17 November 2023

RECORD PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Record plc ("Record" or "the Company"), the specialist currency and asset manager, today announces its unaudited results for the six months ended 30 September 2023 ("H1-24").

Financial headlines:

- Management fees increased by 3% to £19.6m (H1-23: £19.0m)
- Performance fees of £1.5m down 46% versus H1-23 (H1-23: £2.8m)
- Revenue decreased by 3% to £21.5m (H1-23: £22.1m)
- Profit before tax decreased by 16% to £6.3m (H1-23: £7.5m)
- Interim dividend increased by 5% to 2.15 pence per share (H1-23: 2.05 pence per share)
- Decrease in operating profit margin to 29% (H1-23: 34%)
- Basic EPS decreased by 24% to 2.48 pence (H1-23: 3.27 pence)
- AUME in USD terms of $84.5bn (H1-23: $80.8bn, FY-23: $87.7bn)
- Strong financial position with shareholders' equity of £28.5m (H1-23: £28.0m)

Key developments:

- Currency Management - strong performance evidenced by continued growth in underlying management fees, and performance fees earned of £1.5 million
- Asset Management - further progress made in diversification, highlighted by the launch of two funds in the period, with a further fund launch anticipated in the second half of FY-24
- Record Digital – suite of Luxembourg funds under development and continued exploration of new ideas in the digital asset space
- Leslie Hill, CEO, announces retirement with effect from end of financial year (FY-24)
- Board announces appointment of Dr Jan Witte as CEO Elect with effect from 1 January 2024

Commenting on the results, Leslie Hill, Chief Executive Officer of Record plc, said:

"We continue to make steady progress along the three strands of our business strategy, with important milestones reached in our diversification and succession plans, including the announcement of my retirement with effect from 31 March 2024 and the appointment of Jan Witte as my successor.

"Our client proposition remains strong as does our pipeline of tangible opportunities across our broad product suite. Our growth in financial terms is not linear and delays in new product launches alongside stubbornly high inflation have led to a decrease in our operating margin for the period. However, looking ahead, we anticipate further fund launches and growth across our range of products which we expect to increase our profitability over the medium term.

"The Group remains well positioned financially, with increased cash generation and a strong balance sheet to support its future growth plans. The Board remains confident in the delivery of market expectations for the current financial year. I believe the business remains capable of delivering on the targets set out in February, albeit achieving them may take longer than originally anticipated."

Analyst presentation

There will be a presentation for analysts at 9.30am today held via a Zoom call. Please contact the team at Buchanan via record@buchanan.uk.com for further details. A copy of the presentation will be made available on the Group's website at www.recordfg.com.

For further information, please contact:

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Chief Executive Officer's statement

The Group continues to make steady steps forward in the triple objective of diversification, modernisation and succession planning. Whilst we are marginally below the targets we had set ourselves for the half year, this is due largely to timing differences associated with fund launches taking longer than expected. Nonetheless, none of the delays are due to changes in client appetite or commitment, rather they have been caused by the speed with which we have been able to set up and launch our structures.

Diversification

We continued to successfully diversify the business across our currency management, asset management and digital products and service offerings over the period.

Record Currency Management Limited (“RCML”)
At RCML we maintain good performance across our currency strategies, evidenced by £1.5 million of performance fees earned in the year to date and the continued high performance of our EMSF Fund. For the latter, we are dedicating more resource in the coming months in anticipation of adding assets given the excellent track record and the upcoming three year anniversary of the Fund. We are continuing to see new pension fund and asset management hedging clients coming on board - this part of our business represents the stable bedrock from which our other forthcoming projects can launch.

Record Asset Management GmbH (“RAM”)
At RAM, we are excited by the upcoming launch of our first Infrastructure Fund on which we serve as General Partner (“GP”) for a group of long established European clients. This Fund will begin to generate long-term revenue as each individual infrastructure project is funded, and is a very welcome evolution for us as a business. The quality of these earnings will complement the fees we already earn. We have also launched two other funds in the last six months, a Protected Equity Fund which launched with USD 215 million and the GP Stakes Fund with USD 5 million, both of which attract higher fees than we can achieve in the world of currency management and both of which are expected to grow materially over time.

Record Digital Asset Ventures Ltd (“RDAV”)
At RDAV, we are launching our Luxembourg-based digital asset fund structure in partnership with Dair Capital. The structure aims to deliver an institutionally recognised operation, so clients can take investment risk in this new asset class without unnecessary operational risk. We plan to launch three funds, designed and managed by Darren Dineen the CEO of Dair Capital who brings his experience and track record to develop this business for institutional investors in partnership with us. We are working very closely with the fund ecosystem and aim to make his Five Seasons fund the first regulated crypto-currency fund in Luxembourg, attracting not only the Ultra High Net Worth clients Darren has worked with in the past, but also some new institutional monies, which Record hopes to help bring in.

Succession planning
As I pass the CEO baton on to Jan Witte, our ‘home grown’ new CEO Elect, I am proud of the impressive team of professionals we have recruited over the past four years and we continue to add to this team. We will announce some new hires in the near future to boost the “bench” and help us deliver the new products and services we have been planning for over a year now.

Modernisation
We continue to pass milestones such as building new reporting capabilities and moving more activities to cloud-based solutions, and as we do we find new opportunities to improve our technology on an ongoing basis. It is definitely a journey as opposed to a destination, but one where we challenge ourselves to be selective and results focussed, and to get value for our spend. This has been and is at the core of keeping up with other offerings and most of all listening to our clients and their requests.

Financial performance and dividends

We continue along our growth path albeit progress has, and will continue to be, non-linear in financial terms. As stated above, the pipeline remains strong across all business units, although profitability has been somewhat tempered by timing issues with delays in new product launches, plus continued high inflationary pressure on costs. It is pleasing to note the more regular contribution to revenue seen from performance fees although, as always, this remains potentially episodic and always subject to market conditions.

In terms of revenue, it is pleasing to note the continued growth in underlying management fees of 3% in the period to £19.6 million (H1-23: £19.0 million). Performance fees of £1.5 million (H1-23: £2.8 million) continue to be a welcome addition to total revenue, albeit more episodic and volatile in nature. Going forward, we anticipate continued revenue growth from both our traditional currency hedging business alongside that from the new product launches in both RAM and RDAV.

In light of this, and in line with the company’s progressive dividend policy, the Board has decided to pay an increased interim dividend for HY-24 of 2.15 pence per share (HY-23: 2.05 pence per share) on 22 December 2023, to shareholders on the register at 1 December 2023.

Finally, after almost four years at the helm, having delivered a robust succession plan and a diversified suite of products and services, now feels the right time for me to plan to step down and pass the reins to Jan and my fellow board members, who I know will do an excellent job in taking the business forward.

Leslie Hill
Chief Executive Officer

16 November 2023

Interim management review

Operating review

Our aim is to grow our business through modernisation, investing in new technology and in diversifying our products and services. New technology enables us to provide more efficient, safe and scalable products across our whole product suite, whilst diversification enables us to offer differentiated and relevant products to suit individual client demand.

