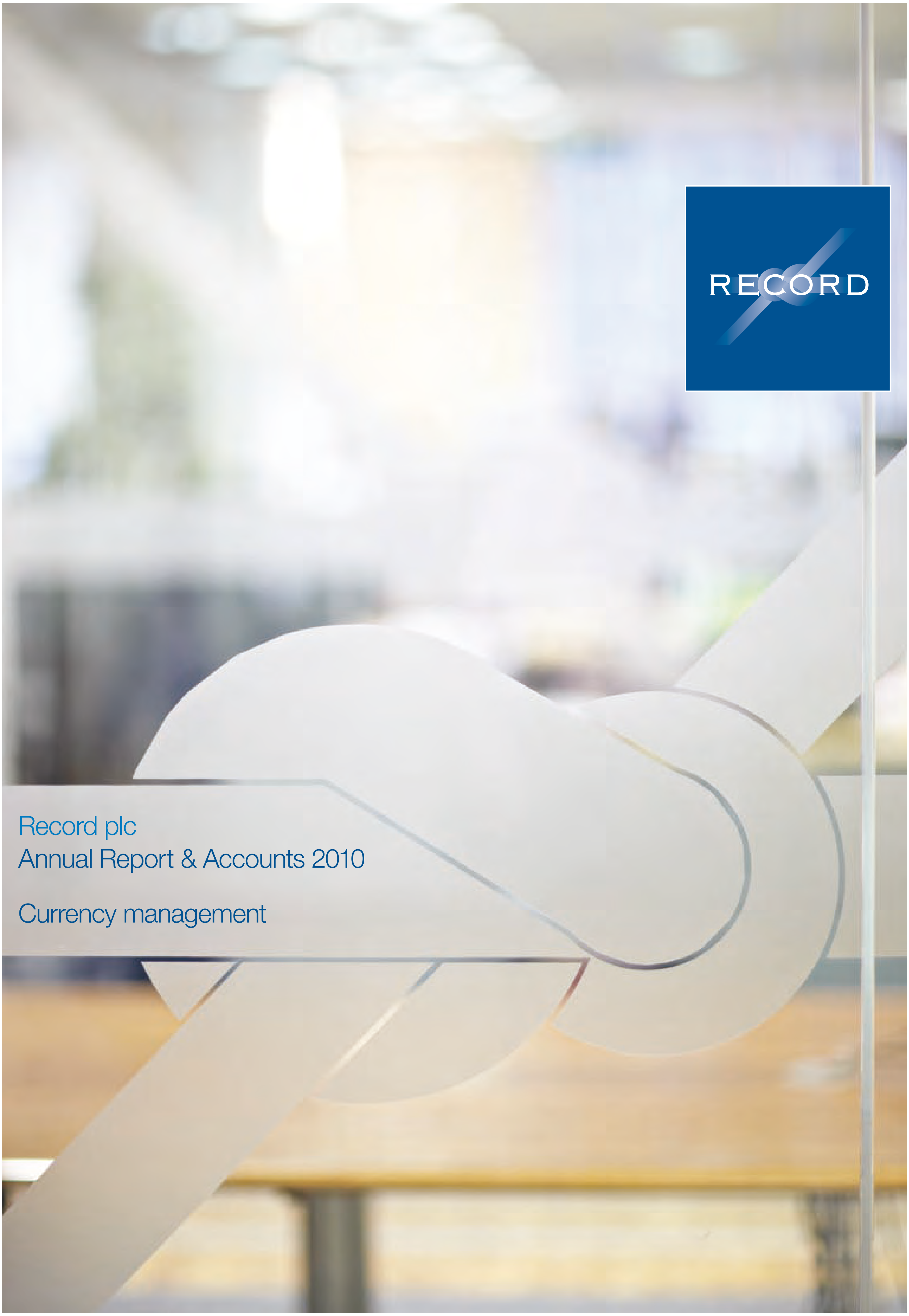


Record plc
Annual Report & Accounts 2010

Currency management

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

Contents

Headlines

General risk aversion in the financial markets continues to drive renewed interest in Passive and Active Hedging products

Assets under management equivalents (AuME) increased to \$34.0bn/£22.4bn at 31 March 2010 (\$31.5bn/£22.0bn at 31 March 2009)

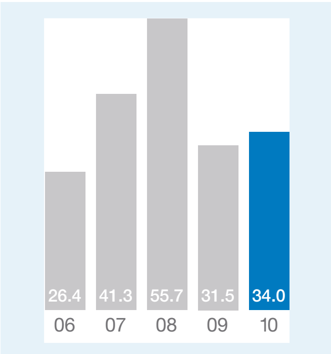
Active Hedging AuME grew by 200% offset by a 43% reduction in Absolute Return AUME

Client numbers fell from 121 to 93

Management fee income reduced by 27%, resulting in profit before tax reducing by 38%

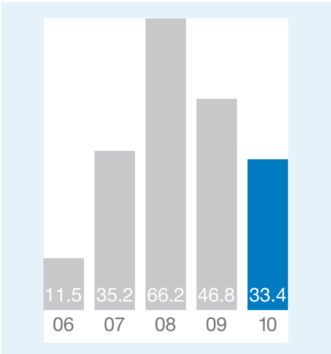
Strong balance sheet maintained with no external debt

AuME at year end (\$bn)



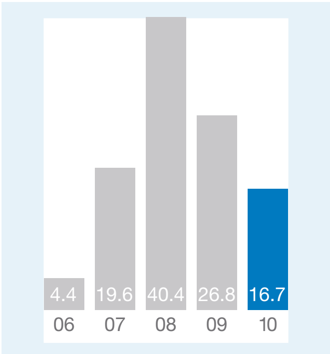
\$34.0bn

Revenue (£m)



£33.4m

Profit before tax (£m)



£16.7m

Group Overview

The Group, founded 27 years ago, has a leading position in managing currency for institutional clients. Currency for Absolute Return grew rapidly from virtually nothing in 2003, and despite the challenging environment of the last two years, Record continues to be a significant and widely-recognised provider of these products.

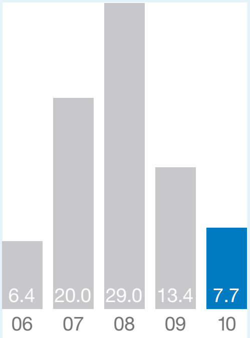
With Record's other products, Active and Passive currency hedging, the Group has a long and strong track record, and has established itself both in the eyes of clients and their investment consultants as a respected specialist in this sector.

Currency for Absolute Return

These mandates have the generation of investment return as their principal objective. They have no hedging (i.e. reducing existing currency risk) objective.

$7.7bn

AuME at year end ($bn)

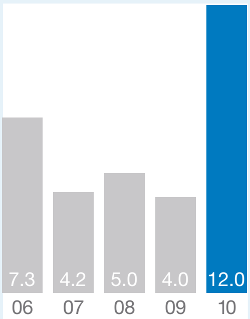


Active Hedging

These mandates have the reduction of exposure to currency risk as their principal objective and generating value-added as a secondary objective. Value-added is generated entirely through the asymmetric reduction of pre-existing currency risk.

$12.0bn

AuME at year end ($bn)

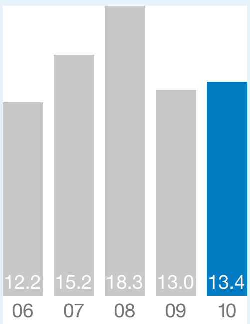


Passive Hedging

These mandates have the reduction of exposure to currency risk as their sole objective. They require execution expertise rather than investment judgement or skill.

$13.4bn

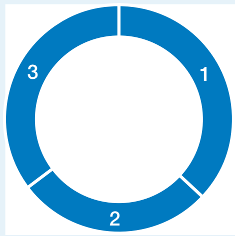
AuME at year end ($bn)



Financial highlights

	2010	2009
AuME	**$34.0bn**	$31.5bn
Client numbers	**93**	121
Management fees	**£33.2m**	£45.6m
Performance fees	**£0.2m**	£1.4m
Operating profit margin	**49%**	55%
Earnings per share (basic)	**5.39p**	8.73p

AuME by client location
31 March 2010 (%)



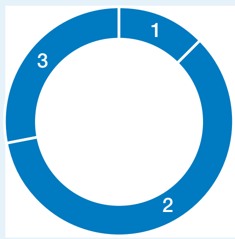
1 UK 37%
2 North America 28%
3 Europe 35%

Investment strategy

The Group's products are governed by the following principles:

- Systematic investment processes
- Over-riding focus on the client's objectives
- Strong, fundamental research directed towards the structural behaviour of the market's participants
- Avoidance of short-term discretionary decision making
- Avoidance of 'gurus' or personality-based investment decision-making

AuME by client type
31 March 2010 (%)

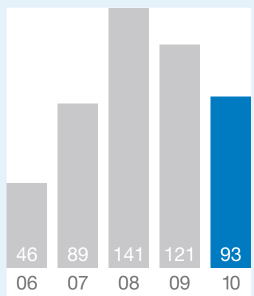


1 Foundations 13%
2 Government 59%
3 Corporate 28%

Distribution

The Group's distribution strategy is to focus on investment consultant relationships, as well as direct marketing by the in-house client team.

Client numbers
31 March



Chairman and Chief Executive Officer's Statement

Set against continued challenging markets, Record has benefited from diversification through the growth of the Active Hedging product, whose AuME grew by 200% in the period. Overall, AuME increased by 8%, as a result of the growth in Active Hedging mandates, offset by a reduction in Absolute Return mandates.

Income was down by 29% as a result of the lower average AuME during the year. The operating profit margin remained strong at 49%.

Neil Record
Chairman and Chief Executive Officer

The last twelve months have continued to be varied and challenging. Varied because our clients' experience in our Active Hedging products has been generally good, while our clients' experience in our Absolute Return products has been poor. Challenging because we continue to labour under very disrupted currency and interest rate markets, with widespread monetary laxity providing headwinds to our core source of absolute return – the Forward Rate Bias.

We have seen growth in our risk-reducing hedging products offset by a decline in our risk-taking Absolute Return products. Overall, this has increased diversification by balancing income between our Hedging and Absolute Return businesses. We see the low correlation between the performance of the Absolute Return and Active Hedging products as beneficial for the overall stability of the business.

Our priority remains to enhance the product range we offer clients, and progress was made in the year with the launch of two internally seeded products. It is envisaged that both of these products will be externally marketed to clients in the next twelve months. It is our belief that these two products will gain traction in the coming years and further improve the diversification of our income.

The first of these products builds on our firm belief that the currency Forward Rate Bias is an asset class in its own right, and that there is a currency 'beta' return available to all. Our agreement with FTSE Group, the global index provider, to develop and market a series of currency indices is a major development in the move to currency being recognised as a distinct asset class. The launch of a manager-independent index will add credibility to the case for investing in currency. The first index, the FTSE Currency FRB (Forward Rate Bias) 5, represents a readily available investment opportunity and demonstrates a 'beta' return stream analogous to, although independent of, the equity beta. Our internally seeded fund has been launched with an investment of £1m from the Group, and has clearly demonstrated that the index is both replicable and investible.

The second product is the Group's first entry into emerging market currencies. We see emerging market currencies as an important and growing new opportunity for the Group, and we intend to launch a series of currency products to exploit this. A first product has been developed, and again seeded with a £1m investment from the Group. Since its launch in November 2009, the currency product (which is two times geared) has produced a positive return of 12.1% to 31 March 2010.

Set against continued challenging markets, Record has benefited from the diversification of the Active Hedging product, which grew by 200% in the period. Overall, AuME increased by 8%, as a result of the growth in Active Hedging mandates offset by a reduction in Absolute Return mandates. Income was down by 29% as a result of the lower average AuME during the year. The operating profit margin remained strong at 49%. As we enter the current financial year, Hedging represents approximately 60% of our revenues compared with only 13% two years ago.

Management fees decreased to £33.2m for the year to 31 March 2010, a decline of 27% compared to the year ended 31 March 2009. Given prior valuation levels (or 'high water marks') achieved, performance fees earned in the period were modest.

The operating margin, at 49%, was also less than that achieved in the year to 31 March 2009 (55%) although the decline was less marked than that in revenues. This reflects the flexibility in our cost base, not least due to Record's Group Profit Share (GPS) Scheme which sets aggregate profit share at an average 30% of pre-GPS operating profit.

Overall profit before tax was £16.7m and earnings per share was 5.39p per share. The proposed final dividend is 0.59p per share and, together with the interim dividends, means the total dividend for the year remains unchanged at 4.59p per share.

The balance sheet was marginally weaker at the year end due to the early payment of dividends in the year, with shareholder funds reducing by 5% to £25.7m. Cash balances were £21.9m, a decline of 27% on the previous year, reflecting both the earlier dividend payments and the earlier payments of Group Profit Share ahead of the year end. The Group has a regulatory capital surplus and has cash reserves equivalent to two years' operating costs.

Further and more detailed analysis of the results for the year can be found in the Business Review.

Currency for Absolute Return is an eight year old product for Record, which experienced very strong demand from institutional investors in 2006 and 2007, and hence rapid growth in AuME over that period. AuME subsequently declined in 2008 and 2009. At 31 March 2010, AuME for Absolute Return stood at $7.7bn (2009: $13.4bn).

Investment philosophy

Our investment philosophy is now well established. We believe that long-term returns for investment clients in the currency market are only reliably achievable by exploiting long-term and persistent characteristics of the currency market. By contrast, while there are undoubtedly short-term currency market anomalies that appear and disappear (as in all markets), we do not aim to use these to add value for our clients, since we believe our ability as a firm to do this consistently over long horizons is low. We have maintained this philosophy in the face of extraordinarily volatile and disrupted market conditions, and we intend to continue to do so.

At the core of our philosophy, we recognise and exploit two principal currency market characteristics (I use the term in the sense of 'opportunities') – the Forward Rate Bias (or 'carry') and trends (or 'momentum'). We also recognise another less pronounced inefficiency – short-term 'mean reversion'.

Active Hedging is our longest-standing product, with continuous client track records since 1985. AuME grew by 200% in the year to $12.0bn at 31 March 2010 (2009: $4.0bn). Growth in this product came principally from two large US state pension funds totalling $8.1bn. We continue to see interest in this product and anticipate further client additions in the coming twelve months.

In our Absolute Return product, we exploit all three characteristics. In our Active Hedging product, we exploit primarily one inefficiency – trends – to allow our clients to effectively insure their portfolios against adverse currency moves in an efficient and low cost manner. We do not generally exploit the Forward Rate Bias in our Hedging products.

Our continued focus on the source and nature of the characteristics that we exploit has led us to reconsider how we describe our products. Our identification of the Forward Rate Bias (the key return driver in our Absolute Return products) as a 'beta', to which we seek to add 'alpha' through trends and short-term mean reversion, suggests Absolute Return is no longer the best description of these products, and in future these will be described as Currency for Return products (to include our new emerging market products). At the same time, we have recognised that Active Hedging, as a description, may suggest a greater degree of risk-taking in the expectation of generating a return, and therefore that Dynamic Hedging is a more appropriate description.

As we develop our expertise and track record in emerging market currencies, we will come to rely on a further long-term characteristic of currency markets – the observation that a country's real exchange rate rises as its relative GDP per capita rises. This is often called the Balassa-Samuelson effect.

Investment performance

At the time of writing, ultra-loose monetary policy still dominates almost all of the major economies in our developed market currency universe. History and economic logic tells us that this extreme policy position will only survive while private sector demand remains heavily depressed. Once private sector demand picks up, we should see a resumption of more normal monetary conditions, and indeed we may see tight policies emerge to counter the very high fiscal deficits prevalent in most major economies.

The year ended 31 March 2010 has been one of continuing 'in line' performance of the Active Hedging product and negative performance for our Absolute Return product. For Absolute Return, expressed as a percentage of underlying assets with no gearing ('gearing one' basis i.e. mandate sizes are scaled to an expected 4% tracking error), the excess return of our segregated composite was –0.73% (FTSE Currency FRB5 excess return in GBP: -4.78%).

Our Active Hedging product has continued to deliver the risk-reducing benefits of hedging clients' international investment portfolios. For our US Active Hedging clients this has resulted in positive performance versus their benchmarks, particularly in the January-March 2010 quarter.

Investment performance of our Absolute Return products varied dramatically between the first quarter and the subsequent three quarters. The first quarter (April-June 2009) saw a strong recovery of confidence in the investment markets in general, and 'investment' (high interest) currencies in particular. The gearing one return of our 'alpha composite' was 2.3% (FTSE Currency FRB5 excess return in GBP: 1.8%).

The second quarter of the period (July-September 2009) saw continued strength in the equity markets, but this did not flow through to a continuation of a recovery in the carry trade returns. This meant that we suffered a negative return in the quarter of –1.4% (FTSE Currency FRB5 excess return in GBP: -4.3%).

The third quarter (October–December 2009) saw the Euro weaken due to a number of factors during the latter part of the quarter. These included the Fitch rating agency cutting Greece's credit rating, the S&P rating agency downgrading its outlook on the rating of both Spain and Portugal and debt problems, in particular in Ireland and Greece, coming to the fore. The Euro weakness fed through to the performance of the programme with a negative return of -0.4% over the quarter (FTSE Currency FRB5 excess return in GBP: 0.6%).

The fourth quarter (January–March 2010) of the period saw a continued disassociation in correlation between equity markets and carry trade returns as equity markets rallied in the second half of the quarter after a period of retrenchment while an anti-carry environment took hold. The resulting negative return suffered was -1.2% over the quarter (FTSE Currency FRB5 excess return in GBP: -2.9%).

We believe that, as the world economy returns to more normal fiscal and monetary policies, the long-standing 30 year track record demonstrated in the FTSE index should re-establish itself. As a result of our fundamental confidence in the principles upon which our investment process is based, we have maintained the consistency of that process.

Annual returns of Record Umbrella Currency Funds: year to 31 March 2010

Fund Name	Gearing	Annual return %	Volatility since inception % p.a.
Cash Plus	7	(7.10%)	19.49%
Equity Plus	6	36.74%	27.24%
US Cash Plus	7	(2.41%)	20.04%
US Equity Plus	6	36.88%	24.32%
Euro 1	3.5	(2.01%)	10.21%
Sterling 10	2.5	(3.13%)	6.35%
Sterling 20	5	(8.42%)	10.36%
Alpha composite	1	(0.73%)	2.84%
Carry 250	2.5	(5.97%)[4]	n/a[1]
FTSE Currency FRB5 GBP Excess return	1	(4.78%)	5.87%[3]
Emerging Markets seed product	2	12.05%[5]	n/a[1]
Global Equities (S&P 500) [2]	n/a	46.57%	15.36%[3]

1 Carry 250 and Emerging Markets seed product have less than twelve months historic data and by convention volatility is not included
2 Included for comparison
3 Since June 1978
4 Since October 2009
5 Since November 2009

Aligned incentives

Record operates a profit share scheme whereby 30% of operating profits over the medium term are distributed between all members of staff. Every member of staff is entitled to a profit share, and the distribution within the staff is determined by each member's profit share 'units' and their salary. These are determined in a formal six-monthly or annual review process. There are no other bonus scheme arrangements across the Group.

The scheme requires all senior managers, with the exception of those individuals who already own in excess of 2% of the Company, to have at least a third of their remuneration in the form of share-based payments.

Board changes and personnel

The Board was strengthened with the addition in October 2009 of David Morrison as a Non-executive Director. David is the founder and CEO of Prospect Investment Management, a specialist private equity investor, and he brings particular expertise in the management of generational change in growing businesses. I am pleased to welcome David to the Board.

Peter Wakefield, the Chief Operating Officer, left the Group in August 2009 having been instrumental in the development of the pooled funds and the IPO. I would like to reiterate my thanks to Peter for the substantial contribution he made to the business over a ten year period. The responsibilities of the Chief Operating Officer have been split between the Chief Financial Officer and the Chief Investment Officer.

At the time of the IPO in November 2007, I indicated that it was my intention to split the combined role of Chief Executive and Chairman within three to five years. I have now indicated that I wish to take the role of Chairman following the appointment of a Chief Executive before the end of the financial year ended 31 March 2011. The Nominations Committee, chaired by David Morrison, has commenced the process of identifying a suitable Chief Executive.

