

**PRESS RELEASE**  
**Record plc**

28 June 2024

**FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024**

**Positive net inflows take AUM to a record high**

Record plc, the specialist currency and asset manager, today announces its audited results for the year ended 31 March 2024 ("FY-24").

**Financial headlines:**

- Revenue growth of 1.6% to £45.4m (FY-23: £44.7m)
- AUM<sup>1</sup> in USD terms up by 16.5% to \$102.2bn (FY-23: \$87.7bn)
- Underlying<sup>2</sup> pre-tax profit increase of 1.4% to £14.8m (FY-23: £14.6m)
- Pre-tax profit decrease of 11.6% to £12.9m (FY-23: £14.6m)
- Underlying<sup>2</sup> operating profit margin of 32% (FY-23: 32%)
- Decreased operating profit margin of 28% (FY-23: 32%)
- Basic underlying<sup>2</sup> EPS of 5.60 pence (FY-23: 5.95 pence)
- Basic EPS decrease of 18.7% to 4.84 pence (FY-23: 5.95 pence)
- Consistent performance fees of £5.8m (FY-23: £5.8m)
- Final ordinary dividend proposed of 2.45p per share (FY-23: 2.45p)
- Special dividend of 0.60p per share
- Strong and liquid financial position with shareholders' equity of £28.9m (FY-23: £28.3m) and assets managed as cash of £17.5m (FY-23: £14.5m)

**Key developments:**

- Strong momentum in AUM growth (+16.5%) driven by net inflows of \$6.8bn to close the year at \$102.2bn, the highest ever level of AUM to date
- Successful launch of two Luxembourg funds with aggregate AUM of \$320 million at year end
- High level of performance fees maintained for FY-24: £5.8m (FY-23: £5.8m)
- Evolution of the Board in line with succession planning sees Jan Witte appointed as Group CEO from 1 April 2024 and Richard Heading appointed as CFO effective 1 July 2024
- Decision to refocus IT strategy results in impairment of £1.9m for the year

**Outlook**

- Management fees expected to be broadly flat for FY25 reflecting full-year impact of headwind due to client mandate switch in FY24 Q3
- Costs will be carefully managed to be in line with management fees, while accommodating investment to support future growth
- We will provide an update on medium-term growth plans later this year on completion of our strategic review

**Commenting on the results, Jan Witte, CEO of Record plc, said:**

"I am proud to be leading Record into the next phase of its development supported by a strong team of senior colleagues, many of whom have been at Record for ten years or more.

"The underlying financial performance of the Group remains strong, with material growth in AUM, which rose to its highest ever level of \$102.2 billion, new fund launches and the repeat of last year's high level of performance fees of £5.8 million.

"I am confident that the renewed focus we have on a core suite of six product categories, where our offering and value-add is unique, positions us well for medium-and long-term growth."

**Analyst presentation**

There will be a presentation for analysts at 9.30am on Friday, 28 June 2024 held via a Zoom call. Please contact the team at Buchanan via [record@buchanan.uk.com](mailto:record@buchanan.uk.com) for further details. A copy of the presentation will be made available on the Group's website at [www.recordcm.com](http://www.recordcm.com).

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1. *AUM managed by Record Financial Group at 31 March 2024 is a combination of USD 97.5 billion based on the notional value of currency assets under management through the Group's currency products and USD 4.7 billion in total market value of other assets managed by the Group. By convention this is quoted in US dollars.*
2. *All Underlying values referred to throughout the annual report are an alternative performance measure equal to the Statutory values less the effects of the £1.9 million intangible asset impairment. This impairment is considered to be a one-time exceptional expense specific to the current period and has been excluded to enhance comparability with prior year figures.*

## CHAIRMAN'S STATEMENT

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

**David Morrison** | Chairman

### Ordinary dividend per share

**4.60p**  
+2.2%  
FY-23: 4.50p

### Underlying earnings per share<sup>3</sup>

**5.60p**  
-5.9%  
FY-23: 5.95p

3. *All Underlying values referred to throughout the Annual Report are an alternative performance measure equal to the Statutory values less the effects of the £1.9 million intangible asset impairment. This impairment is considered to be a one-time exceptional expense specific to the current period, and has been excluded to enhance comparability with prior year figures.*

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

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

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

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

### Financial overview

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

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

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

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

(FY 23: £28.3 million).

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

### Capital and dividend

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

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

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

Having reviewed the current level of Group capital against its ongoing requirements for regulatory and investment purposes and to support its continued growth and expansion, the Board is announcing a special dividend of 0.6 pence per share to be paid simultaneously with the final ordinary dividend. Total proposed dividends per share for the year are 5.20 pence per share (FY-23: 5.18 pence) compared to underlying earnings per share of 5.60 pence (FY 23: 5.95 pence).

### The Board

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

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

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

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

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

### Outlook

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

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

**David Morrison**  
Chairman

## CHIEF EXECUTIVE OFFICER'S STATEMENT

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

**Jan Witte** | Chief Executive Officer

**Revenue**  
**£45.4m**  
+1.6%  
FY-23: £44.7m

**Underlying profit before tax<sup>3</sup>**  
**£14.8m**  
+1.4%  
FY-23: £14.6m

### Overview

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

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

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

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

### **Strategy**

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Financial performance**

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

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

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

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

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

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

### **Outlook**

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

**Jan Witte**  
*Chief Executive Officer*

## OPERATING REVIEW

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

### Product investment performance

#### Currency Management

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

#### Passive Hedging

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

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

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

	Return for year to 31 March 2024	Return since Inception <sup>4</sup>
Value added by enhanced Passive Hedging programme relative to a fixed tenor benchmark	0.07%	0.10% p.a.

4. Since inception in October 2014.

#### Dynamic Hedging

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

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

	Return for year to 31 March 2024	Return since Inception <sup>5</sup>
Value added by Dynamic Hedging programme for a representative US-based account	0.67%	0.67% p.a.

5. Since inception in April 2009.

#### FX Alpha (formerly Currency for Return)

##### Currency Multi-Strategy

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

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

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

	Return for year to 31 March 2024	Return since inception	Volatility since inception
Record Multi Strategy composite <sup>6</sup>	4.65%	1.15% p.a.	3.10% p.a.

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

### Asset Management

### Record EM Sustainable Finance ("EMSF") Fund

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

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

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

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

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

### Custom solutions

#### Record Diversified GP Stakes

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

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

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

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

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

### Record Protected Equities

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

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

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

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

### AUM development

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

#### AUM development bridges - year to 31 March 2024

Currency Management	Asset Management US \$bn
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	US \$bn	
AUM at 1 April 2023	81.4	6.3
Net flows	9.0	(2.2)
Equity & other markets	6.7	0.2
FX & scaling adjustment	0.4	0.4
<b>AUM at 31 March 2024</b>	<b>97.5</b>	<b>4.7</b>

#### Currency Management AUM movements

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

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

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

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

#### Asset Management AUM movements

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

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

#### Market performance

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

#### Forex

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

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

#### AUM composition by base currency

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

#### Product mix

##### AUM composition by product

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

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

## FINANCIAL REVIEW

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

Steve Cullen | Chief Financial Officer

#### Revenue

£45.4m

+2%

FY-23: £44.7m

#### Management fees

£38.7m

+1%  
FY-23: £38.3m

### Underlying operating profit margin<sup>3</sup>

32%

FY-23: 32%

#### Overview

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

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

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

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

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

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

#### Profit and loss (£m)

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

#### Revenue - Currency Management

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

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

#### Revenue - Asset Management

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

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

#### Revenue - FY-24

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



## Revenue analysis (£m)

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

### Currency Management fees

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

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

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

### Asset Management fees

#### EM Debt - EMSF

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

#### Custom Solutions - Multi-product

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

#### Custom Solutions - Fund management

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

### Distribution fees

#### Custom Solutions - Liquid Credit Solutions

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

### Performance fees

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

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

### Other income

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

## Expenditure

### Cost of sales

Cost of sales of £0.1 million (FY-23: £nil) represents third-party commission due on a proportion of revenue earned for certain bespoke mandates utilising AI technology to assist with calculating optimal asset allocations. Due to recent

growth in these mandates, we would anticipate a doubling in the commission costs for FY-25.

