RECORD PLC

CAPITAL REQUIREMENTS DIRECTIVE
PILLAR 3 DISCLOSURE

Background

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

The framework consists of three ‘pillars’:

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

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

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

The disclosures in this document are in respect of Record plc (“Record”) in accordance with the BIPRU rules, and are intended to show clearly the risks that are relevant to Record and the steps Record takes to manage those risks. In particular the document discloses how Record has satisfied itself that it has sufficient capital in respect of those risks. Record plc wholly owns a subsidiary, Record Currency Management Limited, authorised to undertake regulated business under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012), authorised and regulated by the FCA. This report has been prepared on a consolidated basis for Record plc and all of its subsidiaries.

Frequency

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

Verification

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

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

Capital Requirement

Record is a BIPRU Limited Licence €50k firm. As such the Pillar 1 capital resource is the higher of €50k, the fixed overhead requirement and the sum of credit and market risk capital requirements. The Pillar 1 Capital for Record is the fixed overhead requirement, being £2,555k as at 31 March 2013. The Group consists of seven legal entities and all regulated activities bar the management of a small fund based in Jersey are conducted through Record Currency Management Limited ("RCML"), the Group's FCA regulated subsidiary. The Jersey subsidiary delegates the investment management activity of the Jersey fund back to RCML and holds within the Jersey legal entity the required capital to satisfy Jersey regulations.

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

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

Record generated £6.1m pre-tax profits from £18.6m revenue for the year ended 31 March 2013. Given this level of profitability business risk has been considered as part of the stress testing rather than the Pillar 2 capital requirement.

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

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

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

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

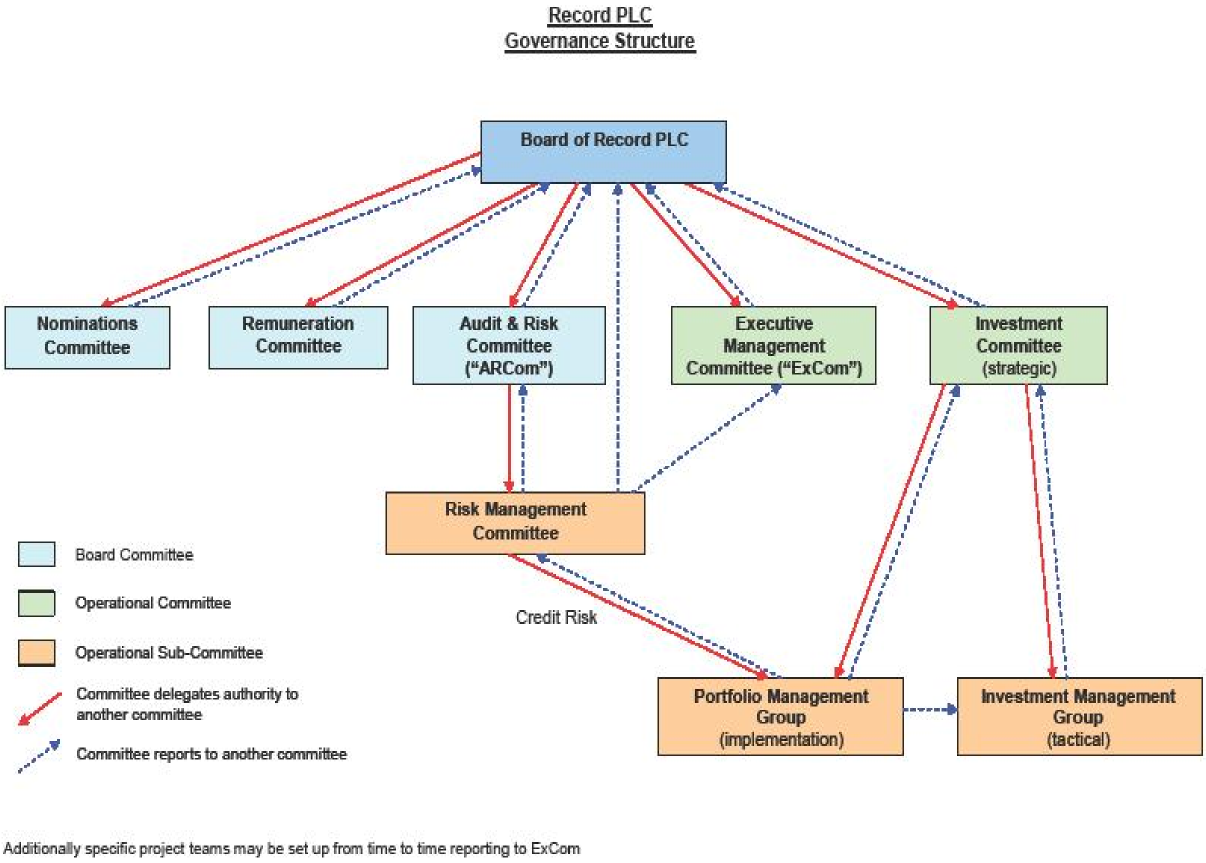
- Decline in performance of products – the risk that poor performance or market conditions lead to falling revenues;
- Counterparty risk – the risk that failure of significant market counterparty caused a follow on loss of AUME and mandates;
- Loss of some of the largest clients;
- A serious failure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

