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Listen
Understand
Deliver

Record Financial Group

A specialist currency and asset manager offering best-in-class products to large global investors

Record plc Annual Report 2024

Contents

Record Financial Group

Specialist currency and asset manager offering best-in-class bespoke products to large global investors

About us

- Founded in 1983 and publicly listed on the LSE
- Group manages over $100 billion AUM for more than 100 institutional clients worldwide
- Over 90 Group employees spread across offices in London, Windsor, Zurich, Frankfurt and Amsterdam
- Regulated by the FCA in the UK, the SEC and CFTC in the US, and BaFin in Germany

Listen
A client-focused approach

Understand
Using strengths and experience developed over 40 years in business

Deliver
Unique, innovative and sustainable solutions

Financial highlights

Our year in numbers

Assets Under Management[1] ("AUM")

$102.2bn

+16.5%

FY-23: $87.7bn

Revenue

£45.4m

+1.6%

FY-23: £44.7m

Underlying operating profit[2]

£14.5m

+0.0%

FY-23: £14.5m

Operating profit

£12.6m

-13.1%

FY-23: £14.5m

Ordinary dividend per share

4.60p

+2.2%

FY-23: 4.50p

Underlying profit before tax[2]

£14.8m

+1.4%

FY-23: £14.6m

Profit before tax

£12.9m

-11.6%

FY-23: £14.6m

Total dividend per share

5.20p **(including special of 0.60p)**

+0.4%

FY-23: 5.18p (including special: 0.68p)

Underlying earnings per share[2]

5.60p

-5.9%

FY-23: 5.95p

Earnings per share

4.84p

-18.7%

FY-23: 5.95p

1. AUM managed by Record Financial Group as at 31 March 2024 is a combination of USD 97.5 billion based on the notional value of currency assets under management through the Group's currency products and USD 4.7 billion in total market value of other assets managed by the Group. By convention this is quoted in US dollars.
2. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Record Financial Group

By leveraging our 40+ years of experience and expertise in FX and derivatives instruments and markets, and in collaboration with our specialist partners, we are able to identify opportunities for new and innovative products in the wider asset management sector.

At the heart of our approach is a genuine commitment to our clients, ensuring individual needs are not just met, but exceeded, with unique tailored solutions crafted with care and excellence.

Our business

Currency Management

Record's family of currency products is centred on highly bespoke risk management and return-seeking solutions, trading various FX instruments globally across developed, emerging and frontier markets to best suit the evolving currency requirements of our clients.

Asset Management

Asset Management at Record provides private market, yield-enhancing strategies to institutional investors across EM debt, Digital Lending, Private Credit and Infrastructure asset classes, offering sustainable and customisable structuring and delivery infrastructure.

Further details of the Group products and operating segments are provided on pages 14 to 19.

Total Assets Under Management ("AUM")

$102.2bn

+16.5% FY-23: $87.7bn

Currency Management

$97.5bn

Asset Management

$4.7bn

Where we operate

The Group's main geographical markets, as determined by the location of clients to whom services are provided, are the UK, North America and Continental Europe, in particular Switzerland. The Group also has clients elsewhere, including Australia.

The Group's Head Office is in Windsor, UK with additional offices in London, New York, Zürich, Frankfurt and Amsterdam.

In addition to these main markets, we continue to explore new geographical markets which we believe may offer attractive opportunities.

Continental Europe

$69.9bn

68%

North America

$20.7bn

20%

United Kingdom

$6.8bn

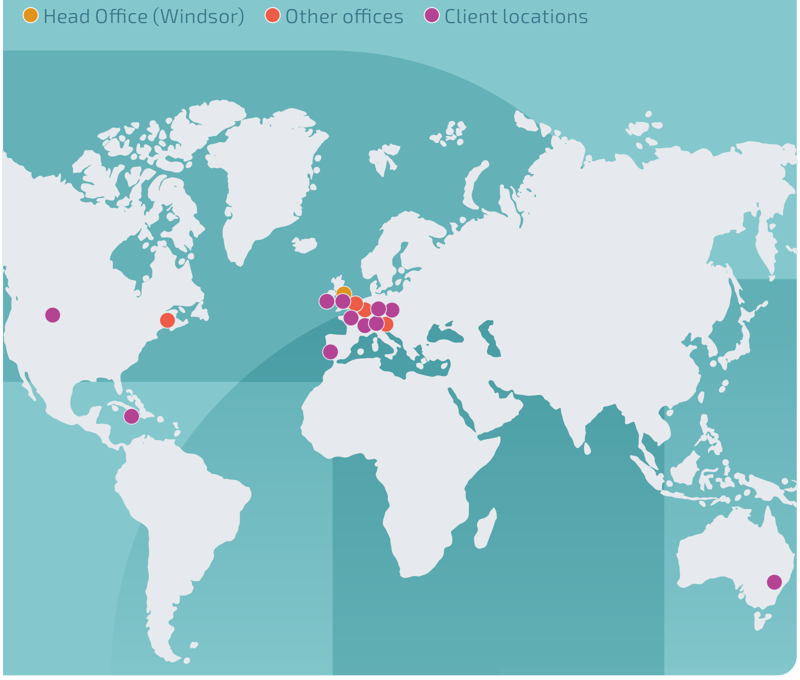
7%

Rest of the world

$4.8bn

5%

Global AUM and operating locations



Our values

People first

Our clients value our understanding of how achieving long-term, sustainable investment objectives is a mindful journey, as much as an economic one. Then there's our team – championed for its intellectual diversity, passion and dynamism. It's our people that makes us great.

Integrity

We've always had a legacy of honesty and upfront client advice over our 40 years in existence – and that will never change. This ethos echoes throughout our people, our relationships, our products and our fees. And, as an impartial, independent, premium listed business, we are guided by the highest levels of best practice and ethical codes of conduct.

Collaboration

We firmly believe in the power of many. Our expanding network of like-minded specialists globally means we can call on various strengths and expertise. This flexibility allows us to customise unique solutions for our clients.

Curiosity

We are restless minds driven by curiosity, ideas and innovation. We always question, so we can give our clients excellence and value. We are not afraid to say no if it's not the right investment fit. Or to dig a bit deeper – to unearth other opportunities or create new and innovative solutions.

Empathy

In many ways, we can be described as empathetic investment advisers and champions of varied thought. Listeners first, we get to know our clients and learn what their needs are – then we create customised solutions that fit their specific needs.

Bespoke, innovative investment solutions and superior client service drive consistent AUM growth, strong cash generation and a robust balance sheet.

Sustainable growth

Our strategic vision is aligned with sustainable growth, which is already materialising in the form of year-on-year high levels of revenue.

- Prioritising sustainability ensures longevity and resilience of our business model, enhancing predictability of returns over the long term
- Embracing sustainable practices can lead to operational efficiencies and cost savings through resource optimisation and innovation
- This objective not only safeguards shareholder interests, but allows the Group to capitalise on opportunities in the rapidly expanding market for sustainability-aligned products

Year-on-year growth:

Revenue:

+1.6%

Underlying profit before tax[1]:

+1.4%

Three-year annual compound growth:

Revenue:

+21.3% p.a.

Profit before tax:

+27.7% p.a.

Dividend policy

A proven history of ordinary dividend payments within the stated policy range of 70%-90% of annual earnings provides reassurance to shareholders and reinforces our investment proposition.

- Signals financial stability and confidence in our future performance, management's commitment to shareholder and value creation, and efficient capital allocation
- Serves as a protective measure for investors during periods of market volatility when capital appreciation opportunities are limited
- Aligns the interests of the Group and the shareholders, fostering a transparent and mutually beneficial relationship

Year-on-year growth:

Ordinary dividends:

+2.2%

Underlying earnings per share[1]:

-5.9%

Three-year annual compound growth:

Ordinary dividends:

+26.0% p.a.

Earnings per share

+20.7% p.a.

Balance sheet and cash generation

Our robust and highly liquid balance sheet provides a solid platform for continued value creation alongside our cash generative business model, and is complemented by the absence of any external debt.

- Ensures financial flexibility and resilience, and reduces our exposure to any potential economic downturns and market volatility
- Enables the Group to capitalise on strategic opportunities for growth and innovation without the constraints of debt servicing obligations
- The avoidance of external debt minimises any financial risk and preserves shareholder equity

As at 31 March 2024:

Net assets:

£29.0m

Assets managed as cash (no external debt):

£17.5m

See financial statements from page 110 for further information

1. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Shareholders are rewarded with ordinary dividends paid within the stated range of 70% to 90% of annual earnings.

Client relationships and AUM

Trusted and long-standing institutional client relationships built over 40 years in managing currency and derivatives provides a solid foundation and strong asset base upon which to grow.

- Long-standing relationships underscore our commitment to personalised service, trust and satisfaction
- Our consistent growth in AUM reflects client confidence in our capabilities, expertise and track record of generating competitive returns
- Our ability to deliver long-term value is centred on nurturing these relationships to understand the unique needs of each of our clients and delivering tailored solutions

Year-on-year growth:

AUM:

+16.5%

Three-year annual compound growth:

AUM:

+8.5% p.a.

See pages 41 to 43 for further AUM information

Partnerships

Partnerships with established and expert partners provide additional skill sets and a strong pipeline of innovative products offering unique investment opportunities to clients.

- These partnerships provide us the opportunity to not only identify promising new investment opportunities, but also to strengthen our existing suite of products
- Two Luxembourg funds were launched under the Record brand in FY-24. For each fund, Record has partnered with a high calibre specialist with expertise in the specific asset classes
- A joint undertaking with a Middle Eastern partner is underway to develop Islamic finance working capital products
- These new offerings ensure that our clients have access to additional non-currency related investment strategies

Partners across the globe:

Luxembourg, US, Middle East, Ireland and many more

See pages 14 to 19 for further information on our partnerships

Geographical reach

With offices situated in the UK, US, and the regulated asset management business and growing team now established in the EU, our improved geographical reach provides passporting opportunities for the Group.

- Our multi-regional footprint strengthens our resilience against localised risks and economic fluctuations
- Bolsters our credibility, visibility and accessibility for both clients and investors
- Positions us well to capture growth opportunities, drive operational efficiencies and deliver sustainable value to our stakeholders across borders and markets

Offices in:

UK, US, Switzerland, Germany and the Netherlands

See page 3 for more information on the locations of our client base

In line with our succession planning now materialising, I am confident we have a new generation of senior management in place with strong and complementary skills to take the business forward.

David Morrison | Chairman

Ordinary dividend per share

4.60p

+2.2%

FY-23: 4.50p

Underlying earnings per share[1]

5.60p

–5.9%

FY-23: 5.95p

There are few people who have the desire and determination to start a new business, who then also have the management skills to allow it to develop and mature and, in the greater course of time, to set in place the succession to take on the business from the founding generation. Neil Record, the founder of the Company, whom I succeeded as Chairman after the last Annual General Meeting, managed all three over 40 years and I would like to pay tribute to him for all that he achieved in creating and building Record plc. Not only has the business developed from a tiny band located in an office next to Windsor Riverside Station in the early 1980s to one which has AUM of over $100 billion which it manages on behalf of an impressive and demanding range of clients, but it has done so in a manner that reflects the high intellectual standards and personal integrity of its founder.

The last year has also witnessed the retirement of Leslie Hill as Chief Executive Officer and the impending retirement of Steve Cullen as Chief Financial Officer. Leslie joined the business in 1992 and, for many years, led the sales and business development activities of the Company. Record is fortunate to have retained and served some clients for periods measured in decades rather than years and I believe much of the loyalty from clients has been driven both by the quality of the services provided and the relationships developed and led by Leslie over many years.

Since taking over as Chief Executive Officer in 2020, Leslie also widened the eyes of the Company with regard to new product and service opportunities, creating opportunities for the new generation of management to take forward. Steve Cullen has also been a magnificent servant of the Company. Having joined in 2003 and taken over as Chief Financial Officer in 2013, he has been an undemonstrative, but calm and sensible voice in the boardroom for many years. To both Leslie and Steve, gratitude is owed by shareholders, Board members and employees alike.

Dr Jan Witte joined Record in 2012, having completed his mathematics doctorate at Balliol College, Oxford. Since then, he has held various roles in the Company including, in recent times, leading the development of Record Asset Management and being Chief Executive of Record Currency Management. I am delighted that he has stepped up to become the Chief Executive Officer of the Group. Jan has now been joined by Richard Heading, who will succeed Steve Cullen as Chief Financial Officer. Richard has a breadth of experience in sectors and businesses with demands and challenges not dissimilar to Record and I believe that he will bring to the business complementary skills and external experience to support Jan's deep knowledge of Record and its activities. I am confident that, between the two of them, supported by other senior members of the management team, the Company is in safe hands.

1. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Chairman's statement

Financial overview

In his short time to date as Group CEO, Jan has brought renewed clarity to the Group's core product suite and, as previously announced, has also made changes to the IT strategy. The latter, in particular, will underpin operational strength and service quality, and is a major focus for the coming year.

The Group continues to make progress in its growth plans as evidenced by AUM having almost doubled over the last five years to its new high of over $100 billion, coupled with the successful launch of new products under its Custom Solution suite of asset management products.

From a financial perspective, we fully expect the impact of the above changes, and others, to be seen over the medium term. However, in the most recent fiscal year, the overall increase in revenues and underlying profitability was more mundane, reflecting the pricing of certain products and the Company's cost base. The year also delivered challenges with some events beyond our control having an unavoidable financial impact; in particular, the unexpected client-side delays in launching some of our new funds. In addition, the decision was also taken to impair £1.9 million of capitalised IT development expenditure towards the end of the financial year.

In that context, maintaining Group revenue and underlying profitability at the same level as last year is a reasonable achievement, albeit one below our initial expectations. However, looking ahead with a solid pipeline, fund launches planned and AUM at its highest ever level, the Group's trajectory remains positive and is supported by a highly cash-generative business model accompanied by a robust and liquid balance sheet, with total equity of £29.0 million (FY-23: £28.3 million).

Further information on financial results can be found in the Financial review section on page 44.

Capital and dividend

Our capital policy has not changed and aims to ensure retention of capital as required for regulatory and working capital purposes and for investing in new opportunities. Our dividend policy currently targets a level of ordinary dividend within the range of 70% to 90% of annual earnings, which allows for progressive and sustainable dividend growth in line with the trend in profitability.

Previously, and subject to financial performance and market conditions at the time, the Board has considered returning excess cash to shareholders, usually in the form of special dividends. However, the Board retains the discretion to change these policies as required, either in line with changes in strategy or in response to changing business circumstances.

In that context, the Board is recommending a final ordinary dividend of 2.45 pence per share (FY-23: 2.45 pence) with the full-year ordinary dividend at 4.60 pence per share (FY-23: 4.50 pence), representing a 2.2% increase in the ordinary dividend and an ordinary payout ratio of 82% of underlying earnings. The interim dividend of 2.15 pence was paid on 22 December 2023, and the final ordinary dividend of 2.45 pence will be paid on 2 August 2024 to shareholders on the register at 12 July 2024, subject to shareholder approval.

Having reviewed the current level of Group capital against its ongoing requirements for regulatory and investment purposes and to support its continued growth and expansion, the Board is announcing a special dividend of 0.60 pence per share to be paid simultaneously with the final ordinary dividend. Total proposed dividends per share for the year are 5.20 pence per share (FY-23: 5.18 pence) compared to underlying earnings per share of 5.60 pence (FY-23: 5.95 pence).

The Board

As noted above, the past year has witnessed substantive changes to the Board and senior management of the Company. Rarely, however, can one note that the Chairman stood down after 40 years, the CEO after 31 years with the Company and the CFO after 21 years. Nevertheless, such changes give rise to management challenges and I would like to take this opportunity to thank my colleagues on the Board and the senior members of the management team for their advice, challenge and support since I took the chair last summer.

Having expressed an inclination to do so some time ago, but having most helpfully agreed to remain in post to support the process of management change over the past few months, Tim Edwards recently took the decision to stand down from the Board, after six years' service, to give him time to focus on the biotechnology sector.

I would like to thank Tim for the commitment and counsel he has given to the Board and the management team.

To succeed Tim, shortly before issuing this report we were able to announce the appointment of Dr Othman Boukrami as a new Non-executive Director with effect from 1 July 2024. Othman is currently Chief Investment Officer of TCX, the Currency Exchange Fund, having earlier in his career held senior positions in the African Development Group and Citibank. Othman brings highly pertinent sector expertise to the Board and I am delighted that he accepted the invitation to join it.

I am also pleased that we have appointed Kevin Ayles to the Board in an executive capacity. Kevin has been with Record since 2007 and, in a company that is wholly dependent on the calibre and commitment of its employees, he has played a critical role in developing the strength of the management team in his capacity as Head of Human Resources. Kevin's appointment is both recognition of the contribution he makes to the business and a reflection of the importance of his role to the future of the Company.

Outlook

A new senior management team quite rightly takes the opportunity to review the strategic and operational imperatives of a business as well as the environment and markets in which a company is operating. That is a process that is ongoing within Record at present, on which Jan Witte comments in his CEO report, and which will continue during the first half of the current financial year. The focus, in the short term, is on ensuring operational strength and stability along with client satisfaction.

Taking a medium-term view, I am confident that we have a new generation of senior management in place able to take the Company forward and that we are operating in political and economic conditions that will provide the Company with an opportunity-rich environment both for currency hedging mandates and for alternative asset investments that are not correlated with more conventional asset classes.

David Morrison
Chairman

27 June 2024

Chief Executive Officer's statement

Since my appointment on 1 April of this year, as a team, we have now crystallised our long-term strategy for growth around some very clear priorities.

Jan Witte | Chief Executive Officer

Revenue

£45.4m

+1.6%

FY-23: £44.7m

Underlying profit before tax[1]

£14.8m

+1.4%

FY-23: £14.6m

1. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Overview

I am proud to have become CEO of Record and consider it a great privilege to be able to both lead and evolve the business going forward, supported by an experienced team of senior colleagues, many of whom have been at Record for ten years or more.

To put things in context, it is instructive to look back at the transformation the business has seen over the last decade and more specifically in the last couple of years.

In the period after the financial crisis of 2008/9, Record's product set, while profitable, became somewhat stagnant and, in 2017, fee pressure across the industry was becoming an increasing concern. This highlighted the need for change and, against a backdrop of falling profitability, Leslie Hill, formerly Head of Sales, was appointed CEO in 2020 to introduce fresh thinking and to explore new opportunities for growth.

Leslie successfully created this younger, more dynamic senior management team across the Group and encouraged a more entrepreneurial mindset to take root. As a result, over the last couple of years, we have proactively developed and explored a number of new possibilities, not all of which we plan to take forward given the need to focus on those areas offering the greatest potential.

Strategy

Since my appointment on 1 April of this year, the senior management team has been working to crystallise our long-term strategy for growth and we have started by setting some very clear priorities. With a much higher level of strategic clarity, our focus now is firmly on execution and we must get the details right.

One of the things that has become very clear is that we need to define our positioning in the industry landscape. We now strongly identify (and reinforce this positioning) as a specialist asset manager focused on offering best-in-class products to large global investors.

Being a specialist is a role that is consistent with our roots, our established product lines, and our more recent expansion into new products. It is also consistent with our culture and the exceptional expertise of many of the people we employ. We don't aspire to, and it is not necessary to, excel at everything; but where we are competing, we aim to provide best-in-class solutions.

Another quality that makes us unique is our ability to structure and deliver large purpose-built investment solutions. Our size here is key. We are large enough to structure and deliver multi-billion USD mandates, and simultaneously small enough to be nimble and accommodate the unique and often complex detail required to deliver exceptional output for our rightly demanding clients.

In an increasingly complex world, where rapid technological progress competes for attention with de-globalisation and geopolitical tensions, these purpose-built investment solutions of exceptional quality and the way we can deliver them, are in demand. As testament to that, we now manage more than USD 100 bn for clients worldwide.

Our client base continues to comprise institutional investors, pension funds, and foundations. In recent years, we have also attracted an increasing number of international asset managers, which is an exciting development and is now one of the key areas of support and development.

With teams in London, Zurich, Frankfurt, Amsterdam, and New York, and around 100 employees globally, we have our eyes firmly set on the work that is required to build on our recent AUM milestones and to continue our trajectory of growth. To this end, our energy is now directed towards six distinct product categories where we offer a unique value proposition, and where we can be best in class.

Currency Management, with a renewed focus on core products, comprises:

- Passive Hedging;
- Hedging for Asset Managers
- Dynamic Hedging; and
- FX Alpha (formerly Currency for Return).

Asset Management, where products require more preparatory work and hence lead times are greater, comprises;

- Emerging Market Debt; and
- Custom Solutions (including Private Credit and Infrastructure Equity).

We will be heavily focused on this envelope of six core product categories and have created high hurdles for ourselves when it comes to adding new products.

Our priority is very much "bigger and better" in the areas where we are already strong, with the expansion of our range a secondary aim.

Financial performance

Group revenue increased by 2% and, on an underlying basis (excluding one-off and exceptional costs), operating profit margin and pre-tax profit were 32% and £14.8 million respectively. Against a difficult backdrop, maintaining these at the same level as in the previous year can be considered a respectable result.

The underlying financial performance of the Group remains strong. We saw material growth in AUM across both currency and asset management products during the year, which reflects the time and effort of colleagues spent both in maintaining, but also in growing and winning client mandates.

Consequently, FY-24 saw the Group pass some milestones of note: AUM rose by over 16% to its highest ever level of $102.2 billion, with FY-24 being the fifth consecutive year of positive net inflows. In addition, we launched two funds under our new Custom Solutions suite of asset management products and maintained the high level of performance fees of £5.8 million earned in the previous fiscal year.

The impairment of the previously capitalised IT-development expenditure of £1.9 million for the R-Platform was announced prior to the year end.

Whilst disappointing, having taken account of both the scale of improvement delivered over the previous two years plus the future investment required over a prolonged period, the strategic decision was taken to cease further development and to bring future IT infrastructure and development teams in-house. The Board was fully supportive of this decision which we believe will strengthen the Group's ability to develop and deliver our tailored solutions in a more cost-effective way, which can only be in the best interests both of our clients and shareholders.

Further information on financial results can be found in the Financial review section on page 44.

Outlook

It's a privilege to be leading the Group and a delight to be working with both superb colleagues and clients who really make every day at Record enjoyable. I am confident that the renewed focus we have on a core suite of six product categories, where our offering and value-add is unique, positions us well for growth in the years ahead.

Jan Witte
Chief Executive Officer

27 June 2024

A message from the outgoing Chief Executive Officer

My time as CEO was both challenging and exciting, and I was very proud of what we all achieved together while not losing sight of what our clients value us for: reliable and sophisticated solutions to their currency and interest rate issues, coupled with complete alignment with their interests.

Since I have retired and am now a shareholder and adviser, I am watching with great enthusiasm and pleasure the strides the Company is making on all the chosen paths of diversification. I am sure that Jan as our new CEO will prove to be as dedicated and creative as he has been during his whole career at Record, innovating while also taking care to keep sight of our core values. David Morrison will no doubt support and help Jan bringing his years of experience to the issues and challenges all asset management businesses must face.

I must thank everyone for a most exciting and challenging career at Record and for all the good things being there has brought me and wish everyone all the very best for the next phase.

Leslie Hill

With our continued expansion into alternative asset management, we recognise the emergence of a new market with its associated trends.

While its impact on our operations is currently limited, we anticipate that as we continue to grow in this area, the asset management market will play a more important role in shaping our strategies and outcomes in the future. Nonetheless, for the 2024 financial year our core operations remained anchored to the currency market, which continues to serve as our primary operational domain.

The currency market is essential to global trade and finance and includes a high proportion of not-for-profit or forced participants, resulting in profit-seeking financial institutions continuing to represent a minority of FX market participants. Consequently, the market displays persistent patterns of behaviour or inefficiencies which we believe can best be exploited by a combination of systematic and discretionary processes.

The FX market continues to offer opportunities for investors. Record's expertise is in identifying and understanding these opportunities and then working with clients to understand how such opportunities may be used to their best advantage, taking account of each client's individual circumstances and attitude to risk.

Macro global trends

1

Disinflationary trends

Central banks have vigilantly monitored ongoing inflation risks, with the disinflation process unfolding slowly, yet mostly smoothly, and effectively. Developed Market central banks are nearing their inflation targets, though a slowdown in services sector disinflation remains a challenge. Gaining confidence, policymakers began to signal potential rate cuts before inflation comes wholly into full balance. The market's calibration of timing and depth of expected rate cuts were a major driver of currency fluctuations during this period.

2

Subdued FX volatility

Tentative successes in controlling inflation, the stability of short-term interest rates, and the attendant expectation of reduced interest rates have led to decreased currency volatility. In certain instances, the market-implied volatility levels approached levels close to those seen before the pandemic. This reduction in volatility also likely mirrored market optimism regarding a "soft landing" in the US economy, coupled with the possibility of a rebound in activity in other regions, dependent on co-ordinated cycles of monetary policy easing.

3

A range-bound US dollar

The US dollar fluctuated within a narrow range, caught in a tug-of-war between expectations of a Federal Reserve easing cycle and an economic exceptionalism narrative that supported a "higher for longer" pricing of interest rates. Most central banks resisted the market's expectations for larger rate cuts, with some adopting interventionist strategies to bolster their currencies, such as direct market interventions in Switzerland and Japan, and an FX reserve hedging programme in Sweden. The Japanese yen was the exception, experiencing notable depreciation as the Bank of Japan hiked its policy rate but maintained its accommodative monetary stance.

4

China's economic malaise

The Chinese economy encountered various obstacles, such as declining house prices, stringent regulatory measures and high debt levels. The government's fiscal measures were perceived as constrained, possibly due to concerns over debt sustainability and the risk of moral hazard in the real estate sector. Monetary policy adjustments were similarly constrained, with considerations for bank profitability, currency stability and the strategic goal of promoting the renminbi's internationalisation. Consequently, elevated real interest rates had a dampening effect on economic activity in China.

5

New geopolitical risks

The onset of the conflict between Israel and Hamas introduced new geopolitical challenges, supporting oil prices and raising concerns about further supply chain disruptions, especially as Houthi militants, backed by Iran, targeted commercial vessels in the Red Sea. After an unsuccessful summer offensive by Ukraine, signs of war weariness became apparent in the West and among US lawmakers. Meanwhile, ahead of the US election in November, investors started to assess the potential impact of a shift towards Republican policies on industry and international relations, including trade and tariffs and a potentially more confrontational stance towards the Federal Reserve.

What this means for our business

The anticipated rate cutting cycle and potential divergence in economic performance across regions can lead to trends in the US dollar and other currencies. Our Dynamic Hedging strategy can help reduce timing risk by gradually adjusting hedge ratios in response to emerging currency trends. The flexible nature of Dynamic Hedging via its implementation with FX forwards can allow for lower implementation costs compared to market alternatives, and can accommodate client-specific risk budgets, benchmarking and market considerations. We are also able to act on market opportunities to capture hedge value and/or adjust responsiveness of the hedges after a period of base currency weakness. For clients who want to use a broader set of signals we are now offering an active hedging process allocating dynamically based on different currency market factors (e.g. expressions of currency carry, volatility, trends and US dollar cyclicality), depending on their recent strength and relative importance in explaining currency returns.

Increased inflation uncertainty, larger short-term interest rate fluctuations and diverging country fundamentals improve the opportunity set within currency markets and have helped generate a pick-up in interest for return-generating currency products.

Record's Currency Multi-Strategy can systematically target these patterns and discover inefficiencies that emerge within currency markets. The strategy is optimised across multiple styles (fundamental and quantitative), time horizons, regions and trading frequencies, aiming to deliver a stable return stream in a range of environments with low correlation to traditional asset classes. To further capitalise on currency fluctuations in Emerging Markets and to complement our existing fundamental strand, we implemented an Emerging Market Classification ("EMC") strategy. The EMC dynamically allocates to various currency factor groups according to their perceived ability to explain currency returns, and the process is systematised using a quantitative machine learning model to make predictions.

Our broad suite of strategies across hedging and FX Alpha means we are well positioned to offer both standalone and Multi-product solutions for clients across base currencies and market environments. Multi-product strategies can aim to both reduce currency risk (e.g. through passive or active hedging) and improve returns by taking cross-hedging positions that more effectively align inherited currency exposures with return opportunities in the currency market.

Business Model

Our resources

Client relationships

We forge strong, collaborative and long-standing client relationships acting as a trusted adviser, underpinned by a deep understanding of each client's opportunities and investment objectives.

Expertise and partnerships

We are experts in FX and derivatives products and markets and we use this in collaboration with our expanding network of like-minded specialist partners to build unique solutions for our clients across the asset management universe.

Financial strength

Record is a highly cash-generative, asset-light business with a strong balance sheet and a disciplined and rigorous approach to capital management – strengths which have guided us through various and challenging market cycles over 40 years in business.

Values and culture

Strong values and a culture built over 40 years underpin the way we work, guiding our behaviour, operations and communications in everything we do.

Our business

We are a specialist currency and asset manager offering best-in-class products to large global investors:

Currency Management

With currency management experience going back over four decades to the founding of the firm, currency management products and solutions still comprise the largest portion of Group AUM and a key part of our client offering.

See more on pages 14 to 16

Asset Management

Record has now cemented itself into the broader asset management space, with access to, and collaboration with, like-minded and specialist partners, allowing us to offer solutions and products to help our clients address the investment challenges they face outside the pure FX arena.

See more on pages 17 to 19

Our strategy

Our strategy is focused on continued sustainable growth supported by the following three pillars:

Organic Growth

- Continue to grow core AUM by positioning
- Grow higher-margin products to benefit from multi-decade trends in bank disintermediation and private markets
- Create a foundation for a sustainable growth rate

Quality of Earnings

- Investment in people, systems and brand
- A refined focus on a more balanced contribution from the six core products and their performance

Operational Excellence

- Proprietary operational framework optimised for Record core products
- New IT leadership team and expansion of in-house development team

See more on pages 22 to 23

Our value creation

Our business methodology allows us to provide tailored solutions to all our clients, leading to value creation for all our stakeholders.

Our approach

1. **Listen**
   A client-focused approach
2. **Understand**
   Using strengths and experience developed over 40 years in business
3. **Deliver**
   Unique, innovative sustainable solutions

Cash generation

Our highly cash-generative business model allows us to remain independent and self-financing, with no external debt. We use the cash generated to reinvest into the business in the pursuit of growth in line with our strategy, to ensure the day-to-day expenditure requirements of the business are met, and to return surplus cash to our shareholders in the form of dividends or share repurchases.

Net cash inflow (before tax) from operating activities:

£16.3m

+25%

FY-23 (restated): £13.0m

Returns to shareholders – ordinary dividend per share:

4.60p

+2.2%

FY-23: 4.50p

Benefits to our stakeholders

Clients

In all respects, we are a client-led business. We listen to our clients, understand their investment objectives and, using our expertise alongside that of our chosen partners, deliver innovative products and services and the highest levels of client service.

People

Our people make our business great and are championed for their intellectual diversity, passion and dynamism. We are committed to ensuring that our culture openly reflects our values and to creating the best possible working environment where our people can thrive.

Society

Providing support for local community-led projects and charitable causes.

Environment

Reduced environmental impact – we have committed to reduce our own carbon emissions and to develop impactful and sustainable investment solutions alongside our clients and partners.

Shareholders

To ensure the long-term success of the Group and to deliver enhanced shareholder value through growth in financial performance and capital distributions.

See more on pages 35 to 37

Currency Management

Currency management has been at the forefront of Record's offering for over four decades and firmly remains a key pillar today, making up the majority of Group AUM and being the vanguard of our reputation as a leading specialist asset manager. The firm continues to pride itself on the depth and breadth of currency expertise and divides its attention on four key products.

Assets Under Management ("AUM")

$97.5bn

+19.8%

FY-23: $81.4bn

Revenue

£33.9m

+3.0%

FY-23: £32.9m

Our products

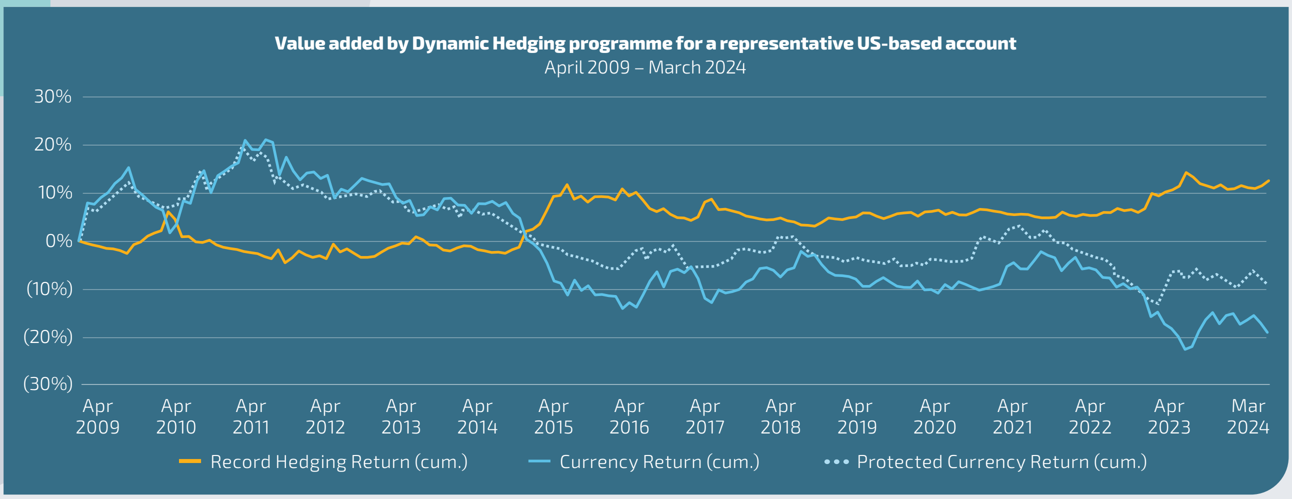
Passive Hedging

Passive Hedging aims to reduce portfolio volatility by removing currency risk. This is achieved through symmetrical elimination of currency exposure from clients' international portfolios. Record's approach combines investment efficiency with operational excellence. Clients benefit from best execution, custom benchmarks, optimised exposure capture, management of cash flows and a complete reporting suite, including regulatory reporting.

Enhanced Passive Hedging builds on Record's core offering, aiming to add value by exploiting market inefficiencies without affecting the consistent protection against currency moves. Our market-leading approach requires constant monitoring and innovation from a specialist team, using bespoke infrastructure to both identify and capture opportunities within a robust risk management framework.

Hedging for Asset Managers

Developed as an extension of Record's Passive Hedging experience and expertise, Hedging for Asset Managers now exists as a standalone product with a dedicated team. The emphasis of Record's approach is on a bespoke solution tailored specifically to the strategy and structure of the underlying investment with a keen focus on liquidity management and efficient implementation. Our clients benefit from our expert trading team, infrastructure and robust operational processes allowing them to focus on delivering uncompromised returns to their investors with best-in-class currency risk management seamlessly integrated into the process.



Risk disclaimer: These graphs illustrate historic returns for representative accounts. Individual client asset allocations, strategy, currencies and other criteria may materially alter actual returns.

Our products

Dynamic Hedging

Our Dynamic Hedging product has been at the core of Record's offering for four decades, aiming to reduce risk through active management of currency risk embedded within portfolios while seeking to minimise cash flow requirements and add value over a full currency cycle. The process aims to generate asymmetric results allowing our clients to benefit from foreign currency strength while offering protection against foreign currency weakness. The delivery of these mandates continues to evolve but Dynamic Hedging remains a critical tool in the management of currency risk.

FX Alpha (formerly Currency for Return)

Record's FX Alpha offering is encapsulated in Currency Multi-Strategy, our flagship Alpha product, which combines multiple return drivers into a single balanced portfolio that targets consistent returns in a variety of market conditions. This is achieved due to the diversification within the portfolio which trades in both developed and emerging markets and approaches each through a fundamental and quantitative lens. Fundamental approaches include carry and value which are exploited across the currency universe while quantitative drivers include trend, volatility, carry and cyclicality.

The unique sources of return exploited over multiple time horizons and risk sensitivities aim to deliver a stable return that is uncorrelated with risks elsewhere in the portfolio. And the other unique feature, as with other currency strategies, is that it can be run unfunded, simply adding to the returns generated elsewhere in the portfolio.

Strategic approach and distribution

We are seeing a high level of interest in FX Alpha primarily due to strong, uncorrelated returns that can be achieved without an initial outlay of capital. This approach is particularly attractive in the US. While FX Alpha programmes have typically been implemented by large corporate and public pension plans, there appears to be a groundswell among non-profit investors looking to add additional return to their portfolios. This is further complemented by the multi-manager community who are mostly new to FX Alpha and who are now identifying that its lack of correlation can be complementary to existing allocations even on a funded basis.

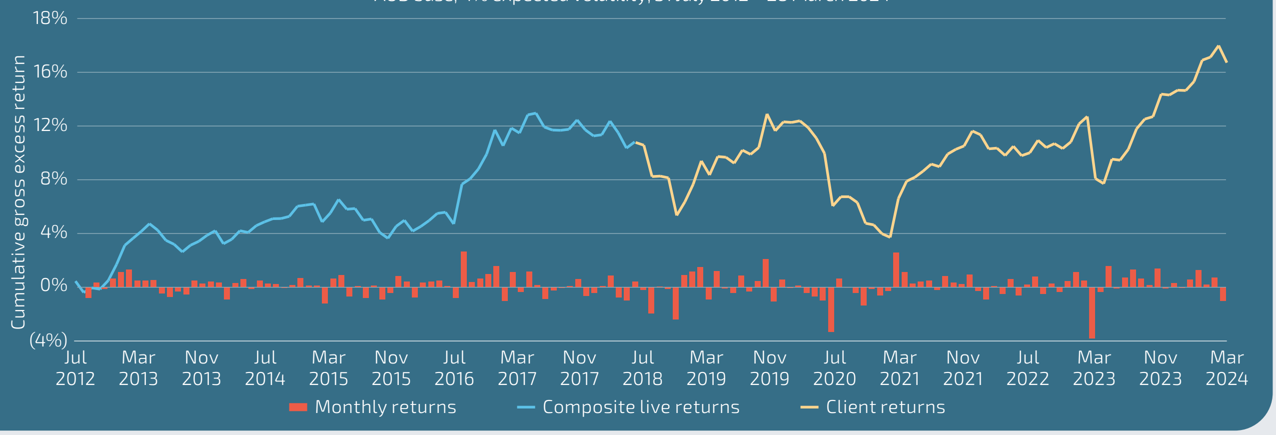
The regional focus on Dynamic Hedging remains in the US since the US dollar exhibits significant trending behaviour, but the team is starting to explore the opportunity set in other markets. Dynamic Hedging conversations and ultimately sales are very much linked to the path of the US dollar with some investors considering market timing to be key to implementing such a programme.

Should there be a continued period of US dollar weakness, this would likely increase interest in such programmes.

Demand for Enhanced Passive Hedging is likely to remain at its current level so the primary focus is on consolidation of the position as the incumbent through excellent client service and performance with further sales opportunity diminished given the current assets managed relative to the market size.

Hedging for Asset Managers defies categorisation by geography with opportunity in the UK, Europe, Asia and North America. It also stands out as a product line that merits a different sales approach. Success in the space is most likely achieved through partnerships with significant alternative asset managers, regardless of their stage of development, and then growing in partnership with them as they cross between investment strategies and raise assets. Another approach which Record is employing is to work with select partners in the space who service the growing needs of the private markets community and to work with and support those partners to grow our reputation, brand and ultimately assets.

Currency Multi-Strategy composite performance since strategy inception
AUD base; 4% expected volatility; 31 July 2012 – 28 March 2024



Risk disclaimer: These graphs illustrate historic returns for representative accounts. Individual client asset allocations, strategy, currencies and other criteria may materially alter actual returns.

Milestones in FY-24

FY-24 performance was characterised by strong investment performance across the product range. Our FX Alpha flagship, Currency Multi-Strategy, showed exceptional performance over the year, driven in particular by the emerging markets ("EM") components which benefited from highly divergent monetary policy across the investment universe, which led to significant performance fees.

This fundamental approach was complemented by the introduction of a quantitative strategy in emerging markets, which has performed strongly since inception and was quickly adopted by a large client to complement their existing EM allocation. The culmination of the performance and client interest resulted in the upgrading of the strategy rating to the top level by one of the leading global investment consultants, with others considering the strategy in more depth.

FY-24 also saw strong performance in Enhanced Passive Hedging making continued performance fee contributions. A large pension fund mandate win in Switzerland has confirmed Record's status as the leading provider in the space and we look to extend our advantage in delivering complex mandates and continued outperformance.

Dynamic Hedging has continued to perform in line with expectations and has delivered value to clients, consolidating the two large mandate wins at the end of FY-23 amongst difficult market conditions with few extended trends.

Finally, new partnerships in the private capital and private wealth space for our Hedging for Asset Managers product have been at the forefront of our evolution of the product alongside existing clients. New prospects are able to receive sophisticated modelling of their portfolio under a wide variety of conditions, bringing to life challenging, hypothetical conversations around exchange rate path dependence and ensuring Record is a compelling currency partner as the private credit space in particular continues to gather assets apace.

Looking forward

Into FY-25, we have expectations on raising further assets across two product lines. We anticipate that the demand for FX Alpha will continue off the back of three key factors. Firstly, Record's strong performance in FY-24, both in an absolute sense and relative to peers, has garnered some attention, ensuring competitiveness not only across the currency space but also in the broader categories of Systematic Global Macro and CTAs. Secondly and relatedly, continued divergence in interest rates and monetary policy globally would be expected to continue to drive currency movement which Record is well positioned to exploit.

These continued trends should form the base for further strong and uncorrelated performance. Finally, with interest rates elevated relative to the last decade, the hedge fund sector is coming under some pressure to deliver ever-high returns to maintain outperformance of cash, which helps to underline the value and advantages of our FX Alpha strategies.

Another area of expected growth is in Hedging for Asset Managers where the team is ever-more deeply plugged into the space and the key players at the same time as the larger alternative asset managers are globalising and looking at the wealth channel for further asset raising. Both of these provide significant opportunity for Record to add value and visibility. With currency adding an additional dimension for previously domestic investors, our expectation is for more alternative managers to outsource their FX, looking for a partner to add value whilst reducing their own investing burden.

Asset Management

Record's expansion into the broader asset management space over the past couple of years represents the latest evolution in our client focus. We now offer a range of solutions and products to help clients tackle investment challenges beyond foreign exchange. As a Group, we are managing funds with innovative and interesting investment strategies and distributing these ideas to clients.

Assets Under Management ("AUM")

$4.7bn

-25.4%

FY-23: $6.3bn

Revenue

£11.5m

-2.5%

FY-23: £11.8m

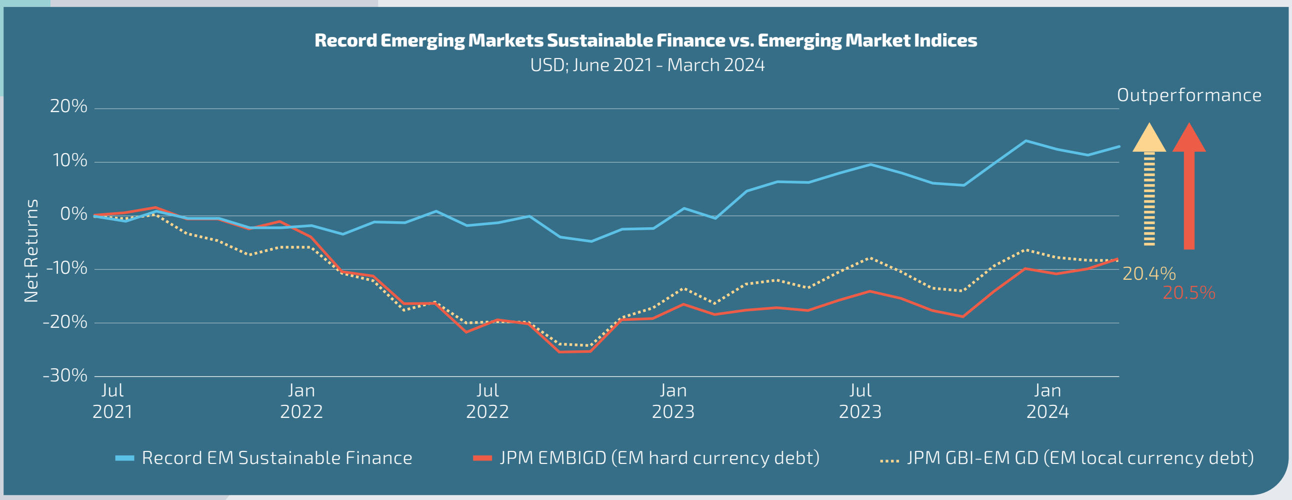
Our products

EM Debt

Record EM Sustainable Finance Fund ("EMSF")

Record's EMSF product is a trailblazing FX-centric, sustainability-led approach to emerging market debt ("EMD") investing. The strategy targets the same return drivers that investors seek within traditional EMD allocations but re-engineered to offer a more diversified and flexible return stream, with better risk management and reduced drawdowns, and as a result appeals to investors that are outcome minded regardless of their sustainability leanings. The strategy invests in emerging and frontier market currencies and bonds, where possible seeking to lengthen tenors beyond market standard to enhance yield and develop local market while still maintaining a highly diversified exposure tilted to their investment attractiveness and not the market capitalisation of their debt issuance. The supporting cash in the portfolio is invested in USD bonds whose duration is actively managed to achieve the portfolio's aims.

