RECORD plc

PRESS RELEASE

18 November 2016

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS TO 30 SEPTEMBER 2016

Record plc, the specialist currency manager, today announces its unaudited results for the six months to 30 September 2016.

Financial headlines:

- AUME[1] increased to \$55.0bn[2] / £42.4bn (\$52.9bn / £36.8bn at 31 March 2016)
- Client numbers increased to 61 (from 58) over the six month period
- Revenue increased by 7% to £11.1m compared to the six months to 30 September 2015 (£10.4m)
- Underlying[3] operating margin of 33% (six months to 30 September 2015: 33%)
- Underlying profit before tax decreased by 2% to £3.6m (six months to 30 September 2015: £3.7m)
- Basic EPS of 1.33 pence (six months to 30 September 2015: 1.36 pence)
- Strong financial position with shareholders' equity increased to £35.0m (30 September 2015: £33.3m)
- Interim dividend of 0.825p per share will be paid on 23 December 2016 (six months to 30 September 2015: 0.825p per share)

Key developments:

- Sterling weakened against most major currencies following the UK's decision to leave the EU, including decreases of approximately 13% and 11% against the US dollar and the Swiss Franc respectively, and has continued to do so since the period end.
- The half year saw aggregate net inflows of \$1.4 billion across all products and positive performance from each component of the Multi-Strategy product.
- During the period, investor awareness of the risks and opportunities afforded by currency fluctuations in volatile market conditions has been heightened by the ongoing Brexit debate, and further underlined after the period by the outcome of the US presidential election.

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

[2] The Group has revised its approach to reporting AUME and a reconciliation of AUME under the original and revised approaches is provided after the notes to the financial statements. There has been no change to the revenue-generating ability of the business as a result of this reporting change.

[3] The underlying results are those before consolidating the non-controlling interests in the seed funds, and reflect internal management reporting of the revenues and costs driving future cash flows of the business.

Commenting on the results, James Wood-Collins, Chief Executive Officer of Record plc, said:

“The stand out market event during the first half of the financial year was the UK’s decision to leave the European Union and the consequent depreciation of sterling against most major currencies following the referendum result on 24 June. We are actively anticipating the impact of Brexit on our clients and all aspects of our business, and regard the maintenance of our ability to serve EU clients following departure as essential.

“The Group has seen net inflows during the period of $1.4 billion spread across all product lines, an increase in client numbers and positive performance across each component of the Multi-Strategy product during the period.

“Against this backdrop, it’s pleasing to announce underlying revenues 1% ahead of the second half of last year, despite that period having had the benefit of performance fees. Furthermore, close control of operating costs has resulted in the underlying operating profit margin of 33%, and underlying profit before tax of £3.6 million, both being broadly in line with the same period last year, despite that period having benefited from a temporary increase in a tactical bespoke mandate.

“Volatility in currency markets is seemingly set to continue, supported not least by economic and political uncertainty across Europe and the US. Such volatility in addition to attractive investment performance and an ultra-low interest rate environment can all present new business opportunities. Our focus is to ensure the Group is well placed to take advantage of such opportunities and I believe further progress will be made in the second half of the financial year.”

Analyst briefing

There will be a presentation for analysts at 9.30am on Friday 18 November 2016 at Cenkos plc offices: 6-8 Tokenhouse Yard, London, EC2R 7AS. A copy of the presentation will be made available on the Group's website at www.recordcm.com.

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Nick Denton, Ollie Hoare

Chief Executive Officer's statement

Management fees and underlying revenues for the first half of the year were close to the levels achieved in the same period last year, despite that period benefiting from a temporary increase in a tactical bespoke mandate. Management fees were satisfactorily ahead of the second half of last year. Client numbers and AUME in both US dollar and pound sterling terms have grown in the period. Net inflows across all products contributed to growth in US dollar terms, and sterling's depreciation over the period, in particular against the Swiss franc, added further to AUME measured in sterling.

James Wood-Collins

Chief Executive Officer

Market and performance overview

The stand-out market event of the period was sterling's depreciation following the UK's decision to leave the European Union. This was evident both in the immediate aftermath of the referendum, and towards the end of the period as the timing and nature of Brexit started to become clearer.

Between 23 June and 30 September 2016, sterling weakened by approximately 13% against the US dollar. Financial markets had clearly failed to anticipate a Leave vote, leading to a marked depreciation on 24 June. The possibility of a "hard Brexit" contributed to further weakening towards and shortly after the period end. Despite the drama of 24 June and some of the following days, the foreign exchange markets continued to function with high transaction volumes throughout, although at the cost of poorer liquidity and wider bid-offer spreads on the most dramatic days.

The plans we had put in place to manage clients' portfolios around the referendum served their purpose well. Avoiding trading where possible reduced our clients' exposure to higher transaction costs, and reducing the level of activity on UK clients' Dynamic Hedging programmes mitigated the risk of underperformance. As a result, UK Dynamic Hedging programmes adjusted hedge ratios in line with fluctuations in sterling ahead of the referendum, and managed hedging losses as sterling subsequently weakened.

Beyond the UK, markets saw some restoration of the link between interest rate expectations and currency movements. The US dollar and Swedish krona generally weakened due to uncertain expectations of rate increases for the former, and further quantitative easing for the latter. By contrast, the Japanese yen appreciated in response to safe haven inflows and effective tightening of monetary policy. The Norwegian krone, Australian dollar and New Zealand dollar all strengthened with commodity prices, and in the latter two cases despite a cut in interest rates. The recovery in commodity prices, delayed expectations for US interest rate increases and improving sentiment contributed to general strengthening in emerging market currencies.

In this environment, US Dynamic Hedging programmes allowed clients to benefit from a weakening dollar by reducing hedge ratios, although costs were incurred in adjusting the hedges.