On behalf of the Board I extend our thanks to all staff for their commitment to the business and their hard work in this very difficult environment.

Group strategy and growth plans

We see the adoption of the currency Forward Rate Bias as an asset class by the global investment community as a strategic goal for this business. We believe that such adoption would transform this business into one of global scale. However, even though we see our efforts to encourage this adoption as highly rewarding in the long term, in the interim we see the expansion of the Active Hedging client base, and the development and successful marketing of emerging market currency products as more practical and immediate steps to take.

On the Active Hedging side, we are seeing interest from a group of mainly UK pension fund investors who have found the cash flows that arose from their passive hedges too disruptive, and where our Active Hedging is seen as a cash-flow-controlled alternative. In the US and elsewhere, we have seen a sharpening of interest in adopting Active Hedging without going through the passive route. This has been particularly enhanced by a feeling on the part of some investors that currencies will continue to be very volatile over the coming years.

On our Absolute Return products, investors are increasingly looking for reliable 'alternative' assets in order to generate a more predictable return stream than is available from equities. We believe that the 'asset class' project and emerging market currency products could benefit in such an environment. Whilst the short-term performance of the Absolute Return product is leading to further client redemptions and a difficult backdrop for short-term sales, the longer-term investment case remains strong. In particular we are encouraged by early indicators of clients and consultants measuring our performance relative to a 'beta' benchmark, as well as in absolute terms.

In order to position Record to benefit from developments in the currency market, we have continued to recruit talented individuals, enhance our processes and invest in systems infrastructure. In particular, the Group is currently in the process of implementing a new back-office system that we anticipate will be implemented in the second half of the current financial year.

We believe that the foundations that are being put in place will position the business to benefit in the long term as currency becomes a recognised asset class.

Passive Hedging, **at $13.4bn AuME, accounts for 39% of AuME at 31 March 2010, but only 7% of fee income in the year. In this difficult market environment we are seeing a renewed interest in Passive Hedging.**

Neil Record
Chairman and
Chief Executive Officer

14 June 2010

“We are committed to maintaining and enhancing our high standards of client service across all our products.”

Robbert–Jan Klop
Client Team

“We continue to invest in both our people and infrastructure to support our currency products. The project to replace our middle and back office systems will position the business to offer more varied currency products in the future.”

Shaesta Wahedally
Operations

Business Review

The twelve months to 31 March 2010 saw a continued move towards currency risk aversion by clients. This led to a substantial increase in Active Hedging, which accounted for 43% of fee income. Absolute Return products continued to see a decline in AuME and, whilst overall investment performance was negative for the year as a whole, this represented an improvement on the previous year.

Introduction

The Business Review is a review of the business by management. Its purpose is to provide shareholders with a summary, setting out the business objectives of the Group, the Board's strategy to achieve those objectives, the risks faced, the regulatory and operating environment and the key performance indicators (KPIs) used to measure performance.

This review has been prepared in accordance with the requirements of Section 417 of the Companies Act 2006 and it forms part of the Directors' Report. The Company's auditors are required to report on whether the information given in the Directors' Report and Business Review is consistent with the financial statements.

Overview

The twelve months to 31 March 2010 saw a continued move towards currency risk aversion by clients. This led to a substantial increase in Active Hedging, which accounted for 43% of fee income. Absolute Return products continued to see a decline in AuME and whilst overall investment performance was negative for the year as a whole, this represented an improvement on the previous year. The Group saw a marginal increase in AuME but falls in client numbers, fee income and operating profit. Management fee income saw a significant reduction as a result of a lower average AuME in the year compared to the previous year. The balance sheet of the Group remains strong with substantial cash and capital resources available to the Group.

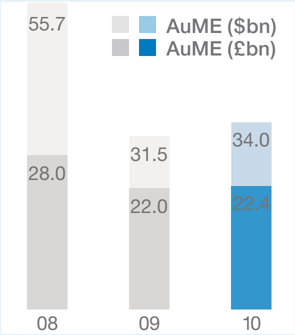
KPIs

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

AuME at 31 March

AuME increased by $2.5bn (8%) during the year. AuME, when measured in Sterling, increased by £0.4bn (2%).

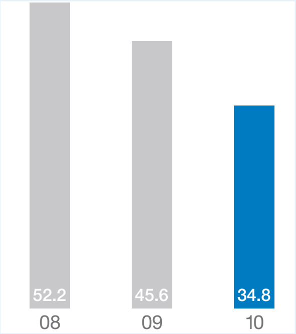
AuME
31 March



Average AuME

Average AuME decreased by $10.8bn (24%) during the year. The largest component was the significant fall in Absolute Return AuME in the last quarter of the year ended 31 March 2009.

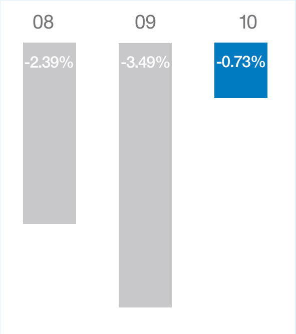
Average AuME
31 March ($bn)



Currency Alpha Composite

The excess return of our segregated composite, expressed as a percentage of underlying assets on a gearing 1 basis, was -0.73%.

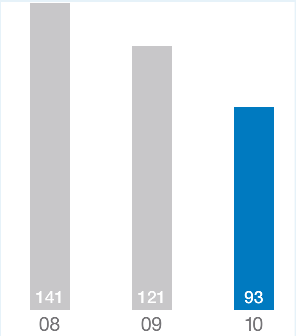
Currency Alpha Composite
31 March



Client numbers

This represents the number of separate legal entities that have invested in a Record fund or appointed Record directly as an investment manager. Each entity may have more than one mandate. The number of clients at 31 March 2010 was 93, 23% lower than at the previous year end.

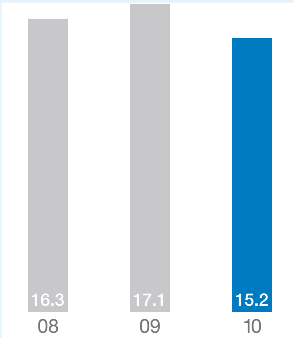
Client Numbers
31 March (no.)



Average management fee rates

The average management fee rates achieved for both segregated and pooled Absolute Return mandates decreased to 26.6bps and 24.4bps respectively. The average Active Hedging management fee rate increased to 23.7bps.

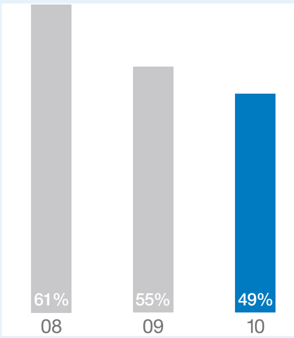
Average management fee rates
31 March (bps)



Operating margin

A combination of reduced management fees, marginally higher costs and a reduced profit share cost resulted in an operating profit margin of 49% for the year to 31 March 2010.

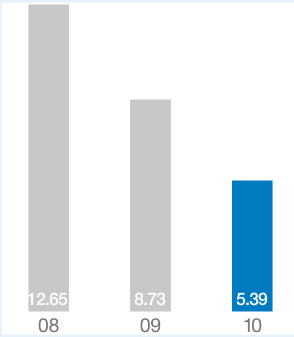
Operating margin
31 March



Earnings per share

The decrease in operating profit margin is reflected in the Group's earnings per share decreasing to 5.39p per share.

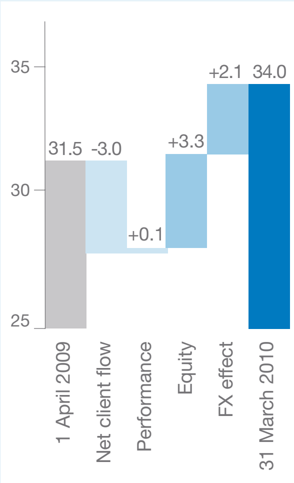
Earnings per share
31 March (pence)



"The development of currency indices with FTSE and the development of index-tracking and benchmarked products position Record to benefit from currency becoming an asset class of its own."

James Wood-Collins
Client Team

AuME growth bridge
Year to 31 March 2010 ($bn)



Product review

AuME development

The Group has seen an overall increase in AuME of $2.5bn through the year, reaching $34.0bn at the year end.

AuME movements result both from factors within Record's control and external factors. External factors include the Sterling/US Dollar exchange rate and the underlying asset value (usually equities) on which hedging mandates are based. External factors accounted for a rise of $5.4bn in AuME during the year.

The Group has seen net outflows of $3.0bn from clients. Inflows from new clients, which totalled $9.0bn, were offset by outflows from existing clients of $12.0bn. Other movements included:

(i) a rise of $3.3bn related to movements in global stock and other markets as many mandate sizes are linked to such markets;
(ii) a rise of $2.1bn due to changes in exchange rates over the period, which affects the conversion of non-US Dollar mandate sizes into US Dollar AuME. This does not have an equivalent impact on the Sterling value of fee income; and
(iii) a rise of $0.1bn due to investment performance in the Group's pooled funds, which is compounded on a geared basis into the AuME in those funds.

Of these movements, (i) and (ii) are outside the control of the Group.

When expressed in Sterling, AuME in the year increased by 2% to £22.4bn (2009: £22.0bn). This rise is more representative of the impact of AuME on underlying management fee income with 37% of year end AuME being denominated in Sterling, 30% in US Dollars, 28% in Swiss Francs and 5% in Euros.

Record's Absolute Return products are offered on either a segregated mandate basis or through pooled funds, where clients subscribe for units in funds for which Record is the distributor and investment manager. Segregated Absolute Return AuME fell to $3.6bn (2009: $8.3bn) following significant outflows of $5.3bn. Record's pooled funds also experienced outflows with AuME falling to $4.1bn (2009: $5.1bn).

Active Hedging mandates increased from $4.0bn to $12.0bn in the year. This increase was principally due to the commencement of several large mandates in the period.

Passive Hedging AuME increased by $0.4bn, a 3% increase in the year. This increase was the combination of three factors: the movement in the Sterling/US Dollar exchange rate (an increase of $1.0bn), a rise of $1.4bn in value of the underlying assets, typically international equities, that the hedging programme is established to hedge against, offset by the net outflow of $2.0bn. A number of passive mandates are linked to overall programmes under which an additional Absolute Return or Active Hedging mandate incorporates an element of Passive Hedging.

Annual returns of Record Umbrella Currency Funds: year to 31 March 2010

Fund Name	Gearing	Annual return %	Volatility since inception % p.a.
Cash Plus	7	(7.10%)	19.49%
Equity Plus	6	36.74%	27.24%
US Cash Plus	7	(2.41%)	20.04%
US Equity Plus	6	36.88%	24.32%
Euro 1	3.5	(2.01%)	10.21%
Sterling 10	2.5	(3.13%)	6.35%
Sterling 20	5	(8.42%)	10.36%
Alpha composite	1	(0.73%)	2.84%
Carry 250	2.5	(5.97%)[4]	n/a[1]
FTSE Currency FRB5 GBP Excess return	1	(4.78%)	5.87%[3]
Emerging Markets seed product	2	12.05%[5]	n/a[1]
Global Equities (S&P 500) [2]	n/a	46.57%	15.36%[3]

1 Carry 250 and Emerging Markets seed product have less than twelve months historic data and by convention volatility is not included
2 Included for comparison
3 Since June 1978
4 Since October 2009
5 Since November 2009

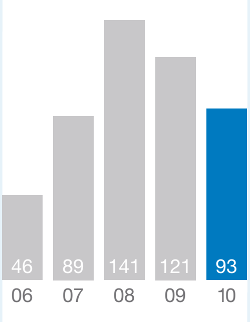
Product mix

The Group's product mix has changed markedly over the period due to the AuME movements described above. Hedging AuME has grown to 74% of AuME (2009: 54%), as a result of the strong growth of the Active Hedging product, which accounts for 35% of AuME (2009: 13%).

Together Absolute Return and Active Hedging represent 58% of AuME (2009: 56%) being higher margin products compared to Passive Hedging. Absolute Return pooled funds made up 12% of AuME (2009: 16%) and Absolute Return segregated funds 11% of AuME (2009: 27%).

At 31 March 2010 Record had 93 clients. The Group has gained several new clients in the year but overall experienced a net loss of 28 clients.

Client numbers
31 March



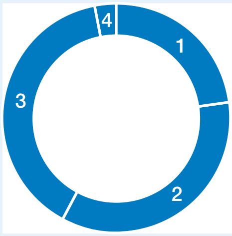
AuME composition by product $bn

	31 March 10		31 March 09	
	$bn	%	$bn	%
Absolute Return – Pooled fund	4.1	12%	5.1	16%
Absolute Return – Segregated	3.6	11%	8.3	27%
Sub-total Absolute Return	7.7	23%	13.4	43%
Active Hedging	12.0	35%	4.0	13%
Passive Hedging	13.4	39%	13.0	41%
Cash	0.9	3%	1.1	3%
Grand Total	**34.0**	**100%**	**31.5**	**100%**

AuME composition by product £bn

	31 March 10		31 March 09	
	£bn	%	£bn	%
Absolute Return – Pooled fund	2.7	12%	3.5	16%
Absolute Return – Segregated	2.4	11%	5.8	27%
Sub-total Absolute Return	5.1	23%	9.3	43%
Active Hedging	7.9	35%	2.8	13%
Passive Hedging	8.8	39%	9.1	41%
Cash	0.6	3%	0.8	3%
Grand Total	**22.4**	**100%**	**22.0**	**100%**

AuME by product
31 March 2010 (%)



1 Absolute Return 23%
2 Active Hedging 35%
3 Passive Hedging 39%
4 Cash 3%

AuME by product
31 March 2009 (%)

1 Absolute Return 43%
2 Active Hedging 13%
3 Passive Hedging 41%
4 Cash 3%

AuME composition by product and base currency

	Absolute Return – Segregated		Absolute Return – Pooled		Active Hedging		Passive Hedging	
Base currency	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09
Sterling	GBP 1.3bn	GBP 2.2bn	GBP 2.4bn	GBP 3.2bn	GBP 1.1bn	GBP 0.3bn	GBP 3.0bn	GBP 3.6bn
US Dollar	USD 0.8bn	USD 3.3bn	-	-	USD 9.4bn	USD 1.3bn	-	USD 0.2bn
Swiss Franc	CHF 0.7bn	CHF 1.7bn	-	-	CHF 0.9bn	CHF 2.6bn	CHF 8.2bn	CHF 7.8bn
Euro	-	-	EUR 0.3bn	EUR 0.3bn	-	-	EUR 0.8bn	EUR 0.6bn
Canadian Dollar	CAD 0.2bn	CAD 0.5bn	-	-	-	-	-	-
Total AuME US Dollars	**USD 3.6bn**	**USD 8.3bn**	**USD 4.1bn**	**USD 5.1bn**	**USD 12.0bn**	**USD 4.0bn**	**USD 13.4bn**	**USD 13.0bn**

Gearing

The Absolute Return product allows clients to pick the level of exposure they desire in the FX currency programme. The pooled funds offer clients the ability to be either 2.5, 3.5, 5, 6 or 7 times geared with either Sterling, US Dollars or Euros as the base currency. The segregated mandates allow clients to individually pick the level of gearing.

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

The level of gearing has a direct consequence on the level of volatility to which the investment will be exposed. A 5 times geared fund should anticipate volatility of 20%, compared to a 2.5 times geared fund volatility of 10%. By comparison, an equity portfolio typically has a volatility of around 14%.

The level of gearing obviously impacts on the returns that clients have experienced and this has been particularly relevant in an environment of predominantly negative returns. Pooled clients in the higher geared funds have seen losses that have increased their propensity to redeem their investment.

"Counterparty management is a key component of our client offering as we seek to diversify clients' exposures away from any one bank."

Sunny Bagga
Trading

Investment performance

Both the Passive and Active Hedging products are systematic in nature. Both products continued to perform in line with client expectations and in particular the Active Hedging product generated significant value for our US clients in the second half of the financial year.

For the Absolute Return product, the core investment process, the Trend/Forward Rate Bias (FRB) strategy, aims to buy selected higher interest rate currencies and sell selected lower interest rate currencies and to manage these positions with a view to controlling losses. Historically this investment approach has shown positive returns due to the existence of the Forward Rate Bias and trending movements in selected currency pairs. The Forward Rate Bias captures the real interest rate differentials which arise as a result of surplus countries demanding a risk premium for financing deficit countries.

We regard the Forward Rate Bias as a beta, or risk premium, return, rationally paid to current account surplus investors for financing other countries' current account deficits. Trending, or momentum, is a well-established market inefficiency, that arises due to constraints on real arbitrage, the availability of arbitrage capital, the long lags associated with real economic adjustments and the market's response to news.

Due to the credit crunch and banking crisis, deficit countries moved to lower short–term interest rates before the start of the fiscal year, and accelerated quantitative easing programmes in response to the global recession as the year progressed. This led to an environment of low interest rates and differentials, which continued through the year. The low interest rates and recessionary environment did not allow spot rates of the high interest rate currencies to increase appreciably from the lows experienced. This, along with the costs involved in the risk control process, resulted in the Trend/FRB strategy making losses over the period.

In contrast, the Range Trading strategy, which relies on certain currency pairs trading in a narrow price range, benefited from the lower interest rate environment as many currency pairs oscillated around the yearly mean. However, the gains made were insufficient to compensate for the losses experienced from the core Trend/FRB strategy.

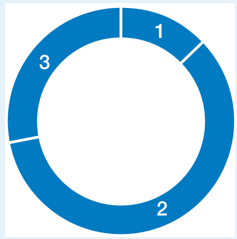
The process of deficit economies 'draining' the built up excess liquidity will provide the Trend/FRB strategy with opportunities to potentially outperform in the future. The strengthening of the Australian Dollar, following the Reserve Bank of Australia's decision to tighten its monetary policy by increasing rates earlier than other deficit countries, supports our view that the low interest rate environment is a transitory phase in the economic cycle and therefore gives us grounds for optimism for the Trend/FRB strategy performance going forward.

Strategy

The strategic goals of the Group remain unchanged even in the current period of strain in all financial markets:

- Seek to exploit opportunities for hedging (Active and Passive) products in the current market environment
- Promote currency Forward Rate Bias as a manager-independent asset class – currency 'beta'
- Seek to maintain and grow currency Absolute Return, including emerging market currencies
- Develop both existing and new products within currency investment management
- Continued investment in people and infrastructure

AuME by client type
31 March 2010 (%)



1 Foundations 13%
2 Government 59%
3 Corporate 28%

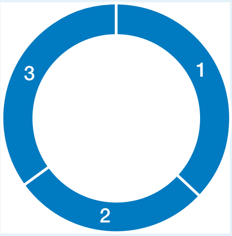
AuME by client type
31 March 2009 (%)

1 Foundations 23%
2 Government 49%
3 Corporate 28%

"There are a number of opportunities in emerging market currency products and the launch of our first emerging markets product is a significant development for Record."

Javier Corominas
Client Team

AuME by client location
31 March 2010 (%)



1 UK 37%
2 North America 28%
3 Europe 35%

AuME by client location
31 March 2009 (%)

1 UK 46%
2 North America 6%
3 Europe 42%
4 RoW 6%

Market development

Active and Passive Hedging

The movements in exchange rates over the last 18 months have caused investors to re-examine their strategy for managing exchange rate exposure. For example, UK investors with international equities have seen the value of their international equities appreciate as Sterling has weakened. Those investors who chose a passive hedging strategy have seen an offsetting cost associated with this hedging strategy that has often had very significant cash flow implications. Similar investors who were unhedged are examining how they protect currency gains.

Record's Active Hedging programme has continued to perform in line with expectations during this period, and has reduced the cost of a purely passive hedging programme for UK clients. The programme continues to protect those UK clients against a rise in Sterling.

Absolute Return

The Absolute Return programme has seen a period of negative performance from July 2007. The product has seen significant outflows over the last 18 months and it is likely that there will be further outflows in the short term.