Record's EMSF Fund is categorised as Article 8 under the European Sustainable Financial Disclosure Regulation for its promotion of social characteristics. Developing economies often rely on loans denominated in foreign currencies to progress; however, currency volatility can act as a major barrier to the development of domestic capital markets and the creation of economic wealth. The costs of insuring the currency risk can be high and subject to large fluctuations, leaving local businesses and communities unprotected and vulnerable. The number of affected emerging market countries is vast, creating a large and diversified target universe for the fund.



Risk disclaimer: These graphs illustrate historic returns for representative accounts. Individual client asset allocations, strategy, currencies and other criteria may materially alter actual returns.

Our products continued

Custom solutions

Multi-product

Multi-product mandates are bespoke and combine two or more elements which cannot readily be separated for reporting purposes. Typically, these mandates incorporate both risk-reducing and return-seeking objectives tailored to meet individual client requirements, for which hybrid fee rates are applicable.

General Partner ("GP") Stakes

The GP Stakes product takes minority equity stakes in alternative asset managers, across private asset classes including private equity, private credit, infrastructure and real estate. By investing in the GPs directly as opposed to their funds, our clients participate in their management fee income, their carried interest, balance sheet investments in the form of yield, as well as any growth in the enterprise value of those managers. Due to the diversified nature of the product, investors benefit from the broader growth trend of private markets within the investment universe.

Protected Equities

The Protected Equity product uses a well-tested multi-factor approach to select a broadly diversified portfolio of international public equities, expected to deliver outperformance in a variety of market conditions. Additionally, the strategy incorporates tail-risk hedging positions designed to deliver strong outperformance in extreme market drawdowns, contributing to enhanced long-term returns.

Liquid Credit Solutions

Record structures mandates in the liquid credit space through digital lending that exploits the disintermediation of the banking sector with technology to deliver stable yields from the real economy. The product invests in a diversified portfolio of short-dated loans to corporates and consumers originated through over 130 specialist fintech platforms. The portfolio is exceedingly granular with hundreds of thousands of line items.

Strategic approach and distribution

Record's Asset Management business intends to grow along three verticals – private market solutions, alternative investment strategies and bespoke client mandates. The strategic approach emphasises a blend of internal and externally sourced return drivers to bolster product innovation.

Record is known for understanding overlaid return drivers in the currency space. We believe the same know-how can be applied to the entire spectrum of liquid instruments and form a risk framework that differentiates between a notional exposure and the corresponding funding element. Expanding the range of overlay strategies to other asset classes will allow Record to uniquely position itself in the alternative solution segment.

We continue to prioritise custom solutions tailored to meet the specific needs of clients. Through collaborative partnerships and a client-centric approach, we seek to be a trusted adviser to our clients. These relationships can give rise to new opportunities, as in the case of the anticipated Infrastructure Fund, which leverages off client relationships nurtured by the Currency Management business over many years.

By integrating in-house capabilities with third-party expertise, Record aims to deliver unique investment solutions that align with client objectives and regulatory requirements. An example of this is the development of a new Islamic finance working capital fund. Our portfolio management and structuring teams are spearheading the asset origination and investment product design, while our partner handles the Islamic compliance features. Distribution efforts are being led by a bank with excellent client relationships in the Middle East. This dual distribution model, using both our own sales team and local partners, has proved successful in ensuring our products are getting in front of the right clients.

EMSF is a product line that defies geographic constraints and is likely to see two key client types. The first of these are the sustainability and impact-centric investors, typically within Europe, who appreciate the positive contribution that the strategy is able to make in emerging and frontier markets at the same time as delivering returns for investors.

The second key investor will be the highly sophisticated investors globally, regardless of their sustainability leaning, who recognise the approach for its innovation, its effective extraction of sovereign risk premia from frontier markets and the outcome-oriented approach to an asset class that has underdelivered for too long.

Although our primary focus is on building solutions that achieve a specific investment objective, we also go into these projects with a view to identify supplemental benefits we can offer to our other clients. One advantage that came out of building the GP Stakes fund is the new access to the underlying private asset managers and potential to offer private market solutions in each segment, geography and asset class to Record's institutional clients.

As a result of building out the Asset Management business over the last few years, client interactions come from a place of listening first and then advising. We can help clients with their product structuring, distribution and asset management needs, alongside offering traditional currency services. The creation (and now expansion) of the Luxembourg fund platform affords us the flexibility to offer investment solutions in the most effective way for clients, whether as a commingled fund or a fund-of-one, an SPV or a note.

Milestones in FY-24

Record's EM Sustainable Finance strategy complements its exceptional downside protection in FY-22 and FY-23 with solid upside capture in FY-24, able to maintain and even stretch its advantage over peers and presenting a compelling investment proposition as it nears three years of live track record.

Following a multi-year undertaking to obtain regulatory approval from the German financial regulator, BaFin, Record started providing asset management services to clients. The first of our clients is a Luxembourg fund platform, to whom Record provides investment management services and share class hedging services.

Two Luxembourg funds were launched under the Record brand in FY-24. For each fund, Record has partnered with a high calibre specialist with expertise in the specific asset class. These new offerings ensure that our clients have access to exciting, non-currency-related investment strategies, as part of our strategy to grow our business through diversification, with the added benefit of fostering deeper client relationships.

We are delighted that at the end of its first full year of operation, Record is managing over $320 million in assets on the Luxembourg fund platform. These funds are generating significant interest with existing clients as well as prospective clients.

The distribution of these funds forms a key part of the sales strategy. There is presently strong momentum within the sales teams on both our Record-branded funds as well as those few select external fund managers for whom we offer distribution services in Europe and the UK. This has been the most profitable year yet for fund sales, largely due to the distribution of the liquid credit strategy.

These milestones underscore Record's dynamic evolution and its commitment to providing innovative solutions in the ever-changing investment landscape.

Looking forward

Looking ahead, Record is poised to continue its trajectory of growth in the asset management space. With a strong foundation laid over the past year, we anticipate further expansion and diversification of our product offerings.

A third fund focused on infrastructure assets is currently in development. The Infrastructure Fund takes minority private equity stakes in core infrastructure projects. The investment mandate of this fund allows for both brownfield and greenfield investments, with an emphasis on renewable energy and the energy transition. This fund offers a long term revenue stream and is expected to go live in the current financial year, gradually increasing revenue with each project drawdown and ultimately enhancing the quality of earnings.

Additionally, a joint undertaking with a Middle Eastern partner to develop Islamic finance working capital products represents an exciting opportunity. This collaboration points to Record's commitment to innovation and inclusivity, as we seek to broaden our reach and offer tailored solutions to a diverse clientele. We anticipate this fund to start managing assets in the second half of FY-25.

As Record has expanded its reach, so too has it bolstered its capabilities to service clients. Firstly, on resourcing, we have hired two senior investment managers to oversee the Asset Management business. Secondly, we are creating a second fund umbrella in Luxembourg that will complement the existing fund umbrella and allow Record to create a full range of private markets funds and solutions.

Product performance Q&A

Q How has Emerging Market Long/Short performed?

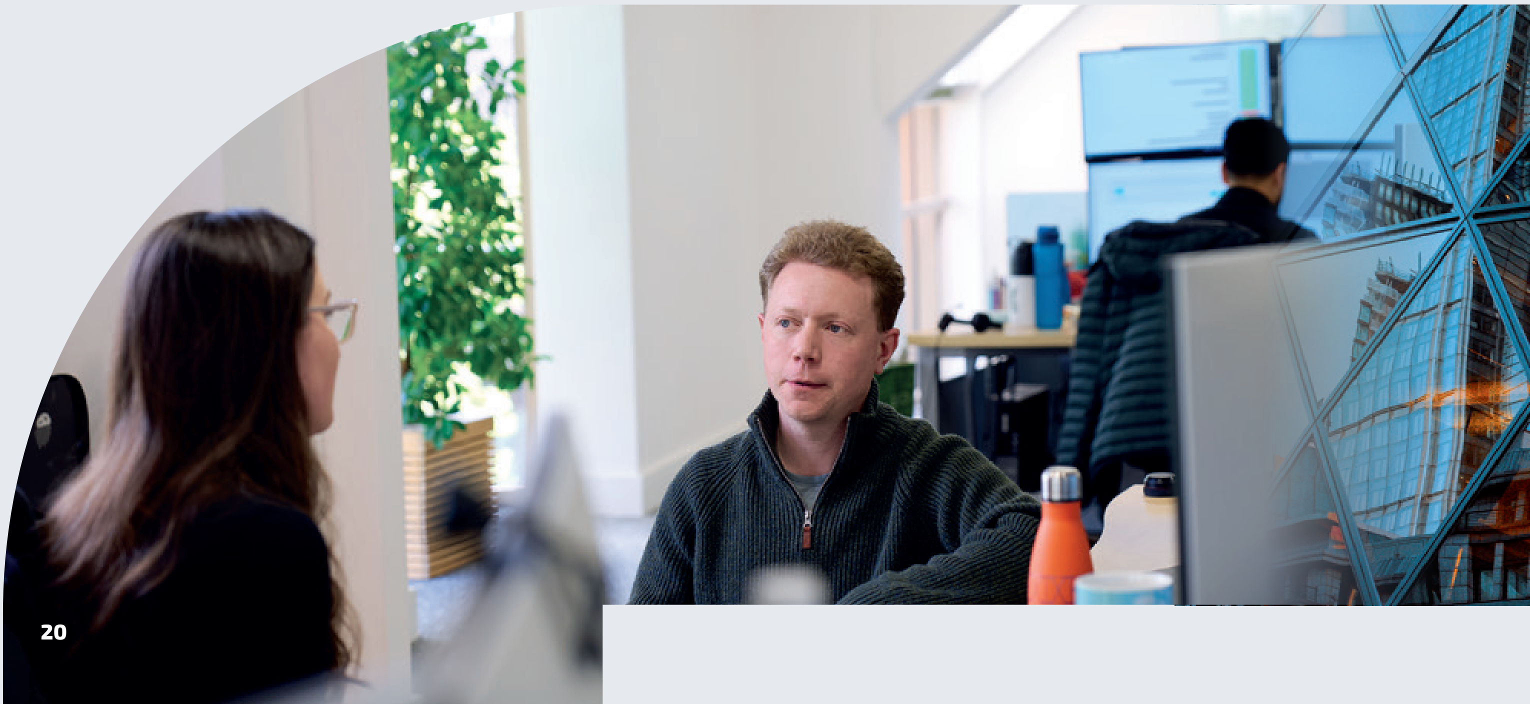
A The macroeconomic-based Emerging Market Long/Short strategy was a standout contributor within the Currency Multi-Strategy portfolio, demonstrating our ability to harness the broad opportunity set within Emerging Markets. Notable contributions to returns came from timely investments in higher-carry currencies in Latin America and profitable relative value positions in Eastern Europe. These results reflect our ongoing efforts to understand and navigate the unique macroeconomic and market complexities of trading Emerging Market currencies.

Andy Bloomfield
Head of Macro Research

Q How have rates expectations shaped tenor management performance?

A The last period was marked by some fundamental changes to the structure of funding markets across the globe, but particularly in Switzerland. Central banks have been attempting to remove ultra-low interest rates and engage in balance sheet reduction prompted by the moderation of inflation, while also keeping reserves ample. Our active management of relative interest rate exposure led to positive returns for our clients.

James Nisbet
Head of Enhanced Passive Hedging and Rates



Q How has thoughtful calibration of Dynamic Hedging resulted in a desirable outcome for our clients?

A Our Dynamic Currency Hedging programme aims to deliver consistent value by creating an asymmetric payoff profile using a systematic investment process. At the same time, expertly implemented discretionary adjustments help smooth the volatility of returns by anticipating rapid turns in the behaviour of certain currencies. During the year, we implemented a number of adjustments in response to the challenging environment in the Japanese yen, where prolonged periods of currency weakness increased the risk of interventions by Japanese monetary authorities. These calibrations helped reduce the programme's volatility and delivered valuable outcomes.

Andrey Rumyantsev
Head of Risk Management Solutions

Q How have we approached diversification and risk allocation during the year?

A The last period was marked by innovation and dynamic risk allocation across all of our products.

We launched a pilot programme, followed by a full-scale client mandate, using a sophisticated machine learning approach to select long and short positions in Emerging Market currencies. The results have been very encouraging. Our proactive approach to dynamic risk reallocation in the Currency Multi-Strategy resulted in the best annual performance for the programme since its inception in 2012.

Dmitri Tikhonov
Chief Investment Officer

The evolution of our strategy now moves to more focused implementation across a range of core products identified as providing opportunities for sustained growth and improved quality of earnings

This goal is realised through our three strategic priorities:

1. Organic Growth
2. Quality of Earnings
3. Operational Excellence

Our strategy recognises the strengths and expertise of our business built over 40 years, and combines this with the adoption of operational advances and differentiated skill sets through collaboration with like-minded, specialist partners. This approach allows us to offer our clients unique, opportunistic and sustainable solutions to meet their differentiated investment objectives – solutions which are highly valued and well rewarded.

Organic Growth

Our highest ever AUM at year end, growth from both existing clients and new product launches achieved in FY-24 and further fund launches planned in FY-25, all give a strong foundation for growth across the whole of our product range.

Leveraging off of our impressive milestone of over USD 100bn in AUM, we will continue to grow core AUM by positioning established products to address institutional clients' changing requirements and needs, and to benefit from macroeconomic opportunities.

New leadership of our EM and Frontier team in addition to expansion of our US team gives further dedicated resource aimed at maximising growth opportunities in light of continued interest.

Our focus remains on growth across our core products in both currency and asset management. In the latter, we anticipate opportunities for growth arising from multi-decade trends in bank-disintermediation and private markets through which we hope to grow our high-margin products.

Our position as trusted adviser and our approach of 'Listen, Understand, Deliver' allows us to fully understand the investment risks and challenges faced by clients and to respond with tailored solutions. Our flexibility and expertise in structuring unique solutions allows us to respond to ever-changing markets and client demands, which allows us to create a strong foundation for sustained growth.

The year ahead

- Focus on the creation of a foundation for a stable growth rate in AUM.

Quality of Earnings

Our strategy to improve the quality of earnings is focused on investing in our core products identified for growth and in ensuring clearly defined responsibility and accountability across all areas of the business.

Our focus on quality in earnings aims to achieve a more robust business through a refocusing of our core products, allowing us to offer a unique value proposition and where we can be best in class. To this end, by investing in our people, systems and brand we aim to grow the business by ensuring the sustainability of returns, the longevity of client relationships, continued high cash-generation and innovative solutions to meet the demands of our clients.

Under new leadership, we have reduced the number of new initiatives and identified six core products with the aim of attaining a balanced contribution from each product. Business functions are clearly organised around products with clearly defined responsibility and accountability to ensure maximum efficiency and contribution from each.

Going forward, our investment focus will continue to be in our people, systems, and our Record brand.

The year ahead

- Further development and refinement of the FX Alpha and Hedging for Asset Managers products as a result of the anticipated increased demand for these products.
- The launch of a third fund under Custom Solutions, with a focus on infrastructure investments with an emphasis on renewable energy and the energy transition.

Operational Excellence

Achieving operational excellence is the key to ensuring our clients receive the best experience and the highest levels of operational risk control as efficiently and cost-effectively as possible.

Record is committed to develop a proprietary operational framework that is specifically optimised for Record's six core products: Dynamic Hedging, Passive Hedging, Hedging for Asset Managers, FX Alpha, EM Debt and Custom Solutions. This framework will lend itself to an enhanced client experience and allow for more personalised tailoring.

As part of this commitment, the decision was made to change the structure of our IT team. Consequently, a new IT leadership team has been introduced to bring the necessary infrastructure and development expertise in-house, which will enhance understanding of bespoke technical requirements and will enable greater focus and efficiency in delivering future development and product enhancement as well as new projects.

The year ahead

- Transition of Group's Head Office from Windsor to a new office in London, designed with ergonomic workspaces to promote effective communication and well-being.
- Research and development of improved IT infrastructure to enhance both operational efficiency and performance, as well as client experience.

Financial KPIs

Measuring our performance against our strategy.

The Board uses both financial and non-financial key performance indicators ("KPIs") to monitor and measure the performance of the Group against its strategic priorities.

Some KPIs link to specific strategic areas as noted below, whilst others represent higher-level key metrics in terms of the Group's business and financial performance.

Revenue (£m)

FY-24	45.4
FY-23	44.7
FY-22	35.1
FY-21	25.4
FY-20	25.6

Link to strategy

Organic growth, Quality of earnings

Revenue has been earned predominantly from the provision of currency management services, although the contribution from asset management products continues to grow with the launch of new products in the year. Both product offerings earn revenue in the form of management fees and performance fees.

Why this is important

Revenue is a key indicator of client experience, growth and a key driver of profitability. A small percentage increase in total revenue has been achieved due to increases in both management fees and distribution fees for the year, the latter linked to growth in the new asset management products. Revenue also includes performance fees of £5.8 million, repeating the exceptional level also achieved last year (FY-23: £5.8 million).

Operating profit margin (underlying)[1] (%)

FY-24	32
FY-23	32
FY-22	31
FY-21	24
FY-20	30

Link to strategy

Organic growth, Quality of earnings

Underlying operating profit margin is an alternative performance measure, calculated by dividing operating profit (before exceptional items) by revenue.

Why this is important

Underlying operating margin is an indicator of the efficiency of the business in turning revenue into profit on an ongoing basis i.e. excluding ad-hoc of one-off exceptional items.

Underlying operating profit margin was consistent with FY-23 at 32%. However, a one-off impairment cost of £1.9 million decreased the operating profit margin on a statutory basis to 28% for the year.

Basic earnings per share ("EPS") (pence per share)

FY-24	4.84
FY-23	5.95
FY-22	4.52
FY-21	2.75
FY-20	3.26

Link to strategy

Organic growth, Quality of earnings, Operational excellence

The Group aims to create shareholder value over the long term, delivered through progressive and sustainable growth in EPS.

Why this is important

EPS measures the overall effectiveness of the business model and drives both our dividend policy and the value generated for shareholders. Excluding the impact of the impairment, EPS on an underlying basis was 5.60p per share. However, similarly to operating profit, EPS has decreased this year as a result of the exceptional one-off cost of impairment in addition to the increase in tax rate from 19% to 25% for the year.

Dividends per share ("DPS") (pence per share)

Ordinary

FY-24	4.60
FY-23	4.50
FY-22	3.60
FY-21	2.30
FY-20	2.30

Special

FY-24	0.6
FY-23	0.68
FY-22	0.92
FY-21	0.45
FY-20	0.41

Link to strategy

Organic growth, Quality of earnings, Operational excellence

Why this is important

Our dividend policy targets a level of ordinary dividend within the range of 70% to 90% of annual earnings, and which allows for progressive and sustainable dividend growth in line with the trend in profitability.

The ordinary dividend per share has increased by 2.2%, reflecting the Board's confidence in the ability of the business to deliver its strategy and to achieve sustainable growth. The special dividend per share of 0.60 pence results in a 0.4% increase in total dividends to 5.20 pence per share (FY-23: 5.18 pence per share).

1. These FY-24 KPIs have been calculated using underlying values as an alternative performance measure. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Non-financial KPIs

Measuring our performance against our strategy.

AUM
($ billion)

FY-24	102.2
FY-23	87.7
FY-22	83.1
FY-21	80.1
FY-20	58.6

Link to strategy

Organic growth, Quality of earnings, Operational excellence

Assets Under Management ("AUM") managed by the Group is made up of a combination of the notional value of currency assets under management through the Group's currency products and the total market value of other assets managed by the Group. By convention this is quoted in US dollars.

Why this is important

AUM is an alternative performance measure. AUM is a key driver of future revenue and an indicator of business growth. AUM increased by 17% for the year, including net inflows of $6.8 billion diversified across product lines.

Client longevity
(%)

>10 years:	16%
6-10 years:	11%
3-6 years:	28%
1-3 years:	28%
0-1 year:	17%

Link to strategy

Operational excellence

Client longevity measures how long Record has been providing either currency and derivative, or asset management, services to each client with a mandate active as at 31 March 2024.

Why this is important

Client longevity is both an indicator of recent client growth and also of the Group's success in sustaining quality client relationships through investment cycles. Building long-standing and trusted adviser relationships with clients provides opportunities for collaboration and partnerships on new and innovative investment products.

Average number of employees

FY-24	96
FY-23	88
FY-22	82
FY-21	83
FY-20	82

Link to strategy

Organic growth, Quality of earnings, Operational excellence

The average number of employees through the year includes Non-executive Directors.

Why this is important

Average employee numbers is an indicator of business growth and also of how effectively the Group is using technology to make processes more efficient. Continued implementation of the Group strategy has necessitated new skill sets in the business, which has brought additional knowledge and experience into the Group.

Staff retention
(%)

FY-24	81
FY-23	90
FY-22	74
FY-21	90
FY-20	81

Link to strategy

Organic growth, Quality of earnings, Operational excellence

Staff retention is calculated as the number of employees who were employed by Record throughout the period as a percentage of the number of employees at the beginning of the period.

Why this is important

Planning for generational change is key to the Group's strategy. FY-24 has seen the enactment of our succession planning, in addition to restructuring and reorganisation plans in line with evolution of the strategy, which has had a corresponding impact on staff retention. The Group remains cognisant of ensuring the continued retention and development of key talent as well as the factors affecting all of our employees' wellbeing.

Employees with equity interest
(%)

FY-24	66
FY-23	63
FY-22	61
FY-21	68
FY-20	69

Link to strategy

Quality of earnings

The percentage of employees who own shares in Record plc at year end.

Why this is important

The alignment of employee interests with those of our shareholders is an important factor in ensuring the longer-term success of our business and is an important tool in managing generational change. The Group's remuneration structure includes schemes with both mandatory and voluntary equity participation, reflecting the importance the Group places on alignment.

Sustainability

Sustainability encompasses many aspects of our business operations, including both strategy and investment as well as business practice, community engagement and our workforce.

Sustainability pillars:

Responsibility for sustained and meaningful progress within the area of sustainability lies with our Sustainability Office.

Governance

Responsibility for sustained and meaningful progress within the area of sustainability lies with our Sustainability Office. The Office is constructed of the Record plc Board, the Senior Sustainability Office ("SSO") and the Sustainability Committee.

The Record plc Board delegates accountability for the Group sustainability strategy to the SSO, which is comprised of key senior leaders who take responsibility for setting the sustainability strategy and proactively integrating sustainable practice across the business.

The SSO meets at least quarterly to review and make decisions on key ESG issues and receives regular updates and points for discussion from the Sustainability Manager. The SSO is in direct communication with the Record plc Board, ensuring it has complete oversight into key decisions and is aware of progress towards sustainability goals and targets.

The Sustainability Committee is a resource group that seeks to gather ideas and recommendations from across seniority and teams within the business, as well as taking responsibility for implementing sustainability initiatives.

The committee is comprised of officer roles which represent key areas of sustainability. Officers meet with the Sustainability Manager on a regular basis to identify opportunities for sustainable improvement and collaborate on sustainability goals aligned with their respective key area.

The Sustainability Manager is responsible for driving progress against the sustainability strategy, taking recommendations and proposals to SSO and implementing actions as approved. The Sustainability Manager acts as conduit between the Sustainability Committee and the SSO, co-ordinating sustainability efforts and aligning goals across the Group.

Sustainability organisational chart

Record plc Board

↓ Oversees ↑ Reports to

Senior Sustainability Office ("SSO")

Chief Executive Officer	Head of Macroeconomic Research
Chief Investment Officer	Head of Trading
Head of Human Resources and Company Secretary	Sustainability Manager
Chief Financial Officer	

↑ Advises

Sustainability Committee

Responsible investment

Record has long been a company that places sustainability and corporate responsibility firmly at the heart of its priorities. Responsible investment is therefore a natural extension of this corporate philosophy and forms a key pillar of our sustainability strategy.

Philosophy

Our core business has traditionally been within the currency management space, where Record has been a thought leader in exploring the integration of Environmental, Social and Governance ("ESG") within currency markets. We have leveraged our 40 years of market-leading foreign exchange expertise to develop innovative strategies and extend the boundaries of ESG beyond its existing base in equity and bonds. In our first drive to incorporate ESG factors into active currency products, Record worked in collaboration with Oxford-based researchers in the creation of one of the first ESG Emerging Market FX Alpha strategies in 2018. Our efforts have only continued to evolve since, with the launch of our flagship Record EM Sustainable Finance ("EMSF") strategy in 2021.

Record Currency Management Limited, our main trading subsidiary, is proud to have been a signatory to the United Nations Principles for Responsible Investment ("UN PRI") since 2018, having been one of the first specialist currency asset managers to sign up. Our Group Responsible Investment Policy is written in line with the UN PRI and acts as a guide to the investment teams and committees across Record's subsidiaries when considering their approach to ESG integration in their investment activities, providing Group-wide clarification on definitions and outlining our own overarching set of principles for responsible investing.

PRI Principles for Responsible Investment

Collaboration

Record is actively exploring ways to collaborate with external parties, including clients who might wish to apply the methodology to reflect their own specific preferences and views on various elements of sustainable finance. Record's research is ongoing, responding to improvements in available data, as well as developing and improving on its own strategies and building and innovating new approaches to maintain its place at the forefront of research in such a fast-developing space. Our aim is to develop and identify unique investment opportunities both within currency and potentially across other asset classes, as we did in the development of the Record Emerging Market Sustainable Finance Fund.

Record Emerging Market Sustainable Finance Fund ("EMSF")

During 2020, Record continued to pioneer research in this space, developing an Emerging Market Sustainable Finance product that combines strategic investment in currencies, impact bond collateral and counterparty engagement to nurture and enhance development in the currency universe countries. This research culminated in the successful launch of the EMSF in June 2021, in collaboration with one of our partners, UBS Global Wealth Management in Switzerland.

Currency

The EMSF strategy aims to stabilise currencies, which in turn can facilitate development and harness the growth potential in developing countries, in accordance with the academically supported theory that EM currency stability is a key prerequisite for equitable and sustainable economic and social development. More directly, it seeks out bespoke peer-to-peer ("P2P") trade opportunities to absorb FX risk from development institutions or other like-minded impact market participants.

Correctly deployed, currency is an essential tool in contributing to sustainable development in less-developed economies and in creating a lasting positive impact.

Fixed income

The fixed income strategy is a long-term buy-and-hold investment that targets a universe of multilateral development banks and other development finance institutions, through themed and sustainable development bond instruments, where the profile of underlying projects aligns with the strategy's sustainable development mandate. These entities play a leadership role in supporting long-term inclusive and sustainable development in low and middle-income economies by working alongside the public and the private sectors of their borrowing member countries to support investments in key development sectors such as health, agriculture, energy, finance, water and other urban infrastructure and services.

ESG Counterparty Engagement Strategy ("ESG-CES")

The investment approach is complemented by a holistic ESG Counterparty Engagement Strategy which overlays our investments and seeks to encourage counterparties to engage in better ESG practices through direct economic incentives. The strategy standardises and combines ESG data from leading rating agencies and from each counterparty's direct public reporting to create a proprietary ESG score which is used to pre-screen transactions and constrain business exposure to counterparties where necessary.

Engagement is central to this strategy; the team is able to form a constructive feedback loop, highlighting areas across the ESG verticals where either individual counterparties, the industry as a whole, or both, ought to improve practices. Record works collaboratively with counterparties on behalf of our clients and as signatories of global sustainability trade codes and standards, helping to steer best practices and make tangible changes. Engagement with our counterparties covers a plethora of ESG topics, including climate change, socio-economic development, controversies and breaches of international norms to name a few.

Our People

We believe that investing in our staff and developing their potential is key to the success of the business.

Workplace

Record's working environment is designed to encourage bright, dynamic and committed individuals to thrive. We believe that investing in our staff and developing their potential is key to the success of the business and our policies and practices reflect this. We actively listen to our employees to help us understand their opinions, ideas and suggestions through ongoing employee engagement surveys.

The Group's offices both in London and Windsor have been designed to allow all departments to work together in an open plan environment. The open plan office allows ease of communication between departments, as well as enabling staff to work closely with senior management. We have continued to support a hybrid working pattern with core office working days, giving a balance between flexibility whilst also providing an environment which fosters teamwork and innovation.

The office environment and culture promote staff development and training and the Group offers both external and internal training opportunities. In October 2021 we partnered with Advancing Women Executives ("AWE") to offer an accelerator programme for mid-level women to provide the relevant training and networking opportunities which are critical for career advancement. We have continued to offer this training for all newly promoted women Associate Directors this year. All employees are encouraged to have a Personal Development Plan ("PDP") in place, and all new joiners receive inductions on the benefits of PDPs for both personal and career development. The Group provides financial and study support to employees who wish to pursue relevant professional qualifications, which many of our employees include in their PDPs.

In addition, the Group continues to provide a number of other benefits to employees, including pension, private medical cover, dental cover, life insurance, permanent health insurance and subsidised gym membership. Our ultra-low emission vehicle ("ULEV") car benefit scheme has allowed us to continue our commitment to sustainability through employee benefits. All employees participate in the Group Bonus Scheme and have the opportunity to acquire shares in Record plc through the scheme, as well as through the Record plc Share Incentive Plan. Our Employee Assistance Programme is available to all employees, which provides 24/7 confidential telephone support from qualified counsellors as well as online computerised cognitive behavioural therapy, to support with mental health issues. The Group also holds regular team-building and other social events, enhancing interaction between different departments within the business and contributing to social inclusion.

The Group has an established internship programme for students and during the year welcomed interns from the University of Oxford, University of Cardiff, King's College London, University of Roehampton and the University of West England, Bristol.

Staff retention

The FY-22 reduction in staff retention reflected the change in our business strategy, in particular our succession planning, which saw higher levels of recruitment adding additional skill sets and some changes at senior levels within the business filled through internal promotions wherever possible. As expected, our staff retention has now normalised back to prior levels.

Human rights

The Group's policies and procedures are in line with internationally recognised human rights standards, such as the guidelines issued by the UN Global Compact, to which we are a signatory, as well as the International Labour Organisation's standards and the Universal Declaration of Human Rights. The Group complies with human rights standards across each of the jurisdictions we operate in and works to ensure that there are no instances of modern slavery, human trafficking, child labour or any other form of human rights abuse within our organisation. The Group also supports the right to a minimum living wage and commits to exceed the government minimum/living wage and has had no instances of non-compliance to labour standards.

Each year we publish our Modern Slavery Act statement in line with the government guidelines under the 2015 UK Modern Slavery and Human Trafficking Act. We recognise our corporate responsibility to ensure modern slavery is not taking place in our organisation, and our policy outlines the procedures we have in place to identify and prevent modern slavery both in our own operations and in our supply chain.

Inclusion and diversity

The Group is committed to providing equal opportunities and maintaining a workplace that is free of discrimination. It also aims to ensure that all recruitment processes are fair and are carried out objectively, systematically and in line with the requirements of employment law. The Group's Inclusion and Diversity Policy ensures that all staff are aware that it is not acceptable to discriminate, harass or victimise anyone, and also that any such unlawful behaviour is not tolerated under any circumstance.

The Group believes that valuing what is unique about individuals and drawing on their different perspectives and experience will add value to the way the Group does business.

By accessing, recruiting and developing talent from a diverse pool of candidates, the Group can gain an insight into different markets and better support client needs through producing innovative and sustainable investment products. The Group aims to create a productive environment, representative of different cultures and groups, where everyone has an equal chance to succeed.

The Group has made significant progress towards its Inclusion and Diversity Action Plan FY-24, a summary of which can be viewed in this year's Sustainability Report on pages 48 to 50.

Our employee-led Inclusion and Diversity Network continues to lead initiatives in line with our action plan and aims to raise awareness of the challenges faced by underrepresented groups and celebrate individual differences. This year the Network organised several inclusive events, celebrating Deaf Awareness Week, Pride Month, Black History Month and World Menopause Month to name a few. The Group is also a member of the Diversity Project, a cross-company organisation aiming to support inclusion and diversity in the UK investment and savings industry.

Read more in our Sustainability Report at **recordfg.com**

The gender diversity within the Group is shown below:

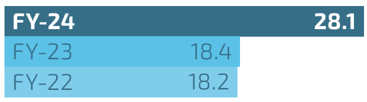
Gender balance As at 31 March 2024	Female number	Female %	Male number	Male %
Board Directors	2	29%	5	71%
Senior management	8	22%	28	78%
Other staff	24	41%	34	59%
All employees	**34**	**34%**	**67**	**66%**

See our separate Sustainability Report, on page 30, for our Gender Pay Gap and further diversity data and more information on our diversity initiatives.

Community

Record recognises its obligations and responsibility to contribute to the wider community outside of the firm. Over the course of the year, the Group made charitable donations totalling £28.1k. Our charitable giving is focused on employee choice, with the Group matching employee donations and sponsorship. The Group continues to encourage employees to participate in fundraising activities for charitable causes and this year employees participated in a variety of events, including charity lunches and fundraising competitions. Examples of supported charities and causes include The Felix Project, Thames Hospice and The British Red Cross Society. A scheme allowing UK employees to give to charity through the payroll is also offered.

Charitable donations (£'000)



We also provide financial assistance to students studying at Balliol College, Oxford through a bursary scheme, which provides grants to students who aim to pursue ambitions which will benefit the wider community, for example in medical or charitable fields.

Climate action

We have been certified as CarbonNeutral® in accordance with the CarbonNeutral® Protocol, the leading framework for carbon neutrality, since 2007.

Net zero

We are committed to taking the vital steps to reach net-zero, reducing the amount of greenhouse gas emissions ("GHGs") we produce throughout our operations and value chain. We have therefore set the following targets:

- Reach net-zero greenhouse gas emissions in our operations and value chain by 2050
- Reduce Scope 3[1] emissions intensity[2] by 55% by 2030 against a 2019 baseline

These targets were developed using science-based methodology and are aligned with limiting global warming to 1.5ºC. When we first published this target in our FY-22 report, we had already reduced our Scope 2 emissions significantly by becoming 100% renewable across our UK operations. Our interim target therefore focuses solely on our indirect Scope 3 emissions, which at the time made up 98% of our carbon footprint.

TCFD

We are pleased to report our climate-related financial disclosures in accordance with guidance from the Taskforce on Climate-related Financial Disclosures ("TCFD") as part of the Group's Annual Report and Accounts.

The following table provides a summary of our response to the TCFD recommendations. We publish supplemental detail in our separate Climate Report to provide a more comprehensive assessment of how the Group incorporates climate-related risks and opportunities into our governance, strategy, risk management, and metrics and targets.

Read more in our Climate Report at **recordfg.com**

Governance

Recommendations	Current status	Key areas of progress	Page
Describe Board-level oversight of climate-related risks and opportunities.	Compliant	• Record plc Board is responsible for governing and overseeing the Group's business strategy, and providing oversight, control and monitoring of its operations and risks. As part of this function, the Board oversees climate-related risks and opportunities. • Other Board-level committees have oversight responsibilities for climate-related risks and opportunities. • The Board has delegated responsibility for the delivery of the Group's climate change strategy to the Senior Sustainability Office.	See more on pages 7 to 10 of the Climate Report
Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant		

1. Scope 3 emissions: business travel; premises waste, water and transmission and distribution losses; outbound deliveries; commuting; other upstream emissions; and home working.
2. Scope 3 emissions intensity is calculated as an absolute value of emissions divided by revenue.

Strategy

Recommendations	Current status	Key areas of progress	Page
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant	• We have identified potential climate-related risks and opportunities which may arise over the short, medium and long term, and use this assessment to inform our strategy. • We have undertaken a qualitative climate-scenario analysis using the globally recognised Network for Greening the Financial System ("NGFS") – "Current Policies", "Net Zero 2050" and "Delayed Transition".	See more on pages 12 to 22 of the Climate Report
Describe the impact of these climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Compliant		
Describe the resilience of the organisation's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario.	Compliant		

Risk management

Recommendations	Current status	Key areas of progress	Page
Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	• The process of identifying, assessing and managing climate-related risks is embedded into our Group-wide Business Risk Framework, which operates a three lines of defence approach. • Climate-related risks are considered within our existing principal risk categories.	See more on pages 23 to 25 of the Climate Report
Describe the organisation's processes for managing climate-related risks strategy and financial planning.	Compliant		
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant		

Metrics and targets

Recommendations	Current status	Key areas of progress	Page
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially compliant	• We report Scope 1, 2 and 3 GHG emissions. • We report progress against emissions reduction targets.	See more on pages 26 to 29 of the Climate Report
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	Compliant		
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Compliant		

Climate action continued

Streamlined Energy and Carbon Reporting

Methodology

The method used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from recognised public sources including, but not limited to, BEIS, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change. The reported GHG emissions are for our UK operations only. Please refer to pages 31 to 32 in our Climate Report for Group-level emissions.

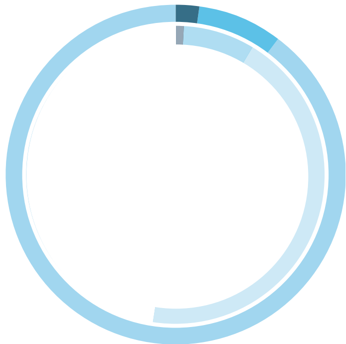
Energy efficiency actions taken

Our absolute GHG emissions footprint has experienced a slight increase compared to our baseline year, attributable to the expansion of our workforce and the establishment of new offices in London. The uptick in Scope 3 emissions reflects our growing presence outside of the UK, which involved the recruitment of new employees and forming international partnerships in key locations including New York, Switzerland and Germany. This has led to increased business travel as we integrate our new colleagues into the business and support face-to-face meetings with our partners. However, despite the establishment of new offices, we have made significant strides in reducing our Scope 2 emissions compared to our baseline by transitioning to 100% renewable energy across all our offices through the utilisation of Energy Attribute Certificates ("EACs"). The remaining direct emissions, classified as Scope 1 emissions, primarily stem from the consumption of fuel for office heating purposes.

Energy consumption (kWh 000)[1,2,3]

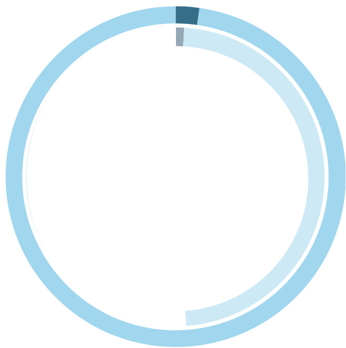
Scope 1 FY-24: 54 | FY-23: 20
Scope 2 FY-24: 172 | FY-23: 174
Scope 3 FY-24: 211 | FY-23: 408

Location-based methodology (tonnes of CO_2e)[1,2,3]

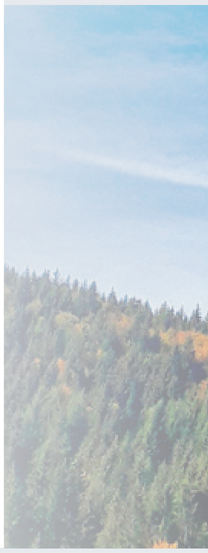


Scope 1 FY-24: 10 | FY-23: 4
Scope 2 FY-24: 36 | FY-23: 34
Scope 3 FY-24: 392 | FY-23: 193

Market-based methodology (tonnes of CO_2e)[1,2,3]



Scope 1 FY-24: 10 | FY-23: 4
Scope 3 FY-24: 392 | FY-23: 193



Energy and GHG emissions annual % change[2,3]

Reporting category	Energy consumption UK & offshore	Location-based methodology UK & offshore	Market-based methodology UK & offshore
Scope 1	170	168	168
Scope 2	(1)	6	—
Scope 3	(48)	103	103
Total	**(27)**	**90**	**105**
Scope 1, 2 & 3 CO_2e intensity ratio: tonnes CO_2e/FTE		87	101

1. Scope 1 covers combustion of gas and combustion of fuel for heating purposes. Scope 2 covers purchased electricity. Scope 3 covers premises waste, transmission and distribution losses; business travel; outbound deliveries; commuting; other upstream emissions; and homeworking.
2. Please note that rounding differences may exist.
3. UK emissions data relates to the financial year ending 31 March 2024.

Section 172 Companies Act 2006 – Our stakeholders

Our stakeholders, with whom we maintain an ongoing dialogue, are detailed below.

We believe that all stakeholders are beneficiaries of environmentally friendly business practice and socially responsible investment. Record is therefore committed to being a company with a culture which places sustainability, corporate responsibility and community engagement firmly at the centre of priorities.

Section 172 Companies Act 2006

We set out on pages 36 and 37 our key stakeholder groups, their material issues and how we engage with them. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns, in accordance with section 172 of the Companies Act 2006.

This in turn ensures we deliver solutions our clients want and need, continue to work effectively with our colleagues and suppliers, comply with regulatory requirements, make a positive contribution to local communities and achieve long-term sustainable returns for our investors.

Acting in a fair and responsible manner is a core element of our business practice, more information on which can be found in our separate Sustainability Report.

During the year, the Board made decisions to deliver against our strategy, whilst considering the different interests of our stakeholder groups and the impact of key decisions upon them. The following provides an overview of some of the key decisions taken and how integral our stakeholders are in the Board's decision-making process:

Interests of clients – decisions

- Launch of two Luxembourg funds under the Record brand
- Significant performance fees as a result of our high-performing FX Alpha flagship
- Development of Islamic finance working capital products

Interests of employees – decisions

- Continued cost-of-living payment provided to all employees to help with the consequences of high inflation
- Increased presence in and consolidation of our London office

Interests of shareholders – decisions

- Completion of succession planning with the appointment of Jan Witte as the new Chief Executive Officer and Richard Heading as the new incoming Chief Financial Officer
- Change in the Chair of the Remuneration Committee

The duties of the Directors – section 172

Under section 172 of the Companies Act 2006 a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly towards all members of the Company

Section 172 Companies Act 2006 – Our stakeholders continued

Clients

We are a client-led business. Our ethos is to "Listen" to clients, "Understand" their investment objectives, and "Deliver" sustainable solutions.

How we engage

Our operational infrastructure is built around the specific requirements of our clients, including systems and controls to reduce risk and manage each stage of the process as efficiently as possible.

We build strong and trusted relationships with clients and collaborate on new developments and opportunities as they evolve.

Regular review meetings with clients ensure client requirements are consistently monitored.

Clients receive frequent and regular reports on market and investment performance.

Their material issues

Our clients' material interests are in the performance of Record's products, a robust risk framework, transparency, value for money, maintaining the high levels of service they receive and the provision of innovative products which meet their investment objectives.

2024 highlights and future changes

In line with the evolving Sustainable Financial Disclosure Regulation under which our Emerging Market Sustainable Finance Fund is categorised as Article 8 for its promotion of social characteristics, we filed our Annex 2 disclosures, committing to a minimum level of sustainable investments in the Fund and to the measures used to determine the sustainability of those investments.

FY-24 saw the successful launch of two Luxembourg funds, with a third Infrastructure fund targeting investments with an emphasis on renewable energy and the energy transition.

Shareholders

We rely on the support and engagement of our shareholders to deliver our strategic objectives and grow the business.

How we engage

The Group CEO and CFO presented the full-year and half-year results to investors, both institutional and retail.

The primary means of communicating with shareholders are through the Annual General Meeting, the Annual Report and Accounts, half-year results and related presentations. All of these are available on the Company's website **www.recordfg.com**. The website also contains information on the business of the Group, corporate governance, all regulatory announcements, key dates in the financial calendar and other important shareholder information.

Their material issues

Our shareholders want Record to ensure it is a long-term sustainable business which delivers attractive returns through share price growth and regular dividends.

2024 highlights and future changes

The Company saw the completion of our succession planning in the form of Leslie Hill's retirement on 31 March 2024, and the appointment of Jan Witte to take over the role as CEO from 1 April 2024.

We have also seen some additional Board changes in the form a change in Remuneration Committee Chair, as well as the appointment of Richard Heading to take over as CFO from 1 July 2024.

People

Our people are central to the ongoing success of the business and we aim to attract, retain, develop and motivate the right people for current and future business success.

How we engage

We engage with our employees through a variety of channels including a Company intranet, management briefings, employee engagement surveys and workforce engagement sessions, e-mail updates and Company-wide presentations by the Group Chief Executive Officer.

We seek to encourage employees in developing and advancing their careers, offering assistance in such forms as study support and the possibility of secondments to overseas offices.

The Group's remuneration framework includes schemes aimed at aligning employees' interests with those of shareholders by offering the opportunity to share in business growth through share ownership.

Their material issues

Our people's material interests relate to the work balance and physical and cultural environment provided by Record. They want to be fairly rewarded for their contribution and have opportunities for learning, growth and further development as well as sharing in business success.

2024 highlights and future changes

Record has continued to offer a hybrid working pattern in order to achieve an appropriate work-life balance for the longer-term benefit of both our employees and the business. This year we continued to commit to three core working days to promote collaboration and team-building.

The Company remained committed to investment into its people through continued quarterly cost-of-living payments provided to all employees to help with the lasting consequences of high inflation.

Environment and community

We recognise the responsibility we have to the environment, local community and wider society.

How we engage

We are proud to support the communities in which we operate and we have a long history of contributing through monetary donations, gift giving and employee time. Further details can be found in our Sustainability Report.

We champion responsible investment and corporate social responsibility and lead the way in the development of strategies integrating ESG and impact in currency investing. We work with like-minded partners to increase and meet the demand for sustainable investment solutions.

Record has been a signatory to the Principles for Responsible Investment since June 2018.

We make a positive impact in our community by addressing societal issues and driving social progress through our charitable efforts and volunteering.

Record's Sustainability Office and Sustainability Committee ensure a strong focus on sustainability and ESG factors across all aspects of our business, including investment strategy, corporate responsibility and risk management for the benefit of clients and all of our stakeholders.

Their material issues

We aim to manage the business in a manner which minimises our impact on the environment and helps to benefit society.

