

The logo for Record plc, featuring the word "RECORD" in white, uppercase, sans-serif font. A stylized graphic element consisting of two overlapping circles and a diagonal line passes through them, set against a dark blue square background.

RECORD

A blurred background image of a person sitting at a table with a laptop and two glasses of water. The person is wearing a white shirt and is looking towards the camera. The table is light-colored wood, and the glasses are clear with water. The laptop is silver and is open, with the keyboard visible. The overall scene is brightly lit and has a professional, clean aesthetic.

Record plc
Interim Report
Six months ended 30 September 2011
Currency management

Record plc is a specialist currency manager, providing both currency hedging and currency for return mandates to institutional clients.

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Headlines

Assets under Management Equivalents¹ 'AuME' of \$28.9bn as at 30 September 2011 (\$30.8bn as at 30 September 2010)

Management fees of £11.3m for the six months to 30 September 2011 (£15.0m for the six months to 30 September 2010)

Profit before tax of £3.7m for the six months to 30 September 2011 (£7.0m for the six months to 30 September 2010)

Basic EPS of 1.26 pence for the six months to 30 September 2011 (2.26 pence for the six months to 30 September 2010)

Interim dividend of 0.75p per share will be paid on 20 December 2011

AuME at period end (\$bn)



Revenue (£m)



Profit before tax (£m)



	Six months ended 30 Sep 11	Six months ended 30 Sep 10	Year ended 31 Mar 11
AuME (US\$)	\$28.9bn	\$30.8bn	\$31.4bn
AuME (GB£)	£18.6bn	£19.5bn	£19.6bn
Alpha composite performance	0.02%	(2.49%)	(3.39%)
Client numbers	43	57	46
Average management fee rate	11.9bps	14.7bps	14.0bps
Management fees	£11.3m	£15.0m	£28.1m
Performance fees	nil	nil	nil
Profit before tax	£3.7m	£7.0m	£12.5m
Operating margin	33%	46%	44%
Basic earnings per share	1.26p	2.26p	4.03p
Dividend per share in respect of the period	0.75p	2.00p	4.59p

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 real. 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.



Neil Record
Chairman

Highlights of the period

The six months to 30 September 2011 represented a period of relative stability of clients and mandates compared to the second half of the year ended 31 March 2011. However, when compared to the comparable six months of the prior year, this resulted in both lower management fee income and lower profitability due to the business mix and average fee income being higher in the prior period. Market conditions were far from stable however, particularly in the last three months of the half-year, introducing challenges both to the emergence of investment performance consistent with our long-term expectations, and to implementation issues, in particular, bank counterparty management.

Dynamic Hedging has grown to represent 65% of our revenue for the six months to 30 September 2011 and has performed in line with client expectations, protecting US clients from foreign currency weakness and UK clients from foreign currency strength. The highlight for the period was the commencement of a £0.7bn UK-based Dynamic Hedging mandate, which has been offset by the loss of our second largest Dynamic Hedging client (\$1.4bn) in early November. Our Currency for Return Forward Rate Bias Alpha product has continued to experience modest net client outflows with investment performance being flat for segregated mandates in aggregate, although negative for the pooled funds.

The product range now consists of six products, being two for Hedging and four for Currency for Return. We are planning to bring a further two to market in the second half of the financial year, being a currency momentum and a currency value product. Following the development of these two, Record will have a comprehensive suite of eight products that we will be able to offer to clients, as well as the ability to combine some of these in “multi-strategy” and bespoke mandates. This compares to the more limited offering at the time of the IPO when Record had three distinct products.

Record is focussed on delivering new sales from this enhanced product range. Steps were taken in the period to strengthen the client team with the addition of a US sales executive and an executive focussed on continental Europe. The recruitment of a US sales resource is a proactive initiative to address the increased importance that currency issues are assuming for US public and private sector pension schemes and other institutional investors.

Assets under Management Equivalents ('AuME') fell to \$28.9bn at 30 September 2011, compared to \$31.4bn at 31 March 2011. The largest component of the decrease was equity market performance of -\$3.2bn. Net flows added to AuME over the six months, contributing \$1.0bn. Performance in Currency for Return contributed -\$0.1bn and foreign exchange movements accounted for a -\$0.2bn decrease in mandate sizes. The number of clients fell in the six months to 43 (46 at 31 March 2011), predominantly due to the redemptions by pooled Currency for Return clients.

Management fees decreased to £11.3m for the six months to 30 September 2011, a decrease of 25% compared to the six months to 30 September 2010. Given prior valuation levels (or 'high water marks') achieved there were no performance fees earned in the period. Profit before tax for the period of £3.7m was 47% lower than for the equivalent period in the prior year.

The operating margin, at 33%, was also less than that achieved in the six months to 30 September 2010 (46%) although the decline was less marked than that in revenues. This reflects the flexibility in our cost base, which is due mainly to Record's Group Profit Share (GPS) scheme which sets aggregate profit share at a long term average of 30% of pre-GPS operating profit.

An interim dividend of 0.75p per share will be paid on 20 December 2011. The Board's intention, subject to business performance and a satisfactory outlook, is to recommend a final dividend for the current financial year of 0.75p per share.

Further and more detailed analysis of the results for the period can be found in the Interim Management Review.

Investment performance

Investment performance during the period has reflected fluctuating bouts of risk aversion across financial markets, with different implications for different products. Navigating these bouts of risk aversion continues to prove challenging.

US-based Dynamic Hedging clients have experienced performance reflecting first US Dollar weakness, during which the product allowed clients to benefit from overseas currency strength although at some cost, and later US Dollar strength, leading to higher hedge ratios and protection in particular against Euro and Pound Sterling weakness. Trends have been relatively short by historical standards, making their efficient capture more challenging.

UK-based Dynamic Hedging clients saw Sterling weakening overall, although only consistently against the Japanese Yen over the period, with other currencies demonstrating mixed and volatile behaviour. Overall, the product generated modest underperformance during the period.