The pipeline of tangible opportunities that we see for growing our business remains strong across all product lines, albeit that the development and delivery of new asset management products has taken longer than initially anticipated. In collaboration with our clients and specialist partners’ we launched two new Luxembourg-based funds in the period and anticipate the launch of further funds before the end of the financial year.

The expansion of our business has led to increased costs, exacerbated by higher than anticipated inflation over a longer period. Whilst this has weighed on our operating profitability in the short term, we remain confident that increased efficiency through modernisation, alongside the launch of higher margin products and a continued focus on controlling our cost base will increase our operating margin over the medium term.

Products

The beginning of the reporting period saw elevated market and currency volatility as the US SVB banking crisis highlighted credit stresses in the financial system on the back of the Fed's tightening campaign, though swift policy response remedied market turmoil. Meanwhile a majority of Developed Markets ("DM") central banks entered into the latter phases of the monetary policy tightening cycle, with market re-calibrations of peak rates sensitive to incoming information on core inflationary pressures and persistence of general labour market resilience, with the aforementioned principal drivers of currency moves. The risk environment remained relatively mixed throughout the period given further economic fragilities in the Chinese economy and more recently US government shutdown risks and energy prices. Pronounced trends have led to extended valuations, notably USD strength and JPY weakness.

Against this volatile market backdrop, we have seen continued investor appetite for both risk management programmes as well as those seeking to harness market movements to generate a return. This appetite has been broad based across Record's currency strategies, which has coincided with a renewed internal focus on core products and their fit for specific markets.

Demand for passive hedging was observed across the traditional base comprising European institutional investors, particularly in Switzerland, as well as in the asset manager space. Record's Hedging for Asset Managers product is being extended in scope, incorporating significant enhancements to both reporting and liquidity management, and attracting interest from large private markets investment groups which is anticipated to drive asset growth over the coming year.

Mixed investor sentiment about the future path of the US dollar continues to drive interest in Dynamic Hedging as investors recognise the opportunity to add value to portfolios while reducing risk. Existing investors in the strategy have benefited from gains in the programme despite somewhat range bound conditions for much of the six-month period.

Record's flagship return-seeking products, Currency Multi-Strategy and Emerging Markets Sustainable Finance ("EMSF"), both delivered positive returns over the period. Currency Multi-Strategy continues to attract investor interest in the search for uncorrelated, unfunded returns to their portfolios, either as newcomers to currency as an asset class or as seasoned allocators to the space. Recent EMSF performance has consolidated its lead over asset class benchmarks and, with a credible track record now established, investors are starting to take note of the pioneering approach and the industry-leading returns.

People

Our succession strategy continues to evolve with the announcement of Dr Jan Witte's appointment to the board with effect from 1 January 2024, and his subsequent appointment as CEO following Leslie Hill's upcoming retirement on 31 March 2024. Jan was appointed as CEO of the Group's UK-regulated subsidiary, Record Currency Management Limited ("RCML"), earlier this year, alongside his existing position as CEO of Record Asset Management GmbH ("RAM") in Germany. We continue to invest in our people. This means hiring exceptional people throughout our business and providing opportunities for our talented colleagues to increase their levels of responsibility, while providing support in the form of internal and external coaching, learning and personal development, such as by studying for professional qualifications. This has led to a number of promotions and internal transfers and also in us welcoming some talented new colleagues. We also continue to strengthen our partner relationships to continue to diversify our product offering, our client base and our activities.

Whilst focus on good cost control remains paramount, a cost of living allowance of £2,000 was agreed for the year to all staff below Board level, to be paid in quarterly instalments during the year, to help our employees with the continued high level of inflation. Following a salary review process conducted more recently in October, a 3% award was made across the company in addition to share option awards to key staff to align them with our longer-term business strategy.

Lastly, as part of our employee engagement strategy, we have been using short pulse surveys on a range of topics including management, communication, health and wellbeing, pay and benefits and office location.

Technology

We continue to support flexible working across the business, including remote working, office-based and hybrid working patterns enabled for all staff. Remote access systems and security controls have continued to be enhanced as we deliver greater flexibility and functionality to our staff whilst maintaining the greatest levels of security and protection.

The continuous improvement and development of our technology stack is critical to improving how we support clients and deliver our products and services effectively.

In line with our strategy for modernisation, and as part of our ongoing and continuous development, Record's Board has maintained an elevated IT-related budget relative to our historic expenditure. This spending has been assigned across three core areas: software development to improve functionality and capability; infrastructure to improve security and resilience; and data management to provide greater insights and value around our investment services.

Product investment performance

Currency Management

Hedging

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

Passive Hedging

Record has developed an Enhanced Passive Hedging service, which aims to reduce the cost of hedging by introducing additional flexibility into the implementation of currency hedges without changing the hedge ratio. While the investment process is partly systematic, the episodic nature of many opportunities exploited by the strategy means it requires a higher level of discretionary oversight than has historically been associated with Passive Hedging.

After a period of continuous effort from global central banks to combat price increases by progressing in their interest rate hiking cycles, the last six months have seen a peak in global inflationary pressures. While the market anticipated the start of an interest rate cutting cycle across major currencies, central bankers' emphasis has remained on keeping the interest rates "higher for longer". The longer end of the yield curve is consequently experiencing a great degree of volatility. This has caused a further tightening in the financial conditions and in the FX basis over the course of the last six months expanding the opportunity set from which the team can potentially add value. Therefore, performance for the first half of the year has been strong as the portfolio managers have positioned the portfolio to take advantage of the current volatile environment. Generally, the portfolios have been managed with excess durations to their benchmarks.

The table below shows the total value added relative to a fixed-tenor benchmark for an Enhanced Passive Hedging program for a representative account (base currency is Swiss francs).

	Half-year return	Return since inception
Value added relative to a fixed-tenor benchmark	0.05%	0.10% p.a.

Dynamic Hedging
US-based Dynamic Hedging clients experienced appreciation of the US dollar against developed market currencies over the period. The majority of dollar strength occurred throughout August and September on the back of hawkish commentary from Fed chair Powell, notably during the Jackson Symposium, and further supported by the September FOMC meeting seeing an upwards adjustment in median dot plot projections for 2024. Dollar strength was also partially attributable to risk off sentiment, amidst China growth concerns, and rising US treasury yields.

The Dynamic Hedging programmes responded as expected, with hedge ratios rising systematically in response to dollar strength. Consequently, hedging returns for US-based clients were positive, helping to protect against foreign currency weakness. Conversely, non-US clients experienced losses from hedging; however, these losses were limited as hedge ratios fell in response to broad dollar strength, allowing clients to gain from their embedded currency positions.

	Half-year return	Return since inception
Value added by Dynamic Hedging programme	1.52%	0.76% p.a.

Currency for Return
Record's Currency for Return suite of products includes both discretionary and systematic investment styles. The Record EM Sustainable Finance Fund uses a more discretionary approach, whilst the Currency Multi-Strategy product is a more systematic offering combining five individual strategies.