2024 highlights and future changes

Employees helped to raise £28.1k for local and national charities during the year. Record also held a corporate volunteering day at a soup kitchen in London where employees cooked and served soup for those in need.

This year's Climate Report includes disclosure against the TCFD's recommendations and outlines Record's commitment and action towards the Group's net zero and emissions reduction targets.

Further details on our focus and actions on both sustainability and climate can be found in our separate Sustainability and Climate Reports on our website: **www.recordfg.com**

External suppliers

We rely on external suppliers and service providers to supplement the Group's own infrastructure, benefiting from the expertise these suppliers provide.

How we engage

We work to ensure that our key suppliers are engaged with our business and that a mutual understanding and close working relationship is maintained between us.

All material supplier contracts are subject to due diligence checks and reviews and include strict service level agreements for all supplies of business-critical services.

Record has a supplier payment policy which ensures that all invoices are approved and duly paid within agreed terms.

Their material issues

Key suppliers wish to develop mutually beneficial working relationships with growing and successful businesses over the long term.

2024 highlights and future changes

The Supplier Code of Conduct is in place to align suppliers and service providers with Record's own standards on human rights, diversity and inclusion, environmental policy and ethical practice.

In line with the UK Modern Slavery Act 2015, Record's current modern slavery policy has been updated to reflect policies and practices across the Group as opposed to entity level.

Regulators

As a global business, we seek to have transparent and open relationships with our regulators around the world. Regulators provide oversight to ensure the subsidiary businesses are operated within regulatory parameters, thereby giving valuable assurance to clients and other stakeholders.

How we engage

The Group uses a combination of the following:

- an experienced Head of Compliance;
- local legal advisers to call upon for new activities;
- engages directly and through membership of various industry bodies with regulators and policymakers across the Group as appropriate to ensure that our regulated businesses understand and contribute to their respective evolving regulatory requirements; and
- the Record plc Board has set up reporting criteria from each subsidiary based on its requirements and this would include risk, compliance, operational and IT.

We receive advice and updates on regulatory matters from both our internal and external auditors and also our legal advisers.

Their material issues

Regulators aim to ensure that our regulated subsidiaries are run responsibly in the best interests and safety of our clients and other stakeholders. They seek to protect the integrity of the financial systems they supervise and promote fair competition for the benefit of clients.

2024 highlights and future changes

Record's German subsidiary, approved by BaFin as a MiFID firm, has begun to see growth in revenue inflows materialise.

A Group subsidiary launched two Luxembourg funds during the period.

AUM closed the year at its highest ever level of $102.2 billion, including net AUM inflows of $6.8 billion for the year.

Product investment performance

Currency Management

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

Passive Hedging

Record's enhanced Passive Hedging service aims to reduce the cost of hedging by introducing flexibility into the implementation of currency hedges without changing the hedge ratio. The episodic nature of many opportunities exploited by the strategy means it requires a higher level of discretionary oversight than has historically been associated with Passive Hedging.

Global markets saw interest rates remain elevated in the first half of FY-24, stemming from hawkish central bank policy to curb the persistent inflationary pressures. Towards the second half of FY-24, inflation prints across major economies showed signs of moderation, alongside slowing GDP growth and employment data. These have had the effect of introducing increased volatility into short-term interest rate markets, from which FX forward pricing is determined. The heightened volatility increased the opportunity set for our clients' portfolios, and as such, we positioned client portfolios appropriately to net add value from this volatility, achieving positive performance. Additionally, the team's management of the portfolio around key market events such as the acquisition of Credit Suisse by UBS, and the consequential liquidity issues, have minimised downside risks versus the fixed-tenor benchmark.

The table below shows the total value added relative to a fixed-tenor benchmark for an enhanced Passive Hedging programme for a representative account. The base currency used is Swiss francs.

	Return for year to 31 March 2024	Return since inception[1]
Value added by enhanced Passive Hedging programme relative to a fixed-tenor benchmark	**0.07%**	0.10% p.a.

1. Since inception in October 2014.

Operating review

Dynamic Hedging

The performance of our Dynamic Hedging product is a function of foreign currency fluctuations relative to the base currency of specific clients. During the year, US investors saw losses from currency on international assets when valuing positions in US dollars, as the US dollar appreciated against the majority of G10 currencies. Record's Dynamic Hedging product adjusted hedge ratios in line with US dollar fluctuations, reducing hedging losses when the US dollar was weaker and helping to protect against currency losses when the US dollar was episodically stronger. As a result, Dynamic Hedging performance was positive, partially offsetting currency losses on the underlying international exposures. Positive hedging performance was largely due to gains made from the Japanese yen hedge, which weakened substantially against the US dollar.

For non-US accounts, i.e. those where US exposures were hedged to other base currencies, the performance of Dynamic Hedging was opposing over the period given broad US dollar strength and reflected the mandates' specific objectives and/or benchmarks.

	Return for year to 31 March 2024	Return since inception[1]
Value added by Dynamic Hedging programme for a representative US-based account	**0.67%**	0.67% p.a.

1. Since inception in April 2009.

FX Alpha (formerly Currency for Return)

Currency Multi-Strategy

Record's Currency Multi-Strategy product combines a number of diversified return streams, which include:

- Forward Rate Bias ("FRB"), also known as Carry, or the tendency for high interest rate currencies to outperform low interest rate currencies.
- Value which purchases undervalued currencies and sells overvalued currencies relative currency fair value.
- EM Long/Short which captures returns from relative growth, value and carry opportunities within Emerging Market and Developed Market currencies.
- Developed Market Classification ("DMC") which dynamically allocate to various currency factor groups.

Record's Multi-Strategy mandates delivered positive returns over the period which was driven by outperformance in the EM Long/Short, Carry and DMC strategies, offsetting underperformance in the Value strand. Carry benefited from the low FX volatility environment and stable interest rate differentials. DMC performed positively as its factors were able to pick up some stronger US dollar. The EM strategy saw strong performance on the back of high real interest rates dispersion, resilient domestic economies, and the supportive macro environment, comprising of a continued disinflation trend in major economies. In Value, underperformance was mainly driven by short US dollar and long Japanese yen positions where the Federal Reserve's "higher for longer" narrative and continued monetary accommodation in Japan led to depreciation of the yen versus the US dollar.

	Return for year to 31 March 2024	Return since inception	Volatility since inception
Record Multi-Strategy composite[1]	**4.65%**	1.15% p.a.	3.10% p.a.

1. Record Multi-Strategy composite is since inception in July 2012, showing excess returns data gross of fees in USD base, and scaled to a 4% volatility target.

Operating review continued

Product investment performance continued

Asset Management

EM Debt

Record EM Sustainable Finance ("EMSF") Fund

The Record EMSF Fund USD class A returned 12.6% from inception (28 June 2021) to 31 March 2024, outperforming the relevant emerging market local debt benchmarks by 20.43%-21.02% (see table below).

The currency portfolio delivered positive returns during the period on the back of continued outperformance of high carry EM selections despite elevated US treasury yield volatility. Central banks in developed markets progressed with their tightening cycles during FY-24 and adopted a prudent policy tone even after pressures had eased somewhat given second-round inflation risks. Major EM central banks embarked on rate cutting cycles whilst remaining cautious, which supported the asset class through elevated real rate pickup and real currency appreciation, especially in Latin American markets, where local assets also outperformed on the back of US exceptionalism and nearshoring. Valuations were a key driver in the period, particularly in Central and Eastern Europe currency recovery as well due to reduced regional risk premia. The DM funding basket performed positively despite a weaker US dollar on the back of tactical management of the funding basket.

Bond investments performed positively as well despite notable volatility in global rate markets. Performance was driven by lower rates as the tightening cycle matured and inflationary pressures started to ease. Bond returns benefited from duration extension, as well as diversification into local currency denominated bonds in markets where local rates offered attractive ex-ante risk/return. The peer-to-peer ("P2P") portfolio continued to grow in the period as a result of a closer collaboration with the multilateral development banks to support development loans that are denominated in local currency. These innovative and bespoke transactions aim to deliver targeted positive impact that support the development of local currency markets, benefit local communities and mitigate exposure to hard currency by end-borrowers. P2P trade highlights in the period include gender bond transactions denominated in Mongolian tugrik, Azerbaijani manat and Kazakhstani tenge; sustainability bonds to finance green and social projects in Colombia in local currency; and green bonds denominated in Indian rupee to support climate resilience and transition in India.

The table below shows the performance of the EMSF Fund USD class A and the relevant benchmarks, being the JP Morgan GBI-EM Global Diversified and JP Morgan EMBI Global Diversified. The performance is since inception of the EMSF Fund on 28 June 2021 to 31 March 2024.

	Return for year to 31 March 2024	Return since inception
EMSF Fund USD Share Class A	**7.59%**	12.60%
JP Morgan GBI-EM Global Diversified	**4.91%**	(8.42)%

Custom solutions

Record Diversified GP Stakes

The first of our Luxembourg funds launched offers access to a portfolio of equity stakes in privately-held asset managers who specialise in private markets – private debt, private equity, private real estate and private infrastructure.

The fund delivered positive returns to investors in the period. This investment strategy has four key return drivers. The largest contributor to the positive performance was the earned management fees on the GP's existing funds. The other three drivers were either neutral (in the case of enterprise value) or negative (in the case of the crystallise performance fees and the GP-commit). For these last two return drivers to start contributing positively again to the overall fund performance we would need the planned asset exits of the underlying portfolio assets to resume and normalise.

The fund performed better than industry returns, mainly due to diversification (over 70 GP stakes at the end of March 2024) and the poor correlation of the return drivers to the typical private market returns.

The table below shows the performance of the Record Diversified GP Stakes class USD A. The performance is since inception of the Record Diversified GP Stakes Fund on 3 April 2023 to 29 December 2023 (the most recent available data).

	Return since inception
Record Diversified GP Stakes – USD Share Class A	6.07%

Operating review continued

Record Protected Equities

The second fund we launched combines a multi-factor active global equity approach with a tail risk hedging solution to protect against significant drawdowns. By packaging the strategies of two US-based investment specialists, Record was able to bring to the European market an investment product that wasn't previously available.

The fund delivered positive returns to investors in the period driven by an overall outperformance of the factor equity strategy (over the passive benchmark). The strong performance of the long global equity strategy fully covered the expense of buying downside protection and still returned over 75bps after fees to investors above the passive benchmark. In general, the period August 2023 to March 2024 was a good period for global equity markets, returning over 10% to investors.

The table below shows the performance of the Record Protected Equities class USD F and the relevant benchmark, being the MSCI ACWI IMI. The performance is since inception of the Record Protected Equities Fund on 1 August 2023 to 31 March 2024.

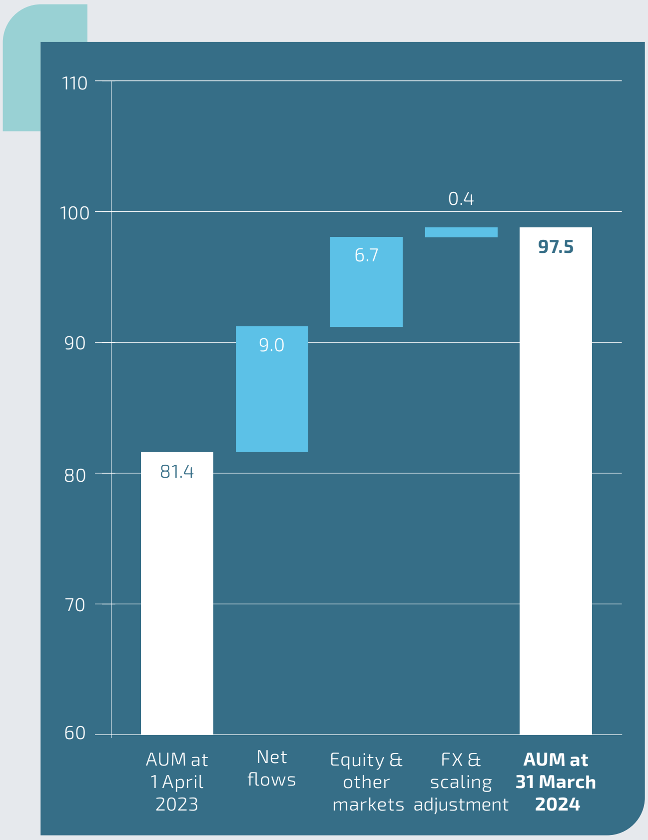
	Return for period to 31 March 2024	Return since inception
Record Protected Equities – USD Share Class F	**11.03%**	11.03%
MSCI ACWI IMI	**10.25%**	10.25%

AUM development

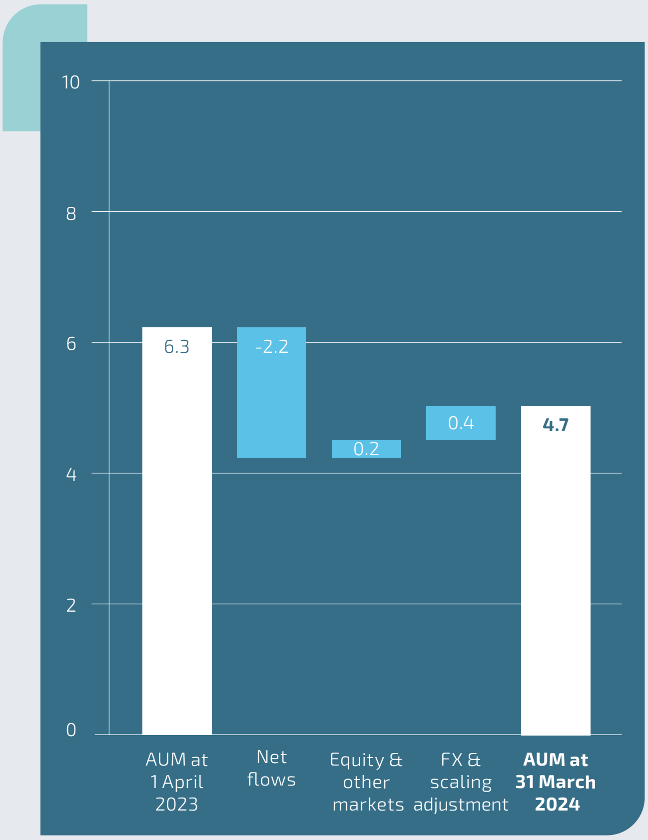
AUM expressed in US dollar terms finished the year at $102.2 billion, an increase of 17% (FY-23: $87.7 billion). When expressed in sterling, AUM increased by 14% to £80.9 billion (FY-23: £71.0 billion).

AUM development bridges – year to 31 March 2024 ($bn)

Currency Management



Asset Management



AUM development continued

Currency Management AUM movements

Passive Hedging increased by 20% to $66.0 billion (FY-23: $54.5 billion) driven by net inflows of $7.4 billion for the year from new and existing clients. The impact from market movements and exchange rates was also positive at $3.6 billion and $0.5 billion respectively.

Hedging for Asset Managers AUM increased to $10.4 billion (FY-23: $9.3 billion) as a result of net inflows of $1.3 billion being partially offset by adverse exchange movements ($0.2 billion).

Dynamic Hedging AUM increased by 12%, ending the year at $16.5 billion (FY-23: $14.7 billion). The majority of the $1.8 billion increase is attributable to positive market movements of $1.5 billion with net inflows of $0.3 billion.

FX Alpha AUM increased to $4.5 billion (FY-23: $2.8 billion) by the end of the year, represented predominantly by positive market movements of $1.5 billion.

Asset Management AUM movements

Custom Solutions AUM decreased to $3.7 billion (FY-23: $5.2 billion). Net outflows of $2.1 billion are attributable to a $2.4 billion outflow from Multi-product which has been offset by a $0.3 billion inflow following the launch of the two Luxembourg funds. A further partial offset is as a result of favourable exchange rates ($0.4 billion) and market movements ($0.1 billion).

EM Debt remained broadly level at $1.0 billion (FY-23: $1.1 billion) due to net outflows ($0.1 billion).

Market performance

Record's AUM is affected by movements in market levels because substantially all the Passive and Dynamic Hedging, and some of the Multi-product (within Custom Solutions) mandates, are linked to equity, fixed income and other market levels. Market movements increased AUM by $6.9 billion in the year ended 31 March 2024 (FY-23: decrease of $3.8 billion).

Forex

Approximately 75% of the Group's AUM is non-US dollar denominated. Therefore, foreign exchange movements may have an impact on AUM when expressing non-US dollar denominated AUM in US dollars. Foreign exchange movements increased AUM by $0.8 billion over the year. This movement does not have an equivalent impact on the sterling value of fee income.

At 31 March 2024, the split of AUM by base currency was 8% in sterling, 55% in Swiss francs, 25% in US dollars, 8% in euros and 4% in other currencies.

Operating review continued

AUM composition by base currency

Base currency	31 March 2024	31 March 2023
Sterling	**GBP 6.6bn**	GBP 7.4bn
US dollar	**USD 25.4bn**	USD 20.8bn
Swiss franc	**CHF 50.9bn**	CHF 38.3bn
Euro	**EUR 7.3bn**	EUR 11.7bn
Australian dollar	**AUD 5.8bn**	AUD 3.0bn
Canadian dollar	**CAD 0.1bn**	CAD 3.3bn
Japanese yen	**JPY 42.6bn**	JPY 27.2bn

Product mix
AUM composition by product

	31 March 2024		31 March 2023	
	US $bn		US $bn	
Currency Management				
Passive Hedging	**66.0**	**65%**	54.5	64%
Dynamic Hedging	**16.5**	**16%**	14.7	17%
Hedging for Asset Managers	**10.4**	**10%**	9.3	11%
FX Alpha	**4.5**	**4%**	2.8	3%
Cash	**0.1**	**0%**	0.1	0%
Total Currency Management AUM	**97.5**	**95%**	81.4	93%
Asset Management				
Custom Solutions	**3.7**	**4%**	5.2	6%
EM Debt	**1.0**	**1%**	1.1	1%
Total Asset Management AUM	**4.7**	**5%**	6.3	7%
Total AUM	**102.2**	**100%**	87.7	100%

The product mix has remained broadly consistent with the prior year. With the exception of a switch of mandate by one client from Multi-Product (within Custom Solutions) to Passive Hedging, growth can be seen across the product range predominantly due to a mixture of net inflows of $6.8 billion and market movements of $6.9 billion.

A renewed focus on best-in-class core products and good cost control is expected to deliver an improved quality of earnings over the medium term.

Steve Cullen | Chief Financial Officer

Revenue

£45.4m

+2%

FY-23: £44.7m

Management fees

£38.7m

+1%

FY-23: £38.3m

Underlying operating profit margin[1]

32%

FY-23: 32%

Overview

FY-24 has been a busy, somewhat challenging, but productive year for the Group. Changes in the leadership team in line with succession planning, new product launches delivered and further launches expected in FY-25, and the highest ever level of AUM achieved at year end combine to form a robust base upon which the business can continue to grow.

Strong net AUM inflows of $6.8 billion and solid investment performance, as evidenced by another year of exceptional performance fees, have helped to underpin revenues, albeit set against higher costs associated with investment in technology projects and resources, and the full-year impact from continued inflationary and cost-of-living pressures.

The underlying performance of the business remains strong. An analysis of the IT strategy linked to the change in Record's leadership prompted the decision to cease any further work with external consultants on the development of the IT platform ("R-Platform"), to instead focus on bringing IT development and infrastructure expertise in-house. This will be more efficient and cost-effective in enabling greater focus on near-term projects and enhancements aligned with Record's approach of offering purpose-built investment solutions of exceptional quality. However, as previously announced just prior to the year end, this decision resulted in the impairment of the R-Platform project and the consequent write down of previously capitalised development costs of £1.9 million and associated reorganisation costs and professional fees of approximately £0.5 million.

Financial review

Notwithstanding the strong performance on an underlying basis, the Board exercised its discretion by decreasing the size of the bonus pool linked directly to the Group's financial performance overall, resulting in a reduction to variable remuneration of 42% versus the prior year.

Whilst the business continues its focus on offering best-in-class products and service across all of its product range, the evolution into a specialist asset manager offering bespoke investment solutions has prompted a change to its reporting structure going forward. Consequently, it has taken the opportunity to re-categorise its revenue streams to more clearly define and differentiate flows between the more traditional currency management business and those new revenue streams associated with the asset management business. This allows for a better understanding of the investment case and the overall value and strength of the business, both for current shareholders and potential investors in future.

The Group remains independent, cash generative and profitable, supported by its strong and liquid balance sheet.

Profit and loss (£m)

	2024	2023
Revenue	**45.4**	44.7
Cost of sales	**(0.1)**	—
Gross profit	**45.3**	44.7
Personnel (excluding bonus)	**(14.9)**	(12.8)
Non-personnel costs	**(11.4)**	(9.5)
Other income or expense	**(0.1)**	(0.3)
Total expenditure (excluding bonus)	**(26.4)**	(22.6)
Group Bonus Scheme	**(4.4)**	(7.6)
Operating profit (pre impairment of intangible assets)	**14.5**	14.5
Operating profit margin (underlying)	**32%**	32%
Impairment of intangible assets	**(1.9)**	—
Operating profit	**12.6**	14.5
Net interest received	**0.3**	0.1
Profit before tax	**12.9**	14.6
Tax	**(3.6)**	(3.3)
Profit after tax	**9.3**	11.3

1. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Financial review continued

Revenue – Currency Management

Record's traditional core currency management revenue derives from the provision of currency and derivative management services, fees for which can be charged through management fee only or management plus performance fee structures. Management fee only mandates are charged based upon the AUM of the product, and management plus performance fee structures include a lower percentage fee applied to AUM, and a proportional share of the specific product performance measured over a defined period.

Management fees are typically charged on a quarterly basis, although Record may charge fees monthly for some of its larger clients. Performance fees can be charged on quarterly, six-monthly or annual performance periods on the basis agreed with the particular client.

Revenue – Asset Management

Asset management revenue has been classified into two categories, being Emerging Market Debt ("EM Debt") and Custom Solutions. EM Debt includes the Emerging Market Sustainable Finance ("EMSF") strategy, incorporating the EMSF Fund launched back in June 2021. The Custom Solutions revenue category includes management fees from either segregated accounts or funds built to suit client demand, for example the Protected Equity and GP Stakes funds launched in the year. Distribution fees are also received for the introduction of clients into these and other third-party funds. Revenue from future product launches, such as the Infrastructure and Islamic finance products, will also be reported within the Custom Solutions category. The Multi-product strategy, previously included under Currency Management, has been re-categorised under Custom Solutions, reflecting its bespoke nature in combining two or more investment objectives (e.g. both risk-reducing and return-seeking) and hybrid fee rates.

Similarly to currency management revenue, management fees for Custom Solutions can be charged either monthly or quarterly depending on the structure through which the programme is run. Distribution fees are earned as a percentage of the value invested for the duration of the investment lifecycle.

Revenue – FY-24

Total management fees earned during the year increased marginally to £38.7 million (FY-23: £38.3 million). Performance fees were again reported at £5.8 million, in line with FY-23, although now linked to performance both from FX Alpha (formerly Currency for Return) mandates (£2.9 million, FY-23: £nil) and certain Enhanced Passive Hedging mandates (£2.9 million, FY-23: £5.8 million). Revenue earned from the new asset management products and services totalled £0.5 million (FY-23: £nil).

Revenue analysis (£m)

	Year ended 31 March 2024	Year ended 31 March 2023
Management fees		
Currency Management		
Passive Hedging	**9.7**	10.5
Hedging for Asset Managers	**2.9**	2.4
Dynamic Hedging	**13.7**	12.0
FX Alpha	**1.3**	1.6
Total	**27.6**	26.5
Asset Management		
EM Debt – EMSF	**4.8**	5.2
Custom Solutions – Multi-product	**6.2**	6.6
Custom Solutions – Fund management	**0.1**	—
Total	**11.1**	11.8
Total management fees	**38.7**	38.3
Currency Management – Performance fees	**5.8**	5.8
Asset Management – Distribution fees	**0.4**	—
Other income	**0.5**	0.6
Total other services income	**0.9**	0.6
Total revenue	**45.4**	44.7

Currency Management fees

Passive Hedging management fees (including Hedging for Asset Managers) decreased by 2% to £12.6 million (FY-23: £12.9 million). Total net inflows for FY-24 were reported at +$8.7 billion, however the impact from the timing of net flows over the last 18 months (i.e. net outflows of $3.6 billion for the four quarters to H1-24 were only offset by net inflows of $10 billion in H2-24) resulted in a small decrease to management fees for FY-24. However, we expect this to reverse with the full-year impact from the latter inflows in the current financial year (FY-25). Importantly, whilst Passive Hedging commands a significantly lower average fee rate than Record's other products, it continues to provide a robust and valuable revenue stream from a long-standing, institutional client base, which itself provides potential synergies to the Group in the form of future partnerships and product innovation. More recently, the extension of our core Passive Hedging product for Asset Managers, which provides programmes designed to fit specific liquidity and reporting requirements, has seen growth which we expect to continue in the current financial year (FY-25) and consequently Hedging for Asset Managers revenue will now be reported as a separate Currency Management category.

Dynamic Hedging management fees increased by 14% to £13.7 million (FY-23: £12.0 million) predominantly as a result of the full-year impact of the $2.5 billion of net inflows seen in the second half of FY-24, combined with the total net inflows of $0.3 billion in FY-24 from existing clients.

Management fees from FX Alpha (formerly Currency for Return) mandates decreased by 19% to £1.3 million (FY-23: £1.6 million) broadly arising as a result of the full-year impact from the net outflows of $0.3 billion in the second half of FY-24.

Asset Management fees

EM Debt – EMSF

Management fees arising from the Record EM Sustainable Finance Fund ("EMSF") decreased by 8% to £4.8 million (FY-23: £5.2 million). Notwithstanding positive performance for the year, net outflows of $0.1 billion for FY-24 linked to the client's decision to rebalance the portfolio resulted in the reduction to revenue. The EMSF, launched in June 2021, reached its three-year live track record in June 2024 and it is anticipated that this, when combined with its exceptional performance to date and the recent appointment of Andreas Koester to lead Record's EMSF team (as announced in April 2024), will deliver further revenue growth over the next three to five years.

Custom Solutions – Multi-product

Multi-product management fees decreased by 6% to £6.2 million (FY-23: £6.6 million). As previously announced in January 2024, one of Record's long-standing clients made the strategic decision towards the end of the third quarter to switch approximately $4 billion of assets under its Multi-product mandate into the lower-margin Passive Hedging product. However, other net inflows of $1.6 billion in H2-24 will offset a proportion of the reduction to Multi-product revenue for FY-25 although the net full-year impact for FY-25 revenue on a like-for-like basis is expected to be a reduction of approximately 50%.

Custom Solutions – Fund management

In partnership with other specialist asset managers, Record launched two funds on its Luxembourg fund platform in FY-24: Protected Equities and GP Stakes, which reached an aggregate NAV of $321 million by the end of the year. As expected during the start-up phase, management fees for FY-24 remained fairly low at £0.1 million. However, the launches provide a solid platform from which to expand, and the pipeline of opportunities remains strong both from existing and prospective clients.

Distribution fees

Custom Solutions – Liquid Credit Solutions

In addition to distributing Record's own branded funds, we also work closely with selected external fund managers in the distribution of their funds in Europe and the UK. Distribution fees of $0.4 million were earned in FY-24.

Performance fees

Performance fees can be derived from a combination of hedging and return-seeking products. Record's Enhanced Passive Hedging benefited from opportunities to add value arising from continued interest rate differentials, which helped to deliver performance fees of £2.9 million (FY-23: £5.8 million). Record's FX Alpha product also delivered £2.9 million of performance fees in the year (FY-23: £nil). Such opportunities for added value on both products are, to a certain extent, market dependent and can therefore be episodic in nature.

Consequently, the occurrence and scale of future performance fees is dependent on market developments through the current financial year (FY-25).

Other income

Other income totalled £0.5 million (FY-23: £0.6 million) and consists predominantly of fees from ancillary currency management services including collateral management, signal hedging and tactical execution services. Fees charged for these ancillary services are not linked to AUM.

Financial review continued

Expenditure

Cost of sales

Cost of sales of £0.1 million (FY-23: £nil) represents third-party commission due on a proportion of revenue earned for certain bespoke mandates utilising AI technology to assist with calculating optimal asset allocations. Due to recent growth in these mandates, we would anticipate a doubling in the commission costs for FY-25.

Operating expenditure

The Group operating expenditure (excluding variable remuneration and other expenses) increased by 18% to £26.3 million for the year (FY-23: £22.3 million).

As expected, the Group has seen increases in personnel costs (excluding bonuses) for the year of approximately 16% linked to a number of factors, including an increase in average headcount of 9% and the continuation of the higher inflationary environment through the year, albeit on the slow downward trajectory. The continuation of a heightened cost of living for our employees has again added pressure for the business to provide support in the form of pay increases, either through one-off cost-of-living allowances or in general pay increases to keep up with market rates of pay. Consequently, cost-of-living payments were made in FY-24 of £2,000 per employee (excluding Executive Directors and Board members), amounting to a total cost of approximately £0.2 million. The Group continues to monitor the situation closely by benchmarking rates of pay in the market to ensure our employees receive the appropriate rate of pay linked to their role and responsibilities.

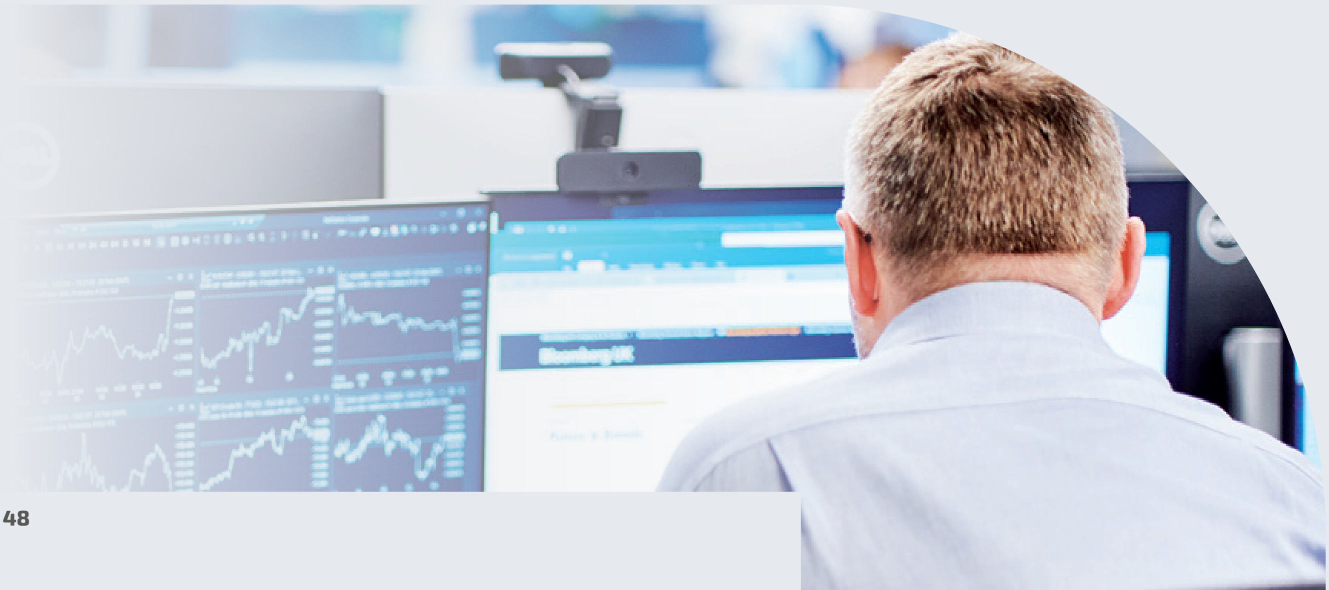
Whilst we do not expect to make any further cost-of-living payments, changes made to bring certain roles in line with market rates have been made with effect from April 2024, at a total additional cost in FY-25 of £0.5 million.

Against this backdrop, salaries and related on-costs (including pensions) increased by 17% to £13.0 million (FY-23: £11.1 million), whilst other employment-related costs associated with the Group's share schemes, including the full-year impact of the new LTIP scheme launched last year, increased by 22% to £1.1 million (FY-23: £0.9 million). Commission paid under the scheme aimed at generating new business remained flat at £0.8 million, broadly in line with the change in year-on-year revenues.

Similarly, and also as expected, we have seen an increase in non-personnel costs due to the full-year impact of inflationary increases seen throughout FY-23 as well as those incurred in FY-24, albeit at a reduced rate. The continuation of Record's investment into IT systems contributed to the increase, particularly in using external consultants for the development of the R-Platform until the end of FY-24, when the decision to stop the project was taken. As previously announced, a reorganisation programme has already been implemented to restructure the technology team by bringing both development and infrastructure expertise in-house. Whilst this will be additive to FY-25 personnel costs, we anticipate this to be offset by the decrease in non-personnel costs with the advantage of having greater focus for development in key areas identified for near-term and sustainable growth.

Non-personnel costs, excluding impairment write-downs, increased by 20% during the year to £11.4 million (FY-23: £9.5 million). Increases in professional fees including insurance, legal and internal and external audit fees, reflect the costs associated with added complexity, expansion and regulatory requirements in the UK and abroad, especially in Germany.

In the UK, the Group is currently based over two sites in serviced offices in London and a leased office in Windsor. Due to its continued expansion plans, the business will consolidate its UK base to one central London-based office during the current financial year (FY-25). The move will enable the Group to maintain its strong culture and focus on collaborative working, regarded as key for future growth, whilst having the anticipated advantages of improved employee retention and wellbeing and in maintaining high levels of productivity and efficiency. Consequently, the inevitable overlap of office costs during the transitional period will result in an increase in Group occupancy costs of approximately £0.5 million for FY-25, dependent on timing. Following full occupation in the new office and vacating of the current offices, it is expected for annual occupancy costs for the Group to fall back to the current level.



Financial review continued

Costs associated with the winning and servicing of clients, such as marketing, travel and accommodation costs, have increased by approximately 35% linked to a higher preference for more in-person meetings with current and potential clients, as opposed to virtual.

Notwithstanding more recent decreases in headline inflation, the full year impact of inflationary increases on running costs announced during FY-24 is expected to be felt in the current financial year, FY-25. However, the Group remains conscious of the level of cost increases seen over the last couple of years and consequently of the need for a closer focus on ensuring the business receives value for money on its day-to-day operating costs balanced with ensuring it remains appropriately resourced to achieve its strategic goals.

Other expenses were £0.1 million for the year (FY-23: £0.3 million) and represent net losses/gains made on derivative financial instruments employed by the Group's hedging activities and other FX adjustments or revaluations.

Group Bonus Scheme

The Board retains discretion to operate the bonus pool between 25% to 35% of pre-bonus operating profit and decided to exercise its discretion resulting in a reduction to the bonus pool, linking the Group's financial performance directly to the size of the variable remuneration pool. Consequently, the Group bonus cost has decreased by approximately 42% to £4.4 million (FY-23: £7.6 million), meaning that the underlying operating profit remains at 32%, in line with FY-23. The Group bonus has been calculated at 26% of pre-bonus operating profit (FY-23: 34%).

Further information on variable remuneration can be found in the Remuneration report starting on page 77.

Operating profit and underlying profit margin

Operating profit on an underlying basis (i.e. before impairment write-down) remained flat at £14.5 million (FY-23: £14.5 million), reflecting an underlying operating profit margin of 32%, the same level as for FY-23. However, as a result of the impairment write-down of £1.9 million, on a statutory basis the Group operating profit decreased by 13% to £12.6 million (FY-23: £14.5 million) with the Group operating margin decreasing to 28% (FY-23: 32%).

Whilst in the medium term it is anticipated that changes to the IT strategy will bring cost efficiencies and improved value for money alongside a more efficient and focused approach to future IT projects, some overlap and the passing over of current IT projects may lead to a short-term decrease in operating margin for FY-25.

The Group remains confident that, through such cost improvements and with the impact of growth from higher revenue-margin products, it can increase the operating margin over the medium term.

Cash flow

The Group consolidated statement of cash flows is shown on page 113 of the financial statements.

The Group's year-end cash and cash equivalents stood at £9.2 million (FY-23: £9.9 million) and the total assets managed as cash were £17.5 million (FY-23: £14.5 million). The cash generated from operating activities before tax increased by 25% to £16.3 million (FY-23 (restated): £13.0 million).

During the year, taxation of £3.2 million was paid (FY-23: £2.4 million) and £10.1 million was paid in dividends (FY-23: £9.1 million). The Group did not purchase any of its own shares for the EBT in the year to set against the future vesting of share options (FY-23: £1.8 million) and received net proceeds on the purchases and/or redemption of bonds and investments of £0.8 million (FY-23: net purchases: £1.1 million).

At the year end, the Group held money market instruments that mature in excess of 30 days after the reporting date worth £8.3 million (FY-23: £4.5 million). These instruments are managed as cash by the Group but are not classified as cash under IFRS rules (see note 19 of the financial statements for more details).

Dividends

The FY-24 interim ordinary dividend of 2.15 pence per share (FY-23: 2.05 pence) was paid to shareholders on 22 December 2023, equivalent to £4.1 million.

The decision to impair previously capitalised development expenditure and to incur a one-off cost of £1.9 million has inevitably depleted the level of earnings by approximately 0.76 pence per share for the year. Notwithstanding this impact, the underlying performance of the business has been strong in FY-24 with a 32% underlying profit margin, high performance fees and the launch of new funds in the year, with further launches anticipated for the current financial year.

Financial review continued

Dividends continued

With this in mind, the Board remains confident in the future trajectory of the Group and consequently comfortable with the current dividend policy. As disclosed in the Chairman's statement on page 6, the Board is recommending a final ordinary dividend of 2.45 pence per share, equivalent to approximately £4.7 million, taking the overall ordinary dividend for the financial year to 4.60 pence per share.

Simultaneously, the Board is also paying a special dividend of 0.60 pence equivalent to approximately £1.1 million, making the total dividend in respect of the year ended 31 March 2024 of £9.9 million, equivalent to 93% of total underlying earnings.

The total ordinary and special dividends paid per share in respect of the prior year ended 31 March 2023 were 4.50 pence and 0.68 pence respectively, equivalent to total dividends of £9.9 million and representing 87% of total earnings per share of 5.95 pence.

Financial stability and capital management

The Group's balance sheet is strong and liquid with total net assets of £28.9 million (FY-23: £28.3 million) at the end of the financial year, including current assets managed as cash totalling £17.5 million (FY-23: £14.5 million). The cash generated by the business has increased, with net cash inflows from operating activities after tax of £13.1 million for the year (FY-23: £10.5 million). For further information on cash flows, see the consolidated statement of cash flows on page 113 of the financial statements.

Under the Board's capital and dividend policies, the Group can pay up to a maximum of 100% of adjusted earnings for each financial year, thereby ensuring distributions do not erode the continued strength of its balance sheet.

To this end, the Group maintains a financial model to assist it in forecasting future capital requirements over a three-year cycle under various scenarios and monitors the capital and liquidity positions of the Group on an ongoing basis. The Group has no debt.

Record Currency Management Limited ("RCML") is a UK MiFID investment firm authorised and regulated by the Financial Conduct Authority ("FCA") registered as an Investment Adviser with the SEC and as a Commodity Trading Adviser with the CFTC. Record Asset Management GmbH ("RAM") is authorised and regulated in Germany by BaFin. RCML, RAM and the Group submit regular capital adequacy returns to the respective regulators and held significant surplus capital resources relative to the regulatory financial resource requirements throughout the year.

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

Steve Cullen
Chief Financial Officer

27 June 2024

Q&A with incoming CFO Richard Heading

I am delighted to be joining the team at Record. It is a company with a fantastic reputation and track record, now embarked on a new phase of strategic growth which I am very excited to be part of.

Richard Heading
Incoming Chief Financial Officer

Q | What made you join Record?

A | Record has a fantastic reputation, built on a track record of consistently delivering for clients. It's now leveraging its strengths to build on its established product offering and begin a new phase of growth. That struck me as exciting to be a part of.

But what really made an impression on me was spending time with the people here – everyone I spoke to articulated a clear ambition and vision, deep expertise, and in particular an intense focus on client needs.

So I'm really looking forward to getting started and contributing to Record's future success.

Q | What are your priorities as you step into your new role?

A | Steve has done a brilliant job as CFO and he's handing things over to me in great shape. I'm really grateful for his support and wish him the very best for the future. The Company is in good financial health, with well-established systems and controls.

My first priority, being new to Record, is spending time getting to know our people, our products and our clients.

However, over the coming years, as we grow in size and complexity over the coming years there will be more demands on the Company's resources, so I want to ensure we have robust, cost-effective processes in place that can scale to support the growth and future needs of the company.

In light of our strategic evolution, I also want to develop our engagement with current and potential future shareholders, to assist with understanding the opportunity that Record represents.

Q | Where do you see Record in five years' time?

A | Well, a lot can happen in five years! But through the turbulent economic conditions of the last five years, and the 35 years before that, Record has consistently delivered, and generated impressive, sustainable growth. So I'm very confident that will continue. And on top of that, I expect to see the fruits of the strategic initiatives that we are currently putting in place, resulting in a company with higher AUM in both our currency and asset management businesses, driving higher and stronger revenue streams.

Record adopts a unified approach to risk management which is fully embedded across all areas of the business.

The Record plc Board (the "Board") has ultimate responsibility for risk and the oversight of the risk management process within the business. Recognising that risk is inherent in all of the Group's business dealings, and in the markets and instruments in which the Group operates, it places a high priority on ensuring an integrated approach and a strong risk management culture is embedded throughout the Group, with accountability at all levels within the business. Effective risk management and strong internal controls are integral to the Group's business model and are reflected in the risk management framework adopted within the business.

Risk management framework

Risk appetite

As part of its responsibility for the oversight of the risk management process, the Board determines its appetite for all significant risk categories identified across the business. This defines the level of risk it is willing for the business to take to support its strategic and business objectives and encourages an appropriate balance between risk and benefit in a controlled and regulatory compliant context, taking into account the interests of clients, our people and shareholders as well as any capital or other regulatory requirements.

The Group maintains a risk register, which specifies each risk appetite with independent and ongoing assessment of the level of risk performed by the Head of Business Risk.

The Board reviews and considers the principal and emerging risks and corresponding risk appetites on a regular and ongoing basis in light of its strategic plans, and changes in both the business and regulatory environment. The Board currently considers the following significant risk categories in determining the risk appetite of the Group:

Each of these are outlined on pages 54 to 56.

Oversight

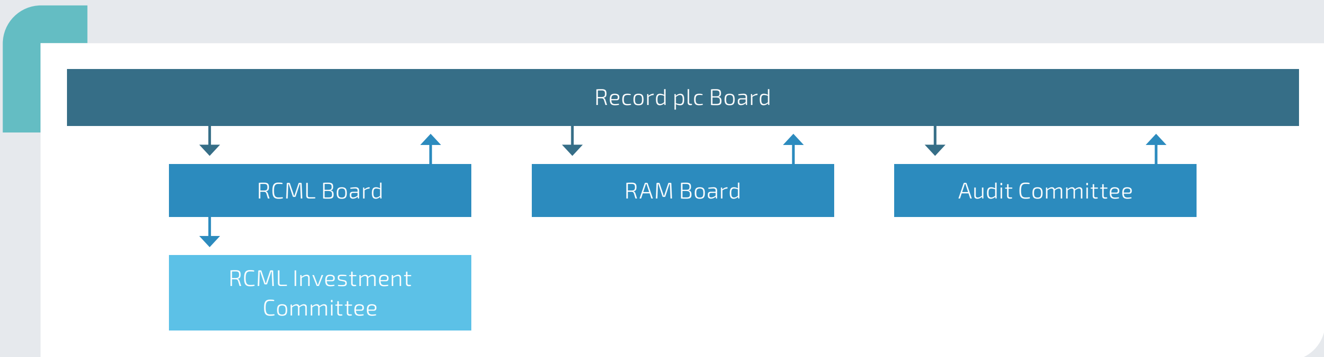
Oversight of the risk management framework is delegated by the Board to the Head of Business Risk.

The Board provides oversight and independent challenge in relation to internal controls, risk management systems and procedures, and external financial reporting.

The Boards of Record Currency Management Limited ("RCML") and Record Asset Management GmbH ("RAM"), being the regulated entities within the Group, are the delegated decision-making bodies for the day-to-day operations of the respective businesses and include the executive Board members of Record plc and other senior personnel within the business.

Risk management framework – overview

The RCML Board has delegated authority to the RCML Investment Committee to approve changes to any of the Group's investment processes and to establish and maintain policies for these processes. The RCML Investment Committee's members are listed on page 68 and the committee's formal approval is required prior to implementation of any new or amended investment process or product.



Risk management

Lines of defence

The Record culture is one of integrity and accountability; core values that are embedded into the control environment surrounding all areas of the business.

The overall risk management framework is underpinned by three lines of defence and is overseen by the Board.

Within this framework, the first line of defence provides management assurance and rests with line managers within their specific departments and with senior managers responsible for the implementation and maintenance of higher-level controls to aim to ensure adherence to quality standards and regulatory requirements.

Functions such as Front Office Risk Management, Compliance, Business Risk and Legal provide the second line of defence through the drafting, implementation and monitoring of policies and procedures to align with best practice, to ensure compliance and to provide assurance and oversight for the Board.

External independent assurance activity		
ISAE 3402 and AT-C 320 service auditor's report on internal controls (RSM)		
Embedded culture of integrity and accountability		
1st line of defence:	2nd line of defence:	3rd line of defence:
Business operations and support	Control and oversight functions	Internal audit (independent assurance – RSM)

The third line of defence is performed by internal audit, which provides independent assurance on the adequacy and effectiveness of the Group's risk management, control and governance processes, providing recommendations to improve the control environment. Internal audit is provided by RSM UK Risk Assurance Services LLP ("RSM"), an independent third party.