Across all Currency for Return products, the period from April to September 2011 produced mixed results as risk appetite and aversion fluctuated. Overall Forward Rate Bias Alpha performance during the period was marginally positive for the ungeared Alpha composite, demonstrably outperforming passive Forward Rate Bias strategies, although there was a noticeable dispersion in performance of various accounts. It is increasingly evident given statements from the Federal Reserve and the Bank of England, as well as a softening of the European Central Bank's stance on inflation, that significant interest rate differentials are unlikely to appear between the US Dollar, Pound Sterling, Euro, Japanese Yen and Swiss Franc in the short term, challenging both active and passive Forward Rate Bias strategies that have significant exposure to these currencies.

The newer Currency for Return products, in particular the Emerging Market Currency Fund and the FTSE FRB10 Index Fund, also generated positive returns from April to approximately June, in line with our long-term investment expectations, before underperforming from approximately July through to September as risk aversion heightened due to uncertainties in Europe and the US. The Euro Stress Fund launched at the end of May generated positive returns towards the end of the period as the Euro weakened following a very volatile path.

Strategy, growth plans and outlook

The Group continues to concentrate on promoting both Passive and Dynamic Hedging together with those Currency for Return products whose recent track records are encouraging, as well as engaging with clients to create specific solutions to their currency needs. Where appropriate, these specific solutions are created with a view to their subsequent scalable extension to other clients. We have seen a number of enquiries and RFPs and believe we will secure further hedging mandates in the current financial year.

In the US, where investors continue moving towards Global Equity benchmarks that typically increase international equity exposure, there is increasing attention towards currency risk. Whilst Record faces challenges in gaining acceptance for the Dynamic Hedging product with consultants and clients there remains a good opportunity to build on the track record to date.

In addition to the established Hedging products and Currency for Return products, the Group has invested in three funds that have been seed funded by Record, including the recently launched Euro Stress Fund.

The challenge for Record is to gain acceptance in the investment community for both the existing and new products. The existing sales effort together with recent initiatives to strengthen the client team will undoubtedly assist in opening up new opportunities for Record.

In order to position Record to benefit from developments in the currency market, the Group has invested in retaining talented individuals and selectively recruiting additional resources, enhancing its processes and investing in systems infrastructure, all subject to appropriate cost control. In particular, the Group's new back office system is currently in the final stages of testing and should be fully operational in the second half of the financial year.

Record continues to be respected for its currency expertise and should be well positioned to win new business. Whilst it is clearly disappointing to have lost our second largest Dynamic Hedging client in early November and to continue to see outflows in the established Currency for Return Forward Rate Bias Alpha product we think that there are short term opportunities in both Passive and Dynamic Hedging. In the medium term, and where recent product performance is positive, growth in Currency for Return should emerge.



Neil Record
Chairman

17 November 2011

Business overview

Whilst the first half of the financial year has seen AuME and client numbers decrease when compared to the preceding six months, the Group delivered pre tax profit of £3.7m and will pay an interim dividend of 0.75p per share. Although the Group's hedging business has fallen in AuME terms in the first six months this is largely due to the fall in global equity markets in this period. There has been a continuation in the reduction of Currency for Return mandates, most notably for pooled accounts.

The Group now has six currency products and will continue with this diversification through the launch of currency momentum and currency value products before the end of the current financial year. The Group is focussed on delivering new sales through continuing to develop relationships with investment consultants, supplemented by direct marketing by the in-house client team. The addition of two executives focussed on the US and continental Europe respectively is an investment in additional sales capability.

Investment performance

The processes that underpin our Dynamic Hedging and Currency for Return products are fundamentally different.

Dynamic Hedging seeks to allow our clients to benefit from foreign currency strength while protecting them from foreign currency weakness. Record's Dynamic Hedging product performs best when currency movements exhibit trends over periods of 12 months or longer.

Performance for US dollar based Dynamic Hedging, for the period from April to September 2011, directly reflected the evolution of the exchange rate for the US Dollar, which strengthened during the period but followed a volatile path with relatively brief trends. The period started with US Dollar weakness, and so

the product allowed clients to capture most of the overseas currency strength. Subsequently, the dollar started strengthening in August and appreciated sharply in September and, as a result, the desired protection was delivered through higher hedge ratios, especially for the Euro and Sterling exposures.

From the UK perspective, hedging clients saw overall weakening of Sterling. The Japanese Yen was consistently strong relative to Sterling whereas other currencies demonstrated mixed and volatile behaviour. The US Dollar strengthened towards the end of the period and the Swiss Franc dropped in value as a result of the Swiss National Bank's (SNB) intervention. Overall, the product generated modest underperformance during the period.

Across all Currency for Return products, the period from April to September 2011 produced mixed results. The core investment process for the Forward Rate Bias Alpha product is the Trend/Forward Rate Bias (FRB) strategy, which relies on the tendency of higher interest rate currencies to outperform lower interest rate currencies over the long term. In addition to the FRB strategy, the Forward Rate Bias Alpha product has a Range Trading strategy which relies on certain currency pairs trading in a narrow range to each other, and has the advantage of being generally uncorrelated to the return from the Trend/FRB strategy.

Overall Forward Rate Bias Alpha performance during the period was marginally positive for the ungeared Alpha composite. There was a noticeable dispersion in performance of various accounts, primarily as a result of very sharp movements following the intervention by the SNB. The range trading module consistently generated positive returns while the Trend/FRB module detracted from value.

For the Emerging Market Currency Fund investment performance was split during the period. From April to June, the product generated positive returns as the portfolio of Emerging Market currencies outperformed the basket of Developed Market currencies, with Brazilian Real and Hungarian Forint being the major contributors. From July to September, the product generated negative returns as widespread risk aversion saw Emerging Market currencies weaken. Hungarian Forint, South African Rand and Turkish Lira were the largest contributors to underperformance.

In a pattern similar to that of the Emerging Market Fund, the FTSE FRB10 Index fund generated positive returns in the first half of the period and detracted from value towards the end of the period as risk aversion heightened due to uncertainties in Europe and the US.

