board's policy is to retain capital (being equivalent to shareholders' funds) within the business sufficient to meet continuing obligations, to meet regulatory capital requirements, to sustain future growth and to provide a buffer against adverse market conditions. To this end, the Group maintains a financial model to assist it in forecasting future capital requirements over a three year cycle under various scenarios and monitors the capital and liquidity positions of the Group on an ongoing and frequent basis. The Group has no debt.

Record Currency Management Limited ("RCML") is a BIPRU limited licence firm authorised and regulated in the UK by the Financial Conduct Authority ("FCA"), and is a wholly owned subsidiary of Record plc. RCML is required to submit semi-annual capital adequacy returns, and it held significant surplus capital resources relative to its regulatory financial resource requirement throughout the year. Similarly the Group also submits semi-annual capital adequacy returns but on a consolidated basis, taking account of the risks across the business assessed by the Board as requiring further capital. In assessing these risks, the Group uses an active risk-based approach to monitoring and managing risks, which includes its Internal Capital Adequacy Assessment Process ("ICAAP").

The Board is satisfied that the Group is adequately capitalised both to continue its operations effectively and to meet regulatory requirements, due to the size and liquidity of ongoing balance sheet resources maintained by the Group.

The Group held regulatory capital resources based on the audited financial statements as at 31 March, as follows:

Regulatory capital resources (£m)	**2015**	**2014**
Core Tier 1 capital	31.9	29.2
Deductions: Intangible assets	(0.5)	(0.7)
Regulatory capital resources	**31.4**	**28.5**

Further information regarding the Group's capital adequacy information can be found in the Group's Pillar 3 disclosure, which is available on the Group's website at www.recordcm.com.

Consolidated statement of comprehensive income

Year ended 31 March

	Note	2015 £'000	2014 £'000
Revenue	3	21,057	19,922
Cost of sales		(148)	(86)
Gross profit		20,909	19,836
Administrative expenses		(13,373)	(13,412)
Operating profit	4	7,536	6,424
Finance income		146	113
Profit before tax		7,682	6,537
Taxation	6	(1,708)	(1,494)
Profit after tax and total comprehensive income for the year		5,974	5,043
Profit and total comprehensive income for the year attributable to:			
Non-controlling interest		192	(364)
Owners of the parent		5,782	5,407

Earnings per share for profit attributable to the equity holders of the Group during the year (expressed in pence per share)			
Basic earnings per share	7	2.66p	2.48p
Diluted earnings per share	7	2.65p	2.47p

Consolidated statement of financial position

As at 31 March

	Note	2015 £'000	2014 £'000
Non-current assets			
Property, plant and equipment	10	129	86
Intangible assets	11	504	734
Investments	12	2,567	2,754
Deferred tax assets	13	73	158
		3,273	3,732
Current assets			
Trade and other receivables	14	6,324	5,646
Derivative financial assets	15	619	198
Money market instruments with maturity > 3 months	16	18,100	15,488
Cash and cash equivalents	16	12,010	11,503
Total current assets		37,053	32,835
Total assets		40,326	36,567
Current liabilities			
Trade and other payables	17	(2,949)	(2,706)
Corporation tax liabilities	17	(893)	(832)
Derivative financial liabilities	15	(680)	(122)
Total current liabilities		(4,522)	(3,660)
Total net assets		35,804	32,907
Equity			
Issued share capital	18	55	55
Share premium account		1,847	1,838
Capital redemption reserve		20	20
Retained earnings		30,006	27,327
Equity attributable to owners of the parent		31,928	29,240
Non-controlling interest	20	3,876	3,667
Total equity		35,804	32,907

Consolidated statement of changes in equity

Year ended 31 March 2015

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
As at 1 April 2014	**55**	**1,838**	**20**	**27,327**	**29,240**	**3,667**	**32,907**
Profit and total comprehensive income for the year	-	-	-	5,782	5,782	192	5,974
Dividends paid	-	-	-	(3,266)	(3,266)	-	(3,266)
Own shares purchased by EBT	-	-	-	(318)	(318)	-	(318)
Release of shares held by EBT	-	9	-	314	323	-	323
Transactions with shareholders	**-**	**9**	**-**	**(3,270)**	**(3,261)**	**-**	**(3,261)**
Issue of units in funds to non-controlling interest	-	-	-	-	-	17	17
Share option reserve movement	-	-	-	167	167	-	167
As at 31 March 2015	**55**	**1,847**	**20**	**30,006**	**31,928**	**3,876**	**35,804**

Year ended 31 March 2014

	Called up share capital	Share premium account	Capital redemption reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2013	**55**	**1,838**	**20**	**26,729**	**28,642**	**3,646**	**32,288**
Profit and total comprehensive income for the year	-	-	-	5,407	5,407	(364)	5,043
Dividends paid	-	-	-	(4,898)	(4,898)	-	(4,898)
Own shares purchased by EBT	-	-	-	(171)	(171)	-	(171)
Release of shares held by EBT	-	-	-	104	104	-	104
Transactions with shareholders	**-**	**-**	**-**	**(4,965)**	**(4,965)**	**-**	**(4,965)**
Issue of units in funds to non-controlling interests	-	-	-	-	-	1,198	1,198
Divestment of non-controlling interest	-	-	-	-	-	(813)	(813)
Share option reserve movement	-	-	-	156	156	-	156
As at 31 March 2014	**55**	**1,838**	**20**	**27,327**	**29,240**	**3,667**	**32,907**

Consolidated statement of cash flows

Year ended 31 March

	Note	2015 £'000	2014 £'000
Operating profit		**7,536**	**6,424**
Adjustments for:			
Profit on disposal of property, plant and equipment		-	(1)
Depreciation of property, plant and equipment	10	85	79
Amortisation of intangible assets	11	230	229
Release of shares previously held by EBT		308	-
Share option expense		167	156
		8,326	6,887
Changes in working capital			
Increase in receivables		(672)	(68)
Increase in payables		243	29
Increase in other financial assets		(421)	(231)
Increase in other financial liabilities		558	121
CASH INFLOW FROM OPERATING ACTIVITIES		**8,034**	**6,738**
Corporation taxes paid		(1,562)	(1,571)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**6,472**	**5,167**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		-	1
Purchase of property, plant and equipment		(128)	(25)
Sale / (purchase) of securities		186	(1,114)
Purchase of money market instruments with maturity > 3 months	16	(2,612)	(15,488)
Decrease in cash due to accounting treatment of funds previously consolidated on line by line basis		-	(1,877)
Interest received		141	102
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(2,413)**	**(18,401)**
CASH FLOW FROM FINANCING ACTIVITIES			
Cash inflow from issue of units in funds		17	677
Exercise of share options		15	104
Purchase of own shares		(318)	(171)
Dividends paid to equity shareholders		(3,266)	(4,898)
CASH OUTFLOW FROM FINANCING ACTIVITIES		**(3,552)**	**(4,288)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		**507**	**(17,522)**
Cash and cash equivalents at the beginning of the year		11,503	29,025
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**12,010**	**11,503**

Closing cash and cash equivalents consists of:			
Cash		2,730	1,476
Cash equivalents		9,280	10,027
Cash and cash equivalents	16	**12,010**	**11,503**

Company statement of financial position

As at 31 March

	Note	2015 £'000	2014 £'000
Non-current assets			
Investments	12	3,539	3,378
		3,539	**3,378**
Current assets			
Trade and other receivables	14	-	146
Cash and cash equivalents	16	17	34
Total current assets		**17**	**180**
Total assets		**3,556**	**3,558**
Current liabilities			
Trade and other payables	17	(481)	(452)
Total current liabilities		**(481)**	**(452)**
Total net assets		**3,075**	**3,106**
Equity			
Issued share capital	18	55	55
Share premium account		1,809	1,809
Capital redemption reserve		20	20
Retained earnings		1,191	1,222
Total equity		**3,075**	**3,106**

Company statement of changes in equity

Year ended 31 March 2015

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2014	**55**	**1,809**	**20**	**1,222**	**3,106**
Profit and total comprehensive income for the year	-	-	-	3,068	3,068
Dividends paid	-	-	-	(3,266)	(3,266)
Transactions with shareholders	**-**	**-**	**-**	**(3,266)**	**(3,266)**
Share option reserve movement	-	-	-	167	167
As at 31 March 2015	**55**	**1,809**	**20**	**1,191**	**3,075**

Year ended 31 March 2014

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2013	**55**	**1,809**	**20**	**1,402**	**3,286**
Profit and total comprehensive income for the year	-	-	-	4,562	4,562
Dividends paid	-	-	-	(4,898)	(4,898)
Transactions with shareholders	**-**	**-**	**-**	**(4,898)**	**(4,898)**
Share option reserve movement	-	-	-	156	156
As at 31 March 2014	**55**	**1,809**	**20**	**1,222**	**3,106**

Company statement of cash flows

Year ended 31 March

	2015 £'000	2014 £'000
Operating loss	**(3)**	**(345)**
Adjustment for:		
Loss on investments	5	142
Changes in working capital		
Decrease in receivables	146	1,515
Increase / (decrease) in payables	29	(1,265)
CASH INFLOW FROM OPERATING ACTIVITIES	**177**	**47**
Corporation taxes paid	-	(24)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**177**	**23**
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in seed funds	-	(1,000)
Dividends received	3,070	4,900
Interest received	2	8
NET CASH INFLOW FROM INVESTING ACTIVITIES	**3,072**	**3,908**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to equity shareholders	(3,266)	(4,898)
CASH OUTFLOW FROM FINANCING ACTIVITIES	**(3,266)**	**(4,898)**
NET DECREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**(17)**	**(967)**
Cash and cash equivalents at the beginning of the year	34	1,001
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**17**	**34**

Closing cash and cash equivalents consists of:		
Cash	17	34
Cash equivalents	-	-
Cash and cash equivalents	**17**	**34**

Notes to the financial statements for the year ended 31 March 2015

These financial statements exclude disclosures that are both immaterial and judged to be unnecessary to understand our results and financial position.