Record remains committed to the long–term performance of this product and believes that performance will return. In the near future, interest rates are likely to revert to longer-term averages and this should benefit the investment process.

In the immediate future, it is unlikely that there will be client inflows. In the medium term, providing positive performance returns, Record believes that the environment will be favourable for clients to consider currency as an alternative asset class.

Currency beta

Record's medium-term aim is to develop currency as an asset class in its own right. The 'asset class project' is now well under way with the launch of the first currency index, the FTSE Currency FRB5 Index, in September 2009. This represents the first in a series of indices that it is anticipated FTSE will launch for currencies. The development of products to track the FTSE indices has the potential to result in an inflow of investment into the currency universe.

Product development

Index products

The asset class project requires the launch of products that track published indices. Record launched the first fund to track the FTSE Currency FRB5 Index, Carry 250, which has been trialled successfully since October 2009. The fund is 2.5 times geared. This fund will be launched to external investors in July 2010.

Emerging markets

In addition to the asset class project, we continue to pursue opportunities in emerging markets. A product has been developed and trialled internally since November 2009. We have commenced discussions with clients on emerging markets and it is anticipated that individual mandates will be tailored to specific client requirements. Since the inception of the trial, the product, that is twice geared, has delivered a return of 12.1% over the five months to 31 March 2010.

People management

Record's success depends on its ability to attract, retain and motivate highly talented staff.

Recruitment

The recruitment process is carefully structured to ensure that the right people are recruited into the Group. This continues with a comprehensive induction programme for all new joiners to allow them to adapt to the specialist environment within Record.

The Group has continued to recruit selectively throughout the year in order to sustain a flexible, scalable platform for future growth. The number of employees in the Group has increased marginally to 70 at 31 March 2010 (2009: 62).

Staff retention and motivation

An effective performance review and objective setting process, personal development planning including the development of career paths, together with our open and involving office culture, are all key priorities in the development and retention of our staff. In addition, the Group Profit Share Scheme promotes the acquisition of equity in the Company by staff, improving both motivation and retention.

Board and management succession

There have been a number of changes to the Board during the year. As detailed in the Chairman and Chief Executive Officer's statement, the Board has been strengthened by the addition of David Morrison as a Non-executive Director. As reported in last year's Annual Report and Accounts, Peter Wakefield left the business in August 2009.

Record's Executive Committee has been strengthened during the year by the addition of two senior members of management, Dmitri Tikhonov (Head of Portfolio Management) and James Wood-Collins (Head of Client Team), to the team comprised of Record's four Executive Directors.

Neil Record, Chairman and Chief Executive, has indicated that before the end of the financial year ending 31 March 2011, he would like to assume the role of Executive Chairman and relinquish the role of Chief Executive. The Board has tasked the Nominations Committee, chaired by David Morrison, with selecting an appropriate successor as Chief Executive. The Nominations Committee has met on a number of occasions and is moving forward with a process to identify the individual who is able to continue to deliver the strategic goals identified by the Board.

Infrastructure development

Record is constantly reviewing its internal systems and processes in order to realise gains in capability, profitability, efficiency and effectiveness, and to reduce its risk profile. After a formal evaluation process, the Group has commenced the implementation of a new software system to enhance Record's middle and back office platform across a range of financial instruments.

The system will provide Record with increased flexibility, both now and in the future, in terms of:

- adding new instruments;
- deploying new products and portfolios; and
- delivering an improved level of client service.

The implementation of this system should enhance the control environment through the:

- robustness of a proven third party system;
- reduction of 'off system' processes; and
- standardisation of operational processes.

It is anticipated that the system will go live towards the end of 2010.

Risk management

The Board recognises that risk is inherent in all of its business dealings, and in the markets and instruments in which the Group operates. It therefore places a high priority on ensuring that there is a strong risk management culture within the Group. Effective risk management and strong internal controls are central to the Group's business model and during the year the Group has made further progress in developing this framework.

The Audit Committee was established to provide oversight and independent challenge in relation to internal control and risk management systems and procedures. The activities of the Audit Committee are covered in the Audit Committee report on page 34. The Compliance Director is responsible for ensuring compliance with appropriate legal and other regulatory standards, and for internal risk review of operational processes. Additionally, Mazars LLP performed a number of pieces of assurance work in respect of Record's internal controls during the year.

The Board has established a Risk Management Committee which is chaired by the Chief Financial Officer and has the Managing Director, the Head of Operations, the Head of Trading, the Head of Reporting Services, the Head of Portfolio Management and the Compliance Director as members. The Committee reviews existing and new risks, and the incidence and nature of any operational errors with the objective of ensuring that adequate systems and controls are in place to minimise and preferably eliminate such errors and their impact on both the Group and its clients. Further details are provided in the Corporate Governance section.

The Group appointed Grant Thornton UK LLP as the reporting accountant for its Audit and Assurance 01/06 (AAF) report. There are two types of assurance engagements associated with the framework, specifically 'reasonable' assurance engagements and 'limited' assurance engagements. The Group undertakes the higher standard of 'reasonable' assurance engagements.

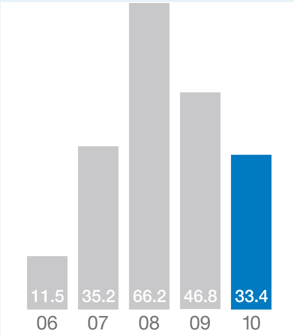
Risk management continued

The principal risks faced by the Group fall into a number of distinct categories and the means used to mitigate them are both diverse and relevant to the nature of the risk concerned. The principal risks and the means used to mitigate them are set out below:

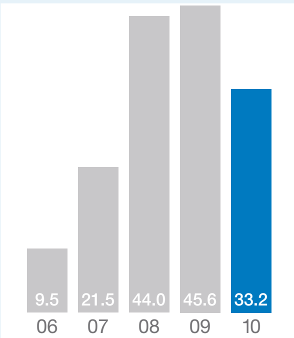
Risk type/owner	Description of risk	Mitigation
Strategic and business risks The risk that the medium and long term profitability of the Group could be adversely impacted by the failure to identify and implement the correct strategy. Delegated to: Record plc Board; and Executive Committee	These include: Any impairment to Record's standing in the currency management markets with investors and investment consultants may result in the loss of AuME and/or fee income. Loss of key personnel; could impact on the management of the Group and/or lead to a loss of AuME. Concentration risk on single product type; Record's products are all currency management based hence it would be adversely affected by a move away from Active Hedging and/or currency as an asset class by its core client base. Account concentration; Record has a relatively small number of high value clients. Reliance on investment consultants; if a consultant no longer believes that currency for return or Active Hedging is suitable for clients and/or a consultant no longer believes that Record is a recommended investment manager, then this could result in a loss of AuME. Changes in the regulatory environment or tax regime making investment in currency less attractive to investors.	These include: The Board's lengthy investment management experience. The Group's investment process is steered by an Investment Committee of four, and managed on a day to day basis by a systematic process which is not reliant on any individual employee. All clients have two points of contact to ensure continuity in the client relationship if any one person left. The Group considers that its remuneration policy and in particular the operation of the Group Profit Share Scheme promotes key personnel retention and effective risk management. The Group devotes considerable senior management time and effort to its relationships with the investment consultancy firms to ensure that developments within the Group and its investment research and processes are understood by these firms. Diversification of investment capabilities across risk reducing and risk taking products to reduce single event/product exposure. Record's commitment to client services excellence, the transparency of the investment process and the regular reporting and face to face contact with clients is integral to retention. Record's risk appetite does not extend to taking either regulatory or reputational risks within the decision making process. Sufficient allocation of resources is provided to enhance prevention of any systemic failures of day to day product implementation that could affect the firm's reputation. The firm has an almost equal split between revenue generated via Hedging products and that from Absolute Return.
Investment risks The risk that long term investment outperformance is not delivered, damaging prospects for winning and retaining clients, and putting average management fee margins under pressure. Delegated to: Investment Committee	The Group is paid by its Absolute Return clients to generate positive investment performance over the medium and long term by taking investment risk on their behalf. Any sustained period of poor investment performance reduces the value of AuME in the Group's pooled funds and segregated mandates that could lead to mandate terminations by clients, to loss of confidence in the Group's investment model by clients, potential clients and the investment consultants who advise them.	These include: Experienced Investment Committee meets frequently ensuring consistent core investment processes are applied. Dedicated currency management research and investment focus. Remuneration policy links investment senior managements' remuneration to long term performance of the Group.

Risk type/owner	Description of risk	Mitigation
Operational risks	These include:	These include:
Risks in this category are broad in nature and inherent in all businesses. They include the risk that operational flaws result in business losses – through error or fraud, the inability to capitalise on market opportunities, or weaknesses in systems and controls. Delegated to: Risk Management Committee	The Group is exposed to the risk of failure of its proprietary IT system (ROMP, or Record Overlay Management Programme) and/or other IT systems. Execution and process management; dealing, portfolio, settlement and reporting errors. Non-compliance, including monitoring of investment breaches. Record's investment process involves high daily trading turnover of client positions in both size and volume, therefore it can be said to be reliant on market liquidity. Record exposes clients to derivative transactions with large banks as the counterparty. As an over the counter (OTC) product, these contracts inherently contain a degree of counterparty risk with the counterparty bank.	Record prepares an annual AAF 01/06 report. The contents of this report, which have been independently reviewed and tested by Grant Thornton UK LLP, provide assurances of the Group's procedures and controls to mitigate operating risk. Record has an outsourced Internal Audit function that reports independently to the Audit Committee. Each department has established procedures manuals that are available to all members of staff. The adherence to these procedures is checked through the compliance monitoring programme, AAF review and the internal audit programme. The Group has developed comprehensive disaster recovery and business contingency plans. These cover scenarios from server failure to destruction of the Group's offices. Alternative office facilities and equipment are available at a disaster recovery provider should the premises be compromised. Disaster recovery procedures are tested on a regular basis at the site of the disaster recovery provider. There is an established Risk Management Committee that meets on a monthly basis. The Risk Management Committee oversees the credit policy regarding counterparty exposure. Engagement letters or service level agreements are in place with all significant service providers. The Group's investment processes are at the day to day level systematic and non-discretionary in nature. ROMP prompts trades that are executed by a dedicated trading team without discretion. ROMP therefore controls the trading to ensure that portfolios are within the structure dictated by the investment process. A dedicated portfolio management team oversee the investment process and provide post-trade compliance assurances.
Treasury risks	These include:	These include:
The risks that management does not appropriately mitigate balance sheet risks or exposures potentially resulting in an adverse impact on the financial performance or position of the Group. Delegated to: Chief Financial Officer	More than 50% of Group revenues are denominated in a currency other than Sterling, the Group's functional and reporting currency, yet the Group's cost base is almost 100% Sterling based. The Group invests a limited amount of its resources in its own funds (seed capital), exposing it to price risk, credit risk, and foreign exchange risk. Liquidity management. The Group is exposed to credit risk and interest rate risk in respect of its cash balances.	Monthly reporting of all balance sheet exposures to the Executive Committee and Board. The Group has adopted a credit risk policy to manage its credit risks, under which it keeps its cash on deposit with at least two A1/A+ or better rated banks at any one time. The Group hedges its non-Sterling income on a monthly basis from the moment income is accrued until the anticipated date of receipt by using forward fixed rate currency sales contracts.

Revenue
5 year history (£m)



Management fees
5 year history (£m)



Financial review

Total revenue decreased by 29% to £33.4m, principally due to the reduction in management fees. This is broadly in line with the reduction in average AuME during the year of 24%. Total expenditure decreased by 19% to £17.0m principally through a reduction in the Group Profit Share cost. Profit before tax decreased by 38% to £16.7m.

Profit and Loss (£'000)
31 March

	2010	2009
Management fees	33,244	45,561
Performance fees	224	1,436
Other revenue	(44)	(201)
Total revenue	**33,424**	**46,796**
Personnel (excluding Group Profit Share Scheme)	(6,119)	(5,628)
Non-personnel cost	(3,800)	(4,220)
Group Profit Share Scheme	(7,053)	(11,091)
Total expenditure	**(16,972)**	**(20.939)**
Operating profit	**16,452**	**25,857**
Operating margin	49.2%	55.3%
Net interest	220	912
Profit before tax	**16,672**	**26,769**
Tax	(4,720)	(7,494)
Profit after tax	**11,952**	**19,275**

Fees

In the year ended 31 March 2010, the fall in the number of clients and the associated decline in average AuME together with a reduction in performance fees have driven a decline in total fee income of 29%. Excluding performance fees, fee income decreased by 27%.

Record charges fees to its clients based upon the AuME of the product provided. Record typically offers all Absolute Return clients the choice of paying an asset–based management fee only or the alternative of management fee plus performance fee. Higher performance fee rates usually accompany lower management fee rates and vice versa. The fee combinations are structured so that Record is indifferent between them in the medium term. Both Passive and Active Hedging typically have fixed fee arrangements. Both management fees and performance fees are normally invoiced on a quarterly basis, although Record invoices management fees for some of its larger clients on a monthly basis. Performance fees are subject to a 'high water mark' clause that states that cumulative performance, typically since inception of the mandate, must be above the previous high point on which performance fees were charged before performance fees are charged again. Record charges similar fees for both segregated and pooled Absolute Return mandates.

"The understanding of a client's currency objectives and designing an investment programme to achieve this is fascinating work."

Amanda Sands
Portfolio Management

Management fees

Management fee income during the year was £33.2m (2009: £45.6m). The table below shows strong growth in both Hedging products, with management fee income attributable to Active Hedging of £14.4m, up 136% in the period and Passive Hedging up 47% to £2.2m. The management fee income attributable to the Absolute Return product is down 56% to £16.6m.

Management fees by product (£m)
(excluding performance fees)

	2010	2009
Absolute Return – Pooled fund	8.6	19.7
Absolute Return – Segregated	8.0	18.3
Sub-total Absolute Return	16.6	38.0
Active Hedging	14.4	6.1
Passive Hedging	2.2	1.5
Grand Total	**33.2**	**45.6**

Achieved average management fee rates
(by product bps)

	2010	2009
Absolute Return – Pooled fund	24.4	29.8
Absolute Return – Segregated	26.6	27.2
Absolute Return – combined average	25.4	28.5
Active Hedging	23.7	20.6
Passive Hedging	2.6	1.7
Weighted average	**15.2**	**17.1**

Performance fees

Performance fees earned in the year were £0.2m compared with £1.4m in the previous year, a decrease of 86%. Performance fee structures apply primarily to Absolute Return mandates. Clients may choose between management fee only structures or lower management fees with a performance fee. The balance is towards fee structures with a performance fee element.

Other income

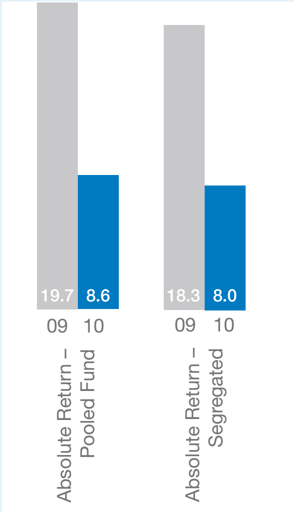
Other income includes gains made on the Emerging Market product trial, losses on hedging revenues denominated in currencies other than Sterling, and foreign exchange gains, in addition to revenues from activities other than currency management.

Group Profit Share Scheme

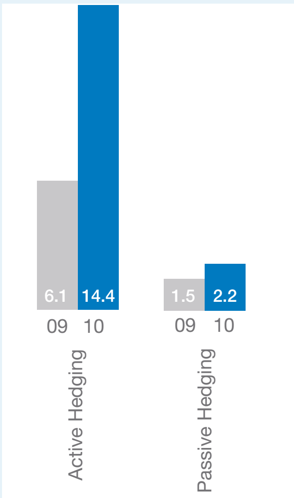
The Group operates a Group Profit Share Scheme such that a long term average of 30% of operating profit before Group Profit Share is made available to be awarded to employees. The Remuneration Committee has recommended that for the year ended 31 March 2010, the Group Profit Share Scheme is 30% of pre-GPS operating profit. For the year ended 31 March 2010, this represents £7.1m, a reduction of £4.0m from the previous financial year. This represents a year on year decrease of 36% compared with a 29% year on year decrease in total fee income.

Directors and senior management, who do not already own at least 2% of the issued shares in Record plc, are required to take a proportion of this remuneration in the form of shares subject to lock–up arrangements. Further details are contained in the Remuneration Report on pages 36 to 40.

Management Fees Absolute Return
Year to 31 March (£m)



Management Fees Hedging
Year to 31 March (£m)



"Presenting a client's currency programme performance in an understandable format is vital."

Hannah Powlson
Reporting Services

Operating margin

The operating profit for the year ended 31 March 2010 of £16.5m was £9.4m lower than the operating profit for the previous financial year (2009: £25.9m). The Group achieved an operating profit margin of 49% for the year ended 31 March 2010 (55% in 2009). This results principally from operating costs (excluding Group Profit Share) being spread across lower fee income resulting in a reduced operating margin.

During the year ended 31 March 2010, total operating expenditure of the Group decreased by £3.9m to £17.0m. This results from a £0.5m increase in personnel costs (excluding Group Profit Share Scheme), offset by a £4.0m reduction in the Group Profit Share Scheme and a £0.4m reduction in non-personnel costs.

Cash flow

The Group's ability to generate cash has remained strong, albeit the year end cash position has been weakened by the advancement of profit share and dividend payments in March that would typically occur in June and August respectively. Cash generated from operations before tax was £12.2m, with £6.1m paid in taxation and £13.6m in dividends. At 31 March 2010 the closing cash and cash equivalents was £21.9m compared with £29.8m at 31 March 2009.

Dividends

Shareholders have received two interim dividends during the year, being an interim dividend of 2.00p per share paid on 22 December 2009 and a further interim dividend of 2.00p per share paid on 16 March 2010. The Board recommends paying a final dividend of 0.59p per share, equivalent to £1.3m. This would take the overall dividend to 4.59p per share, being an unchanged dividend on the prior year. This represents an 85% payment of profits after tax for the year ended 31 March 2010.

Subject to shareholder approval, the dividend will be paid on 4 August 2010 to shareholders on the register on 25 June 2010, the ex-dividend date being 23 June 2010. The dividend cover achieved in the year was 1.2 (2009: 1.9).

Capital management

The Board's intention is to retain sufficient capital (being equivalent to shareholders' funds) within the business to meet continuing obligations, sustain future growth and to provide a buffer against adverse market conditions. To this end the Group has developed a financial model to assist it in forecasting future capital requirements over a four year time horizon under various scenarios. Shareholders' funds were £25.7m at 31 March 2010 (2009: £27.2m). The Group has no debt.

Regulatory environment and regulatory capital

Record Currency Management Limited (RCML) is authorised and regulated in the UK by the Financial Services Authority. RCML is registered as an Investment Adviser with the Securities and Exchange Commission in the United States. RCML is registered in Canada in the category of International Adviser (Investment Counsel & Portfolio Manager) with the Ontario Securities Commission in Ontario, although this category was abolished in September 2009. RCML is currently operating under a transition exemption whilst the new registration process is completed. RCML is approved by the Irish Financial Services Regulator to act as promoter and investment manager to Irish authorised collective investment schemes.

The Group has one UK regulated entity, RCML, on behalf of which quarterly capital adequacy returns are filed. RCML held surplus capital resources relative to its requirements at all times during the period under review. The Group is also subject to consolidated regulatory capital requirements, whereby the Board is required to assess the degree of risk across the business, and hold sufficient capital within the Group against it.

The Group has an active risk-based approach to monitoring and managing risks used for reviewing and amending its Internal Capital Adequacy Assessment Process (ICAAP).

The Board is satisfied that the Group is adequately capitalised to continue its operations effectively given the considerable balance sheet resources maintained by the Group. At 31 March 2010, Record had Tier 1 capital of £25.7m. Further information regarding the Group's capital adequacy status can be found in the Group's Pillar 3 disclosure, which is available on our website at www.recordcm.com.

Outlook – The new financial year

The short-term outlook is likely to see a continuation of the growth of new Active Hedging mandates, offset by further attrition in the Absolute Return product.