Each component of the Multi-Strategy product, namely Forward Rate Bias, Emerging Market, Momentum and Value generated positive performance over the half year. In the case of Forward Rate Bias this was attributable both to appreciation of higher rate investment currencies and to depreciation of most lower rate funding currencies, with the exception of the Japanese yen. In the case of Emerging Market this was attributable to a broad-based recovery in emerging market currencies over the summer. Momentum contributed to Multi-Strategy's net short position in sterling which benefited from the outcome of the EU referendum, and Value benefited in particular from the appreciation of the Japanese yen following the referendum.

Regulation

Regulatory change continues to be a major theme in the foreign exchange markets. This half year saw the first implementation of mandatory variation margin rules amongst bank counterparties, with the effects on our clients expected to be felt from the first calendar quarter in 2017.

As previously reported, we continue to be frustrated by differences in rules across jurisdictions. We are nevertheless committing significant resources to managing the impact of these rules on our clients, and to seeking to mitigate any adverse consequences for our business. In doing so we are also continuing to explore ways we can generate new business opportunities from these changes, by broadening our product offering in collateral management and in cash management more widely.

We are also looking further ahead to the impact of the UK's departure from the European Union. We are actively anticipating Brexit's impact on our clients, colleagues and regulatory permissions, amongst other topics. With respect to regulatory permissions, we regard the maintenance of our ability to serve EU clients after the UK's departure as essential. We are therefore establishing contingency plans to allow this to continue even in the absence of "passporting" or its equivalent on a system-wide basis. In the meantime, we continue with our projects to plan for impending regulation such as the Markets in Financial Instruments Directive II.

Financial highlights

Management fees of £10.6 million represented a 3% reduction on the first half of last year, which had benefited from a temporary increase in a tactical bespoke mandate, and a 6% increase on the second half of last year. Underlying revenues of £10.6 million represented a 1% reduction on the first half of last year, and were 1% ahead of the second half, which had benefited from performance fee revenues. The underlying operating profit margin was maintained at 33%, leading to underlying profit before tax of £3.6 million, as compared to £3.7 million for the first half of last year, and £3.4 million for the second half.

Asset flows

AUME grew over the period by 4% in US dollar terms to $55.0 billion, and by 15% in sterling terms, to £42.4 billion. This growth was due to net inflows of $1.4 billion across all product lines, with Passive Hedging and Currency for Return the largest contributors at $0.9 billion and $0.4 billion respectively. Market and exchange rate movements also contributed positively over the period in aggregate.

We are introducing a new product category, Multi-product mandates, in this reporting period to recognise that some client mandates have combined hedging and return-seeking objectives, and may have a fee structure recognising this. The tactical bespoke mandate referred to above is one such. These fee structures can no longer readily be separated into their hedging and return-seeking components, and so we are introducing this new category to maintain the clear link between AUME, fee levels, and management fees. It should be emphasised that this is purely a reporting change, with no change to the business's revenue-generating ability.

Products and distribution

We have seen a growing level of new business discussions, in particular towards the end of the period. This can be attributed to marked currency volatility on the one hand, and positive performance across all return-seeking strategies on the other. There is a welcome degree of diversification in the objectives clients are looking to meet. Client and consultant engagement ranges across passive hedging, active hedging and return-seeking objectives, and in some cases combinations of these. This is the case across our core markets of the UK, continental Europe, and North America, and in markets we are exploring such as Australia.

We continue to be enthusiastic about our collaboration with WisdomTree Investments, Inc., which was extended during the period to include signals to hedge dynamically currency exposures within their Canadian as well as US rules-based index families.

Board changes and dividend

We were delighted to welcome Rosemary Hilary to the Board as an independent non-executive director in June 2016. Rosemary was previously Chief Audit Officer at TSB and prior to that at the FCA/FSA, and formerly held senior supervisory roles at the FSA and the Bank of England.

With Jane Tufnell having joined in September 2015 and Rosemary in June 2016, September 2016 saw Record announce the resignation of non-executive directors Cees Schrauwers and Andrew Sykes. Cees and Andrew had both joined the Board just prior to Record's introduction to the Official List in December 2007, and consequently would no longer be deemed independent. Cees and Andrew both made enormous contributions to Record during their tenure on the Board, and we are very appreciative for their commitment, and their invaluable advice and guidance.

An interim dividend of 0.825p per share will be paid on 23 December 2016 to shareholders on the register at 2 December 2016.

The Board's intention for the financial year, subject to business conditions, is to maintain the total ordinary dividend at 1.65p per share. However in setting the dividend, the Board will be mindful of achieving a level which it expects to be at least covered by earnings and which allows for future sustainable dividend growth in line with the trend in profitability, such that the total ordinary dividend may be more or less than 1.65p per share. The Board will also give consideration to returning at least part of any excess of the current year's earnings per share over ordinary dividends to shareholders, potentially in the form of special dividends.

Outlook

Currency market volatility, attractive investment performance and even regulatory changes can all present new business opportunities. The Group's management and staff are working hard to convert these opportunities into new mandates. On behalf of the Board, I would like to thank our clients for their continued support, and our staff for their commitment and hard work.

James Wood-Collins
Chief Executive Officer

Interim management review

Business review

During a period of heightened volatility and market uncertainty since the prior year end, AUME and client numbers have grown and management fees have increased when compared to the final six months of the prior financial year.

A new product category (Multi-product) has been introduced which recognises those clients having mandates with combined hedging and return-seeking objectives. The current climate of general economic uncertainty and historically low interest rates has increased interest from investors in such mandates, capable of harvesting returns whilst also acting to reduce currency risk. Such mandates are generally remunerated on a different basis (e.g. on a notional mandate size) and hence are not readily attributable into their component parts for AUME and fee rate purposes. The new product category recognises such mandates separately and seeks to maintain the link between average AUME and average fee rates for all product categories going forward. Consequently comparative figures have been restated to reflect this new category, and a full reconciliation is provided following the notes to the financial statements. It should be noted that this restatement in no way affects the revenue-generation capability of the mandates or of the business but instead reflects more accurately the underlying objectives of each category of mandate. All figures given in this commentary reflect the new category and the restatement of historic numbers.