Record EM Sustainable Finance Fund

The Record EM Sustainable Finance Fund, launched on 28 June 2021, is a result of the strategic partnership between Record and UBS Wealth Management. The Fund aims to improve the flow of development finance, enable local currency lending, enhance financing projects in illiquid markets and support macroeconomic stability by currency stabilisation. The strategy targets positive sustainability outcomes across a multidimensional investment process, whereby it trades liquid and illiquid EM currencies to absorb currency risk. It further invests in an underlay of sustainable development bonds issued by Multilateral Development Banks ("MDBs") and other Development Finance Institutions ("DFIs") with a strong presence in low and middle-income economies, alongside an active stakeholder engagement that promotes better policies and practices among investees and trading counterparties.

The Fund returned 1.27% for the half year to 30 September 2023, outperforming major EM sovereign debt and currency indices.

The positive return was driven by the outperformance in the currency positions. This more than offset the negative returns in the bond underlay driven by higher yields in the US which were unsupportive of the dollar bond portfolio. Some outperformance on duration versus reference indices was generated on the back of yields climbing more at the back-end of the US treasury curve and shorter duration exposure of the fund.

Long EM currency positions returned positively due to continued rate tightening cycles via EM central banks and positive real rates in view of achieved disinflationary momentum. Positions in high-yielding Latin American and European currencies saw the lion's share of gains. Chilean peso was a notable underperformer in the period due to underwhelming Chinese data given its strong macro and trade links. The funding of Developed Market currency short positions also contributed positively in the period due to the weakness of Japanese yen versus the US dollar.

	Half-year return	Return since inception
Record EMSF Fund USD Share Class	1.27%	5.98%
JP Morgan GBI EM Global Diversified[1]	(0.83%)	(13.43%)

1. Source: JP Morgan.

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

- Forward Rate Bias ("FRB", also known as "carry") and Emerging Market ("EM") strategies which are founded on market risk premia and as such perform more strongly in "risk on" environments;
- Value and Momentum strategies which are more behavioural in nature, and as a result are less risk sensitive
- Developed Market Classification ("DMC"), a quantitative strategy using machine learning techniques to predict short term currency moves, using high frequency data on carry, momentum, volatility and US dollar cycle factors

Currency Multi-Strategy returned positively during the period, driven by the outperformance in the EM, Carry and Momentum strands. EM gains were driven by long positions in high-yielding Latin American currencies in light of continued hawkish central bank communications, attractive real rate accruals and a reduction in political risk premia. Key short positions returned positively given their sensitivity to the more challenging global risk environment amidst China growth fragilities and higher US treasury yields, both traditionally negative for EM FX. The Carry strand outperformed on the back of continued central bank rate divergence, with short JPY and long USD exposures the key contributors to outperformance. The low carry (interest rate) JPY depreciated given the relative accommodative Bank of Japan ("BoJ") stance whilst attractive yields kept the USD supported during the period. Momentum returned positively, driven largely by long GBP and CHF positions. The former appreciated on the back of the upwards adjustment in market rate expectations as the Bank of England has faced further challenges in addressing persistent inflationary pressures. CHF also saw strength given the continued Swiss National Bank campaign to limit inflationary pressures vis-à-vis engineering FX strength.

Value returned negatively on the back of long JPY and short USD exposures. Despite moves by the BoJ to increase flexibility around Yield Curve Control ("YCC") in July which has allowed for yields to rise in a constrained manner, the continued relative easy bias of the BoJ and limited communication on the end of their negative interest rate policy in tandem with elevated US treasury yields have all weighed on the JPY. The US dollar was supported by market recalibration of rates around the Fed's "higher for longer" messaging, bolstered by a resilient labour market and economic data supporting a soft landing scenario.
Developed Market Classification ("DMC") performance was flat, with mixed performance across the portfolio. The CHF, SEK and EUR pairs provided

positive returns, capturing short to medium term trends during the period. The CAD and NOK pairs had slight positive performance. Negative returns in other pairs came from a mostly net short USD position, which picked up on some short-term USD weakening but underperformed in August and September. Overall, the model's Trend factor was most important in deciding positions during this period, with the Volatility and Carry factors also contributing.

	Half-year return	Return since inception	Volatility since inception
Record Multi- Strategy Composite[2]	2.88%	1.04% p.a.	3.12% p.a.

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

Scaling

The Currency for Return product group allows clients to select the level of exposure they desire in their currency programmes in addition to the level of scaling and/or the volatility target.

It should be emphasised that in this case "scaling" refers to the multiple of the aggregate notional value of forward contracts in the currency programme which is limited by the willingness of counterparty banks to take exposure to the client. The AUME of those mandates where scaling or a volatility target is selected is represented in Record's AUME at the scaled value of the mandate, as opposed to the mandate size.

Asset Management

Over the past 18 months, Record's EU-based subsidiaries, Record Asset Management GmbH ("RAM") and RAM Strategies GmbH ("RAM Strategies"), have spearheaded the establishment of a Luxembourg collective investment fund platform. This initiative is now bearing fruit with the first two funds launched in the period. The first fund to go live (Record Diversified GP Stakes) specialises in taking minority equity stakes in alternative asset managers. The second fund (Record Protected Equities) combines an international equity portfolio with downside tail-risk protection. A third fund, which focuses on infrastructure assets, is currently in development with an anticipated launch in the fourth quarter of the current financial year.

In creating these funds, Record has partnered with other specialists of high calibre with expertise in the specific asset classes. These new offerings ensure that our clients have access to exciting, non-currency related investment strategies, as part of our strategy to grow our business through diversification, with the added benefit of fostering deeper client relationships.

RAM Strategies, with its background of distributing third-party investment strategies, has taken the lead in marketing these new funds throughout Europe. At period end, assets under management on the Luxembourg fund platform were approximately USD 205 million.

The launch of these funds also marks the signing of RAM's inaugural client. RAM obtained its BaFin license in 2022 and its appointment marks a major milestone in its history, having now been engaged to provide investment management services and share class hedging services to the Funds.

Record Digital

Record Digital was set up as a separate group entity within the Record Financial Group to track, learn and identify opportunities for future diversification and growth in this sector to help ensure the sustainability of the business going forward. We set aside capital (initially £2 million), and our investments were selected in view of two main objectives, cash-to-cash potential, and business leverage. We have committed 73% of this capital to a mix of small direct investments, and investment funds focused on disruptive technologies, early stage, and digital asset companies. These investments have helped us establish a network of talent, subject-matter experts, and partners to work with, evaluate ideas and explore new business opportunities together. We have been actively incubating these ideas, making connections between this world and our core competencies, testing out new products, exploring new strategies and approaches to delivering financial services. As we take these ideas forward, and move on from incubation towards syndicating these ideas, we look to build diversifying streams of revenue from new products and services, at commercial fees, building on and aligned with our core competencies.