In July 2010 the Carry 250 product will be launched to external investors. The launch of an index-tracking currency product represents a milestone in the asset class project. It is likely that there will be further indices and index-tracking products launched in 2010, probably including a FTSE Currency FRB10 index of ten developed market currencies.

The successful seeding of the Emerging Market product will be followed with marketing the concept of emerging market currency to clients during 2010. Any client wins are likely to be relatively modest and involve segregated mandates rather than fund based structures.

The project to implement the new middle and back office system is progressing towards implementation by the end of 2010.

The fiscal environment will probably lead to increased interest rates in a number of developed countries in the next twelve months. A return to more normal monetary conditions should be favourable to our investment strategy and the Forward Rate Bias. If this occurs, we anticipate the resumption of positive returns from the Absolute Return investment strategy. A sustained period of positive investment performance is likely to be a precursor for investors to consider an investment in the Absolute Return product.

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.

Corporate Social Responsibility

The Board recognises that, through its actions, it has a direct impact upon its employees, the community and the environment.

In conducting its business operations, the Group has a responsibility to its stakeholders and the environment. Its stakeholders, with whom we maintain an ongoing dialogue, include shareholders, clients, employees, regulators, and the local community.

Our approach to corporate social responsibility is built around three key areas:

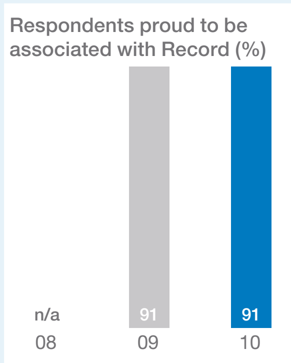
- Workplace
- Environment
- Community

The Group monitors the following KPIs to assess its progress within each of these three areas:

Workplace

A survey of employees where results are benchmarked against other high performing organisations.

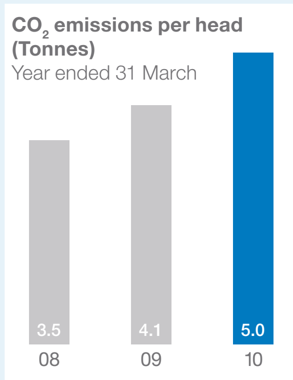
The annual survey has been undertaken since 2009, and the results provide the management team with an insight into how employees view the business over the longer term.



Environment

Our CO_2 output at our head office in Windsor.

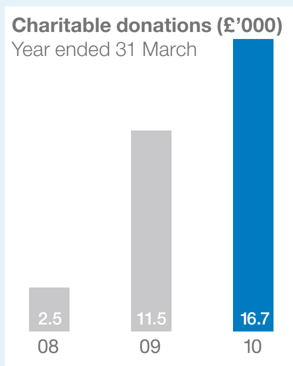
We are committed to carbon neutrality and as such offset our CO_2 emissions. Growth in our emissions has been driven largely by the growth in international operations.



Community

The Group's financial contributions to charitable causes during the year.

Our charitable giving is focused on employee choice, with the Group matching employee donations and sponsorship.



Workplace

The Group policy is to provide a working environment in which people feel confident that they will be treated with respect and dignity. A key objective is to ensure equal opportunities, fairness of treatment, work-life balance and the elimination of all forms of discrimination in the workplace. The Board's aim is to ensure that recruitment practices are effective, efficient, and fair, and that the Group's recruitment process is carried out objectively, systematically and in line with the requirements of employment law. This policy applies to all stages of the recruitment and selection process, as well as throughout individuals' employment.

The Group is committed to providing and maintaining a safe and healthy working environment for all employees and others. New employees receive health and safety information on their induction, and the Group's health and safety policies are available to all employees on the Group intranet.

Environment

The Group first assessed its carbon footprint in July 2006. This has enabled the Group to offset its carbon emissions through investment in renewable energy projects in India and in China.

Community

During the course of the year, the Group made charitable donations totalling £16,711, primarily via our commitment to match employee donations and sponsorship. We also sponsored those employees that participated in the annual JP Morgan Chase Corporate Challenge where monies are raised for the Sports Aid charity. We are members of Business in the Community and last year sent a team of volunteers to work on a charitable farm in our local community. The farm works with children and adults who have special needs and disabilities and we have volunteered time to build areas for animals and horticulture.

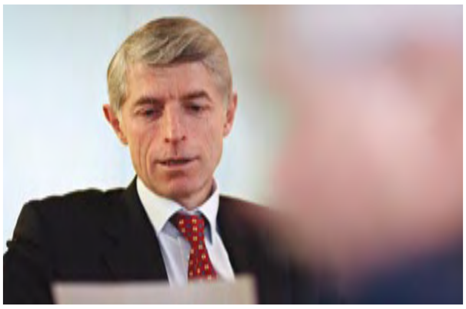
The Group also runs a bursary scheme with Balliol College at Oxford University, which provides a grant to the winner of the award. There are currently three individuals at the college who receive this financial support. We will continue to seek opportunities that enable the Group and its employees to contribute to the community.

Board of Directors

	1	2
3	4	5
6	7	

1 Neil Record
2 Drs Cees Schrauwers
3 Andrew Sykes
4 Leslie Hill
5 Bob Noyen
6 Paul Sheriff
7 David Morrison







Neil Record (56)
Chairman and Chief Executive Officer
Neil Record founded Record in 1983 and has been its principal shareholder and Executive Chairman since then. Prior to founding Record he was an economist at the Bank of England and worked in the commodity and currency trading department at Mars Inc's UK subsidiary. He is the author of numerous books and articles on currency and other risk management topics and is a frequent speaker at industry conferences and seminars worldwide.
Nom

Drs Cees Schrauwers (62)
Senior Independent Director
Cees Schrauwers became a Non-executive Director of the Company in 2007. Cees has more than 30 years' financial services experience, most recently as Director of Aviva International and Managing Director of CGU Insurance. Prior to this he was Partner with Coopers & Lybrand. Cees is currently also the Senior Independent Director of Brit Insurance Holdings plc and Chairman of Drive Assist Holdings Limited.
Aud (Chair) Nom Rem

Andrew Sykes (52)
Non-executive Director
Andrew Sykes became a Non-executive Director of the Company in 2007. He was a Director of Schroders plc from 1998 to 2004, having joined Schroders in 1978. He was responsible for Schroders' fixed income businesses (including Treasury and Foreign Exchange) until 2000, and subsequently for private banking and alternative investments, including hedge funds, property, private equity and structured products. He is a Non-executive Director of Smith & Williamson Holdings Limited, Gulf International Bank (UK) Limited and SVG Capital plc, Chairman of Invista Foundation Property Trust Limited and Absolute Return Trust Limited, and chairs the investment committee of the Schroder Retirement Benefits Scheme.
Aud Nom Rem (Chair)

David Morrison (51)
Non-executive Director
David Morrison was appointed as Non-executive Director in October 2009. David is founder and Chief Executive of Prospect Investment Management, a venture capital advisory firm established in 1999, which acts on behalf of a small group of investors. He has spent most of his working career in the venture capital world, having started with 3i plc, which was followed by 13 years with Abingworth Management Limited. He has previously been a director of Blueheath Holdings plc, Deutsche Equity Income Trust plc, GW Pharmaceuticals plc and Venture Production plc and is currently on the Board of PayPoint plc and several private companies with which Prospect is associated.
Aud Nom (Chair) Rem

Leslie Hill (53)
Managing Director
Leslie Hill joined Record in 1992 and was appointed Head of Sales and Marketing in 1999. Her prior experience includes working at Lloyds Bank and Merrill Lynch where she was Director and Head of Corporate Foreign Exchange Sales worldwide.

Bob Noyen (47)
Chief Investment Officer
Bob Noyen joined Record in 1999 with responsibility for Investment and Research. He has spent 11 years at Record and previously worked as Assistant Treasurer for Minorco (part of Anglo American plc).

Paul Sheriff (40)
Director and Chief Financial Officer
Paul Sheriff joined the board on 1 December 2008 as Chief Financial Officer. He was previously Group Finance Director for Arbuthnot Banking Group PLC and prior to this he was Commercial Finance Director of the Prudential's UK and European business. He has also spent five years in private equity and qualified as a Chartered Accountant with Arthur Andersen.

Key to membership of Board Committees

Aud	Audit Committee
Rem	Remuneration Committee
Nom	Nomination Committee
(Chair)	Committee Chairman

Directors' Report

The Directors present their Annual Report and Accounts for the year ended 31 March 2010. The Company was admitted to the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange on 3 December 2007. This is Record's third Annual Report as a public limited company.

Principal activity and business review

The principal activity of the Group is the provision of currency management services for institutional clients.

A review of Record's business during the financial year ended 31 March 2010, likely future developments and the information which fulfils the business review requirements is contained in the following sections of the Annual Report, which are incorporated into the Directors' report by reference:

- Chairman and CEO's Statement on pages 4 to 7;
- Business Review on pages 8 to 23;
- Corporate Social Responsibility Report on pages 24 to 25; and
- Corporate Governance Report on pages 31 to 33.

The Business Review contains information on the main trends and factors likely to affect the future development of the Group. The Directors have considered whether there are any contracts which are essential to the business and have concluded that there are none.

Results and dividends

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 42.

The Directors recommend a final dividend of 0.59p per ordinary share for the year ended 31 March 2010. Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 4 August 2010 to shareholders on the register at the close of business on 25 June 2010. The shares will be quoted ex-dividend from 23 June 2010.

The Company paid an interim dividend of 2p per share on 22 December 2009 to shareholders on the register on 27 November 2009 and a further interim dividend of 2p per share on 16 March 2010 to shareholders on the register on 19 February 2010.

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 represent one vote at a shareholders' meeting. Details of structure and changes in share capital are set out in note 21 to the financial statements.

At its Annual General Meeting in 2009, the Company obtained, subject to certain provisos, shareholder approval to purchase ordinary shares representing not more than ten per cent of its issued capital. This authority will expire on the date of this year's Annual General Meeting. The Company has not exercised the right to purchase ordinary shares in its capital (including treasury shares) during the year.

Substantial shareholdings

The table below sets out the names of those persons 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 2010:

	Number of ordinary 0.025p shares held	Percentage interest
Neil Record	71,171,043	32.15
Leslie Hill	14,828,039	6.70
Aberforth Partners	11,794,412	5.33
Threadneedle Asset Management Ltd	8,985,667	4.06
Schroder Investment Management Ltd	8,945,690	4.04
Bob Noyen	8,418,561	3.80
Mike Timmins	7,366,155	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.

As at 14 June 2010 the Company had received the following notifications of voting interests in its ordinary share capital in accordance with DTR 5: Deutsche Bank/Abbey Life Assurance Company Limited (3.48%), Cazenove Capital Management Limited (5.34%) and Peter Wakefield (below 3%).

Directors

The Directors of the Company who held office during the year and to date were:

Neil Record (Chairman)
Drs Cees Schrauwers*
Andrew Sykes*
David Morrison* (appointed 1 October 2009)
Jeremy Palmer* (appointed 1 October 2009, resigned 5 January 2010)
Leslie Hill
Bob Noyen
Paul Sheriff
Peter Wakefield (resigned 31 August 2009)

* Non-executive Director

Directors' interests

The interests of the Directors in the Company's ordinary shares and in options are shown within the Remuneration Report on page 38.

Restrictions on transfers of shares

Each of the Executive Directors and all other employee shareholders (including the shareholding spouses of certain employee shareholders) who held ordinary shares at the time of Admission are, subject to certain exceptions, restricted by lock–up arrangements from selling, or otherwise disposing of their shareholding in the period immediately following Admission. The restriction was lifted in respect of one third of the person's holding on 28 November 2009, being the second anniversary of admission, with the restriction on a further third lifted on 28 November 2010, and the restriction on the final third lifted on 28 November 2011.

In March 2008 there were a series of transfers of ordinary shares by persons subject to lock-up arrangements pursuant to exemptions contained in the Underwriting Agreement. In each case, the transferee has entered into a lock–up deed dated 26 March 2008, the terms of which are substantially the same as the lock–up arrangements contained within the Underwriting Agreement.

The Record plc Group Bonus Scheme (GBS) was amended with the approval of a general meeting of the Company's members on 30 July 2009 and became the Record plc Group Profit Share Scheme. Under the terms of the scheme rules, certain employees and directors of the company are required to receive a proportion of any 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 share awards are transferred immediately to a nominee. None of these shares are subject to any vesting or forfeiture provisions but are subject to lock–up arrangements and the individual is entitled to full rights in respect of the shares purchased. 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 22 of 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 adopts the Model Code of the Listing Rules contained in the Financial Services Authority's Handbook.

Certain restrictions, customary for a listed company, apply to transfers of ordinary shares in the Company.

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 affects on the Group's financial performance. Further information is contained in note 24 to the accounts.

Annual General Meeting
The 2010 Annual General Meeting of the Company will be held at 10.00 a.m. on 29 July 2010 at the Company's registered offices Morgan House, Madeira Walk, Windsor SL4 1EP. Details of the ordinary and special resolutions to be proposed at the Annual General Meeting are given in a Chairman's letter to shareholders and attached Notice of Annual General Meeting.

Auditors
Grant Thornton UK LLP have indicated their willingness to continue as auditors, and resolutions will be proposed at the Annual General Meeting to re-appoint them as auditors of the Company and to authorise the Directors to determine their remuneration for the current year.

Related party transactions
Details of related party transactions are set out in note 28 to the financial statements.

Post reporting date events
As set out in note 31 to the financial statements, there were no post reporting date events.

Going concern
After making enquiries the Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the foreseeable future and confirm that the Company and the Group are going concerns. For this reason they continue to adopt the going concern basis in preparing these financial statements.

Charitable and political donations
The Group made donations of £16,711 to charitable causes during the year ended 31 March 2010 (2009: £11,483). The Group makes charitable donations to match the individual fundraising efforts of its employees. It is the Group's policy not to make political donations.

Credit payment policy
The Group's policy is to pay suppliers within 30 days of receipt of invoice. As at 31 March 2010, the amount owed to suppliers was equivalent to 13 days average purchases from suppliers (2009: 10 days).

Disclosure of information to auditors
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

Approved by the Board and signed on its behalf by:

J Manning
Company Secretary

14 June 2010

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the parent company and the Group as at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law the Directors are required to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group and parent company financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Responsibility statement required by Disclosure and Transparency Rules

To the best of my knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Board by:

Neil Record

Neil Record
Chairman and Chief Executive Officer

14 June 2010

Paul Sheriff

Paul Sheriff
Chief Financial Officer

14 June 2010

Corporate Governance Report

Section 1 of the June 2008 FRC Combined Code on Corporate Governance (the 'Code'), applies to listed companies with reporting years beginning on or after 29 June 2008 (the Code is available for inspection at www.frc.org.uk). The Company has adopted the principles of the Code since Admission. The Company has been in compliance with the Code since that date, except where the Directors consider in particular limited circumstances that departure is justified. Such departures are fully explained below.

This report describes the Company's corporate governance arrangements, explaining how it has applied the principles of the Code.

The Board of Directors

As at 31 March 2010, the Board of Directors comprised four Executive Directors and three Non-executive Directors. The Board is headed by Neil Record (Chairman and Chief Executive Officer), with three Non-executive Directors, Drs Cees Schrauwers, being the Senior Independent Director, Andrew Sykes and David Morrison, and the other Executive Directors, Paul Sheriff (Chief Financial Officer), Bob Noyen (Chief Investment Officer) and Leslie Hill (Managing Director). During the year Peter Wakefield resigned with effect from 31 August 2009 and Jeremy Palmer was appointed as a Non-executive Director on 1 October 2009 but resigned for personal reasons on 5 January 2010. David Morrison was appointed on 1 October 2009. In considering the independence of Non-executive Directors, the Board has taken into consideration the guidance provided by the Code. The Board considers Drs Cees Schrauwers, Andrew Sykes and David Morrison to be independent.

The Board has a schedule of matters specifically reserved to it for decision and approval, which include but are not limited to:

- determining the Group's long-term strategy and objectives;
- significant capital expenditure;
- development of new products, and new geographic areas of distribution;
- the Group's annual and interim reports and preliminary announcements;
- setting interim dividend and recommendation of final dividend;
- effectiveness of internal controls;
- authorisation of Directors' conflicts or possible conflicts of interest; and
- communications with shareholders and the stock market.

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. New Directors appointed to the Board will receive advice as to the legal and other duties and obligations arising from the role of a Director of a UK listed company through a full, formal and tailored induction programme. 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. The appointment of the Company Secretary is a matter for the Board and following the resignation of Paul Sheriff as Company Secretary, Joanne Manning was appointed to the role effective 4 February 2010.

Under the Articles, the minimum number of Directors shall be two and the maximum shall be 12. A Director appointed by the Board must offer himself for election at the next Annual General Meeting of the Company following his appointment but he is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting. In line with the requirements of the 2008 Code, a minimum of one third of the Directors must retire by rotation at every Annual General Meeting of the Company. The Directors to retire must be those who have held office the longest since appointment or re-election if more recent.

Under UK company law, a Director must now seek authorisation before taking up any position with another company that conflicts, or may possibly conflict, with the Company's interests. The Articles of Association contain provisions to allow the Directors to authorise situations of potential conflicts of interest so that a Director is not in breach of his/her duty under company law. All existing external appointments for each Director were considered and authorised by the Board in September 2009. The Board is responsible for conducting an annual review of the Conflicts Register and confirming that, where relevant, conflicts have been dealt with appropriately, and that the process for dealing with them is operating efficiently.

The Board supports the highest standards of corporate governance, however the Company has not fully complied with the corporate governance requirements of the Code through the period for the following reasons:

- The roles of the Chairman and the Chief Executive Officer are exercised by one individual, Neil Record. The Directors are satisfied that it will be the Executive Committee which will, on a practical level, operate the Company on a day-to-day basis. Furthermore the appointment of three Non-executive Directors, each of whom has been appointed to the Company's Audit, Remuneration and Nomination Committees provide additional protection against the risk of concentration of power in one individual.
- The Board is not comprised of a majority of Non-executive Directors; however, it does comply with the Code's provision for smaller companies to have at least two Non-executive Directors. The Board considers that the existing composition is appropriate but is considering further non-executive appointments to assist the development and growth of the Company.

The Company has the appropriate Directors and Officers' insurance in place.

Board committees
The Board has established the following committees to enable it to execute its duties appropriately:

- Audit Committee
- Nomination Committee
- Remuneration Committee

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

Audit Committee
The Audit Committee Report set out on pages 34 to 35 gives details of the Committee's activities, and a statement of the Committee's policies and procedures.

Remuneration Committee
The Remuneration Report set out on pages 36 to 40 gives details of the Committee's activities, and a statement of the Committee's policies and procedures.

Nomination Committee
The Nomination Committee is chaired by David Morrison following the resignation of Neil Record and the formal appointment of David as Chairman of the Nomination Committee by the Board in March 2010. David is supported on the Committee by the two other independent Directors and Neil Record.

The Committee is responsible for reviewing the structure, size and composition of the Board, and for giving full consideration to succession planning for Directors and other senior executives.

The Committee is also responsible for identifying and nominating for the Board's approval candidates to fill Board vacancies as and when they arise.

During the year the activities of the Committee have included reviewing potential independent non-executive candidates for appointment to the Board and proposing candidates for approval by the Board, proposals for rotation and re-election of Directors at the Annual General Meeting, and reviewing its terms of reference.

The Committee met twice during the year ended 31 March 2010.

Attendance
The Board met six times between 1 April 2009 and 31 March 2010 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 papers are sent to Directors in advance of each meeting. Throughout their period in office Directors are regularly informed by senior executives and external advisors 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 not able to attend their input can be tabled and taken into consideration. The Board has regular bi-monthly meetings and special meetings as required to address specific issues.