External independent assurance for shareholders is achieved by the Group commissioning RSM to perform the annual service auditor's report in respect of Record Currency Management Limited under both the International Standard on Assurance Engagement ("ISAE") 3402 and the American Institute of Certified Public Accountants Attestation Standard AT-C Section 320 ("AT-C 320"). In performing this work, RSM reports its opinion on the description of internal controls with respect to the investment management and information technology activities, and the operating effectiveness of specific controls for the period 1 April to 31 March, in line with the Group's financial year.

The Group considers the strong capital buffer and the flexibility retained under the capital and dividend policy provides an effective additional line of defence in terms of mitigation when considering its risks.

Emerging risks

We consider emerging risks in the context of known risks which could become more likely to materialise, or external shocks such as natural disasters and pandemics, geopolitics, disruption to financial markets and business infrastructure, and changes or trends in the competitive landscape. The Board, management and Head of Business Risk monitor emerging risks by including these in the ongoing review of risks performed through the risk management framework.

Top risks to the business

The following section shows the Board's assessment of the principal and emerging risks faced by the business. The trend arrows indicate the perceived increase or decrease in risk posed to the business following review by the Board and the Head of Business Risk. These risks fall into a number of distinct categories and the means to mitigate them are both diverse and relevant to the nature of the risk concerned.

Strategic risks

Our top two strategic risks are concentration and competitive threats. We consider both of these to be "high" risk and, while we accept these as a fact of doing business, key pillars of the CEO's strategy are to mitigate these through a focus on quality of earnings and operational excellence.

Other notable strategic risks are delivery of strategy, regulatory trends, product innovation, third-party products and exogenous.

Risk	Link to strategy	Trend	Description
Concentration	Quality of earnings	decrease	Our clearest concentration risk comes through our historical reliance on our core currency hedging product (both Passive and Dynamic). Despite its acceptance as part of risk appetite, this risk has reduced during the year and will continue to do so in FY-25 with the change in product mix through the successful development and marketing of new products and strategies.
Competitive threats	Quality of earnings Operational excellence	no change	Asset management and currency are competitive industries, and our business is exposed to competitive threats arising from disruptive innovators and entrants, and consistent pressure on fees, especially Passive Hedging fees. Notwithstanding the high barriers to entry in our industry, our continued focus on the highest levels of client service alongside our ability to tailor our service offerings to fit specific client demands have served us well over 40 years and will continue to do so.
Delivery of strategy	Organic growth Quality of earnings Operational excellence	decrease	The recent change in CEO and senior management in line with succession planning has brought renewed focus to a core range of six distinct product categories across both currency and asset management. In addition, the change to our IT strategy of bringing the infrastructure and development expertise in-house will make the development and delivery of IT-related projects more efficient and cost effective.
Regulatory trends	Operational excellence	no change	We are susceptible to adverse regulatory trends in our core markets. While we cannot control the likelihood, we have a strong track record of working closely with our clients and local advisers during periods of regulatory transition.
Product innovation	Organic growth Quality of earnings Operational excellence	no change	Separate to concentration and competitive threats, as with any business we are exposed to the risks that our products no longer fill a market need. We are client led, and our approach of "Listen, Understand, Deliver" and our strong client relationships and product diversification help to mitigate this risk.
Third-party products	Operational excellence	increase	We continue to develop relationships to combine our expertise with that of our preferred partners and third-party strategies. Along with the opportunity, we embrace some risk that such strategies could underperform and cause reputational damage. We mitigate this risk through a thorough and robust due diligence process and a strong onboarding process. Now that we are successfully distributing third-party strategies such as the Diversified GP Stakes strategy, we recognise this risk has increased, and as part of the due diligence process we have partnered with an external research agency to conduct exhaustive fraud and reputation checks on all managers we partner with in this way.
Exogenous	Quality of earnings Operational excellence	no change	We are mindful of the risks to the business from an inflationary backdrop, for example through increased operating costs and interest rates, as well as the risk to asset prices that would directly impact revenues, although this has ultimately proved to be negligible through and following the impact of the pandemic.

Operational risks

Our clients pay us fees to undertake high operational risk on their behalf given the trading sizes and volumes we execute, particularly linked to our hedging products. We embrace this risk, recognising it as a principal risk to the business reflected in our bespoke business model and risk framework, which is designed to mitigate this risk to an acceptable level. We operate within our risk appetites given our robust control framework and long-standing and experienced operational teams.

Our biggest operational risks are trade configuration, the responsibility of the Portfolio Implementation team, and trade execution, undertaken by our Trading team. Other notable risks include accuracy of market and portfolio data (on which we trade), settlement risk (while we do not trade on our own account, there is a risk that we make a mistake with a payment instruction), and reporting errors.

Risk	Link to strategy	Trend	Description
Trade configuration and execution	Operational excellence	no change	Configuring a trade with the wrong currency or in the wrong direction would expose us to market risk, as we make good any trade errors that would result in a cost to the client. To mitigate this risk, trades are configured independently and then cross-checked while our Front Office Risk team conduct pre and post-trade checks. We continue to introduce technological solutions to increase efficiency and reduce risk as we continue to broaden our products and services.
RAM operational errors	Operational excellence	no change	For RAM operations, while operations are initially simple, we expect this risk to emerge as the business grows. Unlike with our currency business, where errors can be traded out of in the most liquid market, many RAM investments are in illiquid assets or funds, which could take an extended amount of time to trade out of. Continued growth of the business will see adaptive changes to operational processes to ensure operation efficiencies and effective management of risk.

System risks

Along with all businesses in our sector, we are reliant on a range of in-house and third-party systems to deliver our services, and all of these are susceptible to the risk of having downtime, bugs, redundancy, integration issues and, of course, cyber-attacks.

Notwithstanding our robust systems and mitigating controls, we nonetheless maintain a business continuity plan and disaster recovery site in order to continue to run the business should material disruption occur. These contingencies are regularly tested.

Plans to enhance our systems are continuous to ensure that we are providing our customers with the best experience. Our use of internal applications to monitor and manage risk is and will always be at the forefront of our technology strategy.

Risk	Link to strategy	Trend	Description
Cyber and data security	Operational excellence	no change	Cyber risk represents the risk of loss from cybercrime or the malicious disruption to networks through theft of data or corruption of information. The Group has established cyber security programmes which are continuously reviewed and adjusted to keep pace with regulatory, legislative and cyber threat landscapes, the latter heightened from the Group now operating across various locations. Record Group did not experience any material client or operational impacts, nor any data breaches, in the year.

Investment risks

Any asset manager must embrace the risk of product underperformance, whether against their benchmarks or indeed in absolute terms; we are no different. This is our key investment risk.

Investment risks also covers the research process and any potential impact on product development, which we see as low risk given our highly qualified and experienced research colleagues, and a rigorous review process and strict scrutiny by the Investment Committee for all related product developments.

Risk	Link to strategy	Trend	Description
Product underperformance	Quality of earnings	no change	We are increasingly exposed to emerging markets and their inherent risks, given the geopolitical environment as well as our activity in this space. This risk is closely monitored as we expect this risk to increase as we grow this part of the business.
Market liquidity	Operational excellence	increase	Market liquidity is another risk of doing business and one that asset managers must embrace. That said, we mitigate this risk through extensive access to, and long-standing relationships with, liquidity sources.

People risks

People are our biggest asset and, as such, present various risks. We have worked hard to mitigate both key person and succession risks over the previous 24 months.

Risk	Link to strategy	Trend	Description
Key person and succession	Operational excellence	decrease	The Group has been in business for over 40 years and was previously vulnerable to key person risk. The Company's succession strategy saw successful execution in the form of Jan Witte taking over as CEO from 1 April 2024 as well as successfully identifying and appointing a new chairman and CFO. By continuing to plan for generational change and acquiring new talent, this key person and succession risk posed to the business has become further diluted.
Talent acquisition and retention	Organic growth	no change	The inflationary environment has forced many firms, including ours, to consider risks to talent acquisition and retention. Whilst there have been some turnover and internal promotions to key operational roles, we continue to successfully attract talent into all areas of the business.

We also monitor risks such as conduct and conflicts of interest, as well as staff engagement and wellbeing.

Risk management continued

Viability statement

In accordance with the UK Corporate Governance Code, the Directors have performed a robust assessment of the viability of the Group considering the business model, the Group's expected financial position, Board strategy and risk appetite, the Group's solvency and liquidity and its principal risks. Based on this assessment, the Directors have a current and reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the next three years to 31 March 2027. The Board considers a three-year horizon to be an appropriate period to assess the Group's strategy and its capital requirements. This timeframe allows for a sharper focus and a comprehensive assessment of the Group's investment needs, profitability, and the potential risks that could impact the Group's ability to meet its strategic objectives.

The Directors review the financial forecasts and position of the Group on an ongoing basis. The capital and dividend policies reflect the stated objectives of maintaining a strong balance sheet whilst allowing the Group flexibility to adapt its products and services to market conditions, to take advantage of emerging business opportunities, and to make progressive and sustainable returns to shareholders. The Group's strategy and principal risks are assessed and reviewed regularly at Board and Executive level, and by operational subsidiaries within the Group. Further detail on the Group's strategy and principal risks is given in the Strategic report on pages 20 to 23 and 52 to 56 respectively.

In assessing the viability of the Group, the Directors have considered the principal risks affecting the Group, which underpin the basis for the stress testing of the business plan conducted under the Investment Firm Prudential Regime ("IFPR"). This uses severe but plausible stress scenarios assuming the crystallising of a number of these principal risks to assess the options for mitigating the impact on the Group, and for ensuring that the ongoing viability of the Group is sustained.

The Board has considered the potential impact of the following stress test scenarios, which cumulatively represent a severe, remote but plausible scenario: product performance and viability, economic downturn, cyber-attack and operational error.

The scenarios then factor in the various mitigating actions the Group has at its disposal, including the potential for non-critical cost reductions and reassessing the dividend policy. These mitigating actions can be reassessed depending on the specific circumstances and expected duration of the factors affecting the business model at the time. The possibility that the impact and timing of factors potentially affecting the viability of the Group could be more severe than assumed plausible for the above testing should also be noted.

The results have confirmed that the Group would be able to withstand the adverse financial impact of these scenarios occurring over the three-year assessment period and will continue to maintain its surplus financial resources over and above its regulatory capital and liquidity requirements.

Changes in our industry such as the increase in demand for sustainable investment products and advances in technology provide both challenge but also opportunity to the Group, whilst economic uncertainty continues linked to heightened geopolitical instability. Through its change in strategy and increased focus on sustainable growth, combined with the continued enhancement of its products and services and in maintaining its approach to operational excellence and quality of earnings, the Directors believe the Company to be capable of meeting such challenges, as evidenced by the maintenance of high levels of revenue and underlying[1] profits, and the growth of AUM seen over the last three years.

The Strategic report is set out on pages 1 to 57 of the Annual Report and outlines our strategic objectives, performance and financial position, as well as our outlook for the future.

The Strategic report was approved by the Board on 27 June 2024 and signed on its behalf by:

Jan Witte
Chief Executive Officer

1. A reconciliation of alternative performance measures to their statutory equivalent is provided on page 147.

Governance

What's in this section

Chairman's introduction

At Record, we remain steadfast in our commitment to upholding strong corporate governance principles.

David Morrison | Chairman

Our organisational culture is paramount to us, as we continue our journey of maintaining our position as an ethically led business with robust leadership underpinned by sound corporate governance practices.

Dear Shareholders,

I am pleased to provide an overview of Record plc's corporate governance arrangements within this year's Annual Report and accounts. This section outlines the structure of our Board and its Committees, reflecting our commitment to transparency and effective oversight.

This year marks my first term as Chairman of Record, having previously served as a Non-Executive Director and Senior Independent Director. Following Neil Record's retirement, I was delighted to assume this role, working closely with my colleagues on the Board.

Our Board has recently experienced some notable changes, including the planned retirement of Leslie Hill at the end of the 2024 financial year and Steve Cullen's decision to step down upon the appointment of his successor, as announced last year. I am proud of the Nomination Committee's efforts in implementing our succession plans, appointing Jan Witte as our new CEO and Richard Heading as Steve's successor.

Further details on the Board and Committees' work, compliance with the Corporate Governance Code and other aspects of our governance framework will be provided in the Corporate Governance section of this report, along with detailed Committee reports.

David Morrison
Chairman

27 June 2024

Board of Directors

David Morrison
Chairman

N R

Appointed:
David was appointed as Non-executive Director and Chair-elect of Record in March 2023, becoming Chairman in July 2023.

Previous appointments:
Previously, David served on the boards of several private and public companies, both listed on AIM and on the main market. He also served as a Non-executive Director of Record in the period from 2009 to 2018, including as Senior Independent Director from 2016 until 2018.

Current external appointments:
David is currently Chairman of CPP Group plc and eConsult Health Ltd and Trustee and Member of the Council of Management of the Ditchley Foundation.

Skills and experience:
Having spent his career in venture capital, David was founder (1998) and Chief Executive of Prospect Investment Management, providing venture capital investment management to various institutional and family office clients. With a deep understanding of the business from his previous non-executive experience and his extensive financial expertise, David is ideally positioned for the role.

Jan Witte
Chief Executive Officer

Appointed:
Jan joined Record in 2012 and was appointed Head of Quantitative Research in August 2013, Head of Switzerland in 2017, Global Head of Sales in October 2021, CEO of RCML in May 2023 and Group CEO on 1 April 2024.

Previous appointments:
After finishing his PhD at the University of Oxford in 2011, Jan was a postdoctoral researcher in mathematical finance before joining Record in the summer of 2012.

Current external appointments:
Jan has no other appointments outside of the Record Group.

Skills and experience:
Jan has been an integral part of Record for twelve years, bringing with him profound technical expertise as the former Director of Quantitative Research and a wealth of practical experience as Client Team Director and Global Head of Sales. He has been pivotal in advancing Record's capabilities in financial analytics, developing many new investment strategies, and fostering a client-centric culture within the organisation. Jan's unique blend of technical proficiency, strategic vision and practical experience equips him exceptionally well to provide valuable insights in Board discussions and makes him a perfect candidate for the position of Chief Executive Officer.

Steve Cullen
Chief Financial Officer

Appointed:
Steve was appointed to the Board and made Chief Financial Officer in March 2013.

Previous appointments:
Steve qualified as a Chartered Accountant in 1994 and gained 15 years of audit experience within public practice before joining Record.

Current external appointments:
Steve has no other appointments outside of the Record Group.

Skills and experience:
Steve joined Record in October 2003 and led Record's Finance team for over nine years, reporting directly to the Chief Financial Officer. He was part of the internal management team at Record involved in the preparation for admission to trading on the London Stock Exchange in December 2007.

With his ICAEW FCA qualification and over 30 years' experience, including almost 21 years within financial services, Steve brings considerable accounting, financial and risk management expertise to the Board.

Tim Edwards
Senior Independent Director until 25 June 2024

A N R

Appointed:
Tim was appointed as a Non-executive Director of Record in March 2018 and as Senior Independent Director in July 2021.

Previous appointments:
Previously, Tim was a member of the governing Board of Innovate UK, the UK's innovation agency, Chair of the UK Cell and Gene Therapy Catapult and Chair of the UK BioIndustry Association.

Current external appointments:
Tim is a biotech entrepreneur, who is currently Chair of Schroders Capital Global Innovation Trust plc, as well as private companies EndLyz Inc., Storm Therapeutics Limited and AstronauTX Limited. Tim is also Chair of the Institute for Research in Schools Ltd.

Skills and experience:
Tim is a Chartered Accountant (FCA) with a background in corporate finance and venture investing, and he has extensive corporate development and people management experience. Tim adds insight to Board discussions, ensuring that the Board continues to focus on mid to long-term value development.

Board of Directors



Key:
- A Audit Committee
- R Remuneration Committee
- N Nomination Committee
- ● Chair

Matt Hotson
Independent Non-executive Director

A N R

Appointed:
Matt was appointed as an independent Non-executive Director of Record in July 2021.

Previous appointments:
Matt's experience spans core finance, strategy, investor relations and business leadership gained from Arrow Global plc, RSA Insurance Group plc, Cable and Wireless Worldwide plc, Legal and General Group plc and NatWest Bank plc

Current external appointments:
Matt is Group CFO of Mishcon de Reya LLP.

Skills and experience:
Matt is a highly experienced finance professional, having worked for more than 25 years at leading FTSE 100 companies. He has a proven track record in leading finance strategy, business improvement and financial control for large listed companies. He holds degrees from Cambridge University and The Open University and has recently completed a PhD in Digital Economics.

Krystyna Nowak
Independent Non-executive Director

A N R

Appointed:
Krystyna was appointed as an independent Non-executive Director in September 2021.

Previous appointments:
Previously, Krystyna was a Managing Director of Norman Broadbent and prior to this worked at Citigroup in a variety of senior roles across shipping finance, oil project finance and risk management, in Europe and Asia.

Current external appointments:
Krystyna is Senior Managing Director of the Teneo People Advisory Board Practice and is Non-executive Director of abrdn Asian Income Fund Ltd.

Skills and experience:
Krystyna has a wealth of City experience, both in banking and in executive search. She has an expertise in succession planning and Board composition having worked as a director for a specialist board-level search boutique. Krystyna is a graduate from Oxford University where she studied Physics and gained a Law degree in 2003.

Leslie Hill
Consultant
Chief Executive Officer until 31 March 2024

Appointed:
Leslie joined Record in 1992. She was appointed Head of Sales and Marketing in 1999 and Chief Executive Officer from February 2020 until 31 March 2024.

Previous appointments:
Leslie's extensive prior experience includes working at Lloyds Bank and Merrill Lynch where she was Director and Head of Corporate Foreign Exchange Sales worldwide.

Current external appointments:
Leslie is a director of Trade Record Ltd and a Trustee of FINHUMF Charity.

Skills and experience:
Having worked at Record for 30 years, Leslie has a deep understanding of Record's products and the needs of clients. As Head of the Client Team she was instrumental in driving the client-focused culture of the business and helped to maintain existing and develop new client relationships. Leslie is therefore very well placed to provide a client perspective during Board discussions.

Corporate governance report

Company purpose

Our purpose is to continue to harness trends and innovate by collaborating with our clients, with the aim of achieving diverse partnerships of financial specialists – creating unique, opportunistic, sustainable solutions.

Corporate culture

Record's corporate culture has always prioritised client satisfaction since day one, and this mindset remains deeply rooted in the business operations. The Board has been diligent in ensuring that the importance of client focus, transparency and accountability is understood by all employees, contractors and consultants across the Group. Additionally, the Company leadership places a strong emphasis on employee wellbeing. With numerous changes within the Group, including Board transitions, process reviews and technological advancements, the Board recognises the need for a collaborative environment. To this end, we are actively seeking new office space, advancement in technology and restructuring our corporate governance framework to better facilitate teamwork and communication. Our ongoing efforts aim to foster a culture of collaboration, effective decision-making and risk management, ensuring that Record continues to excel while staying true to its values.

Board and corporate governance changes

This year has marked a pivotal chapter in Record's corporate governance journey. In November 2023, Leslie Hill, a cornerstone of the organisation, announced her retirement as Chief Executive Officer, effective at the close of the financial year. Earlier the same year, Steve Cullen, our long-serving CFO expressed his intention to retire upon identifying a suitable successor for his role. Leslie and Steve have been instrumental in shaping the organisation's success, their unwavering commitment and expertise guiding the path of the business. Stepping into these critical roles, Jan Witte has taken over as Leslie's successor as CEO, bringing a wealth of experience and vigour to the Board.

In the CFO selection process, Richard Heading was identified as the optimal choice for the CFO role, boasting extensive proficiency in financial and capital planning, investor relations, treasury management and global operations.

Recognising the invaluable contributions of Leslie and Steve, both will remain engaged with Record, offering consultancy support to the newly appointed directors during this transitional phase. Their wealth of knowledge and experience will undoubtedly fortify the continuity of the implementation of our strategy.

There have been other significant changes within Record's structure. Last year, the Group Management Committee was formed, tasked with overseeing day-to-day operations across all business lines and entities. This committee, reporting directly to the Board, oversees the functioning of the Group HR Committee and Senior Sustainability Office ("SSO") to ensure operational cohesion.

Looking ahead

The new leadership is planning to establish the Group Executive Committee ("ExCom"), comprising representatives responsible for major products and entities. This move aims to better align daily operations with overall business strategies, improving co-operation and communication.

Furthermore, the formation of the Emerging Markets & Frontier investment Committee is underway. Andreas Koester, joining from Union Investment, will oversee the overarching strategy. This committee, focusing on the Emerging Markets Sustainable Finance Fund ("EMSF"), will manage investment decisions and review proposals for new investment products and services or substantial revisions to existing offerings.

Another shift towards enhancement of the operational processes' efficiency will be reflected in the addition of the Audit and Risk Committee and the Operations Committee under the Record Currency Management structure. The main purpose of these committees is to create a smooth flow of information between the Board and operational departments in the daily management of operational risks, financial performance and processes and procedures.

Further information on the corporate governance framework is provided on pages 66 to 68.

Compliance with the 2018 UK Corporate Governance Code

Throughout the year, the Company has applied the main principles and provisions of the Code as deemed appropriate to the Group.

Section 172 disclosure

Section 172 of the Companies Act 2006 requires Directors to promote the success of the Company for the benefit of the members as a whole and in doing so to have regard to the interests of stakeholders, including clients, employees, suppliers, regulators and the wider society in which it operates. Details of how the Board engaged with Record's various stakeholders are shown on pages 35 to 37.

Corporate governance overview

Compliance with the UK Corporate Governance Code (the "Code")

The Board is supportive of the principles of the Code and has been since its Admission to the Official List of the UK Listing Authority in December 2007, with the Board complying as it deems appropriate given the nature and size of the business.

The latest version of the Code was published in July 2018 and is applicable to accounting periods beginning on or after 1 January 2019. The Board is aware of the changes introduced in the new version of the Code. However, the 2024 Code will apply to financial years beginning on or after 1 January 2025. Therefore, this report will explain the compliance with the 2018 Corporate Governance Code.

Corporate governance report

Listed companies are required under the Financial Conduct Authority Listing Rules either to comply with the provisions of the Code or explain to investors in their next Annual Report why they have not done so.

The Board has reviewed the appropriateness of the provisions to determine whether they should be applied or if departure is justified. All provisions of the Code have been applied as necessary as part of Record's corporate governance framework.

In previous years the main areas of non-compliance concerned Neil Record serving in his capacity as the Chair of the Board. Neil founded the Company in 1983 and led the business until its IPO in December 2007. At the time of the IPO, it was agreed that Neil was best placed to continue to chair the business, a role he has undertaken ever since. Therefore, Provisions 9 and 19 of the Code which suggest that the chair should be independent on appointment and that the chair should not remain in post beyond nine years from the date of first appointment to the Board constituted the area of non-compliance. This is no longer an issue with Neil's retirement at the 2023 AGM. The Board will therefore now be fully compliant with both Provisions 9 and 19.

Provision 21 of the Code recommends that the chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. As a non-FTSE 350 company, the triennial requirement for an external assessment does not apply to Record plc, although an externally facilitated workshop was carried out in 2021. The Board recognises the benefit the external evaluation may bring to the overall efficiency and effectiveness of the Board functioning so the option to undertake the external evaluation is currently being considered to be carried out in 2025. The details of the Board evaluation process can be found in the Nomination Committee report.

Board structure

Board composition

As of 31 March 2024, the Record plc Board consisted of seven members and was headed by David Morrison (Chairman), with the Executive Directors Leslie Hill (Chief Executive Officer), Jan Witte (Executive Director and CEO-elect) and Steve Cullen (Chief Financial Officer). There were three independent Non-executive Directors: Tim Edwards, being the Senior Independent Director, Krystyna Nowak and Matt Hotson. The biographical details of the Board members are set out on pages 60 and 61.

At the end of March 2024 Leslie Hill retired from the Board, and was succeeded by Jan Witte who was appointed as an Executive Director and CEO-elect in January 2024. Tim Edwards stood down from the Board in June 2024 and will be succeeded by Dr Othman Boukrami. Steve Cullen will retire in June 2024, and he will be succeeded by Richard Heading.

Code provision

The Code recommends that at least half the Board, excluding the chair, should be non-executive directors whom the Board considers to be independent and the Board's structure complies with this provision. The Board considers that the current composition is appropriate given the size and structure of the business.

The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established, set out in writing and agreed by the Board.

Board responsibilities

The Board has a schedule of matters specifically reserved for its decision and approval, which includes, but is not limited to:

- determining the Group's long-term strategy and objectives;
- authorising significant capital expenditure;
- approving the Group's annual and interim reports and preliminary announcements;
- the setting of interim and special dividends and recommendation of final dividend payments;
- ensuring the effectiveness of internal controls and the risk management framework;
- the authorisation of Directors' conflicts or possible conflicts of interest;
- communication with shareholders and the stock market; and
- overseeing the Group Company policies, such as Code of Ethics, Anti-bribery and Corruption, Anti-Money Laundering, Conflicts of Interest, Supplier Code of Conduct, Inclusion and Diversity (both for the Board and Group-wide), Remuneration policy, Whistleblowing and others.

Chairman

The Chairman is responsible for the leadership of the Board. He is also responsible for overseeing the activities of the Chief Executive Officer and providing advice, guidance and support to the executive team. He works with the Board to develop Group strategy and support its implementation. The Chairman is a principal ambassador of Record and a guardian of the Group's ethos and values.

Chief Executive Officer

The Chief Executive Officer is responsible for the executive management of the Group with focus on profitable business growth while acting in the interests of all stakeholders – clients, shareholders, employees and industry regulators – and upholding the core values of Record. His statement on FY-24 and the outlook for the Group can be found on pages 8 and 9.

Chief Financial Officer

The Chief Financial Officer is responsible for the finance function, the financial management and control of the business, and for developing and delivering appropriate internal and external financial reporting. His financial review for FY-24 can be found on pages 44 to 50.

Corporate governance report continued

Board responsibilities continued

Senior Independent Director

The Senior Independent Director's role is to act as a sounding board for the Chairman, oversee the evaluation of the Chairman's performance (see page 71) and serve as an intermediary for the other Directors if necessary. He is also available as an additional point of contact for shareholders and other stakeholders should they wish to raise matters with him rather than the Chairman or the Chief Executive Officer.

Non-executive Directors

The Non-executive Directors are responsible for upholding high standards of integrity and probity, providing constructive challenge and helping to develop proposals on strategy.

Independence of the Non-executive Directors

In determining the independence of Non-executive Directors, the Board has taken into consideration the guidance provided by the Code. The Board considers Matt Hotson, Krystyna Nowak, Tim Edwards and David Morrison to be independent at the current time.

Director appointments and time commitment

The rules providing for the appointment, election, re-election and the removal of Directors are contained in the Company's Articles of Association.

The Company's Articles of Association were revised in 2020 to align with the UK Corporate Governance Code July 2018, current legislation and market practice and were subsequently approved by shareholders at the 2020 AGM. Under the Articles, all Directors are subject to annual election or re-election by shareholders and all of the Directors will stand for election or re-election at the 2024 AGM, with the exception of Leslie Hill, Steve Cullen and Tim Edwards, who will complete his second three-year term.

The Board has agreed that all Directors standing for election or re-election continue to make a valuable contribution to the Board's deliberations and recommends their election or re-election. As required by the UK Listing Rules, the appointment of independent directors must be approved by a simple majority of all shareholders. Further details are set out in the 2024 Notice of AGM.

Non-executive Directors' letters of appointment stipulate that they are expected to commit sufficient time to discharge their duties. Non-executive Directors are required to notify the Chairman before taking on any additional appointments. David Morrison, upon joining the Board, disclosed his additional responsibilities and the Board was satisfied that he can effectively fulfil his duties as Chairman. Jan Witte has no other appointments outside of the Record Group and he will dedicate his time wholly on being a leader of the organisation. Details of other roles held by the Non-executive Directors are set out in their biographies on pages 60 and 61. The Board is satisfied that all Directors continue to be effective and demonstrate commitment to their respective roles.

The Executive Directors work full time exclusively for the Record Group and have no other significant commitments outside the Company. David Morrison, the Independent Non-executive Chairman, works part time.

Details of Executive Directors' service contracts, termination arrangements and Non-executive Directors' letters of appointment are included in the Remuneration report on page 85.

Board member diversity

The Board has approved a policy for ensuring Board member inclusion and diversity and has delegated the responsibility for addressing Board diversity to the Nomination Committee. The Nomination Committee reviews Board composition in the context of diversity and reports its recommendations to the Board to ensure diversity is achieved.

The Board recognises that diversity in its broadest sense is crucial for driving effectiveness and includes different perspectives, experiences, backgrounds, psychological types and personal attributes. Gender diversity is considered a significant aspect of diversity, and the Board acknowledges that women with the right skills and experience can bring a unique perspective to the boardroom. The Group's Board Inclusion and Diversity Policy aims to ensure that women represent at least one-third of the Board. The representation of women fell to 29% with the appointment of Jan Witte. The retirement of Leslie Hill will reduce further gender diversity on the Board. However, the Board acknowledges the importance of this matter and will make sure that future Director succession planning will take into account the benefits of diversity, including gender diversity, as set out in the Group's Board Inclusion and Diversity Policy. Diversity in the workplace is described on page 31.

The Board's opinion is that the current composition of members comprises a good mixture of skills, experience, knowledge and backgrounds and is therefore appropriate for the business at the present time.

Board activity

Board focus and decision-making

The regular scheduled Board meetings have a set, strategically focused agenda and Board members are invited in advance of each meeting to add any additional issues they wish to be addressed.

Material circulated in advance of the meetings has included:

- minutes of the previous Board meetings;
- CEO report;
- CFO report;
- subsidiary company reports;
- management information pack;
- KPI data pack;
- investment performance report;
- IT strategy and systems report;
- compliance report;
- risk management report;
- HR report;
- sustainability report; and
- governance report.

Corporate governance report continued

Updates from the respective Chairs of the Nomination Committee, Remuneration Committee and Audit Committee are provided at each meeting.

During the year, the Board focused on the key matters detailed below:

Key matters considered by the Board in the year ended 31 March 2024	
Strategic matters	• Focus on solidifying Record's position at the FX market space and elaborating the strategy to differentiate business from its competitors. Focusing on the current traditional products and how their performance could be improved through sales and scalability of the operational processes. • Exploring new opportunities through expansion and diversification of the client base away from the traditional pension funds towards asset management share class hedging opportunities. • Focus on increasing Record invested capital in digital assets area with additional injection to Block Scholes. • Focus on increasing the free float and trading turnover of Record's share capital. Consult with the broker to boost Record's profile in the market. • Review of the current technological state and projects and diversifying them into a new direction following appointment of the senior tech staff. • Transitioning the development and technology servicing from outsourced arrangements to in-house to enhance expertise, visibility and co-ordination of efforts.
Market situation	• Discussion of the recent US banks bankruptcy and overview of the banking system, and the merger of Credit Suisse and UBS and how this would impact the EMSF product, which was created in partnership with UBS, and larger base of institutional clients from Switzerland.
People	• Focus on strengthening the Sales function to align with strategic objectives, including the US and EMSF. • Reviewing the current human capital to identify the talent for the new generation of leadership and identifying the current gaps to strengthen the senior management position. • Identifying the necessary skills needed to replace the retiring CEO, CFO and NED to find the best candidates for the positions whose role will be aligned to current and future needs of the business. • Reviewing current working arrangements of the offices with the view to establish a unique headquarters in London which can accommodate the current and future needs of the business.
Risk	• Although risk was a standard agenda item for all the Board meetings this year, there was a particular focus on Internal Capital Adequacy and Risk Assessment ("ICARA"), the methodology used, how the evolution of the business should be reflected in ICARA, and also the ownership and governance of the process.
ESG matters	• Focus on sustainability strategy to align with the range of products and initiatives, including EMSF.
Governance	• Focus on the current corporate governance arrangements and Board reporting with the aim to provide a holistic approach to reporting to improve visibility and clarity for a better decision-making process.
Operational matters	• Focus on the improvement in the operational efficiency, enhancement and automation of the processes. • Focusing on the technological needs and hiring experienced Head of Infrastructure and Head of Development.
May Board Offsite	• Focus on creating the business plans for the EMSF with clear roles, responsibilities, product development, resources and sales activities. Focus on RAM activities, including investment management activities in private equity, protected equity and infrastructure equity.

Board activity continued

Meeting frequency and attendance

The Board met seven times between 1 April 2023 and 31 March 2024 (the scheduled meeting in March 2023 was postponed to April 2023) to review financial performance and to follow the schedule of matters reserved for its decision and approval. Comprehensive Board papers, comprising an agenda and formal reports and briefing documents, are sent to Directors in advance of each meeting. Directors are regularly informed by senior executives and external advisers on the Group's affairs, including commercial, regulatory, legal, corporate governance and other relevant matters.

Appropriate and timely notice is given of all Board meetings and all Directors receive information in advance so that if they are unable to attend, their input can be tabled and taken into consideration. The Board has regular offsite strategy meetings and additional meetings as required to address specific issues.

Any concerns raised by Directors, which are not resolved, are recorded in the Board minutes. No such matters were noted during the year ended 31 March 2024.

Directors are expected to attend all meetings of the Board. Details of Board meeting attendance are included in the table below:

Meetings in the year: 7	
David Morrison	7/7
Leslie Hill	7/7
Steve Cullen	7/7
Tim Edwards	7/7
Matt Hotson	7/7
Krystyna Nowak	7/7
Jan Witte	2/7
Neil Record	2/7

Jan Witte attended two meetings due to his appointment in January 2024.

Neil Record attended two meetings before his retirement at the 2023 AGM.

The Non-executive Directors met without the Executive Directors on several occasions throughout the year, prior to scheduled meetings.

Board effectiveness

Board induction and training

New Directors appointed to the Board receive advice as to the legal obligations arising from the role of a director of a UK-listed company as part of a tailored induction programme. Following the appointment of David Morrison in March 2023, a comprehensive and tailored induction programme was provided. This induction included briefings with the departing Chairman, Executive Directors and senior management to help him familiarise himself with his duties and the Group's culture and values, strategy, business model, operations, risk and governance arrangements. Jan Witte has been a long-serving employee and the CEO of RCML since May 2023. To facilitate his transition to the role of CEO of Record plc, Jan attended five Board meetings as an observer and two Board meetings as an Executive, to ensure a smooth introduction to this significant role. Jan was supported by all Directors of the Board and the Company Secretary to facilitate this transition.

The Company Secretary, under the direction of the Chairman, is responsible for maintaining an adequate continuing education programme, reminding the Directors of their duties and obligations on a regular basis, ensuring good information flow between the Board, its Committees and management and assisting with Directors' continuing professional development needs.

All Directors have access to independent professional advice, when required, at the Company's expense as well as to the advice and services of the Company Secretary.

Board performance evaluation

The Board is required by the Code to undertake an annual evaluation of its performance. The Code states that "There should be a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors".

The Code recommends that evaluation of the boards of FTSE 350 companies should be externally facilitated at least every three years.

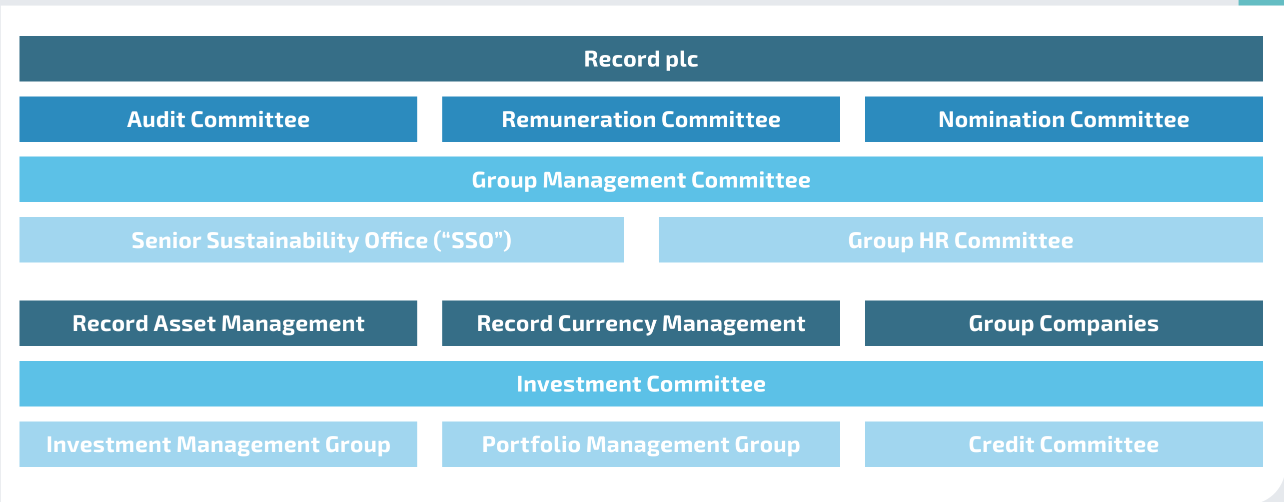
The last externally facilitated Board effectiveness workshop was conducted in March 2021 and further details were provided in the Nomination Committee report of the Annual Report and Accounts 2021. This year Record decided to undertake an internal Board and Committee evaluation by using a questionnaire tailored to the specifics of the Company and its business. The main topics explored in the Board evaluation were the following: Board Structure, Information, Objectives, Strategy and Remit, Board Committees, Board Dynamics.

Individual appraisal of each Director's performance is undertaken by the Chief Executive Officer and the Chairman. The Senior Independent Director conducts an annual appraisal of the performance of the Chairman with input from the other Board members. The outcome of these appraisals in FY-24 was positive and all roles were considered to be undertaken effectively.

Corporate governance framework

The Board has established a framework of committees and sub-committees to ensure robust corporate governance practices throughout the business. However, due to the rapid expansion of the business, the addition of significant mandates and increase of the operational risk, the necessity of supporting operational committees arose to facilitate a smooth flow of the information and risk management. More information on the upcoming changes can be found on page 62.

The diagram below gives an overview of the Group's core governance framework as of 31 March 2024.



Record plc – Board Committees

The Board has established three Board Committees and delegated authority to each Committee to enable it to execute its duties appropriately. The annual reports of the three Committees provide a statement of each Committee's activities in the year with a separate report from:

- Nomination Committee – report set out on pages 69 to 71;
- Audit Committee – report set out on pages 72 to 76; and
- Remuneration Committee – report set out on pages 77 to 95.

The Record plc Board Committees operate on written terms of reference, which are reviewed annually, and which are available on the Group's website or on request from the Company Secretary at the registered office address. The Chair of each Committee reports regularly to the Board.

The work undertaken by the Nomination, Audit and Remuneration Committees was reviewed by the respective Committee Chair to assess each Committee's effectiveness during the year. The reviews concluded that the Committees were operating in an effective manner and no concerns were raised and these conclusions were reported to the Board accordingly.

Group Management Committee

Role: The Committee has the delegated authority of the Record plc Board, including responsibility for implementation of the strategy, managing the shared service function, managing the implementation of compliance, risk and internal control processes, and implementing a co-operative and collaborative culture across the entities and business functions.

Members: The Committee consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Technology Officer and the Head of HR and Company Secretary and the Chief Executive Officer of RCML.

Meetings: The Committee meets twice a month and as necessary in response to individual or specific events requiring review.

Reporting: The Committee formally reports to the Record plc Board.

HR Committee

Role: The Committee is responsible for the development and review of the Group Human Resources strategy, approach to the systems for performance management, staff remuneration and benefits, training and development, and ensures rigorous and transparent employment policies, procedures and systems are in place and kept under review.

Members: The Chief Executive Officer, the Head of HR and Company Secretary and the HR Director.

Meetings: The Committee meets at least once a month and as necessary in response to individual or specific events requiring review.

Reporting: Reports on the activities of the Committee are presented to the Record plc Board meetings, RCML Board meetings and the Group Management Committee.

Senior Sustainability Office ("SSO")

Role: The SSO is responsible for delivering on Record's commitment to be a sustainability leader and ensuring Group efforts are strategically aligned with the principles of sustainability and that environmental, social and governance principles are embedded in Group decision-making processes.

Members: The Chief Executive Officer, the Chief Investment Officer, the Head of Trading, the Head of Macro Research, the Head of HR and Company Secretary and the Senior Sustainability Manager.

Meetings: The Office meets bi-monthly and as necessary in response to individual or specific events requiring review.

Reporting: Reports on the activities of the Committee are presented to the Record plc Board meetings, RCML Board meetings and the Group Management Committee.

Corporate governance report continued

Corporate governance framework continued

Record Currency Management Limited – Operational Committees

The subsidiary Board has four Committees responsible for operational oversight and decision-making as follows:

Investment Committee

Role: The Board has delegated the responsibility for authorising changes to existing investment processes and for approving new investment strategies to the Investment Committee. The Committee delegated its responsibilities for oversight and management of all aspects of client counterparty credit risk and associated policies to the Credit Risk Committee and day-to-day investment decision-making to the Investment Management Groups.

Members: The Committee consists of the Chief Investment Officer, the Chief Executive Officer, the Head of FX Risk Management Solutions, the Director of Enhanced Passive and Rates and the Head of Macro Research.

Meetings: The Committee meets as necessary, responding both to internal developments and external events.

Reporting: Reports on the activities of the Committee are presented at each formal Record plc and RCML Board meeting for review and comment.

Credit Committee

Role: The Committee has a delegated responsibility from the Investment Committee for monitoring and responding to appropriate credit risk reports, monitoring the credit risk of counterparties and clients and highlighting credit risk issues.

Members: The Committee consists of the Chief Investment Officer, the Director of Enhanced Passive and Rates, the Head of Trading and the Head of Front Office Risk Management.

Meetings: The Credit Committee meets at least quarterly and as required to respond to issues arising.

Reporting: Reports on the activities of the Committee are presented at the Investment Committee meetings.

Investment Management Group

Role: The Group has a delegated authority from the Investment Committee and is responsible for daily oversight of portfolios, review of product performance, discretionary decisions and interventions and monitoring market conditions and instigating research.

Members: The Chief Investment Officer, the Head of FX Risk Management Solutions, the Director of FX Risk Management Solutions, the Head of Trading, the Head of Macro Research, the Director of Micro Research, the Director of Fixed Income and the two Directors of Enhanced Passive and Rates.

Meetings: The Group meets at least once a week and as necessary in response to individual or specific events requiring review.

Reporting: Reports on the activities of the Group are presented to the Investment Committee for review and comment.

Portfolio Management Group

Role: The Group has a delegated authority from the Investment Committee and is responsible for client take-on, new and amended products/service operational approval, business-as-usual operational activities and operational incidents, errors and breaches.

Members: The Chief Operations Officer, the Head of Client Onboarding, the Head of FX Risk Management Solutions, the Head of Portfolio Implementation, the Head of Reporting, the Head of Front Office Risk Management and the Head of Trading.

Meetings: The Group meets at least once a week and as necessary in response to individual or specific events requiring review.

Reporting: Reports on the activities of the Group are presented to the Investment Committee for review and comment.

Internal control and risk management

The Board has overall responsibility for the Group's systems of internal control and the management of significant risks. The Board sets appropriate policies on internal control, which are reviewed annually. The authority for the operational risk management is delegated to the RCML Board.

The Board seeks ongoing assurance from the RCML Board, the Head of Business Risk, the Head of Compliance and senior management about the effectiveness of the internal controls, which include operational and compliance controls, risk management and the Group's high-level internal control arrangements. Such a system of internal controls is designed to manage, rather than eliminate, risk of failure to meet business objectives and can only provide reasonable and not absolute assurance against material misstatements or loss.

Further information on the Group's risk management framework is provided on pages 52 to 56 of the Strategic report.

The Record plc Board has undertaken a review of the effectiveness of internal controls for the year ended 31 March 2024 and is satisfied that the internal control environment is appropriate (see "Internal controls and risk management" on page 75).

Approved by the Board and signed on its behalf by:

Kevin Ayles
Company Secretary

27 June 2024

Nomination Committee report

I am pleased to present the Nomination Committee report for the year ended 31 March 2024. This will be my third report as Chair of the Nomination Committee since I joined the Record plc Board in September 2021.

Krystyna Nowak | Chair of the Nomination Committee

Role of the Committee

The Nomination Committee is responsible for ensuring that the Board and senior management possess the appropriate skills and expertise necessary to facilitate the Company's growth, sustain competition in its markets, and manage risks effectively and efficiently.

The Committee serves both Record plc and all the Group's entities.

Committee meeting attendance

Krystyna Nowak	● ● ● ● ● ● ●
Matt Hotson	● ● ● ● ● ● ●
Tim Edwards	● ● ● ● ● ● ●
Neil Record	● ● ○ ○ ○ ○ ○
David Morrison	○ ● ● ● ● ● ●

David Morrison did not attend the Committee meeting in April due to his previous commitments.

Neil Record attended two meetings held in April and June prior to his retirement at the 2023 AGM.

The Nomination Committee's priority this year has been to develop and implement a succession plan for both the CEO and CFO of the Board, following Leslie Hill's and Steve Cullen's decisions to retire. The Committee has full confidence in the appointment of Jan Witte to serve as Record's CEO and the appointment of Richard Heading, who will join to become the new CFO.

I am pleased to present the Nomination Committee report for the year ended 31 March 2024. This will be my third report as Chair of the Nomination Committee since I joined the Record plc Board in September 2021. Since I have now taken over as Chair of the Remuneration Committee, David Morrison has taken over as Chair of the Nomination Committee.