The Euro Stress Fund was launched at the end of May and generated positive returns towards the end of the period as the Euro weakened following a very volatile path. This fund is more discretionary in style and is managed on a day to day basis by the Portfolio Management Group.

Returns of Record Umbrella Currency Funds and comparable indices for the six months to 30 September 2011

Fund Name	Gearing	Half year return %	Volatility since inception % p.a. ¹
Cash Plus	7	-8.53%	19.53%
UK Equity Plus	6	-19.99%	19.42%
FTSE FRB10 Index ²	1.8	-5.04%	N/A
Emerging Market Currency ³	1	-9.24%	N/A
Euro Stress ⁴	1	+3.11%	N/A
Record Alpha composite ⁵		+0.02%	2.78%
FTSE Currency FRB 5 GBP Excess return		-5.17%	5.87%
FTSE Currency FRB 10 GBP Excess return		-2.90%	4.70% ⁶
Global equities (S&P 500) ⁷		-14.66%	14.85% ⁸

¹ No volatility data is provided for products with less than 12 months historic data.

² FTSE FRB10 Index fund return data is since inception in December 2010.

³ Emerging Market Currency fund return data is since inception in December 2010.

⁴ Euro Stress fund return data is since inception in May 2011.

⁵ The Record Alpha composite comprises 4 accounts and \$0.75bn of assets.

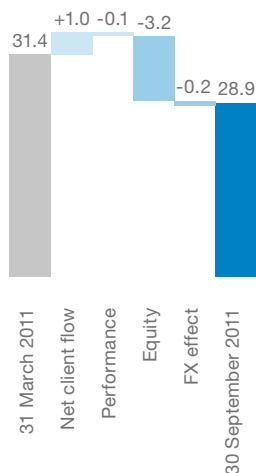
⁶ Inception date is 31 December 1987

⁷ For comparison only

⁸ Since December 1987

AuME development bridge

Six months to 30 September 2011
(\$bn)



Client development

Client numbers decreased to 43 at 30 September 2011 (46 at 31 March 2011).

Client numbers

Product	As at 30 Sep 11	As at 30 Sep 10	As at 31 Mar 11
Currency for Return – segregated	7	9	8
Currency for Return – pooled	10	25	13
Currency for Return – combined	17	34	21
Dynamic Hedging	11	10	10
Passive Hedging	22	21	24
Less clients with > 1 product	(7)	(8)	(9)
Total	43	57	46

AuME analysis

As previously noted, the Group's AuME was \$28.9bn at 30 September 2011, a decrease of \$2.5bn during the six month period.

AuME movement in the six months to 30 September 2011

	\$ billions
AuME at 31 March 2011	31.4
Net client outflows	1.0
Investment performance impact	(0.1)
Equity market impact	(3.2)
Foreign exchange impact	(0.2)
AuME at 30 September 2011	28.9

Net client flows

During the six months to 30 September 2011 net client inflows were \$1.0bn, principally due to increases in Dynamic and Passive Hedging offset by reductions in pooled and segregated Currency for Return mandates.

Investment performance

Negative investment performance during the period contributed a \$0.1bn decline in AuME since investment returns are compounded on a geared basis into the AuME of the pooled funds managed by Record.

Stock and other market performance

Record's AuME is also affected by movements in stock and other market levels because substantially all the Passive and Dynamic Hedging, and some of the Currency for Return mandates, are linked to stock and other market levels. Market performance had the largest impact on AuME, decreasing AuME in the six months to 30 September 2011 by \$3.2bn.

Forex

The foreign exchange impact of expressing non-US\$ AuME in US\$ had a small impact on AuME of \$0.2bn. 70% of the Group's AuME is non-US\$ denominated and expressing this in US\$ decreased AuME for the period by \$0.2bn.

Product mix

The factors determining the movements in AuME also impact its composition. At 30 September 2011 Currency for Return represented 10% of total AuME, which was split between segregated (7% of total AuME) and pooled mandates (3% of total AuME). This is down from 13% at 30 September 2010 and down from 11% at 31 March 2011. Dynamic Hedging represented \$11.1bn and 38% of total AuME at 30 September 2011, up from 37% at 30 September 2010 and unchanged on 31 March 2011. Passive Hedging represented \$14.7bn and 51% of total AuME at 30 September 2011, up from 48% at 30 September 2010 and 50% at 31 March 2011.

AuME by product expressed in US Dollars

AuME \$ billions	As at 30 Sep 11		As at 30 Sep 10		As at 31 Mar 11	
Currency for Return – segregated	2.0	7%	2.1	7%	2.2	7%
Currency for Return – pooled	0.8	3%	1.9	6%	1.2	4%
Sub-total Currency for Return	2.8	10%	4.0	13%	3.4	11%
Dynamic Hedging	11.1	38%	11.5	37%	11.9	38%
Passive Hedging	14.7	51%	14.8	48%	15.7	50%
Cash	0.3	1%	0.5	2%	0.4	1%
Total	28.9	100%	30.8	100%	31.4	100%

AuME by product expressed in Sterling

AuME £ billions	As at 30 Sep 11		As at 30 Sep 10		As at 31 Mar 11	
Currency for Return – segregated	1.3	7%	1.4	7%	1.4	7%
Currency for Return – pooled	0.5	3%	1.2	6%	0.8	4%
Sub-total Currency for Return	1.8	10%	2.6	13%	2.2	11%
Dynamic Hedging	7.2	38%	7.2	37%	7.4	38%
Passive Hedging	9.4	51%	9.4	48%	9.8	50%
Cash	0.2	1%	0.3	2%	0.2	1%
Total	18.6	100%	19.5	100%	19.6	100%