Meetings in the year

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total	6	6	7	2
N Record	6/6	N/a	N/a	2/2
C Schrauwers [1]	6/6	6/6	7/7	2/2
A Sykes [2]	5/6	6/6	7/7	2/2
D Morrison [3]	3/3	1/1	3/3	1/1
J Palmer [4]	1/1	N/a	N/a	N/a
L Hill	6/6	N/a	N/a	N/a
B Noyen	6/6	N/a	N/a	N/a
P Sheriff	6/6	N/a	N/a	N/a
P Wakefield [5]	2/2	N/a	N/a	N/a

1 Includes attendance by phone.
2 Andrew Sykes was unable to attend the Board Meeting held in June 2009 as he was undertaking jury service.
3 From 1 October 2009. David Morrison was formally appointed by the Board to the Audit, Remuneration and Nomination Committees effective 1 December 2009.
4 From 1 October 2009 to 5 January 2010. Jeremy Palmer was formally appointed by the Board to the Remuneration and Nomination Committees effective 1 December 2009 but did not attend any meetings prior to his resignation in January 2010.
5 To 31 August 2009.

Performance evaluation
The Board is required by the Code to undertake an annual evaluation of its performance. The Board has now carried out its second assessment of its own performance and that of the principal committees to identify where improvements can be made. This evaluation was carried out by the Chairman who held discussion sessions with each of the Record plc Directors during which the Directors were asked to comment on the performance of the Board over the previous twelve months. The Company Secretary was present at these meetings to record the comments made. The Chairman gave his own comments during a discussion with the Senior Independent Director. The discussions covered topics which the Directors consider to be key to successful Board operation.

The evaluation of the discussions and comments made during the process identified no serious concerns over the functioning of the Board or its committees.

During the year, the Non-executive Directors met together without the Chairman present, under the chairmanship of the Senior Independent Director, to appraise (taking into account the Executive Directors' views) the performance of the joint Chairman/Chief Executive Officer. The outcome of the appraisal was positive and the combined role was considered to be appropriate for the Group at this time and undertaken successfully by Neil Record.

The work undertaken by the Audit Committee was reviewed by the Senior Independent Director Drs Cees Schrauwers and Andrew Sykes to assess its effectiveness during the year, the results of which were reported to the Board by the Committee Chairman. The review concluded that the Committee was operating in an effective manner. Reviews of the Remuneration and Nomination Committees were conducted in a similar manner and no concerns were raised.

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 reviews annually and sets appropriate policies on internal control and has, since Admission, delegated the authority to specific committees and senior personnel to implement and apply those policies.

- The Audit Committee is a Board Committee that provides oversight and independent challenge in relation to internal control and risk management systems.
- The Risk Management Committee is delegated by the Board to oversee and mitigate risks arising across Record Currency Management Limited's activities. Record Currency Management Limited is the only FSA regulated entity within the Group. The members of the Committee are Directors and senior managers.
- The Investment Committee – the Board has delegated to this Committee responsibility for authorising changes to existing investment processes and for approving new investment strategies. The members of the Committee are Directors and senior managers.
- The Executive Committee – the Board has delegated to this Committee responsibility for the day to day operation of the business within defined delegated authorities.

The Board seeks regular assurance from the Committees 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 systems is provided on pages 17 to 19 of the Business Review.

The Audit Committee has undertaken a review of the effectiveness of internal controls for the year ended 31 March 2010 and is satisfied that the internal control environment is appropriate (see 'Internal Audit' page 35).

Investor relations
During the year the Chairman and Directors met and made presentations to institutional investors, analysts and potential shareholders. The Senior Independent Director is also available to meet institutional investors if requested.

The 2010 AGM will be the third AGM since Admission. The Board and the chairmen of each of the Board Committees will be available to answer questions put to them by shareholders of the Company.

Audit Committee Report

This Audit Committee Report sets out the role of the Audit Committee, its membership and the subjects considered during the year.

Composition of the Committee

The Audit Committee is chaired by Drs Cees Schrauwers who is supported by Andrew Sykes and David Morrison. Drs Cees Schrauwers and Andrew Sykes have served on the Committee since its inception on 3 December 2007, whilst David Morrison joined the Committee on 1 December 2009. The composition of the Audit Committee has met or exceeded the Code provision for smaller companies requiring at least two independent Non-executive Directors throughout the year. The Board is satisfied that the members of the Committee have appropriate commercial and financial knowledge and experience to satisfy the provisions of the Code.

Role of the Committee

The Committee is responsible for:

- monitoring the integrity of the Group and Company's financial statements and any other formal announcements relating to the Company's performance;
- reviewing the Group's internal control and risk management procedures;
- monitoring and reviewing the Group's internal audit function;
- making recommendations relating to the appointment and reappointment of external auditors;
- 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;
- overseeing arrangements by which staff may raise concerns about possible improprieties in matters of financial reporting or other matters; and
- overseeing policy relating to the provision of non-audit services by the external auditors.

The full terms of reference of the Committee comply with the Code and are available on the Company's website or from the Company Secretary at the registered office address. The Committee has direct access to auditors, and receives periodic reports from management and auditors on significant financial reporting issues.

Committee activities

The Committee met on six occasions during the year ending 31 March 2010 and two further meetings were held after the year end. On one occasion the Committee met with the Group's auditors with no executive management present, providing an opportunity for the external auditors to raise matters of concern in confidence if so required.

The Committee discharged its responsibilities under the terms of reference by the following actions:

- reviewing the form, content and integrity of financial information prior to release, including the Annual and Interim Reports, and each of the Interim Management Statements;
- reviewing the adequacy and effectiveness of the Group's internal controls and risk management systems;
- receiving regular reports from the Director of Compliance in relation to the Group's compliance with relevant regulation, and risk management developments;
- considering both the revised ICAAP and Pillar 3 disclosures prior to their recommendation for acceptance by the Board;
- receiving and reviewing internal audit reports, discussing their findings and management's responses;
- evaluating the performance of the internal auditors during the engagement period;
- appointing a new (external) provider of internal audit services;
- reviewing the independence of the Group's external auditors and the nature of non-audit services supplied by the auditors;
- reviewing the external auditor's audit strategy and the concluding report for the 2010 financial statements; and
- making recommendations to the Board for a resolution to be put to the shareholders to approve the reappointment of the external auditors.

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

Internal controls and risk management

The Committee provides oversight and independent challenge to the internal controls and risk management systems of the Group. In respect of this duty, the Committee (with the assistance of management) has developed a high level 'Risk Map' which identifies key risk areas that may impact the Group. The Risk Map is used by the Committee to ensure that material risk areas are considered and addressed by the Committee.

The Committee has reviewed and evaluated the system of internal controls and risk management operated within the Group, and is satisfied that the internal control environment is appropriate in the light of on-going assurance activities. The Committee reviews the level of additional assurance required on an annual basis.

Internal audit

During the year, the Group outsourced its internal audit function to an audit firm who performed three specific internal audit assignments.

The Committee has reviewed the results of the audit work performed to date and has ensured that the findings and recommendations made by the internal audit function have been followed up in an appropriate and timely way.

In January 2010, the Committee considered the effectiveness of the Group's outsourced internal audit function. This involved consideration of the ability to challenge the controls within Record's specialist environment and the quality of the recommendations made in the reports provided to the Audit Committee. The Committee concluded that the best interests of the Group would be served by inviting a limited number of audit firms to apply for the outsourced function of Internal Auditor of Record plc and its various companies. After due process it was decided by the Committee to appoint Deloitte LLP to undertake this work.

The Committee and its newly appointed internal auditor are in the process of developing a new internal audit plan for the next three years.

Auditor independence

The Audit Committee has considered the level and nature of non-audit services provided by the external auditors, and is satisfied that the external auditors maintain independence and objectivity. The Audit Committee operates a policy covering the commissioning of non-audit services provided by the external auditors, to ensure the ongoing independence and objectivity of the external auditors. The policy restricts the nature and value of non-audit services that can be provided by the external auditors in line with current ethical guidance.

Committee evaluation

The members of the Audit Committee conducted a review of its effectiveness. The Committee concluded that it is working effectively.

Drs Cees Schrauwers will be available to answer any questions relating to the Committee and its activities at the AGM.

Approved by the Committee and signed on its behalf by:

Drs C A C M Schrauwers
Audit Committee Chairman

14 June 2010

Remuneration Report

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 under the Companies Act and the Code. This report sets out the Company's remuneration policy and gives details of the compensation of the Directors for the year ended 31 March 2010.

Remuneration Committee

The Remuneration Committee is chaired by Andrew Sykes who is supported by Drs Cees Schrauwers and David Morrison. The composition of the Remuneration Committee meets the Code provision for smaller companies requiring at least two Non-executive Directors.

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

The Remuneration Committee meets as often as required to discharge its duties and met seven times during the year ended 31 March 2010. There was full attendance at these meetings, with the exception of David Morrison who joined the committee meetings from December 2009. The Chief Executive Officer and Chairman, the Chief Operating Officer, the Chief Financial Officer and the Human Resources Director attended all or part of the meetings at the invitation of the Committee but no Director takes part in the determination of their own remuneration.

The primary role of the Remuneration Committee is to determine and agree with the Board the policy for the remuneration of the Chairman and Chief Executive Officer and to contact the Chairman and Chief Executive Officer regarding the Committee's proposals relating to the remuneration of the Executive Directors, and within these terms to determine their individual remuneration packages including pension rights and compensation payments. It is also responsible for recommending and monitoring the structure of remuneration for senior management.

The Remuneration Committee is also responsible for agreeing the remuneration policy for the Group, including the Group Profit Share Scheme, share incentive plans and the principles for salary awards and performance related pay.

Whilst no Executive Directors serve on any listed company board except Record, external appointments contribute to an Executive Director's ongoing development and experience. Any appointment of an Executive Director would be considered by the Board. All external appointments are considered in line with the Group's policy on Directors' conflicts of interest.

Executive remuneration policy

The overriding principles of remuneration are to incentivise the Executive Directors and senior management to deliver sustained performance consistent with the Group's strategic goals and appropriate risk management, and to reward success in this.

The Group aims to attract, motivate and retain high calibre executives with the abilities, skills and experience to deliver the Company strategy over the long term by rewarding them with competitive salary and benefits packages. Their remuneration will be linked to the achievement of agreed individual objectives, the achievement of the Group's key financial objectives and the creation of long-term shareholder value. The Group's remuneration policy seeks to give a high proportion of the total annual remuneration in the form of variable compensation. Remuneration of Non-executives is determined by the Chairman and the Executive Directors within the limits of the Company's Articles of Association. Remuneration for the Non-executive Directors reflects the time commitment and responsibility of the role and does not include any component of variable remuneration or share options.

Service contracts

All Executive Directors have service agreements with effect from 17 November 2007, with the exception of Paul Sheriff who joined the Group after this date and has a service agreement dated 27 June 2008. 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 Group's share-based incentive scheme, nor to receive any fixed provision for termination compensation. Where applicable the broad aim in making termination payments is to avoid rewarding poor performance.

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

Details of service contracts for Directors who are subject to election or re-election at the forthcoming AGM are as follows:

	Contract date	Notice period	Expiry/ review date
Executive Directors			
Leslie Hill (re-election)	15/11/2007	6 months	Rolling
Non-executive Directors			
Drs Cees Schrauwers (re-election)	15/11/2007	–	15/11/2010
Andrew Sykes (re-election)	15/11/2007	–	15/11/2010
David Morrison (election)	01/10/2009	–	01/10/2012

Risk Management

The Group has a prudent approach to risk management, which is in line with the FSA Remuneration Code, and the Group's intention is to create a direct and recognisable alignment between reward and risk. In order to reward long-term value creation and not encourage risk taking, the reward structure is linked to long-term performance and not short-term objectives.

Salaries

The Group wants to pay competitively in the market, but will not pay excessively, as that would be wasteful of shareholders' resources and may attract those motivated by short-term financial gain over long-term, sustainable business development. A salary benchmarking exercise to establish the market position is carried out on a regular basis and this information contributes to the Group remuneration policy and any subsequent pay reviews. For the annual pay review in April 2010 no pay increases were awarded to Executive Directors or any of the senior management.

Variable compensation

It is the Group's policy to link the value of cash profit share and share awards to the Group's profitability.

The Group Profit Share Scheme pool value for the year ended 31 March 2010 is 30% of pre-Profit Share EBIT (to include employers NI), although the Committee has the discretion to vary this amount between 25% and 35% in any individual year, with the intention being to maintain a long term average of 30% of pre-Profit Share EBIT.

The Group Profit Share Scheme is payable through a combination of profit share payments in cash and share-based payments. The allocation of the profit share pool for Executive Directors is determined by the Remuneration Committee and for all other employees is delegated to management. The Group Profit Share Scheme is discretionary in that all payments made to the Board and Executive Committee are subject to Remuneration Committee approval and no payments are made automatically. Payments are awarded after input from the Compliance Officer, who reports any legal or compliance issues that relate to individuals who are in line to receive awards under the scheme. Any issues would also be monitored through compliance and risk reports at Audit Committee and Board meetings.

To ensure that the interests of management and shareholders are aligned, those Directors and senior managers who are not already significant shareholders (being a 2% ownership of the issued shares in Record plc), are required to take a proportion (initially a third) of their Profit Share in shares rather than cash, subject to a three year 'lock-up'. These shares may be sold in three equal tranches on the first, second and third anniversary of the Profit Share payment date. Additionally, they are offered the opportunity for up to a third of the Profit Share to be available for a share matching scheme that will include a 'lock-up' for three years. The remaining third will be paid in cash.

The significant shareholders, namely Neil Record, Bob Noyen, Leslie Hill and one other, are committed to funding the share matching scheme for Directors and senior management from the Profit Share payments they would otherwise have received. In view of their substantial existing shareholdings, the committee has determined that the significant shareholders' interests are already inextricably aligned with those of other shareholders, and therefore they take their Profit Share payments as cash.

Listing bonus

A discretionary 'listing bonus' was paid to certain staff at the time of listing under the terms of the Record plc Flotation Bonus Scheme. Employees were able to elect to receive a smaller cash bonus in exchange for the right to acquire a number of shares (calculated based on the market value at grant date) after the vesting period for nil consideration upon exercise. The Group simultaneously granted additional rights to acquire shares ('bonus' shares equal to 50% of the shares elected for) to those same employees. Half of the elected shares vested after one year and the balance vested after two years. Bonus shares vested in full only after two years. The first vesting of shares under this scheme occurred during the previous year on 20 December 2008 and the second, and final, vesting occurred on 20 December 2009. The rights to acquire the shares were issued under DSP EMI option agreements.

Share Scheme

The Record plc Share Scheme was adopted by the Company on 1 August 2008 and was created to allow deferred share awards to be granted to new senior employees. Shares with an aggregate value of £400,000 were awarded to individuals who joined the Group in the previous financial period. The shares are available to the employee after the vesting period for nil consideration upon exercise. The shares vest in three equal tranches on the second, third and fourth anniversary of appointment. Employees cease to be entitled to the shares on cessation of employment. The Remuneration Committee has the discretion to permit good leavers to retain their shares. The rights to acquire shares are issued under nil cost option agreements.

The Directors are not entitled to participate in the Share Scheme and therefore had no interests in the Share Scheme at the beginning, during, nor at the end of the period.

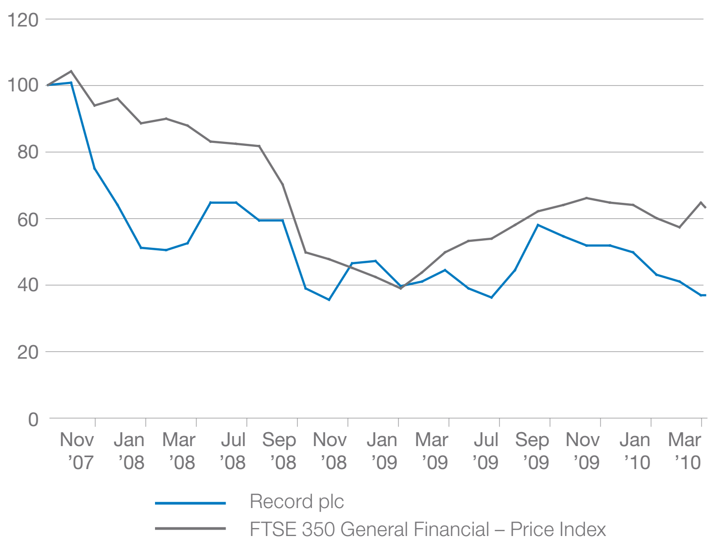
Delivery of share awards

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

Pension

The Group contributes to a defined contribution Group Pension Plan ('GPP'). The contributions made by the Group depend on the seniority of each employee (the 'Group's Initial Contribution'). No employee contribution is necessary to benefit from the Group's Initial Contribution, but the Group will match any contribution up to a maximum of 2.5% of salary (the 'Group's Additional Contribution'). Any employee over the age of 55 and who has taken early retirement according to tax legislation rules can have their standard contributions paid as additional taxable salary if they would prefer, but forego the Group matching contribution.

Total Shareholder Return performance graph



The above graph shows the Company's Total Shareholder Return compared with the FTSE 350 – General Financial Index, and shows the change in the theoretical value of £100 invested in the Company's shares as at Admission on 3 December 2007 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 small quoted financial services UK companies.

The market price of the Company's shares as at 31 March 2010 was £0.60. The highest share price during the financial year was £0.93. The lowest share price during the financial year was £0.56.

Directors' interests in Record plc ordinary shares

	31 March 2010 ordinary shares	31 March 2009 ordinary shares
Executive Directors		
Neil Record	71,171,043	71,171,043
Leslie Hill	14,828,039	14,828,039
Bob Noyen	8,418,561	8,418,561
Paul Sheriff*	231,033	–
Non-executive Directors		
Drs Cees Schrauwers	60,000	40,000
Andrew Sykes	25,000	25,000
David Morrison	–	–

* Includes interest in Record plc shares acquired under the Group Profit Share Scheme as detailed in Directors' interests in Record plc share awards.

All interests are beneficial except the interest of Neil Record which includes a non-beneficial interest of 190,332 ordinary shares (2009: 190,332 ordinary shares) held as trustee.

There have been no changes to Directors' interests between 31 March 2010 and 14 June 2009.

Directors' interests in Record plc share awards

	31 March 2010 ordinary shares	31 March 2009 ordinary shares
Record plc Group Profit Share Scheme		
Executive Director		
Paul Sheriff	231,033	–

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

Audited information
Directors' remuneration

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

	Salaries £	Fees £	Benefits £	Profit Share Share–based payments* £	Profit Share Cash–based payments £	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Executive Directors							
Neil Record	295,818	–	1,159	–	595,525	892,502	1,426,981
Leslie Hill	272,225	–	–	–	595,525	867,750	1,423,892
Bob Noyen	272,225	–	721	–	595,525	868,471	1,424,650
Peter Wakefield [1]	113,427	–	721	–	233,936	348,084	1,424,650
Paul Sheriff [2]	222,413	–	515	307,224	102,408	632,560	177,240
Mike Timmins [3]	–	–	–	–	–	–	409,517
Non-executive Directors							
Drs Cees Schrauwers	–	75,000	–	–	–	75,000	75,000
Andrew Sykes	–	40,000	–	–	–	40,000	40,000
Jeremy Palmer [4]	–	10,000	–	–	–	10,000	–
David Morrison [5]	–	20,000	–	–	–	20,000	–
Total	**1,176,108**	**145,000**	**3,116**	**307,224**	**2,122,919**	**3,754,367**	**6,401,930**

* Profit Share-based payments for Paul Sheriff.
1 Peter Wakefield resigned as a Director on 31 August 2009.
2 Paul Sheriff was appointed as a Director on 1 December 2008.
3 Mike Timmins resigned as a Director on 30 November 2008.
4 Jeremy Palmer was appointed as a Non-executive Director on 1 October 2009 and resigned on 5 January 2010.
5 David Morrison was appointed as a Non-executive Director on 1 October 2009.

Pensions

Executive Directors are entitled to join the Group Personal Pension Scheme. This is a defined contribution plan, to which the Group makes contributions equal to 13% of each Director's salary and matches any personal contributions made by the Director up to a further 2.5%. There is no mandatory requirement for Executive Directors to contribute. The contribution made in respect of each Executive Director is as follows:

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Executive Directors		
Neil Record*	14,065	42,195
Leslie Hill	42,195	42,195
Bob Noyen	42,195	42,195
Peter Wakefield	17,581	42,195
Paul Sheriff	34,100	14,208
Mike Timmins	–	15,314
Total	150,136	198,302

* Neil Record's pension contributions were paid as taxable salary in accordance with the Group's pension policy from 1 August 2009.