AUME increased by 4% to $55.0bn (31 March 2016: $52.9bn). Dynamic Hedging AUME decreased to $5.7bn (31 March 2016: $6.1bn) but was offset by growth in Passive Hedging AUME to $45.6bn (31 March 2016: $43.4bn), including net inflows of $0.9bn. Currency for Return AUME grew by 50% to $0.9bn (31 March 2016: $0.6bn), including net inflows of $0.4bn, and Multi-product AUME remained constant at $2.6bn at period end. Client numbers continued to grow, increasing by 5% to 61 at 30 September 2016 (31 March 2016: 58) and by 13% compared to the same period last year (30 September 2015: 54 clients).

Management fees for the six month period decreased by 3% to £10.6m from £11.0m in the equivalent period in the prior year, which had benefited from a temporary increase in a tactical bespoke mandate. Approximately 80% of Record's management fees are denominated in currencies other than sterling. Due to sterling weakness following the result of the EU referendum on 24 June, management fees earned for the period have increased upon translation into sterling.

Headline revenues for the six month period of £11.1m are 7% higher than the comparable period last year (six months ended 30 September 2015: £10.4m) and 3% higher than the £10.7m reported for the second half of the prior financial year, despite this latter period including a performance fee of £0.3m.

Personnel costs of £3.4m are 3% lower than the same period last year (30 September 2015: £3.5m) and are in line with the annualised rate reported for last year of £6.8m. Similarly non-personnel costs of £2.1m are equivalent to the same period last year, and have decreased slightly on an annualised basis versus last year (12 months to 31 March 2016: £4.3m).

Profit before tax on a fully consolidated basis of £4.0m (and therefore including the full impact of non-controlling interests in seed funds) has increased by 22% (six months ended 30 September 2015: £3.3m) and operating profit margin on the same basis has increased from 31% to 36%, due predominantly to the effect of consolidating the seed funds in full. On an underlying basis, profit before tax of £3.6m shows a marginal fall versus the same period last year (£3.7m) and a 6% increase when compared to the final six months of last year (£3.4m), which included performance fees of £0.3m.

The Group maintains a strong and liquid balance sheet. Shareholders' funds stood at £35.0m at the balance sheet date, compared to £33.7m at the last year end date of 31 March 2016 (30 September 2015: £33.3m).

Product investment performance

During the period, US-based Dynamic Hedging clients experienced a general weakening of the US dollar against developed market currencies, with the exception being sterling following the UK's vote to leave the EU in June The Japanese yen appreciated the most in response to safe haven inflows in June, and a shift to a tighter monetary policy stance in September. The Dynamic Hedging programmes responded as expected, with hedge ratios varying systematically in response to currency movements.

UK-based Dynamic Hedging clients experienced an unequivocal weakening of the pound against all currencies within the programmes between the end of March and the end of September. The programmes performed as expected, adjusting hedge ratios in line with fluctuations coming up to and following the EU referendum vote and as a result controlled hedging losses.

Our Currency for Return strategies, Momentum, Value, Forward Rate Bias and Emerging Market, all performed positively over the period.

The FTSE Currency FRB10 Index outperformed, as losses in April were more than offset by positive returns in the subsequent five months. This outperformance was largely attributable to long positions in New Zealand dollar which appreciated over the last six months and short positions in the Swedish krona, which depreciated. During the period, all Record Active Forward Rate Bias portfolios were transitioned to the FRB10 strategy as part of account restructuring processes agreed with the respective clients.

The Emerging Market strategy outperformed as part of a broad based rebound in emerging market asset prices over the summer, driven by a recovery in global risk sentiment, commodity prices and a repricing of investor expectations towards slower US interest rate normalisation. As a result, Record's Emerging Market strategy performed positively as negative returns in April and May were outweighed by gains in the subsequent four months.

Investment performance in the Multi-Strategy product which uses the FTSE Currency FRB10 index strategy produced positive returns over the period as the Value, Momentum, Emerging Market and FRB10 strategies all outperformed.

Fund name	**Gearing**	**Half year return**	**Return since inception p.a.**	**Volatility since inception p.a.**
FTSE FRB10 Index Fund[4]	1.8	3.97%	1.60%	7.46%
Emerging Market Currency Fund[5]	1	3.16%	0.54%	6.61%

Index/composite returns[6]	**Half year return**	**Return since inception p.a.**	**Volatility since inception p.a.**
FTSE Currency FRB10 GBP excess return	2.16%	2.31%	4.64%
Currency Value	1.82%	3.39%	3.23%
Currency Momentum	4.76%	2.68%	3.74%
Record Multi-Strategy[7]	2.52%	1.56%	2.20%
Record Multi-Strategy (with FRB10)[8]	3.16%	2.06%	2.42%

AUME development

AUME has risen to $55.0bn, an increase of $2.1bn (4%) in the period, which can be attributed as follows:

[4] FTSE FRB10 Index Fund return data is since inception in December 2010.
[5] Emerging Market Currency Fund return data is since inception in December 2010.
[6] The Currency Alpha composite closed on 28 July 2016.
[7] Multi-Strategy return data is since inception in August 2012.
[8] Multi-Strategy with FRB10 return data is since inception in February 2015.

AUME movement in the six months to 30 September 2016

	$bn
AUME at 1 April 2016	52.9
Net client flows	+1.4
Equity and other market impact	+2.3
Foreign exchange impact	-1.6
AUME at 30 September 2016	**55.0**

Net client flows and numbers

The net inflow of $1.4bn includes net inflows to Passive Hedging of $0.9bn and net inflows from Currency for Return products of $0.4 bn.

The net inflows in Passive Hedging were principally from new clients. Growth in Currency for Return related to the Multi-Strategy product. Flows to and from Dynamic Hedging and Cash during the period were negligible, and aggregated to $0.1bn.

Client numbers increased by 3 to 61 clients as at 30 September 2016 (31 March 2016: 58 clients; 30 September 2015: 54 clients).

Equity and other market performance

Record's AUME is affected by movements in equity and other market levels because substantially all the Passive and Dynamic Hedging, and some of the Multi-product mandates, are linked to equity and other market levels. Market performance added $2.3bn to AUME in the six months to 30 September 2016.