AuME by base currency and product

Base currency billions	Currency for Return Segregated		Currency for Return Pooled		Dynamic Hedging		Passive Hedging	
	30 Sep 11	31 Mar 11	30 Sep 11	31 Mar 11	30 Sep 11	31 Mar 11	30 Sep 11	31 Mar 11
Sterling	GBP 0.2	GBP 0.3	GBP 0.5	GBP 0.8	GBP 1.6	GBP 1.2	GBP 3.0	GBP 3.6
US Dollar	USD 1.0	USD 1.0	–	–	USD 7.7	USD 8.9	–	–
Swiss Franc	CHF 0.5	CHF 0.5	–	–	CHF 1.0	CHF 1.0	CHF 7.9	CHF 7.9
Euro	–	–	–	–	–	–	EUR 0.9	EUR 1.0
Canadian Dollar	CAD 0.2	CAD 0.2	–	–	–	–	–	–
Total	USD 2.0	USD 2.2	USD 0.8	USD 1.2	USD 11.1	USD 11.9	USD 14.7	USD 15.7

The AuME composition has remained largely unchanged in terms of the underlying base currencies. Swiss Franc is the base currency for 36% of total AuME at 30 September 2011 (31 March 2011: 33%), US\$ is the base currency for 30% of total AuME at 30 September 2011 (31 March 2011: 32%), and Sterling is the base currency for 30% of total AuME at 30 September 2011 (31 March 2011: 31%).

AuME by client type

AuME \$ billions	As at 30 Sep 11		As at 30 Sep 10		As at 31 Mar 11	
Government and public funds	18.4	64%	18.7	61%	18.7	59%
Corporate	6.9	24%	8.2	27%	8.4	27%
Foundations and investment funds	3.6	12%	3.9	12%	4.3	14%
Total	28.9	100%	30.8	100%	31.4	100%

AuME by client location

AuME \$ billions	As at 30 Sep 11		As at 30 Sep 10		As at 31 Mar 11	
UK	8.5	29%	9.8	32%	9.7	31%
Europe (excluding UK)	12.9	45%	12.2	40%	12.9	41%
North America	7.5	26%	8.8	28%	8.8	28%
Total	28.9	100%	30.8	100%	31.4	100%

Product development

As highlighted in the Chairman's statement, Record continues to focus on bringing new products to market with three new products having been launched in the last twelve months. The Record Currency FTSE FRB10 Index fund, that tracks the FTSE Currency FRB10 Index has been run for nearly twelve months and has demonstrated successfully that the index can be replicated and tracked closely. The first emerging market currency pooled fund has also been run successfully for nearly twelve months with a seed investment of £1m from the Group.

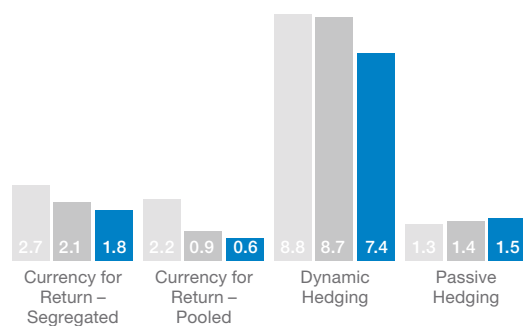
In June 2011, the Jersey-based Euro Stress fund was launched. This product was similarly funded with a £1m seed investment from the Group.

Currency momentum and currency value currency strategies are being explored and it is anticipated that these products and strategies will be launched before the end of the current financial year.

Revenue

Management fee income for the six months to 30 September 2011 was £11.3m, which was 25% lower than for the six months to 30 September 2010 (£15.0m). Dynamic Hedging and Currency for Return products generated lower management fees whilst Passive Hedging generated higher management fees during the six months to 30 September 2011. In the six months to 30 September 2011 Dynamic Hedging generated 65% of the management fee income, with Currency for Return generating 22%. The reduction in Dynamic Hedging management fee income is primarily due to the tiered fee structure that was introduced for the largest Dynamic Hedging client from 1 April 2011.

Management fees by product (£m)



- Six months ended 30 September 2010
- Six months ended 31 March 2011
- Six months ended 30 September 2011

Management fees by product (£m)

Product	Six months ended 30 Sep 11	Six months ended 30 Sep 10	Year ended 31 Mar 11
Currency for Return – segregated	1.8	2.7	4.8
Currency for Return – pooled	0.6	2.2	3.1
Sub-total Currency for Return	2.4	4.9	7.9
Dynamic Hedging	7.4	8.8	17.5
Passive Hedging	1.5	1.3	2.7
Total management fee income	11.3	15.0	28.1

The average fee rate achieved for Dynamic Hedging decreased to 20.2bps (six months to 30 September 2010: 24.0bps) whilst average fee rates for Passive Hedging increased to 3.1bps (six months to 30 September 2010: 2.9bps). The average segregated Currency for Return mandate fee rate decreased to 27.6bps whilst the average pooled fund fee rate declined to 18.7bps (29.9bps and 24.2bps respectively for the six months to 30 September 2010).

Record typically offers all Currency for Return clients the choice of paying an asset based management fee only, or the alternative of management fee plus performance fee. Higher performance fee rates usually accompany lower management fee rates and vice versa. The fee combinations are structured so that Record is indifferent between them in the medium term.

Average management fee rates by product (bps*)

Product	Six months ended 30 Sep 11	Six months ended 30 Sep 10	Year ended 31 Mar 11
Currency for Return – segregated	27.6	29.9	28.3
Currency for Return – pooled	18.7	24.2	23.4
Currency for Return – average	24.5	27.1	26.1
Dynamic Hedging	20.2	24.0	23.9
Passive Hedging	3.1	2.9	2.9
Composite average fee rate	11.9	14.7	14.0

* bps = basis points = 1/100th of 1 percentage point

There was no performance fee earned in either the six months to 30 September 2011 or the year ending 31 March 2011. Performance fee structures are subject to a 'high water mark' clause that states that cumulative performance, typically since inception of the mandate, must be above the previous high point on which performance fees were charged before performance fees are charged again. A fuller explanation of market conditions and the implications for investment performance of our Currency for Return products is given in the Chairman's statement.