Directors' share awards

No Director held, exercised or was awarded any share options during the financial year ended 31 March 2010.

Approved by the Board and signed on its behalf by:

Andrew Sykes
Chairman of the Remuneration Committee

14 June 2010

Independent auditor's report to the members of Record plc

We have audited the financial statements of Record plc for the year ended 31 March 2010 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity and the consolidated and parent company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKP.

Opinion on 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 2010 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union 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 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 31-33 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 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;
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 30, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Marcus Swales.

Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

14 June 2010

Consolidated statement of comprehensive income

Year ended 31 March

	Note	2010 £'000	2009 £'000
Revenue	3	**33,424**	46,796
Cost of sales		**–**	(11)
Gross profit		**33,424**	46,785
Administrative expenses		**(16,972)**	(20,928)
Operating profit	4	**16,452**	25,857
Finance income	6	**220**	917
Finance costs	7	**–**	(5)
Profit before tax		**16,672**	26,769
Taxation	8	**(4,720)**	(7,494)
Profit after tax		**11,952**	19,275
Other comprehensive income			
Net losses on available for sale financial assets		**(60)**	–
Income tax relating to components of other comprehensive income		**13**	–
Total comprehensive income for the period		**11,905**	19,275
Total comprehensive income for the year attributable to:			
Owners of the parent		**11,905**	19,275
Earnings per share for profit attributable to the equity holders of the Company during the year			
(expressed in pence per share)			
Basic earnings per share	9	**5.39**	8.73
Diluted earnings per share	9	**5.38**	8.72

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 March

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Non-current assets							
Property, plant and equipment	12	**205**		368		611	
Intangible assets	13	**535**		–		–	
Deferred tax assets	15	**143**		146		46	
			883		514		657
Current assets							
Trade and other receivables	16	**8,325**		7,742		8,917	
Derivative financial assets	17	**98**		–		–	
Cash and cash equivalents	18	**21,861**		29,798		22,545	
			30,284		37,540		31,462
Current liabilities							
Trade and other payables	19	**(3,874)**		(7,076)		(7,191)	
Corporation tax liabilities	19	**(2,384)**		(3,774)		(6,356)	
Derivative financial liabilities	19	**(149)**		(13)		(23)	
			(6,407)		(10,863)		(13,570)
Net current assets			**23,877**		26,677		17,892
Non-current assets available for sale (disposal group)	20		**940**		–		–
Total net assets			**25,700**		27,191		18,549
Equity							
Issued share capital	21	**55**		55		55	
Share premium account		**1,809**		1,809		1,809	
Capital redemption reserve	23	**20**		20		20	
Retained earnings		**23,816**		25,307		16,665	
Total equity			**25,700**		27,191		18,549

Approved by the Board on 14 June 2010 and signed on its behalf by:

Neil Record
Chairman and
Chief Executive Officer

Paul Sheriff
Chief Financial Officer

Company number 1927640

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Company statement of financial position

As at 31 March

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Non-current assets							
Investments	14		**30**		30		30
Current assets							
Trade and other receivables	16	**–**		3		21	
Derivative financial assets	17	**98**		–		–	
Cash and cash equivalents	18	**1,077**		2,018		2,129	
			1,175		2,021		2,150
Current liabilities							
Trade and other payables	19	**(47)**		(28)		(10)	
Corporation tax liabilities	19	**(15)**		(18)		(18)	
			(62)		(46)		(28)
Net current assets			**1,113**		1,975		2,122
Non-current assets available for sale (disposal group)	20		**940**		–		–
Total net assets			**2,083**		2,005		2,152
Equity							
Issued share capital	21	**55**		55		55	
Share premium account		**1,809**		1,809		1,809	
Capital redemption reserve	23	**20**		20		20	
Retained earnings		**199**		121		268	
Total equity			**2,083**		2,005		2,152

Approved by the Board on 14 June 2010 and signed on its behalf by:

Neil Record
Chairman and
Chief Executive Officer

Paul Sheriff
Chief Financial Officer

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Statement of changes in equity

Consolidated

2010	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2009	55	1,809	20	25,307	27,191
Dividends paid	–	–	–	(13,596)	(13,596)
Own shares held by EBT	–	–	–	(51)	(51)
Employee share options	–	–	–	251	251
Transactions with owners	**–**	**–**	**–**	**(13,396)**	**(13,396)**
Profit for the year	–	–	–	11,952	11,952
Other comprehensive income					
Available for sale financial assets	–	–	–	(60)	(60)
Income tax relating to components of other comprehensive income	–	–	–	13	13
As at 31 March 2010	**55**	**1,809**	**20**	**23,816**	**25,700**

2009	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2008	55	1,809	20	16,665	18,549
Dividends paid	–	–	–	(10,142)	(10,142)
Own shares held by EBT	–	–	–	(579)	(579)
Employee share options	–	–	–	88	88
Transactions with owners	**–**	**–**	**–**	**(10,633)**	**(10,633)**
Profit for the year	–	–	–	19,275	19,275
As at 31 March 2009	**55**	**1,809**	**20**	**25,307**	**27,191**

Company

2010	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2009	55	1,809	20	121	2,005
Dividends paid	–	–	–	(13,596)	(13,596)
Transactions with owners	**–**	**–**	**–**	**(13,596)**	**(13,596)**
Profit for the year	–	–	–	106	106
Dividends received from subsidiaries	–	–	–	13,615	13,615
Other comprehensive income					
Available for sale financial assets	–	–	–	(60)	(60)
Income tax relating to components of other comprehensive income	–	–	–	13	13
As at 31 March 2010	**55**	**1,809**	**20**	**199**	**2,083**

2009	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2008	55	1,809	20	268	2,152
Dividends paid	–	–	–	(10,142)	(10,142)
Transactions with owners	**–**	**–**	**–**	**(10,142)**	**(10,142)**
Profit for the year	–	–	–	65	65
Dividends received from subsidiaries	–	–	–	9,930	9,930
As at 31 March 2009	**55**	**1,809**	**20**	**121**	**2,005**

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Year ended 31 March

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Profit after tax		**11,952**		19,275	
Adjustments for:					
Corporation tax		**4,720**		7,494	
Finance income		**(220)**		(917)	
Finance expense		**–**		5	
Depreciation of property, plant and equipment		**250**		363	
Loss on available for sale assets		**(60)**		–	
Share-based payments expense		**251**		89	
			16,893		26,309
Changes in working capital					
(Increase)/decrease in receivables			**(591)**		1,038
Decrease in payables			**(3,202)**		(116)
Decrease in other financial liabilities			**(902)**		(11)
Cash inflow from operating activities			**12,198**		27,220
Interest paid			**–**		(5)
Corporation taxes paid			**(6,094)**		(10,176)
Net cash inflow from operating activities			**6,104**		17,039
Cash flow from investing activities					
Purchase of property, plant and equipment		**(87)**		(120)	
Purchase of intangible assets		**(535)**		–	
Interest received		**229**		1,054	
Net cash (outflow)/inflow from investing activities			**(393)**		934
Cash flow from financing activities					
Purchase of treasury shares		**(52)**		(578)	
Dividends paid to equity shareholders		**(13,596)**		(10,142)	
Cash outflow from financing activities			**(13,648)**		(10,720)
Net (decrease)/increase in cash and cash equivalents in the period			**(7,937)**		7,253
Cash and cash equivalents at the beginning of the period	18		**29,798**		22,545
Cash and cash equivalents at the end of the period	18		**21,861**		29,798
Closing cash and cash equivalents consists of:					
Cash at bank and in hand			**21,861**		29,798
			21,861		29,798

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Company statement of cash flows

Year ended 31 March

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Profit after tax		**106**		65	
Adjustments for:					
Corporation tax		**28**		19	
Finance income		**(15)**		(84)	
Loss on available for sale assets		**(60)**		–	
			59		–
Changes in working capital					
Increase in payables			**18**		19
Decrease in other financial assets			**(1,038)**		–
Cash (outflow)/inflow from operating activities			**(961)**		19
Corporation taxes paid			**(17)**		(19)
Net cash outflow from operating activities			**(978)**		–
Cash flow from investing activities					
Interest received		**18**		101	
Dividends received		**13,615**		9,930	
Net cash inflow from investing activities			**13,633**		10,031
Cash flow from financing activities					
Dividends paid to equity shareholders		**(13,596)**		(10,142)	
Cash outflow from financing activities			**(13,596)**		(10,142)
Net decrease in cash and cash equivalents in the period			**(941)**		(111)
Cash and cash equivalents at the beginning of the period	18		**2,018**		2,129
Cash and cash equivalents at the end of the period	18		**1,077**		2,018
Closing cash and cash equivalents consists of:					
Cash at bank and in hand			**1,077**		2,018
			1,077		2,018

The notes on pages 48 to 73 are an integral part of these consolidated financial statements.

Notes to the accounts
For the year ended 31 March 2010

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

(a) Accounting convention
Basis of preparation
The Group and Company have prepared their financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted in the European Union as at 31 March 2010. The financial statements have been prepared on an historical cost basis, modified to include fair valuation of derivative financial instruments.

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

Adoption of International Financial Reporting Standards ('Standards')
The following standards have been applied by the Group from 1 April 2009:
IAS 1 (Revised) Presentation of financial statements
IFRS 1 (Amendment) First time adoption of IFRS
IFRS 7 (Amendment) Financial instruments: Disclosure
IFRS 8 Operating segments

IAS 1 – The revised standard has changed the way the Group's primary financial statements have been presented. The revision required information to be aggregated on the basis of shared characteristics and introduced a 'statement of comprehensive income' to enable readers to analyse changes in an entity's equity resulting from transactions with owners separately from 'non–owner' changes. The revisions included changes in the titles of the primary statements to reflect their function more clearly (for example, the balance sheet is renamed a 'statement of financial position'). The new titles are not mandatory but have been added by the Group. Comparative information has been re-presented so that it also is in conformity with the revised standard.

IFRS 7 – The amendment introduced a three-level hierarchy for fair value measurement disclosures and required entities to provide additional disclosures about the relative reliability of those fair value measurements. In addition, the amendment clarified and enhanced liquidity risk disclosure requirements to enable users to better evaluate the nature and extent of liquidity risk arising from financial instruments and how the entity managed that risk. The Group has provided these additional disclosures in the notes to the financial statements where relevant.

IFRS 8 – This standard replaced IAS 14 and requires entities whose debt or equity instruments are traded on a public market to adopt the 'management approach' to reporting the financial performance and position of its operating segments. Information to be reported is what management (specifically the Chief Operating Decision Maker (CODM)) uses internally for evaluating performance and deciding how to allocate resources to operating segments. There is no longer a requirement to make disclosure based on primary and secondary reporting formats, nor is there a requirement to distinguish between business and geographical segments.

Despite these changes, application of the new standard has not significantly impacted the way management reports segmental information. Management believe that under the new standard it continues to have only one reporting segment, being the provision of currency management services.

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Group in these financial statements. Application of these standards and interpretations is not expected to have a material effect on the financial statements in the future.

(b) Basis of consolidation
The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 March 2010. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. Record plc obtains and exercises control through more than half the voting rights for all its subsidiaries. All subsidiaries have a reporting date of 31 March.

The Company is taking advantage of the exemption under the Companies Act 2006 s408(1) not to present its individual statement of comprehensive income and related notes that form part of the financial statements. The Group profit after tax for the year includes a profit of £77,362 (2009: loss of £146,602) which is dealt with in the financial statements of the holding company.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

(c) Segment reporting
The Group provides its Directors with additional revenue information by product. It is unable to allocate costs, assets and liabilities by product, and on that basis, the Directors consider that the Group has only one segment. The Group sub-divides the single operating segment into two currency management products being 'Hedging' and 'Absolute Return' and reports its performance between two fee structures being 'management fees' and 'performance fees'. Revenue information analysing the aforementioned products is presented in note 3.

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

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts (see note 24 Financial risk management). The Group does not apply hedge accounting.

(e) Revenue recognition
Revenue is recognised in the statement of comprehensive income when the amount of revenue can be measured reliably; it is probable that economic benefits will flow to the entity; the stage of completion can be measured reliably; and the costs incurred and costs to complete the transaction can be measured reliably also.

Management fees are accrued on a daily basis based upon the Assets under Management Equivalent (AuME). The Group is entitled to earn performance fees from a number of clients where the performance of the clients' assets exceeds defined benchmarks by an agreed level of outperformance over a set time period. Performance fees are recognised when the fee amount can be estimated reliably and it is probable that the fee will be received. Fees are recognised at the end of a performance period.

(f) Retirement benefits
The Group operates defined contribution pension plans for the benefit of certain employees. The Group makes contributions to independently administered plans, such contributions being recognised as an expense when they fall due. The Group has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

(g) Share-based payments
The Group issues share awards to employees. Share options and deferred share awards issued under the Group Bonus Scheme, the Group Profit Share Scheme and the Flotation Bonus Scheme are classified as share-based payments with cash alternatives under IFRS 2. The fair value of the debt component of the amounts payable to the employee is calculated as the cash amount offered to the employee at grant date and the fair value of the equity component of the amounts payable to the employee is calculated as the market value of the share options or award at grant date less the cash forfeited in order to receive the share options or award. The debt component is charged to the statement of comprehensive income over the period in which the option or award is earned, the equity component is charged to the statement of comprehensive income over the vesting period of the option or award.

All other awards have been classified as equity-settled under IFRS 2. The fair value of the amounts payable to employees under these awards is recognised as an expense over the vesting period of the option, with a corresponding increase in equity.

The fair value of options granted prior to listing was measured at grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted. The fair value amounts for the options issued since listing on the London Stock Exchange were determined using quoted share prices. Further details on the share-based compensation plans are included in note 22.

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

(i) Dividend distribution
Interim and special dividends are recognised when paid and final dividends when approved by shareholders.

(j) Property, plant and equipment
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.

Computer equipment – 2-5 years
Fixtures and fittings – 4 years
Leasehold improvements – period from acquisition to next rent review

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.

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

Software – 5 years

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

1 Accounting policies continued

(l) Trade and other receivables

Trade and other receivables are stated at their original invoice value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

(m) Cash and cash equivalents

Cash and cash equivalents comprise 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.

(n) Deferred taxation

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 substantially enacted at the statement of financial position date.

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

(o) Trade and other payables

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.

(p) 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.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and liabilities are measured subsequently as described below.

Financial Assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Loans and receivables;
Financial assets at fair value through profit or loss; and
Available for sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.
All financial assets except those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

Individual receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables is presented within 'other expenses'.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of derivative financial instruments are determined by reference to active market transactions.

Available for sale financial assets (disposal group)

Available for sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available for sale assets are limited to seed capital in the Carry 250 fund (disposal group).

All available for sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within reserves within equity, except for impairment losses which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried at fair value with gains or losses recognised through profit or loss.

Derivative financial liabilities

The Group uses foreign exchange forward contracts to manage its foreign currency exposures.

Derivatives are initially recognised at cost on the date on which the contract is entered into unless 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.

(q) Impairment of assets
The Group assesses annually whether there is any indication that any of its assets have been impaired. 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.

(r) Taxation
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.

(s) Own shares
The Record plc Employee Benefit Trust (EBT) was formed under a Trust Deed dated 19 December 2007 to hold shares acquired under the Record plc share-based compensation plans. A total of 586,068 (2009: 696,972; 2008: 168,287) ordinary shares were held in the EBT at the reporting date. The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. Own shares are recorded at cost and are deducted from retained earnings. The EBT is consolidated in the Group financial statements.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group income statement. Further information regarding the Record plc share-based compensation plans and relevant transactions made during the year are included in note 22.

(t) Group and Company reserves
The share premium account records the difference between the nominal value of shares issued and the value of the consideration received. The use of the share premium account is governed by the Companies Act 2006.

Where shares have been redeemed or purchased wholly out of the Company's profits, the Companies Act 2006 requires a transfer to the capital redemption reserve equal to the amount by which the Company's issued share capital is diminished. Furthermore the provisions of the Act relating to a reduction of the Company's share capital apply as if the capital redemption reserve were paid up share capital of the Company.

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

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

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

(v) Non-current assets classified as available for sale (disposal groups)
When the Group intends to sell a non-current asset (disposal group), and if sale within twelve months is highly probable, the asset is classified as 'available for sale' and presented separately in the statement of financial position.

Assets classified as 'available for sale' are measured at the lower of their carrying amounts immediately prior to their classification as 'available for sale' and their fair value less costs to sell. However, some available for sale assets, such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets.

2 Critical accounting estimates and judgements

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Note 22 covers the assumptions made in calculating the fair value of share options offered by the Group to its employees. The Directors have judged that the Group does not bear substantially all the risks and rewards of ownership of its leasehold premises and therefore accounts for the leases as operating leases as described in note 27.

3 Segmental analysis

The Directors, who together are the entity's Chief Operating Decision Maker, consider that its services comprise one operating segment (being the provision of currency management services) and that it operates in a market that is not bound by geographical constraints.

For management purposes, the Group sub-divides the single business segment into two currency management products being Hedging and Absolute Return and reports its performance between two fee structures being management fees and performance fees. Revenue information analysing the aforementioned products is presented below:

(a) Product class

The Group's main trading activities can be split between currency management and other Group activities including consultancy.

	2010 £'000	2009 £'000
Currency management income		
Active hedging		
Management fees	**14,432**	6,065
Performance fees	**–**	831
Passive hedging		
Management fees	**2,211**	1,547
Absolute Return segregated funds		
Management fees	**8,038**	18,261
Performance fees	**–**	–
Absolute Return pooled funds		
Management fees	**8,563**	19,688
Performance fees	**224**	605
	33,468	46,997
Other revenues	**(44)**	(201)
	33,424	46,796

(b) Countries served

The geographical analysis of revenue is based on the destination. All turnover originated in the UK. All assets of the Group are located in the UK.

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

	2010 £'000	2009 £'000
Currency management income		
UK	**14,885**	27,388
US	**10,921**	4,311
Switzerland	**4,568**	4,699
UAE	**720**	5,167
Other	**2,374**	5,432
	33,468	46,997
Other Group activities	**(44)**	(201)
	33,424	46,796

During the year ended 31 March 2010, £7.6m or 23% of the Group's revenue was accounted for by a single client. No other clients accounted for more than 10% of the Group's revenue during the year.

4 Operating profit

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

	2010 £'000	2009 £'000
Staff costs	**13,172**	16,868
Depreciation of property, plant and equipment	**250**	363
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**33**	32
The audit of the Company's subsidiaries, pursuant to legislation	**34**	31
Other services pursuant to legislation	**71**	59
Other services relating to taxation	**15**	29
Operating lease rentals		
Land and buildings	**195**	195
Exchange (gains)/losses on hedging activities	**(140)**	782
Other exchange losses/(gains)	**288**	(538)

5 Staff costs

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

	2010	2009
Client Services	**10**	10
Research	**6**	4
Portfolio Management	**9**	4
Trading	**5**	4
Operations	**7**	5
Reporting Services	**6**	8
Systems	**6**	6
Finance, Human Resources & Legal	**7**	5
Administration	**3**	3
Compliance	**2**	2
Corporate	**8**	7
	69	58

5 Staff costs continued

The Group reorganised its operational structure with effect from 1 April 2009. The employee numbers for the year ended 31 March 2009 have been restated as if the reorganisation was implemented on 1 April 2008.

The Company had no employees during the year (2009: nil).