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

Class of assets underlying hedging mandates by product as at 30 September 2016

	Equity %	**Fixed income %**	**Other %**
Dynamic Hedging	91	-	9
Passive Hedging	27	42	31

Forex

As 91% of the Group's AUME is non-US Dollar denominated, foreign exchange movements may have an impact on AUME when expressing non-US Dollar AUME in US Dollars. In the six months to 30 September 2016, foreign exchange movements reduced AUME by $1.6bn.

Product mix

There has been a small shift in product mix during the six month period with growth in both Passive Hedging mandates and Multi-Strategy Currency for Return mandates. Multi-product offerings have remained broadly unchanged in the period. Hedging represents 93% of total AUME (31 March 2016: 94%), of which Dynamic Hedging represents $5.7bn and 10% of total AUME, falling from $6.1bn (12%) at 31 March 2016.

AUME composition by product

	30 Sep 16		30 Sep 15		31 Mar 16	
	$bn	**%**	**$bn**	**%**	**$bn**	**%**
Dynamic Hedging	5.7	10	6.6	13	6.1	12
Passive Hedging	45.6	83	41.7	80	43.4	82
Currency for Return	0.9	2	0.6	1	0.6	1
Multi-product	2.6	5	3.3	6	2.6	5
Cash and other	0.2	-	0.2	-	0.2	-
Total	**55.0**	**100**	**52.4**	**100**	**52.9**	**100**

Revenue

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

Management fee income for the six months to 30 September 2016 was £10.6m, a fall of 3% on the six months ended 30 September 2015 (£11.0m), and an increase of 6% over the second half of last year.

Management fees by product (£m)

Dynamic Hedging management fees decreased by 13% to £2.6m compared to the equivalent period last year (£3.0m) due predominantly to the outflow announced in early October 2015. In the six months ended 30 September 2016, Dynamic Hedging generated 24% of management fee income (six months ended 30 September 2015: 27% and six months ended 31 March 2016: 25%).

Passive Hedging management fees continue to grow both in absolute terms and as a proportion of overall management fees, accounting for 53% of management fee income in the period (six months ended 30 September 2015: 41%), increasing by £1.1m compared to the six months ended 30 September 2015 and by £0.7m versus the second half of last year. This increase in fees reflects the steady growth in Passive Hedging AUME over the last three years, both from inflows to existing mandates and from new client wins.

Management fees from Currency for Return products in the period increased by £0.1m when compared to the six months ended 30 September 2015, and represented 4% of management fees for the period (six months ended 30 September 2015: 4%). The increase was driven by inflows into the Multi-Strategy product following a period of positive performance.

The Multi-product category, which includes those mandates with both hedging and return-seeking objectives, generated management fees of £1.9m. This represents a decrease of £1.2m (38%) compared to the six months ended 30 September 2015 and was due to an outflow announced from a bespoke tactical mandate in the previous financial year.

__Revenue analysis (£m)__

	Six months ended 30 Sep 16	Six months ended 30 Sep 15	Year ended 31 Mar 16
Management fees			
Dynamic Hedging	2.6	3.0	5.5
Passive Hedging	5.6	4.5	9.4
Currency for Return	0.5	0.4	0.8
Multi-product	1.9	3.1	5.2
Total management fees	**10.6**	**11.0**	**20.9**
Performance fees	**-**	-	0.3
Other income	0.5	(0.6)	(0.1)
Total revenue	**11.1**	**10.4**	**21.1**

The average management fee rates for all product lines have remained broadly constant over the six months ended 30 September 2016.

__Average management fee rates (bps p.a.)__

Product	Six months ended 30 Sep 16	Six months ended 30 Sep 15	Year ended 31 Mar 16
Dynamic Hedging	**13**	13	13
Passive Hedging	**4**	3	3
Currency for Return	**17**	19	20
Multi-product	**20**	18	19

Other income consists principally of gains or losses made on derivative financial instruments employed by the funds seeded by the Group, which are consolidated in full. It also includes gains or losses on hedging revenues denominated in currencies other than sterling, and other foreign exchange gains or losses.

The aggregate gain from investments in seed funds and derivative financial instruments held by seed funds was £0.2m in the six months ended 30 September 2016 (six months ended 30 September 2015: loss of £0.6m; year ended 31 March 2016: loss of £0.2m).

Expenditure

__Expenditure analysis (£m)__

	Six months ended 30 Sep 16	Six months ended 30 Sep 15	Year ended 31 Mar 16
Personnel costs	3.4	3.5	6.8
Non-personnel costs	2.1	2.1	4.3
Administrative expenditure excluding Group Profit Share	**5.5**	**5.6**	**11.1**
Group Profit Share	1.5	1.5	3.0
Total administrative expenditure	**7.0**	**7.1**	**14.1**

The total expenditure in the six months to 30 September 2016 was £7.0m, a decrease of £0.1m (1%) when compared to the six months to 30 September 2015 (£7.1m). Personnel costs excluding Group Profit Share (GPS) of £3.4m for the six months ended 30 September 2016 have fallen by £0.1m versus the six months ended 30 September 2015.

Non-personnel costs have been closely controlled and have remained at historic levels. On 7 September 2016, a new lease was signed allowing the business to remain in the same building until September 2022. Once works are complete and the new offices are fully occupied, the annual commitment will increase by approximately £0.2m per annum.

Group Profit Share (GPS) Scheme

The cost of the GPS scheme for the six months to 30 September 2016 of £1.5m was unchanged compared to the six months to 30 September 2015 (£1.5m), and in line with underlying operating profit. The GPS continues to be calculated at 30% of pre-GPS underlying operating profit in the period.

Operating profit and margins

The operating profit for the six months ended 30 September 2016 of £4.0m was 23% higher than the six month period ended 30 September 2015 (£3.2m). Operating profit margin for the six months ended 30 September 2016 was 36% on a fully consolidated basis (six months ended 30 September 2015: 31%).