We are currently building out a suite of Luxembourg funds which are embedding the differentiating services, unique functionalities, and capabilities of market leaders in the digital asset space. For example, Block Scholes Limited ("Block Scholes") will be a service provider to these funds providing data, analytics, and research to the portfolio managers and risk management functions. Record first invested in Block Scholes in February 2022, and has since become a client and a partner to the business as well as our CTO, Rebecca Venis, serving as a Non-Executive Director. As of October 2023, Record led and successfully closed the most recent Block Scholes funding round, securing $3.1 million alongside our co-investors, including InvestCorp, Saison Capital, CoinSwitch and Dair Capital. We are excited by the opportunities looking forward, as we syndicate more of these incubated ideas, to build on our core competencies and establish innovative and sustained diversifying revenue lines for the business.

AUME development

AUME decreased over the period by 3.6% to $84.5 billion in US dollar terms, and decreased in sterling terms by 2.6% to £69.2 billion. Total net outflows for the period were $1.0 billion, compared to HY-23 net inflows of $8.6 billion, and FY-23 net inflows of $9.1 billion.

The AUME movement over the six-month period is analysed as follows:

AUME movement analysis in the six months to 30 September 2023

	$bn
AUME at 1 April 2023	87.7
Net client flows	(1.0)
Equity and other market impact	(1.9)
Foreign exchange impact and mandate volatility scaling	(0.3)
AUME at 30 September 2023	**84.5**

Product mix

The product mix has remained broadly consistent with that reported at the year end.

AUME composition by product

	30 Sep 23 $bn	%	30 Sep 22 $bn	%	31 Mar23 $bn	%

Passive Hedging	60.5	72	62.2	77	63.8	73
Dynamic Hedging	14.5	17	10.0	12	14.7	17
Currency for Return	3.9	5	4.3	6	3.9	4
Multi-product	5.3	6	4.2	5	5.2	6
Cash and futures/other	0.3	-	0.1	-	0.1	-
Total	**84.5**	**100**	**80.8**	**100**	**87.7**	**100**

Equity and other market performance
Record's AUME is affected by movements in equity and other markets because Passive and Dynamic Hedging mandates, and some of the Multi-product mandates, are linked to equity holdings or other asset types such as bonds or real estate.

Additional details on the composition of assets underlying the Hedging and Multi-product mandates are provided below to help illustrate more clearly the impact of equity and fixed income market movements on these mandate sizes.

Class of assets underlying mandates by product as at 30 September 2023

	Equity %	Fixed income %	Other %
Passive Hedging	23	32	45
Dynamic Hedging	85	-	15
Multi-product	-	-	100

Forex

Approximately 75% of the Group's AUME is non-US dollar denominated. Therefore, foreign exchange movements may have an impact on AUME when expressing non-US dollar AUME in US dollars, although this movement does not have an equivalent impact on the sterling value of fee income. Exchange rate movements decreased AUME by $0.3 billion in the period and changes to mandate underlying asset values decreased AUME by $1.9 billion.

Financial review

Overview

We continue to make progress on the growth and diversification of our business.

In this respect, it is pleasing to report continued growth in underlying management fees plus progress made on the delivery of new asset management products, as evidenced by the launch of two new funds in the period. Investment in our technology and resources accompanied by sustained inflationary pressure across our cost base continues to weigh on our operating margin.

Looking forward, we anticipate a further fund launch for the second half accompanied by a strong pipeline of opportunities across both currency and asset management products in addition to tangible progress in our digital asset project. Consequently, we remain confident in delivering solid and continuous progress in line with our strategic objectives of growth and diversification.

	Six months ended 30 Sep 23	Six months ended 30 Sep 22	Year ended 31 Mar 23
Revenue	**21.5**	**22.1**	**44.7**
Cost of Sales	(0.1)	-	-
Gross Profit	**21.4**	**22.1**	**44.7**
Personnel costs (excluding bonus)	(7.1)	(6.3)	(12.8)
Non-Personnel costs	(5.3)	(4.5)	(9.5)
Other income or expense	(0.3)	-	(0.3)
Total expenditure (excluding bonus)	**(12.7)**	**(10.8)**	**(22.6)**
Group Bonus scheme	(2.6)	(3.8)	(7.6)
Operating profit	**6.1**	**7.5**	**14.5**
Operating profit margin	**29%**	**34%**	**32%**
Net interest received	0.2	-	0.1
Profit before tax	**6.3**	**7.5**	**14.6**
Tax	(1.6)	(1.3)	(3.3)
Profit after tax	**4.7**	**6.2**	**11.3**

Revenue
Headline revenue of £21.5 million, including performance fees, represents a small decrease of 3% from H1-23 (£22.1 million) and a 5% decrease compared to the second half of last year (H2-23: £22.6 million). Excluding performance fees, which at £5.8 million were exceptional for FY-23, underlying management fees increased by 3% versus H1-23 and by 2% against H2-23.

Revenue analysis (£m)

	Six months ended 30 Sep 23	Six months ended 30 Sep 22	Year ended 31 Mar 23
Management fees			

Passive Hedging	5.8	6.3	12.9
Dynamic Hedging	7.0	5.8	12.0
Currency for Return	3.1	3.6	6.8
Multi-product	3.7	3.3	6.6
Total management fees	**19.6**	**19.0**	**38.3**
Performance fees	1.5	2.8	5.8
Other income*	0.4	0.3	0.6
Total revenue	**21.5**	**22.1**	**44.7**

*Other income includes distribution fees and fees from ancillary investment management services.

Following an exceptional year for Performance fees throughout FY-23 (FY-23: £5.8 million), we continue to see opportunities for earning performance fees in some of our Passive Hedging mandates including tenor management, albeit at more normalised levels based on current market conditions. Performance fees of £1.5 million were earned in the period versus exceptional performance fees linked to more volatile market movements of £2.8 million and £3.0 million in the first and second half of FY-23 respectively.

Passive Hedging management fees of £5.8 million were £0.5 million lower than the equivalent period last year (H1-23: £6.3 million) and £0.8 million lower compared to the second half of last year (H2-23: £6.6 million), linked mainly to the net outflows of $1.3 billion seen over the period. As a percentage of opening AUME, net outflows of $1.3 billion equate to a reduction of approximately 2%.

Dynamic Hedging management fees increased by 21% to £7.0 million compared to the same period last year (H1-23: £5.8 million) and by £0.8 million versus H2-23 (£6.2 million), predominantly driven by the full impact of net inflows since H1-23 of $2.8 billion.

Currency for Return management fees of £3.1 million decreased by 14% (£0.5 million) compared to H1-23 (H1-23: £3.6 million) and by £0.1 million versus H2-23 (£3.2 million), predominantly due to the full impact of net outflows of $0.5 billion since H1-23.

Management fees of £3.7 million from the Multi-product category are £0.4 million higher than both the first and second half of last year (H1-23 and H2-23: £3.3 million), linked predominantly to the impact from the net inflow of $0.8 billion in the final quarter of FY-23.

Other income consists of ancillary currency management services, including collateral management, signal hedging and tactical execution services totalling £0.2 million (FY-23: £0.5 million), plus fees earned on the distribution of third-party investment products of £0.2 million (FY-23: £0.1 million).