Key responsibilities

The key responsibilities of the Committee are to:

- review the structure, size and composition of the Board and Committees including the diversity and balance of skills and experience;
- consider succession planning for Directors and other senior management;
- identify and nominate for the approval of the Board candidates to fill Board vacancies; and
- review annually the time commitment required of Non-executive Directors.

Membership of the Committee

I chair the Committee with the support of the other independent Directors, namely Matt Hotson, Tim Edwards and the Group Chairman, David Morrison.

Committee meetings

The Committee met on seven occasions during the year ended 31 March 2024 and invited the Chief Executive Officer and the Head of Human Resources and Company Secretary to join the meetings as the Committee considered appropriate. Committee member meeting attendance is detailed above.

The Chair of the Nomination Committee reported regularly to the Board on the Committee's activities, identifying matters where any action was deemed to be required and making recommendations as considered appropriate.

Nomination Committee report continued

Key areas of focus

CEO succession planning and implementation

The Nomination Committee's priority has been CEO succession planning, engaging in thorough discussions and evaluations of internal candidates over an extended period. In anticipation of Leslie Hill's retirement, the Committee prepared for the transition by identifying Jan Witte as the person to succeed Leslie, giving him the opportunity to be the CEO of Record Currency Management and Record Asset Management and reviewing his management and leadership style in these roles. Having demonstrated the necessary skills, Jan was made a plc Board member in January 2024 as CEO-elect and has received some training and support as part of his transition to plc CEO.

Jan, a long-serving employee of Record, holds a Diploma in mathematics from RWTH Aachen University in Germany and a DPhil in numerical analysis from Oxford University in the UK. After completing his PhD in 2011, Jan served as a postdoctoral researcher in mathematical finance at Oxford before joining Record in the summer of 2012. Since August 2013, Jan has been at the helm of Record's quantitative research efforts. His previous team plays a vital role in supporting all of Record's services and products through quantitative and systematic analysis. With his extensive background and expertise, Jan transitioned to become the Global Head of Sales before ultimately being appointed as CEO of the RCML Board.

CFO succession planning and implementation

CFO succession planning began when Steve Cullen announced his retirement plans in early 2023, prompting the initiation of a thorough external search for a suitable candidate by partnering with the executive search company, Spencer Stuart.

The process involved several stages, including identifying key criteria for the role, conducting extensive research and outreach to potential candidates, evaluating qualifications and experiences, and ultimately selecting the most qualified individual to fill the position. After a comprehensive assessment, Richard Heading was selected to succeed Steve as the CFO, bringing with him extensive experience from senior finance roles within financial services. Most recently, Richard served as Group Finance Director for IG Group plc, a FTSE 250 listed online trading provider. His background encompasses diverse expertise in areas such as financial and capital planning, investor relations, treasury, and international operations. This rigorous selection process will enable a seamless transition and continuity of financial leadership within Record.

Employee engagement plans and enhancement

The Nomination Committee focused on enhancing employee engagement through targeted discussions and initiatives. By assessing current satisfaction levels and gathering feedback via pulse surveys, the Committee aimed to develop strategies fostering a culture of empowerment and motivation.

Director skills matrix

The Nomination Committee conducted a thorough review of the Directors' skill matrix to evaluate current skills and identify gaps essential for succession planning covering different time horizons, including contingency, medium-term and long-term planning.

The Committee members were satisfied with the results of the assessment confirming that the current skills are sufficient to ensure an effective leadership of the business. The gaps identified helped to start developing succession plans for the replacement of Tim Edwards who completed his second three-year term and will not stand for re-election at the 2024 AGM. A particular focus will be directed to increase the diversity of the current Board set-up to bring new skills, perspectives and experience, paying attention to the recommendation of the Corporate Governance Code and the Listing Rules.

Board diversity and Listing Rules

The Group's Board Inclusion and Diversity Policy was last reviewed by the Committee in April 2024 and was updated to ensure that the Board was championing inclusion and diversity through a clear tone from the top and that it aligns with the many inclusion and diversity initiatives for the broader staff group.

The Board is satisfied that the Group's Board Inclusion and Diversity Policy is applied to its Remuneration, Audit and Nomination Committees and it covers aspects such as ethnicity, sexual orientation, disability and socio-economic background (in addition to the aspects of age, gender or educational and professional backgrounds).

The Listing Rule requirements detail three targets for the Board: that 40% of the individuals on the Board are women; that at least one senior Board position is held by a woman; and that at least one individual on the Board is from a minority ethnic background.

As of 31 March 2024, women constitute 29% of our Board. The Board acknowledges that the targets outlined in the Group's Inclusion and Diversity policy have not been met. Therefore, the Nomination Committee is diligently striving to achieve these goals through periodical review of the current membership and creation of succession plans, recognising the substantial benefits that Board diversity can bring.

The approaches to the data collection for the purpose of this disclosure were the following:

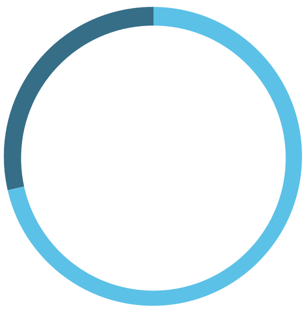
- Self-identification: the Board Directors were given the opportunity to self-identify their gender and ethnic diversity through a diversity questionnaire.
- HR records: the data on gender was collected through HR records.

Nomination Committee report continued

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	71.4%	3	4	66.7%
Women	2	28.6%	1	2	33.3%
Ethnic group					
White British or other White (including minority-white groups)	7	100%	4	6	100%
Mixed/Multiple ethnic groups	—	—	—	—	—

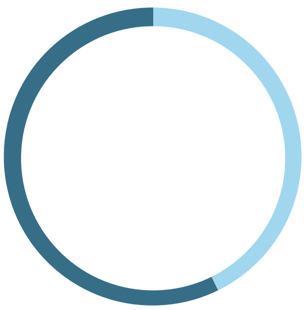
Note – Executive management includes the Record Currency Management Limited Board members and members of the Management Committee.

Board gender



Female 28.6%
Male 71.4%

Board tenure
as at year end



0-6 years 57.1%
> 6 years 42.9%

Tenure and effectiveness of the Chairman

According to the UK Corporate Governance Code, it is recommended that the Chair of a company's Board should step down from their position after serving for a maximum of nine years since their appointment. Neil Record stepped down from his position at the AGM in 2023, succeeded by David Morrison who was independent on joining the Board and proved to be effective in facilitating the effectiveness of the Board processes.

Performance of the Directors and the Board

In compliance with the UK Corporate Governance Code, the Board is required to conduct an annual evaluation to assess its performance. Whilst Record plc is not part of the FTSE 350 index, which advises external evaluations every three years for listed companies, an external evaluation workshop was conducted in 2021. In 2024, the Committee opted for a self-assessment questionnaire to evaluate the Board's effectiveness, covering topics such as Board structure, objectives, strategy, remit, Board Committees and Board dynamics. The Committee found the evaluation results satisfactory but also identified areas for improvement.

Recognising the critical importance of Board effectiveness amidst recent changes, the Nomination Committee is actively considering the possibility of conducting an external review and evaluation in 2025. This initiative aims to identify any gaps and weaknesses, facilitating further improvements and strengthening our governance processes.

Looking forward

The Committee's primary focus is supporting the succession plans that have now been put in place while ensuring that there continues to be a strong talent pool for senior positions. Additionally, the search for a new Non-executive Directors has just been concluded with the announcement that Dr Othman Boukrami will replace Tim Edwards who completed his second three-year term and will not stand for re-election at the 2024 AGM.

Approved by the Committee and signed on its behalf by:

Krystyna Nowak
Chair of the Nomination Committee

27 June 2024

Audit Committee report

I'm happy to confirm that the Committee continues to play a key role in overseeing the Group's financial reporting, control and assurance processes, including both internal and external audits.

Matt Hotson | Chair of the Audit Committee

Role of the Committee

The role of the Audit Committee is to encourage and safeguard a high standard of integrity in financial reporting having regard to laws and regulations applicable to the Group and the provisions of the UK Corporate Governance Code.

The Committee serves both Record plc and the Group's entities including FCA regulated entity, Record Currency Management Limited ("RCML") and BaFin regulated entity Record Asset Management GmbH ("RAM").

Committee meeting attendance

Matt Hotson	●●●●●●
Tim Edwards	●●●●●●
Krystyna Nowak	●●●●●●

I am happy to present the Audit Committee report for the year ended 31 March 2024 ("FY-24"). This will be my third report since I joined Record in 2021, and I am pleased to confirm that the Audit Committee has proven its efficiency in fulfilling its primary role to the Board: overseeing the financial reporting process of the Group's financial performance while remaining focused on improving the internal control environment.

Committee duties

In light of the expansion of the Group and its growing complexity, it is crucial for the Audit Committee to sharpen its focus. With the Board now overseeing risk supervision, this shift allows the Committee to dedicate itself more fully to financial reporting and auditing in this complex environment.

Under its terms of reference, the Committee is tasked with the following:

Internal controls and operational conflicts of interest:

- monitoring and reviewing the Group's internal controls; and
- reviewing the Group's annual statement on its systems of internal financial controls prior to endorsement by the Board.

Whistleblowing and fraud:

- overseeing whistleblowing arrangements by which staff may raise concerns about possible improprieties in financial reporting or other matters; and
- reviewing the Group's procedures for detecting fraud and investigating and handling allegations from whistleblowers and ensuring that arrangements are in place by which Group employees may in confidence raise concerns about possible improprieties in financial reporting and financial controls.

External audit:

- making recommendations relating to the appointment, re-appointment and removal of the external auditor and overseeing any tender of external audit services;
- approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the independence and objectivity of the external auditor, and reviewing the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; and
- overseeing the provision of any non-audit services by the external auditor.

Internal audit:

- reviewing and approving the role, mandate and annual internal audit plan of the internal audit function, ensuring that the function has the necessary resources and access to information to enable it to fulfil its mandate;
- monitoring and reviewing the effectiveness of the Group's internal audit function; and
- reviewing and monitoring management's responsiveness to the internal auditor's findings and recommendations.

Financial reporting:

- monitoring the integrity of the Group's financial statements, including the review of this Annual Report and any other formal announcements relating to the Group's performance;
- reviewing any significant financial reporting judgements;
- reviewing the assumptions and any qualifications made in support of the going concern statement and the longer-term viability statement; and
- reviewing the application and consistency of accounting policies and accounting standards.

The full terms of reference of the Committee were last updated and approved by the Board in April 2024. They comply with the UK Corporate Governance Code (the "Code") and are available on the Group's website or from the Company Secretary at the registered office address.

The Chair of the Committee provides regular reports to the Board detailing how the Committee has discharged its responsibilities as set out in its terms of reference.

Key areas of focus

Option valuations

Additional attention was directed towards options valuations, particularly in understanding the processes involved in option-based payments and valuations. This effort aimed to reconcile any variances between the methodologies presented by Record consultants and BDO, ensuring alignment and minimising discrepancies in the accumulated valuation differences, which currently fall below the trivial threshold.

Internal Audit of Record Asset Management ("RAM")

The Audit Committee placed particular emphasis on scrutinising RAM's internal audit of MaRisk to confirm the presence of appropriate policies, procedures and operational controls, given the Company's early-stage status. Although several findings were identified, management promptly took corrective action, resulting in an overall "satisfactory" outcome in alignment with BaFin regulation requirements.

Whistleblowing arrangements

Recognising the importance of transparency and accountability, Record has established a mechanism to enable anonymous whistleblowing reporting. This initiative, prompted by the expectations of key stakeholders, ensures that employees feel empowered to raise concerns about unethical behaviour, fraud or other misconduct without fear of reprisal. By partnering with an external provider for this service, Record aims to enhance trust and confidence in its governance practices, fostering a culture of integrity and ethical conduct throughout the Company.

Focus on subsidiaries' financial reporting

There was a focused discussion on financial statements overview and monitoring of projections from RAM and Dair Record. It was considered crucial to ensure adherence to timelines and the delivery of accurate reporting, reflecting the current status of projects as communicated to the market. Oversight involves receiving assurance on projected numbers from key projects undertaken by Dair Record and RAM, thereby maintaining transparency and integrity in financial reporting.

Investment Valuation policy

A priority discussion was placed on developing a suitable approach for valuing unquoted investments held by Record. This initiative aimed to craft an approach that accurately reflects the market value of these investments, ensuring transparency and alignment with regulatory standards.

Control assessment in funds and application of IFRS standard

With the inclusion of additional entities and newly added funds, questions arose regarding the approach to consolidating the accounts of these entities. The Finance team conducted a thorough analysis and generated results to determine whether consolidation was necessary and presented the findings to the Committee. BDO has expressed satisfaction with the outcome of this assessment.

Membership of the Committee

The Committee is composed solely of independent Non-executive Directors. Matt Hotson was appointed as Chair of the Committee in July 2021, and he is supported by the other independent Directors: Krystyna Nowak and Tim Edwards.

Matt has been deemed by the Board as the most suitable independent Director to serve as the Chair of the Audit Committee, given his experience in financial services as a CFO of different listed companies. The other members of the Committee share this view. Tim Edwards is a Chartered Accountant (FCA) with a background in corporate finance and venture investing and Krystyna Nowak has a wealth of City experience in banking. The Board is content that, through their experience in other organisations, the Committee members have the relevant skills and financial expertise needed for the sector in which the Group operates. The biographical information of the Committee members is available on pages 60 and 61.

The composition of the Committee complies with the Code provision for smaller companies requiring at least two independent Non-executive Directors throughout the year.

Committee meetings

The Committee met six times during the year ended 31 March 2024. The meetings were attended by the Chair of the Board, Chief Executive Officer, the Head of Compliance, the Head of Business Risk and the Chief Financial Officer.

Representatives from BDO LLP attended four meetings as the incumbent external auditor. The representatives of RSM, an internal audit partner, attended two meetings. Minutes of the meetings were documented by the Company Secretary and retained on file.

Committee member meeting attendance for the year ended 31 March 2024 is detailed on page 72.

The Committee also separately met the Group's external auditor on one occasion and the internal auditor on one occasion, providing an opportunity for them, privately and in confidence, to raise matters of concern.

The Chair of the Committee reported regularly to the Board on the Committee's activities, identifying any matters on which the Committee considered that action was required, and made recommendations on the steps to be taken.

Committee Chair meetings

During the year the Chair of the Committee had separate discussions with the key people involved in the Company's governance, including the Board Chairman, the Chief Executive Officer, the Chief Financial Officer, the Head of Compliance, the Head of Business Risk, the Company Secretary and also the external audit partner and the internal audit partner to obtain updates and insights into business activities.

Committee evaluation

An internal review of Committee effectiveness was overseen as part of the Board evaluation process in March 2024. The conclusion was that the Committee was effective in carrying out its duties.

Committee activities

The Committee has discharged its responsibilities under its terms of reference for the period under review by the following actions:

- reviewing the form, content and integrity of financial information prior to release, including the Annual and Interim Reports;
- reviewing the content of each of the Interim Management Statements for subsequent Board approval;
- reviewing the ISAE 3402 internal controls year-end testing results;
- receiving and reviewing internal audit updates and reports;
- evaluating the performance and independence of the internal auditor during the engagement period;
- reviewing the independence of the Group's external auditor and the nature of non-audit services supplied by the auditor;
- reviewing the external auditor's audit strategy for the interim review and the final audit;
- assessing the external auditor's concluding report for the interim review and the year-end financial statements;
- evaluating the performance of the external auditor over the period; and
- reviewing and approving the Group Whistleblowing Policy, its appropriateness and whether the relevant procedures are efficient.

Financial reporting

The Committee has thoroughly reviewed the half-year and annual results and the Annual Report, before recommending them to the Board for approval.

Throughout the year, the Committee examined significant financial and regulatory reporting matters and the decisions underlying the financial statements, as well as the suitability of accounting policies. The Committee reviewed management reports providing evaluations of the internal control environment, future cash flows, going concern status, ongoing viability, capitalisation of software expenses, and option valuations.

Having thoroughly assessed management's judgements impacting financial reporting against the Group's accounting policies, the Committee endorsed a recommendation to the Board, affirming the appropriateness of adopting the going concern basis for preparing the half-year and annual financial statements for the fiscal year ended 31 March 2024.

Audit Committee report continued

The Committee further considered reports from the external auditor, in particular its independent assessment of financial reporting and key controls, the audit opinion on the Annual Report and the independent review report on the half-year results.

The Committee is satisfied that the financial reporting control framework operated effectively after considering reports from both management and the external auditor.

The Committee has reviewed the narrative statements in the Annual Report to ensure they are fair, balanced and understandable and consistent with the reported results, and also reviewed the auditor's findings report which identified no significant issues.

The Committee was satisfied with the content of the Annual Report, confirmed there were no significant issues or concerns to be addressed and recommended that it be approved by the Board.

Internal controls and risk management

The Committee provides an oversight and independent challenge to the internal controls of the Group.

In July 2023, the Committee conducted an exhaustive examination of the Group's Controls Assurance report, which was prepared in adherence to ISAE 3402 standards. Although there was one finding deemed not significant, management promptly rectified the issue. The Committee members expressed their satisfaction with the thoroughness of internal controls testing and the accuracy of observations and disclosures presented in the document.

The Committee extensively reviewed and assessed the Group's system of internal controls and risk management, ultimately concluding that the internal control environment is deemed appropriate. Further details regarding the Group's risk management framework can be found in the Strategic report on pages 52 and 53.

Internal audit

The internal audit function undertakes a programme of reviews as approved by the Committee, reporting the results together with its advice and recommendations to the Committee. The function is provided by RSM UK Risk Assurance Services LLP. The objectives and responsibilities of internal audit are set out in a charter reviewed and approved regularly. The charter was last reviewed and approved by the Committee in October 2022. RSM reports directly to the Committee and the relationship is subject to periodic review. Jed Turnbull presently holds the position of RSM internal audit partner.

The Committee and the internal auditor have developed a planning process to ensure that the audit work performed focuses on significant risks. The plans include deep-dive thematic and risk-based audits and also high-level in-flight reviews of specific projects as agreed by the Committee, RSM and management. Each review is scoped at the start of the audit to ensure an appropriate focus reflecting business activities, the market environment and regulatory matters. The plans are periodically reviewed to ensure they are adapted as necessary to capture changes in the Group's risk profile. An updated internal audit plan was presented to the Committee in April 2023.

During FY-24, internal audit placed particular emphasis on key areas within the business, including Software Development Lifecycle, Trade Configuration and Execution, Senior Managers and Certification Regime, and Investment Operations and Governance. Each of these projects underwent thorough examination, revealing adherence to appropriate processes, policies and practices. As a result, RSM awarded high grades ranging from reasonable assurance to substantial assurance for all assessed areas.

The Committee has received regular reports on the programme of reviews and internal audit findings at each of its meetings during the course of the year. The Committee has reviewed the findings and recommendations made by the internal auditor and has aimed to ensure that any issues arising are suitably addressed by management in an effective and timely manner.

The Committee has reviewed RSM's work and discussed the delivery of internal audit with management and is satisfied with the internal audit work conducted and the coverage and standard of the reports produced. The Committee has monitored whether sufficient and appropriate resources are dedicated to the internal audit function and this has been reported to and noted by the Board.

External audit

BDO LLP ("BDO") has served as the external auditor for Record Group since shareholders approved their appointment at the 2020 Annual General Meeting ("AGM"). Orla Reilly has been the Group's statutory auditor since January 2022. The Committee reviewed and approved BDO's fees and the terms specified in the audit engagement letter for the financial year ending 31 March 2024, in January 2024.

The Committee has reviewed reports from the external auditor on the audit plan (including the proposed materiality level for the performance of the annual audit), the status of its audit work and issues arising. The Committee discussed the findings with the auditor and was satisfied with the conclusion reached by the auditor that there was no evidence of material misstatements. The Committee has confirmed that no material items remained unadjusted in the financial statements.

Audit Committee report continued

External audit continued

An assessment of the quality and effectiveness of BDO as the Group's external auditor was considered by way of a review completed by the Committee with the assistance of senior members of the Finance team and with reference to the FRC's practice aid on assessing audit quality, published in December 2019. The Committee evaluated the judgements; mindset and culture; skills, character, and knowledge; and quality control demonstrated by BDO throughout the audit process and concluded that BDO had provided a quality external audit service which was appropriate for the Group given its size and structure.

External auditor independence

Policy on provision of non-audit services by the external auditor

During the year the Committee operated a policy covering the provision of non-audit services by the external auditor to ensure that the ongoing independence and objectivity of the external auditor was not compromised. The policy adheres to the Financial Reporting Council's revised Ethical Standard issued in December 2019. Under the Ethical Standard the aggregate of fees for all non-audit services, excluding audit-related assurance services required under regulation, may not exceed 70% of the average of the audit fees for the preceding three-year period. The Committee considers it best practice to adhere to the fee cap on an annual basis and monitors fees accordingly.

Non-audit services undertaken by the external auditor

The following permitted non-audit services, pre-approved by the Committee and within a pre-determined cost limit, have been undertaken by BDO in the year under review:

- independent auditor report to the FCA on compliance with client asset rules; and
- the interim review work performed on the half-year accounts.

Details of the total fees paid to BDO are set out in note 5 to the accounts. Non-audit fees, excluding audit-related assurance services required under law or regulation, were equivalent to 3.5% (FY-23: 4.5%) of audit fees and were therefore within the permitted cap of 70%.

Assessment of external auditor independence

The Committee was satisfied that the quantity and nature of non-audit work undertaken during the year did not impair BDO's independence or objectivity and that its appointment for these assignments was in the best interests of the Group and its shareholders.

The Committee is satisfied that the external auditor has maintained its independence and objectivity over the period of its engagement. The Company is committed to the regular rotation of the external auditor and external audit partners and the last tender process was conducted in 2020.

Approved by the Committee and signed on its behalf by:

Matt Hotson
Chair of the Audit Committee

27 June 2024

Remuneration report

Our remuneration policy is designed to align the interests of our employees and executives with those of our key stakeholders, including our clients, shareholders and regulators.

Krystyna Nowak | Chair of the Remuneration Committee

Role of the Committee

The role of the Remuneration Committee is to review and approve the remuneration strategies of the Group, encompassing the Chairman, the Executive Directors and the staff as a whole. The Remuneration Committee also reviews and advises on the remuneration policy, ensuring that it complies with regulatory requirements, it promotes good conduct consistent with sound and effective risk management, and is properly disclosed to stakeholders.

Committee meeting attendance

Krystyna Nowak	●●●●●●●●●●
Tim Edwards	●●●●●●●●●●
Matt Hotson	●●●●●●●●●●
David Morrison	●●●●●●●●○○

Chair of the Remuneration Committee's statement

Introduction

I have assumed the responsibility of Remuneration Committee Chair from 26 June 2024 and am pleased to present our new Remuneration Policy for shareholder approval and our remuneration report for the year ended 31 March 2024. I would like to thank Tim Edwards for his chairing of the Committee for the past six years.

Our previous Remuneration Policy was predominantly designed to incentivise our CEO, Leslie Hill, for the implementation of her three-year plan. Following Leslie's retirement, and also that of our CFO, Steve Cullen, we have designed a new Remuneration Policy, for shareholder approval, to incentivise our new Executive Director team to deliver long-term success.

Our report is split into three sections:

- the new proposed Remuneration Policy;
- the annual report on remuneration for FY-24; and
- the role and activity of the Remuneration Committee.

New Remuneration Policy

Remuneration principles

Our approach to remuneration remains unchanged and is driven by long-term thinking to promote the sustainable growth of the Group. Identifying, developing and appropriately compensating our high performers, at all levels of the business, is critical to long-term business success and is aligned to both clients' and shareholders' interests.

Our key remuneration principles are:

- a consistent remuneration structure for all employees, not just Directors, which is transparent and straightforward;
- our employees should be rewarded and incentivised to deliver profitable business growth;
- remuneration should comprise i) fixed salary, pension and benefits; ii) variable remuneration based on individual and Group performance; and iii) longer-term incentives based primarily on Group performance; and
- Executive Directors' remuneration should include a deferred element, which is satisfied by paying it in the form of equity.

Chair of the Remuneration Committee's statement continued

New Remuneration Policy continued

Priorities for the new Remuneration Policy 2024

A new Remuneration Policy is being put forward to our shareholders for approval at our AGM in July 2024.

In setting this policy, the priorities for the Remuneration Committee have been to ensure that remuneration structures and performance measures:

- motivate and retain our Executive Directors to deliver our long-term growth strategy;
- create a remuneration structure that incentivises and fairly rewards our Executive Director team to deliver our plans;
- use robust performance metrics to ensure payment for success; and
- align the interests of our Executive Directors with those of our shareholders.

Proposed changes to our Remuneration Policy

Background

The Group has now established its new leadership team for the future and our Remuneration Policy is designed to reward success and delivery of long-term growth.

CEO and Executive Director remuneration structure

The Board's succession plans have focused on Jan Witte's path to becoming Group CEO. It is now imperative that Jan drives forward his long-term vision for the business and our new Remuneration Policy for our CEO is therefore designed to incentivise and reward long-term success.

The structure of remuneration for the CEO is weighted heavily on long-term rewards, with a significant part of his remuneration paid in the form of equity. The proposed CEO remuneration structure is therefore a base salary and benefits, bonus and an LTIP. To align with shareholders and the long-term strategy of the business, one-third of any bonus and all LTIP payments will be made in shares.

The CEO's remuneration structure will be viewed on a Group basis, and he will be incentivised to deliver the vision for the Group.

The remuneration structure for other Executive Directors will be base salary and benefits, bonus and LTIP, with the same weighting on long-term reward and payment in equity.

Bonus Scheme

Our Group Bonus Scheme, in which Executive Directors and all staff will participate, has been updated. The purpose of making changes has been to simplify how bonuses are determined and to ensure that bonus outcomes are structured to pay for performance, both at a Company level and an individual level.

For Executive Directors, there continues to be a balance between a formulaic and discretionary approach to assessing performance and determining bonus awards. The Committee will ensure that the measures and targets used to determine a bonus will be aligned to both the short-term and long-term business priorities and key performance indicators. 75% of any Executive Director bonus will directly relate to the delivery of operating profits against agreed targets and 25% will be focused on progress against strategic objectives.

Executive Directors are required to take one-third of their bonus payment in shares, subject to lock-up conditions of one to three years. In addition, they are offered the opportunity for up to a further third of their bonus payment to be paid in shares. The remaining amount is taken as cash.

LTIP

The LTIP scheme, as approved previously by shareholders, has been updated, and is designed to incentivise and retain Executive Directors and senior managers over the long term. LTIP awards can now be granted up to 200% of base salary and a third performance condition has been introduced to directly align the delivery of strategic objectives with long-term incentives. The vesting of awards continues to be subject to the satisfaction of three-year performance conditions and continued employment and any shares awarded will be subject to a two-year post-vesting holding period.

Executive Directors' salaries, Chair and NED fees for FY-25

A review of Executive Directors' salaries took place on the appointment of Jan Witte and Richard Heading. Jan's salary was increased to £550,000 on his appointment as Group CEO and Richard's salary is £300,000 on his appointment as Group CFO.

A review of the Chair and NED fees was also carried out, which included using market benchmarking data. The Board agreed that the Chair and NED fees should reflect market rates for a FTSE Small Cap firm and so the Chair fees were increased to £175,000 to reflect the market and also the responsibility of the role. NED fees remain unchanged at £52,500 but, in line with market practice, a premium has been introduced for the additional responsibilities of SID of £5,000, and £10,000 for the responsibilities of Audit Committee Chair and Remuneration Committee Chair.

Group performance for FY-24

The year to 31 March 2024 has seen revenues increase by 2% compared with last year, a decrease in operating profit of 13% (including the exceptional impairment of intangible assets) and our AUM reached $102.2 billion.

The bonus pool can vary between 25% and 35% of pre-tax profits and the Committee decided to use its discretion, resulting in a final bonus pool of 25.9% of pre-bonus underlying operating profit, which represented £4.4 million, directly linking the Group's financial performance to the size of the variable remuneration pool. The payments made under the bonus scheme decreased by 42% compared to the previous period.

Executive Director remuneration outcomes FY-24

Executive Director remuneration outcomes reflected the performance of the business for the year and were made in line with our Remuneration Policy.

No changes were made to Leslie Hill's salary during the year. Leslie's variable remuneration was determined by the criteria outlined in the Executive Directors' Bonus Scheme. With financial performance being below annual profit targets and progress made on strategic objectives being behind expectations, her bonus was awarded at 25%. Further details are provided on page 89.

Steve Cullen had a salary increase on 1 April 2023 to recognise the increased breadth of his role with the expansion of the Group, but no further increases were made since he announced his intention to retire. Steve's bonus was paid at 110% to reflect the demands of the CFO role during the year. Further details are provided on page 89.

The Remuneration Committee also received input from the Head of Compliance, who reports any legal or compliance issues that relate to Executive Directors who are due to receive bonus payments. Payments were made in accordance with the Executive Directors' Bonus Scheme rules and were approved by the Committee.

No option or LTIP awards were made to Leslie Hill during the year, in line with the CEO remuneration structure outlined in the Remuneration Policy. Steve Cullen received an LTIP award of 75% of his base salary, granted in line with the LTIP scheme rules.

A cost-of-living allowance of £2,000 was paid to all staff during the year. This was not paid to Executive Directors or Board members.
In addition, a discretionary salary review was undertaken to recognise promotions and increases to roles and responsibilities.

Total remuneration spend

Over the medium term, the Board has previously set a target ratio of total remuneration costs to be up to 50% of revenue. This includes all remuneration costs for Directors and staff. For this financial year, total remuneration costs represented 43% of revenue and were managed well within the target ratio.

In total, the Executive Directors' Bonus Scheme and Staff Bonus Scheme are capped at 35% of operating profit pre-bonuses and this year variable remuneration totalled 25.9% of operating profit.

Alignment with shareholders

Each of the current Executive Directors has a shareholding significantly greater than 150% of their base salary. In addition, 66% of the Group's employees are shareholders.

Engaging with employees and shareholders

The Remuneration Committee takes an active involvement in remuneration for the whole Group and takes into account employee and shareholder views in determining remuneration arrangements. Full details are set out in the Remuneration Policy.

Krystyna Nowak
Chair of the Remuneration Committee

27 June 2024

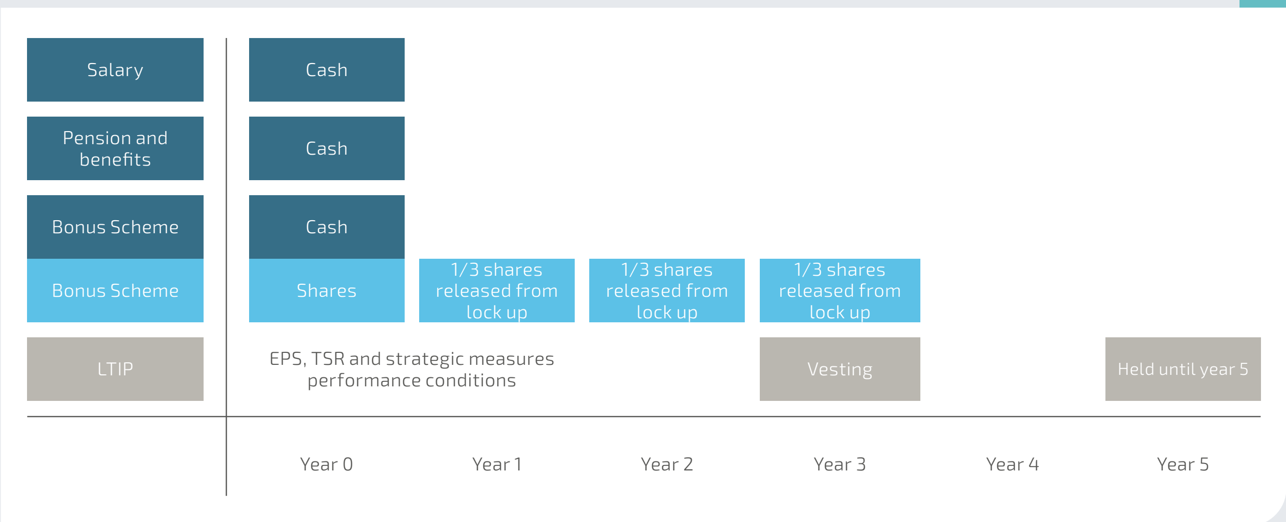
Remuneration Policy to be proposed to shareholders at the AGM

The Directors' Remuneration Policy (the "Policy"), modified as described in the Remuneration Committee Chair's statement and set out in full below, is proposed by the Remuneration Committee and the Board. Shareholders will be asked to approve the new Policy at the 2024 AGM on 30 July 2024. This Policy will take effect for Directors from the date of its approval and is expected to be applied for the next three years. The Company's previous Remuneration Policy will continue to apply to awards and entitlements granted under it.

In summary, the proposed Policy includes an updated bonus scheme to ensure that variable pay is aligned with business and individual contribution, and an updated long-term performance share plan to incentivise long-term business growth. These changes are designed to motivate and retain our CEO and Executive team to deliver our long-term growth plans and to create a remuneration structure that aligns with this.

Summary remuneration structure

The table below illustrates the remuneration structures that we have in place for Executive Directors.



Note: Executive Directors are required to take one-third of their bonus payment in shares, which are locked up and released over three years. Executive Directors can elect to take a further third of their bonus payment in shares, and these have no lock up.

Directors' Remuneration Policy table

The following table summarises the key features of each element of the Policy, their purpose and link to strategy.

Element, purpose and link to strategy	Operation and maximum	Performance metrics
Base salary Fixed remuneration that reflects the role, responsibilities, experience and knowledge of the individual.	The Remuneration Committee reviews salaries for Executive Directors on an annual basis. Any review will take into account market rates, business performance and individual contribution. There is no defined maximum base salary. Executive Directors' salary increases will normally be in line with the typical level of increase awarded to other employees. Increases may be above this level in certain circumstances, including: • where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role; • where an Executive Director has been promoted or has had a change in responsibilities; • where there has been a significant change in market practice; and • other exceptional circumstances.	Not applicable, though individual performance will be considered when reviewing base salary levels.

Remuneration report continued

Element, purpose and link to strategy	Operation and maximum	Performance metrics
Benefits To provide a benefits package that provides for the wellbeing of our colleagues.	Benefits include, but are not limited to, private medical insurance (or a healthcare allowance), dental insurance, permanent health insurance, life assurance and annual holiday. Executive Directors receive benefits on the same basis as all other employees, at the prevailing rates.	Not applicable
Pension To provide an appropriate retirement income, to aid attraction and retention of high-calibre executives.	Executive Directors receive an employer pension contribution of up to 11% of salary which can be paid into the Group Personal Pension Scheme or delivered as a cash allowance. The pension contribution for Executive Directors is fully in line with pension contributions paid to all staff (which also comprise an employer pension contribution of 11% of salary).	Not applicable
Bonus Scheme To motivate Executive Directors to achieve sustainable financial performance and strategic objectives aligned with the Group strategy.	Bonus payments are based on performance measured over the financial year. Executive Directors are required to take one-third of their bonus payment in shares, which vest immediately but are subject to lock-up conditions of one to three years and in addition are offered the opportunity for up to a further third of the bonus to be paid in shares. The remaining amount is paid in cash. The minimum bonus payment to an Executive Director is zero and the maximum bonus payment, in exceptional circumstances, is 400% of base salary. The Bonus Scheme includes threshold, target and maximum performance levels, at a Company level and individual level, based on Company operating profit targets for the year and strategic objectives. Malus and clawback provisions apply to all awards. Further details are set out below.	Bonus payments will be based on the achievement of Group financial operating profit targets (75%) and delivery of strategic objectives (25%). Individual awards are also based on role, responsibilities and delivery and determined by the Remuneration Committee. The Remuneration Committee has discretion when setting bonus levels and making payments to Executive Directors.
Long-Term Incentive Plan (“LTIP”) A performance share plan to incentivise delivery of long-term performance and strategy delivery, aligning interests with shareholders.	Awards under the LTIP may be granted as nil or nominal cost options, market value options or conditional share awards. The maximum opportunity for Executive Directors is an award of up to 200% of base salary. Any awards will be delivered in Company shares. Awards vest at the end of a three-year performance period, after which any shares must be held for a two-year post-vesting holding period. Malus and clawback provisions apply to all awards. Further details are set out below. The Committee has discretion in the treatment of leavers as set out below and in respect of the assessment of performance and vesting levels (including to amend performance conditions and measures).	Vesting is based one-third on EPS growth, one-third on relative TRS compared with the FTSE Small Cap Index and one-third on strategic measures. The Remuneration Committee has discretion to vary the targets and to set other performance conditions for the future operation of the LTIP.

Remuneration Policy to be proposed to shareholders at the AGM continued

Directors' Remuneration Policy table continued

Element, purpose and link to strategy	Operation and maximum	Performance metrics
Share Incentive Plan A share saving plan to encourage long-term equity ownership.	The Group has an approved Share Incentive Plan ("SIP"). All staff are able to buy shares from pre-tax salary up to a HMRC-approved limit (£1,800 for the financial year ended 31 March 2024), which is matched at a rate of 50%.	Not applicable

Notes to the Remuneration Policy table

Executive Directors can participate in the Bonus Scheme and the LTIP. Staff remuneration schemes have also been included in the Remuneration Policy, to provide shareholders with full transparency of remuneration.

Executive Director fixed remuneration

Executive Directors receive a basic salary, pension and certain standard benefits such as private medical insurance, life assurance and permanent health insurance.

Bonus Scheme

The Bonus Scheme is our short-term variable remuneration structure that the Executive Directors and staff all participate in. Bonus payments relate to the Company's financial performance against annual plans and individual contribution.

For Executive Directors' bonuses, the Remuneration Committee will ensure that the measures and targets used to determine the bonus are aligned with strategic growth plans and key performance indicators. The purpose is to ensure that there is a transparent link between our business strategy and the Executive Directors' contribution to delivering it, that the assessment of individual performance is clear and that variable remuneration rewards high levels of Company performance. The Scheme is discretionary and there is no contractual right to receive a bonus.

The Bonus Scheme includes threshold, target and maximum performance levels, at a Company level based on Company operating profit targets for the year and at an individual level based on the delivery of strategic objectives. These levels are reviewed annually by the Remuneration Committee.

An Executive Director's bonus is determined as follows:

Financial (75%) The Committee will consider the firm's financial performance and, specifically, delivery of operating profit against targets for the year.

Non-financial (25%) The Committee will assess strategic progress made during the year. Performance of each Executive Director against agreed objectives will also be considered.

Bonus payments are made in cash and shares. To ensure that the interests of management and shareholders are aligned, Executive Directors are required to take a proportion (initially one-third) in shares, subject to a three-year "lock-up" period. These shares are released from lock-up in three equal tranches on the first, second and third anniversary of the bonus date. Additionally, Executive Directors are offered the opportunity to elect for up to a further one-third of their bonus to be paid in shares, which has no lock up. The remaining one-third is paid in cash.

LTIP

It is of great importance for the long-term success of the business that the Group retains and motivates its Executive Directors and leadership teams, and that they are incentivised over the longer term in a manner that aligns their interests with those of shareholders. The LTIP aligns senior management remuneration with the Company's long-term business success.

Awards under the LTIP will be subject to the performance conditions set out below and measured over a three-year performance period. Annual awards under the LTIP can be made up to a maximum of 200% of base salary. Any awards will be delivered in shares and will be subject to a two-year holding period commencing on the date of vesting. The Remuneration Committee will determine the applicable performance conditions for each annual award and set challenging criteria that are consistent with the Group's strategy. Vesting of LTIP awards to be granted to Executive Directors will be determined as follows:

- **EPS (1/3 of award)** Basic earnings per share is a firm-wide key performance indicator, which supports long-term financial sustainability. The Group aims to grow earnings per share consistently and the Remuneration Committee will set a three-year cumulative EPS threshold target of 15 pence, which would result in the LTIP vesting at 25%, rising on a straight-line basis to 100% vesting for a three-year cumulative EPS of 18 pence at the end of the performance period.
- **TSR (1/3 of award)** Relative TSR using a benchmark of the FTSE Small Cap index based on the outperformance of the index. The threshold target for the TSR portion of the award will be a TSR outcome in the 25th percentile of the index at which 25% of the TSR portion of the award would vest, rising on a straight-line basis to 100% vesting of the TSR portion of the award at a TSR outcome in the 75th percentile of the index.
- **Strategic measures (1/3 of award)** The strategic objectives of operational excellence, improved quality of earnings, and organic growth will be measured by the Remuneration Committee against KPIs over the three year period.

Following the end of the performance period, the Remuneration Committee will determine the extent to which the performance conditions have been met and the proportion of awards that will vest. Any shares awarded will be subject to a two-year post-vesting holding period. The Remuneration Committee will have discretion to adjust the vesting level where it is determined appropriate.

Staff remuneration schemes

In addition to a basic salary, pension and certain standard benefits such as private medical insurance, life assurance and permanent health insurance, there are a number of share schemes in which staff can participate. These schemes have been implemented to encourage employee share ownership as a means of incentivising, rewarding and aligning employee interests with those of shareholders. The relevant schemes are summarised below and, for the avoidance of doubt, do not form part of the Directors' Remuneration Policy.

Bonus Scheme

Individual bonus awards relate to Company financial performance and individual performance against objectives, assessed by the line manager and approved by the HR Committee. Bonuses awarded to individuals identified as Material Risk Takers ("MRTs") are subject to Remuneration Committee review.

The size of the bonus pool is calculated based on the Company financial performance against the target for the year and individual performance against objectives. Each member of staff will have an on-target bonus, based on Company and individual performance targets being met, expressed as a percentage of salary, and a maximum bonus, based on Company and individual performance targets being exceeded.

Bonus payments are made in cash and shares. Senior Managers and MRTs are required to take a proportion (initially one-third) in shares, subject to a three-year lock-up period. These shares are released from lock-up in three equal tranches on the first, second and third anniversary of the payment date. Additionally, Senior Managers and MRTs are offered the opportunity to elect for up to a further one-third of their bonus to be paid in shares, which has no lock-up. The remaining one-third is paid in cash.

Remuneration Policy to be proposed to shareholders at the AGM continued

Staff remuneration schemes continued

Share Scheme

The Share Scheme has been designed to award share options to high potential senior managers and staff. Executive Directors do not participate in the scheme. HMRC tax-qualified options ("Approved Options") as well as non-tax-qualified options ("Unapproved Options") can be granted. In total, the value of options granted under the Share Scheme is limited to 2% per annum of the market capitalisation of Record plc (being approximately 4 million shares).

Each participant may be granted Approved Options over shares with a total market value of up to £60,000 on the date of grant. There is no such limit on the value of Unapproved Options, which may be granted with any exercise price (including nil). Approved options become exercisable on the fourth anniversary of grant, subject to the participant's continued employment with the Group and, should they have been set, any other performance conditions being met.

One-quarter of any Unapproved Options becomes exercisable each year for four years, subject to the participant's continued employment and, should they have been set, any other performance conditions being met.

The Remuneration Committee retains the power to grant options under the Share Scheme, although it can and has delegated to management the task of identifying suitable recipients of options and the number of shares subject to options for those employees below Executive Director level.

Joint Share Option Plan ("JSOP")

The JSOP is designed for key staff to accelerate their acquisition of shares in the Company to further align their interests with those of shareholders. The JSOP requires a financial commitment from individual participants, thereby further aligning the individual's contribution and retention with business performance. Executive Directors do not participate in the JSOP.

Purchased shares are jointly held by the EBT and the employee under the JSOP. The vesting hurdle is set at market value of the shares subject to the JSOP on grant and the participant's own value above the hurdle. JSOP awards vest over a four-year period, one-quarter each year, and any share appreciation is settled in shares which are then subject to a two-year holding period.

Commission Scheme

The Company's Commission Scheme rewards and incentivises staff to grow the business. Executive Directors do not participate in the Scheme, however all other staff are eligible to participate. Any participant is required to meet their individual performance objectives to be eligible for a payment. There is a robust process in place to ensure that the Commission Scheme does not create a conflict of interest in relation to clients. All payments will be reviewed by the Remuneration Committee after input from the Head of Compliance.

As Jan Witte can no longer participate in the commission scheme from 1 January 2024, it was agreed in June 2024 that he would receive a one-off buy out payment for outstanding commission of £250,648.

Remuneration Policy table for the Chairman and the Non-executive Directors

The table below sets out the Remuneration Policy for the Chairman and the Non-executive Directors.

Element, purpose and link to strategy	Current operation for Chairman and Non-executive Directors	Further information
Fees Fixed remuneration that reflects the role, skills and experience	The Chairman's fees are determined by the Remuneration Committee. The Non-executive Directors' fees are approved by the Board. The Chairman's fees are £175,000. The basic NED fee is £52,500 with additional premiums as follows: • Senior Independent Director £5,000 (if also Chair of another Committee) • Audit Committee Chair £10,000 • Remuneration Committee Chair £10,000	Fees are reviewed annually. Any review will take into account market rates, business performance and individual contribution. Increases are unlikely to be out of line with the typical level of salary increase awarded across the Group.
Pension and benefits To enable the Chairman and Non-executive Directors to carry out their roles.	The Chairman and Non-executive Directors receive expenses but do not receive any additional benefits.	

Service contracts and loss of office payment policy

All Executive Directors have service agreements with the Company. None of the service agreements are 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 LTIP, nor to receive any fixed provision for termination compensation. The CEO, Jan Witte has a service agreement with Record Currency Management (Switzerland) GmbH and is seconded to the UK.

Non-executive Directors are appointed for an initial three-year period and are required to provide at least six months' notice of their intention to resign. Their continued engagement is subject to annual re-election by shareholders at the Group's AGM.

The terms and conditions of appointment of the Executive Directors and Non-executive Directors are available for inspection at the Company's registered office.