Management also considers profit before tax and operating profit on an underlying basis, which excludes the impact of the income and expenditure attributable to non-controlling interests i.e. gains and losses attributable to other investors in the seed funds which are consolidated into the Group's financial statements on a line-by-line basis under IFRS. The underlying operating profit for the six months ended 30 September 2016 was £3.5m (six months to 30 September 2015: £3.6m) and underlying operating profit margin for the six month period ending 30 September 2016 was 33% (six months to 30 September 2015: 33% and year to 31 March 2016: 33%).

Cash flow

The Group generated £3.4m of cash from operating activities after tax during the six month period ended 30 September 2016 (six months ended 30 September 2015: £2.4m). Taxation paid during the period was £0.8m compared to £0.9m for the six months ended 30 September 2015. On 3 August 2016 the Group paid a final dividend of 0.825p per share in respect of the year ended 31 March 2016 which equated to a distribution of £1.8m (during the six months ended 30 September 2015 the Group paid a final dividend of 0.90p per share in respect of the year ended 31 March 2015, a distribution of £2.0m).

Dividends

The Group will pay an interim dividend of 0.825p per share in respect of the six months ended 30 September 2016. The dividend will be paid on 23 December 2016 to shareholders on the register on 2 December 2016. Subject to business conditions in the second half of the financial year and a satisfactory outlook, the Group currently intends to pay a final ordinary dividend of 0.825p for the financial year ending 31 March 2017.

As previously stated in the Annual Report for the year ended 31 March 2016, the Board will also give consideration to returning at least part of any excess of current year earnings per share over ordinary dividends to shareholders, potentially in the form of special dividends.

Capital management

The Board's intention is to retain sufficient capital within the business to meet continuing obligations, to sustain future growth and to provide a buffer against adverse market conditions. The Group has no debt and shareholders' funds were £35.0m at 30 September 2016 (30 September 2015: £33.3m).

The dividend payment on 23 December 2016 will equate to a distribution of £1.8m, following which the business will retain cash and money market instruments on the balance sheet which are significantly in excess of financial resource requirements required for regulatory purposes.

Principal risks and uncertainties

The principal risks and uncertainties documented in the Annual Report for the year ended 31 March 2016 remain relevant to Record.

Since publishing the Annual Report, the UK's decision to leave the European Union has been confirmed. The outcome of future negotiations regarding the UK's departure from the EU will impact how Record can transact on behalf of its clients, how it can distribute its products to EU-based clients and how it retains employees from the EU.

Record has established a management team to monitor the progress towards Brexit and to review and anticipate the ramifications to our clients and our business on an ongoing basis.

Contingency plans are being established to allow the continued maintenance of our ability to serve EU clients irrespective of the final outcome of negotiations surrounding the retention of "passporting" or its equivalent.

Account concentration risk has continued during the six months to 30 September 2016. The proportion of management fee income generated from the largest client was 14% for the six months ended 30 September 2016 (year ended 31 March 2016: 13%). The proportion of income for the six months ended 30 September 2016 generated from the largest five clients was 58% (year ended 31 March 2016: 60%).

Statement of Directors' responsibilities

The half-yearly financial report is the responsibility of the Directors who confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed and adopted by the EU;
- the interim management review includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Annual Report 2016 that could do so.

The Directors of Record plc are listed on the Record plc website at ir.recordcm.com/board-of-directors.

Neil Record	***Steve Cullen***
Chairman	***Chief Financial Officer***

Independent review report to the members of Record plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report of Record Plc for the six months ended 30 September 2016 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Grant Thornton UK LLP

Auditor

17 November 2016

Financial statements

Consolidated statement of comprehensive income

	Note	Unaudited Six months ended 30 Sep 16 £'000	Unaudited Six months ended 30 Sep 15 £'000	Audited Year ended 31 Mar 16 £'000
Revenue	3	**11,080**	10,384	21,134
Cost of sales		(138)	(98)	(221)
Gross profit		**10,942**	10,286	20,913
Administrative expenses		(6,977)	(7,071)	(14,123)
Operating profit		**3,965**	3,215	6,790
Finance income		67	76	143
Profit before tax		**4,032**	3,291	6,933
Taxation		(722)	(706)	(1,523)
Profit after tax and total comprehensive income for the period		**3,310**	2,585	5,410
Profit and total comprehensive income for the period attributable to:				
Non-controlling interests		431	(381)	(131)
Owners of the parent		2,879	2,966	5,541
Earnings per share for profit attributable to the equity holders of the parent during the period (expressed in pence per share)				
Basic earnings per share	4	**1.33p**	1.36p	2.55p
Diluted earnings per share	4	**1.33p**	1.35p	2.54p

Consolidated statement of financial position

	Note	Unaudited As at 30 Sep 16 £'000	Unaudited As at 30 Sep 15 £'000	Audited As at 31 Mar 16 £'000
Non-current assets				
Property, plant and equipment		161	116	81
Intangible assets		176	389	299
Deferred tax assets		43	103	43
Total non-current assets		**380**	608	423
Current assets				
Trade and other receivables		5,966	5,913	5,695
Derivative financial assets	10	54	23	106
Money market instruments with maturity > 3 months	6	20,069	14,181	13,020
Cash and cash equivalents	6	16,114	19,241	21,720
Total current assets		**42,203**	39,358	40,541
Total assets		**42,583**	39,966	40,964
Current liabilities				
Trade and other payables		(2,448)	(2,460)	(2,372)
Corporation tax liabilities		(720)	(729)	(776)
Derivative financial liabilities	10	(135)	(139)	(108)
Total current liabilities		**(3,303)**	(3,328)	(3,256)
Total net assets		**39,280**	36,638	37,708
Equity				
Issued share capital	8	55	55	55
Share premium account		1,899	1,899	1,899
Capital redemption reserve		20	20	20
Retained earnings		33,050	31,336	31,715
Equity attributable to owners of the parent		**35,024**	33,310	33,689
Non-controlling interests	9	4,256	3,328	4,019
Total equity		**39,280**	36,638	37,708

Approved by the Board on 17 November 2016 and signed on its behalf by:

Neil Record ***Steve Cullen***
Chairman ***Chief Financial Officer***

Consolidated statement of changes in equity

Unaudited	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interests £'000	Total equity £'000
As at 1 April 2015		55	1,847	20	30,006	31,928	3,876	35,804
Profit and total comprehensive income for the period		-	-	-	2,966	**2,966**	(381)	**2,585**
Dividends paid	5	-	-	-	(1,962)	**(1,962)**	-	**(1,962)**
Own shares acquired by EBT		-	-	-	(337)	**(337)**	-	**(337)**
Release of shares held by EBT		-	52	-	303	**355**	-	**355**
Change in non-controlling interests on initial consolidation of seed fund		-	-	-	-	**-**	417	**417**
Redemption of units in funds		-	-	-	-	**-**	(584)	**(584)**
Share-based payments		-	-	-	360	**360**	-	**360**
Transactions with shareholders		**-**	**52**	**-**	**(1,636)**	**(1,584)**	**(167)**	**(1,751)**
As at 30 September 2015		**55**	**1,899**	**20**	**31,336**	**33,310**	**3,328**	**36,638**
Profit and total comprehensive income for the period		-	-	-	2,575	**2,575**	250	**2,825**
Dividends paid	5	-	-	-	(1,788)	**(1,788)**	-	**(1,788)**
Own shares acquired by EBT		-	-	-	(669)	**(669)**	-	**(669)**
Release of shares held by EBT		-	-	-	233	**233**	-	**233**
Issue of units in funds		-	-	-	-	**-**	441	**441**
Share-based payments		-	-	-	28	**28**	-	**28**
Transactions with shareholders		**-**	**-**	**-**	**(2,196)**	**(2,196)**	**441**	**(1,755)**
As at 31 March 2016		**55**	**1,899**	**20**	**31,715**	**33,689**	**4,019**	**37,708**
Profit and total comprehensive income for the period		-	-	-	2,879	**2,879**	431	**3,310**
Dividends paid	5	-	-	-	(1,791)	**(1,791)**	-	**(1,791)**
Release of shares held by EBT	8	-	-	-	211	**211**	-	**211**
Redemption of units in funds		-	-	-	-	**-**	(194)	**(194)**
Share-based payments		-	-	-	36	**36**	-	**36**
Transactions with shareholders		**-**	**-**	**-**	**(1,544)**	**(1,544)**	**(194)**	**(1,738)**
As at 30 September 2016		**55**	**1,899**	**20**	**33,050**	**35,024**	**4,256**	**39,280**

Consolidated statement of cash flows

	Note	Unaudited Six months ended 30 Sep 16 £'000	Unaudited Six months ended 30 Sep 15 £'000	Audited Year ended 31 Mar 16 £'000
Net cash inflow from operating activities after tax	7	**3,394**	2,414	5,509
Cash flow from investing activities				
Purchase of intangible software		**-**	(25)	(39)
Purchase of property, plant and equipment		**(109)**	(13)	(29)
Sale of securities		**-**	1,564	1,462
(Purchase)/sale of money market instruments with maturity > 3 months		**(7,049)**	3,919	5,079
Increase in cash due to accounting treatment of funds previously not consolidated on line-by-line basis		**-**	1,968	1,968
Interest received		**49**	82	165
Net cash (outflow)/inflow from investing activities		**(7,109)**	7,495	8,606
Cash flow from financing activities				
Cash outflow from redemption of units in funds		**(194)**	(584)	(143)
Cash inflow from exercise of share options		**28**	-	-
Purchase of own shares		**-**	(183)	(794)
Dividends paid to equity shareholders	5	**(1,791)**	(1,962)	(3,750)
Cash outflow from financing activities		**(1,957)**	(2,729)	(4,687)
Net (decrease)/increase in cash and cash equivalents in the period		**(5,672)**	7,180	9,428
Effect of exchange rate changes		**66**	51	282
Cash and cash equivalents at the beginning of the period		**21,720**	12,010	12,010
Cash and cash equivalents at the end of the period		**16,114**	19,241	21,720
Closing cash and cash equivalents consists of:				
Cash	6	**6,587**	4,604	5,439
Cash equivalents	6	**9,527**	14,637	16,281
Cash and cash equivalents		**16,114**	19,241	21,720

Notes to the financial statements

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

1) Basis of preparation

The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union. The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 March 2016 (which were prepared in accordance with IFRSs as adopted by the European Union) have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

Going concern

The Directors are satisfied that the Group has adequate resources with which to continue to operate for the foreseeable future, and therefore these financial statements have been prepared on a going concern basis.

Consolidation

The accounting policies adopted in these interim financial statements are identical to those adopted in the Group's most recent annual financial statements for the year ended 31 March 2016.

The consolidated financial information contained within the financial statements incorporates financial statements of the Company and entities controlled by the Company (its subsidiaries) drawn up to 30 September 2016. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group controls an entity, but does not own all the share capital of that entity, the interests of the other shareholders are stated within equity as non-controlling interests, being the proportionate share of the fair value of identifiable net assets on date of acquisition plus the share of changes in equity since the date of consolidation.

An Employee Benefit Trust ("EBT") has been established for the purposes of satisfying certain share-based awards. The Group has 'de facto' control over this entity. This trust is fully consolidated within the financial statements.

At the beginning of the period, the Group had investments in three funds which it was in a position to control. These fund investments are held by Record plc and represent seed capital investments by the Group. The funds are consolidated on a line-by-line basis from the time that the Group gains control over the fund.

2) Critical accounting estimates and judgements

The accounting policies, presentation and methods of computation applied in the interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2016.