Expenditure

Expenditure in the six months to 30 September 2011 fell by £0.8m to £7.4m from £8.2m in the six months to 30 September 2010. The reduction was primarily in the Group Profit Share (GPS) scheme which was 30% of pre-GPS operating profit in the period, partially offset by an increase to personnel and non-personnel costs.

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

Expenditure analysis (£m)

	Six months ended 30 Sep 11	Six months ended 30 Sep 10	Year ended 31 Mar 11
Personnel costs	3.2	3.0	6.1
Non-personnel costs	2.4	2.1	4.3
Administrative expenditure excluding Group Profit Share	5.6	5.1	10.4
Group Profit Share	1.6	3.0	5.3
Total administrative expenditure	7.2	8.1	15.7
Loss on financial instruments held as part of disposal group	0.2	0.1	–
Total expenditure	7.4	8.2	15.7

The Group is currently in the process of replacing its back office systems and going forward it is anticipated that this will result in a small increase in system costs. The new system will support the Group in its desire to expand its range of products and instruments in the future.

Operating margins

The operating profit for the six months to 30 September 2011 of £3.7m (33% operating margin) reflects the lower management fee income and lack of performance fees in the period and compares with the operating profit of £6.9m (46% operating margin) for the same period in 2010. The reduction in management fees of £3.7m compares with the reduction of £3.2m in operating profit.

Operating cash flow

The Group generated £2.3m of cash flow from operating activities during the six months ended 30 September 2011 (six months ended 30 September 2010: £9.2m). Taxation paid during the period was £1.8m compared with £2.4m for the six months to 30 September 2010. On 3 August 2011 the Group paid a final dividend of 2.59p per share in respect of the period ended 31 March 2011. This equated to a distribution to shareholders of £5.7m (six months ended 30 September 2010: £1.3m).

The Board's objective is to retain sufficient capital within the business to meet continuing obligations, to sustain future growth and to provide a buffer against adverse market conditions. The Group has no debt to repay or to service. Shareholders' funds were £25.9m at 30 September 2011 (30 September 2010: £29.6m).

Dividends

The Group will pay an interim dividend of 0.75p per share in respect of the six months ended 30 September 2011. The dividend will be paid on 20 December 2011 to shareholders on the register on 2 December 2011. The dividend payment will equate to a distribution of £1.7m in total and will leave approximately £18.1m of cash on the balance sheet which is significantly higher than necessary to satisfy the financial resources and liquidity requirements of the Financial Services Authority and represents between one and two years of current overhead cover.

Subject to business conditions in the second half of the financial year and a satisfactory outlook, the Group currently intends to pay a final dividend of 0.75p for the financial year ending 31 March 2012. The dividend policy will be further reviewed at the year end.

Principal risks and uncertainties

The principal risks and uncertainties documented in the Annual Report and Accounts for the year ended 31 March 2011 are still relevant to Record.

The six months to 30 September 2011 has continued to see the risk associated with account concentration. The proportion of management fee income generated from the largest client was 28% at 30 September 2011. The proportion of management fee income generated from the largest five clients was 62% at 30 September 2011 and for the largest ten clients was 81% at 30 September 2011.

The level of AuME and fee income is dependent on currency values, performance of underlying assets (typically international equities) and the clients' investment strategies.

Cautionary statement

This interim report contains certain forward-looking statements with respect to the financial condition, results, operations and business of Record. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied in this interim report. Nothing in this interim report should be construed as a profit forecast.

Statement of Directors' responsibilities

The Directors of Record plc confirm that, to the best of their knowledge, the condensed set of financial statements below have been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report above includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Neil Record
Chairman

17 November 2011



Paul Sheriff
Chief Operating Officer / Chief Financial Officer

17 November 2011

Independent review report to Record plc (the “Company”)

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the related notes. We have read the other information contained in the half-yearly financial report which comprises only the headlines, Chairman’s Statement and interim management review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE (UK and Ireland) 2410, ‘Review of Interim Financial Information performed by the Independent Auditor of the Entity’. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

Grant Thornton UK LLP

Grant Thornton UK LLP

Registered Auditor
Chartered Accountants
London

17 November 2011

Consolidated statement of comprehensive income

	Note	Unaudited Six months ended 30 Sep 11 £'000	Unaudited Six months ended 30 Sep 10 £'000	Audited Year ended 31 Mar 11 £'000
Revenue	3	11,167	15,060	28,196
Cost of sales		(123)	–	(102)
Gross profit		11,044	15,060	28,094
Administrative expenses		(7,188)	(8,090)	(15,740)
Loss on financial instruments held as part of disposal group		(191)	(90)	(1)
Operating profit		3,665	6,880	12,353
Finance income		84	92	184
Profit before tax		3,749	6,972	12,537
Taxation		(1,043)	(1,991)	(3,603)
Profit after tax		2,706	4,981	8,934
Other comprehensive income		–	–	–
Total comprehensive income for the period		2,706	4,981	8,934
Total comprehensive income for the period attributable to:				
Non-controlling interests		(75)	–	27
Owners of the parent		2,781	4,981	8,907
Earnings per share for profit attributable to the equity holders of the Company during the period				
(expressed in pence per share)				
Basic earnings per share	4	1.26p	2.26p	4.03p
Diluted earnings per share	4	1.26p	2.25p	4.03p