### **Operating expenditure**

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

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

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

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

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

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

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

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

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

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

### **Group Bonus Scheme**

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

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

### **Operating profit and underlying profit margin**

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

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

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

### **Cash flow**

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

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

At the year end, the Group held money market instruments that mature in excess of 30 days after the reporting date.

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

#### Dividends

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

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

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

Simultaneously, the Board is also paying a special dividend of 0.6 pence equivalent to approximately £1.1 million, making the total dividend in respect of the year ended 31 March 2024 of £9.9 million, equivalent to 93% of total underlying earnings.

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

#### Financial stability and capital management

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

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

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

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

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

#### Steve Cullen

Chief Financial Officer

#### 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.

#### Directors' responsibility statement pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Revenue</b>	4	<b>45,378</b>	44,689
Cost of sales		(82)	(37)
<b>Gross profit</b>		<b>45,296</b>	44,652
Administrative expenses	5	(30,746)	(29,888)
Other expense	5	(15)	(293)
<b>Operating profit prior to impairment of intangible assets</b>		<b>14,535</b>	14,471
Impairment of intangible assets	11	(1,937)	-
<b>Operating profit</b>		<b>12,598</b>	14,471
Finance income		394	182
Finance expense		(81)	(55)
<b>Profit before tax</b>		<b>12,911</b>	14,598
Taxation	7	(3,658)	(3,259)
<b>Profit after tax</b>		<b>9,253</b>	11,339
Foreign exchange gains on translation of foreign operations		13	-
<b>Other comprehensive income that may be reclassified subsequently to profit and loss</b>		<b>13</b>	-
<b>Total comprehensive income for the year net of tax</b>		<b>9,266</b>	11,339

Profit and total comprehensive income for the year attributable to			
Equity holders of the parent	9,271	11,339	
Non-controlling interest	(5)	-	
	<b>9,266</b>	<b>11,339</b>	
<b>Earnings per share for profit attributable to the equity holders of the parent during the year</b>			
Basic earnings per share (pence per share)	8	<b>4.84</b>	5.95
Diluted earnings per share (pence per share)	8	<b>4.78</b>	5.81
The notes below are an integral part of these consolidated financial statements.			

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Non current assets</b>			
Intangible assets	11	11	1,390
Right of use assets	12	174	1,011
Property, plant and equipment	13	193	377
Investments	14	4,949	4,901
Deferred tax assets	16	168	134
<b>Total non current assets</b>		<b>5,495</b>	<b>7,813</b>
<b>Current assets</b>			
Trade and other receivables	17	13,022	14,373
Derivative financial assets	18	63	54
Money market instruments	19	8,264	4,549
Cash and cash equivalents	19	9,221	9,948
<b>Total current assets</b>		<b>30,570</b>	<b>28,924</b>
<b>Total assets</b>		<b>36,065</b>	<b>36,737</b>
<b>Current liabilities</b>			
Trade and other payables	20	(4,930)	(6,011)
Corporation tax liabilities	20	(1,865)	(1,329)
Provisions	21	(122)	-
Lease liabilities	12	(106)	(285)
Derivative financial liabilities	18	(9)	(5)
<b>Total current liabilities</b>		<b>(7,032)</b>	<b>(7,630)</b>
<b>Non-current liabilities</b>			
Provisions	21	-	(122)
Lease liabilities	12	(79)	(694)
<b>Total non-current liabilities</b>		<b>(79)</b>	<b>(816)</b>
<b>Total net assets</b>		<b>28,954</b>	<b>28,291</b>
<b>Equity</b>			
Issued share capital	22	50	50
Share premium account		1,809	1,809
Capital redemption reserve		26	26
Foreign currency translation reserve		13	-
Retained earnings		27,051	26,406
<b>Equity attributable to the equity holders of the parent</b>		<b>28,949</b>	<b>28,291</b>
Non-controlling interests		5	-
<b>Total equity</b>		<b>28,954</b>	<b>28,291</b>

Approved by the Board on 27 June 2024 and signed on its behalf by:

**David Morrison**     **Steve Cullen**  
**Chairman**             **Chief Financial Officer**

Company registered number: 1927640

The notes below are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Equity attributable to equity holders of the parent £'000	Non- controlling interest £'000	Total equity £'000
<b>As at 1 April 2023</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>-</b>	<b>26,406</b>	<b>28,291</b>	<b>-</b>	<b>28,291</b>
<b>Profit and total comprehensive income for the year</b>		-	-	-	13	9,258	9,271	(5)	9,266
Non-controlling interest acquired in subsidiaries		-	-	-	-	-	-	10	10
Dividends paid	9	-	-	-	-	(10,113)	(10,113)	-	(10,113)
Own shares acquired by EBT		-	-	-	-	(1,266)	(1,266)	-	(1,266)
Release of shares held by EBT		-	-	-	-	2,584	2,584	-	2,584
Tax on share-based payments		-	-	-	-	(96)	(96)	-	(96)

payments	-	-	-	-	(00)	(00)	-	(00)
Other share-based payment reserve movements	-	-	-	-	268	268	-	268
<b>Transactions with shareholders</b>	-	-	-	-	<b>(8,613)</b>	<b>(8,613)</b>	<b>10</b>	<b>(8,603)</b>
<b>As at 31 March 2024</b>	<b>50</b>	<b>1,809</b>	<b>26</b>	<b>13</b>	<b>27,051</b>	<b>28,949</b>	<b>5</b>	<b>28,954</b>

#### Year ended 31 March 2023

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Equity attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
<b>As at 1 April 2022</b>		50	1,809	26	-	24,045	25,930	-	25,930
<b>Profit and total comprehensive income for the year</b>		-	-	-	-	11,339	11,339	-	11,339
Dividends paid	9	-	-	-	-	(9,095)	(9,095)	-	(9,095)
Own shares acquired by EBT		-	-	-	-	(3,572)	(3,572)	-	(3,572)
Release of shares held by EBT		-	-	-	-	2,268	2,268	-	2,268
Tax on share-based payments		-	-	-	-	300	300	-	300
Other share-based payment reserve movements		-	-	-	-	1,121	1,121	-	1,121
<b>Transactions with shareholders</b>		-	-	-	-	<b>(8,978)</b>	<b>(8,978)</b>	-	<b>(8,978)</b>
<b>As at 31 March 2023</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>-</b>	<b>26,406</b>	<b>28,291</b>	<b>-</b>	<b>28,291</b>

The notes below are an integral part of these consolidated financial statements.

#### CONSOLIDATED STATEMENT OF CASH FLOWS

##### Year ended 31 March 2024

	Note	2024 £'000	Restated <sup>1</sup> 2023 £'000
<b>Net cash inflow from operating activities</b>	26	<b>13,055</b>	<b>10,541</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	11	(789)	(964)
Purchase of property, plant and equipment	13	(29)	(272)
Purchase of investments	14	(1,080)	(3,570)
Redemption of bonds	14	753	1,607
Redemption of other investments	14	1,144	881
(Purchase)/disposal of money market instruments		(3,715)	9,363
Interest received		360	181
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(3,356)</b>	<b>7,226</b>
<b>Cash flows from financing activities</b>			
Lease principal payments	12	(288)	(315)
Lease interest payments	12	(33)	(55)
Purchase of own shares <sup>7</sup>	33	-	(1,850)
Dividends paid to equity shareholders	9	(10,113)	(9,095)
<b>Net cash outflow from financing activities</b>		<b>(10,434)</b>	<b>(11,315)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the year</b>		<b>(735)</b>	<b>6,452</b>
Exchange gains		8	151
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,948</b>	<b>3,345</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>9,221</b>	<b>9,948</b>
Closing cash and cash equivalents consist of:			
Cash		4,954	6,405
Cash equivalents		4,267	3,543
<b>Cash and cash equivalents</b>	19	<b>9,221</b>	<b>9,948</b>

7. See note 33 for details of the presentational adjustment resulting in the restatement of prior year amounts.

The notes below are an integral part of these consolidated financial statements.