3) Revenue

Segmental analysis

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

a) Product revenues

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

Revenue by product type	Six months ended 30 Sep 16 £'000	Six months ended 30 Sep 15 £'000	Year ended 31 Mar 16 £'000
Management fees			
Dynamic Hedging	**2,596**	2,998	5,514
Passive Hedging	**5,613**	4,493	9,438
Currency for Return	**469**	397	790
Multi-product	**1,907**	3,068	5,199
Total management fee income	**10,585**	10,956	20,941
Performance fee income	**-**	-	315
Other income	**495**	(572)	(122)
Total revenue	**11,080**	10,384	21,134

Other income includes gains attributable to the non-controlling interests' holding in the funds of £441,492 (six months ended 30 September 2015: losses of £372,721; year ended 31 March 2016: losses of £112,274).

b) Geographical analysis

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

Revenue by geographical region	Six months ended 30 Sep 16 £'000	Six months ended 30 Sep 15 £'000	Year ended 31 Mar 16 £'000
Currency management income			
UK	**2,019**	2,343	4,501
US	**2,256**	1,758	3,746
Switzerland	**5,606**	6,329	11,939
Other	**704**	526	1,070
Total currency management income	**10,585**	10,956	21,256
Other income	**495**	(572)	(122)
Total revenue	**11,080**	10,384	21,134

Other income is not analysed by geographical region.

4) Earnings per share

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

Diluted earnings per share are 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 period attributable to equity holders of the parent used in the basic and diluted earnings per share calculations.

	Six months ended 30 Sep 16	Six months ended 30 Sep 15	Year ended 31 Mar 16
Weighted average number of shares used in calculation of basic earnings per share	**216,800,927**	217,807,851	217,176,877
Effect of potential dilutive ordinary shares – share options	**405,007**	1,266,237	711,980
Weighted average number of shares used in calculation of diluted earnings per share	**217,205,934**	219,074,088	217,888,857
Basic earnings per share	**1.33p**	1.36p	2.55p
Diluted earnings per share	**1.33p**	1.35p	2.54p

The potential dilutive shares relate to the share options granted in respect of the Group's Share Scheme. At the beginning of the period, there were share options in place over 13,369,249 shares. During the six months ended 30 September 2016, options over 200,000 shares were exercised, and options over 680,540 shares either lapsed or were forfeited. As at 30 September 2016, there were share options in place over 12,488,709 shares.

5) Dividends

The dividends paid during the six months ended 30 September 2016 totalled £1,790,888 (0.825p per share), which was the final dividend in respect of the year ended 31 March 2016. An interim dividend of £1,787,588 (0.825p per share) was paid in the six months ended 31 March 2016, thus the full dividend in respect of the year ended 31 March 2016 was 1.65p per share. The dividend paid by the Group during the six months ended 30 September 2015 totalled £1,962,261 (0.90p per share), which was the final dividend paid in respect of the year ended 31 March 2015.

The interim dividend proposed in respect of the six months ended 30 September 2016 is 0.825p per share.

6) Cash management

The Group's cash management strategy employs a variety of treasury management instruments including cash, money market deposits and treasury bills with maturities of up to one year. We note that 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 with maturities in excess of three months do not meet the definition of short-term or highly liquid and are held for purposes other than meeting short-term commitments. In accordance with IFRS, these instruments are not categorised as cash or cash equivalents and are disclosed as money market instruments with maturities greater than three months.

The table below summarises the instruments managed by the Group as cash, and their IFRS classification:

	As at 30 Sep 16 £'000	As at 30 Sep 15 £'000	As at 31 Mar 16 £'000
Bank deposits with maturities > 3 months	20,069	14,181	11,518
Treasury bills with maturities > 3 months	-	-	1,502
Money market instruments with maturities > 3 months	**20,069**	**14,181**	13,020
Cash	6,587	4,604	5,439
Bank deposits with maturities <= 3 months	9,527	14,637	16,281
Cash and cash equivalents	**16,114**	**19,241**	21,720
Total assets managed as cash by the Group	**36,183**	**33,422**	34,740

7) Cash flow from operating activities

	Unaudited Six months ended 30 Sep 16 £'000	Unaudited Six months ended 30 Sep 15 £'000	Audited Year ended 31 Mar 16 £'000
Operating profit	**3,965**	**3,215**	**6,790**
Adjustments for non-cash movements:			
Depreciation of property, plant and equipment	29	51	77
Amortisation of intangible assets	123	115	244
Share-based payments	8	360	388
Release of shares held by EBT	211	200	374
Other non-cash movements	(66)	(51)	(282)
	4,270	**3,890**	**7,591**
Changes in working capital			
(Increase)/decrease in receivables	(254)	405	610
Increase/(decrease) in payables	76	(513)	(600)
Decrease in other financial assets	52	1,164	1,182
Increase/(decrease) in other financial liabilities	27	(1,633)	(1,664)
Cash inflow from operating activities	**4,171**	**3,313**	**7,119**
Corporation taxes paid	(777)	(899)	(1,610)
Net cash inflow from operating activities	**3,394**	**2,414**	**5,509**

8) Called up share capital

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

	Unaudited as at 30 Sep 16		Unaudited as at 30 Sep 15		Audited as at 31 Mar 16	
	£'000	**Number**	**£'000**	**Number**	**£'000**	**Number**
Authorised						
Ordinary shares of 0.025p each	**100**	**400,000,000**	100	400,000,000	100	400,000,000
Called up, allotted and fully paid						
Ordinary shares of 0.025p each	**55**	**221,380,800**	55	221,380,800	55	221,380,800

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. Any such gains or losses are recognised directly in equity.

	Number
Record plc shares held by EBT as at 31 March 2015	**3,848,062**
Net change in holding of own shares by EBT in period	(59,257)
Record plc shares held by EBT as at 30 September 2015	**3,788,805**
Net change in holding of own shares by EBT in period	1,153,443
Record plc shares held by EBT as at 31 March 2016	**4,942,248**
Net change in holding of own shares by EBT in period	(838,748)
Record plc shares held by EBT as at 30 September 2016	**4,103,500**

The EBT holds shares in Record plc which are used to meet the Group's obligations to employees under the Group Profit Share Scheme and the Record plc Share Scheme. Own shares are recorded at cost and are deducted from retained earnings.

On 20 June 2016, the EBT released 638,748 shares with a market value of £157,288 to settle obligations under the Group Profit Share Scheme, and 200,000 shares with a market value of £54,125 were released on exercise of options on 26 September 2016.