Expenditure

Expenditure analysis (£m)

	Six months ended 30 Sep 23	Six months ended 30 Sep 22	Year ended 31 Mar 23
Personnel costs	7.1	6.3	12.8
Non-personnel costs	5.3	4.5	9.5
Administrative expenditure excluding Group Bonus scheme	**12.4**	**10.8**	**22.3**
Group Bonus	2.6	3.8	7.6
Total administrative expenditure	**15.0**	**14.6**	**29.9**
Other income and expenditure	0.3	-	0.3
Total expenditure	**15.3**	**14.6**	**30.2**

Total administrative expenditure (excluding Group Bonus) of £12.4 million for the period represents an increase of 15% (H1-23: £10.8 million) compared with the equivalent prior year period, and an increase of 8% versus the second half of last year (H2-23: £11.5 million).

Personnel costs of £7.1 million (excluding Group Bonus) increased by 13% versus the same period in the prior year (H1-23: £6.3 million) and by 9% compared to the second half of last year (H2-23: £6.5 million). We continue to invest in the business in line with our plans for diversification and succession and in sourcing the right skill sets at the right level. Personnel changes lead to occasional one-off reorganisation costs, which we would expect to decrease as the changes required to resource levels and skill sets begin to level off. In line with our succession strategy, we remain committed both to recognising our future talent through internal promotions, and to retention by utilising our various share schemes, both of which add to our overall personnel costs. We are supporting our employees during this prolonged period of high inflation by committing to cost-of-living payments of £2,000 per employee during FY-24 (paid over four quarters), and have also awarded a general salary increase of 3%, effective from 1 October 2023, to ensure we remain both competitive and an attractive potential employer in the current environment. Whilst we expect pressure on personnel costs to continue in the short-term, we are confident that the result will not repeat the material increases seen in the level of our personnel costs in prior periods.

As expected, inflation has also led to an increase in non-personnel costs in addition to costs linked to our overseas expansion and growth, including office and travel costs, IT-related support and data costs, and professional fees including higher UK audit fees and additional audit fees for the new regulated subsidiary in Germany. Total non-personnel costs of £5.3 million for the period represent an increase of 18% over the same period last year (H1-23: £4.5 million) and of 6% versus the second half of FY-23 (H2-23: £5.0 million).

Group Bonus Scheme

The Remuneration Committee operates the Group Bonus scheme to reward and incentivise employees for the delivery of business growth, having previously established the range within which the scheme operates at 25% to 35% of pre-Bonus operating profit.

During the period, pre-Bonus operating profit of £8.7 million reduced by 23% compared to H1-23 (£11.3 million) and by 19% versus H2-23 (£10.8 million), and the cost of the Bonus Scheme has decreased by 32% to £2.6 million for the period (H1 and H2-23: £3.8 million). The decrease reflects both the reduction in operating profit and the decrease in the percentage used to calculate the bonus pool. Whilst the Remuneration Committee acknowledged the continued effort and progress being made in the growth and strategic direction of the business, in line with its remuneration principles it has reduced the bonus pool percentage to 30% of pre-Bonus operating profit (H1-23: 33% and FY-23: 34.8%).

Cash flow

The Group generated £7.3 million of cash from operating activities before tax during the period (H1-23: £6.8 million). Taxation paid during the period increased to £1.3 million compared to £1.0 million for the same period last year.

The Group paid dividends totalling £6.0 million in the period (H1-23: £5.2 million), more information for which is given in note 5 to the financial statements.

Dividends and capital

The Board remains confident that the strategy of modernisation, diversification and succession continues to be the right direction for the Group. Consequently, in line with the Board's capital and dividend policies targeted at sustained and progressive dividend growth, the Group will pay an increased interim dividend of 2.15 pence per share in respect of the six-month period (H1-23: 2.05 pence). This will equate to a distribution of £4.3 million (H1-23: £3.9 million), following which the business will retain cash and money market instruments on the balance sheet, which are significantly in excess of financial resource requirements required for regulatory purposes.

The Group has no debt and is cash-generative with capital and dividend policies aimed at ensuring continued balance sheet strength to support future growth. Shareholders' funds were £28.5 million at 30 September 2023 (H1-23: £28.0 million).

Principal risks and uncertainties

The principal risks currently facing the Group and those that we anticipate the Group will be exposed to in the short term remain broadly the same as those outlined in the Annual Report 2023.

These risks are:

- Strategic – principally concentration risk and competitive threats, but also risk of failure to deliver strategy, regulatory trends and exogenous threats (the greatest of which being the global inflationary and geopolitical environment);
- Operational and systems – primarily trade configuration and execution, as well as information technology and security and cyber risks;
- Investment risk – we naturally embrace the risk that our products underperform, while market liquidity is a risk we continually review; and
- People – key person and talent acquisition and retention.

Cautionary statement

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

Statement of Directors' responsibilities

The interim financial report is the responsibility of the Directors, who confirm that to the best of their knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with UK-adopted IAS 34 – "Interim Financial Reporting"; and
- the Interim management review includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Annual Report 2023 that could do so. Related party transactions are disclosed in note 10.

The Directors of Record plc are listed on the Record plc website at: https://recordfg.com/team-member-groups/record-plc-board/

David Morrison
Chairman

Steve Cullen
Chief Financial Officer

16 November 2023

Independent review report to Record plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies

Basis for conclusion

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of Directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
16 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

Six months ended 30 September 2023

	Note	Unaudited Six months ended 30 Sep 23 £'000	Unaudited Six months ended 30 Sep 22 £'000	Audited Year ended 31 Mar 23 £'000
Revenue	3	**21,469**	**22,059**	**44,689**
Cost of sales		(34)	(3)	(37)
Gross profit		**21,435**	**22,056**	**44,652**
Administrative expenses		(15,048)	(14,561)	(29,888)
Other expense or income		(260)	21	(293)
Operating profit		**6,127**	**7,516**	**14,471**
Finance income		153	61	182
Finance expense		(19)	(33)	(55)
Profit before tax		**6,261**	**7,544**	**14,598**
Taxation		(1,535)	(1,334)	(3,259)
Profit after tax		**4,726**	**6,210**	**11,339**
Total comprehensive income for the period		**4,726**	**6,210**	**11,339**
Profit and total comprehensive income for the period attributable to				
Owners of the parent		**4,726**	**6,210**	**11,339**
Earnings per share for the period (expressed in pence per share)				
Basic earnings per share	4	2.48p	3.27p	5.95p
Diluted earnings per share	4	2.44p	3.16p	5.81p