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

Risk management objectives and policies

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

The corporate governance structure at Record is as follows:



The Main Board is assisted in its role in leading the business by various Board and Operational sub-committees, as described above. In particular, one of the Audit and Risk Committee's duties includes the oversight and review of internal control and risk management, and its operational sub-committee, the Risk Management Committee ("RMC"), has been delegated the day-to-day responsibility for overseeing and mitigating risks arising across the activities of the regulated subsidiary (RCML) and the Group as a whole. There is also an established and on-going Compliance Monitoring Programme in addition to a programme of Internal Audits agreed annually and performed over the financial year, which are facilitated by an independent, external audit firm.

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

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

Operational risk

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

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

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

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

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

Business risk

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

Record has three core currency products. The revenue of the business is generated by management and performance fees. While Record's products are in relation to currency and therefore the asset class to which the business is exposed is concentrated, Record offers both currency hedging products and currency for return products which appeal to an investment community with a diverse spectrum of risk appetites.

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

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

Currency is the most liquid financial market and Record's investment process is restricted to the developed market currencies that settle in Continuous Linked Settlement ("CLS"). The exception to this is the Emerging Market product where a minority of currencies are non-deliverable and hence non-deliverable forwards must be utilised. The stress tests consider the effects of poor markets in terms of loss of mandates and hence AUME declines.

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

Credit Risk

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

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

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

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

Market Risk

Market risk is the risk of any impact on the firm's financial condition due to adverse market movements caused by market variables such as interest rates, prices etc. The Board have agreed to allocate up to 15% of capital resources to fund seed capital investments. Currently, three live funds have each received seed investments of £1m. These investments assist in creating a track record for these products. The investments in the products are carried at market value.

Employee risk

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

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

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

Systems Risk

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

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

Remuneration

Remuneration Committee

The Remuneration Committee is chaired by Andrew Sykes who is supported by Cees Schrauwers and David Morrison.

The Board considers that Andrew Sykes, Cees Schrauwers and David Morrison are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The Remuneration Committee meets as often as required to discharge its duties and met eight times during the year ended 31 March 2013. The Executive Chairman, the Chief Executive Officer, the Human Resources Director and the former joint Chief Operating and Chief Financial Officer attended all or part of the meetings at the invitation of the Committee but no Director takes part in the determination of their own remuneration.

The Remuneration Committee is responsible for agreeing the remuneration policy for the Group, including the Group Profit Share Scheme, Share Incentive Plan and the principles for salary awards and performance related pay. The Committee considers these factors when determining Directors' remuneration.

Remuneration Policy and Directors' Remuneration

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

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

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

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

Service contracts

All Executive Directors have service agreements with effect from 15 November 2007, with the exception of James Wood-Collins, who has a service agreement dated 1 October 2010 to reflect his promotion to Chief Executive Officer and Steve Cullen who has a service agreement dated 15 March 2013 to reflect his promotion to Chief Financial Officer. None of the service agreements is for a fixed term and all include provisions for termination on six months' notice by either party. Service agreements do not contain any contractual entitlement to receive bonuses, nor to participate in the Group Profit Share Scheme, nor to receive any fixed provision for termination compensation. Where applicable the broad aim in making termination payments is to avoid rewarding poor performance.