9) Non-controlling interests

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

Record has seeded three funds which have been active during the period ended 30 September 2016.

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

The Record Currency - FTSE FRB10 Index Fund has been under the control of the Group since 1 September 2015, when the redemption of units by two external investors meant that Record could control the fund as the combined holding of Record plc and its Directors constituted a majority interest from that point onwards. This fund has therefore been consolidated into the Group's accounts from 1 September 2015 onwards.

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

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

	As at 30 Sep 16	As at 30 Sep 15	As at 31 Mar 16
	£'000	£'000	£'000
Record Currency - Emerging Market Currency Fund	3,802	2,434	3,583
Record Currency - Strategy Development Fund	-	481	-
Record Currency - FTSE FRB10 Index Fund	454	413	436
	4,256	**3,328**	**4,019**

10) Fair value measurement

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

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

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

As at 30 September 2016	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	54	-	54	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	(17)	-	(17)	-
Forward foreign exchange contracts used for hedging	(118)	-	(118)	-
	(81)	**-**	**(81)**	**-**

As at 31 March 2016	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	106	-	106	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts used for hedging	(108)	-	(108)	-
	(2)	**-**	**(2)**	**-**

As at 30 September 2015	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	23	-	23	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts used for seed funds	(53)	-	(53)	-
Forward foreign exchange contracts used for hedging	(86)	-	(86)	-
	(116)	**-**	**(116)**	**-**

There have been no transfers between levels in any of the reported periods.

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

Both forward foreign exchange contracts are classified as Level 2. These instruments are traded on an active market. The fair value of forward foreign exchange contracts may be established using interpolation of observable market data rather than a quoted price.

11) Related parties

Related parties of the Group include key management personnel, close family members of key management personnel, subsidiaries, the EBT and the seed funds.

Key management personnel

The compensation given to key management personnel is as follows:

	Six months ended 30 Sep 16 £'000	Six months ended 30 Sep 15 £'000	Year ended 31 Mar 16 £'000
Short-term employee benefits	**2,243**	1,938	3,894
Post-employment benefits	**83**	139	280
Share-based payments	**600**	555	989
	2,926	**2,632**	**5,163**

The dividends paid to key management personnel in the six months ended 30 September 2016 totalled £954,074 (year ended 31 March 2016: £1,963,285; six months ended 30 September 2015: £1,019,193).

12) Post reporting date events

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

Product classification

Record has historically reported AUME and management fees between four core products, being Dynamic Hedging, Passive Hedging, Currency for Return and Cash & other.

However, clients may also elect for mandates with combined hedging and return-seeking objectives, which cannot readily be separated into hedging and return-seeking components. Therefore, to reflect such mandates held not only with current clients but also with potential future clients, a new product category has been introduced: multi-product mandates. This new classification does not represent a new service line, rather seeks to redefine the boundaries between existing products, and combinations of products.

To assist in understanding the changes, AUME, management fees and management fee rates by product under both historic and revised conventions have been presented.

AUME for the Multi-product classification will be based on the chargeable size of those mandates, in order to maintain the clear link between AUME, fee levels and management fees. This change in definition gives rise to an AUME adjustment in the reconciliation below of -$0.8bn as at 30 September 2016 (31 March 2016: -$0.8bn; 30 September 2015: -$0.9bn). These adjustments do not represent a genuine AUME flow.

Historic presentation

	AUME ($ billion)			Management fees (£ million)			Management fee rates (bps p.a.)		
	30-Sep-16	30-Sep-15	31-Mar-16	30-Sep-16	30-Sep-15	31-Mar-16	30-Sep-16	30-Sep-15	31-Mar-16
Dynamic Hedging	7.5	8.7	7.9	4.0	4.4	8.3	14	15	15
Passive Hedging	46.0	42.1	43.8	5.6	4.5	9.4	4	3	3
Currency for Return	2.1	2.3	1.8	1.0	2.1	3.2	14	15	15
Cash & other	0.2	0.2	0.2						
Total	**55.8**	**53.3**	**53.7**	**10.6**	**11.0**	**20.9**			

Mandate re-classification

	AUME ($ billion)			Management fees (£ million)		
	30-Sep-16	30-Sep-15	31-Mar-16	30-Sep-16	30-Sep-15	31-Mar-16
Dynamic Hedging	-1.8	-2.1	-1.8	-1.4	-1.4	-2.8
Passive Hedging	-0.4	-0.4	-0.4	0.0	0.0	0.0
Currency for Return	-1.2	-1.7	-1.2	-0.5	-1.7	-2.4
Multi-product	+3.4	+4.2	+3.4	+1.9	+3.1	+5.2
Cash & other	0.0	0.0	0.0			
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

AUME redefinition

	AUME ($ billion)		
	30-Sep-16	30-Sep-15	31-Mar-16
Dynamic Hedging	0.0	0.0	0.0
Passive Hedging	0.0	0.0	0.0
Currency for Return	0.0	0.0	0.0
Multi-product	-0.8	-0.9	-0.8
Cash & other	0.0	0.0	0.0
Total	**-0.8**	**-0.9**	**-0.8**

Revised presentation

	AUME ($ billion)			Management fees (£ million)			Management fee rates (bps p.a.)		
	30-Sep-16	30-Sep-15	31-Mar-16	30-Sep-16	30-Sep-15	31-Mar-16	30-Sep-16	30-Sep-15	31-Mar-16
Dynamic Hedging	5.7	6.6	6.1	2.6	3.0	5.5	13	13	13
Passive Hedging	45.6	41.7	43.4	5.6	4.5	9.4	4	3	3
Currency for Return	0.9	0.6	0.6	0.5	0.4	0.8	17	19	20
Multi-product	2.6	3.3	2.6	1.9	3.1	5.2	20	18	19
Cash & other	0.2	0.2	0.2						
Total	**55.0**	**52.4**	**52.9**	**10.6**	**11.0**	**20.9**			

Notes to Editors

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

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

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

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