Consolidated statement of financial position

As at 30 September 2023

	Note	Unaudited Six months ended 30 Sep 23 £'000	Unaudited Six months ended 30 Sep 22 £'000	Audited Year ended 31 Mar 23 £'000
Non-current assets				
Intangible assets		1,643	1,036	1,390
Right-of-use assets		866	1,155	1,011
Property, plant and equipment		286	380	377
Investments	6	4,448	3,606	4,901
Deferred tax assets		178	231	134
Total non-current assets		**7,421**	**6,408**	**7,813**
Current assets				
Trade and other receivables		13,097	12,207	14,373
Derivative financial assets	8	-	11	54
Money market instruments with maturities > 3 months	7	-	-	4,549
Cash and cash equivalents	7	14,837	17,714	9,948
Total current assets		**27,934**	**29,932**	**28,924**
Total assets		**35,355**	**36,340**	**36,737**
Current liabilities				
Trade and other payables		(4,628)	(5,512)	(6,011)
Corporation tax liabilities		(1,127)	(1,252)	(1,329)
Lease liabilities		(290)	(279)	(285)
Derivative financial liabilities	8	(178)	(381)	(5)
Total current liabilities		**(6,223)**	**(7,424)**	**(7,630)**
Non-current liabilities				
Provisions		(122)	(122)	(122)
Lease liabilities		(551)	(838)	(694)
Total non-current liabilities		**(673)**	**(960)**	**(816)**
Total net assets		**28,459**	**27,956**	**28,291**
Equity				
Issued share capital	9	50	50	50
Share premium account		1,809	1,809	1,809
Capital redemption reserve		26	26	26
Retained earnings		26,574	26,071	26,406
Equity attributable to owners of the parent		**28,459**	**27,956**	**28,291**
Total equity		**28,459**	**27,956**	**28,291**

Approved by the Board on 16 November 2023 and signed on its behalf by:

David Morrison
Chairman

Steve Cullen
Chief Financial Officer

Consolidated statement of changes in equity

As at 30 September 2023

Unaudited	Note	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2022		**50**	**1,809**	**26**	**24,045**	**25,930**
Profit and total comprehensive income for the period		**-**	**-**	**-**	**6,210**	**6,210**
Dividends paid		-	-	-	(5,169)	(5,169)
Release of shares held by EBT		-	-	-	456	456
Share-based payment reserve movement		-	-	-	529	529
Transactions with shareholders		**-**	**-**	**-**	**(4,184)**	**(4,184)**
As at 30 September 2022		**50**	**1,809**	**26**	**26,071**	**27,956**
Profit and total comprehensive income for the period		**-**	**-**	**-**	**5,129**	**5,129**
Dividends paid		-	-	-	(3,926)	(3,926)
Own shares acquired by EBT		-	-	-	(3,572)	(3,572)
Release of shares held by EBT		-	-	-	1,812	1,812
Tax on share-based payments		-	-	-	300	300
Share-based payment reserve movement		-	-	-	592	592
Transactions with shareholders		**-**	**-**	**-**	**(4,794)**	**(4,794)**
As at 31 March 2023		**50**	**1,809**	**26**	**26,406**	**28,291**
Profit and total comprehensive income for the period		**-**	**-**	**-**	**4,726**	**4,726**
Dividends paid	5	-	-	-	(5,978)	(5,978)
Own shares acquired by EBT		-	-	-	(1,018)	(1,018)
Release of shares held by EBT		-	-	-	1,987	1,987
Tax on share-based payments		-	-	-	317	317
Share-based payment reserve movement		-	-	-	134	134
Transactions with shareholders		**-**	**-**	**-**	**(4,558)**	**(4,558)**
As at 30 September 2023		**50**	**1,809**	**26**	**26,574**	**28,459**

Consolidated statement of cash flows

Six months ended 30 September 2023

	Note	Unaudited Six months ended 30 Sep 23 £'000	Unaudited Six months ended 30 Sep 22 £'000	Audited Year ended 31 Mar 23 £'000
Profit after tax		**4,726**	**6,210**	**11,339**
Adjustments for non-cash movements				
Depreciation of right-of-use assets		145	230	375
Depreciation of property, plant and equipment		110	170	285
Amortisation of intangible assets		163	75	135
Loss on asset disposals		-	12	11
Share-based payments		559	360	916
(Increase)/decrease in other non-cash movements[1]		(10)	98	1,780
Finance income		(153)	(61)	(181)
Finance expense		19	33	55
Tax expense		1,535	1,334	3,259
Working capital changes				
Decrease/(increase) in receivables		1,634	(2,324)	(4,490)
(Decrease)/increase on payables		(1,383)	752	1,290
(Decrease) in provisions		-	(78)	(78)
Cash generated from operations		**7,345**	**6,811**	**14,696**
Corporation tax paid		(1,335)	(984)	(2,433)
Net cash inflow from operating activities		**6,010**	**5,827**	**12,263**
Purchase of intangible software		(416)	(550)	(964)

Purchase of property, plant and equipment		(19)	(160)	(272)
Purchase of investments		(29)	(1,276)	(3,570)
Redemption of bonds		753	859	1,607
Redemption of investments		-	881	881
Sale of money market instruments with maturity > 3 months		4,549	13,914	9,363
Interest received		179	61	181
Net cash inflow from investing activities		**5,017**	**13,729**	**7,226**
Lease repayments		(139)	(174)	(315)
Lease interest payments		(19)	(34)	(55)
Purchase of own shares		-	-	(3,572)
Dividends paid to equity shareholders	5	(5,978)	(5,169)	(9,095)
Cash outflow from financing activities		**(6,136)**	**(5,377)**	**(13,037)**
Net increase in cash and cash equivalents in the period		**4,891**	**14,179**	**6,452**
Effect of exchange rate changes		(2)	190	151
Cash and cash equivalents at the beginning of the period		**9,948**	**3,345**	**3,345**
Cash and cash equivalents at the end of the period		**14,837**	**17,714**	**9,948**
Closing cash and cash equivalents consists of:				
Cash	7	5,782	17,714	6,405
Cash equivalents	7	9,055	-	3,543
Cash and cash equivalents	7	**14,837**	**17,714**	**9,948**

Other non-cash items include £461k movement in shares held by the Employee Benefit Trust and other share movements (FY23: £2,473k), netted off against £228k unrealised loss in derivatives (FY23: £175k gain), £19k foreign exchange loss (FY23: £147k gains) and £204k unrealised loss on investments (FY23: £371k gain).

Notes to the consolidated financial statements for the six months ended 30 September 2023

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

1. Basis of preparation

The condensed set of consolidated financial statements included in this interim financial report has been prepared in accordance with UK-adopted International Accounting Standard 34 – "Interim Financial Reporting". The financial information set out in this Interim Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 March 2023 were prepared in accordance with UK-adopted IFRS and have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

The accounting policies for recognition, measurement, consolidation and presentation as set out in the Group's Annual Report for the year ended 31 March 2023 have been applied in the preparation of the condensed consolidated half-year financial information.

Application of new standards

There have been no new or amended standards adopted in the financial year beginning 1 April 2023 which have a material impact on the Group or any company within the Group.

Impact of the global macro environment during the period

The current global macroeconomic environment continues to provide both challenge and opportunity for the Group: challenge in the form of managing the risk of the increased cost of doing business linked to a high inflationary environment (in the form of employee, energy and supply-chain costs), and opportunity, for example in the form of increases in interest rate differentials and clients seeking yield-enhancing strategies. Our focus continues to be on making the most of such opportunities whilst managing the balance between careful cost control whilst ensuring the availability of sufficient and liquid resources to support the growth trajectory of the Group.