When an Executive Director leaves the Group, the Remuneration Committee will review the circumstances and apply the appropriate treatment to their final remuneration. Any payments and vesting of share awards under the Executive Directors' Bonus Scheme and the LTIP will be in accordance with the relevant scheme rules and discretion as set out in those plans at the time the Executive Director leaves. All payments will be in line with contractual entitlements and statutory requirements. No Executive Director will be rewarded for failure. The Company has the discretion to pay legal expenses and outplacement fees if it considers this to be appropriate.

Salary and benefits will continue to be paid throughout the notice period although the Remuneration Committee has the discretion to make a payment in lieu of notice.

Other matters

Engaging with employees and shareholders, decision-making processes and general employee pay and conditions

The Remuneration Committee takes an active involvement in remuneration for the whole Group. Record staff participate in all the remuneration arrangements, including the Staff Bonus Scheme, LTIP and share schemes. The Remuneration Committee reviews all bonus, LTIP and option awards. A significant proportion of our colleagues are shareholders, so are able to express their views in the same way as other shareholders.

When determining Executive Director remuneration arrangements, the Remuneration Committee takes into account pay conditions throughout the Group to ensure that the structure and quantum of Executive Directors' pay remains appropriate in the circumstances.

It remains our policy to discuss any substantive proposed changes to the Group's remuneration structures with key external shareholders in advance of any implementation. The Remuneration Committee takes into account shareholder views received in relation to resolutions to be considered at the AGM each year, and values shareholder feedback when forming remuneration policy.

The Group's remuneration decision-making processes are also summarised in that statement and detailed further above in the Remuneration Policy tables, as well as the general approach to employee pay and conditions.

Malus and clawback

Malus and clawback provisions under all of the Company's incentive schemes (including the Executive Directors' Bonus Scheme, Staff Bonus Scheme, LTIP, Share Scheme, Commission Scheme and JSOP) are in line with regulatory requirements. Under the relevant rules, the Remuneration Committee may apply malus and/or clawback where:

- the relevant individual participated in, or was responsible for, conduct which resulted in significant losses to the Company or relevant business unit;
- the relevant individual failed to meet appropriate standards of fitness and propriety;
- there is reasonable evidence of misbehaviour or material error by the individual;
- the Group, or business unit for which the relevant individual is responsible, suffers a material downturn in its financial performance; and/or
- the Group, or business unit in which the relevant individual works, suffers a material failure of risk management.

Source and funding of shares

Share awards under the Bonus Scheme are covered wherever possible through market purchases by the Company's Employee Benefit Trust ("EBT") rather than through the issue of new shares, and this has been the case since the inception of the previous Group Profit Share Scheme in 2007. It remains our intention to continue to operate in this manner in order to minimise potential dilution of shareholders' interests. Similarly, grants under the LTIP and the Share Scheme are not normally satisfied by the issue of new shares, in order to minimise potential dilution.

Remuneration Policy to be proposed to shareholders at the AGM continued

Other matters continued

Source and funding of shares continued

The JSOP uses market purchase shares only. The Company provides funds to the EBT to allow it to purchase shares in the market with which to satisfy the exercise of options. The number of shares purchased by the Group to hedge the satisfaction of options is based on an appropriate hedge ratio at each grant date, as calculated by management and approved by the Remuneration Committee.

Implementation of Remuneration Policy

The Group has implemented the Remuneration Policy, as approved by shareholders previously. The Remuneration Committee has approved variable remuneration payments for the CEO and CFO based on the Executive Directors' Bonus Scheme and the CFO is a participant in the LTIP scheme.

Approach to remuneration for new Executive Directors

On the recruitment of a new Executive Director, the level of fixed remuneration will be appropriate to the candidate's skills and experience and the responsibility that they will be undertaking. The components and level of remuneration for any new Executive Directors will be in line with those of existing Executive Directors, with the exception of any buyout award. New Executive Directors would be eligible to join the Bonus Scheme and would be eligible to be considered for participation in the LTIP as deemed appropriate by the Remuneration Committee, subject to the applicable policy at the time.

The Remuneration Committee recognises that a new Executive Director may forfeit remuneration as a result of leaving a previous employer and the Committee will consider mitigating that loss or part of that loss by making a buyout award in addition to the remuneration outlined above, subject to malus and clawback. The Committee will consider any relevant factors including any performance conditions attached to any previous incentive arrangements and the likelihood of these conditions being met and will take reasonable steps to ensure that any payment is at an appropriate level.

When recruiting a new Non-executive Director, fees will be in line with the prevailing fee schedule paid to other Board members and Non-executive Directors at that time.

Executive shareholding policy

Any new Executive Director will be encouraged to build a shareholding with a value of at least 150% of base salary, for example through the use of the Bonus Scheme and LTIP scheme, within a reasonable time of being appointed.

At the end of the appointment, an Executive Director would need to retain a shareholding with a value of at least 150% of base salary previously built up through awards under the Group's remuneration schemes (but excluding any shares bought for cash). Half of this shareholding must be held for a period of one year and the other half held for a period of two years.

Regulation

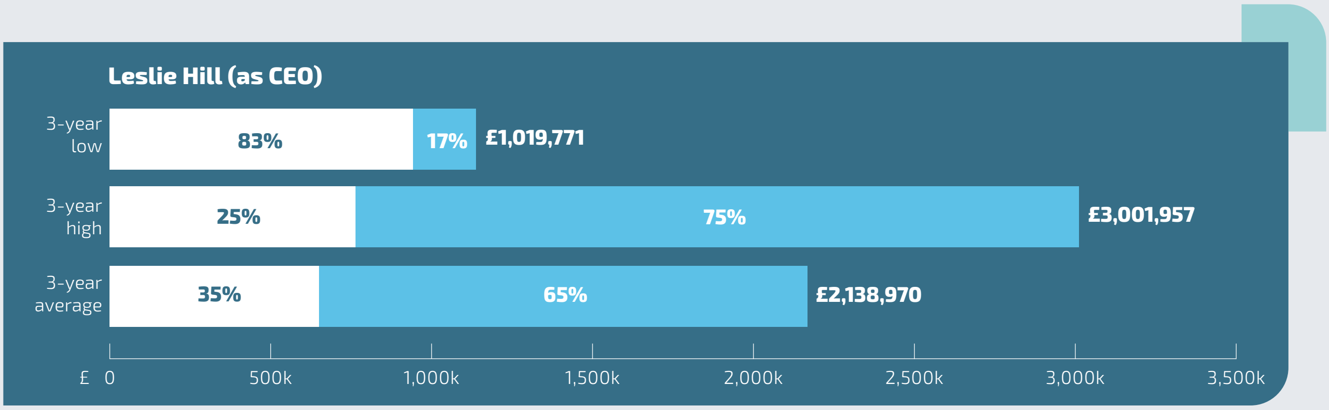
We continue to review our Remuneration Policy in line with regulatory changes and good practice and to ensure compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to the Group.

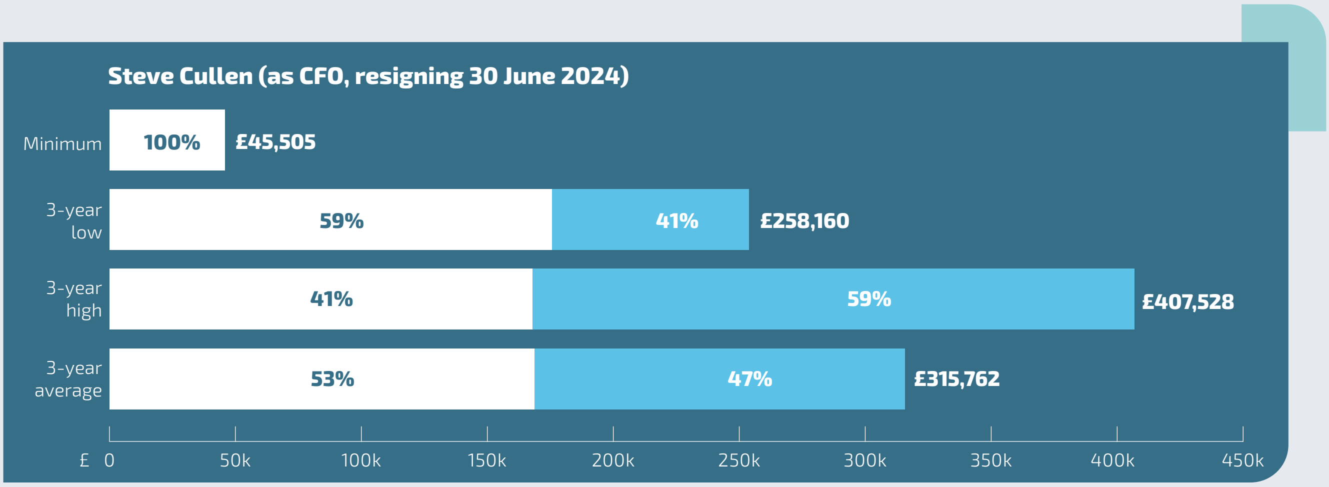
Remuneration report continued

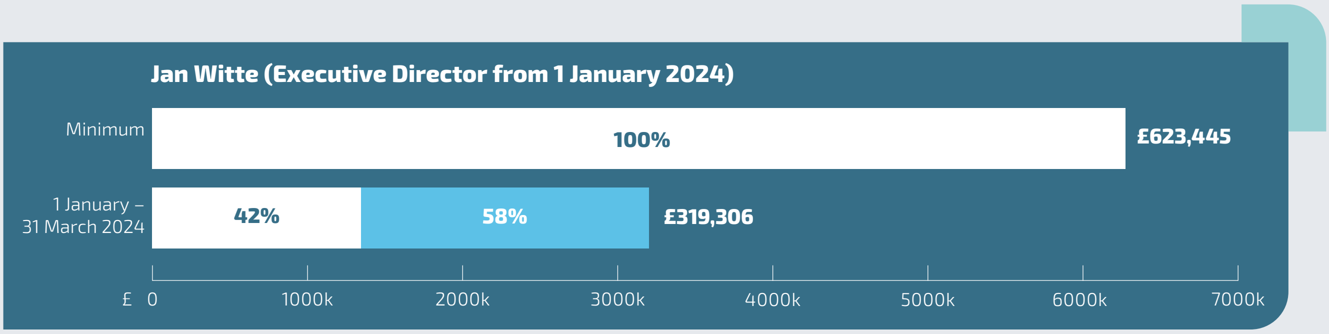
Remuneration Policy – illustrations

The charts below show the lowest, highest and average remuneration for the Executive Directors over the past three years. Fixed remuneration is comprised of salary, pension contributions, other benefits and any cash alternative. Variable remuneration comprises bonus, including cash and share payments, as well as any gains on share schemes.

As variable remuneration is not capped at the individual level, we have used the three-year average, highest and lowest remuneration as an indication of each Executive Director's earnings potential. Future remuneration will be determined based on profitability and performance as described in the Remuneration Policy.







Key:
- Fixed
- Variable

The above charts exclude the value of share scheme awards granted to Directors.

Annual report on remuneration

This part of the report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and relevant sections of the Listing Rules. The information on pages 88 to 94 has been audited, where required, under the regulations and is indicated as audited information where applicable.

Directors' remuneration as a single figure (audited information)

The remuneration of the Directors for the year ended 31 March 2024 is detailed below together with their remuneration for the previous year.

	Leslie Hill (retired on 31 March 2024)		Jan Witte (Remuneration since appointment to the Board on 1 January 2024)	Steve Cullen	
Executive Directors	2024 £	2023 £	2024 £	2024 £	2023 £
Salaries and fees	**682,500**	682,500	**121,190**	**162,400**	150,147
Benefits[1]	**3,974**	3,349	**3,236**	**1,755**	1,524
Pensions[2]	**75,075**	75,075	**9,678**	**18,721**	16,516
Payment in lieu of notice	**86,625**	—	**—**	**—**	—
Total fixed pay	**848,174**	760,924	**134,104**	**182,876**	168,187
Short-term incentive (Bonus – cash)	**84,484**	1,469,174	**123,468**	**52,287**	148,325
Short-term incentive (Bonus – shares)[3]	**42,242**	734,586	**61,734**	**26,144**	74,162
Share option gains	**44,871**	37,273	**—**	**20,290**	16,854
Total variable pay	**171,597**	2,241,033	**185,202**	**98,721**	239,341
Total	**1,019,771**	3,001,957	**319,306**	**281,597**	407,528

	Neil Record (retired on 27 July 2023)		David Morrison (appointed 1 March 2023)		Tim Edwards		Matt Hotson		Krystyna Nowak	
Non-executive Directors	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
Salaries and fees	**27,577**	85,357	**120,000**	10,000	**57,750**	57,750	**52,500**	52,500	**52,500**	52,500
Benefits[1]	**1,484**	3,876	**—**	—	**—**	—	**—**	—	**—**	—
Pensions[2]	**3,033**	9,389	**—**	—	**—**	—	**—**	—	**—**	—
Total	**32,094**	98,622	**120,000**	10,000	**57,750**	57,750	**52,500**	52,500	**52,500**	52,500

1. This value includes medical benefits, payments made in lieu of medical benefits, overtime payments and reimbursement of taxable travel expenses.
2. This includes payments made in lieu of pension contributions.
3. Short-term incentive payments are subject to individual performance conditions summarised in the objectives table. The shares vest immediately but are subject to lock-up restrictions and are calculated based on the overall profitability of the Group.

Payments for loss of office and payments made to former Directors

Bob Noyen left the Board of Directors on 4 February 2021 and left employment on 31 March 2021. To assist with the transition and maintenance of client relationships, Bob agreed to provide consultancy support to the Group. Payments in respect of this consultancy support totalled £1,200 in the year to 31 March 2024 (31 March 2023: £46,738).

Leslie Hill left the Board of Directors and employment on 31 March 2024. A payment in lieu of notice of £86,625, was made to her, being salary to the end of her notice period from 1 April 2024 to 15 May 2024 and no other payments were made for loss of office. Leslie was treated as a good leaver under the Group Bonus Scheme and Share Scheme rules and Remuneration Policy. To assist with the transition and maintenance of client relationships, Leslie agreed to provide consultancy support to the Company over a six-month period, commencing on 1 April 2024.

Pensions (audited information)

Executive Directors are entitled to join the Group Personal Pension Scheme. This is a defined contribution plan and for the financial year ended 31 March 2024, the Group made contributions of 11% of each Executive Director's salary, which could either be paid into the Group Personal Pension Scheme, taken as cash or a combination of the two.

All Directors who make personal contributions into the Company pension scheme via salary sacrifice receive an amount equivalent to the employer's national insurance saved by the Company into their pension as an additional contribution.

The employer pension contributions for the financial years ended 31 March 2023 and 31 March 2024 are detailed in the tables on page 121.

Executive Directors' Bonus Scheme payments

The Executive Directors' Bonus Scheme is the annual short-term variable remuneration structure that the CEO and CFO participate in. The Executive Directors' bonus pool is determined as follows:

- Financial 75%. The Remuneration Committee will consider the firm's financial performance and, specifically, delivery of operating profit targets for the year under the Group's three-year plan.
- Non-financial 25%. The Remuneration Committee will assess strategic progress made during the year and will focus specifically on progress in product diversification, technology modernisation and succession planning.

The overall performance against these criteria for the year is summarised in the tables for Leslie Hill and Steve Cullen below. The Remuneration Committee also receives reports from the Head of Compliance regarding any legal or compliance issues relevant to the award.

Leslie Hill

Objectives	Outcomes
Financial **Operating profit** Deliver operating profit, pre-bonuses, of £26.8 million.	Operating profit, pre-bonuses, was £17.0 million.
Non-financial **Product diversification** Diversify the Group's products from reliance on Passive and Dynamic Hedging to a broader set of non-correlated investment products.	Diversification progress has been slow and projects have run behind schedule. Management has decided to move forward with more passive investments in Block Scholes and Dair but this is no longer part of the diversification strategy.
Modernisation Continue to improve our infrastructure and have the technology tools to support the growth in business, while producing more secure and efficient systems.	The technology programme has not produced the scale of improvement targeted, and the decision was taken to focus on building internal IT development expertise. Work was discontinued on R-Platform, resulting in the impairment of the development costs capitalised to date of approximately £1.9 million.
Succession Put in place robust succession plans for plc Board level roles.	David Morrison assumed Chair responsibilities in July 2023, taking over from the founder, Neil Record. Jan Witte assumed Group CEO responsibilities from 1 April 2024, taking over from Leslie Hill. New CFO, Richard Heading, appointed and taking over role and responsibilities from Steve Cullen in the summer of 2024.

Steve Cullen

Objectives	Outcomes
Financial **Operating profit** Deliver operating profit, pre-bonuses, of £26.8 million.	Operating profit, pre-bonuses, was £17.0 million.
Non-financial **Product diversification** Diversify the Group's products from reliance on Passive and Dynamic Hedging to a broader set of non-correlated investment products.	Diversification progress has been slow and projects have run behind schedule. Management has decided to move forward with more passive investments in Block Scholes and Dair but this is no longer part of the diversification strategy.
Modernisation Modernise accounting systems to support business growth.	Developed accounting systems for the wider Group, designed processes for the re-charging of central costs.
Succession Strengthen the finance team.	Grown a robust team culture, hired talent into the team and increased responsibilities of team members. Now focused on succession to the new CFO.

Awards:

The bonus pool for Executive Directors (including employer on-costs) was significantly reduced to £234,493, which was 11.9% of the total maximum Executive Director pool that could have been paid for full delivery. The actual bonus pool was based on financial performance being below target and strategic progress on technology and product diversification being behind expectations. Succession planning was managed well.

Bonus outcomes were that Leslie Hill was awarded a bonus of £126,726 and Steve Cullen was awarded a bonus of £78,431.

Annual report on remuneration continued

Directors' share options and share awards (audited information)

During the financial year ended 31 March 2024 no option awards were made to the Executive Directors, in accordance with the Remuneration Policy.

All of the Executive Directors have previously been awarded share options and the table below sets out details of Executive Directors' outstanding share option awards, which may vest on an annual basis over three, four and five years subject to continued service and performance conditions. The table also sets out any options that have lapsed or been exercised. No option awards have been made to Jan Witte since his appointment to the Board on 1 January 2024, therefore his awards have not been included in the table below.

Name	Date of grant	Total options at 1 April 2023	Options granted in period	Options lapsed in period	Options exercised in period	**Total options at 31 March 2024**	Exercise price	Earliest exercise	Latest exercise
Leslie Hill (retired 31 March 2024)	21/08/19	383,333	—	(95,833)	(95,834)	**191,666**	31.1p	21/08/2022	20/08/2025
Steve Cullen	21/08/19	173,333	—	(43,333)	(43,334)	**86,666**	31.1p	21/08/2022	20/08/2025

The outstanding share options above vest subject to performance conditions, which are detailed on page 134.

Leslie Hill had a gain on share options of £44,871 and Steve Cullen had a gain on share options of £20,290 in the year ended 31 March 2024.

Options granted to Executive Directors vest on an annual basis (in years three, four and five) and vesting is subject to Record's average annualised EPS growth over the relevant period grant as follows:

Record's annualised EPS growth over the period from grant to vesting	Percentage of shares subject to the award which vest
>RPI growth + 13%	100%
>RPI growth + 10%, =<RPI growth + 13%	75%
>RPI growth + 7%, =<RPI growth + 10%	50%
>RPI growth + 4%, =<RPI growth + 7%	25%
>RPI growth + 4 %	0%

A principal strategic objective of the business is to create shareholder value for our investors over the long term. The Board considers this to be delivered by consistent growth in earnings of the business, and the chosen performance conditions and the EPS outcome which determine the number of options that ultimately vest under the scheme rules reflect this.

Share option awards made to Leslie Hill and Steve Cullen on 21 August 2019 vest in three equal tranches and the second of these vesting dates was 21 August 2023. In accordance with the performance conditions, 50% of this tranche of options vested, which was 95,834 shares for Leslie Hill and 43,334 shares for Steve Cullen, and the other 50% lapsed.

Directors' Long-Term Incentive Plan ("LTIP") awards

During the financial year ended 31 March 2024 an LTIP award was made to Steve Cullen in accordance with the scheme rules.

The table below sets out details of Executive Directors' outstanding LTIP awards, which may vest in full after three years subject to continued service and performance conditions. The table also sets out any LTIP awards that have lapsed or been exercised. No LTIP awards have been made to Jan Witte since his appointment to the Board on 1 January 2024, therefore his awards have not been included in the table below.

Name	Date of grant	Total LTIP awards at 1 April 2023	LTIP awards granted in period	LTIP awards lapsed in period	LTIP awards exercised in period	**Total LTIP awards at 31 March 2024**	Vesting date
Leslie Hill (retired 31 March 2024)	—	—	—	—	—	**—**	—
Steve Cullen	08/09/22	325,000	—	—	—	**325,000**	31/03/25
	21/11/23	—	185,000	—	—	**185,000**	21/11/26

The outstanding LTIP awards above vest subject to performance conditions, which are detailed on page 137.

LTIP awards granted to Executive Directors vest after three years and vesting is subject to Record's average annualised EPS growth and Total Shareholder Return ("TSR") over the relevant period since grant as follows:

Two-thirds of the vesting of the LTIP grants awarded on 8 September 2022 and 21 November 2023 are subject to a three-year cumulative EPS threshold target of 15 pence, resulting in the EPS portion vesting at 25%, rising on a straight-line basis to 100% vesting for a three-year cumulative EPS of 18 pence at the end of the performance period.

Remuneration report continued

One-third of the vesting of the LTIP grants awarded on 8 September 2022 and 21 November 2023 are subject to a relative TSR using a benchmark of the FTSE Small Cap index. The threshold target for the TSR portion is a TSR outcome in the 25th percentile of the index at which 25% of the TSR portion will vest, rising on a straight-line basis to 100% of the TSR portion at a TSR outcome in the 75% percentile of the index.

A principal strategic objective of the business is to create shareholder value for our investors over the long term. The Board considers this to be delivered by consistent growth in earnings of the business, and the chosen performance conditions and the EPS and TSR outcome which determine the number of LTIP awards that ultimately vest under the scheme rules reflect this.

Bonus shares in lock up (audited information)

The table below shows Directors' interests in ordinary shares arising from the deferred element of annual Bonus awards. No Bonus share awards have been made to Jan Witte since his appointment to the Board on 1 January 2024, therefore his awards have not been included in the table below.

	Interested in restricted shares at 1 April 2023	Restricted awards during year	Restrictions released during year	**Interested in restricted shares at 31 March 2024**
Leslie Hill (retired 31 March 2024)	591,284	291,368	(274,926)	**607,726**
Steve Cullen	44,896	26,316	(25,140)	**46,072**

Directors' share interests (audited information)

The tables below show Directors' interests in ordinary shares arising from the deferred element of annual Bonus awards.

2024	Shares held without restrictions	Bonus shares subject to restrictions[1]	**Total shares held[2]**	Share options & LTIP	**Total share interests**
Executive Directors					
Leslie Hill (retired 31 March 2024)	16,163,031	607,726	**16,770,757**	191,666	**16,962,423**
Steve Cullen	1,473,802	46,072	**1,519,874**	596,666	**2,116,540**
Jan Witte (appointed 1 January 2024)	638,499	652,451	**1,290,950**	2,893,000	**4,183,950**
Non-Executive Directors and Chairman					
Neil Record (retired 27 July 2023)	52,896,541	—	**52,896,541**	—	**52,896,541**
David Morrison (appointed 1 March 2023)	—	—	**—**	—	**—**
Tim Edwards	60,000	—	**60,000**	—	**60,000**
Matt Hotson	—	—	**—**	—	**—**
Krystyna Nowak	50,000	—	**50,000**	—	**50,000**
Total	71,281,873	1,306,249	**72,588,122**	3,681,332	**76,269,454**

2023	Shares held without restrictions	Bonus shares subject to restrictions[1]	Total shares held	Share options & LTIP	Total share interests
Executive Directors					
Leslie Hill	15,792,271	591,284	16,383,555	383,333	16,766,888
Steve Cullen	1,434,948	44,896	1,479,844	498,333	1,978,177
Non-Executive Directors and Chairman					
Neil Record (retired 27 July 2023)	54,646,541	—	54,646,541	—	54,646,541
David Morrison (appointed 1 March 2023)	—	—	—	—	—
Tim Edwards	60,000	—	60,000	—	60,000
Matt Hotson	—	—	—	—	—
Krystyna Nowak	50,000	—	50,000	—	50,000
Total	71,983,760	636,180	72,619,940	881,666	73,501,606

1. Under the rules of the Bonus scheme, shares awarded to Directors are subject to lock-up restrictions between one and three years from the award date.
2. Directors' share interests have remained unchanged to 30 June 2024.

Remuneration report continued

Annual report on remuneration continued

CEO shareholding in Record Asset Management GmbH

Prior to Jan Witte becoming a director of the Group, it had been agreed that he would acquire a 10% shareholding in Record Asset Management GmbH ("RAM"), a German subsidiary of Record plc.

To ensure that Jan's RAM shareholding does not create any shareholder misalignment, for the duration of Jan's tenure as CEO, all voting rights pertaining to the shareholding will be exercised solely by Record plc. In addition, any dividends or other shareholder distributions to which Jan may become entitled by virtue of his holding will be paid to Record plc which will procure that any such dividends or distributions are used to acquire shares in Record plc, on Jan's behalf. Any relevant shares acquired will then be subject to a three-year lock-up period during which they cannot be sold or otherwise disposed of.

The arrangement in respect of Jan's RAM shareholding is not deemed to be remuneration for services provided to the Group and so will not form part of the Directors Remuneration Policy or otherwise be disclosed in the Company's annual report on remuneration (except that any shares acquired by Jan will form part of the Directors share interests).

Salary review for the Board

Company-wide salary increases were made during the year and in addition some discretionary salary increases were made to staff. The CEO did not receive any salary increase during the year. The CFO received salary increases in April 2023 and October 2023 to reflect the widening remit and responsibilities of his role.

The table below confirms the current salaries for Executive Directors and Non-executive Directors:

	Salary at 1 April 2023 £	**Salary at 1 April 2024 (current salary) £**	Increase
Executive Directors			
Leslie Hill (retired on 31 March 2024)	682,500	**—**	—
Steve Cullen	160,000	**164,800**	3%
Jan Witte (appointed on 1 January 2024)	—	**550,000**	—
Non-executive Directors and Chairman			
Neil Record (retired on 27 July 2023)	85,357	**—**	—
David Morrison (appointed 1 March 2023)	120,000	**175,000**	46%
Tim Edwards	57,750	**67,500**	17%
Matt Hotson	52,500	**62,500**	19%
Krystyna Nowak	52,500	**52,500**	—

Total remuneration of Chief Executive Officer (audited information)

The total remuneration of the Chief Executive Officer over the last ten years is shown in the following table. The total remuneration figure includes the annual profit share payment. There is no maximum value that could be paid during each year.

Year ended 31 March	2015 £	2016 £	2017 £	2018 £	2019 £	2020 £	2021 £	2022 £	2023 £	**2024 £**
Leslie Hill[1]	—	—	—	—	—	123,241	1,270,178	2,395,183	3,001,957	**1,019,771**
James Wood-Collins[2]	641,623	642,865	678,054	655,723	689,019	582,620	—	—	—	**—**

1. Appointed 13 February 2020, retired 31 March 2024.
2. Resigned 13 February 2020.

Percentage change in the remuneration of the Chief Executive Officer (audited information)

The following table shows the percentage change in the base salary, benefits and annual bonus of the Chief Executive Officer between the years ended 31 March 2024 and the previous financial years compared to the average for all employees of the Group.

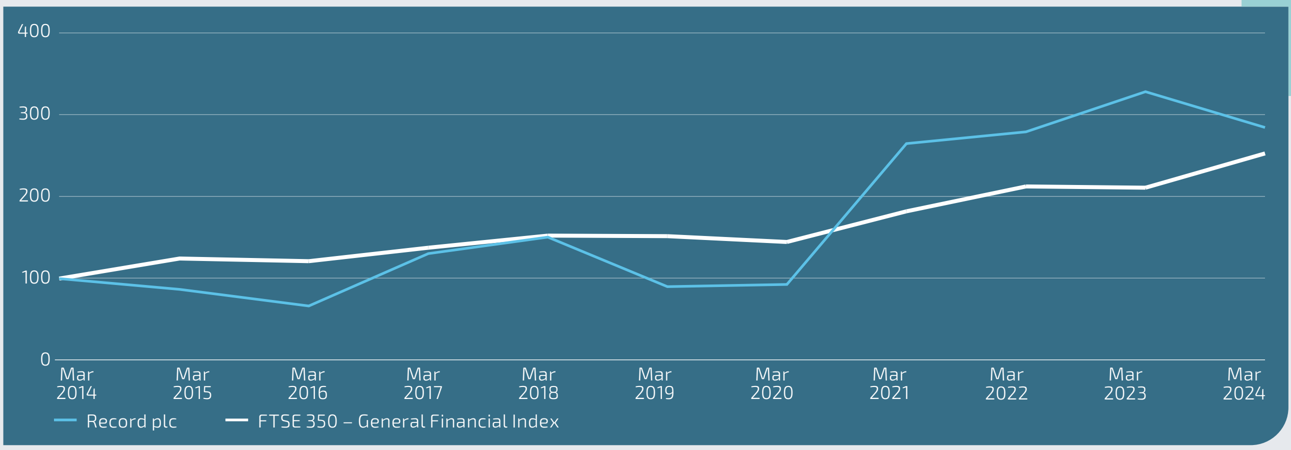
Year ended 31 March	2018		2019		2020		2021		2022		2023		**2024**	
	Chief Executive	Average for all employees	Chief Executive	Average for all employees	Chief Executive	Average for all employees	Chief Executive	Average for all employees	Chief Executive	Average for all employees	Chief Executive	Average for all employees	**Chief Executive**	**Average for all employees**
Base salary	0%	3%	0%	3%	57%	6%	0%	9%	44%	18%	5%	13%	**0%**	**8%**
Benefits	—	—	—	—	—	—	(2%)	—	(3%)	—	—	—	**—**	**—**
Total annual profit share/Bonus	(8%)	10%	20%	10%	(2%)	4%	96%	1%	121%	117%	32%	44%	**(94%)**	**(54%)**

Percentage change in the remuneration of the Board Directors (audited information)

The following table shows the percentage change in the base salary, benefits and annual bonus of the Board Directors between the year ended 31 March 2024 and the previous financial years compared to the average for all employees of the Group, for all Board Directors.

	Year ended 31 March 2021			Year ended 31 March 2022			Year ended 31 March 2023			**Year ended 31 March 2024**		
% change in:	Base salary	Benefits	Total bonus	Base salary	Benefits	Total bonus	Base salary	Benefits	Total bonus	**Base salary**	**Benefits**	**Total bonus**
Leslie Hill (retired on 31 March 2024)	0%	(2%)	96%	44%	(3%)	121%	5%	—	32%	**0%**	**—**	**(94%)**
Steve Cullen	0%	(2%)	(25%)	5%	(3%)	61%	10%	—	112%	**10%**	**—**	**(65%)**
Neil Record (retired on 27 July 2023)	—	—	—	3%	(3%)	—	5%	—	—	**—**	**—**	**—**
David Morrison (appointed 1 March 2023)	—	—	—	—	—	—	—	—	—	**0%**	**—**	**—**
Tim Edwards	—	—	—	26%	—	—	5%	—	—	**0%**	**—**	**—**
Matt Hotson	—	—	—	—	—	—	5%	—	—	**0%**	**—**	**—**
Krystyna Nowak	—	—	—	—	—	—	5%	—	—	**0%**	**—**	**—**
Employees of Record Group	9%	—	1%	18%	1%	117%	13%	—	39%	**8%**	**—**	**(54%)**

Total Shareholder Return performance graph

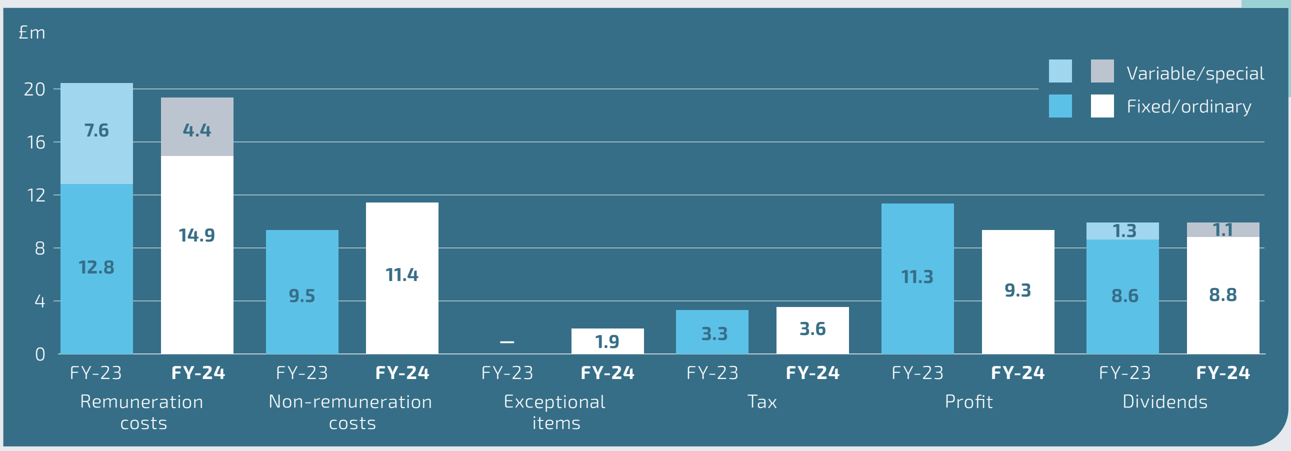


The above graph shows the Group's Total Shareholder Return compared with the FTSE 350 – General Financial Index, and shows the change in the theoretical value of £100 invested in Record plc on 31 March 2014 compared to £100 invested in the FTSE 350 – General Financial Index. The FTSE 350 – General Financial Index has been chosen because the index is a widely accepted performance comparison for UK small quoted financial services companies.

The market price of the Company's shares as at 31 March 2024 was 63.9 pence. The highest closing share price during the financial year was 98.0 pence. The lowest closing share price during the financial year was 62.1 pence.

Relative importance of the spend on pay

The following chart shows the year-on-year movement in total remuneration costs, non-remuneration costs and corporation tax compared to the profit attributable to ordinary shareholders and the level of dividends paid and declared on ordinary shares. The factors chosen to compare remuneration against are considered to be the most relevant as they take into account all of the different stakeholders.



Annual report on remuneration continued

Relative importance of the spend on pay continued

Dividends are represented in the chart above as follows:

2024: interim dividend paid in December 2023 of 2.15 pence per share, final dividend proposed of 2.45 pence per share and special dividend of 0.60 pence per share.

2023: interim dividend paid in December 2022 of 2.05 pence per share, final dividend paid of 2.45 pence per share and special dividend of 0.68 pence per share.

Directors' service contracts

Steve Cullen has a service agreement dated 15 March 2013, reflecting his promotion to Chief Financial Officer, and Jan Witte has a service agreement dated 1 April 2024, when he took over as Group CEO. None of the service agreements are 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, LTIP, Group Share Scheme awards, nor to receive any fixed provision for termination compensation.

Non-executive Directors are appointed for an initial three-year period. Their continued engagement is subject to annual re-election by shareholders at the Group's AGM.

External directorships and fees

With the approval of the Board in each case, and subject to the requirements of the Group, Executive Directors may accept a limited number of external appointments. No Executive Directors receive any fees in respect of their external appointments.

Other matters

No Director had any material interest in any contract with the Group, either during the year or at the year end. There are no outstanding loans to any Director.

Statement of voting at the Annual General Meeting

The following table sets out the voting outcomes in respect of the most recent AGM votes on the annual report on remuneration, at the AGM held on 27 July 2023.

	For		Against		Votes withheld	
	number	%	number	%	number	%
Annual report on remuneration	**116,658,015**	**98.46%**	1,828,494	1.54%	6,000	0%

Governance: role of the Remuneration Committee

Membership of the Remuneration Committee

The Remuneration Committee is chaired by Krystyna Nowak, who took over from Tim Edwards on 26 June 2024 and is supported by the Chairman, David Morrison, and an independent Non-executive Director, Matt Hotson.

The Chief Financial Officer, Chief Executive Officer and Head of Compliance may attend meetings by invitation and assist the Committee in its deliberations, except when their personal remuneration is discussed. No Directors are involved in deciding their own remuneration. The Committee also received advice from the Head of HR and Company Secretary and the HR Director.

The Committee operates under formal terms of reference, which are summarised below and reviewed annually.

Responsibilities of the Committee

The responsibilities of the Committee include the following:

- determining the framework and policy for the remuneration of the Chairman and Executive Directors and approving all payments;
- determining the framework and policy for the remuneration of all staff and ensuring alignment with the Group's plans;;
- reviewing and advising on the Group's remuneration strategy, which includes the design of the Bonus Schemes, LTIP, Share Scheme, Joint Share Ownership Plan and any other new initiatives;
- ensuring that the Remuneration Policy promotes sound and effective risk management as well as good conduct and does not encourage risk-taking above the risk appetite of the firm; and
- reviewing remuneration disclosures and ensuring compliance with relevant regulation and legislation.

Key areas of focus during the year

The table below summarises the areas that the Remuneration Committee focused on at each of its meetings during the year. Ten Committee meetings were held during the year.

Date	Key issues considered
April 2023 (two meetings)	• Review of Executive Director salaries • Total remuneration spend review • Discussion of Executive Director bonus payments and bonus pool • Market update from Macfarlanes • Review of terms of reference and review of Committee performance
June 2023	• Review of bonus payments with Head of Compliance • Approval of bonus payments for Executive Directors, MRTs and staff • Approval of commission payments
July 2023	• Review of shareholder reports • LTIP discussion
October 2023 (two meetings)	• Review of Executive Director salaries • Bonus pool discussion • LTIP awards • RAM shareholding discussion for Jan Witte
November 2023	• Review of bonus payments with Head of Compliance • Approval of bonus payments for MRTs and staff • Approval of commission payments
December 2023	• Discussion of remuneration package for new CFO, to be recommended to the Board • RAM shareholding agreement for Jan Witte
February 2024	• FY-24 bonus approach • New bonus scheme proposal • New CEO remuneration package
March 2024	• FY-24 bonus outcomes for Executive Directors • New bonus scheme approval • New CEO remuneration package • NED and Chair fees discussion

External advisers

The Committee received advice from Macfarlanes during the year, and received specialist advice from Ellason LLP in connection with the introduction of a new bonus scheme.

Committee evaluation

An internal review of Committee effectiveness was carried out as part of the Board evaluation process in April 2024 and was based on discussions with Committee members. The review considered the information that the Committee received, the frequency of meetings and the topics that were covered. The conclusion was that the Committee was effective in carrying out its duties.

Approval

This Directors' Remuneration report, including both the Directors' Remuneration Policy and the annual report on remuneration, has been approved by the Board of Directors.

Approved by the Committee and signed on its behalf by:

Krystyna Nowak
Chair of the Remuneration Committee

27 June 2024

Directors' report

The information contained in the sections of this Annual Report and Accounts identified below forms part of this Directors' report:

- Strategic report on pages 1 to 57;
- Board of Directors on pages 60 and 61;
- Corporate governance report on pages 62 to 68;
- Nomination Committee report on pages 69 to 71;
- Audit Committee report on pages 72 to 76;
- Remuneration report on pages 77 to 95;
- Directors' statement of responsibilities on page 100; and
- S172 Companies Act 2006 on pages 35 to 37.

Disclosures required under Listing Rule 9.8.4

The information required to be disclosed by Listing Rule 9.8.4 is located within this Directors' report. The majority of the disclosures required under LR 9.8.4 are not applicable to Record. The applicable sub-paragraphs within LR 9.8.4 and related disclosure areas are as follows:

- LR 9.8.4 (12) Shareholder waivers of dividends;
- LR 9.8.4 (13) Shareholder waivers of future dividends; and
- LR 9.8.4 (14) and LR 9.8.4R (10) Agreements with controlling shareholders and details of any contract of significance.

Share capital

The Company has a single class of share capital consisting of ordinary shares of 0.025p each. Each ordinary share is equally eligible to receive dividends and the repayment of capital and represents one vote at a shareholders' meeting.

None of the ordinary shares carry any special rights with regard to control of the Company.

The ordinary shares have a premium listing on the London Stock Exchange. Details of structure and changes in share capital are set out in note 22 to the financial statements.

The Company has not exercised the right to allot, buy back or purchase ordinary shares in its capital (including treasury shares) during the year.

As at 31 March 2024, the number of shares in issue of the Company was 199,054,325 (FY-23: 199,054,325).

The Record Employee Benefit Trust ("EBT") periodically purchases shares in the market to satisfy requirements for shares vesting under the Group's various share schemes. Further information is provided in note 22 to the accounts.

Substantial shareholdings

The table below sets out the names of those persons or investors who, insofar as the Company is aware, are interested directly or indirectly in 3% or more of the issued share capital of the Company as at 31 March 2024:

Name	Number of ordinary 0.025p shares held	Percentage interest
Neil Record	52,896,541	26.57%
Leslie Hill	16,770,757	8.43%
Interactive Investor	10,925,903	5.49%
Premier Miton Investors	9,390,087	4.72%
Schroders plc	7,252,603	3.64%
Hargreaves Lansdown Asset Mgt	6,611,026	3.32%

Information provided to the Company pursuant to Rule 5 of the Disclosure and Transparency Rules ("DTR") is published via RNS, a regulatory information service, and also on the Company's website. During the period from April 2023 to April 2024 the Company received two notifications in accordance with DTR 5 disclosing changes to voting interests in its ordinary share capital as follows: Schroders plc disposed of shares on 22 August 2023, reporting a shareholding decrease from 5.07% to 3.51%, and Mr Neil Record disposed of shares on 15 February 2024 with their further transferral to The Record Charitable Trust, reporting a shareholding decreasing from 27.45% to 26.57%. There have been no further changes in shareholding between 31 March 2024 and the date of signing of this report, 27 June 2024.

Relationship agreement

Under LR 9.2.2, listed companies must establish a legally binding relationship agreement to govern interactions between the Company and a controlling shareholder. Neil Record was deemed to be a controlling shareholder when the Company became listed in 2007, and a relationship agreement has remained in place since then. Following a series of share transfers to the Record Charitable Trust, Neil Record holds 26.6% of the voting rights, and consequently is no longer deemed to be a controlling shareholder under the Listing Rules. However, the terms of the current relationship agreement state that it shall remain in place as long as the shareholder holds a legal or beneficial interest (whether direct or indirect) in shares representing 25% or more of the entire issued share capital of the Company. Consequently, this relationship agreement remains effective and will continue to do so whilst Neil Record continues to hold at least 25% of the voting rights of the Company.

The Board is satisfied that the Company has complied with the independence provisions included in the relationship agreement during the year ended 31 March 2024, which stipulate that the shareholder agrees to, and shall procure that his Associates shall:

- Conduct all transactions and arrangements with any Group company on an arm's length basis and on normal commercial terms.
- Not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules.
- Not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.
- Exercise the voting rights attaching to the shares in his or his Associates' control and any other powers of control in such a manner so as to procure (to the extent that they are able by the exercise of such voting rights) that each Group company is capable of carrying on its business independently of the shareholder and his Associates.
- Not exercise any of the voting rights attaching to the shares in his or his Associates' control or any other powers of control in such a manner so as to procure any amendment to the Company's Articles of Association which would be inconsistent with, undermine or breach any of the provisions of this agreement.

Restrictions on transfers of shares

Under the terms of the Record plc Bonus ("Bonus") Scheme rules, certain senior employees and Directors of the Company are required to receive a proportion of any Bonus award in shares, and may elect to receive a further proportion of their profit share in the form of a share award and receive a final proportion in cash. All ordinary shares which are the subject of these share awards are transferred immediately to a nominee. These shares are not subject to any vesting conditions but are subject to "lock-up" arrangements and clawback provisions. The individual is entitled to full rights in respect of these shares. No such shares can be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee unless specified anniversary dates have been reached. Further details are disclosed in note 23 to the financial statements.

Dealings in the Company's ordinary shares by persons discharging managerial responsibilities, employees of the Company and, in each case, their connected persons, are subject to the Group's dealing code which complies with the EU Market Abuse Regulation ("EU MAR") which came into force on 3 July 2016, and was onshored into UK MAR following the expiry of the Brexit transition period on 31 December 2020.

Certain restrictions, customary for a listed company, apply to transfers of ordinary shares in the Company.

Power of the Company to issue, buy back and purchase shares

The Directors manage the Company under the powers set out in the Company's Articles of Association. These powers include the Directors' ability to issue or buy back shares. An ordinary resolution was passed at the 2023 AGM, authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £16,588, representing approximately one-third of the Company's issued share capital.

The Directors intend to seek shareholders' approval for the renewal of this authority at the 2024 AGM. If approved, this authority will expire on 30 October 2025 or, if earlier, at the conclusion of the AGM in 2025.

At the AGM in 2023, shareholders approved a resolution authorising the Company to make purchases of its own shares. No purchases of own shares were made during the reported period. A special resolution will be proposed at the 2024 AGM to renew the Company's limited authority to purchase its own ordinary shares. This authority will be limited to a maximum of 10% of the Company's issued share capital and will set out the minimum and maximum prices which the Company may pay for any such purchase. If approved, this authority will expire on 30 October 2025, or, if earlier, at the conclusion of the AGM in 2025.

Results and dividends

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 110.

The Company paid an interim ordinary dividend of 2.15 pence per share on 22 December 2023 to shareholders on the register on 1 December 2023.