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

	2010 £'000	2009 £'000
Wages and salaries	**8,875**	14,408
Social security costs	**1,410**	1,822
Pension costs	**483**	489
Equity-settled share-based payments	**2,404**	149
	13,172	16,868

6 Finance income

	2010 £'000	2009 £'000
Interest on short-term deposits	**220**	917

7 Finance costs

	2010 £'000	2009 £'000
Interest on bank overdraft	**–**	5

8 Taxation – Group

	2010 £'000	2009 £'000
Tax expense comprises:		
Current tax expense	**4,718**	7,644
Adjustments recognised in current year in relation to the current tax of prior years	**(1)**	(50)
Total current tax	**4,717**	7,594
Deferred tax charge/(income) relating to the origination and reversal of temporary differences	**3**	(100)
Total tax expense	**4,720**	7,494
The total charge for the year can be reconciled to the accounting profit as follows:		
Profit before taxation	**16,672**	26,769
Taxation at the standard rate of tax in the UK of 28% (2009: 28%)	**4,668**	7,495
Tax effects of:		
Other disallowable expenses and non-taxable income	**13**	10
Capital allowances for the period lower than depreciation	**30**	57
Lower tax rates on UK subsidiary undertakings	**(9)**	(6)
Adjustments recognised in current year in relation to the current tax of prior years	**(1)**	(50)
Other temporary differences	**19**	(12)
Total tax expense	**4,720**	7,494

At the year end the Group had net deferred tax assets of £143,991 (2009: £146,598). At the reporting date there were earned and unearned share options not exercised and deferred share awards with an intrinsic value for tax purposes of £350,175 (2009: £460,002). The Group will be entitled to a corporation tax deduction in respect of the difference between the exercise price and the strike price upon the vesting of these shares.

The standard rate of corporation tax in the UK is 28% (2009: 28%). A full corporation tax computation is prepared at the year end. The actual charge as a percentage of the profit before tax may differ from the underlying tax rate. Differences typically arise as a result of capital allowances differing from depreciation charged, and certain types of expenditure not being deductible for tax purposes, other differences may also arise.

The tax charge for the year ended 31 March 2010 was £4,719,102 (2009: £7,494,179) which was 28.3% of profit before tax (2009: 28.0%).

9 Earnings per share

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

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

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

	2010	2009
Weighted average number of shares used in calculation of basic earnings per share	**220,668,098**	220,878,796
Effect of potential dilution – share options	**416,830**	246,472
Weighted average number of shares used in calculation of diluted earnings per share	**221,084,928**	221,125,268

	pence	pence
Basic earnings per share	**5.39**	8.73
Diluted earnings per share	**5.38**	8.72

The potential dilutive shares relate to the share options and deferred share awards granted in respect of three of the Group's incentive schemes i.e. the Group Bonus Scheme, the Flotation Bonus Scheme and the Share Scheme. There were share options and deferred share awards in place at the beginning of the year over 696,972 shares. During the year options were exercised, or share awards vested, over 193,364 shares. In June 2009, the Group granted a further 82,460 deferred share awards with a potentially dilutive effect.

10 Dividends

The dividends paid by the Group during the year ended 31 March 2010 totalled £13,595,519 (6.15p per share). The dividends paid during the year ended 31 March 2009 totalled £10,141,982 (4.59p per share).

11 Retirement benefit obligations

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £482,908 (2009: £489,490).

12 Property, plant and equipment – Group

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

2010	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2009	506	640	269	1,415
Additions	23	55	9	87
Disposals	–	(13)	–	(13)
At 31 March 2010	529	682	278	1,489
Depreciation				
At 1 April 2009	315	560	172	1,047
Charge for the year	115	76	59	250
Disposals	–	(13)	–	(13)
At 31 March 2010	430	623	231	1,284
Net book amounts				
At 31 March 2010	99	59	47	205
At 1 April 2009	191	80	97	368

2009	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2008	483	628	253	1,364
Additions	23	81	16	120
Disposals	–	(69)	–	(69)
At 31 March 2009	506	640	269	1,415
Depreciation				
At 1 April 2008	212	426	115	753
Charge for the year	103	203	57	363
Disposals	–	(69)	–	(69)
At 31 March 2009	315	560	172	1,047
Net book amounts				
At 31 March 2009	191	80	97	368
At 1 April 2008	271	202	138	611

12 Property, plant and equipment – Group continued

2008	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2007	473	495	200	1,168
Additions	10	156	53	219
Disposals	–	(23)	–	(23)
At 31 March 2008	483	628	253	1,364
Depreciation				
At 1 April 2007	116	279	67	462
Charge for the year	96	169	48	313
Disposals	–	(22)	–	(22)
At 31 March 2008	212	426	115	753
Net book amounts				
At 31 March 2008	271	202	138	611
At 1 April 2007	357	216	133	706

13 Intangible assets

The Group's intangible assets comprise acquired software only. The carrying amounts can be analysed as follows:

2010	Software £'000	Total £'000
Cost		
At 1 April 2009	–	–
Additions	535	535
Disposals	–	–
At 31 March 2010	535	535
Amortisation		
At 1 April 2009	–	–
Charge for the year	–	–
Disposals	–	–
At 31 March 2010	–	–
Net book amounts		
At 31 March 2010	535	535
At 1 April 2009	–	–

The Company had no intangible assets in the years ending 31 March 2009 or 31 March 2008.

As at 31 March 2010 the Company is part way through the implementation of a new back office software project. Amortisation of the capitalised development costs will commence from the date that the project is completed (expected go-live date 30 September 2010). The estimated useful economic life of the completed software is five years. During the year, the Company entered into an agreement to develop a back office operating system and to operate and support this system for five years. Minimum contractual commitments resulting from this agreement are £1,523,750 payable from 2010 through to 2014. All amortisation charges are included within administrative expenses.

14 Investments

Company	2010 £'000	2009 £'000	2008 £'000
Investment in subsidiaries (at cost)			
Record Currency Management Limited	**10**	10	10
Record Group Services Limited	**10**	10	10
Record Portfolio Management Limited	**10**	10	10
Record Fund Management Limited	**–**	–	–
N P Record Trustees Limited	**–**	–	–
	30	30	30

Particulars of subsidiary undertakings

Name	Nature of business
Record Currency Management Limited	Currency overlay and investment management services
Record Group Services Limited	Management services to other Group undertakings
Record Portfolio Management Limited	Dormant
Record Fund Management Limited	Dormant
N P Record Trustees Limited	Trust company

The Group's interest in the equity capital of subsidiary undertakings is 100% of the ordinary share capital in all cases. All subsidiary undertakings are incorporated in England and Wales and have a reporting date of 31 March.

15 Deferred taxation – Group

	2010 £'000	2009 £'000	2008 £'000
The movement in the deferred tax asset/(liability) during the year was:			
Profit and loss account movement arising during the year	**(3)**	100	88
Asset/(liability) brought forward	**146**	46	(42)
Asset carried forward	**143**	146	46

	2010 £'000	2009 £'000	2008 £'000
The provision for deferred taxation consists of the tax effect of temporary differences in respect of:			
Deferred tax allowance on unvested share options	**101**	103	53
Excess of taxation allowances over depreciation on fixed assets	**42**	43	(7)
	143	146	46

At the year end the Group had deferred net tax assets of £143,992 (2009: £146,598; 2008: £46,371) including provision for share options not exercised with an intrinsic value for tax purposes of £350,175 (2009: £460,002; 2008: £144,727). On exercise the Group will be entitled to a corporation tax deduction in respect of the difference between the exercise price and the strike price. There is no other unprovided deferred taxation.

16 Trade and other receivables

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Trade receivables	**7,697**	7,026	7,616	**–**	–	–
Other receivables	**33**	36	195	**–**	3	21
Prepayments	**595**	680	1,106	**–**	–	–
	8,325	7,742	8,917	**–**	3	21

16 Trade and other receivables continued

All amounts are short term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. All of the Group's trade and other receivables have been reviewed for indicators of impairment; no such indicators were noted. The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is £nil (2009: £nil; 2008: £nil).

17 Derivative financial assets

The Group is trialling a new product, being a £1,000,000 investment in an Emerging Markets product. This is a twice geared investment that invests in 13 long emerging market currencies and 3 short currencies (being the USD, EUR and JPY). These contracts are classified as financial assets held for trading. At 31 March 2010 there were outstanding contracts with a principal value of £3,195,836 (2009: £nil; 2008: £nil) for the purchase 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 2010. The maximum exposure to credit risk is represented by the fair value of the positions and this is mitigated by using cash of £1m deposited as collateral. The principal value of the contracts that make up the Emerging Markets portfolio (£3,195,836) recognises that the aggregate principal value of a buy BRL (Brazilian real) sell USD contract and a buy USD sell BRL contract are additive although in terms of the fair value of the portfolio they would (partially) net off. Further detail including sensitivity analysis on the fair value of outstanding contracts is contained in note 24.

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Forward foreign exchange contracts held for trading	**98**	–	–	**98**	–	–

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

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Net gain on forward exchange contracts at fair value through profit or loss	**119**	–	–	**119**	–	–

18 Cash and cash equivalents

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Cash at bank and in hand – Sterling	**21,804**	29,729	20,674	**1,077**	2,018	2,129
Cash at bank and in hand – other currencies	**57**	69	1,871	**–**	–	–
	21,861	29,798	22,545	**1,077**	2,018	2,129

The Group holds short-term deposits that are made for varying periods, depending on the cash requirements of the Group. The Group also deposits cash as collateral against the forward exchange contracts used in the trailling of its new product (2010: £1,022,578; 2009: £nil; 2008: £nil). These deposits earn interest at market short-term deposit rates. The Group has unrestricted access to these deposits which meet the definition of a cash equivalent.

19 Current liabilities

Amounts falling due within one year

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Trade payables	**457**	130	68	**–**	–	–
Amounts owed to Group undertaking	**–**	–	–	**47**	28	10
Other payables	**562**	760	270	**–**	–	–
Other tax and social security	**1,957**	442	759	**–**	–	–
Accruals and deferred income	**898**	5,744	6,094	**–**	–	–
	3,874	7,076	7,191	**47**	28	10

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

19 Current liabilities continued

Current tax liabilities

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Corporation tax	**2,384**	3,774	6,356	**15**	18	18

Derivative financial liabilities

	Group		
	2010 £'000	2009 £'000	2008 £'000
Forward foreign exchange contracts	**149**	13	23

The Group uses forward exchange contracts to reduce the risk associated with sales denominated in foreign currencies. At 31 March 2010 there were outstanding contracts with a principal value of £4,710,619 (2009: £3,375,693; 2008: £2,840,495) 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 2010. Further detail including sensitivity analysis on the fair value of outstanding contracts is contained in note 24.

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

	Group		
	2010 £'000	2009 £'000	2008 £'000
Net gain or (loss) on fair value through profit or loss	**259**	(782)	(58)

20 Non-current assets available for sale (disposal group)

From time to time, the Group injects capital into funds operated by the Group to trial new products (seed capital). The Group has placed £1,000,000 in the Record Currency Fund Carry 250. The only other investor in this fund is Neil Record, a Director of Record plc, therefore the fund is under de facto control of the Group. In accordance with SIC-12 and IAS 27, such funds are considered to be under control of the Group and as such the fund is a subsidiary of the Group. However, as the Group is actively seeking to reduce its holding within twelve months, the fund is classified as being available for sale as it is considered highly probable that the fund will not remain under the control of the Group one year after the original investment was made.

If the Group still retains control of the fund after this time, the fund ceases to be classified as available for sale and will be consolidated in full.

	Group			Company		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Seed capital classified as being available for sale	**940**	–	–	**940**	–	–

21 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.

	31 March 2010		31 March 2009		31 March 2008	
	£'000	Number	£'000	Number	£'000	Number
Authorised						
Ordinary shares of 0.025p each	**100**	**400,000,000**	100	400,000,000	100	400,000,000
Called up, allotted and fully paid						
Ordinary shares of 0.025p each	**55**	**221,380,800**	55	221,380,800	55	221,380,800

Changes to the authorised and issued share capital

	£'000	Number
As at 1 April 2007		
Ordinary shares of 10p each	40	402,967
'A' ordinary shares of 10p each	15	146,583
	55	549,550
Exercise of share options		
'A' ordinary shares issued	–	3,902
Conversion of 'A' ordinary shares to ordinary shares		
Ordinary shares of 10p each	15	150,485
'A' ordinary shares of 10p each	(15)	(150,485)
Ordinary shares of 10p each	55	553,452
400 to 1 split of ordinary shares		
Ordinary shares of 0.025p each	55	221,380,800
Adjustment for own shares held by EBT	–	(168,287)
As at 31 March 2008	55	221,212,513
Adjustment for own shares held by EBT	–	(528,685)
As at 31 March 2009	55	220,683,828
Adjustment for own shares held by EBT	–	110,904
As at 31 March 2010	**55**	**220,794,732**

The two classes of share authorised as at 1 April 2007 ranked *pari passu* in all respects save that the 'A' ordinary shares were subject to a mandatory transfer upon the termination of the shareholder's employment. On 23 August 2007, a resolution was passed with the effect that all issued and unissued 'A' ordinary shares were converted to ordinary shares. On 15 November 2007, a resolution was passed with the effect that on admission to the main market for listed securities of the London Stock Exchange, all issued and unissued ordinary shares of 10p were each split into 400 ordinary shares of 0.025p.

The Group has established an Employee Benefit Trust (EBT) to hold shares to be used to meet future liabilities relating to the Group's 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. As at 31 March 2010, the EBT held 586,068 ordinary shares of 0.025p in Record plc (2009: 696,972).

22 Share-based payments

During the year ended 31 March 2010 the Group has managed the following share-based compensation plans:

The Record plc Group Bonus Scheme

The Record plc Group Bonus Scheme (GBS) was adopted by the company on 1 November 2007. Under the terms of the scheme rules, certain employees of the company may elect to receive a proportion of their bonus in the form of a deferred share award. The number of shares is calculated based on the residual bonus divided by the market value of the shares at grant date. The shares are available to the employee after the vesting period for nil consideration upon exercise. The Group simultaneously granted additional rights to acquire shares ('bonus' shares equal to 20% of the shares elected for) to those same employees. Elected shares vest equally over the next one and two years and bonus shares will vest in full only after two years. The vesting of the shares is subject to certain good leaver provisions.

22 Share-based payments continued

The Record plc Group Profit Share Scheme

The Record plc Group Bonus Scheme (GBS) was amended with the approval of a general meeting of the Company's members on 30 July 2009 and became the Record plc Group Profit Share Scheme. Under the terms of the scheme rules, employees and Directors of the company may elect to receive a proportion of their profit share in the form of a share award, with the exception of certain employees and Directors deemed significant shareholders who must receive their profit share in cash. Directors and senior employees receive one third of their profit share in cash, one third in shares ('Earned shares') and may elect to receive the final third as cash only or to allocate some or all of the amount for the purchase of Additional shares. Other employees receive two thirds of their profit share in cash and may elect to receive the final third as cash only or to allocate some or all of the amount for the purchase of Additional shares.

If an individual elects to receive Additional shares, the Group simultaneously awards a Matching share value amount, the multiple being 1 for directors and senior employees and 0.2 for other employees. The Matching share value amount for Directors and senior employees is funded from a deduction to the cash-based profit share from the Directors and senior employees who are deemed significant shareholders. The number of shares is determined by the post-tax cash attributed to Earned shares plus Additional shares plus Matching shares divided by the aggregate market value achieved on the purchase of all such shares in the market. All shares which are the subject of share awards are transferred immediately to a nominee. None of these shares are subject to any vesting or forfeiture provisions and the individual is entitled to full rights in respect of the shares purchased. No such shares can be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee except as follows:

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

The Record plc Flotation Bonus Scheme

The Record plc Flotation Bonus Scheme was adopted by the company on 15 November 2007. As a result of flotation, a cash bonus was made on a discretionary basis to certain employees. Under the terms of the scheme rules, employees were able to elect to receive a smaller cash bonus in exchange for the right to acquire a number of shares. The number of shares was calculated based on the residual bonus divided by the market value of the shares at grant date. The shares are available to the employee after the vesting period for nil consideration upon exercise. The Group simultaneously granted additional rights to acquire shares ('bonus' shares equal to 50% of the shares elected for) to those same employees. Elected shares vest equally over the next one and two years and bonus shares will vest in full only after two years. The vesting of the shares is subject to certain good leaver provisions. The rights to acquire the shares are issued under Enterprise Management Incentive Discounted Share Price (EMI DSP) option agreements.

The Record plc Share Scheme

The Record plc Share Scheme was adopted by the company on 1 August 2008. During the prior year two new senior employees were granted deferred share awards upon appointment. The number of shares for each employee was calculated based on £200,000 divided by the market price of one Record plc ordinary share on the day of appointment (or on the first business day after a close period, if the appointment occurred within a close period). The shares are available to the employee after the vesting period for nil consideration upon exercise. The shares vest equally on the second, third and fourth anniversary of appointment. The vesting of the shares is subject to certain good leaver provisions. The rights to acquire the shares are issued under nil cost option agreements.

Share-based payment transactions with cash alternatives

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

Equity-settled share-based payments

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

At 31 March 2010, the total number of ordinary shares of 0.025p outstanding under Record plc share compensation schemes was 586,068 (2009: 696,972; 2008: 168,287). These deferred share awards and options are over issued shares held in an Employment Benefit Trust. Details of outstanding share options and deferred shares awarded to employees are set out below:

Date of grant	At 1 April 2009	Granted	Exercised	At 31 March 2010	Exercise date From	To	Exercise price (£)
Record plc Flotation Bonus Scheme							
21-Dec-07	108,847	–	(108,847)	**–**	21/12/2008	21/12/2009	£0.00
Record plc Share Scheme							
04-Aug-08	170,245	–	–	**170,245**	04/08/2010	04/08/2012	£0.00
01-Sep-08	215,053	–	–	**215,053**	01/09/2010	01/09/2012	£0.00
	385,298	–	–	**385,298**			
Total options	**494,145**	**–**	**(108,847)**	**385,298**			
Weighted average exercise price of options	**£nil**	**£nil**	**£nil**	**£nil**			

The weighted average exercise price of all outstanding options at the beginning of the year was £nil.

The share price at the date of exercise of the Record plc Flotation Bonus Scheme options above was £0.83 per share.

Date of grant	At 1 April 2009	Granted	Vested	At 31 March 2010	Vesting date From	To
Record plc Group Bonus Scheme						
20-Jun-08	99,158	–	(41,320)	**57,838**	20/06/2009	20/06/2010
28-Nov-08	103,669	–	(43,197)	**60,472**	28/11/2009	28/11/2010
30-Jun-09	–	82,460	–	**82,460**	30/06/2010	30/06/2011
Total deferred share awards	**202,827**	**82,460**	**(84,517)**	**200,770**		

During the year shares vested on 20 June 2009 and 28 November 2009; the first anniversary of the respective scheme above. The share price at each vesting date was £0.60 and £0.84 per share respectively.

The Directors had no interests in the combined share schemes at the beginning of the period. Directors interests in share schemes at the end of the period are shown in the Remuneration Committee Report on page 37. There were no performance measures attached to vesting conditions in any of the schemes.

Fair values of share-based compensation plans

The fair value amounts for the options issued since Admission were determined using quoted share prices, which was a fair representation of fair value at the date of grant

23 Capital redemption reserve

The Group has bought in a total of 202,072 ordinary shares of 10p for cancellation. The buy-ins occurred in five tranches, all occurring prior to the share split.

Mar-01	66,553 ordinary shares of 10p
Apr-04	36,357 ordinary shares of 10p
Feb-05	50,000 ordinary shares of 10p
Oct-05	24,581 ordinary shares of 10p
Dec-05	24,581 ordinary shares of 10p

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.

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, cash and cash equivalents and investments in seed products. Financial liabilities comprise trade and other payables and derivative financial liabilities. The main risks arising from financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk each of which is discussed in further detail below. The Group monitors and mitigates financial risk on a consolidated basis and therefore separate disclosures for the Company have not been included.

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

Credit risk

Record plc's Risk Management Committee has established a credit risk policy to ensure that it only trades with counterparties that meet requirements consistent with the Group's agreed risk appetite. The Chief Financial Officer is responsible for reviewing the Group's credit exposure and ensuring that any credit concerns are raised to the Risk Management Committee and that action is taken to mitigate these risks.

The Group invests some of its surplus funds in high quality liquid market instruments. Such investments have a maturity no greater than three months. To reduce the risk of counterparty default the Group deposits the rest of its surplus funds in approved high quality banks; the financial institutions involved have high credit ratings assigned by international credit agencies.