#### COMPANY STATEMENT OF FINANCIAL POSITION

##### As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Non current assets</b>			
Right of use assets	12	68	871
Property, plant and equipment		70	99
Investments	14	10,843	9,062
<b>Total non current assets</b>		<b>10,981</b>	<b>10,032</b>
<b>Current assets</b>			
Corporation tax		195	16
Trade and other receivables	17	711	2,428
Cash and cash equivalents	19	214	213
<b>Total current assets</b>		<b>1,120</b>	<b>2,657</b>

<b>Total assets</b>		<b>12,101</b>	<b>12,689</b>
<b>Current liabilities</b>			
Trade and other payables	20	(7,176)	(4,955)
Lease liabilities	12	(71)	(251)
Provisions	21	(122)	-
<b>Total current liabilities</b>		<b>(7,369)</b>	<b>(5,206)</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	-	(583)
Deferred tax liabilities		(124)	(11)
Provisions	21	-	(122)
<b>Total non-current liabilities</b>		<b>(124)</b>	<b>(716)</b>
<b>Total net assets</b>		<b>4,608</b>	<b>6,767</b>
<b>Equity</b>			
Issued share capital	22	50	50
Share premium account		1,809	1,809
Capital redemption reserve		26	26
Retained earnings		2,723	4,882
<b>Total equity</b>		<b>4,608</b>	<b>6,767</b>

The Company's total comprehensive income for the year (which is principally derived from intra-group dividends) was £6,809,523 (2023: £10,614,915).

Approved by the Board on 27 June 2024 and signed on its behalf by:

**David Morrison**     **Steve Cullen**  
**Chairman**             **Chief Financial Officer**

Company registered number: 1927640

The notes below are an integral part of these consolidated financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

### Year ended 31 March 2024

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
<b>As at 1 April 2023</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>4,882</b>	<b>6,767</b>
<b>Profit and total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6,810</b>	<b>6,810</b>
Dividends paid	9	-	-	-	(10,113)	(10,113)
Share option reserve movement		-	-	-	1,144	1,144
<b>Transactions with shareholders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,969)</b>	<b>(8,969)</b>
<b>As at 31 March 2024</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>2,723</b>	<b>4,608</b>

### Year ended 31 March 2023

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
<b>As at 1 April 2022</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>2,446</b>	<b>4,331</b>
<b>Profit and total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10,615</b>	<b>10,615</b>
Dividends paid	9	-	-	-	(9,095)	(9,095)
Share option reserve movement		-	-	-	916	916
<b>Transactions with shareholders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,179)</b>	<b>(8,179)</b>
<b>As at 31 March 2023</b>		<b>50</b>	<b>1,809</b>	<b>26</b>	<b>4,882</b>	<b>6,767</b>

The notes below are an integral part of these consolidated financial statements.

## COMPANY STATEMENT OF CASH FLOWS

### Year ended 31 March 2024

	Note	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>Net cash inflow from operating activities</b>	<b>26</b>	<b>1,555</b>	<b>2,166</b>
<b>Cash flows from investing activities</b>			
Dividends received		7,700	10,500
Purchase of property, plant and equipment		-	(116)
Investment in equity reserve of subsidiary		-	(1,095)
Purchase of investments		(13)	(1,869)
Redemption of investments		1,144	-
Interest received		8	1
<b>Net cash inflow from investing activities</b>		<b>8,839</b>	<b>7,421</b>
<b>Cash flows from financing activities</b>			
Lease principal payments	12	(253)	(280)
Lease interest payments	12	(27)	(43)
Dividends paid to equity shareholders	9	(10,113)	(9,095)
<b>Net cash outflow from financing activities</b>		<b>(10,393)</b>	<b>(9,418)</b>
<b>Net increase in cash and cash equivalents in the year</b>		<b>1</b>	<b>170</b>
Exchange losses		-	-
<b>Cash and cash equivalents at the beginning of the year</b>		<b>213</b>	<b>43</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>214</b>	<b>213</b>

Closing cash and cash equivalents consist of:

	214	213
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Cash		<b>214</b>	213
Cash equivalents	19	-	-
<b>Cash and cash equivalents</b>	<b>19</b>	<b>214</b>	<b>213</b>

The notes below are an integral part of these consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. Accounting policies

In order to provide more clarity to the notes to the financial statements, accounting policy descriptions appear at the beginning of the note to which they relate.

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

#### 1.1 Basis of preparation

The Group financial statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, modified to include fair valuation of derivative financial instruments. Investments are measured at fair value through profit or loss.

The accounting policies have been applied consistently to all periods presented in these financial statements and by all Group entities, unless otherwise stated. The financial statements of subsidiary undertakings are coterminous with those of Record plc, referred to as the "Company".

#### 1.2 Changes to international accounting policies

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

		Effective from
IAS 1	Presentation of Financial Statements (Amendments)	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	1 January 2023

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at the year-end date.

#### 1.3 Basis of consolidation

The consolidated financial information contained within the financial statements incorporates financial statements of the Company, its subsidiaries and share in the results of its joint ventures drawn up to 31 March 2024.

Subsidiaries are entities controlled by the Company and are included from the date that control commences until the date that control ceases. Control is achieved where the Company is exposed to, or has rights over, variable returns from its involvement with the entity and it has the power to affect those returns.

The Record plc Employee Benefit Trust ("EBT") has been established for the purpose of satisfying certain share-based awards. As the Group has "de facto" control over this special purpose entity, the trust is fully consolidated within the financial statements. The movements in the EBT are disclosed in the statement of changes in equity as own shares acquired and released by the EBT. This includes net settlements, through which employees have the option to sell back shares to cover the exercise price and tax liabilities arising as a result of exercising share awards. As the amounts are netted off, there are no cash movements.

Joint ventures are entities in which the Group has an investment where it has contractually agreed to share control of the business and where the major decisions require the unanimous consent of the joint partners. The results, as well as the assets and liabilities of joint ventures, are incorporated in the consolidated financial statements using the equity method of accounting. The Group's share of post-tax profits or losses is recognised in the consolidated statement of comprehensive income.

All intra group transactions, balances, income, expenses and dividends are eliminated on consolidation.

The Company is taking advantage of the exemption under the Companies Act 2006 s408(1) not to present its individual statement of comprehensive income and related notes that form part of the financial statements. The Company and its subsidiaries are collectively referred to as the "Group"; the Group's total comprehensive income for the year includes a profit of £6,809,523 attributable to the Company (FY-23: £10,614,915). The Company's principal activity is that of a holding company.

#### 1.4 Going concern

The Directors are satisfied that the Company and the Group have adequate resources with which to continue to operate for the foreseeable future. In arriving at this conclusion, the Directors have considered various assessments including capital and liquidity positions, the current economic and geopolitical environment and the market in which the Group operates, and its stakeholders. These assessments show that the Group should be able to operate at adequate levels of both liquidity and capital for at least twelve months from the date of signing this report.

Consequently, the Directors have reasonable expectation that the Group has adequate financial resources to continue operations for at least twelve months from the date of signing the report, and therefore have continued to adopt the going concern basis in preparing the financial statements.

#### 1.5 Foreign currencies

The financial statements are presented in sterling (£), which is the functional currency of the parent company. Foreign currency transactions are translated into the functional currency of the parent company using prevailing exchange rates which are updated on a monthly basis. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in the statement of comprehensive income under "other income or expense".

The functional currency of Record Asset Management GmbH and RAM Strategies GmbH has changed from sterling to euro, due to changes in their economic environment as they begin to generate revenue. The change in functional currency of these subsidiaries has been applied prospectively from 1 January 2024. On consolidation, the results of foreign operations are translated into sterling at rates approximating to those when the transactions took place. The assets and liabilities of foreign operations are translated at the period-end spot rate. Exchange differences arising on

assets and liabilities of foreign operations are translated at the period end spot rate. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at monthly average rate are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve.

### 1.6 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### 1.7 Impairment of assets

The Group assesses whether there is any indication that any of its assets have been impaired at least annually. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

### 1.8 Segmental reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM is considered to be the Board of Directors.

As a result of the diversification and growth of the Group's operations into asset management, the Group has identified two reportable segments: Currency Management and Asset Management.