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

Management Changes

Following the management reorganisation announced on 16 November 2012, Paul Sheriff left Record's employment and ceased to be a Director of Record plc with effect from 15 March 2013. A termination payment was made based upon his contractual terms and in accordance with statutory provisions and the payments made are summarised in the Directors' remuneration table. As part of the leaving terms the Remuneration Committee agreed that any shares under the Group Profit Share Scheme would be released from the 'lock up' provisions upon the termination of Paul Sheriff's employment.

Steve Cullen was appointed the new Chief Financial Officer with effect from 15 March 2013 and his remuneration was agreed by the Remuneration Committee in accordance with the remuneration structure for Executive Directors.

Risk Management

The Group has a prudent approach to risk management and meets the required standards under the FCA Remuneration Code. In accordance with the Remuneration Code the Group has a remuneration policy statement and has defined a Remuneration Code Staff List. The remuneration policy promotes effective risk management and incentivises sustained long-term value creation consistent with the Group's strategic goals and does not encourage excessive short-term risk taking. All staff defined as Code Staff are required to take a significant proportion of variable remuneration in share-based payments that are required to be held for up to three years (except for the Chairman, Neil Record who already has a significant shareholding in Record plc).

Salaries

The Group's policy is to pay salaries which are competitive with other employers in our industry. A salary benchmarking exercise to establish the market position is carried out on a regular basis and this information contributes to the Group remuneration policy and any subsequent pay reviews. During the previous year no pay increases were given to staff and there was a reduction in salaries for Board members. This year there will be a standard pay review applied to staff but Board members will see no change to their salary.

Variable compensation

Record operates a Group Profit Share Scheme ("The Scheme"), which allocates a profit share pool to be distributed between all employees of the Group. The Remuneration Committee has the discretion to vary the quantum of the Group Profit Share Scheme between 25% and 35% of operating profits, with the intention of maintaining an average level of 30% of operating profits over the medium term.

The Scheme is split into two separate pools, one of which is the Group Profit Share pool and the other of which is the Matching pool. The intention continues to be to maintain the Scheme at 30% of operating profits over the medium term and so it is intended that the Group Profit Share pool operates at 27% and the Matching pool operates at 3% of operating profits.

Since 2007 30% of operating profit has been distributed to employees each year under the Scheme. This year the Scheme operated at 27% for the Group Profit Share pool and 3% for the Matching pool as intended. The continuation of the Scheme remaining at 30% of operating profits has created a transparent and predictable link between variable compensation and profitability, and has aligned the interests of employees with those of our shareholders.

The quantum of the Scheme has fallen over the past three years in line with performance, the decline in earnings per share and the fall in the share price over the same period. This link, coupled with the share element of variable compensation, provides a clear motivation for Executive Directors and employees to grow the business and improve the financial position of the Group. It is the Group's intention to maintain this remuneration structure but to also use the Record Share Scheme to incentivise Directors and staff which is explained further below.

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

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

Whilst the Group recognises that increasing assets under management is a key priority it is felt that the Group Profit Share Scheme together with a sales-based incentive for our Sales Executive in the US form the right remuneration structure to incentivise sales. The sum of the Group Profit Share Scheme (including the matching share element) and sales incentives is expected to remain between 25% and 35% of operating profit in most reasonable scenarios, and the Remuneration Committee will continue to monitor this.

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

The Record plc Share Scheme

Background

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 the year ended 31 March 2009, awards in the form of tax-unapproved options ("Unapproved Options") over shares with an aggregate value at grant of £400,000 were granted to two senior employees under the Share Scheme. The options became exercisable for nil consideration in three equal tranches on the second, third and fourth anniversary of the date of grant. The options became fully vested this year.

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 under a new Part 2 of the Share Scheme. Unapproved Options may still be granted under the existing unapproved part of the Share Scheme. 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 Unapproved Options. Unapproved Options 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 the Approved Options.

The Remuneration Committee retains the power to grant options under the Share Scheme. During the previous year, options were granted to a small group of individuals below Board level who had been assessed as having particular skills and potential to contribute significantly to the business in the future.