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

Financial assets at 31 March	2010 £'000	2009 £'000	2008 £'000
Trade receivables	**7,697**	7,026	7,616
Other receivables	**33**	36	195
Available for sale financial assets (disposal group)	**940**	–	–
Other financial assets at fair value through profit or loss	**98**	–	–
Cash and cash equivalents	**21,861**	29,798	22,545
	30,629	36,860	30,356

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

At 31 March 2010	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	**7,697**	**7,697**	**–**	**–**

At 31 March 2009	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	7,026	6,700	326	–

At 31 March 2008	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	7,616	7,616	–	–

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

Trade receivables are made up of 44 debtor balances (2009: 57; 2008: 63). The largest individual debtor corresponds to 33% of the total balance (2009: 21%; 2008: 14%). The average age of these debtors, based on the generally accepted calculation of debtor days, is 84 days (2009: 54; 2008: 42) although this ignores the quarterly billing cycle used by the Group for the vast majority of its fees. Historically these debtors have always paid balances when due. No debtor 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. 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 16 days (2009: 14 days; 2008: 9 days).

Contractual maturity analysis for financial liabilities:

At 31 March 2010	Due or due in less than 1 month £'000	Due between 1 to 3 months £'000	Due between 3 months to 1 year £'000
Trade and other payables	**2,976**	**–**	**–**

At 31 March 2009	Due or due in less than 1 month £'000	Due between 1 to 3 months £'000	Due between 3 months to 1 year £'000
Trade and other payables	1,332	–	–

At 31 March 2008	Due or due in less than 1 month £'000	Due between 1 to 3 months £'000	Due between 3 months to 1 year £'000
Trade and other payables	1,097	–	–

24 Financial risk management continued

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities used by the Group. Interest bearing financial assets comprise trade receivables 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.

At 31 March 2010	Fixed rate £'000	Floating rate £'000	Not directly exposed to interest rate risk £'000	Total £'000
Financial assets				
Trade and other receivables	–	–	7,730	7,730
Financial assets at fair value	–	–	1,038	1,038
Cash and cash equivalents	19,299	2,562	–	21,861
Total financial assets	**19,299**	**2,562**	**8,768**	**30,629**
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	–	(149)	(149)
Trade and other payables	–	–	(2,976)	(2,976)
Total financial liabilities	**–**	**–**	**(3,125)**	**(3,125)**

At 31 March 2009	Fixed rate £'000	Floating rate £'000	Not directly exposed to interest rate risk £'000	Total £'000
Financial assets				
Trade and other receivables	–	–	7,062	7,062
Cash and cash equivalents	26,828	2,970	–	29,798
Total financial assets	**26,828**	**2,970**	**7,062**	**36,860**
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	–	(13)	(13)
Trade and other payables	–	–	(1,332)	(1,332)
Total financial liabilities	**–**	**–**	**(1,345)**	**(1,345)**

At 31 March 2008	Fixed rate £'000	Floating rate £'000	Not directly exposed to interest rate risk £'000	Total £'000
Financial assets				
Trade and other receivables	–	–	7,811	7,811
Cash and cash equivalents	22,315	230	–	22,545
Total financial assets	**22,315**	**230**	**7,811**	**30,356**
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	–	(23)	(23)
Trade and other payables	–	–	(1,097)	(1,097)
Total financial liabilities	**–**	**–**	**(1,120)**	**(1,120)**

Interest rate exposure and sensitivity analysis

At 31 March 2010	Carrying amount £'000	Average interest rate %	If interest rates were 0.5% higher Net profit £'000	If interest rates were 0.5% higher Equity £'000	If interest rates were 0.5% lower Net profit £'000	If interest rates were 0.5% lower Equity £'000
Cash and cash equivalents	**21,861**	**0.88**	**12,035**	**25,782**	**11,868**	**25,614**

At 31 March 2009	Carrying amount £'000	Average interest rate %	If interest rates were 0.5% higher Net profit £'000	If interest rates were 0.5% higher Equity £'000	If interest rates were 0.5% lower Net profit £'000	If interest rates were 0.5% lower Equity £'000
Cash and cash equivalents	29,798	3.97	19,368	27,284	19,181	27,097

At 31 March 2008	Carrying amount £'000	Average interest rate %	If interest rates were 0.5% higher Net profit £'000	If interest rates were 0.5% higher Equity £'000	If interest rates were 0.5% lower Net profit £'000	If interest rates were 0.5% lower Equity £'000
Cash and cash equivalents	22,545	5.88	27,984	18,620	27,843	18,479

The average rate is calculated as the weighted average effective interest rate. The tables above show the effect on profit and equity after tax if interest rates had been 0.5% higher or lower with all other variables held constant. A sensitivity of 0.5% has been selected as this is considered reasonable given the current level of both short–term and long–term interest rates.

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 exchange contracts to manage the risk relating to future transactions in accordance with the Group's risk management policy. The fair value of the forward contracts was £148,855 (2009: £12,758; 2008: £23,116). Losses on the forward exchange contracts were £140,466 in the year (2009: gain of £782,627; 2008: gain of £57,660). The future transactions related to the forward exchange contracts are expected to occur within three months of the year end. Changes in the fair values of forward exchange contracts are recognised directly in profit or loss.

The Company is exposed to foreign currency risks on sales and cash holdings that are denominated in a currency other than Sterling. The principal currencies giving rise to this risk are primarily the US Dollar, the Swiss Franc, the Euro and the Canadian Dollar.

In the year ended 31 March 2010, the Group invoiced the following amounts in currencies other than Sterling.

	Local currency value '000	Value in reporting currency £'000
US Dollar (USD)	20,744	13,076
Swiss Franc (CHF)	6,925	4,092
Euro (EUR)	1,063	941
Canadian Dollar (CAD)	1,025	592
Total		**18,701**

The value of revenues for the year ended 31 March 2010 that were denominated in currencies other than Sterling was £18.7m (56% of total revenues). For the year ended 31 March 2009: £20.8m being 44% of total revenues.

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

24 Financial risk management continued

Foreign currency risk – sensitivity analysis

	Profit for the year		Equity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
10% weakening in the £/US$ exchange rate	**12,684**	19,985	**26,432**	27,901
10% strengthening in the £/US$ exchange rate	**11,353**	18,695	**25,101**	26,610
10% weakening in the £/€ exchange rate	**12,005**	19,379	**25,753**	27,295
10% strengthening in the £/€ exchange rate	**11,909**	19,190	**25,657**	27,106
10% weakening in the £/CAD$ exchange rate	**11,985**	19,316	**25,733**	27,232
10% strengthening in the £/CAD$ exchange rate	**11,925**	19,242	**25,673**	27,158
10% weakening in the £/CHF exchange rate	**12,181**	19,584	**25,929**	27,500
10% strengthening in the £/CHF exchange rate	**11,765**	19,022	**25,513**	26,938

Sterling/US Dollar exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/USD exchange rate of $1.586/£ this would result in a weakened exchange rate of $1.428/£ and a strengthened exchange rate of $1.745/£. This range is considered reasonable given the historic changes that have been observed.

Sterling/Euro exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/Euro exchange rate of €1.130/£ this would result in a weakened exchange rate of €1.017/£ and a strengthened exchange rate of €1.243/£. This range is considered reasonable given the historic changes that have been observed.

Sterling/Canadian Dollar exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/CAD exchange rate of CAD$1.731/£ this would result in a weakened exchange rate of CAD$1.558/£ and a strengthened exchange rate of CAD$1.905/£. This range is considered reasonable given the historic changes that have been observed.

Sterling/Swiss Franc exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. When applied to the average Sterling/CHF exchange rate of CHF1.692/£ this would result in a weakened exchange rate of CHF1.523/£ and a strengthened exchange rate of CHF1.862/£. This range is considered reasonable given the historic changes that have been observed.

Carry 250 product trial

The Group has seeded a new product, which is a fund that tracks the FTSE Currency FRB5 Index by holding a portfolio of developed market currency deliverable forward exchange contracts. The fund is 2.5 times geared, and the value of the Group's investment as at 31 March 2010 was £940,337. The investment is recognised as an available for sale financial asset and as such, all gains and losses are recognised in other comprehensive income. The Group has provided the following data in respect of sensitivity to this product trial. As the product trial started in October 2009, no comparative data is provided.

	Profit for the year 2010 £'000	Equity 2010 £'000
10% depreciation in the FTSE Currency FRB5 Index	11,720	25,514
10% appreciation in the FTSE Currency FRB5 Index	12,091	25,886

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

Emerging markets currencies

The Group has seeded a new product, managing a portfolio of emerging market currency deliverable forward exchange contracts and emerging market currency non-deliverable forward exchange contracts in order to achieve a return. The fund is 2 times geared, and at the year end the Group had allocated capital of £1,022,578 to this product trial. The Group has provided the following data in respect of sensitivity to this product trial. As the product trial started in November 2009, no comparative data is provided.

	Profit for the year 2010 £'000	Equity 2010 £'000
20% depreciation in the Emerging Market portfolio	11,629	25,377
20% appreciation in the Emerging Market portfolio	12,275	26,023

The impact of a change to the portfolio value of 20% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and expectations for future movement in emerging markets.

25 Additional financial instruments disclosures

Financial instruments measured at fair value

The Group adopted the amendments to IFRS 7 Improving Disclosures about Financial Instruments, effective from 1 January 2009. These amendments require the Group to present certain information about financial instruments measured at fair value in the statement of financial position. In the first year of application comparative information need not be presented for the disclosures required by the amendment. Accordingly, the disclosure for the fair value hierarchy is only presented for the 31 March 2010 year end.

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

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

	Note	2010 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial instruments at fair value through profit or loss					
Forward foreign exchange contracts used for product trial	(a)	98	–	98	–
Forward foreign exchange contracts used for hedging	(a)	(149)	–	(149)	–
Available for sale financial assets					
Available for sale investments	(b)	940	–	940	–
		889	–	889	–

There have been no transfers between levels in the reporting period.

Basis for classification of financial instruments within the fair value hierarchy

(a) Forward foreign exchange contracts

Forward foreign exchange contracts are classified as level 2. Although these instruments are traded on an active market, the fair value of forward foreign exchange contracts is established using interpolation of observable market data rather than from a quoted price. All forward foreign exchange contracts are strictly short term in duration.

(b) Available for sale investments

Record plc has invested in Record Currency Fund Carry 250. Although this fund is priced daily, it is currently a closed fund and therefore the fund is not actively traded, and according to the Directors' interpretation of the standard, the investment in the fund is most appropriately categorised as level 2.

25 Additional financial instruments disclosures continued

Classes and fair value of financial instruments

Financial assets	2010 Carrying value £'000	2010 Fair value £'000	2009 Carrying value £'000	2009 Fair value £'000	2008 Carrying value £'000	2008 Fair value £'000
Available for sale financial assets	**940**	**940**	–	–	–	–
Derivative financial instruments at fair value through profit or loss	**98**	**98**	–	–	–	–
Cash and cash equivalents	**21,861**	**21,861**	29,798	29,798	22,545	22,545

Financial liabilities	2010 Carrying value £'000	2010 Fair value £'000	2009 Carrying value £'000	2009 Fair value £'000	2008 Carrying value £'000	2008 Fair value £'000
Derivative financial instruments at fair value through profit or loss	**149**	**149**	13	13	23	23

It is the Directors' opinion that the carrying value of trade receivables and trade payables approximates to their fair value.

Categories of financial instrument

At 31 March 2010	Note	Loans and receivables £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Derivatives used for hedging £'000	Available for sale £'000
Available for sale financial assets	20	–	–	–	–	940
Trade and other receivables (excludes prepayments)	16	7,730	–	–	–	–
Cash and cash equivalents	18	21,861	–	–	–	–
Other financial instruments at fair value through profit or loss	17, 19	–	–	98	(149)	–
Current trade & other payables	19	–	(6,258)	–	–	–
		29,591	**(6,258)**	**98**	**(149)**	**940**

At 31 March 2009	Note	Loans and receivables £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Derivatives used for hedging £'000	Available for sale £'000
Trade and other receivables (excludes prepayments)	16	7,062	–	–	–	–
Cash and cash equivalents	18	29,798	–	–	–	–
Other financial instruments at fair value through profit or loss	17, 19	–	–	–	(13)	–
Current trade & other payables	19	–	(10,850)	–	–	–
		36,860	(10,850)	–	(13)	–

At 31 March 2008	Note	Loans and receivables £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Derivatives used for hedging £'000	Available for sale £'000
Trade and other receivables (excludes prepayments)	16	7,811	–	–	–	–
Cash and cash equivalents	18	22,545	–	–	–	–
Other financial instruments at fair value through profit or loss	17, 19	–	–	–	(23)	–
Current trade & other payables	19	–	(13,547)	–	–	–
		30,356	(13,547)	–	(23)	–

26 Contingent liabilities

The Company, together with its subsidiary undertakings, had given a cross guarantee in respect of certain indebtedness of the Group. The amount of such indebtedness at 31 March 2010 was £nil (2009: £nil). The cross guarantee was released on 30 March 2010.

27 Operating lease commitments

On 25 January 2006, the Group signed a lease on new premises at Morgan House, Madeira Walk, Windsor, Berkshire. This lease expires on 19 June 2016. The annual commitment under this lease is £229,710 (2009: £229,710). The Group has retained its lease on the premises at 32 Peascod Street, Windsor, Berkshire which has a commitment of £86,000 per annum (2009: £86,000). Those premises have been sublet at the same rate from May 2006 and the lease expires in December 2011.

At 31 March 2010 the Group had commitments under non-cancellable operating leases relating to land and buildings as set out below:

	2010 £'000	2009 £'000	2008 £'000
Not later than one year	**277**	316	316
Later than one year and not later than five years	**926**	342	657
Later than five years	**287**	–	–
	1,490	658	973

The total of future minimum sublease payments expected to be received under non-cancellable subleases at the reporting dates:

	2010 £'000	2009 £'000	2008 £'000
Not later than one year	**86**	86	86
Later than one year and not later than five years	**65**	151	237
	151	237	323

28 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.

	2010 £'000	2009 £'000
Amounts due to subsidiaries	**47**	28
Amounts settled by subsidiaries on parent's behalf	**110**	125
Net dividends received from subsidiaries	**13,615**	9,930

28 Related parties transactions continued

Transactions with Record Currency Fund – Carry 250

Record plc, together with Mr N. P. Record (who is a Director of Record plc and is therefore a related party) hold all the issued units in the Record Currency Fund – Carry 250. Consequently Record plc exerts a controlling interest over the Record Currency Fund – Carry 250, and it is therefore considered to be a related party to Record plc and its subsidiaries. Record plc's initial investment was £1,000,000, the fair value of this investment as at 31 March 2010 was £940,337. Details of transactions between the Company and Record Currency Fund – Carry 250 are shown below:

	2010 £'000	2009 £'000
Investment in Record Currency Fund – Carry 250 at cost	**1,000**	–

Amounts owed to and by related parties are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. No provisions for doubtful debts have been raised against amounts outstanding, and no expense has been recognised during the period in respect of bad or doubtful debts 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. The compensation given to key management personnel is as follows:

	2010 £'000	2009 £'000
Short-term employee benefits	**5,866**	10,947
Post-employment benefits	**325**	319
Share-based payments	**2,171**	149
Dividends	**7,669**	5,767
	16,031	17,182

Directors' remuneration

	2010 £'000	2009 £'000
Aggregate emoluments of the Directors		
Emoluments (excluding pension contribution)	**3,754**	6,402
Pension contribution	**150**	198

During the year, five Directors of the Company (2009: six) participated in the Company's Group Personal Pension Plan, a defined contribution scheme.

As at 31 March 2010 there was an outstanding balance due from L F Hill in respect of personal expenses paid by the Company. The balance was settled in full in April 2010.

	Outstanding at 1 April 2009 £	Outstanding at 31 March 2010 £	Maximum liability in period £
L F Hill	4,524	**700**	5,201

29 Ultimate controlling party

As at 31 March 2010 the Company had no ultimate controlling party, nor at 31 March 2009.

30 Capital management

The Company's objectives when managing capital are (i) to safeguard the Company's ability to continue as a going concern, and (ii) to provide an adequate return to its shareholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares. The Company had no debt in the current or prior financial year and consequently does not calculate a debt-to-adjusted capital ratio. Further information on capital management is provided in the Business Review on page 22.

31 Post reporting date events

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

Five year summary

Year ended 31 March	UK GAAP 2006 £'000	IFRS 2007 £'000	2008 £'000	2009 £'000	2010 £'000
Management fees	9,526	21,497	43,987	45,561	**33,244**
Performance fees	1,778	13,603	22,160	1,436	**224**
Other revenue	149	144	82	(201)	**(44)**
Revenue	11,453	35,244	66,229	46,796	**33,424**
Cost of sales	(971)	(177)	(296)	(11)	**–**
Gross profit	10,482	35,067	65,933	46,785	**33,424**
Operating expenses	(6,089)	(15,692)	(25,374)	(20,928)	**(16,972)**
Operating profit	4,393	19,375	40,559	25,857	**16,452**
IPO	–	–	(1,293)	–	**–**
Profit before interest and taxation	4,393	19,375	39,266	25,857	**16,452**
Net interest	4	271	1,127	912	**220**
Profit before taxation	4,397	19,646	40,393	26,769	**16,672**
Taxation	(1,265)	(5,501)	(12,480)	(7,494)	**(4,720)**
Profit after taxation	3,132	14,145	27,913	19,275	**11,952**
Net losses on available for sale financial assets	–	–	–	–	**(47)**
Total comprehensive income for the period	3,132	14,145	27,913	19,275	**11,905**
Basic EPS (pence)	1.70	6.67	12.65	8.73	**5.39**

EPS is calculated on the basis that the share holdings from 1 April 2005 onwards reflect the number of shares that would have been held if the share split had been applied to both ordinary shares and 'A' ordinary shares prior to 31 March 2005.

The key IFRS adjustment that would impact on the income statement reported under UK GAAP is the recognition of the cost of share-based payments arising on grant of share options to employees.

Information for shareholders

Record plc
Registered in England and Wales
Company No. 1927640

Registered office
Morgan House
Madeira Walk
Windsor
Berkshire
SL4 1EP
United Kingdom
Tel: +44 (0)1753 852 222
Fax: +44 (0)1753 852 224

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

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

Dates for 2010 dividend

Ex-dividend date	23 June 2010
Record date	25 June 2010
Annual General Meeting	29 July 2010
Final dividend payment date	4 August 2010

Registrar
Capita Registrars Limited
The Registry
34 Beckenham Road
Kent
BR3 4TU

Further information about the Registrar is available on their website www.capitaregistrars.com

Definitions

'Admission'	Admission to the Official List of and to trading on the London Stock Exchange's main market for listed securities
'Articles'	The articles of association of the Company
'AuME'	Assets under management equivalents
'bps'	Basis point = 100th of a per cent
'Board'	Company's Board of Directors
'Companies Acts'	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
'EBIT'	Earnings before interest and taxation
'Emerging Markets'	The Emerging Market currencies exploited by Record's Emerging Market product trial are as follows: Czech Republic Koruna, Hungarian Forint, Polish Zloty, Indian Rupee, Brazilian Real, Chilean Peso, Chinese Renminbi, South Korean Won, Mexican Peso, Russian Rouble, Turkish Lira, Taiwanese Dollar, and South African Rand
'EPS'	Earnings per share
'EU'	European Union
'Group' or 'Record'	The Company and/or any one of its subsidiary undertakings
'IAS'	International Accounting Standards
'IFRS' or 'IFRSs'	International Financial Reporting Standards
'IPO'	Initial Public Offering
'London Stock Exchange'	London Stock Exchange plc
'Official List'	The official list of the Financial Services Authority
'ROW'	Rest of the world
'Underwriting Agreement'	The underwriting agreement made between, inter alia, the Company and JPMorgan Cazenove Limited dated 28 November 2007
'US'	United States of America

Record plc
Morgan House
Madeira Walk
Windsor
Berkshire SL4 1EP
T: +44 (0)1753 852 222
F: +44 (0)1753 852 224

Email:
marketing@recordcm.com
www.recordcm.com