1. Accounting policies

In order to increase the clarity of the notes to the financial statements, accounting policy descriptions appear at the beginning of the note to which they relate, and are shown in *italics*.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in the notes below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(a) Accounting convention

Basis of preparation

The Group and Company have prepared their financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted in the European Union as at 31 March 2015. The financial statements have been prepared on a historical cost basis, modified to include fair valuation of derivative financial instruments.

The Directors are satisfied that the Company and the Group have adequate resources with which to continue to operate for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

The preparation of financial statements in accordance with the recognition and measurement principles with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The bases for management judgements, estimates and assumptions are discussed further in note 2.

Impact of new accounting standards

A number of amendments to existing standards and interpretations have been issued, some of which were mandatory for periods beginning 1 April 2014, with the remaining becoming effective in future periods. The new standards and amendments to existing standards effective for the year to 31 March 2015 have not had a material impact on the financial statements of Record plc, but the application of IFRS 12 has resulted in additional disclosures for financial instruments (refer to note 20).

New standards and interpretations

IFRS 9 “Financial Instruments” has yet to be endorsed by the EU and replaces the classification and measurement models for financial instruments in IAS 39 with two classification categories; amortised cost and fair value. No other standards or interpretations issued but not yet effective are expected to have a material impact on the Group’s financial statements.

(b) Basis of consolidation

The consolidated financial information contained within the financial statements incorporates financial statements of the Company and entities controlled by the Company (its subsidiaries) drawn up to 31 March 2015. Control is achieved where the Company is exposed to or has rights over variable returns from its involvement with the entity and it has the power to affect returns. Where the Group controls an entity, but does not own all the share capital of that entity, the interest of the other shareholders' non-controlling interests is stated within equity at the non-controlling interests' proportion of the fair value of the recognised assets and liabilities.

An Employee Benefit Trust has been established for the purposes of satisfying certain share-based awards. The Group has 'de facto' control over this special purpose entity. This trust is fully consolidated within the accounts.

The Group has investments in three funds. These funds are held by Record plc and represent seed capital investments by the Group. If the Group is in a position to be able to control a fund by virtue of holding a majority of units in the fund, then the fund is consolidated within the Group accounts. We consider that the Group exerts such control in cases where it (either in isolation or together with its related parties) holds a majority of units in the fund. Such funds are consolidated either on a line by line basis, or if it meets the definition of a disposal group held for sale it is classified and accounted for on that basis. In the case that the Group does not control a fund for the complete reporting period, then the fund is consolidated only for the part of the reporting period for which the Group has control over the entity.

The accounts of subsidiary undertakings, which are prepared using uniform accounting policies, are coterminous with those of the Company apart from those of the seeded funds which have accounting reference dates of 30 September. The consolidated accounts incorporate the financial performance of the seeded funds in the year ended 31 March 2015 and the financial position of the seeded funds as at 31 March 2015.

The Company is taking advantage of the exemption under the Companies Act 2006 s408(1) not to present its individual statement of comprehensive income and related notes that form part of the financial statements. The Group total comprehensive income for the year includes a profit of £3,069,187 attributable to the Company (2014: £4,561,908).

All intra-Group transactions, balances, income, expenses and dividends are eliminated on consolidation.

(c) Foreign currencies

The financial statements are presented in Sterling (£), which is also the functional currency of the parent company. Foreign currency transactions are translated into the functional currency of the parent company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(e) Impairment of assets

The Group assesses whether there is any indication that any of its assets have been impaired at least annually. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(f) Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

(g) Equity

Share capital represents the nominal value (par) of shares that have been issued. Share premium includes any premium received on issue of share capital. Retained earnings includes all current and prior period retained profits and share based employee remuneration. All transactions with owners of the parent are recorded separately within equity.

2. Critical accounting estimates and judgements

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Note 19 covers the assumptions made in calculating the fair value of share options offered by the Group to its employees. The Directors have judged that the Group does not bear substantially all the risks and rewards of ownership of its leasehold premises and therefore accounts for the leases as operating leases as described in note 23.

3. Revenue

Revenue recognition

Revenue is recognised in profit or loss when the amount of revenue can be measured reliably; it is probable that economic benefits will flow to the entity; the stage of completion can be measured reliably; and the costs incurred and costs to complete the transaction can be measured reliably also.

Management fees are accrued on a daily basis, typically based upon an agreed percentage of the assets under management equivalents ("AUME") denominated in the client's chosen base currency. The Group is entitled to earn performance fees from some clients where the performance of the clients' mandates exceeds defined benchmarks by an agreed level of outperformance over a set time period. Performance fees are recognised at the end of each *contractual performance period as this is the first point at which the fee amount can be estimated reliably and it is probable that the fee will be received.*

Segmental analysis

The Directors, who together are the entity's Chief Operating Decision Maker, consider that its services comprise one operating segment (being the provision of currency management services) and that it operates in a market that is not bound by geographical constraints. The Group provides Directors with revenue information disaggregated by product, whilst operating costs, assets and liabilities are presented on an aggregated basis. This reflects the unified basis on which the products are marketed, delivered and supported.

(a) Product revenues

The Group has split its currency management revenues by product. Revenue attributable to the non-controlling interests' ("NCI") holding in seed funds and other income arises mainly from gains / losses on derivative financial instruments.

Revenue by product type	**2015 £'000**	**2014 £'000**
Management fees		
Dynamic Hedging	9,376	11,872
Passive Hedging	8,105	5,728
Currency for Return	2,774	2,671
Total management fee income	**20,255**	**20,271**
Performance fee income – Dynamic Hedging	**480**	**-**
Revenue attributable to NCI holding in seed funds	192	(344)
Other income	130	(5)
Total revenue	**21,057**	**19,922**

(b) Geographical analysis

The geographical analysis of revenue is based on the destination i.e. the location of the client to whom the services are provided. All turnover originated in the UK.

Revenue by geographical region	**2015 £'000**	**2014 £'000**
Management and performance fee income		
UK	5,501	5,141
US	3,660	5,769
Switzerland	10,352	6,893
Other	862	2,468
Total management and performance fee income	**20,735**	**20,271**
Revenue attributable to NCI holding in seed funds	192	(344)
Other income	130	(5)
Total revenue	**21,057**	**19,922**

Revenue attributable to NCI holding in seed funds and other income are not analysed by geographical region.

All of the Group's tangible non-current assets are located in the UK.

(c) Major clients

During the year ended 31 March 2015, five clients individually accounted for more than 10% of the Group's revenue during the year. The five largest clients generated revenues of £3.2m, £2.4m, £2.3m, £2.2m and £2.1m in the year (2014: two largest clients generated revenues of £4.9m and £2.4m).

4. Operating profit

Operating profit for the year is stated after charging / (crediting):

	2015 £'000	2014 £'000
Staff costs	8,919	8,911
Depreciation of property, plant and equipment	85	79
Amortisation of intangibles	230	229
Auditor fees		
Fees payable to the Group's auditor for the audit of the Company's annual accounts	44	36
The audit of the Group's subsidiaries, pursuant to legislation	42	39
Other services pursuant to legislation	65	62
Other services relating to taxation	10	12
Operating lease rentals: Land and buildings	224	231
Losses / (gains) on forward FX contracts held to hedge cash flow	92	(173)
Other exchange (gains) / losses	(701)	326

5. Staff costs

The average number of employees, including Directors, employed by the Group during the year was:

	2015	2014
Client Team	9	10
Research	11	10
Portfolio Management	9	9
Trading	6	5
Operations	4	4
Reporting Services	7	6
Systems	4	4
Finance, Human Resources and Legal	6	6
Administration	1	1
Compliance	2	2
Corporate	9	9
Annual average	**68**	**66**

The aggregate costs of the above employees, including Directors, were as follows:

	2015 £'000	2014 £'000
Wages and salaries	6,489	6,273
Social security costs	871	905
Pension costs	416	412
Other employment benefit costs	1,143	1,321
Aggregate staff costs	**8,919**	**8,911**

Other employment benefit costs include share-based payments, share option costs, and costs relating to the Record plc Share Incentive Plan.