The notes on pages 22 to 31 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Note	Unaudited As at 30 Sep 11 £'000	Unaudited As at 30 Sep 10 £'000	Audited As at 31 Mar 11 £'000
Non-current assets				
Property, plant and equipment		201	263	227
Intangible assets		1,138	765	1,085
Deferred tax assets		62	62	70
		1,401	1,090	1,382
Current assets				
Trade and other receivables		6,237	6,887	6,904
Derivative financial assets	7	–	62	–
Cash and cash equivalents		19,659	27,111	24,728
		25,896	34,060	31,632
Current assets held for sale (disposal group)	8	4,444	850	3,022
Total assets		31,741	36,000	36,036
Current liabilities				
Trade and other payables		(3,215)	(4,480)	(4,089)
Corporation tax liabilities		(1,043)	(1,925)	(1,837)
Derivative financial liabilities	7	(78)	–	(12)
		(4,336)	(6,405)	(5,938)
Total net assets		27,405	29,595	30,098
Equity				
Issued share capital	9	55	55	55
Share premium account		1,809	1,809	1,809
Capital redemption reserve		20	20	20
Retained earnings		24,031	27,711	27,262
Equity attributable to owners of the parent		25,915	29,595	29,146
Non-controlling interests	12	1,490	–	952
Total equity		27,405	29,595	30,098

The notes on pages 22 to 31 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Unaudited	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Non- controlling interests £'000	Total shareholders' equity £'000
Six months ended 30 September 2010						
As at 1 April 2010	55	1,809	20	23,816	–	25,700
Dividends paid	–	–	–	(1,303)	–	(1,303)
Employee share options	–	–	–	217	–	217
Transactions with owners	–	–	–	(1,086)	–	(1,086)
Profit for the period	–	–	–	4,981	–	4,981
As at 30 September 2010	55	1,809	20	27,711	–	29,595
Dividends paid	–	–	–	(4,420)	–	(4,420)
Employee share options	–	–	–	45	–	45
Issue of units in funds to non-controlling interests	–	–	–	–	925	925
Transactions with owners	–	–	–	(4,375)	925	(3,450)
Profit for the period	–	–	–	3,926	27	3,953
As at 31 March 2011	55	1,809	20	27,262	952	30,098
Dividends paid	–	–	–	(5,726)	–	(5,726)
Own shares held by EBT	–	–	–	(459)	–	(459)
Employee share options	–	–	–	173	–	173
Issue of units in funds to non-controlling interests	–	–	–	–	613	613
Transactions with owners	–	–	–	(6,012)	613	(5,399)
Profit for the period	–	–	–	2,781	(75)	2,706
As at 30 September 2011	55	1,809	20	24,031	1,490	27,405

The notes on pages 22 to 31 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow

	Unaudited Six months ended 30 Sep 11 £'000	Unaudited Six months ended 30 Sep 10 £'000	Audited Year ended 31 Mar 11 £'000
Profit after tax	2,706	4,981	8,934
Adjustments for:			
Corporation tax	1,043	1,991	3,603
Finance income	(84)	(92)	(184)
Depreciation of property, plant and equipment	41	106	191
Share-based payments expense	173	217	262
	3,879	7,203	12,806
Changes in working capital			
Decrease in receivables	651	1,441	1,418
(Decrease) / Increase in payables	(874)	606	214
(Increase) / Decrease in other financial assets	(1,422)	126	(1,985)
Increase / (Decrease) in other financial liabilities	66	(149)	(136)
Cash inflow from operating activities	2,300	9,227	12,317
Corporation taxes paid	(1,829)	(2,367)	(4,076)
Net cash inflow from operating activities	471	6,860	8,241
Cash flow from investing activities			
Purchase of property, plant and equipment	(15)	(166)	(85)
Purchase of intangible assets	(53)	(230)	(679)
Interest received	100	89	188
Net cash inflow / (outflow) from investing activities	32	(307)	(576)
Cash flow from financing activities			
Cash inflow from issue of units in funds	613	–	925
Purchase of treasury shares	(459)	–	–
Dividends paid to equity shareholders	(5,726)	(1,303)	(5,723)
Cash outflow from financing activities	(5,572)	(1,303)	(4,798)
Net (decrease) / increase in cash and cash equivalents in the period	(5,069)	5,250	2,867
Cash and cash equivalents at the beginning of the period	24,728	21,861	21,861
Cash and cash equivalents at the end of the period	19,659	27,111	24,728
Closing cash and cash equivalents consists of:			
Cash at bank and in hand	19,659	27,111	24,728

The notes on pages 22 to 31 are an integral part of these consolidated financial statements.

Notes to the accounts

For the six months ended 30 September 2011

1 Basis of preparation

The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union. The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 March 2011 (which were prepared in accordance with IFRSs as adopted by the European Union) have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

2 Significant accounting policies

The condensed financial statements have been prepared under the historical cost convention modified to include fair valuation of derivative financial instruments.

The accounting policies, presentation and methods of computation applied in the interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2011.

3 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 Directors receive revenue analysis disaggregated by product, whilst operating costs are presented on an aggregated basis because this reflects the unified basis in which the products are marketed, delivered and supported.

3 Segmental analysis continued

(a) Product revenues

The Group has split its currency management revenues by product and fee type. The Currency for Return products are delivered through both segregated mandates and a pooled fund structure. Revenues from the three new products (Emerging Market Currency Fund, FTSE FRB10 Index Fund and Euro Stress Fund) are not material and have been included in the Currency for Return pooled funds revenues. Other Group activities include consultancy.

	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Revenue by product and fee type			
Fees			
Dynamic Hedging			
Management fees	7,373	8,813	17,539
Performance fees	–	–	–
Passive hedging			
Management fees	1,454	1,278	2,718
Currency for Return segregated funds			
Management fees	1,812	2,735	4,771
Performance fees	–	–	–
Currency for Return pooled funds			
Management fees	640	2,177	3,111
Performance fees	–	–	–
Total management fee and performance fee income	11,279	15,003	28,139
Other Group activities	(112)	57	57
Total	11,167	15,060	28,196

(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 revenue originated in the UK.

Notes to the accounts

For the six months ended 30 September 2011

continued

3 Segmental analysis continued

(b) Geographical analysis continued

Revenue by country	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Fees			
UK	3,061	5,070	8,440
US	5,206	6,926	13,604
Switzerland	2,710	2,545	5,343
Other	302	462	752
Total management fee and performance fee income	11,279	15,003	28,139
Other Group activities	(112)	57	57
Total	11,167	15,060	28,196

Other Group activities form less than 1% of the total Group income. This is not considered significant and they are not analysed by geographical region.