## 2. Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make accounting estimates and judgements that affect the application of the Group's accounting policies and reported amounts.

The estimates and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. As a consequence, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas involving estimates and judgements have been set out below, and detailed further within the respective notes:

Area	Note	Related estimates and judgements
Impairment of assets	1.7, 11	Impairment indicators and recoverable amounts
Intangible assets	11	Qualifying expenditure and amortisation
Leases	12	Discount rate
Provisions	21	Consideration required to settle future obligations
Share-based payments	16, 23	Fair value of share options and related deferred tax
Fair value of investments	25	Valuation methodology and inputs, and input level allocation
Basis of consolidation	28	Interests in unconsolidated structured entities

## 3. Segmental analysis

The Board and management team of the Group are beginning to organise and report on the performance of the business by Currency Management and Asset Management segments. This will recognise both the current and anticipated future growth in revenues as well as the difference in contribution and risk levels across both segments.

The Currency Management segment comprises bespoke solutions to clients including Passive Hedging, Dynamic Hedging, Hedging for Asset Managers, and FX Alpha products.

The Asset Management segment principally comprises investment management services for products including EM debt and Custom Solutions.

### 3.1 Operating segments

The majority of activities and revenues in FY-24 are derived from operations within the Currency Management segment. However, with further product launches and continued interest from clients anticipated in the Asset Management segment, the expectation is for this segment to become more significant in the future.

Operating profit per segment is not presented, as such information is not presented on a regular basis to the Group's CODM. Therefore, for FY-24, these are not yet considered to be operating segments. The operating segmental information will, however, be presented to the Group's CODM from FY-25 onwards, thus transitioning these segments into operating segments.

For FY-24, only revenue is reviewed by the CODM. Currency Management revenue totalled £33.9 million for the period, and Asset Management revenue totalled £11.5 million for the period. Note 4 provides further detail on this.

### 3.2 Segment assets and liabilities

Segment assets and liabilities are not presented, as such information is not presented on a regular basis to the Group's CODM.

## 4. Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of currency management services. Our revenues typically arise from charging management fees, performance fees and other currency services income and are accounted for in accordance with IFRS 15 - "Revenue from Contracts with Customers".

Management fees and other currency services income are recorded on a monthly basis as the service occurs; there are no other performance obligations (excluding standard duty of care requirements). Management fees are calculated as an agreed percentage of the Assets Under Management ("AUM") denominated in the client's chosen base currency. The percentage varies depending on the nature of services and the level of AUM. Management fees are typically invoiced to the customer quarterly with receivables recognised for unpaid invoices. Fees are recognised on a monthly basis, based on the agreed fee rate and AUM over the period.

The Group is entitled to earn performance fees from some clients where the performance of the clients' mandates exceeds defined benchmarks over a set time period, and are recognised when the fee amount can be estimated.



exceeds defined benchmarks over a set time period, and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal. Performance fee revenues are not considered to be highly probable until the end of a contractual performance period and therefore are not recognised until they crystallise, at which time they are payable by the client and cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after crystallisation date.

#### 4.1 Revenue by product type

	2024			2023		
	Currency Management	Asset Management	Total	Currency Management	Asset Management	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Dynamic Hedging	13,719	-	13,719	12,013	-	12,013
Passive Hedging	9,720	-	9,720	10,464	-	10,464
Hedging for asset managers	2,886	-	2,886	2,448	-	2,448
FX Alpha	1,250	-	1,250	1,628	-	1,628
EM Debt	-	4,793	4,793	-	5,161	5,161
Custom solutions	-	6,327	6,327	-	6,584	6,584
<b>Management fees</b>	<b>27,575</b>	<b>11,120</b>	<b>38,695</b>	<b>26,553</b>	<b>11,745</b>	<b>38,298</b>
Passive Hedging	2,898	-	2,898	5,805	-	5,805
FX Alpha	2,942	-	2,942	-	-	-
<b>Performance fees</b>	<b>5,840</b>	<b>-</b>	<b>5,840</b>	<b>5,805</b>	<b>-</b>	<b>5,805</b>
<b>Other services income</b>	<b>439</b>	<b>404</b>	<b>843</b>	<b>520</b>	<b>66</b>	<b>586</b>
<b>Total revenue</b>	<b>33,854</b>	<b>11,524</b>	<b>45,378</b>	<b>32,878</b>	<b>11,811</b>	<b>44,689</b>

Management fees are recognised at a point in time and are invoiced typically on a quarterly basis, although Record may invoice fees monthly for some of its larger clients. Performance fees are recognised when they crystallise and can be invoiced on a quarterly, six-monthly or annual basis, as agreed with our clients. Other services income includes Currency Management fees from signal hedging and fiduciary execution, as well as Asset Management distribution fees.

#### 4.2 Revenue by geographical analysis

All revenue received during the period was for services provided by Group companies situated in the UK and Germany. The following geographical analysis of revenue is based on the destination i.e. the location of the client to whom the services are provided. Other relates to a number of regions that are individually immaterial.

Revenue by geographical region	2024 £'000	2023 £'000
<b>Management and performance fee income</b>		
UK	2,593	2,545
US	15,652	14,179
Switzerland	15,281	16,985
Europe (excluding UK and Switzerland)	8,049	9,339
Other	3,803	1,641
<b>Total revenue</b>	<b>45,378</b>	<b>44,689</b>

#### 4.3 Major clients

During the year ended 31 March 2024, two Currency Management clients individually accounted for more than 10% of the Group's revenue. The two largest clients generated revenues of £6.7 million and £4.8 million in the year (FY-23: four clients generated revenues of more than 10% totalling £6.6 million, £6.3 million, £5.2 million, and £4.9 million in the year).

#### 5. Operating profit

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

	2024 £'000	2023 £'000
<b>Administrative expenses</b>		
Staff costs	19,404	20,412
Other staff-related costs	1,778	1,545
IT and technology	4,584	3,582
Auditor's remuneration		
Fees payable to the Group's auditor for the audit of the Company's annual accounts	188	134
Fees payable to the Group's auditor for the audit of subsidiary undertakings	268	191
Audit-related assurance services required by law or regulation	9	6
Other non-audit services	16	15
Other professional fees	1,888	1,775
Occupancy	989	1,111
Travel and marketing	899	668
Depreciation of right-of-use assets	278	375
Depreciation of property, plant and equipment	213	285
Amortisation of intangibles	232	135
<b>Impairment of intangible assets</b>	<b>1,937</b>	<b>-</b>
<b>Other income or expense</b>		
(Gain)/loss on forward FX contracts held to hedge cash flow	(252)	800
Other exchange losses/(gains)	360	(289)
Investment gains	(93)	(218)

Of the above auditor's remuneration, audit-related services for the year totalled £455,500 (FY-23: £325,000).

#### 6. Staff costs

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

	2024	2023
Corporate	6	6
Client relationships	13	13
Investment research	20	18
Operations	34	31
Risk management	6	5
Support	17	15
<b>Annual average</b>	<b>96</b>	<b>88</b>

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

	2024 £'000	2023 £'000
Wages and salaries	14,792	14,540
Social security costs	2,007	2,295
Pension costs	817	686
Other employment benefit costs	1,788	2,891
<b>Aggregate staff costs</b>	<b>19,404</b>	<b>20,412</b>

Other employment benefit costs include share based payments, share option costs, and costs relating to the Record plc Share Incentive Plan.

There are no Company staff costs.