Going concern

As part of the Directors' consideration of the appropriateness of adopting the going concern basis for the preparation of the interim financial statements, the Directors have assessed whether the Group can meet its obligations as they fall due and can continue to meet its solvency requirements over a period of at least twelve months from the approval of this report. The Board has considered financial projections which demonstrate the ability of the Group to withstand market shocks in a range of scenarios. In assessing the appropriateness of the going concern basis, the Board considered base case liquidity and solvency projections that incorporated an estimated view of potential macroeconomic volatility, rising inflation and recession.

The projections demonstrated that excess capital would remain in the Group under the scenarios, and there is cash to run the business in the going concern period. As a result of the above assessment, the Directors are satisfied that the Company and the Group have adequate resources with which to continue to operate for the foreseeable future. In arriving at this conclusion, the Directors have considered in detail the impact of the current high inflationary environment on the Group, the market it operates in and its stakeholders. For this reason the financial statements have been prepared on the going concern basis.

Consolidation

The accounting policies adopted in these interim financial statements are identical to those adopted in the Group's most recent annual financial statements for the year ended 31 March 2023.

The consolidated financial information contained within the financial statements incorporates financial statements of the Group and entities controlled by the Group (its subsidiaries) drawn up to 30 September 2023. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Company controls an entity, but does not own all the share capital of that entity, the interests of the other shareholders are stated within equity as non-controlling interests or within current liabilities as financial liabilities depending on the characteristic of the investment, being the proportionate share of the fair value of identifiable net assets on the date of acquisition plus the share of changes in equity since the date of consolidation.

An Employee Benefit Trust ("EBT") has been established for the purposes of satisfying certain share-based awards. The Group has "de facto" control over this entity. This trust is fully consolidated within the financial statements (see note 9 for further details).

2. Critical accounting estimates and judgements
The estimates and judgements applied in the interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2023.

3. Revenue
Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the provision of currency management services. Our revenue typically arises from charging management fees or performance fees and both are accounted for in accordance with IFRS 15 – "Revenue from Contracts with Customers".

Management fees are recorded on a monthly basis as the underlying currency management service occurs. There are no other performance obligations. Management fees are calculated as an agreed percentage of the Assets Under Management Equivalents ("AUME") denominated in the client's chosen base currency. The percentage varies depending on the nature of services and the level of AUME. Management fees are typically invoiced to the customer quarterly with receivables recognised for unpaid invoices.

The Group is entitled to earn performance fees from some clients where the performance of the clients' mandates exceeds defined benchmarks over a set time period, and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal.

Performance fee revenues are not considered to be highly probable until the end of a contractual performance period and therefore are not recognised until they crystallise, at which time they are payable by the client and are not subject to any clawback provisions. There are no other performance obligations or services provided which suggest these have been earned either before or after crystallisation date.

a) Revenue from contracts with customers
The following table provides a breakdown of revenue from contracts with customers, with management fees analysed by product. Other investment services income includes fees from signal hedging and fiduciary execution.

Revenue by product type	**Six months ended 30 Sep 23 £'000**	**Six months ended 30 Sep 22 £'000**	**Year ended 31 Mar 23 £'000**
Management fees			
Passive Hedging	5,837	6,328	12,912
Dynamic Hedging	6,979	5,780	12,013
Currency for Return	3,097	3,544	6,789
Multi-product	3,662	3,308	6,584
Total management fees	**19,575**	**18,960**	**38,298**
Performance fees	1,517	2,833	5,805
Other investment services income	377	266	586
Total revenue	**21,469**	**22,059**	**44,689**

b) Geographical analysis
The geographical analysis of revenue is based on the destination i.e. the location of the client to whom the services are provided.

Revenue by geographical region	**Six months ended 30 Sep 23 £'000**	**Six months ended 30 Sep 22 £'000**	**Year ended 31 Mar 23 £'000**
UK	1,269	1,237	2,545
Europe (excluding UK and Switzerland)	7,772	4,764	9,339
US	7,909	7,070	14,179
Switzerland	4,051	8,127	16,985
Other	468	861	1,641
Total revenue	**21,469**	**22,059**	**44,689**

4. Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial period by the weighted average number of ordinary shares in issue during the period.

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 period used in the basic and diluted earnings per share calculations.

	Six months ended 30 Sep 23	**Six months ended 30 Sep 22**	**Year ended 31 Mar 23**
Weighted average number of shares used in calculation	190,789,948	189,813,531	190,483,365
Effect of potential dilutive ordinary shares – share options	2,849,607	6,615,565	4,830,186

Weighted average number of shares used in calculation	193,639,555	196,429,096	195,313,551
Basic earnings per share	2.48p	3.27p	5.95p
Diluted earnings per share	2.44p	3.16p	5.81p

The potential dilutive shares relate to the share options, Joint Share Ownership Plan ("JSOP") and Long Term Incentive Plan ("LTIP") awards granted in respect of the Group's Share Scheme. At the beginning of the period there were 14,724,582 Group Share Scheme share awards outstanding. During the six-month period 3,275,000 share options were granted. During the period 1,915,336 share options were exercised and 601,875 JSOP awards vested. No JSOP or LTIP awards lapsed in the period. 330,832 share options lapsed in the period.

As at 30 September 2023, there were 11,589,039 share options in place, 672,500 JSOP and 2,890,000 LTIP awards.

5. Dividends

The dividends paid during the six months ended 30 September 2023 totalled £5,977,593. The total dividend paid was 3.13 pence per share, being a final ordinary dividend in respect of the year ended 31 March 2023 of 2.45 pence per share and a special dividend of 0.68 pence per share. An interim dividend of 2.05 pence per share was also paid for the six months ended 30 September 2022, thus the full ordinary dividend in respect of the year ended 31 March 2023 was 4.50 pence per share.

The dividends paid during the six months ended 30 September 2022 totalled £5,169,285. The total dividend paid was 2.72 pence per share, being a final ordinary dividend in respect of the year ended 31 March 2022 of 1.80 pence per share and a special dividend of 0.92 pence per share. An interim dividend of 1.80 pence per share was paid in the six months ended 30 September 2021, thus the full ordinary dividend in respect of the year ended 31 March 2022 was 3.60 pence per share.

The interim dividend declared in respect of the six months ended 30 September 2023 is 2.15 pence per share.

6. Accounting for investments

All investments are measured at fair value through profit or loss.

	As at 30 Sep 23 £'000	**As at 30 Sep 22 £'000**	**As at 31 Mar 23 £'000**
Impact bonds	-	1,614	770
Investment in funds	3,569	1,782	2,530
Other investments	879	210	1,601
Total investments	**4,448**	**3,606**	**4,901**

7. Cash management

The Group's cash management strategy employs a variety of treasury management instruments including cash, money market deposits and treasury bills with maturities of up to one year. We note that not all of these instruments are classified as cash or cash equivalents under IFRS.