(c) Major clients

During the six months ended 30 September 2011 £3.2m (29%) of the Group's revenue was accounted for by a single client. During the period, one other client accounted for more than 10% of the Group's revenue, contributing £1.4m. This client terminated its mandate in November 2011 as described in note 14.

4 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.

	Six months ended 30 Sep 11	Six months ended 30 Sep 10	Year ended 31 Mar 11
Weighted average number of shares used in calculation of basic earnings per share	220,683,191	220,874,485	220,965,275
Effect of dilutive potential ordinary shares – share options	113,523	355,560	306,347
Weighted average number of shares used in calculation of diluted earnings per share	220,796,714	221,230,045	221,271,622
	pence	pence	pence
Basic earnings per share	1.26	2.26	4.03
Diluted earnings per share	1.26	2.25	4.03

4 Earnings per share continued

The potential dilutive shares relate to the share options and deferred share awards granted in respect of the following Group incentive schemes: the Group Bonus Scheme and the Share Scheme. There were share options and deferred share awards in place at the beginning of the period over 304,964 shares. During the period options were exercised, or share awards vested, over 176,532 shares. During the period, the Group granted options over 1,400,000 shares with a potentially dilutive effect. These options were non-dilutive at the period end.

5 Dividends

The dividends paid by the Group during the six months ended 30 September 2011 in respect of the year ended 31 March 2011 totalled £5,725,864 (2.59p per share). The dividends paid during the year ended 31 March 2011 totalled £5,722,996 (2.59p per share). The dividends paid by the Group during the six months ended 30 September 2010 totalled £1,302,689 (0.59p per share), with an accelerated dividend of 2.00p per share having been paid in March 2010.

6 Investments

Record plc is the ultimate parent company of the Record Group and has seven subsidiary undertakings that are listed below. There are two new subsidiaries in the period, Record Currency Management (Jersey) Limited which was incorporated in Jersey on 30 March 2011, and Record Currency Management (US) Inc. which was incorporated in Delaware, US on 30 June 2011. All other subsidiaries are incorporated in England and Wales.

Name	Nature of Business
Record Currency Management Limited	Currency management services
Record Group Services Limited	Management services to other Group undertakings
Record Currency Management (Jersey) Limited	Fund management company
Record Currency Management (US) Inc.	Service company
Record Portfolio Management Limited	Dormant
Record Fund Management Limited	Dormant
N P Record Trustees Limited	Trust company

Record plc's interest in the equity capital of subsidiary undertakings is 100% of the ordinary share capital in all cases.

The consolidated financial statements include all the subsidiaries listed above, the Record plc Employee Benefit Trust (EBT) which is a special purpose entity consolidated in accordance with SIC 12, and three seeded funds (see note 8).

Notes to the accounts

For the six months ended 30 September 2011

continued

7 Derivative financial assets and liabilities

Derivative financial instruments held for trading

The Group trialled a new product in emerging markets from November 2009 until January 2011, managing a portfolio of forward exchange contracts in order to achieve a return. These contracts were classified as financial assets held for trading. At 30 September 2011 there were no outstanding contracts (at 30 September 2010 there were outstanding contracts with a principal value of £3,363,728; 31 March 2011: £nil). The fair value of the contracts was calculated using the market forward contract rates prevailing at the period end date. The maximum exposure to credit risk was represented by the fair value of the positions and this was mitigated by using cash deposited of £1m as collateral.

	As at 30 Sep 11 £'000	As at 30 Sep 10 £'000	As at 31 Mar 11 £'000
Forward foreign exchange contracts held for trading	–	28	–

The net gain or loss on forward exchange contracts at fair value is included in other income. The net gain or loss on financial assets is as follows:

	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Net gain / (loss) on forward exchange contracts at fair value through profit or loss	–	(30)	2

Derivative financial instruments held to hedge cash flow

The Group uses forward exchange contracts to reduce the risk associated with sales denominated in foreign currencies. At 30 September 2011 there were outstanding contracts with a principal value of £3,627,750 (31 March 2011: £4,361,326; 30 September 2010: £4,171,559) 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 30 September 2011.

	As at 30 Sep 11 £'000	As at 30 Sep 10 £'000	As at 31 Mar 11 £'000
Forward foreign exchange contracts	(78)	34	(12)

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

	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Net (loss) / gain on fair value through profit or loss	(19)	209	263

8 Current assets held for sale (disposal group)

From time to time, the Group injects capital into funds operated by the Group to launch or trial new products (seed capital). The Group invested £1,004,000 in the Record Currency FTSE FRB10 Index Fund and a further £1,000,000 into each of the Record Currency Emerging Market Currency Fund and the Record Euro Stress Fund. In all three cases, Record plc holds a majority of the issued units. In accordance with SIC-12 and IAS 27, such funds are considered to be under control of the Group and as such the fund becomes a subsidiary of the Group.

The Group consolidates the assets of its subsidiaries on a line by line basis, but as the Group is actively seeking to reduce its holding in these seeded funds through the sale of further units in these funds to external investors and the subsequent redemption of Record's own investment, the investments in the funds are classified as being a disposal group held for sale.

The Group previously made a seed investment in the Record Currency Fund Carry 250, and this was accounted for as a disposal group held for sale on the same basis.

	As at 30 Sep 11 £'000	As at 30 Sep 10 £'000	As at 31 Mar 11 £'000
Seed capital classified as being a disposal group held for sale	4,444	850	3,022

The net loss on financial instruments held as part of a disposal group is as follows:

	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Net loss on financial instruments held as part of disposal group	191	90	1

The net loss on financial instruments held as part of disposal group includes a loss of £74,720 attributable to non-controlling interests.