## 7. Taxation - Group

Current tax is the tax currently payable based on taxable profit for the year. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

	2024 £'000	2023 £'000
UK current year charge	3,723	2,961
Overseas taxes	66	64
Prior year adjustments	48	175
<b>Current tax charge</b>	<b>3,837</b>	<b>3,200</b>
Origination and reversal of temporary differences	(151)	76
Prior year adjustment	(28)	(17)
<b>Total deferred tax</b>	<b>(179)</b>	<b>59</b>
<b>Tax on profit on ordinary activities</b>	<b>3,658</b>	<b>3,259</b>

The total charge for the year can be reconciled to the accounting profit as follows:

	2024 £'000	2023 £'000
Profit before taxation	12,911	14,598
Taxation at the standard rate of tax in the UK of 25% (2023: 19%)	3,228	2,774
<b>Tax effects of:</b>		
Other disallowable expenses and non taxable income	106	164
Deferred tax asset not recognised on start-up entities	199	146
Different tax rates on subsidiary undertakings	104	15
Prior year adjustment	21	160
<b>Total tax expense</b>	<b>3,658</b>	<b>3,259</b>
The tax expense comprises:		
Current tax expense	3,837	3,200
Deferred tax (credit)/expense	(179)	59
<b>Total tax expense</b>	<b>3,658</b>	<b>3,259</b>

The standard rate of UK corporation tax for the year is 25% (FY-23: 19%). A full corporation tax computation is prepared at the year end. The actual charge as a percentage of the profit before tax may differ from the underlying tax rate. Differences typically arise as a result of capital allowances differing from depreciation charged, and certain types of expenditure not being deductible for tax purposes. Other differences may also arise. The rate increased to 25% from 1 April 2023.

The tax charge for the year ended 31 March 2024 was 28% of profit before tax (FY-23: 22%). Other temporary differences for the year ended 31 March 2024 include the impact of deferred tax credit of £179k (FY-23: expense of £59k).

## 8. Earnings per share

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

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

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

	2024	2023
Weighted average number of shares used in calculation of basic earnings per share	191,509,539	190,483,365
Effect of potential dilutive ordinary shares - share options	2,174,866	4,830,186
Weighted average number of shares used in calculation of diluted earnings per share	193,684,405	195,313,551
	<b>pence</b>	<b>pence</b>
Basic earnings per share	4.84	5.95
Diluted earnings per share	4.78	5.81

The potential dilutive shares relate to the share options, JSOP and LTIP awards granted in respect of the Group's Share Scheme (see note 23). There were share options, JSOP and LTIP awards in place at the beginning of the year over 14,724,582 shares. During the year 1,915,336 share options were exercised, 633,125 JSOP awards vested and a further 1,319,230 share options and LTIP awards lapsed or were forfeited. The Group granted 3,335,000 share options and LTIP awards over 1,641,000 shares with a potentially dilutive effect during the year. Of the 15,832,891 share options, JSOP and LTIP awards in place at the end of the period, 13,331,655 have a dilutive impact at the year end.

## 9. Dividends

Ordinary, special and interim dividends are recognised in the financial statements when paid. Final ordinary dividends are required to be approved by shareholders.

The dividends paid by the Group during the year ended 31 March 2024 totalled £10,113,174 (5.28 pence per share), which comprised a final dividend in respect of the year ended 31 March 2023 of £4,678,947 (2.45 pence per share), a special dividend in respect of the year ended 31 March 2023 of £1,298,647 (0.68 pence per share) and an interim dividend for the year ended 31 March 2024 of £4,135,580 (2.15 pence per share).

The dividends paid by the Group during the year ended 31 March 2023 totalled £9,095,232 (4.77 pence per share), which comprised a final dividend in respect of the year ended 31 March 2022 of £3,420,850 (1.8 pence per share), a special dividend in respect of the year ended 31 March 2022 of £1,748,435 (0.92 pence per share) and an interim dividend for the year ended 31 March 2023 of £3,925,947 (2.05 pence per share).

For the year ended 31 March 2024, a final ordinary dividend of 2.45 pence per share has been proposed and a special dividend of 0.6 pence per share has been declared, totalling approximately £4.7 million and £1.1 million respectively.

#### 10. Retirement benefit obligations

The Group operates defined contribution pension plans for the benefit of employees. The Group makes contributions to independently administered plans, such contributions being recognised as an expense when they fall due. The assets of the schemes are held separately from those of the Group in independently administered funds.

The Group is not exposed to the particular risks associated with the operation of defined benefit plans and has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

The pension cost charge disclosed in note 6 to the accounts represents contributions payable by the Group to the funds.

#### 11. Intangible assets

The Group's intangible assets comprise both purchased software and the capitalised costs of software development. Internal software development costs, which represent attributable employee costs, are capitalised if they meet the IAS 38 criteria. The amount recognised for an internally generated intangible asset is the sum of qualifying expenditure incurred from the date when the asset first meets the recognition criteria.

Intangible assets are shown at historical cost less accumulated amortisation and impairment losses. Amortisation is charged from the date an intangible asset is available for use, on a straight line basis, over the estimated useful life of the intangible asset. Amortisation is included within administration expenses in the statement of comprehensive income. Useful lives are as follows:

- Software - 2 to 5 years.

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

The carrying amounts of intangible assets can be analysed as follows:

	2024		2023	
	Software £'000	Total £'000	Software £'000	Total £'000
<b>Cost</b>				
At 1 April	2,320	2,320	1,475	1,475
Additions	789	789	964	964
Impairment	(2,088)	(2,088)	(119)	(119)
<b>At 31 March</b>	<b>1,021</b>	<b>1,021</b>	<b>2,320</b>	<b>2,320</b>
<b>Amortisation</b>				
At 1 April	930	930	913	913
Charge for the year	232	232	135	135
Impairment	(152)	(152)	(118)	(118)
<b>At 31 March</b>	<b>1,010</b>	<b>1,010</b>	<b>930</b>	<b>930</b>
<b>Net book value</b>				
At 31 March	11	11	1,390	1,390
At 1 April	1,390	1,390	562	562

The above impairments relate to the Board's decision to cease the development of our internally generated R-Platform and Smart Reports software. Following a thorough analysis, the Board concluded that these projects did not produce the scale of improvement targeted and would require further meaningful investment over a prolonged period to reach the level required, and that focus of the Group's resources will instead be shifted to building out our internal IT development expertise. This has resulted in the impairment of these two projects to a recoverable amount of zero, their value in use, the net effect of which has been reflected as an impairment expense of £1,936,893 in the statement of comprehensive income.

The annual contractual commitment for the maintenance and support of the above software is £231,068 (FY-23: £207,253). All amortisation charges are included within administrative expenses.

#### 12. Leases

The Group's lease arrangements consist of business premises property leases. Rental contracts are typically made for fixed periods between three to six years and may have extension and/or modification options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

At the commencement date of a lease, a lease liability and a corresponding right-of-use ("ROU") asset are recognised.

The lease liability is initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. As the Group has no borrowings it has estimated the incremental borrowing rate based on interest rate data available in the market, adjusted to reflect Record's creditworthiness, the leased asset in question and the terms and conditions of the lease.

Subsequently the lease liability decreases by the lease payments made, offset by interest on the liability, and may be remeasured to reflect any reassessment of expected payments or to reflect any lease modifications.

The right-of-use asset is initially measured at the amount of the initial lease liability, adjusted for any lease incentives received, any lease payments made at or before the commencement date, any initial direct costs, and the costs of decommissioning the asset and any restoration work to return the asset to the condition required under the terms of the lease.

Subsequently the right-of-use asset is valued using the cost model. The asset is depreciated on a straight-line basis over the shorter of the asset's useful life and expected term of the lease, adjusted for any remeasurement of the lease liability, and is shown net of the accumulated depreciation and any impairment provisions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The leases relevant to the twelve months ended 31 March 2024, and the comparative period, are as described below:

On 11 February 2022, the Group signed a lease on premises at Second Floor, Morgan House, Madeira Walk, Windsor, at an annual commitment of £267,900, expiring on 1 September 2026. On 19 February 2024, the Group enacted the right to early termination of this lease which resulted in a modification of lease term, now expiring on 2 September 2024. The modified lease has been capitalised and discounted at a rate of 3.95%.

On 1 June 2017, the Group signed a five-year lease on premises in Zürich, at an annual commitment of CHF 49,680. On 12 August 2021, the Group extended the lease to 1 June 2027, at an annual commitment of CHF 49,680.