This year, it was decided to grant options to a wider group of staff below Board level, to both incentivise and retain key individuals over the long term. The Remuneration Committee delegated the task of identifying suitable recipients of options and the number of shares to be put under option for those individuals to management.

Options over an aggregate of 2,220,000 shares were granted under the Share Scheme during the year, of which 410,000 shares were made subject to Unapproved Options and 1,810,000 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 Approved Options become exercisable on the fourth anniversary of grant, subject to the employee remaining in employment with the Group and to the extent a performance condition based on the Company's total shareholder return in comparison with a relevant peer group has been met. The Unapproved Options 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 personal performance conditions have been satisfied.

At the AGM held on 25 July 2013, shareholders gave their approval for the Group to increase the size of the Share Scheme from the existing quantum of 1% of the market capitalisation of Record plc (being approximately 2.2 million shares) to 2% (4.4 million shares). At this time, the shareholders also agreed to extend the Share Scheme to allow Directors to participate. The Remuneration Committee limits the value of shares over which an option is granted to any Director in any year to a maximum of 200% of that Director's salary for that year.

The Remuneration Committee intends to grant an option under the Share Scheme to the CEO, James Wood-Collins, over 1.5 million shares, with an exercise price per share equal to the market value of a share on the date that the option is granted. The option will be subject to a performance condition based on Record's annual EPS growth. One third of the award will vest on each of the third, fourth and fifth anniversary of the date of grant, subject to an EPS hurdle, with 25% of each tranche vesting if profit growth over the three years prior to the anniversary in question is at least RPI plus 4% per annum, increasing on a stepped basis to 100% vesting if profit growth exceeds RPI plus 13% per annum over the same period.

The option is subject to claw back provisions linked to the future behaviour of James Wood-Collins or if any subsequent amendment becomes necessary to the firm's financial performance following prior assessment of the performance conditions by the Remuneration Committee.

There are no plans to offer share options to any executive members of the Board other than the CEO this year but the Remuneration Committee will review participation on an annual basis and will have the ability to set different performance conditions for subsequent awards.

Source and funding of shares

Options under the Share Scheme cannot be satisfied by the issue of new shares. Record therefore funds the trustee of the Group's employee benefit trust ("EBT") to purchase shares in the market with which to satisfy options. There is therefore no dilution of shareholders' interests as a result of the proposed amendments or the grant of the options to James Wood-Collins. To date, the Group has funded the Group's EBT at the time of grant to purchase in the market such number of shares as would be required to satisfy the exercise of the significant majority of the options. In future, the number of shares purchased to hedge the award of options will be based on an appropriate hedge ratio at each grant date, as calculated by management and approved by the Remuneration Committee.

Share Incentive Plan

The Group introduced an HMRC-approved Share Incentive Plan 'SIP' during the year ended 31 March 13. The SIP was offered to all staff, including Directors, who were able to buy up to £1,500 worth of shares per year from pre-tax salary. To encourage employee share ownership the Group matches any shares purchased through this scheme at a rate of 50%, although staff will only receive the full benefit of the matched shares if they remain with the Group for three years. There are no plans to make any changes to the SIP scheme this year.

Pension

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

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

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

The Group has been informed that the staging date for automatic enrolment will be 1 July 2014 and the Group will ensure that it meets its statutory obligations at that time.

Directors' remuneration

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

	Salaries and fees	Other cash payments	Benefits	Profit Share payments		Other payments	Year ended 31 March 2013	Year ended 31 March 2012
				Share-based	Cash-based			
Executive Directors								
Neil Record	113,750	14,787	871	-	-	-	**129,408**	298,176
James Wood-Collins[2]	245,000	24,500	627	181,896	96,075	-	**548,098**	604,349
Leslie Hill	245,000	25,371	-	69,258	138,515	-	**478,144**	520,034
Bob Noyen	245,000	-	871	69,258	138,515	-	**453,644**	512,707
Steve Cullen[3]	4,583	-	67	201	632	-	**5,483**	N/A
Paul Sheriff[4] (resigned 15 March 2013)	234,949	2,827	1,621	139,291	91,341	198,865	**668,894**	533,161
Non-executive Directors						-		
Cees Schrauwers	67,500	-	-	-	-	-	**67,500**	72,500
Andrew Sykes	36,000	-	-	-	-	-	**36,000**	38,667
David Morrison	36,000	-	-	-	-	-	**36,000**	38,667
Total	**1,227,782**	**67,485**	**4,057**	**459,904**	**465,078**	**198,865**	**2,423,171**	**2,618,261**