Notes to the accounts

For the six months ended 30 September 2011

continued

9 Called up share capital

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

	As at 30 Sep 11		As at 30 Sep 10		As at 31 Mar 11	
	£'000	Number	£'000	Number	£'000	Number
Authorised						
Ordinary shares of 0.025p each	100	400,000,000	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	55	221,380,800

Changes to the issued share capital

	£'000	Number
As at 1 April 2010	55	220,794,732
Adjustment for own shares held by EBT	–	220,632
As at 30 September 2010	55	221,015,364
Adjustment for own shares held by EBT	–	60,472
As at 31 March 2011	55	221,075,836
Adjustment for own shares held by EBT	–	(1,223,468)
As at 30 September 2011	55	219,852,368

10 Share-based payments

During the six months ended 30 September 2011 the Group has managed the following share-based compensation plans:

The Record plc Group Bonus Scheme

Under the terms of the scheme rules, certain employees of the company could elect to receive a proportion of their bonus in the form of a deferred share award. The number of shares was calculated based on the residual bonus divided by the market value of the shares at grant date. The shares were then available to the employee after the vesting period for nil consideration upon exercise. The final vesting of 48,100 shares under this scheme occurred in June 2011.

The Record plc Group Profit Share Scheme

Under the terms of the scheme rules, employees and directors of the company may elect to receive a proportion of their profit share in the form of a share award. 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. 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. All employees electing to allocate a portion of their profit share for the purchase of Additional shares receive a Matching share value using a multiple decided by the Remuneration Committee.

10 Share-based payments continued

The Record plc Group Profit Share Scheme continued

During the last financial year, significant shareholders were required to take their profit share in cash and funded the Matching share values for directors and senior employees from their profit share value. From the start of this financial period, the funding of the Matching share value is borne from the Profit Share Scheme pool rather than from significant shareholders. Additionally, those significant shareholders can no longer receive their profit share in cash and must instead take their profit share in the same way as for all other employees.

All shares the subject of share awards are transferred immediately to a nominee and are subject to certain lock up arrangements. None of these shares is subject to any vesting or forfeiture provisions and the individual is entitled to full rights in respect of the shares purchased. No such shares still under lock up can be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee.

The Record plc Share Scheme

The Record plc Share Scheme was created for the granting of share awards to senior employees. During the year ended 31 March 2009 two such employees were granted deferred share awards upon appointment to the Group. These shares are available to the employee after the vesting period for nil consideration upon exercise. The shares vest equally on the second, third and fourth anniversary of appointment. The vesting of the shares is subject to certain good leaver provisions. The rights to acquire the shares are issued under nil cost option agreements. The second vesting of shares granted under this scheme occurred in the period, with 128,432 shares vesting.

The Record plc Share Scheme was amended in the period to facilitate the grant of share options to certain individuals below Board level selected by the Executive Committee as having the skills and potential to contribute significantly to the business in the future. The revised scheme rules allow the grant of tax-approved options (subject to limits) as well as unapproved options. During August 2011, options were issued to 5 such individuals over a total of 1,400,000 shares under the unapproved scheme. These options were granted at market price and will vest evenly over 4 years, subject to employment and performance conditions.

Share-based payment transactions with cash alternatives

Deferred share awards granted under the Record plc Group Bonus Scheme and the Record plc Group Profit Share Scheme are accounted for under IFRS 2 as share-based payment transactions with cash alternatives.

Equity-settled share-based payments

Deferred share awards and options granted under the Record plc Share Scheme are accounted for under IFRS 2 as equity-settled share-based payment transactions.

The fair value of options granted is measured at grant date using the Black-Scholes formula, taking into account the terms and conditions under which the instruments were granted.

The fair value amounts for all options issued since Admission were determined using quoted share prices.

Notes to the accounts

For the six months ended 30 September 2011

continued

11 Employee Benefit Trust

The Record plc Employee Benefit Trust (EBT) was formed to hold shares acquired to meet obligations for share awards made to employees. A total of 168,287 ordinary shares were acquired on 21 December 2007 under the Record plc Flotation Bonus Scheme by the Trust, a further 282,926 shares have been purchased under the Record plc Group Bonus Scheme and 1,783,531 shares have been purchased under the Record plc Share Scheme. A total of 706,312 shares have vested. The EBT continues to hold 1,528,432 shares at 30 September 2011 (31 March 2011: 304,964; 30 September 2010: 365,436). 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. The EBT is consolidated in 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.

12 Non-controlling interests

Record plc has seeded three new funds, the Record Currency FTSE FRB10 Index Fund, the Record Currency Emerging Market Currency Fund and the Record Currency Euro Stress Fund. As Record plc holds a majority of issued units in the case of all three seeded funds, these funds have been consolidated into the Group's accounts. Three other investors have invested into these funds, and as such have a non-controlling interest in the accounts of Record Group.

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

	As at 30 Sep 11 £'000	As at 30 Sep 10 £'000	As at 31 Mar 11 £'000
Record Currency FTSE FRB10 Index Fund	485	–	510
Record Currency Emerging Market Currency Fund	821	–	442
Record Currency Euro Stress Fund	184	–	–
Total	1,490	–	952

13 Related parties transactions

The related parties transactions during the period are consistent with the categories disclosed in the Annual Report for the year ended 31 March 2011.

The compensation given to key management personnel is as follows:

	Six months ended 30 Sep 11 £'000	Six months ended 30 Sep 10 £'000	Year ended 31 Mar 11 £'000
Short-term employee benefits	1,960	2,583	4,953
Post-employment benefits	170	144	296
Share-based payments	670	883	1,654
Dividends	2,924	657	2,907
	5,724	4,267	9,810

14 Post reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation. However, in November 2011, Record was notified that its second largest Dynamic Hedging client was terminating its mandate.

Information for shareholders

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Company No. 1927640

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Principal trading subsidiaries

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Registered in England and Wales
Company No. 1710736

Record Group Services Limited
Registered in England and Wales
Company No. 1927639

Further information on Record plc can be found on the Group's website: www.recordcm.com

Registrar

Capita Registrars Limited
The Registry
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Further information about the Registrar is available on their website www.capitaregistrars.com

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