#### Net book value of right of use assets

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Net book value at 1 April	1,011	871	1,421	1,232
Valuation adjustment on lease modification	(559)	(559)	(35)	(23)
Depreciation	(278)	(244)	(375)	(338)
<b>Net book value at 31 March</b>	<b>174</b>	<b>68</b>	<b>1,011</b>	<b>871</b>

#### Lease liabilities

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Current	106	71	285	251
Non-current	79	-	694	583
<b>Total lease liabilities</b>	<b>185</b>	<b>71</b>	<b>979</b>	<b>834</b>

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 April	979	834	1,326	1,138
Interest expense	33	27	55	41
Lease - principal payments	(288)	(253)	(315)	(280)
Lease - interest payments	(33)	(27)	(55)	(43)
Valuation adjustment on lease modification	(510)	(510)	(35)	(22)
Foreign exchange movements	4	-	3	-
<b>At 31 March</b>	<b>185</b>	<b>71</b>	<b>979</b>	<b>834</b>

#### Lease payments

At 31 March, the undiscounted operating lease payments on an annual basis are as follows:

#### Maturity of lease liability at 31 March:

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Within 1 year	111	72	320	280
1-2 years	39	-	320	280
2-3 years	39	-	320	280
After 3 years	-	-	85	47
<b>Total lease liability before discounting</b>	<b>189</b>	<b>72</b>	<b>1,045</b>	<b>887</b>

The remainder of the movement in the lease liability relates to non-cash movements. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Group considers that exercise of the option is reasonably certain.

### 13. Property, plant and equipment - Group

All property, plant and equipment assets are stated at cost less accumulated depreciation. Depreciation of property, plant and equipment is provided to write off the cost, less residual value, on a straight line basis over the estimated useful life as follows:

- leasehold improvements - period from lease commencement to the earlier of the lease termination date and the next rent review date;
- computer equipment - 2 to 5 years; and
- fixtures and fittings - 4 to 6 years.

Residual values, remaining useful economic lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are included in profit or loss.

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

	2024				2023			
	Leasehold improvements	Computer equipment	Fixtures and fittings	Total	Leasehold improvements	Computer equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April	776	1,023	231	2,030	693	1,056	293	2,042
Additions	-	27	2	29	116	148	8	272
Disposals	-	-	-	-	(33)	(181)	(70)	(284)
At 31 March	776	1,050	233	2,059	776	1,023	231	2,030
Depreciation								
At 1 April	677	752	224	1,653	642	718	281	1,641

Charge for the year	29	179	5	213	68	204	13	285
Disposals	-	-	-	-	(33)	(170)	(70)	(273)
<b>At 31 March</b>	<b>706</b>	<b>931</b>	<b>229</b>	<b>1,866</b>	<b>677</b>	<b>752</b>	<b>224</b>	<b>1,653</b>
<b>Net book value</b>								
<b>At 31 March</b>	<b>70</b>	<b>119</b>	<b>4</b>	<b>193</b>	<b>99</b>	<b>271</b>	<b>7</b>	<b>377</b>
<b>At 1 April</b>	<b>99</b>	<b>271</b>	<b>7</b>	<b>377</b>	<b>51</b>	<b>338</b>	<b>12</b>	<b>401</b>

The Group's tangible non-current assets are located predominantly in the UK.

#### 14. Investments

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Investment in subsidiaries at cost	-	59	-	2,069
Capitalised investment in respect of share-based payments	-	4,078	-	2,932
Investment in equity reserve of subsidiary	-	1,625	-	1,095
Investment in funds	3,412	3,544	2,530	1,965
Investment in impact bonds	-	-	770	-
Other investments	1,537	1,537	1,601	1,001
<b>Total direct investments</b>	<b>4,949</b>	<b>10,843</b>	<b>4,901</b>	<b>9,062</b>

Details on the fair value measurement of investments can be found in note 25.

During the period, the Record Digital Asset Ventures ("RDAV") portfolio of investments was transferred to the parent company, Record plc, via a dividend in specie.

At year end, this portfolio consists of investments in funds of £597k, and other investments of £1,537k invested directly in the share capital of start-up companies in the digital asset sector through Record plc (FY-23: investments in funds of £555k, and other investments of £600k through RDAV).

At the beginning of the year, the Group had existing commitments of \$305,000 (£246,674) of which \$84,950 (£68,095) was called up in the year, leaving a balance of \$220,050 (£178,579) which may or may not be called up in future (see note 29: contingent liabilities for further information).

#### Company

##### Investments in subsidiaries

Investments in subsidiaries are shown at cost less impairment losses. The capitalised investment in respect of share based payments offered by subsidiaries is equal to the cumulative fair value of the amounts payable to employees recognised as an expense by the subsidiary.

	2024 £'000	2023 £'000
<b>Investment in subsidiaries (at cost)</b>		
Record Currency Management Limited	10	10
Record Group Services Limited	10	10
Record Portfolio Management Limited	-	10
Record Currency Management (US) Inc.	-	-
Record Currency Management (Switzerland) GmbH	16	16
Record Digital Asset Ventures Limited	-	2,000
Record Asset Management GmbH	23	23
Record Fund Management Limited	-	-
N P Record Trustees Limited	-	-
<b>Total investment in subsidiaries (at cost)</b>	<b>59</b>	<b>2,069</b>
<b>Capitalised investment in respect of share based payments</b>		
Record Group Services Limited	3,495	2,530
Record Currency Management (US) Inc.	88	89
Record Currency Management (Switzerland) GmbH	495	316
<b>Total capitalised investment in respect of share based payments</b>	<b>4,078</b>	<b>2,935</b>
<b>Total investment in subsidiaries</b>	<b>4,137</b>	<b>5,004</b>

During the year, the Company completed the sale of Record Digital Asset Ventures ("RDAV"). The disposal transaction consisted of a dividend in specie from RDAV to the Company and an intercompany capital write off by the Company, resulting in a net loss on disposal of £210,000.

##### Particulars of subsidiary undertakings

Information about the subsidiaries held by the Group at 31 March is shown below. The companies are unlisted.

Name of entity	Nature of business	2024 Percentage owned by the Group	2023 Percentage owned by the Group
Record Currency Management Limited	Currency management services (FCA, SEC and CFTC registered)	100	100
Record Group Services Limited	Management services to other Group undertakings	100	100
Record Currency Management (US) Inc.	US advisory and service company (SEC and CFTC registered)	100	100
Record Currency Management (Switzerland) GmbH	Swiss advisory and service company	100	100
Record Asset Management GmbH	German advisory and service company	100	100
RAM Strategies GmbH	German consultant and distribution agent	100	100
OWI-RAMS GmbH	German advisory company	51	-
Record Digital Asset Ventures Limited	UK company investing in opportunities linked to innovation and research surrounding digital assets - sold during the period	-	100
Record Portfolio Management Limited	Dormant - closed during the period	-	100
Record Fund Management Limited	Dormant - closed during the period	-	100
N P Record Trustees Limited	Dormant trust company - closed during the period	-	100

The Group's interest in the equity capital of subsidiaries is through the holding of ordinary share capital in all cases. All investments in subsidiaries are directly held with the exception of RAM Strategies GmbH, which is held 100% indirectly through the Company's 100% holding in Record Asset Management GmbH, and OWI-RAMS GmbH, which is held 51% indirectly through RAM Strategies GmbH.

Record Currency Management (US) Inc. is incorporated in Delaware (registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808), Record Currency Management (Switzerland) GmbH is incorporated in Zürich (registered office: Münsterhof 14, 8001 Zürich) and Record Asset Management GmbH, RAM Strategies GmbH and OWI-RAMS are incorporated in Germany (registered office: Bockenheimer Anlage 46, 60322 Frankfurt am Main). All other subsidiaries are incorporated in the UK and have the registered office at Morgan House, Madeira Walk, Windsor, Berkshire SL4 1EP.

#### *Capitalised investment in respect of share-based payments*

The accounting treatment of capitalised investment in respect of share-based payments can be found in note 23.

#### **Group**

Entities are consolidated on a line-by-line basis where the Group has determined that a controlling interest exists through an investment holding in the entity, in accordance with IFRS 10 - "Consolidated Financial Statements". Otherwise, investments in entities are measured at fair value through profit or loss.