1 Other cash payments comprise cash allowances in lieu of either pension contributions or holiday entitlement.

2 Gains made on the exercise of share options which were granted prior to his appointment as CEO are shown in the Directors' Interests in Record plc share options table below.

3 Steve Cullen was appointed Chief Financial Officer on 15 March 2013. The table above discloses his remuneration from the date of appointment to 31 March 2013 only.

4 Paul Sheriff ceased to be a Director on 15 March 2013. A termination payment was made based upon contractual terms and in accordance with statutory provisions totalling £198,865.

Pensions

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

	Year ended 31 March 2013	Year ended 31 March 2012
Executive Directors		
James Wood-Collins	13,475	32,622
Leslie Hill	13,475	32,622
Bob Noyen	37,975	38,747
Steve Cullen[1]	710	-
Former Executive Director		
Paul Sheriff[2] (resigned 15 March 2013)	55,405	41,515
Total	**121,040**	**145,506**

Directors share options and share awards

No Director was awarded any share options during the financial year ended 31 March 2013.

The only Director to exercise any share options during the financial year was James Wood-Collins. The grant of these share options was made upon his joining the Group, prior to his appointment to the Board of Directors. Steve Cullen was granted options during the year under the Approved option scheme and prior to his appointment to the Board of Directors. Both option grants were in accordance with the rules of the Record plc Share Scheme.

[1] Steve Cullen was appointed Chief Financial Officer on 15 March 2013. The table above discloses the pension contributions made by the Group on his behalf from the date of appointment to 31 March 2013 only.

[2] Paul Sheriff ceased to be a Director with effect from 15 March 2013. A pension payment was made based upon contractual terms upon termination totalling £18,988 and is included in the table of pension contributions above.

Directors' interests in Record plc share options

Record plc Share Scheme

	Interest in unvested share options			
	At 1 April 2012	**Options granted**	**Vested and Exercised**	**At 31 March 2013**
Executive Directors				
James Wood-Collins[1]	56,748	-	(56,748)	-
Steve Cullen[2]	-	75,000	-	75,000

In the year, the gain made by James Wood-Collins on exercise of options over 56,748 shares was £9,150 (2012: gain of £18,372 on exercise of options over 56,748 shares).

[1] The shares are available to the Director after the vesting period for nil consideration upon exercise. A total of 170,245 shares were awarded to the employee upon joining the Group in August 2008. The brought forward balance of 56,748 options vested in August 2012 when the market share price was £0.16 per share. The vested shares are included in Directors' interests in Record plc ordinary shares.

[2] The options were granted under the Approved option scheme prior to appointment to the Board of Directors. The options are subject to performance conditions.

Directors' interests in Record plc share awards

Record plc Group Profit Share Scheme

	Interest in restricted share awards			
	At 1 April 2012	**Awards with restrictions**[1]	**Restrictions released**	**At 31 March 2013**
Executive Directors				
James Wood-Collins	1,229,680	218,777	(267,633)	1,180,824
Leslie Hill	156,697	148,613	(52,232)	253,078
Bob Noyen	156,697	148,613	(52,232)	253,078
Steve Cullen	50,097	22,727	(14,798)	58,026
Former Executive Director				
Paul Sheriff[2]	776,910	219,715	(996,625)	-

Financial Resources

The table below summarises the composition of regulatory capital for Record as at 31 March 2013:

	£000's
Issued share capital	55
Share premium account	1,838
Retained earnings and other reserves	26,749
Tier 1 Capital before deductions	28,642
Deductions from Tier 1 Capital	(963)
Tier 1 Capital after deductions	**27,679**

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

[2] The Remuneration Committee approved the release of all share restrictions under the scheme rules upon cessation of Paul Sheriff's employment on 15 March 2013.