IFRS defines cash and cash equivalents as cash in hand, on demand and collateral deposits held with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Moreover, instruments can only generally be classified as cash and cash equivalents where they are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

In the Group's judgement, bank deposits and treasury bills with maturities in excess of three months do not meet the definition of short-term or highly liquid and are held for purposes other than meeting short-term commitments. In accordance with IFRS, these instruments are not categorised as cash or cash equivalents and are disclosed as money market instruments with maturities greater than three months.

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

Assets managed as cash	**As at 30 Sep 23 £'000**	**As at 30 Sep 22 £'000**	**As at 31 Mar 23 £'000**
Bank deposits with maturities > 3 months	-	-	4,549
Money market instruments with maturities > 3 months	**-**	**-**	**4,549**
Cash	5,782	8,214	6,405
Bank deposits with maturities <= 3 months	9,055	9,500	3,543
Cash and cash equivalents	**14,837**	**17,714**	**9,948**
Total assets managed as cash	**14,837**	**17,714**	**14,497**

8. Fair value measurement

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

The hierarchy has the following levels:

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

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

As at 30 September 2023	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Investment in funds	**3,569**	1,129	-	2,440
Other investments	**879**	479	-	400
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts held to hedge non-sterling-based assets	**(178)**	-	(178)	-
Total	**4,270**	**1,608**	**(178)**	**2,840**

As at 30 September 2022	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Impact bonds	**1,614**	1,614	-	-
Investment in funds	**1,782**	1,146	-	636
Other investments	**210**	-	-	210
Forward foreign exchange contracts to hedge non-sterling assets	**11**	-	11	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts to hedge non-sterling assets	**(297)**	-	(297)	-
Forward foreign exchange contracts used for hedging	**(84)**	-	(84)	-
Total	**3,236**	**2,760**	**(370)**	**846**

As at 31 March 2023	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss				
Impact bonds	**770**	770	-	-
Investment in funds	**2,530**	1,077	-	1,453
Other investments	**1,601**	1,001	-	600
Forward foreign exchange contracts to hedge non-sterling assets	**54**	-	54	-
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts to hedge non-sterling assets	**(5)**	-	(5)	-
Total	**4,950**	**2,848**	**49**	**2,053**

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

Basis for classification of financial instruments within the fair value hierarchy

Listed funds and other listed investments are classified as level 1. These investments are valued using market prices and coupon rates as applicable.

Forward foreign exchange contracts are classified as level 2. The fair value of forward foreign exchange contracts is established using interpolation of observable market data rather than a quoted price.

Direct investments in private funds and share capital of start-up companies in the digital sector have been classified as level 3. There is no observable market for these investments, therefore fair value measurements have been derived from valuation techniques that include inputs that are not based on observable market data. The private funds are valued at net asset value, and the direct investments in capital of the start-up companies are measured using the valuation technique that is most suitable to the applicable investment. These valuation methods are applied in accordance with International Private Equity and Venture Capital Valuation Guidelines.

Movements in assets and liabilities classified as level 3 during the period were:

	Six months ended 30 Sep 23 £'000	Six months ended 30 Sep 22 £'000	Year ended 31 Mar 23 £'000
At start of period	2,053	326	326
Additions	855	448	1,742
Disposals	(200)	-	-
Net gain or loss	132	72	(15)
At end of period	**2,840**	**846**	**2,053**

9. Called-up share capital

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

	Unaudited as at 30 Sep 23	Unaudited as at 30 Sep 22	Audited as at 31 Mar 23

	£'000	Number	£'000	Number	£'000	Number
Authorised						
Ordinary shares of 0.025 pence each	100	400,000,000	100	400,000,000	100	400,000,000
Called up, allotted and fully paid						
Ordinary shares of 0.025 pence each	50	199,054,325	50	199,054,325	50	199,054,325

Movement in Record plc shares held by the Record plc Employee Benefit Trust ("EBT")
The EBT was formed to hold shares acquired under the Record plc share-based compensation plans. Under IFRS the EBT is considered to be under de facto control of the Group, and has therefore been consolidated into the Group financial statements.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group statement of comprehensive income. Any such gains or losses are recognised directly in equity.

	Number
Record plc shares held by EBT as at 31 March 2022	9,632,031
Net change in holding of own shares by EBT in period	(1,495,441)
Record plc shares held by EBT as at 30 September 2022	8,136,590
Net change in holding of own shares by EBT in period	598,412
Record plc shares held by EBT as at 31 March 2023	8,735,002
Net change in holding of own shares by EBT in period	(1,580,869)
Record plc shares held by EBT as at 30 September 2023	**7,154,133**

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

10. Related parties

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

On 24 June 2023 a new joint venture, Dair Record Ltd, was incorporated. This entity is in the early stages of development and, as at 30 September 2023, is not yet operational. Record's CTO, Rebecca Venis, serves as a Non-Executive Director on the Board of one of RDAV's investments, Block Scholes Limited, which constitutes a related party relationship. There have been no other changes in related parties from those disclosed in the Annual Report 2023.

Transactions or balances between Group entities have been eliminated on consolidation and, in accordance with IAS 24, are not disclosed in this note.

Key management personnel
The compensation given to key management personnel is as follows:

	Six months ended 30 Sep 23 £'000	Six months ended 30 Sep 22 £'000	Year ended 31 Mar 23 £'000
Short-term employee benefits	5,118	5,061	10,311
Post-employment benefits	144	189	327
Share-based payments	1,422	1,632	3,539
	6,684	**6,882**	**14,177**

Compensation to key management personnel has increased in line with the profitability of the Group. It includes variable remuneration paid through the Group Bonus Scheme as well as inflationary increases and promotions. More detail of the Group's financial performance is provided in the Financial Review section.

The dividends paid to key management personnel in the six months ended 30 September 2023 totalled £2,669,149 (six months ended 30 September 2022: £2,278,904; year ended 31 March 2023: £4,073,511).

11. Post-reporting date events

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

Information for shareholders

Record plc
Record plc is a public limited company incorporated in the UK.
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

Both principal UK trading subsidiaries are based in Windsor.

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

Dates for 2023 interim dividend

Ex-dividend date	30 November 2023
Record date	1 December 2023
Interim dividend payment date	22 December 2023

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street Leeds
LS1 4DL

Further information about the Registrar is available on their website: **www.linkgroup.eu**

AUME definition
The basis for measuring AUME differs for each product and is detailed below:

- Passive Hedging mandates – the aggregate nominal amount of passive hedges actually outstanding in respect of each client;
- Dynamic Hedging mandates – total amount of clients' investment portfolios denominated in liquid foreign currencies, and hence capable (under the terms of the relevant mandate) of being hedged;
- Currency for Return mandates – the maximum aggregate nominal amount of outstanding forward contracts for segregated clients, and the Net Asset Value of the EMSF for which RCM acts as Investment Manager;
- Multi-product mandates – the chargeable mandate size for each client; and
- Cash and Futures/other – the total set aside by clients to cover hedging cash flows and managed by Record, and the initial Net Asset Value of funds for which RAM acts as Investment Manager