#### **15. Interests in joint ventures**

The financial and operating activities of the Group's joint ventures are jointly controlled by the participating shareholders. The participating shareholders have rights to the net assets of the joint ventures through their equity shareholdings. Unless otherwise stated, the Company's principal joint ventures all have share capital consisting solely of ordinary shares. The country of incorporation of all joint ventures is also their principal place of operation.

#### **Particulars of joint venture undertakings**

Information about the joint ventures held by the Group at 31 March is shown below. The company is unlisted.

Name of entity	Nature of business	2024	2023
		Percentage owned by the Group	Percentage owned by the Group
Dair Record Limited	UK advisory and service company	50.1	-

Dair Record Limited is a joint venture, held by Record plc incorporated in the UK (registered office: Morgan House, Madeira Walk, Windsor, Berkshire SL4 1EP).

As at 31 March 2024, the Group holds no material joint ventures, therefore additional summarised financial information for the above joint ventures has not been presented.

#### **16. Deferred taxation - Group**

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

A deferred tax liability is generally recognised for all taxable temporary differences. Deferred tax arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting profit or loss nor the taxable profit or loss, is not recognised.

	2024	2023
	£'000	£'000
<b>Opening balance deferred tax asset</b>	<b>134</b>	<b>253</b>
Current year movement	151	(72)
Prior year adjustment	28	14
Deferred tax in equity	(145)	(61)
<b>Closing balance deferred tax asset</b>	<b>168</b>	<b>134</b>

The deferred tax asset consists of the tax effect of temporary differences in respect of:

	2024	2023
	£'000	£'000
Deferred tax allowance on unvested share options and LTIP awards	145	366
Excess of taxation allowances over depreciation on fixed assets	23	(232)
<b>Total</b>	<b>168</b>	<b>134</b>

At the year end there were share options and LTIP awards not exercised with an intrinsic value for tax purposes of £629,489 (FY-23: £1,937,599). On exercise, the Group will be entitled to a corporation tax deduction in respect of the difference between the exercise price and the strike price. The Group has losses in relation to overseas entities totalling £2,436k (FY-23: £1,205k) which are available to carry forward against future profits. No deferred tax asset has been recognised in respect of these in the current or prior year as there is uncertainty as to when these losses will be reversed. Deferred tax has been calculated based on the future tax rate of 25% for differences from 1 April 2024. It is subject to change if tax rates change in future years.

#### **17. Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowances. The amortised cost of trade and other receivables is stated at original invoice value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material.

An analysis of receivables is provided below:

2024		2023	
Group	Company	Group	Company
£'000	£'000	£'000	£'000

	£'000	£'000	£'000	£'000
Trade receivables	9,149	610	10,185	1,538
Accrued income	1,505	-	1,743	-
Other receivables	1,125	41	685	26
Prepayments	1,243	60	1,760	864
<b>Total</b>	<b>13,022</b>	<b>711</b>	<b>14,373</b>	<b>2,428</b>

All amounts are short term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The Group has not renegotiated the terms of any receivables in the year ended 31 March 2024. The Group's trade receivables are generally short-term and do not contain significant financing components.

The Group applies the IFRS 9 simplified approach to measuring ECLs for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding 25 years on the total balance of non-credit impaired trade receivables, adjusted to incorporate any relevant forward-looking information. The Group has therefore concluded that the ECLs for trade receivables are reasonable. The Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (FY-23: £nil).

Accrued income relates to accrued management and performance fees earned but not yet invoiced.

	2024		2023	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Current tax				
Corporation tax asset	-	195	-	16

## 18. Derivative financial assets and liabilities

Derivative financial instruments are initially recognised at cost on the date on which the contract is first entered into, unless the fair value at acquisition is different to cost, in which case fair value is recognised. Subsequently they are measured at fair value with gains and losses recognised in profit or loss. Transaction costs are immediately recognised in profit or loss. The fair values of derivative financial instruments are determined by reference to active market transactions.

The Group holds derivative financial instruments for two purposes. The Group uses forward foreign exchange contracts to reduce the risk associated with assets denominated in foreign currencies, and additionally uses both foreign exchange options and forward foreign exchange contracts in order to achieve a return within the seed funds. The instruments are recognised at fair value. The fair value of the contracts is calculated using the market rates prevailing at the period end date. The net gain or loss on instruments is included within other income or expense.

	2024	2023
	£'000	£'000
Derivative financial assets		
Forward foreign exchange contracts held to hedge non-sterling-based assets	19	31
Forward foreign exchange contracts held for trading	44	23
<b>Total</b>	<b>63</b>	<b>54</b>
Derivative financial liabilities		
Forward foreign exchange contracts held to hedge non-sterling-based assets	(9)	(5)
<b>Total</b>	<b>(9)</b>	<b>(5)</b>

### Derivative financial instruments held to hedge non-sterling-based assets

At 31 March 2024 there were outstanding contracts with a principal value of £7,243,998 (31 March 2023: £8,647,055) for the sale of foreign currencies in the normal course of business. The fair value of the contracts is calculated using the market forward contract rates prevailing at 31 March 2024. The Group does not apply hedge accounting.

The net gain or loss on forward foreign exchange contracts held to hedge non-sterling-based assets is as follows:

	2024	2023
	£'000	£'000
Derivative financial instruments held to hedge non-sterling-based assets		
Net (gain)/loss on forward foreign exchange contracts at fair value through profit or loss	(252)	800

## 19. Cash management

The Group's cash management strategy employs a variety of treasury management instruments including cash, money market deposits and treasury bills. Whilst the Group manages and considers all of these instruments as cash, which are subject to its own internal cash management process, not all of these instruments are classified as cash or cash equivalents under IFRS.

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

In the Group's judgement, bank deposits and treasury bills that mature in excess of 30 days after the reporting date do not meet the definition of short term or highly liquid and are held for purposes other than meeting short term commitments. In accordance with IFRS, these instruments are not categorised as cash or cash equivalents and are disclosed as money market instruments.

	2024		2023	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Assets managed as cash				
<b>Money market instruments</b>	<b>8,264</b>	<b>-</b>	<b>4,549</b>	<b>-</b>
Cash	4,954	214	6,405	213
Cash equivalents	4,267	-	3,543	-
<b>Cash and cash equivalents</b>	<b>9,221</b>	<b>214</b>	<b>9,948</b>	<b>213</b>
<b>Total assets managed as cash</b>	<b>17,485</b>	<b>214</b>	<b>14,497</b>	<b>213</b>
	2024		2023	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash and cash equivalents - sterling	7,887	196	6,632	212

Cash and cash equivalents - USD	277	17	821	1
Cash and cash equivalents - CHF	316	-	748	-
Cash and cash equivalents - other currencies	741	1	1,747	-
<b>Total cash and cash equivalents</b>	<b>9,221</b>	<b>214</b>	<b>9,948</b>	<b>213</b>

Details of how the Group manages credit risk are provided in note 24.

## 20. Current liabilities

Trade and other payables are stated at their original invoice value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade and other payables				
Trade payables	212	-	221	-
Amounts owed to Group undertakings	-	7,176	-	4,953
Other payables	43	-	-	-
Other taxes and social security	678	-	716	-
Accruals	3,997	-	5,074	2
<b>Total</b>	<b>4,930</b>	<b>7,176</b>	<b>6,011</b>	<b>4,955</b>

Accruals include £2,385,865 for the Group Bonus Scheme (FY-23: £3,637,640). The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Current tax				
Corporation tax liability/(asset)	1,865	-	1,329	-

## 21. Provisions

Provisions are liabilities where there is uncertainty over the timing or amount of settlement and therefore require the use of estimates. Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. The amount recognised as a provision is the best estimate of the consideration required to settle that obligation at the reporting date.

The Group has provisions reflecting its contractual obligations connected to reaching the end of its contractual lease terms.

	2024		2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Provisions	122	122	122	122

The provision relates to an obligation to pay for dilapidations in connection with the Group's office lease on the second floor of Morgan House, Windsor, further information for which is included in note 12.