6. Taxation – Group

Current tax is the tax currently payable based on taxable profit for the year. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The total charge for the year can be reconciled to the accounting profit as follows:

	2015 £'000	2014 £'000
Profit before taxation	7,682	**6,537**
Taxation at the standard rate of tax in the UK of 21% (2014: 23%)	1,613	**1,504**
Tax effects of:		
Other disallowable expenses and non-taxable income	32	**68**
Capital allowances for the period lower than depreciation	8	**24**
Lower tax rates on subsidiary undertakings	-	**(42)**
Adjustments recognised in current year in relation to the current tax of prior years	5	**(18)**
Other temporary differences	50	**(42)**
Total tax expense	**1,708**	**1,494**

The tax expense comprises:

	2015 £'000	2014 £'000
Current tax expense	1,623	1,647
Deferred tax expense	85	(153)
Total tax expense	**1,708**	**1,494**

The standard rate of UK corporation tax for the year is 21% (2014: 23%). A full corporation tax computation is prepared at the year end. The actual charge as a percentage of the profit before tax may differ from the underlying tax rate. Differences typically arise as a result of capital allowances differing from depreciation charged, and certain types of expenditure not being deductible for tax purposes, other differences may also arise.

The tax charge for the year ended 31 March 2015 was £1,707,824 (2014: £1,493,615) which was 22.2% of profit before tax (2014: 22.9%).

7. Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated as for the basic earnings per share with a further adjustment to the weighted average number of ordinary shares to reflect the effects of all potential dilution.

There is no difference between the profit for the financial year attributable to equity holders of the parent used in the basic and diluted earnings per share calculations.

	2015	2014
Weighted average number of shares used in calculation of basic earnings per share	217,501,040	217,778,666
Effect of dilutive potential ordinary shares – share options	892,093	893,900
Weighted average number of shares used in calculation of diluted earnings per share	218,393,133	218,672,566
	pence	**pence**
Basic earnings per share	2.66	2.48
Diluted earnings per share	2.65	2.47

The potential dilutive shares relate to the share options granted in respect of the Group's Share Scheme (see note 19). There were share options and deferred share awards in place at the beginning of the period over 6,955,000 shares. During the year 51,250 options were exercised, and a further 1,320,000 share options lapsed or were forfeited. The Group granted 4,327,000 share options with a potentially dilutive effect during the year, but these 4,327,000 share options did not have a dilutive impact at the year end.

8. Dividends

Interim and special dividends are recognised when paid and final dividends when approved by shareholders.

The dividends paid by the Group during the year ended 31 March 2015 totalled £3,266,329 (1.50p per share) which comprised a final dividend in respect of the year ended 31 March 2014 of £1,634,833 (0.75p per share) and an interim dividend for the year ended 31 March 2015 of £1,631,496 (0.75p per share).

The dividends paid by the Group during the year ended 31 March 2014 totalled £4,897,875 (2.25p per share) which comprised a final dividend in respect of the year ended 31 March 2013 of £3,263,625 (1.50p per share) and an interim dividend for the year ended 31 March 2014 of £1,634,250 (0.75p per share).

The final dividend proposed in respect of the year ended 31 March 2015 is 0.90p per share.

9. Retirement benefit obligations

The Group operates defined contribution pension plans for the benefit of employees. The Group makes contributions to independently administered plans, such contributions being recognised as an expense when they fall due. The assets of the schemes are held separately from those of the Group in independently administered funds.

The Group is not exposed to the particular risks associated with the operation of Defined Benefit plans and has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

The pension cost charge represents contributions payable by the Group to the funds and amounted to £416,276 (2014: £412,357).

10. Property, plant and equipment – Group

All property, plant and equipment assets are stated at cost less accumulated depreciation. Depreciation of property, plant and equipment is provided to write off the cost, less residual value, on a straight-line basis over the estimated useful life:

- *Leasehold improvements - period from lease commencement to the earlier of the lease termination date and the next rent review date*
- *Computer equipment - 2-5 years*
- *Fixtures and fittings - 4 years*

Residual values, remaining useful economic lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are included in profit or loss.

The Group's property, plant and equipment comprise leasehold improvements, computer equipment, and fixtures and fittings. The carrying amount can be analysed as follows:

2015	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2014	534	721	272	1,527
Additions	-	96	32	128
Disposals	-	(193)	-	(193)
At 31 March 2015	534	624	304	1,462
Depreciation				
At 1 April 2014	534	637	270	1,441
Charge for the year	-	78	7	85
Disposals	-	(193)	-	(193)
At 31 March 2015	534	522	277	1,333
Net book amounts				
At 31 March 2015	-	102	27	129
At 1 April 2014	-	84	2	86

2014	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2013	534	721	270	1,525
Additions	-	22	3	25
Disposals	-	(22)	(1)	(23)
At 31 March 2014	534	721	272	1,527
Depreciation				
At 1 April 2013	534	582	269	1,385
Charge for the year	-	77	2	79
Disposals	-	(22)	(1)	(23)
At 31 March 2014	534	637	270	1,441
Net book amounts				
At 31 March 2014	-	84	2	86
At 1 April 2013	-	139	1	140

11. Intangible assets

Intangible assets are shown at historical cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible assets unless such lives are indefinite. Amortisation is included within operating expenses in the statement of comprehensive income. Intangible assets are amortised from the date they are available for use. Useful lives are as follows:

- *Software - 5 years*

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

The Group's intangible assets comprise the capitalised cost of software development only. The carrying amounts can be analysed as follows:

2015	**Software £'000**	**Total £'000**
Cost		
At 1 April 2014	1,150	1,150
Additions	-	-
Disposals	-	-
At 31 March 2015	1,150	1,150
Amortisation		
At 1 April 2014	416	416
Charge for the year	230	230
Disposals	-	-
At 31 March 2015	646	646
Net book amounts		
At 31 March 2015	504	504
At 1 April 2014	734	734

2014	**Software £'000**	**Total £'000**
Cost		
At 1 April 2013	1,150	1,150
Additions	-	-
Disposals	-	-
At 31 March 2014	1,150	1,150
Amortisation		
At 1 April 2013	187	187
Charge for the year	229	229
Disposals	-	-
At 31 March 2014	416	416
Net book amounts		
At 31 March 2014	734	734
At 1 April 2013	963	963

Intangible assets are comprised of the capitalised development costs of the Group's middle and back office system which was completed in June 2012 and has an estimated useful economic life of five years. The annual contractual commitment for the maintenance and support of software is £138,112 (2014: £136,071). All amortisation charges are included within administrative expenses.

12. Investments

Group

The Group holds certain securities through its seed funds. These securities are designated as fair value through profit and loss and the fair value is determined by reference to quoted market prices. Investments in funds which are not consolidated on a line by line basis are designated as fair value through profit or loss.

Investments	**2015 £'000**	**2014 £'000**
Record Currency - FTSE FRB10 Index Fund	1,105	1,120
US government treasury inflation protected securities ("TIPS")	1,462	1,634
	2,567	**2,754**

The Record Currency - FTSE FRB10 Index Fund was consolidated into the Group financial statements on a line by line basis until 28 February 2014. After this date the Group ceased to control the fund as a result of investment into the fund by an external investor. There was no gain or loss arising on the transaction. The Group ceased to consolidate the fund from this time, and its own investment in the fund is now measured at fair value.

Company

Investments in subsidiaries are shown at cost less impairment losses. The capitalised investment in respect of share-based payments offered by subsidiaries is equal to the cumulative fair value of the amounts payable to employees recognised as an expense by the subsidiary. Investments in funds are measured at fair value through profit or loss.