The Directors recommend a final ordinary dividend of 2.45 pence per ordinary share for the year ended 31 March 2024, making a total ordinary dividend of 4.60 pence per share. Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 2 August 2024 to shareholders on the register at the close of business on 12 July 2024. The shares will be quoted ex-dividend from 11 July 2024.

The Board has declared a special dividend of 0.60 pence per share to be paid simultaneously with the final ordinary dividend on 2 August 2024. This equates to a total distribution of 5.20 pence per share, equivalent to 93% of underlying earnings.

Shareholder waiver of dividends

The Record Employee Benefit Trust has waived its rights to dividends paid on the ordinary shares held in respect of the Group Share Scheme, the Group Bonus Scheme and the Group Joint Share Ownership Plan. The trust held 6,700,467 shares as at 31 March 2024 (FY-23: 8,735,002 shares).

Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk (managed using financial instruments) and interest rate risk. The Group seeks to minimise potential adverse effects on its financial performance. Further information is contained in note 24 to the financial statements.

Financial reporting controls

The Chief Financial Officer is responsible for managing the financial controls framework. The framework requires control owners to perform key preventative and detective controls and follow documented processes to ensure that proper accounting records are maintained and that financial information used by the business is reliable and free from material misstatement.

Statement of disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's external auditors are unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Related party transactions

Details of related party transactions are set out in note 27 to the financial statements.

Post-reporting date events

As set out in note 32 to the financial statements, in June 2024 Record plc reduced its investment in the start-up joint venture Dair Record Limited to the extent that it will no longer be recognised as a joint venture by the Group. There were no other post-reporting date events.

Going concern

The Strategic report explains the Group's business activities together with the factors likely to affect its future development, performance and position and the financial statements include information on the Group's financial position, cash flows and liquidity. In addition, the financial risk management note to the financial statements sets out the objectives, policies and processes for the management of the risks to which the business is exposed in order to minimise any adverse effects on the Group's financial performance. The Group has considerable financial and liquid resources and performs regular financial forecasts and cash flow projections. The Group holds no debt.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue operations for the foreseeable future and therefore continue to adopt the going concern basis in preparing the Annual Report and Accounts.

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the twelve months required by the going concern provision.

Political donations

It is the Group's policy not to make political donations and accordingly no such donations have been made during the period under review.

Environment

The Group's environmental policies and the disclosures required by SI 2008/410 Sch7.15-20 and LR 9.8.6R on TCFD recommendations and disclosures are provided in the Sustainability report on pages 26 to 34.

Modern Slavery statement

The Group's Modern Slavery statement can be found in the Sustainability report on page 30.

Corporate responsibility

Details of the Company's employment practices, including diversity and employee engagement, can be found in the Sustainability report on pages 30 and 31. We are committed to minimising the environmental impact of our operations and to delivering continuous improvement in our environmental performance. See page 34 for more details on our total CO_2 emissions data.

Directors

The Directors of the Company who held office at the year end and to date are listed on pages 60 and 61. Directors' remuneration and Directors' interests in Record plc shares are disclosed in the Remuneration report.

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses, liabilities or expenses incurred by them in relation to the Company or any of its subsidiaries. The Group has appropriate Directors' and Officers' insurance in place.

Directors' conflicts of interest

The Company has procedures in place to identify, authorise and manage conflicts of interest, including those of Directors of the Company, and they have operated effectively during the year. In circumstances where a potential conflict arises, the Board (excluding the Director concerned) will consider the situation and either authorise the arrangement in accordance with the Companies Act 2006 and the Company's Articles of Association or take other appropriate action.

All potential conflicts authorised by the Board are recorded in a conflicts register which is maintained by the Company Secretary and reviewed by the Board on an annual basis. Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

Change of control

Directors' and employees' employment contracts do not provide for compensation for loss of office or employment as a result of a change of control. However, the provisions of the Group's employee share schemes may cause awards granted to employees under such schemes to vest on a change of control.

The Group is not party to any significant agreements that would take effect, alter or terminate on a change of control of the Company.

2024 Annual General Meeting

The 2024 Annual General Meeting of the Company will be held at 10am on 30 July 2024 at the following address: Liberty House, 222 Regent Street, London W1B 5TR. Details of the ordinary and special resolutions to be proposed at the Annual General Meeting, together with details on the meeting format and voting procedures, are given in a Chairman's letter to shareholders and the attached Notice of Annual General Meeting.

The Board and the Chair of each of the Board Committees will be available to answer questions put to them by shareholders of the Company at the 2024 Annual General Meeting.

By order of the Board:

Kevin Ayles
Company Secretary

27 June 2024

Directors' responsibilities statement

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a Directors' report, a Strategic report and Directors' Remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

David Morrison
Chairman

Steve Cullen
Chief Financial Officer

27 June 2024

Financial statements

What's in this section

Independent auditor's report to the members of Record plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Record Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows, and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the shareholders at the annual general meeting on 4 August 2020 to audit the financial statements for the year ended 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years, covering the years ended 31 March 2021 to 31 March 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' going concern assessment which comprised a cash flow forecast and reverse stress test and we tested for arithmetical accuracy. We considered whether there is a risk that could plausibly affect the liquidity or ability of the Group and the Parent Company to continue to operate in the going concern period by comparing severe, but plausible downside scenarios that could arise individually and collectively against the level of available financial resources indicated by the Group's financial forecasts;
- Holding discussions with Directors on whether events or conditions exist that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as going concerns; corroborating those discussions by agreeing information obtained to supporting documents such as budgets, cash flow forecasts and minutes of meetings;
- Assessing the assumptions in the cash flow forecasts such as revenue growth rates, future overheads and regulatory capital requirements and considering whether the budgeting and cash flow forecast models utilised were appropriate. We reviewed the outcome of the Group and Company's prior year budgets against the actual outcomes to assess the reasonability of assumptions applied;
- Considering the impact of the current challenging and volatile economic environment characterised by high interest rates, inflation rates and cost pressures on the Group's and the Company's financial performance, business activities and operations, regulatory capital, and liquidity. Assessing the potential impact of reduced Assets Under Management "AUM" and revenues on the Group's and Company's profitability and liquidity including available cash resources; and
- Reviewing the going concern disclosures included in the Financial Statements in order to assess if the disclosures are consistent with the Directors' going concern assessment and in conformity with the applicable reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Record plc

Overview

Coverage	94% (2023: 95%) of Group profit before tax 100% (2023: 100%) of Group revenue 99% (2023: 99%) of Group total assets

Key audit matters

	2024	2023
Revenue Recognition	✓	✓

Materiality	Group financial statements as a whole £646,000 (2023: £730,000) based on 5% (2023: 5%) of Profit before tax.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined there to be three significant components which are UK based to be Record Group Services Limited, Record Currency Management Limited and the Parent Company which were subject to full scope audits performed by the Group engagement team.

For the non-significant components, we performed desktop reviews and specific procedures on areas where there was considered to be a risk of material misstatement and on material balances.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out on pages 32 and 33 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and viability assessment.

We also assessed the consistency of managements disclosures included as Statutory Other Information on pages 32 and 33 with the financial statements and with our knowledge obtained from the audit. Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Record plc continued

An overview of the scope of our audit continued
Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition The Group's associated accounting policies are detailed in note 4 on page 120. Management fees: £38.7m (2023: £38.3m) Performance fees: £5.8m (2023: £5.8m) The Group's revenue arises from currency management services through the provision of currency and asset management products as disclosed in Note 4. Revenue comprises mainly management fees (85%) and performance fees (13%). Revenue recognition in relation to management fees and performance fees is a significant audit risk as it is a key driver of return to investors and there is a risk that there could be manipulation or omission of amounts recorded. There is also a risk that performance fees are not recognised appropriately in accordance with the accounting framework adopted. For management fees, which are calculated as weighted average exposures at the fee rates specified in the Management Agreements ("IMAs"), there are a number of manual procedures, including identification of applicable Assets Under Management ("AUM"). There is a risk that the data used in the fee calculation is manipulated during the manual process, leading to material risk of misstatements in management fees.	**Our audit testing included the following:** • We obtained management's paper on the revenue recognition policy and assessed the revenue recognition policy for both management fees and performance fees against the requirements of the applicable accounting standards. • For a sample of days, we tested the operating effectiveness of relevant controls over the receipt and input of customer data into the underlying system for AUM to assess the daily monitoring checks over the rebalancing process and if exceptions are resolved. • With the assistance from our IT specialists, the design, implementation and operating effectiveness of the IT general controls ("ITGC") of the key IT applications used in the revenue reporting process, including the key automated controls within the IT applications for the full period was tested. Further to this, we tested the internal reporting systems ability to accurately compute weighted average days and weighted average AUM exposure levels (running totals) as such information is relied upon for the calculation of management fee revenue. • For a sample of new clients onboarded during the year, we tested the existence, accuracy and completeness of new client static data captured in the internal reporting system and invoices raised to new client by agreeing inputs to supporting IMA. **On a sample basis we:** • Obtained management's fee calculation, discussed the methodology used in the calculation with management, and agreed the calculation methodology to the relevant IMAs to assess the reasonableness of the methodology used. • Agreed the key inputs used in the management fee calculation such as hedge ratios and fee rates to the IMAs to assess the accuracy of the inputs in the calculation. • We obtained an understanding of client's process related to identification of applicable AUMs and tested a sample of the AUM identified to supporting documentation to assess the reasonableness of the AUMs used in the calculation of management fees. • Recalculated the management fees by applying the fee rates specified in the IMAs to the weighted average AUMs which were tested by way of controls. We compared our results to management calculations, and where differences were identified we investigated these. We did this to assess the reasonableness of amount recognised as management fees. **For performance fees on a sample basis we:** • Assessed the accuracy of the input in the calculation by agreeing the key inputs, including estimated valuations, relevant hurdles and performance obligations and other terms to supporting documentation such as contracts/IMAs and third party/custodian supporting documentation. • Assessed the client's performance period in the calculation by agreeing to the IMA and we also assessed the crystallisation of all performance fees recognised.

Key audit matter	How the scope of our audit addressed the key audit matter
For performance fees, there are several bespoke and complex agreements and due to the manual nature of the calculation and recognition process, there is an increased risk in error in relation to performance fees. There is also an increased risk for premature recognition of performance fees before they crystallise. We therefore considered revenue recognition of management and performance fees to be a key audit matter.	• With the assistance of our internal valuation experts, we recalculated the benchmark performance which was compared to management's calculations, and investigated differences, where identified. • Recalculated the performance fees by recalculating the performance/value-added of each client's mandate to that of the benchmark portfolio in the IMA and applying the fee rates as per the IMA to the computed value added. We compared our results to that of managements with any differences noted being investigated. • Agreed performance fees to the customer invoices fee calculation and we also agreed cash receipts to bank statements. **Key observations:** Based on our procedures performed, we did not identify any matters which would indicate that revenue arising in respect of management fees and performance fees has not been recognised appropriately.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £	2023 £	**2024 £**	2023 £
Materiality	**646,000**	730,000	**117,000**	127,000
Basis for determining materiality	5% of Profit before tax		1% of Total assets	
Rationale for the benchmark applied	As the entity is listed, profit before tax was considered to be the most appropriate benchmark for users of the financial statements as it is a primary measure of performance.		Total assets were considered to be the most appropriate benchmark as the entity is a holding company and it is the key financial measure for users of the financial statements.	
	2024 £	2023 £	**2024 £**	2023 £
Performance materiality	**419,900**	475,000	**76,050**	82,600
Rationale for the percentage applied for performance materiality	On the basis of our risk assessments, together with our assessment of the Group's and Parent Company's overall control environment, our judgement was that a performance materiality of 65% of materiality was appropriate.			

Our application of materiality continued

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 39% and 99% (2023: 3% and 73%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £117,000 to £640,000 (2023: £20,000 to £530,000). In the audit of each component, we further applied performance materiality levels of 65% (2023: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £12,920 (2023: £14,600) for the group and £2,340 (2023: £1,500) for the parent company. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 98; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 57 and 98.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 75; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 52; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 52, 53 and 75; and • The section describing the work of the audit committee set out on pages 72 to 76.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information. In our opinion, based on the work undertaken in the course of the audit information about the Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Parent Company.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Record plc continued

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the UK Adopted IFRS, UK tax legislation, Listing Rules and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be permissions and supervisory requirements of the Financial Conduct Authority ('FCA').

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition and management bias in accounting estimates including the valuation of share-based payments.

Independent auditor's report to the members of Record plc continued

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria such as least used accounts, transactions containing key words like error, unusual revenue journals by agreeing to supporting documentation and assessing whether the journals processed had a valid business reason, are appropriate for the nature of the business, are recorded in correct account and correct accounting period and, whether they were appropriately authorised;
- Assessing significant estimates made by management for bias in valuation of share options and performance fees open trades valuation;
- Engaging audit experts to provide an independent valuation of the share options and open trades and challenging management on the judgemental areas; and
- The procedures set out in the Key Audit Matters section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Orla Reilly (Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor

London, UK

27 June 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Revenue	4	**45,378**	44,689
Cost of sales		**(82)**	(37)
Gross profit		**45,296**	44,652
Administrative expenses	5	**(30,746)**	(29,888)
Other expense	5	**(15)**	(293)
Operating profit prior to impairment of intangible assets		**14,535**	14,471
Impairment of intangible assets	11	**(1,937)**	—
Operating profit		**12,598**	14,471
Finance income		**394**	182
Finance expense		**(81)**	(55)
Profit before tax		**12,911**	14,598
Taxation	7	**(3,658)**	(3,259)
Profit after tax		**9,253**	11,339
Foreign exchange gains on translation of foreign operations		**13**	—
Other comprehensive income that may be reclassified subsequently to profit and loss		**13**	—
Total comprehensive income for the year net of tax		**9,266**	11,339
Profit and total comprehensive income for the year attributable to			
Equity holders of the parent		**9,271**	11,339
Non-controlling interest		**(5)**	—
		9,266	11,339
Earnings per share for profit attributable to the equity holders of the parent during the year			
Basic earnings per share (pence per share)	8	**4.84**	5.95
Diluted earnings per share (pence per share)	8	**4.78**	5.81

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	11	**11**	1,390
Right-of-use assets	12	**174**	1,011
Property, plant and equipment	13	**193**	377
Investments	14	**4,949**	4,901
Deferred tax assets	16	**168**	134
Total non-current assets		**5,495**	7,813
Current assets			
Trade and other receivables	17	**13,022**	14,373
Derivative financial assets	18	**63**	54
Money market instruments	19	**8,264**	4,549
Cash and cash equivalents	19	**9,221**	9,948
Total current assets		**30,570**	28,924
Total assets		**36,065**	36,737
Current liabilities			
Trade and other payables	20	**(4,930)**	(6,011)
Corporation tax liabilities	20	**(1,865)**	(1,329)
Provisions	21	**(122)**	—
Lease liabilities	12	**(106)**	(285)
Derivative financial liabilities	18	**(9)**	(5)
Total current liabilities		**(7,032)**	(7,630)
Non-current liabilities			
Provisions	21	**—**	(122)
Lease liabilities	12	**(79)**	(694)
Total non-current liabilities		**(79)**	(816)
Total net assets		**28,954**	28,291
Equity			
Issued share capital	22	**50**	50
Share premium account		**1,809**	1,809
Capital redemption reserve		**26**	26
Foreign currency translation reserve		**13**	—
Retained earnings		**27,051**	26,406
Equity attributable to the equity holders of the parent		**28,949**	28,291
Non-controlling interests		**5**	—
Total equity		**28,954**	28,291

Approved by the Board on 27 June 2024 and signed on its behalf by:

David Morrison
Chairman

Steve Cullen
Chief Financial Officer

Company registered number: 1927640

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Year ended 31 March 2024

	Note	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Equity attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
As at 1 April 2023		**50**	**1,809**	**26**	**—**	**26,406**	**28,291**	**—**	**28,291**
Profit and total comprehensive income for the year		**—**	**—**	**—**	**13**	**9,258**	**9,271**	**(5)**	**9,266**
Non-controlling interest acquired in subsidiaries		—	—	—	—	—	—	10	10
Dividends paid	9	—	—	—	—	(10,113)	(10,113)	—	(10,113)
Own shares acquired by EBT		—	—	—	—	(1,266)	(1,266)	—	(1,266)
Release of shares held by EBT		—	—	—	—	2,584	2,584	—	2,584
Tax on share-based payments		—	—	—	—	(86)	(86)	—	(86)
Other share-based payment reserve movements		—	—	—	—	268	268	—	268
Transactions with shareholders		**—**	**—**	**—**	**—**	**(8,613)**	**(8,613)**	**10**	**(8,603)**
As at 31 March 2024		**50**	**1,809**	**26**	**13**	**27,051**	**28,949**	**5**	**28,954**

Year ended 31 March 2023

	Note	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Equity attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
As at 1 April 2022		50	1,809	26	—	24,045	25,930	—	25,930
Profit and total comprehensive income for the year		—	—	—	—	11,339	11,339	—	11,339
Dividends paid	9	—	—	—	—	(9,095)	(9,095)	—	(9,095)
Own shares acquired by EBT		—	—	—	—	(3,572)	(3,572)	—	(3,572)
Release of shares held by EBT		—	—	—	—	2,268	2,268	—	2,268
Tax on share-based payments		—	—	—	—	300	300	—	300
Other share-based payment reserve movements		—	—	—	—	1,121	1,121	—	1,121
Transactions with shareholders		—	—	—	—	(8,978)	(8,978)	—	(8,978)
As at 31 March 2023		50	1,809	26	—	26,406	28,291	—	28,291

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Year ended 31 March 2024

	Note	2024 £'000	Restated[1] 2023 £'000
Net cash inflow from operating activities	26	**13,055**	10,541
Cash flows from investing activities			
Purchase of intangible assets	11	**(789)**	(964)
Purchase of property, plant and equipment	13	**(29)**	(272)
Purchase of investments	14	**(1,080)**	(3,570)
Redemption of bonds	14	**753**	1,607
Redemption of other investments	14	**1,144**	881
(Purchase)/disposal of money market instruments		**(3,715)**	9,363
Interest received		**360**	181
Net cash (outflow)/inflow from investing activities		**(3,356)**	7,226
Cash flows from financing activities			
Lease principal payments	12	**(288)**	(315)
Lease interest payments	12	**(33)**	(55)
Purchase of own shares[1]	33	**—**	(1,850)
Dividends paid to equity shareholders	9	**(10,113)**	(9,095)
Net cash outflow from financing activities		**(10,434)**	(11,315)
Net increase/(decrease) in cash and cash equivalents in the year		**(735)**	6,452
Exchange gains		**8**	151
Cash and cash equivalents at the beginning of the year		**9,948**	3,345
Cash and cash equivalents at the end of the year		**9,221**	9,948
Closing cash and cash equivalents consist of:			
Cash		**4,954**	6,405
Cash equivalents		**4,267**	3,543
Cash and cash equivalents	19	**9,221**	9,948

1. See note 33 for details of the presentational adjustment resulting in the restatement of prior year amounts.

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Right-of-use assets	12	**68**	871
Property, plant and equipment		**70**	99
Investments	14	**10,843**	9,062
Total non-current assets		**10,981**	10,032
Current assets			
Corporation tax		**195**	16
Trade and other receivables	17	**711**	2,428
Cash and cash equivalents	19	**214**	213
Total current assets		**1,120**	2,657
Total assets		**12,101**	12,689
Current liabilities			
Trade and other payables	20	**(7,176)**	(4,955)
Lease liabilities	12	**(71)**	(251)
Provisions	21	**(122)**	—
Total current liabilities		**(7,369)**	(5,206)
Non-current liabilities			
Lease liabilities	12	**—**	(583)
Deferred tax liabilities		**(124)**	(11)
Provisions	21	**—**	(122)
Total non-current liabilities		**(124)**	(716)
Total net assets		**4,608**	6,767
Equity			
Issued share capital	22	**50**	50
Share premium account		**1,809**	1,809
Capital redemption reserve		**26**	26
Retained earnings		**2,723**	4,882
Total equity		**4,608**	6,767

The Company's total comprehensive income for the year (which is principally derived from intra-group dividends) was £6,809,523 (2023: £10,614,915).

Approved by the Board on 27 June 2024 and signed on its behalf by:

David Morrison
Chairman

Steve Cullen
Chief Financial Officer

Company registered number: 1927640

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Company statement of changes in equity

Year ended 31 March 2024

	Note	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2023		**50**	**1,809**	**26**	**4,882**	**6,767**
Profit and total comprehensive income for the year		**—**	**—**	**—**	**6,810**	**6,810**
Dividends paid	9	—	—	—	(10,113)	(10,113)
Share option reserve movement		—	—	—	1,144	1,144
Transactions with shareholders		**—**	**—**	**—**	**(8,969)**	**(8,969)**
As at 31 March 2024		**50**	**1,809**	**26**	**2,723**	**4,608**

Year ended 31 March 2023

	Note	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2022		50	1,809	26	2,446	4,331
Profit and total comprehensive income for the year		—	—	—	10,615	10,615
Dividends paid	9	—	—	—	(9,095)	(9,095)
Share option reserve movement		—	—	—	916	916
Transactions with shareholders		—	—	—	(8,179)	(8,179)
As at 31 March 2023		50	1,809	26	4,882	6,767

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Company statement of cash flows

Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash inflow from operating activities	26	**1,555**	2,166
Cash flows from investing activities			
Dividends received		**7,700**	10,500
Purchase of property, plant and equipment		**—**	(116)
Investment in equity reserve of subsidiary		**—**	(1,095)
Purchase of investments		**(13)**	(1,869)
Redemption of investments		**1,144**	—
Interest received		**8**	1
Net cash inflow from investing activities		**8,839**	7,421
Cash flows from financing activities			
Lease principal payments	12	**(253)**	(280)
Lease interest payments	12	**(27)**	(43)
Dividends paid to equity shareholders	9	**(10,113)**	(9,095)
Net cash outflow from financing activities		**(10,393)**	(9,418)
Net increase in cash and cash equivalents in the year		**1**	170
Exchange losses		**—**	—
Cash and cash equivalents at the beginning of the year		**213**	43
Cash and cash equivalents at the end of the year		**214**	213
Closing cash and cash equivalents consist of:			
Cash		**214**	213
Cash equivalents		**—**	—
Cash and cash equivalents	19	**214**	213

The notes on pages 117 to 146 are an integral part of these consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2024

1. Accounting policies

In order to provide more clarity to the notes to the financial statements, accounting policy descriptions appear at the beginning of the note to which they relate.

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

1.1 Basis of preparation

The Group financial statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, modified to include fair valuation of derivative financial instruments. Investments are measured at fair value through profit or loss.

The accounting policies have been applied consistently to all periods presented in these financial statements and by all Group entities, unless otherwise stated. The financial statements of subsidiary undertakings are coterminous with those of Record plc, referred to as the “Company”.

1.2 Changes to international accounting policies

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

		Effective from
IAS 1	Presentation of Financial Statements (Amendments)	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	1 January 2023

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at the year-end date.

1.3 Basis of consolidation

The consolidated financial information contained within the financial statements incorporates financial statements of the Company, its subsidiaries and share in the results of its joint ventures drawn up to 31 March 2024.

Subsidiaries are entities controlled by the Company and are included from the date that control commences until the date that control ceases. Control is achieved where the Company is exposed to, or has rights over, variable returns from its involvement with the entity and it has the power to affect those returns.

The Record plc Employee Benefit Trust (“EBT”) has been established for the purpose of satisfying certain share-based awards. As the Group has “de facto” control over this special purpose entity, the trust is fully consolidated within the financial statements. The movements in the EBT are disclosed in the statement of changes in equity as own shares acquired and released by the EBT. This includes net settlements, through which employees have the option to sell back shares to cover the exercise price and tax liabilities arising as a result of exercising share awards. As the amounts are netted off, there are no cash movements.

Joint ventures are entities in which the Group has an investment where it has contractually agreed to share control of the business and where the major decisions require the unanimous consent of the joint partners. The results, as well as the assets and liabilities of joint ventures, are incorporated in the consolidated financial statements using the equity method of accounting. The Group’s share of post-tax profits or losses is recognised in the consolidated statement of comprehensive income.

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

The Company is taking advantage of the exemption under the Companies Act 2006 s408(1) not to present its individual statement of comprehensive income and related notes that form part of the financial statements. The Company and its subsidiaries are collectively referred to as the “Group”; the Group’s total comprehensive income for the year includes a profit of £6,809,523 attributable to the Company (FY-23: £10,614,915). The Company’s principal activity is that of a holding company.

1.4 Going concern

The Directors are satisfied that the Company and the Group have adequate resources with which to continue to operate for the foreseeable future. In arriving at this conclusion, the Directors have considered various assessments including capital and liquidity positions, the current economic and geopolitical environment and the market in which the Group operates, and its stakeholders. These assessments show that the Group should be able to operate at adequate levels of both liquidity and capital for at least twelve months from the date of signing this report.

Consequently, the Directors have reasonable expectation that the Group has adequate financial resources to continue operations for at least twelve months from the date of signing the report, and therefore have continued to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements for the year ended 31 March 2024 continued

1. Accounting policies continued

1.5 Foreign currencies

The financial statements are presented in sterling (£), which is the functional currency of the parent company. Foreign currency transactions are translated into the functional currency of the parent company using prevailing exchange rates which are updated on a monthly basis. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in the statement of comprehensive income under "other income or expense".

The functional currency of Record Asset Management GmbH and RAM Strategies GmbH has changed from sterling to euro, due to changes in their economic environment as they begin to generate revenue. The change in functional currency of these subsidiaries has been applied prospectively from 1 January 2024. On consolidation, the results of foreign operations are translated into sterling at rates approximating to those when the transactions took place. The assets and liabilities of foreign operations are translated at the period-end spot rate. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at monthly average rate are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve.

1.6 Financial instruments

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

1.7 Impairment of assets

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

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

1.8 Segmental reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM is considered to be the Board of Directors.

As a result of the diversification and growth of the Group's operations into asset management, the Group has identified two reportable segments: Currency Management and Asset Management.

2. Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make accounting estimates and judgements that affect the application of the Group's accounting policies and reported amounts.

The estimates and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. As a consequence, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas involving estimates and judgements have been set out below, and detailed further within the respective notes:

Area	Note	Related estimates and judgements
Impairment of assets	1.7, 11	Impairment indicators and recoverable amounts
Intangible assets	11	Qualifying expenditure and amortisation
Leases	12	Discount rate
Provisions	21	Consideration required to settle future obligations
Share-based payments	16, 23	Fair value of share options and related deferred tax
Fair value of investments	25	Valuation methodology and inputs, and input level allocation
Basis of consolidation	28	Interests in unconsolidated structured entities

3. Segmental analysis

The Board and management team of the Group are beginning to organise and report on the performance of the business by Currency Management and Asset Management segments. This will recognise both the current and anticipated future growth in revenues as well as the difference in contribution and risk levels across both segments.

The Currency Management segment comprises bespoke solutions to clients including Passive Hedging, Dynamic Hedging, Hedging for Asset Managers, and FX Alpha products.

The Asset Management segment principally comprises investment management services for products including EM debt and Custom Solutions.

3.1 Operating segments

The majority of activities and revenues in FY-24 are derived from operations within the Currency Management segment. However, with further product launches and continued interest from clients anticipated in the Asset Management segment, the expectation is for this segment to become more significant in the future.

Operating profit per segment is not presented, as such information is not presented on a regular basis to the Group's CODM. Therefore, for FY-24, these are not yet considered to be operating segments. The operating segmental information will, however, be presented to the Group's CODM from FY-25 onwards, thus transitioning these segments into operating segments.

For FY-24, only revenue is reviewed by the CODM. Currency Management revenue totalled £33.9 million for the period, and Asset Management revenue totalled £11.5 million for the period. Note 4 provides further detail on this.

3.2 Segment assets and liabilities

Segment assets and liabilities are not presented, as such information is not presented on a regular basis to the Group's CODM.

4. Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of currency management services. Our revenues typically arise from charging management fees, performance fees and other currency services income and are accounted for in accordance with IFRS 15 – "Revenue from Contracts with Customers".

Management fees and other currency services income are recorded on a monthly basis as the service occurs; there are no other performance obligations (excluding standard duty of care requirements). Management fees are calculated as an agreed percentage of the Assets Under Management ("AUM") denominated in the client's chosen base currency. The percentage varies depending on the nature of services and the level of AUM. Management fees are typically invoiced to the customer quarterly with receivables recognised for unpaid invoices. Fees are recognised on a monthly basis, based on the agreed fee rate and AUM over the period.

The Group is entitled to earn performance fees from some clients where the performance of the clients' mandates exceeds defined benchmarks over a set time period, and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal. Performance fee revenues are not considered to be highly probable until the end of a contractual performance period and therefore are not recognised until they crystallise, at which time they are payable by the client and cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after crystallisation date.

Notes to the financial statements for the year ended 31 March 2024 continued

4. Revenue continued
4.1 Revenue by product type

	2024			2023		
	Currency Management £'000	Asset Management £'000	Total £'000	Currency Management £'000	Asset Management £'000	Total £'000
Dynamic Hedging	**13,719**	**—**	**13,719**	12,013	—	12,013
Passive Hedging	**9,720**	**—**	**9,720**	10,464	—	10,464
Hedging for asset managers	**2,886**	**—**	**2,886**	2,448	—	2,448
FX Alpha	**1,250**	**—**	**1,250**	1,628	—	1,628
EM Debt	**—**	**4,793**	**4,793**	—	5,161	5,161
Custom solutions	**—**	**6,327**	**6,327**	—	6,584	6,584
Management fees	**27,575**	**11,120**	**38,695**	26,553	11,745	38,298
Passive Hedging	**2,898**	**—**	**2,898**	5,805	—	5,805
FX Alpha	**2,942**	**—**	**2,942**	—	—	—
Performance fees	**5,840**	**—**	**5,840**	5,805	—	5,805
Other services income	**439**	**404**	**843**	520	66	586
Total revenue	**33,854**	**11,524**	**45,378**	32,878	11,811	44,689

Management fees are recognised at a point in time and are invoiced typically on a quarterly basis, although Record may invoice fees monthly for some of its larger clients. Performance fees are recognised when they crystallise and can be invoiced on a quarterly, six-monthly or annual basis, as agreed with our clients. Other services income includes Currency Management fees from signal hedging and fiduciary execution, as well as Asset Management distribution fees.

4.2 Revenue by geographical analysis
All revenue received during the period was for services provided by Group companies situated in the UK and Germany. The following geographical analysis of revenue is based on the destination i.e. the location of the client to whom the services are provided. Other relates to a number of regions that are individually immaterial.

Revenue by geographical region	2024 £'000	2023 £'000
Management and performance fee income		
UK	**2,593**	2,545
US	**15,652**	14,179
Switzerland	**15,281**	16,985
Europe (excluding UK and Switzerland)	**8,049**	9,339
Other	**3,803**	1,641
Total revenue	**45,378**	44,689

4.3 Major clients
During the year ended 31 March 2024, two Currency Management clients individually accounted for more than 10% of the Group's revenue. The two largest clients generated revenues of £6.7 million and £4.8 million in the year (FY-23: four clients generated revenues of more than 10% totalling £6.6 million, £6.3 million, £5.2 million, and £4.9 million in the year).

Notes to the financial statements for the year ended 31 March 2024 continued

5. Operating profit

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

	2024 £'000	2023 £'000
Administrative expenses		
Staff costs	**19,404**	20,412
Other staff-related costs	**1,778**	1,545
IT and technology	**4,584**	3,582
Auditor's remuneration		
Fees payable to the Group's auditor for the audit of the Company's annual accounts	**188**	134
Fees payable to the Group's auditor for the audit of subsidiary undertakings	**268**	191
Audit-related assurance services required by law or regulation	**9**	6
Other non-audit services	**16**	15
Other professional fees	**1,888**	1,775
Occupancy	**989**	1,111
Travel and marketing	**899**	668
Depreciation of right-of-use assets	**278**	375
Depreciation of property, plant and equipment	**213**	285
Amortisation of intangibles	**232**	135
Impairment of intangible assets	**1,937**	—
Other income or expense		
(Gain)/loss on forward FX contracts held to hedge cash flow	**(252)**	800
Other exchange losses/(gains)	**360**	(289)
Investment gains	**(93)**	(218)

Of the above auditor's remuneration, audit-related services for the year totalled £455,500 (FY-23: £325,000).

6. Staff costs

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

	2024	2023
Corporate	**6**	6
Client relationships	**13**	13
Investment research	**20**	18
Operations	**34**	31
Risk management	**6**	5
Support	**17**	15
Annual average	**96**	88

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

	2024 £'000	2023 £'000
Wages and salaries	**14,792**	14,540
Social security costs	**2,007**	2,295
Pension costs	**817**	686
Other employment benefit costs	**1,788**	2,891
Aggregate staff costs	**19,404**	20,412

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

There are no Company staff costs.

Notes to the financial statements for the year ended 31 March 2024 continued

7. Taxation – Group

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

	2024 £'000	2023 £'000
UK current year charge	**3,723**	2,961
Overseas taxes	**66**	64
Prior year adjustments	**48**	175
Current tax charge	**3,837**	3,200
Origination and reversal of temporary differences	**(151)**	76
Prior year adjustment	**(28)**	(17)
Total deferred tax	**(179)**	59
Tax on profit on ordinary activities	**3,658**	3,259

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

	2024 £'000	2023 £'000
Profit before taxation	**12,911**	14,598
Taxation at the standard rate of tax in the UK of 25% (2023: 19%)	**3,228**	2,774
Tax effects of:		
Other disallowable expenses and non-taxable income	**106**	164
Deferred tax asset not recognised on start-up entities	**199**	146
Different tax rates on subsidiary undertakings	**104**	15
Prior year adjustment	**21**	160
Total tax expense	**3,658**	3,259
The tax expense comprises:		
Current tax expense	**3,837**	3,200
Deferred tax (credit)/expense	**(179)**	59
Total tax expense	**3,658**	3,259

The standard rate of UK corporation tax for the year is 25% (FY-23: 19%). A full corporation tax computation is prepared at the year end. The actual charge as a percentage of the profit before tax may differ from the underlying tax rate. Differences typically arise as a result of capital allowances differing from depreciation charged, and certain types of expenditure not being deductible for tax purposes. Other differences may also arise. The rate increased to 25% from 1 April 2023.

The tax charge for the year ended 31 March 2024 was 28% of profit before tax (FY-23: 22%). Other temporary differences for the year ended 31 March 2024 include the impact of deferred tax credit of £179k (FY-23: expense of £59k).

Notes to the financial statements for the year ended 31 March 2024 continued

8. Earnings per share

Basic earnings per share is calculated by dividing the profit after tax 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.

	2024	2023
Weighted average number of shares used in calculation of basic earnings per share	**191,509,539**	190,483,365
Effect of potential dilutive ordinary shares – share options	**2,174,866**	4,830,186
Weighted average number of shares used in calculation of diluted earnings per share	**193,684,405**	195,313,551

	pence	pence
Basic earnings per share	**4.84**	5.95
Diluted earnings per share	**4.78**	5.81

The potential dilutive shares relate to the share options, JSOP and LTIP awards granted in respect of the Group's Share Scheme (see note 23). There were share options, JSOP and LTIP awards in place at the beginning of the year over 14,724,582 shares. During the year 1,915,336 share options were exercised, 633,125 JSOP awards vested and a further 1,319,230 share options and LTIP awards lapsed or were forfeited. The Group granted 3,335,000 share options and LTIP awards over 1,641,000 shares with a potentially dilutive effect during the year. Of the 15,832,891 share options, JSOP and LTIP awards in place at the end of the period, 13,331,655 have a dilutive impact at the year end.

9. Dividends

Ordinary, special and interim dividends are recognised in the financial statements when paid. Final ordinary dividends are required to be approved by shareholders.

The dividends paid by the Group during the year ended 31 March 2024 totalled £10,113,174 (5.28 pence per share), which comprised a final dividend in respect of the year ended 31 March 2023 of £4,678,947 (2.45 pence per share), a special dividend in respect of the year ended 31 March 2023 of £1,298,647 (0.68 pence per share) and an interim dividend for the year ended 31 March 2024 of £4,135,580 (2.15 pence per share).

The dividends paid by the Group during the year ended 31 March 2023 totalled £9,095,232 (4.77 pence per share), which comprised a final dividend in respect of the year ended 31 March 2022 of £3,420,850 (1.8 pence per share), a special dividend in respect of the year ended 31 March 2022 of £1,748,435 (0.92 pence per share) and an interim dividend for the year ended 31 March 2023 of £3,925,947 (2.05 pence per share).

For the year ended 31 March 2024, a final ordinary dividend of 2.45 pence per share has been proposed and a special dividend of 0.60 pence per share has been declared, totalling approximately £4.7 million and £1.1 million respectively.

10. Retirement benefit obligations

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

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

The pension cost charge disclosed in note 6 to the accounts represents contributions payable by the Group to the funds.

Notes to the financial statements for the year ended 31 March 2024 continued

11. Intangible assets

The Group's intangible assets comprise both purchased software and the capitalised costs of software development. Internal software development costs, which represent attributable employee costs, are capitalised if they meet the IAS 38 criteria. The amount recognised for an internally generated intangible asset is the sum of qualifying expenditure incurred from the date when the asset first meets the recognition criteria.

Intangible assets are shown at historical cost less accumulated amortisation and impairment losses. Amortisation is charged from the date an intangible asset is available for use, on a straight-line basis, over the estimated useful life of the intangible asset. Amortisation is included within administration expenses in the statement of comprehensive income. Useful lives are as follows:

- Software – 2 to 5 years.

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

The carrying amounts of intangible assets can be analysed as follows:

	2024		2023	
	Software £'000	Total £'000	Software £'000	Total £'000
Cost				
At 1 April	**2,320**	**2,320**	1,475	1,475
Additions	**789**	**789**	964	964
Impairment	**(2,088)**	**(2,088)**	(119)	(119)
At 31 March	**1,021**	**1,021**	2,320	2,320
Amortisation				
At 1 April	**930**	**930**	913	913
Charge for the year	**232**	**232**	135	135
Impairment	**(152)**	**(152)**	(118)	(118)
At 31 March	**1,010**	**1,010**	930	930
Net book value				
At 31 March	**11**	**11**	1,390	1,390
At 1 April	**1,390**	**1,390**	562	562

The above impairments relate to the Board's decision to cease the development of our internally generated R-Platform and Smart Reports software. Following a thorough analysis, the Board concluded that these projects did not produce the scale of improvement targeted and would require further meaningful investment over a prolonged period to reach the level required, and that focus of the Group's resources will instead be shifted to building out our internal IT development expertise. This has resulted in the impairment of these two projects to a recoverable amount of zero, their value in use, the net effect of which has been reflected as an impairment expense of £1,936,893 in the statement of comprehensive income.

The annual contractual commitment for the maintenance and support of the above software is £231,068 (FY-23: £207,253). All amortisation charges are included within administrative expenses.

12. Leases

The Group's lease arrangements consist of business premises property leases. Rental contracts are typically made for fixed periods between three to six years and may have extension and/or modification options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

At the commencement date of a lease, a lease liability and a corresponding right-of-use ("ROU") asset are recognised.

The lease liability is initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. As the Group has no borrowings it has estimated the incremental borrowing rate based on interest rate data available in the market, adjusted to reflect Record's creditworthiness, the leased asset in question and the terms and conditions of the lease.

Subsequently the lease liability decreases by the lease payments made, offset by interest on the liability, and may be remeasured to reflect any reassessment of expected payments or to reflect any lease modifications.

The right-of-use asset is initially measured at the amount of the initial lease liability, adjusted for any lease incentives received, any lease payments made at or before the commencement date, any initial direct costs, and the costs of decommissioning the asset and any restoration work to return the asset to the condition required under the terms of the lease.

Notes to the financial statements for the year ended 31 March 2024 continued

Subsequently the right-of-use asset is valued using the cost model. The asset is depreciated on a straight-line basis over the shorter of the asset's useful life and expected term of the lease, adjusted for any remeasurement of the lease liability, and is shown net of the accumulated depreciation and any impairment provisions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The leases relevant to the twelve months ended 31 March 2024, and the comparative period, are as described below:

On 11 February 2022, the Group signed a lease on premises at Second Floor, Morgan House, Madeira Walk, Windsor, at an annual commitment of £267,900, expiring on 1 September 2026. On 19 February 2024, the Group enacted the right to early termination of this lease which resulted in a modification of lease term, now expiring on 2 September 2024. The modified lease has been capitalised and discounted at a rate of 3.95%.

On 1 June 2017, the Group signed a five-year lease on premises in Zürich, at an annual commitment of CHF 49,680.
On 12 August 2021, the Group extended the lease to 1 June 2027, at an annual commitment of CHF 49,680.

Net book value of right-of-use assets

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Net book value at 1 April	**1,011**	**871**	1,421	1,232
Valuation adjustment on lease modification	**(559)**	**(559)**	(35)	(23)
Depreciation	**(278)**	**(244)**	(375)	(338)
Net book value at 31 March	**174**	**68**	1,011	871

Lease liabilities

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Current	**106**	**71**	285	251
Non-current	**79**	**—**	694	583
Total lease liabilities	**185**	**71**	979	834

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 April	**979**	**834**	1,326	1,138
Interest expense	**33**	**27**	55	41
Lease – principal payments	**(288)**	**(253)**	(315)	(280)
Lease – interest payments	**(33)**	**(27)**	(55)	(43)
Valuation adjustment on lease modification	**(510)**	**(510)**	(35)	(22)
Foreign exchange movements	**4**	**—**	3	—
At 31 March	**185**	**71**	979	834

Lease payments

At 31 March, the undiscounted operating lease payments on an annual basis are as follows:

Maturity of lease liability at 31 March:

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Within 1 year	**111**	**72**	320	280
1-2 years	**39**	**—**	320	280
2-3 years	**39**	**—**	320	280
After 3 years	**—**	**—**	85	47
Total lease liability before discounting	**189**	**72**	1,045	887

The remainder of the movement in the lease liability relates to non-cash movements. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Group considers that exercise of the option is reasonably certain.

Notes to the financial statements for the year ended 31 March 2024 continued

13. Property, plant and equipment – Group

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

- leasehold improvements – period from lease commencement to the earlier of the lease termination date and the next rent review date;
- computer equipment – 2 to 5 years; and
- fixtures and fittings – 4 to 6 years.

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

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

	2024				2023			
	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost								
At 1 April	**776**	**1,023**	**231**	**2,030**	693	1,056	293	2,042
Additions	**—**	**27**	**2**	**29**	116	148	8	272
Disposals	**—**	**—**	**—**	**—**	(33)	(181)	(70)	(284)
At 31 March	**776**	**1,050**	**233**	**2,059**	776	1,023	231	2,030
Depreciation								
At 1 April	**677**	**752**	**224**	**1,653**	642	718	281	1,641
Charge for the year	**29**	**179**	**5**	**213**	68	204	13	285
Disposals	**—**	**—**	**—**	**—**	(33)	(170)	(70)	(273)
At 31 March	**706**	**931**	**229**	**1,866**	677	752	224	1,653
Net book value								
At 31 March	**70**	**119**	**4**	**193**	99	271	7	377
At 1 April	**99**	**271**	**7**	**377**	51	338	12	401

The Group's tangible non-current assets are located predominantly in the UK.

14. Investments

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Investment in subsidiaries at cost	**—**	**59**	—	2,069
Capitalised investment in respect of share-based payments	**—**	**4,078**	—	2,932
Investment in equity reserve of subsidiary	**—**	**1,625**	—	1,095
Investment in funds	**3,412**	**3,544**	2,530	1,965
Investment in impact bonds	**—**	**—**	770	—
Other investments	**1,537**	**1,537**	1,601	1,001
Total direct investments	**4,949**	**10,843**	4,901	9,062

Details on the fair value measurement of investments can be found in note 25.

During the period, the Record Digital Asset Ventures ("RDAV") portfolio of investments was transferred to the parent company, Record plc, via a dividend in specie.

At year end, this portfolio consists of investments in funds of £597k, and other investments of £1,537k invested directly in the share capital of start-up companies in the digital asset sector through Record plc (FY-23: investments in funds of £555k, and other investments of £600k through RDAV).

At the beginning of the year, the Group had existing commitments of $305,000 (£246,674) of which $84,950 (£68,095) was called up in the year, leaving a balance of $220,050 (£178,579) which may or may not be called up in future (see note 29: contingent liabilities for further information).

Company

Investments in subsidiaries

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

	2024 £'000	2023 £'000
Investment in subsidiaries (at cost)		
Record Currency Management Limited	**10**	10
Record Group Services Limited	**10**	10
Record Portfolio Management Limited	**—**	10
Record Currency Management (US) Inc.	**—**	—
Record Currency Management (Switzerland) GmbH	**16**	16
Record Digital Asset Ventures Limited	**—**	2,000
Record Asset Management GmbH	**23**	23
Record Fund Management Limited	**—**	—
N P Record Trustees Limited	**—**	—
Total investment in subsidiaries (at cost)	**59**	2,069
Capitalised investment in respect of share-based payments		
Record Group Services Limited	**3,495**	2,530
Record Currency Management (US) Inc.	**88**	89
Record Currency Management (Switzerland) GmbH	**495**	316
Total capitalised investment in respect of share-based payments	**4,078**	2,935
Total investment in subsidiaries	**4,137**	5,004

During the year, the Company completed the sale of Record Digital Asset Ventures ("RDAV"). The disposal transaction consisted of a dividend in specie from RDAV to the Company and an intercompany capital write off by the Company, resulting in a net loss on disposal of £210,000.

Particulars of subsidiary undertakings

Information about the subsidiaries held by the Group at 31 March is shown below. The companies are unlisted.