	2015 £'000	**2014 £'000**
Investment in subsidiaries (at cost)		
Record Currency Management Limited	10	10
Record Group Services Limited	10	10
Record Portfolio Management Limited	10	10
Record Currency Management (US) Inc.	-	-
Record Fund Management Limited	-	-
N P Record Trustees Limited	-	-
Total investment in subsidiaries (at cost)	30	30
Capitalised investment in respect of share-based payments		
Record Currency Management (US) Inc.	76	66
Record Group Services Limited	341	184
Total capitalised investment in respect of share-based payments	417	250
Total investment in subsidiaries	447	280

Particulars of subsidiary undertakings

Name	Nature of business
Record Currency Management Limited	Currency management services (FCA registered)
Record Group Services Limited	Management services to other Group undertakings
Record Portfolio Management Limited	Dormant
Record Currency Management (US) Inc.	US advisory and service company (SEC and CFTC registered)
Record Fund Management Limited	Dormant
N P Record Trustees Limited	Dormant trust company

The Group's interest in the equity capital of subsidiary undertakings is 100% of the ordinary share capital in all cases. Record Currency Management (US) Inc. is incorporated in Delaware, and all other subsidiaries are registered in England and Wales.

Investment in funds

In December 2010, the Company invested in the Record Currency - FTSE FRB10 Index Fund and the Record Currency - Emerging Market Currency Fund. Initially, these were both accounted for as a disposal group held for sale. In both cases, the Group still retained control over each of the funds twelve months after making the original investment. Consequently both funds ceased to be classified as held for sale and were consolidated in full, on a line by line basis.

The Group has retained control of the Record Currency - Emerging Market Currency Fund through the period, and it remains consolidated in full, on a line by line basis in the Group's financial statements. The Group ceased to control the Record Currency - FTSE FRB10 Index Fund from 1 March 2014 and no longer consolidates this fund on a line by line basis.

The Company made a further investment in the Record Currency - Global Alpha Fund in May 2013. This fund is consolidated in full, on a line by line basis.

All three fund investments are presented in investments in the Company statement of financial position.

Investment in funds	**2015** **£'000**	**2014** **£'000**
Record Currency - FTSE FRB10 Index Fund	1,105	1,120
Record Currency - Emerging Market Currency Fund	1,028	1,017
Record Currency - Global Alpha Fund	959	961
	3,092	**3,098**

13. Deferred taxation – Group

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

A deferred tax liability is generally recognised for all taxable temporary differences.

Deferred tax assets or liabilities arising on goodwill are not recognised but are however recognised on separately identifiable intangible assets. Deferred tax arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss, is not recognised.

	2015 £'000	2014 £'000
Profit and loss account movement arising during the year	(85)	153
Asset brought forward	158	5
Asset carried forward	**73**	**158**

The provision for deferred taxation consists of the tax effect of temporary differences in respect of:

	2015 £'000	2014 £'000
Deferred tax allowance on unvested share options	66	159
Shortfall / (excess) of taxation allowances over depreciation on fixed assets	7	(1)
	73	**158**

At the year end the Group had deferred tax assets of £72,518 (2014: £157,908). At the year end there were share options not exercised with an intrinsic value for tax purposes of £327,987 (2014: £755,687). On exercise the Group will be entitled to a corporation tax deduction in respect of the difference between the exercise price and the strike price. There is no unprovided deferred taxation.

14. Trade and other receivables

Trade and other receivables are stated at their original invoice value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Individual receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables is presented within administrative expenses.

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade receivables	4,648	4,431	-	-
Amounts due from Group undertaking	-	-	-	146
Accrued income	1,078	518	-	-
Other receivables	74	51	-	-
Prepayments	524	646	-	-
	6,324	**5,646**	**-**	**146**

All amounts are short term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. All of the Group's trade and other receivables have been reviewed for indicators of impairment; no such indicators were noted. The Group has not renegotiated the terms of any receivables in the year ended 31 March 2015. The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is £nil (2014: £nil).

15. Derivative financial assets and liabilities

Derivative financial instruments are initially recognised at cost on the date on which the contract is first entered into unless the fair value at acquisition is different to cost, in which case fair value is recognised. Subsequently they are measured at fair value with gains and losses recognised in profit or loss. Transaction costs are immediately recognised in profit or loss. The fair values of derivative financial instruments are determined by reference to active market transactions.

The Group holds derivative financial instruments for two purposes. The Group uses forward foreign exchange contracts to reduce the risk associated with sales denominated in foreign currencies, and additionally uses both foreign exchange options and forward foreign exchange contracts in order to achieve a return within the seed funds. The instruments are recognised at fair value. The fair value of the contracts is calculated using the market rates prevailing at the period end date. The net gain or loss on instruments is included within revenue.

Derivative financial assets	**2015** **£'000**	**2014** **£'000**
Forward foreign exchange contracts held to hedge cash flow	8	7
Forward foreign exchange contracts held for trading	35	153
Foreign exchange options held for trading	576	38
Total derivative financial assets	**619**	**198**

Derivative financial liabilities	**2015** **£'000**	**2014** **£'000**
Forward foreign exchange contracts held to hedge cash flow	-	(3)
Forward foreign exchange contracts held for trading	-	(33)
Short foreign exchange option positions held for trading	(680)	(86)
Total derivative financial liabilities	**(680)**	**(122)**

Derivative financial instruments held to hedge cash flow

At 31 March 2015 there were outstanding contracts with a principal value of £4,260,992 (31 March 2014: £3,198,193) for the sale of foreign currencies in the normal course of business. The fair value of the contracts is calculated using the market forward contract rates prevailing at 31 March 2015. The Group does not apply hedge accounting.

The net gain or loss on forward foreign exchange contracts held to hedge cash flow is as follows:

Derivative financial instruments held to hedge cash flow	**2015** **£'000**	**2014** **£'000**
Net (loss) / gain on forward foreign exchange contracts at fair value through profit or loss	(92)	173

Derivative financial instruments held for trading

The Record Currency - FTSE FRB10 Index Fund and the Record Currency - Emerging Market Currency Fund, use forward foreign exchange contracts in order to achieve a return.

The Record Currency - Global Alpha Fund uses a variety of instruments including forward foreign exchange contracts, options and futures in order to achieve a return.

All derivative financial instruments held by the Record Currency - Global Alpha Fund and the Record Currency - Emerging Market Currency Fund were classified as held for trading throughout the period. The derivative financial instruments held by the Record Currency - FTSE FRB10 Index Fund were classified as held for trading until the fund was deconsolidated from the Group on 1 March 2014.

At 31 March 2015 there were outstanding contracts with a principal value of £36,120,350 (31 March 2014: £26,387,218).

The net gain or loss on derivative financial instruments held for trading for the year was as follows:

Derivative financial instruments held for trading	**2015** **£'000**	**2014** **£'000**
Net loss on forward foreign exchange contracts and foreign exchange options at fair value through profit or loss	(232)	(283)

16. Cash management

The Group's cash management strategy employs a variety of treasury management instruments including cash, money market deposits and treasury bills. Whilst the Group manages and considers all of these instruments as cash, which are subject to its own internal cash management process, not all of these instruments are classified as cash or cash equivalents under IFRS.

IFRS defines cash and cash equivalents as cash in hand, on demand and collateral deposits held with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Moreover, instruments can only generally be classified as cash and cash equivalents where they are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

In the Group's judgement, bank deposit and treasury bills with maturities in excess of 3 months do not meet the definition of short-term or highly liquid and are held for purposes other than meeting short-term commitments. In accordance with IFRS, these instruments are not categorised as cash or cash equivalents and are disclosed as money market instruments with maturities >3 months.

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank deposits with maturities > 3 months	17,500	14,989	-	-
Treasury bills with maturity > 3 months	600	499	-	-
Money market instruments with maturities > 3 months	**18,100**	**15,488**	**-**	**-**
Cash	2,730	1,476	17	34
Bank deposits with maturities <= 3 months	9,280	10,027	-	-
Cash and cash equivalents	**12,010**	**11,503**	**17**	**34**
Total assets managed as cash	**30,110**	**26,991**	**17**	**34**

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Cash and cash equivalents – Sterling	10,525	10,827	17	34
Cash and cash equivalents – USD	818	613	-	-
Cash and cash equivalents – CHF	637	32	-	-
Cash and cash equivalents – other currencies	30	31	-	-
	12,010	**11,503**	**17**	**34**

Since 31 December 2011, the Group cash and cash equivalents balance has incorporated the cash held by the Record Currency - Emerging Market Currency Fund (refer to note 12 for explanation of accounting treatment). In May 2013 Record plc seeded the Record Currency - Global Alpha Fund with an investment of £1,000,000 and since this time the Group has had control over this fund. Therefore the cash and cash equivalents held by the Record Currency - Global Alpha Fund have also been incorporated above. As at 31 March 2015, the cash and cash equivalents held by the seed funds over which the Group had control totalled £3,920,614 (31 March 2014: £3,434,805) and the money market instruments with maturities > 3 months held by these funds were £599,758 (31 March 2014: £499,179).

17. Current liabilities

Trade and other payables are stated at their original invoice value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Trade and other payables

	Group		Company	
	2015 £'000	**2014 £'000**	**2015 £'000**	**2014 £'000**
Trade payables	181	304	-	-
Amounts owed to Group undertaking	-	-	480	447
Other payables	1	1	1	5
Other tax and social security	312	304	-	-
Accruals	2,455	2,097	-	-
	2,949	**2,706**	**481**	**452**

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Current tax liabilities

	Group		Company	
	2015 £'000	**2014 £'000**	**2015 £'000**	**2014 £'000**
Corporation tax	893	832	-	-

18. Called up share capital

The share capital of Record plc consists only of fully paid ordinary shares with a par value of 0.025p each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

	2015		2014	
	£'000	**Number**	**£'000**	**Number**
Authorised				
Ordinary shares of 0.025p each	100	400,000,000	100	400,000,000
Called up, allotted and fully paid				
Ordinary shares of 0.025p each	55	221,380,800	55	221,380,800

Movement in Record plc shares held by the Record plc Employee Benefit Trust ("EBT")

The EBT was formed to hold shares acquired under the Record plc share-based compensation plans. Under IFRS the EBT is considered to be under de facto control of the Group, and has therefore been consolidated into the Group financial statements.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group statement of comprehensive income.

	Number
Record plc shares held by EBT as at 31 March 2013	3,805,808
Adjustment for net purchases by EBT	68,175
Record plc shares held by EBT as at 31 March 2014	3,873,983
Adjustment for net sales by EBT	(25,921)
Record plc shares held by EBT as at 31 March 2015	**3,848,062**

The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. Own shares are recorded at cost and are deducted from retained earnings.

Further information regarding the Record plc share-based compensation plans and relevant transactions made during the year is included in note 19.

19. Share-based payments

During the year ended 31 March 2015 the Group has managed the following share-based compensation plans:

a) **The Group Profit Share Scheme**: share awards issued under the Group Profit Share Scheme are classified as share-based payments with cash alternatives under IFRS 2.

b) **The Record plc Share Scheme:** share options issued under the Record plc Share Scheme are classified as equity-settled share-based payments under IFRS 2.

c) **The Record plc Share Incentive Plan:** the Group operates the Record plc Share Incentive Plan ("SIP"), to encourage more widespread ownership of Record plc shares by employees. The SIP is a tax-approved scheme offering attractive tax savings for employees retaining their shares in the scheme over the medium to long term.

All obligations arising from the three schemes are fulfilled through purchasing shares in the market.

a) Group Profit Share Scheme

Share-based payments with cash alternatives

These transactions are compound financial instruments, which include a debt element and a cash element. The fair value of the debt component of the amounts payable to the employee is calculated as the cash amount alternative offered to the employee at grant date and the fair value of the equity component of the amounts payable to the employee is calculated as the market value of the share award at grant date less the cash forfeited in order to receive the share award. The debt component is charged to profit or loss over the period in which the award is earned and remeasured at fair value at each reporting date. The equity component is charged to profit or loss over the period in which the award is earned.

The Group Profit Share Scheme allocates a proportion of operating profits to a profit share pool to be distributed between all employees of the Group. The Remuneration Committee has the discretion to vary the proportion awarded to the profit share pool between 25% and 35% of operating profits, with the intention of maintaining an average level of 30% of operating profits over the medium term. Directors and senior employees receive one third of their profit share in cash, one third in shares ("Earned Shares") and may elect to receive the final third as cash only or to allocate some, or all, of the amount for the purchase of Additional Shares. The charge to profit or loss in respect of Earned Shares in the period was £683,978 (2014: £660,043). Other employees receive two thirds of their profit share in cash and may elect to receive the final third as cash only or to allocate some, or all, of the amount for the purchase of Additional Shares.

If an individual elects to receive Additional Shares, the Group simultaneously awards a Matching Share value amount using a multiple decided by the Remuneration Committee. The multiple is dependent on the level of seniority of the employee. The number of shares is determined by the post-tax cash attributed to Earned Shares plus Additional Shares plus Matching Shares divided by the aggregate market value achieved on the purchase of all such shares in the market. The charge to profit or loss in respect of Matching Shares in the period was £273,155 (2014: £260,541). Shares awarded under the Profit Share Scheme do not include any vesting restrictions but rather restrictions over subsequent sale and transfer. All shares the subject of share awards vest immediately and are transferred to a nominee allowing the individual to retain full rights in respect of the shares purchased. These shares cannot be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee except as follows:

- Earned Shares - one third on each anniversary of the Profit Share Payment date; and
- Additional or Matching Shares - the third anniversary of the Profit Share Payment date for Directors and senior employees and the second anniversary of the Profit Share Payment date for all other employees.

The Group Profit Share Scheme rules contain claw back provisions allowing for the repayment of profit share payments under certain circumstances including a material breach of contract, an error in performance of duties or a restatement of accounts which leads to a change in any prior award under the scheme.

Shares awarded under this scheme are purchased in the market.

b) The Record plc Share Scheme

Equity-settled share-based payments

The fair value of the amounts payable to employees under these awards is recognised as an expense over the vesting period of the award, with a corresponding increase in equity. All such awards made by the Group involve the parent company granting rights to its equity instruments to employees of its subsidiary. Consequently the subsidiary measures the services received from its employees in accordance with the above classification under IFRS 2 and recognises a corresponding increase in equity as a contribution from the parent. The parent has the obligation to settle the transaction with the subsidiary's employees and therefore recognises an increase in its investment in the subsidiary and a corresponding increase in equity.

The fair value of options granted is measured at grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted. The fair value amounts for the options issued since listing on the London Stock Exchange were determined using quoted share prices.

The Record plc Share Scheme (the "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 2011, the Share Scheme was amended to include the ability to grant HMRC approved options (“Approved Options”) to employees of Record plc or its subsidiaries whilst retaining the ability to grant unapproved options (“Unapproved Options”). The exercise price per share of Approved Options must be no lower than 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 on the value of grant for Unapproved Options, which may be granted with any exercise price (including £nil), but have recently been granted with a market value exercise price in the same way as for the Approved Options.

Options over an aggregate of 4,327,000 shares were granted under the Share Scheme during the year (2014: 3,560,000), of which 4,007,000 were made subject to Unapproved Options and 320,000 to Approved Options (2014: 2,945,000 made subject to Unapproved Options and 615,000 to Approved Options). All options were granted with an exercise price per share equal to the share price prevailing at the time of grant.

The 2,160,000 Unapproved Options issued on 26 November 2014 each become exercisable in three equal tranches on the third, fourth and fifth anniversary of the date of grant, subject to the employee being in employment with the Group at the relevant vesting date and to the extent personal performance conditions have been satisfied.

The 1,847,000 Unapproved Options issued on 24 March 2015 each become exercisable in four equal tranches on the first, second, third and fourth anniversary of the date of grant, subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied.

The 320,000 Approved Options issued on 24 March 2015 each become exercisable on the fourth anniversary of the date of grant, subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied.

Options without performance conditions are valued using the Black-Scholes method, options with performance conditions are valued using a risk-neutral Monte Carlo valuation. Expected volatilities used are based on historic volatilities.

The Group share-based payment expense in respect of the Share Scheme was £166,587 in the year ended 31 March 2015 (2014: £155,625).

Outstanding share options

At 31 March 2015, the total number of ordinary shares of 0.025p outstanding under Record plc share compensation schemes was 9,910,750 (2014: 6,955,000). These deferred share awards and options are over issued shares, a proportion of which are hedged by shares held in an Employee Benefit Trust. Details of outstanding share options and deferred shares awarded to employees are set out below:

Date of grant	At 1 April 2014	Granted	Exercised	Lapsed / forfeited	At 31 March 2015	Earliest vesting date	Latest vesting date*	Exercise price
08/08/11	**750,000**	-	-	(750,000)	**-**	08/08/13	08/08/15	£0.3180
08/08/11	**225,000**	-	-	(75,000)	**150,000**	08/08/13	08/08/15	£0.3225
02/12/11	**600,000**	-	-	**-**	**600,000**	02/12/15	02/12/15	£0.1440
18/12/12	**1,615,000**	-	-	(125,000)	**1,490,000**	18/12/16	18/12/16	£0.3098
18/12/12	**205,000**	-	(51,250)	-	**153,750**	18/12/13	18/12/16	£0.3098
27/09/13	**615,000**	-	-	(135,000)	**480,000**	27/09/17	27/09/17	£0.3085
27/09/13	**1,545,000**	-	-	(235,000)	**1,310,000**	27/09/14	27/09/17	£0.3085
18/11/13	**1,400,000**	-	-	**-**	**1,400,000**	18/11/16	18/11/18	£0.3000
26/11/14	**-**	2,160,000	-	-	**2,160,000**	26/11/17	26/11/19	£0.3586
24/03/15	**-**	320,000	-	-	**320,000**	24/03/19	24/03/19	£0.3450
24/03/15	**-**	1,847,000	-	-	**1,847,000**	24/03/16	24/03/19	£0.3450
Total options	**6,955,000**	**4,327,000**	**(51,250)**	**(1,320,000)**	**9,910,750**			
Weighted average exercise price of options	**£0.29**	**£0.35**	**£0.31**	**£0.31**	**£0.32**			

*Note that under the terms of the deeds of grants, Unapproved Options are exercisable for a year following the vesting date and Approved Options are exercisable for up to six years after vesting.