Name of entity	Nature of business	2024 Percentage owned by the Group	2023 Percentage owned by the Group
Record Currency Management Limited	Currency management services (FCA, SEC and CFTC registered)	**100**	100
Record Group Services Limited	Management services to other Group undertakings	**100**	100
Record Currency Management (US) Inc.	US advisory and service company (SEC and CFTC registered)	**100**	100
Record Currency Management (Switzerland) GmbH	Swiss advisory and service company	**100**	100
Record Asset Management GmbH	German advisory and service company	**100**	100
RAM Strategies GmbH	German consultant and distribution agent	**100**	100
OWI-RAMS GmbH	German advisory company	**51**	—
Record Digital Asset Ventures Limited	UK company investing in opportunities linked to innovation and research surrounding digital assets – sold during the period	**—**	100
Record Portfolio Management Limited	Dormant – closed during the period	**—**	100
Record Fund Management Limited	Dormant – closed during the period	**—**	100
N P Record Trustees Limited	Dormant trust company – closed during the period	**—**	100

The Group's interest in the equity capital of subsidiaries is through the holding of ordinary share capital in all cases. All investments in subsidiaries are directly held with the exception of RAM Strategies GmbH, which is held 100% indirectly through the Company's 100% holding in Record Asset Management GmbH, and OWI-RAMS GmbH, which is held 51% indirectly through RAM Strategies GmbH.

Record Currency Management (US) Inc. is incorporated in Delaware (registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808), Record Currency Management (Switzerland) GmbH is incorporated in Zürich (registered office: Münsterhof 14, 8001 Zürich) and Record Asset Management GmbH, RAM Strategies GmbH and OWI-RAMS are incorporated in Germany (registered office: Bockenheimer Anlage 46, 60322 Frankfurt am Main). All other subsidiaries are incorporated in the UK and have the registered office at Morgan House, Madeira Walk, Windsor, Berkshire SL4 1EP.

14. Investments continued

Company continued

Capitalised investment in respect of share-based payments

The accounting treatment of capitalised investment in respect of share-based payments can be found in note 23.

Group

Entities are consolidated on a line-by-line basis where the Group has determined that a controlling interest exists through an investment holding in the entity, in accordance with IFRS 10 – “Consolidated Financial Statements”. Otherwise, investments in entities are measured at fair value through profit or loss.

15. Interests in joint ventures

The financial and operating activities of the Group’s joint ventures are jointly controlled by the participating shareholders. The participating shareholders have rights to the net assets of the joint ventures through their equity shareholdings. Unless otherwise stated, the Company’s principal joint ventures all have share capital consisting solely of ordinary shares. The country of incorporation of all joint ventures is also their principal place of operation.

Particulars of joint venture undertakings

Information about the joint ventures held by the Group at 31 March is shown below. The company is unlisted.

Name of entity	Nature of business	2024 Percentage owned by the Group	2023 Percentage owned by the Group
Dair Record Limited	UK advisory and service company	**50.1**	—

Dair Record Limited is a joint venture, held by Record plc incorporated in the UK (registered office: Morgan House, Madeira Walk, Windsor, Berkshire SL4 1EP).

As at 31 March 2024, the Group holds no material joint ventures, therefore additional summarised financial information for the above joint ventures has not been presented.

16. Deferred taxation – Group

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

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

Notes to the financial statements for the year ended 31 March 2024 continued

A deferred tax liability is generally recognised for all taxable temporary differences. Deferred tax arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting profit or loss nor the taxable profit or loss, is not recognised.

	2024 £'000	2023 £'000
Opening balance deferred tax asset	**134**	253
Current year movement	**151**	(72)
Prior year adjustment	**28**	14
Deferred tax in equity	**(145)**	(61)
Closing balance deferred tax asset	**168**	134

The deferred tax asset consists of the tax effect of temporary differences in respect of:

	2024 £'000	2023 £'000
Deferred tax allowance on unvested share options and LTIP awards	**145**	366
Excess of taxation allowances over depreciation on fixed assets	**23**	(232)
Total	**168**	134

At the year end there were share options and LTIP awards not exercised with an intrinsic value for tax purposes of £629,489 (FY-23: £1,937,599). On exercise, the Group will be entitled to a corporation tax deduction in respect of the difference between the exercise price and the strike price. The Group has losses in relation to overseas entities totalling £2,436k (FY-23: £1,205k) which are available to carry forward against future profits. No deferred tax asset has been recognised in respect of these in the current or prior year as there is uncertainty as to when these losses will be reversed. Deferred tax has been calculated based on the future tax rate of 25% for differences from 1 April 2024. It is subject to change if tax rates change in future years.

17. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowances. The amortised cost of trade and other receivables is stated at original invoice value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material.

An analysis of receivables is provided below:

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade receivables	**9,149**	**610**	10,185	1,538
Accrued income	**1,505**	**—**	1,743	—
Other receivables	**1,125**	**41**	685	26
Prepayments	**1,243**	**60**	1,760	864
Total	**13,022**	**711**	14,373	2,428

All amounts are short-term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The Group has not renegotiated the terms of any receivables in the year ended 31 March 2024. The Group's trade receivables are generally short-term and do not contain significant financing components.

The Group applies the IFRS 9 simplified approach to measuring ECLs for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding 25 years on the total balance of non-credit impaired trade receivables, adjusted to incorporate any relevant forward-looking information. The Group has therefore concluded that the ECLs for trade receivables are reasonable. The Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (FY-23: £nil).

Accrued income relates to accrued management and performance fees earned but not yet invoiced.

	2024		2023	
Current tax	Group £'000	Company £'000	Group £'000	Company £'000
Corporation tax asset	**—**	**195**	—	16

Notes to the financial statements for the year ended 31 March 2024 continued

18. Derivative financial assets and liabilities

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

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

Derivative financial assets	2024 £'000	2023 £'000
Forward foreign exchange contracts held to hedge non-sterling-based assets	**19**	31
Forward foreign exchange contracts held for trading	**44**	23
Total	**63**	54

Derivative financial liabilities	2024 £'000	2023 £'000
Forward foreign exchange contracts held to hedge non-sterling-based assets	**(9)**	(5)
Total	**(9)**	(5)

Derivative financial instruments held to hedge non-sterling-based assets

At 31 March 2024 there were outstanding contracts with a principal value of £7,243,998 (31 March 2023: £8,647,055) for the sale of foreign currencies in the normal course of business. The fair value of the contracts is calculated using the market forward contract rates prevailing at 31 March 2024. The Group does not apply hedge accounting.

The net gain or loss on forward foreign exchange contracts held to hedge non-sterling-based assets is as follows:

Derivative financial instruments held to hedge non-sterling-based assets	2024 £'000	2023 £'000
Net (gain)/loss on forward foreign exchange contracts at fair value through profit or loss	**(252)**	800

19. Cash management

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

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

In the Group's judgement, bank deposits and treasury bills that mature in excess of 30 days after the reporting date do not meet the definition of short-term or highly liquid and are held for purposes other than meeting short-term commitments. In accordance with IFRS, these instruments are not categorised as cash or cash equivalents and are disclosed as money market instruments.

	2024		2023	
Assets managed as cash	Group £'000	Company £'000	Group £'000	Company £'000
Money market instruments	**8,264**	**—**	4,549	—
Cash	**4,954**	**214**	6,405	213
Cash equivalents	**4,267**	**—**	3,543	—
Cash and cash equivalents	**9,221**	**214**	9,948	213
Total assets managed as cash	**17,485**	**214**	14,497	213

Notes to the financial statements for the year ended 31 March 2024 continued

	2024		2023	
Cash and cash equivalents	Group £'000	Company £'000	Group £'000	Company £'000
Cash and cash equivalents – sterling	**7,887**	**196**	6,632	212
Cash and cash equivalents – USD	**277**	**17**	821	1
Cash and cash equivalents – CHF	**316**	**—**	748	—
Cash and cash equivalents – other currencies	**741**	**1**	1,747	—
Total cash and cash equivalents	**9,221**	**214**	9,948	213

Details of how the Group manages credit risk are provided in note 24.

20. Current liabilities

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

	2024		2023	
Trade and other payables	Group £'000	Company £'000	Group £'000	Company £'000
Trade payables	**212**	**—**	221	—
Amounts owed to Group undertakings	**—**	**7,176**	—	4,953
Other payables	**43**	**—**	—	—
Other taxes and social security	**678**	**—**	716	—
Accruals	**3,997**	**—**	5,074	2
Total	**4,930**	**7,176**	6,011	4,955

Accruals include £2,385,865 for the Group Bonus Scheme (FY-23: £3,637,640). The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

	2024		2023	
Current tax	Group £'000	Company £'000	Group £'000	Company £'000
Corporation tax liability/(asset)	**1,865**	**—**	1,329	—

21. Provisions

Provisions are liabilities where there is uncertainty over the timing or amount of settlement and therefore require the use of estimates. Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. The amount recognised as a provision is the best estimate of the consideration required to settle that obligation at the reporting date.

The Group has provisions reflecting its contractual obligations connected to reaching the end of its contractual lease terms.

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Provisions	**122**	**122**	122	122

The provision relates to an obligation to pay for dilapidations in connection with the Group's office lease on the second floor of Morgan House, Windsor, further information for which is included in note 12.

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

Notes to the financial statements for the year ended 31 March 2024 continued

22. Equity

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premium received on issue of share capital. From time to time, the Group has bought in ordinary shares for cancellation. The cost of the buy-ins was taken directly to retained earnings. The nominal value of the shares was taken to a capital redemption reserve. Retained earnings includes all current and prior period retained profits and share-based employee remuneration. All transactions with owners of the parent are recorded separately within equity.

Issued share capital

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

	2024		2023	
	£'000	**Number**	£'000	Number
Authorised				
Ordinary shares of 0.025p each	**100**	**400,000,000**	100	400,000,000
Called-up, allotted and fully paid				
Ordinary shares of 0.025p each	**50**	**199,054,325**	50	199,054,325

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

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

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

	Number
Record plc shares held by EBT as at 31 March 2022	9,632,031
Adjustment for net purchases by EBT	(897,029)
Record plc shares held by EBT as at 31 March 2023	8,735,002
Adjustment for net purchases by EBT	(2,034,535)
Record plc shares held by EBT as at 31 March 2024	**6,700,467**

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.

During FY-24, the EBT did not acquire any shares directly from the market (FY-23: the EBT acquired 2,000,000 shares directly from the market at a monetary value of £1,850,533).

Further information regarding the Record plc share-based compensation plans and relevant transactions made during the year is included in note 23.

23. Share-based payments

During the year ended 31 March 2024 the Group has managed the following share-based compensation plans:

a. the Record plc Bonus Scheme: share awards issued under the Record plc Bonus Scheme ("Bonus Scheme") are classified as share-based payments with cash alternatives under IFRS 2;

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

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

d. the Record plc Jointly Owned Share Plan: participants' interests awarded under the Jointly Owned Share Plan ("JSOP") are classified as equity-settled share-based payments under IFRS 2; and

e. the Record plc Long-Term Incentive Plan: participants' interests awarded under the Long-Term Incentive Plan ("LTIP") are classified as equity-settled share-based payments under IFRS 2.

All obligations arising from the five schemes have been fulfilled through purchasing shares in the market.

a. The Record plc Bonus Scheme ("Bonus Scheme")

Share-based payments with cash alternatives

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

The Bonus Scheme allocates a proportion of operating profits to a profit share pool to be distributed between all employees of the Group. The Remuneration Committee has the discretion to vary the proportion allocated to the Bonus pool between 25% and 35% of operating profits. Directors and senior employees receive one-third of their Bonus in cash, one-third in shares ("Earned Shares") and may elect to receive the final third as cash only or to allocate some, or all, of the amount for the purchase of Additional Shares. The charge to profit or loss in respect of Earned Shares in the period was £1,081,804 (FY-23: £2,047,328). 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 shares which are the subject of share awards vest immediately and are transferred to a nominee, allowing the employee, as beneficial owner, to retain full rights in respect of the shares purchased. Shares awarded under the Bonus Scheme are subject to restrictions over subsequent sale and transfer and these restrictions are automatically lifted over one-third on each anniversary of the profit share payment date for the next three years. In the meantime, these shares cannot be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee.

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

b. The Record plc Share Scheme ("Share Scheme")

Equity-settled share-based payments

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

The fair value of options granted is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted including any market or performance conditions, and using quoted share prices.

The Share Scheme allows deferred share awards to be granted to employees and Directors in the Record Group. Part 1 of the scheme allows the grant of tax-unapproved ("Unapproved") options to employees and Directors and Part 2 allows the grant of HMRC tax-approved ("Approved") options to employees and Directors. Each participant may be granted Approved options over shares with a total market value of up to £60,000 on the date of grant. There is no such limit on the value of grant for Unapproved options. All Approved and Unapproved options granted in the year were granted with an exercise price per share equal to the share price prevailing at the time of grant.

Share Scheme options granted during the period

The following table summarises the Share Scheme options that were granted during the period:

Option type	Grant date	Option life (years)	Earliest vesting date	Latest vesting date[1]	Number of shares	Exercise price
Approved	24 May 23	4	24 May 27	24 May 27	855,000	0.877093
Unapproved	24 May 23	4	24 May 24	24 May 27	1,510,000	0.877093
Approved	12 Sep 23	4	27 Mar 24	12 Sep 27	270,000	0.756836
Unapproved	12 Sep 23	4	27 Mar 24	12 Sep 27	640,000	0.756836
Approved	25 Sep 23	4	25 Sep 27	25 Sep 27	60,000	0.784656
Total Approved shares granted					1,185,000	
Total Unapproved shared granted					2,150,000	
Total shares granted during the period					3,335,000	

1. Under the terms of the deeds of grants, options are exercisable for twelve months following the vesting date.

Notes to the financial statements for the year ended 31 March 2024 continued

23. Share-based payments continued

b. The Record plc Share Scheme ("Share Scheme") continued

Share Scheme options granted during the period continued

All options granted are subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied.

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted in the year ended 31 March 2024, and for which a charge to profit or loss was made in the year, were determined using a Black-Scholes option-pricing method and the following assumptions:

Model input	Weighted average value
Share price	84.26p
Dividend yield	6.05%
Exercise price	84.26p
Expected volatility	45.46%
Option life	4 years
Risk-free interest rate (%)	4.54%

Expected volatility is based on historical volatility.

The Group share-based payment expense in respect of the Share Scheme was £655,090 for the year ended 31 March 2024 (FY-23: £569,136).

Outstanding Share Scheme options

At 31 March 2024, the total number of ordinary shares of 0.025p outstanding under Record plc share compensation schemes was 11,398,039 (FY-23: 10,560,207). These deferred share awards and options are over issued shares, a proportion of which are hedged by shares held in an EBT.

The following table summarises the outstanding options for the Share Scheme as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	**10,560,207**	**0.58**	11,605,545	0.41
Granted	**3,335,000**	**0.84**	3,810,000	0.76
Exercised	**(1,915,336)**	**0.44**	(3,607,836)	0.39
Forfeited/lapsed	**(581,832)**	**0.48**	(1,247,502)	0.47
Outstanding at 31 March	**11,398,039**	**0.65**	10,560,207	0.58
Exercisable at 31 March	**2,774,707**	**0.51**	473,750	0.31
Weighted average share price on date of exercise		**0.78**		0.81
Weighted average contractual life		**3 years**		3 years

Performance measures

Performance conditions attached to all options granted to Board Directors differ to those granted for all other staff. All Executive Director option awards are subject to a performance condition and vest on each of the third, fourth and fifth anniversaries of the date of grant subject to an earnings per share ("EPS") hurdle linked to the annualised EPS growth for the respective three, four and five-year periods from grant. Vesting is on a stepped basis, as shown in the table below.

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

Approved and Unapproved options issued to all other staff are not subject to a Group performance measure.

Approved options issued to all other staff vest in full on the fourth anniversary of the date of grant, subject to the employee being employed with the Group at the relevant vesting date and to the extent personal performance conditions have been satisfied.

Unapproved options issued to all other staff vest in four equal tranches on the first, second, third and fourth anniversaries of the date of grant, subject to the employee being employed with the Group at the relevant vesting date and to the extent personal performance conditions have been satisfied.

Clawback provisions

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

c. The Record plc Share Incentive Plan ("SIP")

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

As an incentive to employees, the Group matches every two shares bought by employees with a free matching share. During the year, the Group awarded 41,519 matching shares (FY-23: 31,039 matching shares) to employees. The expense charged in respect of the SIP was £31,025 in the year ended 31 March 2024 (FY-23: £24,950).

There are no restrictions over shares issued under the Record plc Share Incentive Plan.

d. The Record plc Jointly Owned Share Plan ("JSOP")

Equity-settled share-based payments

At inception the employee is required to pay the Employee Benefit Trust ("EBT") for the market value of the participation interest, and the employing subsidiary has agreed to bear the expense of 50% of the amount due. The participation interest paid over at inception is non-refundable, regardless of whether the hurdle is reached. Therefore the amount paid by the employing subsidiary is expensed at inception.

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

The JSOP scheme allows a set number of ordinary shares to be held jointly by the participant and the EBT. Under the terms of the JSOP agreement, the participant holds the beneficial interest in the future growth of the shares above the hurdle, whilst the trustee is entitled to the value up to the hurdle; the hurdle being the market price upon grant date. Upon vesting, the participant is entitled to receive the growth in value of the shares above the hurdle, which is settled in shares priced at market value on the vesting date.

The fair value of the JSOP award is measured at grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted including any performance conditions, and using quoted share prices.

No JSOP agreements were entered into during the year.

The Group share-based payment expense in respect of the JSOP scheme was £30,075 for the year ended 31 March 2024 (FY-23: £2,384).

Notes to the financial statements for the year ended 31 March 2024 continued

23. Share-based payments continued

d. The Record plc Jointly Owned Share Plan ("JSOP") continued

Outstanding JSOP options

At 31 March 2024, the total number of ordinary shares outstanding under the Record plc JSOP was 641,250. These shares are jointly owned and are ring-fenced within the EBT. The JSOP award vests immediately on the vesting date, and the participant is entitled to any value over the hurdle; the trustee is then entitled to the value up to the hurdle.

The following table summarises the outstanding options for the JSOP awards as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	**1,274,375**	**0.40**	1,907,500	0.39
Granted	**—**	**—**	—	—
Vested	**(633,125)**	**0.39**	(633,125)	0.39
Forfeited	**—**	**—**	—	—
Outstanding at 31 March	**641,250**	**0.40**	1,274,375	0.40

There are no Directors' interests in the JSOP scheme. No performance measures are attached to the JSOP.

During the year 633,125 shares over which a JSOP agreement had been granted vested. The weighted average share price at the vesting date was £0.79.

The JSOP scheme rules contain clawback provisions allowing re-transfer of the participant's interest and/or any vested shares for nil consideration under certain circumstances including a material breach of contract or an error in performance of duties.

e. The Record plc Long-Term Incentive Plan ("LTIP")

Equity-settled share-based payments

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

The fair value of LTIP awards granted is measured at grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted including any market or performance conditions, and using quoted share prices.

The Record plc LTIP scheme started in April 2022, and allows nil-cost options to be granted to employees and Directors in the Record Group.

LTIP awards granted during the period

LTIP awards over an aggregate of 1,641,000 shares were granted under the LTIP scheme during the year (FY-23: 2,890,000). Vesting of awards is subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied. Early vesting for good leavers is subject to approval by the Remuneration Committee.

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the LTIP awards granted in the year ended 31 March 2024, and for which a charge to profit or loss was made in the year, were determined using a Black-Scholes option-pricing method and the following assumptions:

Model input	Weighted average value
Share price	67p
Dividend yield	5.88%
Expected volatility	42.70%
LTIP award life	3 years
Risk-free interest rate (%)	4.16%

Expected volatility is based on historical volatility.

The Group share-based payment expense in respect of the LTIP scheme was £460,628 for the year ended 31 March 2024 (FY-23: £344,231).

Outstanding LTIP awards

At 31 March 2024, the total number of LTIP awards outstanding under Record plc share compensation schemes was 3,793,602 (FY-23: 2,890,000). These LTIP awards are over issued shares, a proportion of which are hedged by shares held in an EBT. Details of outstanding LTIP awards to employees are set out below:

The following table summarises the outstanding options for the LTIP as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	**2,890,000**	**0.69**	—	—
Granted	**1,641,000**	**0.67**	2,890,000	0.69
Vested	**—**	**—**	—	—
Forfeited	**(737,398)**	**0.68**	—	—
Outstanding at 31 March	**3,793,602**	**0.68**	2,890,000	0.69

Performance measures

Performance conditions attached to all LTIP awards granted to Board Directors are the same as to those granted for all other staff. LTIP awards granted to Executive Directors and all other staff vest after three years and vesting is subject to Record's average annualised EPS growth and Total Shareholder Return ("TSR") over the relevant period since grant as follows:

Two-thirds of the vesting for LTIP awards is subject to a three-year cumulative EPS threshold target of 15 pence, resulting in the EPS portion vesting at 25%, rising on a straight-line basis to 100% vesting for a three-year cumulative EPS of 18 pence at the end of the performance period.

One-third of the vesting for LTIP awards is subject to a relative TSR using a benchmark of the FTSE Small Cap index. The threshold target for the TSR portion is a TSR outcome in the 25th percentile of the index at which 25% of the TSR portion will vest, rising on a straight-line basis to 100% of the TSR portion at a TSR outcome in the 75% percentile of the index.

A principal strategic objective of the business is to create shareholder value for our investors over the long term. The Board considers this to be delivered by consistent growth in earnings of the business, and the chosen performance conditions and the EPS and TSR outcome which determine the number of LTIP awards that ultimately vest under the scheme rules reflect this.

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

	31 March 2024 Number of shares	31 March 2023 Number of shares
Record plc Group Bonus Scheme (interest in restricted share awards)		
Leslie Hill	**607,726**	591,284
Steve Cullen	**46,072**	44,896
Jan Witte (appointed 1 January 2024)	**652,451**	—
Record plc Share Scheme (interest in unvested share options)		
Leslie Hill	**191,666**	383,333
Steve Cullen	**86,666**	173,333
Jan Witte (appointed 1 January 2024)	**1,530,000**	—
Record plc LTIP Scheme (interest in unvested LTIP awards)		
Steve Cullen	**510,000**	325,000
Jan Witte (appointed 1 January 2024)	**1,363,000**	—

Clawback provisions

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

24. Financial risk management

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

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

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

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

The Company's material financial instruments are investments in the seed funds, cash and cash equivalents, and balances due to/from Group undertakings. Intercompany balances are classified as loans and receivables and are repayable on demand. No interest is charged on these balances. The Group has sufficient cash resources and hence management does not believe that the Company has a material exposure to credit risk. The Company's financial risk is managed as part of the Group financial risk management process and therefore separate disclosures for the Company have not been provided. Market risk is not considered to have a material impact on financial instruments, neither is it one of the Group's principal risks; however, the second order effects of market movements are discussed on page 56.

Credit risk

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

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

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

The quality of our clients and banking counterparties is reflected in the business having not suffered from any credit default for over 20 years through various market crises and cycles, and we do not anticipate this changing under the current circumstances.

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

Financial assets at 31 March	2024 £'000	2023 £'000
Trade receivables	**9,149**	10,185
Accrued income	**1,505**	1,743
Other receivables	**935**	685
Derivative financial assets	**63**	54
Money market instruments	**8,264**	4,549
Cash and cash equivalents	**9,221**	9,948
Total financial assets	**29,137**	27,164

Notes to the financial statements for the year ended 31 March 2024 continued

The debtors' age analysis is also evaluated on a regular basis for expected credit losses. It is management's opinion that there is no requirement to provide for any expected credit losses. The table below is an analysis of trade receivables and accrued income by due date:

	2024				2023			
	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	**9,149**	**8,717**	**419**	**13**	10,185	9,775	309	101
Accrued income	**1,505**	**1,505**	**—**	**—**	1,743	1,743	—	—
Total	**10,654**	**10,222**	**419**	**13**	11,928	11,518	309	101
		96%	**4%**	**—%**		97%	2%	1%

The Group offers standard credit terms of 30 days from invoice date. It is the Group's policy to assess debtors for expected loss on an individual basis and to make a provision where it is considered necessary. In assessing recoverability, the Group takes into account any indicators of impairment up to the reporting date, adjusting to incorporate any relevant forward-looking information. The application of this policy generally results in debts that are past due not being provided for unless individual circumstances indicate that a debt is impaired.

Trade receivables are made up of 125 debtors' balances (FY-23: 113). The largest individual debtor corresponds to 19% of the total balance (FY-23: 16%). Debtor days, based on the generally accepted calculation of debtor days, is 74 days (FY-23: 83 days). This reflects the quarterly billing cycle used by the Group for the vast majority of its fees. As at 31 March 2024, 4% of debt was overdue (FY-23: 3%). No debtors' balances have been renegotiated during the year or in the prior year.

Liquidity risk

The Group is exposed to liquidity risk, namely that it may be unable to meet its payment obligations as they fall due. The Group maintains sufficient cash and marketable securities to be able to meet all such obligations. Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet the future working capital requirements and to take advantage of business opportunities. The average creditor payment period is 11 days (FY-23: 9 days).

Contractual maturity analysis for financial liabilities

	2024				2023			
	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000
Trade payables	**212**	**154**	**—**	**58**	221	221	—	—
Accruals	**3,997**	**1,440**	**1,244**	**1,313**	5,074	486	2,001	2,587
Derivative financial liabilities	**9**	**—**	**9**	**—**	5	—	5	—
Total	**4,218**	**1,594**	**1,253**	**1,371**	5,300	707	2,006	2,587

Lease liabilities are not included within the table above, please see note 12 for further details.

Interest rate risk

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

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

Notes to the financial statements for the year ended 31 March 2024 continued

24. Financial risk management continued

Interest rate profiles

At 31 March	2024 Fixed rate £'000	2024 No interest rate £'000	2024 Total £'000	2023 Fixed rate £'000	2023 No interest rate £'000	2023 Total £'000
Financial assets						
Trade receivables	—	9,149	9,149	—	10,185	10,185
Accrued income	—	1,505	1,505	—	1,743	1,743
Other receivables	—	935	935	—	685	685
Derivative financial assets at fair value through profit or loss	—	63	63	—	54	54
Money market instruments	8,264	—	8,264	4,549	—	4,549
Cash and cash equivalents	9,221	—	9,221	9,948	—	9,948
Total financial assets	17,485	11,652	29,137	14,497	12,667	27,164
Financial liabilities						
Trade payables	—	(212)	(212)	—	(221)	(221)
Accruals	—	(3,997)	(3,997)	—	(5,074)	(5,074)
Lease liability	—	(185)	(185)	—	(979)	(979)
Derivative financial liabilities at fair value through profit or loss	—	(9)	(9)	—	(5)	(5)
Total financial liabilities	—	(4,403)	(4,403)	—	(6,279)	(6,279)

Foreign currency risk

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

The Group is exposed to foreign currency risk on revenue invoices and cash holdings that are denominated in a currency other than sterling. The principal currencies giving rise to this risk are the US dollar, the Swiss franc, the euro and the Australian dollar.

During the year ended 31 March 2024, the Group invoiced the following amounts in currencies other than sterling:

	2024 Local currency value £'000	2024 Value in reporting currency £'000	2023 Local currency value £'000	2023 Value in reporting currency £'000
US dollar (USD)	28,787	22,841	24,978	20,869
Swiss franc (CHF)	16,152	13,321	16,138	14,223
Euro (EUR)	2,934	2,645	4,293	3,748
Australian dollar (AUD)	6,734	3,592	1,089	612
Canadian dollar (CAD)	296	177	1,618	1,014
Japanese yen (JPY)	12,329	89	8,795	54

The value of revenues for the year ended 31 March 2024 that were denominated in currencies other than sterling was £42.7 million (31 March 2023: £40.2 million).

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

The settlement of these forward foreign exchange contracts is expected to occur within the following three months. Changes in the fair values of forward foreign exchange contracts are recognised directly in profit or loss.

The cash denominated in currencies other than sterling (refer to note 19) is covered by the Group's hedging process, therefore the Directors consider that the foreign currency risk on cash balances is not material.

Foreign currency risk – sensitivity analysis

The Group has considered the sensitivity to exchange rate movements by considering the impact on those revenues, costs, assets and liabilities denominated in foreign currencies as experienced in the given period.

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Sterling weakening by 10% against the dollar	**1,072**	1,000	**1,072**	1,000
Sterling strengthening by 10% against the dollar	**(1,072)**	(1,000)	**(1,072)**	(1,000)
Sterling weakening by 10% against the Swiss franc	**992**	755	**992**	755
Sterling strengthening by 10% against the Swiss franc	**(992)**	(755)	**(992)**	(755)

Sterling/US dollar exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historical basis and market expectations for future movement. When applied to the average sterling/USD exchange rate of £1 = $1.26 this would result in sterling weakening to £1 = $1.15 and sterling strengthening to £1 = $1.40.

Sterling/Swiss franc exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historical basis and market expectations for future movement. When applied to the average sterling/CHF exchange rate of £1 = CHF 1.21 this would result in sterling weakening to £1 = CHF 1.10 and sterling strengthening to £1 = CHF 1.35.

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

Concentration risk

The Group is exposed to concentration risk in respect of product, client type and geographical location, which could lead to over-reliance on any one category of revenue. Note 4 provides detail on clients contributing greater than 10% of revenue. Mitigating activities are detailed in the Risk management section on page 54.

Concentration risk – sensitivity analysis

The Group has considered the impact of losing the Group's largest client, assuming that only variable remuneration costs can be reduced in the short term.

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Loss of largest client	**5,057**	3,486	**5,057**	3,486

Notes to the financial statements for the year ended 31 March 2024 continued

25. Fair value measurement

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

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

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

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

	2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Impact bonds	—	—	—	—
Investment in funds	3,412	961	—	2,451
Other investments	1,537	—	—	1,537
Forward foreign exchange contracts held to hedge non-sterling assets	63	—	63	—
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts held to hedge non-sterling assets	(9)	—	(9)	—
Total	5,003	961	54	3,988

	2023 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Impact bonds	770	770	—	—
Investment in funds	2,530	1,077	—	1,453
Other investments	1,601	1,001	—	600
Forward foreign exchange contracts held to hedge non-sterling assets	54	—	54	—
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts held to hedge non-sterling assets	(5)	—	(5)	—
Total	4,950	2,848	49	2,053

There have been no transfers between levels in the reporting period (FY-23: none).

Basis for classification of financial instruments classified as level 1 within the fair value hierarchy

Impact bonds, listed funds and other listed investments are classified as level 1. These investments are valued using market prices and coupon rates as applicable.

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

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

Notes to the financial statements for the year ended 31 March 2024 continued

Basis for classification of financial instruments classified as level 3 within the fair value hierarchy

Direct investments in private funds and share capital of start-up companies in the digital sector have been classified as level 3. There is no observable market for these investments, therefore fair value measurements have been derived from valuation techniques that include inputs that are not based on observable market data. The private funds are valued at net asset value in accordance with independent professional valuation reports or International Private Equity and Venture Capital Valuation Guidelines where relevant. The direct investments in capital of the start-up companies are valued at cost.

Movements in assets and liabilities classified as level 3 during the period:

	2024 £'000	2023 £'000
At start of period	**2,053**	326
Additions	**1,883**	1,742
Disposals	**(356)**	—
Net gain or loss	**408**	(15)
At end of period	**3,988**	2,053

Classes and fair value of financial instruments

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

Categories of financial instrument

At 31 March 2024	Note	Assets at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Liabilities at fair value through profit or loss £'000
Impact bonds	14	—	—	—	—
Investment in funds	14	—	—	**3,412**	—
Other investments	14	—	—	**1,537**	—
Trade and other receivables (excludes prepayments)	17	**11,779**	—	—	—
Money market instruments	19	**8,264**	—	—	—
Cash and cash equivalents	19	**9,221**	—	—	—
Derivative financial assets at fair value through profit or loss	18	—	—	**63**	—
Trade payables	20	—	**(212)**	—	—
Accruals	20	—	**(3,997)**	—	—
Derivative financial liabilities at fair value through profit or loss	18	—	—	—	**(9)**
Total		**29,264**	**(4,209)**	**5,012**	**(9)**

At 31 March 2023	Note	Assets at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Liabilities at fair value through profit or loss £'000
Impact bonds	14	—	—	770	—
Investment in funds	14	—	—	2,530	—
Other investments	14	—	—	1,601	—
Trade and other receivables (excludes prepayments)	17	12,613	—	—	—
Money market instruments	19	4,549	—	—	—
Cash and cash equivalents	19	9,948	—	—	—
Derivative financial assets at fair value through profit or loss	18	—	—	54	—
Trade payables	20	—	(221)	—	—
Accruals	20	—	(5,074)	—	—
Derivative financial liabilities at fair value through profit or loss	18	—	—	—	(5)
Total		27,110	(5,295)	4,955	(5)

Notes to the financial statements for the year ended 31 March 2024 continued

26. Cash flows from operating activities

This note should be read with the statement of cash flows. It provides a reconciliation to show how profit after tax, which is based on accounting rules, translates to cash flows.

	Note	2024 Group £'000	2024 Company £'000	2023 Group £'000	2023 Company £'000
Profit after tax		**9,253**	**6,810**	11,339	10,615
Adjustments for:					
Depreciation of right-of-use assets	12	**278**	**244**	375	338
Depreciation of property, plant and equipment	13	**213**	**29**	285	17
Amortisation of intangible assets	11	**232**	**—**	135	—
Impairment of intangibles		**1,937**	**—**	—	—
Loss on asset disposals		**—**	**—**	11	—
Share-based payments expense for the period		**1,146**	**—**	916	—
Non-cash movements in derivatives		**(247)**	**—**	(175)	—
Non-cash movements in investments		**(865)**	**885**	(371)	(155)
FX movements on cash		**287**	**13**	(147)	—
Leasehold modification		**48**	**48**	—	—
Loss from sale of subsidiary		**—**	**210**	—	—
Intercompany loan write-off		**188**	**343**	—	—
Other non-cash share-based payments movements[1]	33	**302**	**—**	751	—
Finance income		**(394)**	**(9)**	(181)	(1)
Finance expense		**33**	**27**	55	43
Tax expense	7	**3,658**	**(185)**	3,259	5
Dividends received from subsidiaries		**—**	**(9,876)**	—	(10,500)
Changes in working capital					
Decrease/(increase) in receivables		**1,316**	**1,717**	(4,490)	1,094
(Decrease)/increase in payables		**(1,081)**	**1,193**	1,290	794
Decrease/(increase) in provisions		**—**	**—**	(78)	(78)
Cash generated from operations		**16,304**	**1,449**	12,974	2,172
Corporation tax (paid)/refunded		**(3,249)**	**106**	(2,433)	(6)
Net cash inflow from operating activities		**13,055**	**1,555**	10,541	2,166

1. See note 33 for details of the presentational adjustment resulting in the restatement of prior year amounts.

The Group has made a presentational change by moving the cash flows from operating activities from inclusion in the face of the statement of cash flows, to a note disclosure. The reason for this presentational change is to improve the readability of the face of the statement of cash flows and to allow expansion on the items adjusted for in the cash flows from operations, so that more reliable and relevant information is presented.

27. Related parties transactions

Company

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

Transactions with subsidiaries

The Company's subsidiary undertakings are listed in note 14, which includes a description of the nature of their business.

	2024 £'000	2023 £'000
Amounts due to subsidiaries	**(5,879)**	(3,415)
Dividends received from subsidiaries	**9,876**	10,500

Amounts due to subsidiaries consist of funds lent by the subsidiaries to the Company to facilitate the Company's investing activities. Amounts due to subsidiaries are disclosed as a net amount, and also consist of amounts owed to Group undertakings in note 20 and trade receivables in note 17. All amounts owed to and by related parties will be settled in cash. No guarantees have been given or received. No provisions for expected credit losses have been raised against amounts outstanding (FY-23: £nil). No expense has been recognised during the year in respect of expected credit losses due from related parties.

Group

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

Key management personnel compensation

	2024 £'000	2023 £'000
Short-term employee benefits	**9,532**	10,311
Post-employment benefits	**399**	327
Share-based payments	**1,581**	3,539
Total	**11,512**	14,177

Key management personnel dividends

The dividends paid to key management personnel in the year ended 31 March 2024 totalled £4,518,926 (2023: £4,073,511).

Directors' remuneration

	2024 £'000	2023 £'000
Emoluments (excluding pension contribution)	**1,829**	3,580
Pension contribution (including payments made in lieu of pension contributions)	**107**	101
Total	**1,936**	3,681

During the year, two Directors of the Company (FY-23: none) participated in the Group Personal Pension Plan, a defined contribution scheme. Further detail on Directors' remuneration is provided in the Remuneration report on page 80.

28. Interests in unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has concluded that the investment funds managed by Group entities in their capacity as investment managers, through contractual agreements, are structured entities. The investment funds are not consolidated into the Group's financial statements as the Group is judged to act as an agent rather than having control under IFRS 10.

The purpose of the investment funds is to invest capital received from investors in a portfolio of instruments in order to generate a return in the form of capital appreciation, income from the assets, or both.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of shares. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit and loss in the statement of financial position.

Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees and any uncollected fees at the period end date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments. The funds do not have any debt or borrowings and are financed through the issue of shares to investors.

The following table shows the details of unconsolidated structured entities in which the Group has an interest at the reporting date:

	Number of funds	Net AUM of funds $bn	Fair value of investment £m	Management charge in the year £m	Management charge receivable at year end £m
As at 31 March 2024	**3**	**1.32**	**0.83**	**4.86**	**0.81**
As at 31 March 2023	1	1.04	—	5.16	0.40

The management charge in the year comprises both management and performance fees and is included within revenue in the consolidated statement of comprehensive income.

The fair value of investment is included within investments in the consolidated statement of financial position.
The management charge receivable comprises both management and performance fees receivable and is included within trade and other receivables in the consolidated statement of financial position.

Notes to the financial statements for the year ended 31 March 2024 continued

29. Contingent liabilities and commitments

The Group has committed to subscriptions to equity capital of $1,791,870, of which $1,571,820 has been called.

On 20 January 2023, the Group committed to a licence to use an office in London. The commitment is to 28 February 2025 and the outstanding amount to be paid at 31 March 2024 was £792,165 (FY-23: £1,628,225). The full amount is payable within twelve months (FY-23: £836,060).

30. Capital management

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern; (ii) to provide an adequate return to shareholders; and (iii) to meet regulatory capital requirements under the relevant jurisdictions (FCA and BaFin).

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

The Group's capital structure consists of the following:

	2024 £m	2023 £m
Equity[1]	**1.9**	1.9
Retained earnings attributable to the equity holders	**27.1**	26.4
Total capital	**29.0**	28.3
Required regulatory capital	**8.3**	7.1
Surplus capital	**20.7**	21.2

1. Issued share capital, share premium and other equity reserves.

Total capital covers the Group's regulatory capital requirements, and the surplus capital covers the Group's internal operational and investment capital requirements. The Directors consider that the surplus capital significantly exceeds the actual day-to-day operational requirements.

31. Ultimate controlling party

As at 31 March 2024 the Company had no ultimate controlling party, nor at 31 March 2023.

32. Post-reporting date events

In April 2024 Record plc entered into an agreement to reduce the Company's shareholding held in Dair Record Limited, from 50.1% to 5%. This transaction completed in June 2024. As a result, going forward, this investment will no longer be recognised as a joint venture.

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

33. Restatement of purchase of own shares in the consolidated statement of cash flows

For the prior year ended 31 March 2023, the consolidated statement of cash flows previously showed the purchase of own shares of £3,572,000, which included non-cash amounts of £1,722,000. In order for the purchase of own shares figure to correctly show cash amounts only, this figure has now been updated in the FY-23 comparative figure to purchase of own shares of £1,850,000. A corresponding adjustment to decrease in non-cash items has also been made in order to move the non-cash movement to cash flows from operating activities, in line with the Company policy.

Since this represents a presentational adjustment only, the restatement does not impact the total reported for cash inflow for the year, nor the closing balance for cash and cash equivalents for the year.

Reconciliation of Alternative Performance Measures

Reconciliation of Underlying results to Statutory results

All Underlying values referred to throughout the Annual Report are an alternative performance measure equal to the Statutory values less the effects of the £1.9 million intangible asset impairment.

This impairment is considered to be a one-time exceptional expense specific to the current period, and has been excluded to enhance comparability with prior year figures.

A reconciliation of the Underlying to Statutory values has been detailed below:

Underlying operating profit

	2024 £m	2023 £m
Statutory operating profit	**12.6**	14.5
Impairment of intangible assets	**1.9**	—
Underlying operating profit	**14.5**	14.5

Underlying profit before tax

	2024 £m	2023 £m
Statutory profit before tax	**12.9**	14.6
Impairment of intangible assets	**1.9**	—
Underlying profit before tax	**14.8**	14.6

Underlying earnings per share

	2024 pence	2023 pence
Statutory earnings per share	**4.84**	5.95
Impairment of intangible assets	**1.01**	—
Tax effects	**(0.25)**	—
Underlying earnings per share	**5.60**	5.95

Five year summary

	Audited				
Year ended 31 March	2020 £'000	2021 £'000	2022 £'000	2023 £'000	**2024 £'000**
Management fees	23,133	24,878	34,083	38,298	**38,695**
Performance fees	1,819	81	499	5,805	**5,840**
Other revenue	611	453	570	586	**843**
Revenue	25,563	25,412	35,152	44,689	**45,378**
Cost of sales	(255)	(399)	(219)	(37)	**(82)**
Gross profit	25,308	25,013	34,933	44,652	**45,296**
Operating expenses	(17,741)	(18,934)	(23,726)	(29,888)	**(32,683)**
Other income/(expenditure)	82	41	(372)	(293)	**(15)**
Operating profit	7,649	6,120	10,835	14,471	**12,598**
Net interest	88	33	21	127	**313**
Profit before taxation	7,737	6,153	10,856	14,598	**12,911**
Taxation	(1,365)	(802)	(2,225)	(3,259)	**(3,658)**
Profit after taxation	6,372	5,351	8,631	11,339	**9,253**
Basic EPS (pence)	3.26	2.75	4.52	5.95	**4.84**
Ordinary dividend (pence)	2.30	2.30	3.60	4.50	**4.60**
Special dividend (pence)	0.41	0.45	0.92	0.68	**0.60**

Information for shareholders

Record plc
Record plc is a public limited company incorporated in the UK.
Registered in England and Wales
Company No. 1927640

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Principal UK trading subsidiaries
Record Currency Management Limited
Registered in England and Wales
Company No. 1710736

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

Both principal UK trading subsidiaries are based in Windsor.

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

Dates for 2024 dividend

Ex-dividend date	11 July 2024
Record date	12 July 2024
Annual General Meeting	30 July 2024
Final dividend payment date	2 August 2024

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Further information about the Registrar is available on their website **www.linkgroup.eu**

Cautionary statement
This Annual 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 Annual Report. Nothing in this Annual Report should be construed as a profit forecast.

Definitions

"Articles"	The Articles of Association of the Company
"AUM"	Assets Under Management
"Board"	Company's Board of Directors
"bps"	Basis point = 100th of a per cent
"Companies Act"	Every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company
"Company"	Record plc
"$" or "dollars"	All references to dollars or $ symbol are to the currency of the US unless stated otherwise
"DPS"	Dividends per share
"EBT"	Employee Benefit Trust
"EM"	Emerging Markets
"EMSF"	Record EM Sustainable Finance Fund
"EPS"	Earnings per share
"ESG"	Environmental, social and governance
"EU"	European Union
"ExCom"	Group Executive Committee
"FRB"	Forward Rate Bias
"GP"	General Partner
"Group" or "Record"	The Company and/or any one of its subsidiary undertakings
"IAS"	International Accounting Standards
"ICARA"	Internal Capital Adequacy and Risk Assessment
"IFPR"	Investment Firm Prudential Regime
"IFRS" or "IFRSs"	International Financial Reporting Standards
"IPO"	Initial Public Offering
"KPI"	Key Performance Indicator
"London Stock Exchange"	London Stock Exchange plc
"LTIP"	Long-Term Incentive Plan
"MiFID"	Markets in Financial Instruments Directive
"Official List"	The official list of the Financial Conduct Authority
"P2P"	peer-to-peer
"RAM"	Record Asset Management GmbH
"RCML"	Record Currency Management Limited
"RDAV"	Record Digital Asset Ventures
"SIP"	Share Incentive Plan
"SSO"	Senior Sustainability Office
"TCFD"	Task Force on Climate-related Financial Disclosures
"TSR"	Total Shareholder Return
"UN PRI"	United Nations Principles for Responsible Investment
"US"	United States of America

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The Group's commitment to the environment is reflected in this report, which has been printed on Munken Lynx Smooth, an FSC® certified material. FSC_C020637, PEFC_053399, EU Ecolabel, The paper is inspected for Nordic Ecolabelled printing , ECF, ISO 14001, EMAS, Paper Profile, Safety of Toys, Food contact, Age resistant (ISO 9706), Woodfree, Cradle to Cradle Certified®. Arctic Paper Munkedals AB is one of the most environmentally-friendly paper mills in the world and meets the requirements for FSC® Chain-of-Custody ("CoC") certification. FSC® CoC certification assures that products sold with an FSC® claim originate from well-managed forests, controlled sources, and/or reclaimed materials in their supply chain. It confirms that throughout the production process there is: respect for human rights, adherence to all local applicable timber legislation and no involvement in the destruction of high conservation areas. Arctic Paper Munkedals' Munkedal mill is committed to reducing its long-term environmental impact and has the lowest water consumption per kilogram of paper in the entire industry, whilst the company's energy usage is within or below the EU's Best Available Techniques.

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