During the year 51,250 options granted on 18 December 2012 were exercised. The share price at date of exercise was £0.34. At 31 March 2015 a total of 453,750 options had vested and were exercisable.

The Directors' interests in the combined share schemes are as follows:

	Ordinary shares held as at	
	31 March 2015	**31 March 2014**
Record plc Group Profit Share Scheme (interest in restricted share awards)		
James Wood-Collins	753,377	1,272,732
Leslie Hill	294,528	278,748
Bob Noyen	303,378	292,022
Steve Cullen	146,220	67,173
Record plc Share Scheme (interest in unvested share options)		
James Wood-Collins	2,030,000	1,400,000
Leslie Hill	630,000	-
Bob Noyen	630,000	-
Steve Cullen	345,000	75,000

Performance measures

The Approved Option Scheme includes certain performance criteria. At vesting date, a percentage of the total options granted will vest according to the median total shareholder return ("TSR") as measured against the FTSE 350 General Financial – Price Index. The performance target table is given below:

Percentage by which Record's TSR is below the median TSR performance of the Index	Percentage of shares subject to the award which vest
Equal to or above the median TSR performance	100%
Equal to or above 75% of the median TSR performance	75%
Equal to or above 50% of the median TSR performance	50%
Below 50% of the median TSR performance	0%

Grants of options made to Board Directors under the Unapproved Option Scheme include certain performance criteria and claw back provisions. At vesting date, a percentage of the total options granted will vest according to the average growth in Earnings Per Share ("EPS") over a three year period, as follows:

Record's 3 year average EPS growth	Percentage of shares subject to the award which vest
>RPI growth + 13%	100%
>RPI growth + 10%, = <RPI + 13%	75%
>RPI growth + 7%, = <RPI + 10%	50%
>RPI growth + 4%, = <RPI + 7%	25%
=<RPI growth + 4%	0%

These Unapproved Options are subject to claw back provisions allowing the Remuneration Committee to adjust the number of shares that may be, or were, acquired to be decreased if the committee considers that either a material breach of contract has arisen or in respect of retrospective amendments required to calculations of the Group's performance upon which vesting calculations were originally based. The claw back provisions allow the Group to take various steps until the claw back obligation is satisfied, including reduction of future share option awards, transfer of shares back to the Group for nil consideration, reduction of future payments under the Group Profit Share Scheme or payment of sales proceeds back to the Group.

c) The Record plc Share Incentive Plan

The Group operates the Record plc Share Incentive Plan ("SIP"), to encourage more widespread ownership of Record plc shares by employees. The SIP is a tax-approved scheme offering attractive tax savings for employees retaining their shares in the scheme over the medium to long term.

As an incentive to employees, the Group matches every two shares bought by employees with a free matching share. During the year, the Group awarded 40,192 free shares (2014: 31,143 free shares) to employees. The expense charged in respect of the SIP was £12,579 in the year ended 31 March 2015 (2014: £10,865).

20. Non-controlling interest

Record plc has made investments in a number of funds where it is in a position to be able to control those funds by virtue of the size of its holding plus those of any related parties. Non-controlling interests occur when Record plc is not the only investor in the fund. The non-controlling interest is measured at cost plus movement in value of the third party investment in the fund.

Record has seeded three funds which have been active during the year ended 31 March 2015.

The Record Currency - Emerging Market Currency Fund was considered to be under control of the Group as the combined holding of Record plc and its Directors constituted a majority interest throughout the period. Similarly, the Record Currency - Global Alpha Fund is considered to be under control of the Group as the combined holding of Record plc and its Directors has constituted a majority interest since inception.

The Record Currency - FTSE FRB10 Index Fund has not been under the control of the Group since 28 February 2014, when new external investment meant that Record no longer held a majority interest.

The mark to market value of units held by investors in these funds other than Record plc are shown as non-controlling interests in the Group financial statements, in accordance with IFRS. There were no other non-controlling interests in the Group financial statements.

Relative holding of investors other than Record plc in seeded funds consolidated into the accounts of the Record Group

	2015	2014
Record Currency - Emerging Market Currency Fund		
Board Directors	42%	43%
Other investors	30%	28%
Total non-controlling interest	**72%**	**71%**
Record Currency - Global Alpha Fund		
Board Directors	54%	54%
Other investors	1%	1%
Total non-controlling interest	**55%**	**55%**

Summarised financial information for Record Currency - Emerging Market Currency Fund, before intra-group eliminations, is set out below

	2015 £'000	2014 £'000
Total assets	3,861	3,521
Total liabilities	(147)	(15)
Equity attributable to owners of the parent	1,027	1,018
Non-controlling interests	2,687	2,488
Profit and total comprehensive income for the year attributable to owners of the parent	10	(31)
Profit and total comprehensive income for the year attributable to NCI	194	(257)
Profit and total comprehensive income for the year	**204**	**(288)**
Cash inflow/(outflow)	**313**	**(433)**

Summarised financial information for Record Currency - Global Alpha Fund, before intra-group eliminations, is set out below:

	2015 £'000	2014 £'000
Total assets	2,958	2,258
Total liabilities	(809)	(119)
Equity attributable to owners of the parent	960	960
Non-controlling interests	1,189	1,179
Profit and total comprehensive income for the year attributable to owners of the parent	-	(40)
Profit and total comprehensive income for the year attributable to NCI	(2)	(49)
Profit and total comprehensive income for the year	**(2)**	**(89)**
Cash inflow	**273**	**535**

Mark to market value of external holding in seed funds consolidated into the accounts of the Record Group

	2015 £'000	2014 £'000
Record Currency - Emerging Market Currency Fund	2,687	2,488
Record Currency – Global Alpha Fund	1,189	1,179
	3,876	**3,667**

21. Financial risk management

The Group's current activities result in the following financial risks and management responses to those risks in order to minimise any resulting adverse effects on the Group's financial performance.

Objectives, policies and processes for managing risk and the methods used to measure the risk

Financial assets principally comprise trade receivables, other receivables, money market instruments, cash and cash equivalents and derivative financial assets. Financial liabilities comprise trade and other payables and derivative financial liabilities. The main risks arising from financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk each of which is discussed in further detail below.

The Group monitors and mitigates financial risk on a consolidated basis. The Group has implemented a framework to manage the risks of its business and to ensure that the Directors have in place risk management practices appropriate to a listed company. The management of risk is directed by the Board and reviewed by the Audit and Risk Committee.

The Company's material financial instruments are investments in the seed funds, and balances due to/from Group undertakings. The Company's financial risk is managed as part of the Group financial risk management process and therefore separate disclosures for the Company have not been provided.

Credit risk

The Group has established a cash management team to manage Group cash in accordance with an approved cash management policy. The policy stipulates exposure limits by instruments, counterparty, tenor and duration. Counterparty exposures are measured against ratings published by credit-rating agencies and are monitored daily. The maximum single exposure to any counterparty under the policy is 20% of total cash.

The primary objective of the cash management team is to diversify and manage counterparty risk within the risk appetite of the Group and the limits set by the policy. The secondary objective is to maintain yield given the constraints under the policy whilst ensuring sufficient liquidity to meet future cash flow commitments as instructed by the finance team.

The Chief Financial Officer is responsible for reviewing the Group's credit exposure and ensuring that any credit concerns are raised to the Risk Management Committee and that action is taken to mitigate these risks.

The Group's maximum exposure to credit risk is as follows:

Financial assets at 31 March	2015 £'000	2014 £'000
Investment in Record Currency – FTSE FRB10 Index fund	1,105	1,120
Securities (TIPS)	1,462	1,634
Trade receivables	4,648	4,431
Accrued income	1,078	518
Other receivables	74	51
Other financial assets at fair value through profit or loss	619	198
Money market instruments with maturities > 3 months	18,100	15,488
Cash and cash equivalents	12,010	11,503
	39,096	**34,943**

The debtors' age analysis is also evaluated on a regular basis for potential doubtful debts. It is management's opinion that no provision for doubtful debts is required. The table below is an analysis of trade receivables and accrued income by due date:

At 31 March 2015	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	4,648	4,648	-	-
Accrued income	1,078	1,078	-	-
	5,726	**5,726**	**-**	**-**
		100%	*0%*	*0%*

At 31 March 2014	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	4,431	4,226	205	-
Accrued income	518	518	-	-
	4,949	**4,744**	**205**	**-**
		96%	*4%*	*0%*

The Group offers standard credit terms of 30 days from invoice date. It is the Group's policy to assess debtors for recoverability on an individual basis and to make a provision where it is considered necessary. In assessing recoverability the Group takes into account any indicators of impairment up until the reporting date. The application of this policy generally results in debts between 0-3 months overdue not being provided for unless individual circumstances indicate that a debt is impaired.

Trade receivables are made up of 44 debtors' balances (2014: 42). The largest individual debtor corresponds to 17% of the total balance (2014: 20%). Debtor days, based on the generally accepted calculation of debtor days, is 82 days (2014: 80 days). This reflects the quarterly billing cycle used by the Group for the vast majority of its fees. As at 31 March 2015 no debt was overdue (2014: 4%). No debtors' balances have been renegotiated during the year or in the prior year.

Liquidity risk

The Group is exposed to liquidity risk, namely that it may be unable to meet its payment obligations as they fall due. The Group maintains sufficient cash and marketable securities to be able to meet all such obligations. Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet the future working capital requirements and to take advantage of business opportunities. The average creditor payment period is 15 days (2014: 24 days).

Contractual maturity analysis for financial liabilities:

At 31 March 2015	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000
Trade and other payables	181	117	14	50
Accruals	2,455	129	1,254	1,072
Derivative financial liabilities	680	70	344	266

At 31 March 2014	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000
Trade and other payables	305	305	-	-
Accruals	2,097	146	1,080	871
Derivative financial liabilities	122	110	8	4

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities used by the Group. Interest bearing assets comprise money market instruments and cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does not therefore incur interest on overdue balances.

A sensitivity analysis has not been disclosed for the impact of interest rate changes as any reasonable range of change in interest rate would not directly have a material impact on profit or equity.

Interest rate profiles

At 31 March 2015	Fixed rate £'000	Floating rate £'000	No interest rate £'000	Total £'000
Financial assets				
Investment in Record Currency – FTSE FRB10 Index fund	-	-	1,105	1,105
Securities (TIPS)	-	1,462	-	1,462
Trade receivables	-	-	4,648	4,648
Accrued income	-	-	1,078	1,078
Other receivables	-	-	74	74
Derivative financial assets at fair value through profit or loss	-	-	619	619
Money market instruments with maturities > 3 months	18,100	-	-	18,100
Cash and cash equivalents	9,280	2,730	-	12,010
Total financial assets	**27,380**	**4,192**	**7,524**	**39,096**
Financial liabilities				
Trade and other payables	-	-	(181)	(181)
Accruals	-	-	(2,455)	(2,455)
Derivative financial liabilities at fair value through profit or loss	-	-	(680)	(680)
Total financial liabilities	**-**	**-**	**(3,316)**	**(3,316)**

At 31 March 2014	Fixed rate £'000	Floating rate £'000	No interest rate £'000	Total £'000
Financial assets				
Investment in Record Currency – FTSE FRB10 Index fund	-	-	1,120	1,120
Securities (TIPS)	-	1,634	-	1,634
Trade receivables	-	-	4,431	4,431
Accrued income	-	-	518	518
Other receivables	-	-	51	51
Derivative financial assets at fair value through profit or loss	-	-	198	198
Money market instruments with maturities > 3 months	15,488	-	-	15,488
Cash and cash equivalents	10,027	1,476	-	11,503
Total financial assets	**25,515**	**3,110**	**6,318**	**34,943**
Financial liabilities				
Trade and other payables	-	-	(305)	(305)
Accruals	-	-	(2,097)	(2,097)
Derivative financial liabilities at fair value through profit or loss	-	-	(122)	(122)
Total financial liabilities	**-**	**-**	**(2,524)**	**(2,524)**

Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group makes use of forward foreign exchange contracts to manage the risk relating to future transactions in accordance with the Group's risk management policy.

The Group is exposed to foreign currency risk on sales and cash holdings that are denominated in a currency other than Sterling, and also on assets and liabilities on assets and liabilities held by the Record Currency - Global Alpha Fund. The principal currencies giving rise to this risk are the US Dollar, the Swiss Franc, the Euro and the Canadian Dollar.

In the year ended 31 March 2015, the Group invoiced the following amounts in currencies other than Sterling:

	Local currency value '000	**Value in reporting currency £'000**
Swiss Franc (CHF)	11,858	7,852
US Dollar (USD)	9,654	6,072
Euro (EUR)	1,105	852
Canadian Dollar (CAD)	660	361
Singapore Dollar (SGD)	35	17
		15,154

The value of revenues for the year ended 31 March 2015 that were denominated in currencies other than Sterling was £15.2 million (72% of total revenues). For the year ended 31 March 2014: £14.7 million (74% of total revenues).

Record's policy is to reduce the risk associated with the Group's sales denominated in foreign currencies by using forward fixed rate currency sales contracts, taking into account any forecast foreign currency cash flows.

The spot transactions relating to the maturity of these forward foreign exchange contracts are expected to occur within the next three months. Changes in the fair values of forward foreign exchange contracts are recognised directly in profit or loss.

Of the cash denominated in currencies other than Sterling (refer to note 16), only the cash holdings of the Record Currency - Global Alpha Fund (totalling £807,607) are not covered by the Group's hedging process, therefore the Directors consider that the foreign currency risk on cash balances is not material.

The Group is exposed to foreign currency risk on all the assets and liabilities held by the Record Currency - Global Alpha Fund, which are consolidated into the Group Accounts. A sensitivity analysis of the impact of the valuation of the net assets of this seed fund are provided below.

Foreign currency risk - sensitivity analysis

The Group has considered the sensitivity to exchange rate movements by considering the impact on those revenues, costs and assets denominated in foreign currencies as experienced in the given period. The sensitivity analyses below do not consider the impact of exchange rate movements on the underlying portfolios of our clients which would affect the quantum of fees earned.

	Impact on profit after tax for the year ended 31 March		**Impact on total equity as at 31 March**	
	2015 **£'000**	**2014** **£'000**	**2015** **£'000**	**2014** **£'000**
10% weakening in the £/$ exchange rate	588	520	588	520
10% strengthening in the £/$ exchange rate	(588)	(520)	(588)	(520)
10% weakening in the £/CHF exchange rate	505	295	505	295
10% strengthening in the £/CHF exchange rate	(505)	(295)	(505)	(295)

Sterling/US Dollar exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/USD exchange rate of $1.61/£ this would result in a weakened exchange rate of $1.47/£ and a strengthened exchange rate of $1.79/£.

Sterling/Swiss Franc exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/CHF exchange rate of CHF1.50/£ this would result in a weakened exchange rate of CHF1.36/£ and a strengthened exchange rate of CHF1.67/£.

Sensitivity analyses have not been disclosed for other currencies as any reasonable range of change in exchange rate would not have a material impact on profit or equity.

Emerging Market Currency Fund

The Group seeded a product in December 2010 called the Record Currency – Emerging Market Currency Fund, which manages a portfolio of emerging market currency deliverable forward exchange contracts and emerging market currency non-deliverable forward exchange contracts in order to achieve a return. As Record plc exerts control over the fund, it has been consolidated into the Group's primary statements. The net assets of the fund at 31 March 2015 were £3,714,107 (2014: £3,505,641). The Group has provided the following data in respect of sensitivity to this product:

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
10% depreciation in the Emerging Market portfolio	(324)	(304)	(324)	(304)
10% appreciation in the Emerging Market portfolio	324	304	324	304

The impact of a change to the portfolio value of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and expectations for future movement in emerging markets.

Global Alpha Fund

The Group seeded a product in May 2013 called the Record Currency - Global Alpha Fund, which manages a portfolio of derivative financial instruments including forward exchange contracts, options and futures in order to achieve a return. As Record plc exerts control over the fund, it has been consolidated into the Group's primary statements. The net assets of the fund at 31 March 2015 were £2,148,875 (2014: £2,138,582). The Group has provided the following data in respect of sensitivity to this product:

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
18% depreciation in the Global Alpha portfolio	(307)	(305)	(307)	(305)
18% appreciation in the Global Alpha portfolio	307	305	307	305

The impact of a change to the portfolio value of 18% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and expectations for future movement (the target maximum annual drawdown rate is 18%).

22. Fair value measurement

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of input to the fair value measurement. The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2015	Level 1	Level 2	Level 3
	£'000	**£'000**	**£'000**	**£'000**
Financial assets at fair value through profit or loss				
Investment in Record Currency – FTSE FRB10 Index Fund	1,105	1,105	-	-
TIPS	1,462	1,462	-	-
Forward foreign exchange contracts used for seed funds	35	-	35	-
Options used for seed funds	576	-	576	-
Forward foreign exchange contracts used for hedging	8	-	8	-
Financial liabilities at fair value through profit or loss				
Options used for seed funds	(680)	-	(680)	-
	2,506	**2,567**	**(61)**	**-**

	2014	Level 1	Level 2	Level 3
	£'000	**£'000**	**£'000**	**£'000**
Financial assets at fair value through profit or loss				
Investment in Record Currency – FTSE FRB10 Index Fund	1,120	1,120	-	-
TIPS	1,634	1,634	-	-
Forward foreign exchange contracts used for seed funds	153	-	153	-
Options used for seed funds	38	-	38	-
Forward foreign exchange contracts used for hedging	7	-	7	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	(33)	-	(33)	-
Options used for seed funds	(86)	-	(86)	-
Forward foreign exchange contracts used for hedging	(3)	-	(3)	-
	2,830	**2,754**	**76**	**-**

There have been no transfers between levels in the reporting period (2014: none).

Basis for classification of financial instruments classified as level 2 within the fair value hierarchy

Both forward foreign exchange contracts and options are classified as level 2. Both of these instruments are traded on an active market. Options are valued using an industry standard model with inputs based on observable market data whilst the fair value of forward foreign exchange contracts may be established using interpolation of observable market data rather than from a quoted price.

Classes and fair value of financial instruments

It is the Directors' opinion that the carrying value of all financial instruments approximates to their fair value.

Categories of financial instrument

	Note	Loans and receivables	Financial liabilities measured at amortised cost	Assets at fair value through profit or loss	Liabilities at fair value through profit or loss
At 31 March 2015		**£'000**	**£'000**	**£'000**	**£'000**
Investment in Record Currency – FTSE FRB10 Index Fund	12	-	-	1,105	-
TIPS	12	-	-	1,462	-
Trade and other receivables (excludes prepayments)	14	5,800	-	-	-
Money market instruments with maturities > 3 months	16	18,100	-	-	-
Cash and cash equivalents	16	12,010	-	-	-
Derivative financial assets at fair value through profit or loss	15	-	-	619	-
Current trade and other payables	17	-	(182)	-	-
Accruals	17	-	(2,455)	-	-
Derivative financial liabilities at fair value through profit or loss	15	-	-	-	(680)
		35,910	**(2,637)**	**3,186**	**(680)**

	Note	Loans and receivables	Financial liabilities measured at amortised cost	Assets at fair value through profit or loss	Liabilities at fair value through profit or loss
At 31 March 2014		**£'000**	**£'000**	**£'000**	**£'000**
Investment in Record Currency – FTSE FRB10 Index Fund	12	-	-	1,120	-
TIPS	12	-	-	1,634	-
Trade and other receivables (excludes prepayments)	14	5,000	-	-	-
Money market instruments with maturities > 3 months	16	15,488	-	-	-
Cash and cash equivalents	16	11,503	-	-	-
Derivative financial assets at fair value through profit or loss	15	-	-	198	-
Current trade and other payables	17	-	(305)	-	-
Accruals	17	-	(2,097)	-	-
Derivative financial liabilities at fair value through profit or loss	15	-	-	-	(122)
		31,991	**(2,402)**	**2,952**	**(122)**

23. Operating lease commitments

Leases in which substantially all the risks and rewards are retained by the lessor are classified as operating leases. Payments made under these operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Benefits received as an incentive to sign a lease, whatever form they may take, are credited to profit or loss on a straight-line basis over the lease term.

On 25 January 2006, the Group signed a lease on new premises at Morgan House, Madeira Walk, Windsor, Berkshire. This lease expires on 19 June 2016. The annual commitment under this lease is £229,710 (2014: £229,710).

The Group has considered the risks and rewards of ownership of the leased property, and considers that they remain with the lessor, consequently, this lease is recognised as an operating lease.

At 31 March 2015 the Group had commitments under non-cancellable operating leases relating to land and buildings as set out below:

	2015 £'000	2014 £'000
Not later than one year	230	230
Later than one year and not later than five years	57	287
	287	**517**

24. Related parties transactions

Company

Details of transactions between the Company and other Group undertakings, which are related parties of the Company, are shown below:

Transactions with subsidiaries

The Company's subsidiary undertakings are listed in note 12, which includes a description of the nature of their business.

	2015 £'000	2014 £'000
Amounts due from subsidiaries	-	146
Amounts due to subsidiaries	(480)	(447)
Interest received from subsidiaries on intercompany loan balances	1	5
Net dividends received from subsidiaries	3,070	4,900

Amounts owed to and by related parties will be settled in cash. No guarantees have been given or received. No provisions for doubtful debts have been raised against amounts outstanding (2014: £nil). No expense has been recognised during the period in respect of bad or doubtful debts due from related parties. During the year ended 31 March 2014, as a result of the dissolution of Record Currency Management (Jersey) Limited, Record plc wrote off an intercompany loan balance due from Record Currency Management (Jersey) Limited with a total of £228,530.

Transactions with seeded funds

From time to time, the Group injects capital into funds operated by the Group to trial new products (seed capital). If the Group is able to exercise control over such a seeded fund by holding a majority interest (whether the majority interest is held by Record plc alone, or by combining the interests of Record plc and its Directors), then the fund is considered to be a related party.

Record Currency – Global Alpha Fund and Record Currency – Emerging Market Currency Fund are both related parties on this basis. Similarly, the Record Currency – FTSE FRB10 Index Fund was a related party until Record plc ceased to have the majority interest as a result of external investment into the fund sufficient to Record plc's holding; there was no transaction between the Company and this fund during the year.

Group

Transactions or balances between Group entities have been eliminated on consolidation and in accordance with IAS 24, are not disclosed in this note.

Key management personnel compensation

	2015 £'000	2014 £'000
Short-term employee benefits	3,568	3,651
Post-employment benefits	229	263
Share-based payments	940	1,052
	4,737	**4,966**

The dividends paid to key management personnel in the year ended 31 March 2015 totalled £1,677,173 (2014: £2,503,685)

Directors' remuneration

	2015 £'000	2014 £'000
Emoluments[1] (excluding pension contribution)	2,254	2,136
Gains made on exercise of share options	-	-
Pension contribution[2]	137	140
Aggregate emoluments of the Directors	**2,391**	**2,276**

During the year, three Directors of the Company (2014: four) participated in the Group Personal Pension Plan, a defined contribution scheme.

25. Capital management

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern, (ii) to provide an adequate return to shareholders, and (iii) to meet regulatory capital requirements set by the UK Financial Conduct Authority.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares. The Group had no debt in the current or prior financial year and consequently does not calculate a debt-to-adjusted capital ratio.

[1] Excludes termination payments made to Paul Sheriff.

[2] Includes payments made in lieu of pension contributions.

The Group's capital is managed within the categories set out below:

	2015 £m	2014 £m
Regulatory capital	8.8	8.7
Other operating capital	20.5	17.7
Operating capital	**29.3**	**26.4**
Seed capital	3.1	3.1
Total capital	**32.4**	**29.5**

Operating capital is equivalent to the aggregate net current assets of the Company and the main trading subsidiaries of the Group. Operating capital is intended to cover the regulatory capital requirement plus capital required for day to day operational purposes. The Directors consider that the other operating capital significantly exceeds the actual day to day operational requirements.

Seed capital is the capital deployed to support the growth of new funds. Seed capital is limited to 15% of the Group's total capital.

For regulatory capital purposes Record plc is subject to consolidated financial supervision by the Financial Conduct Authority ("FCA"). Our regulatory capital requirements are in accordance with FCA rules consistent with the Capital Requirements Directive. Our financial resources have exceeded our financial resource requirements (regulatory capital requirements) at all times during the year. Further information is provided in the Business Review.

26. Ultimate controlling party

As at 31 March 2015 the Company had no ultimate controlling party, nor at 31 March 2014.

27. Post reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

28. Statutory Accounts

This statement was approved by the Board on 15 June 2015. The financial information set out above does not constitute the Company's statutory accounts.

The statutory accounts for the financial year ended 31 March 2014 have been delivered to the Registrar of Companies, and those for the year ended in 31 March 2015 will be delivered in due course. The auditor has reported on those accounts; the reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006 in respect of either set of accounts.

Notes to Editors

This announcement includes information with respect to Record's financial condition, its results of operations and business, strategy, plans and objectives. All statements in this document, other than statements of historical fact, including words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", "continue", "project" and similar expressions, are forward-looking statements.

These forward-looking statements are not guarantees of the Company's future performance and are subject to risks, uncertainties and assumptions that could cause the actual future results, performance or achievements of the Company to differ materially from those expressed in or implied by such forward-looking statements.

The forward-looking statements contained in this document are based on numerous assumptions regarding Record's present and future business and strategy and speak only as at the date of this announcement.

The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement whether as a result of new information, future events or otherwise.