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

## 22. Equity

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premium received on issue of share capital. From time to time, the Group has bought in ordinary shares for cancellation. The cost of the buy-ins was taken directly to retained earnings. The nominal value of the shares was taken to a capital redemption reserve. Retained earnings includes all current and prior period retained profits and share-based employee remuneration. All transactions with owners of the parent are recorded separately within equity.

### Issued share capital

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

	2024		2023	
	£'000	Number	£'000	Number
<b>Authorised</b>				
Ordinary shares of 0.025p each	100	400,000,000	100	400,000,000
<b>Called up, allotted and fully paid</b>				
Ordinary shares of 0.025p each	50	199,054,325	50	199,054,325

### Movement in Record plc shares held by the Record plc Employee Benefit Trust ("EBT")

The EBT was formed to hold shares acquired under the Record plc share based compensation plans. Under IFRS the EBT is considered to be under de facto control of the Group and has therefore been consolidated into the Group financial statements.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group statement of comprehensive income.

	Number
<b>Record plc shares held by EBT as at 31 March 2022</b>	<b>9,632,031</b>
Adjustment for net purchases by EBT	(897,029)
<b>Record plc shares held by EBT as at 31 March 2023</b>	<b>8,735,002</b>
Adjustment for net purchases by EBT	(2,034,535)
<b>Record plc shares held by EBT as at 31 March 2024</b>	<b>6,700,467</b>

The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. Own shares are recorded at cost and are deducted from retained earnings.

During FY-24, the EBT did not acquire any shares directly from the market (FY-23: the EBT acquired 2,000,000 shares directly from the market at a monetary value of £1,850,533).

Further information regarding the Record plc share based compensation plans and relevant transactions made during the year is included in note 20.



the year is included in note 23.

### 23. Share-based payments

During the year ended 31 March 2024 the Group has managed the following share based compensation plans:

- the Record plc Bonus Scheme: share awards issued under the Record plc Bonus Scheme ("Bonus Scheme") are classified as share based payments with cash alternatives under IFRS 2;
- the Record plc Share Scheme: share options issued under the Record plc Share Scheme ("Share Scheme") are classified as equity settled share based payments under IFRS 2;
- the Record plc Share Incentive Plan: the Group operates the Record plc Share Incentive Plan ("SIP") to encourage more widespread ownership of Record plc shares by employees. The SIP is a tax approved scheme offering attractive tax savings for employees retaining their shares in the scheme over the medium to long term;
- the Record plc Jointly Owned Share Plan: participants' interests awarded under the Jointly Owned Share Plan ("JSOP") are classified as equity-settled share-based payments under IFRS 2; and
- the Record plc Long-Term Incentive Plan: participants' interests awarded under the Long-Term Incentive Plan ("LTIP") are classified as equity-settled share-based payments under IFRS 2.

All obligations arising from the five schemes have been fulfilled through purchasing shares in the market.

#### a. The Record plc Bonus Scheme ("Bonus Scheme")

##### Share-based payments with cash alternatives

These transactions are compound financial instruments, which include a debt element and a cash element. The fair value of the debt component of the amounts payable to the employee is calculated as the cash amount alternative offered to the employee at grant date and the fair value of the equity component of the amount payable to the employee is calculated as the market value of the share award at grant date less the cash forfeited in order to receive the share award. The debt component is charged to profit or loss over the period in which the award is earned and remeasured at fair value at each reporting date. The equity component is charged to profit or loss over the period in which the award is earned.

The Bonus Scheme allocates a proportion of operating profits to a profit share pool to be distributed between all employees of the Group. The Remuneration Committee has the discretion to vary the proportion allocated to the Bonus pool between 25% and 35% of operating profits. Directors and senior employees receive one-third of their Bonus in cash, one-third in shares ("Earned Shares") and may elect to receive the final third as cash only or to allocate some, or all, of the amount for the purchase of Additional Shares. The charge to profit or loss in respect of Earned Shares in the period was £1,081,804 (FY 23: £2,047,328). Other employees receive two-thirds of their profit share in cash and may elect to receive the final third as cash only or to allocate some, or all, of the amount for the purchase of Additional Shares.

All shares which are the subject of share awards vest immediately and are transferred to a nominee, allowing the employee, as beneficial owner, to retain full rights in respect of the shares purchased. Shares awarded under the Bonus Scheme are subject to restrictions over subsequent sale and transfer and these restrictions are automatically lifted over one-third on each anniversary of the profit share payment date for the next three years. In the meantime, these shares cannot be sold, transferred or otherwise disposed of without the consent of the Remuneration Committee.

The Bonus Scheme rules contain clawback provisions allowing for the repayment of Bonus payments under certain circumstances, including a material breach of contract, an error in performance of duties or a restatement of accounts which leads to a change in any prior award under the scheme.

#### b. The Record plc Share Scheme ("Share Scheme")

##### Equity settled share based payments

The fair value of the amounts payable to employees under these awards is recognised as an expense over the vesting period of the award, with a corresponding increase in equity. All such awards made by the Group involve the parent company granting rights to its equity instruments to employees of its subsidiary. Consequently, the subsidiary measures the services received from its employees in accordance with the above classification under IFRS 2 and recognises a corresponding increase in equity as a contribution from the parent. The parent has the obligation to settle the transaction with the subsidiary's employees and therefore recognises an increase in its investment in the subsidiary and a corresponding increase in equity.

The fair value of options granted is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted including any market or performance conditions, and using quoted share prices.

The Share Scheme allows deferred share awards to be granted to employees and Directors in the Record Group. Part 1 of the scheme allows the grant of tax-unapproved ("Unapproved") options to employees and Directors and Part 2 allows the grant of HMRC tax-approved ("Approved") options to employees and Directors. Each participant may be granted Approved options over shares with a total market value of up to £60,000 on the date of grant. There is no such limit on the value of grant for Unapproved options. All Approved and Unapproved options granted in the year were granted with an exercise price per share equal to the share price prevailing at the time of grant.

##### Share Scheme options granted during the period

The following table summarises the Share Scheme options that were granted during the period:

Option type	Grant date	Option life (years)	Earliest vesting date	Latest vesting date <sup>8</sup>	Number of shares	Exercise price
Approved	24 May 23	4	24 May 27	24 May 27	855,000	0.877093
Unapproved	24 May 23	4	24 May 24	24 May 27	1,510,000	0.877093
Approved	12 Sep 23	4	27 Mar 24	12 Sep 27	270,000	0.756836
Unapproved	12 Sep 23	4	27 Mar 24	12 Sep 27	640,000	0.756836
Approved	25 Sep 23	4	25 Sep 27	25 Sep 27	60,000	0.784656
Total Approved shares granted					1,185,000	
Total Unapproved shares granted					2,150,000	
Total shares granted during the period					3,335,000	

8. Under the terms of the deeds of grants, options are exercisable for twelve months following the vesting date.

All options granted are subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied.

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted in the year ended 31 March 2024, and for which a charge to profit or loss was made in the year, were determined using a Black-Scholes option-pricing method

and the following assumptions:

Model input	Weighted average value
Share price	84.26p
Dividend yield	6.05%
Exercise price	84.26p
Expected volatility	45.46%
Option life	4 years
Risk-free interest rate (%)	4.54%

Expected volatility is based on historical volatility.

The Group share based payment expense in respect of the Share Scheme was £655,090 for the year ended 31 March 2024 (FY 23: £569,136).

#### *Outstanding Share Scheme options*

At 31 March 2024, the total number of ordinary shares of 0.025p outstanding under Record plc share compensation schemes was 11,398,039 (FY-23: 10,560,207). These deferred share awards and options are over issued shares, a proportion of which are hedged by shares held in an EBT.

The following table summarises the outstanding options for the Share Scheme as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	10,560,207	0.58	11,605,545	0.41
Granted	3,335,000	0.84	3,810,000	0.76
Exercised	(1,915,336)	0.44	(3,607,836)	0.39
Forfeited	(581,832)	0.48	(1,247,502)	0.47
<b>Outstanding at 31 March</b>	<b>11,398,039</b>	<b>0.65</b>	<b>10,560,207</b>	<b>0.58</b>
<b>Exercisable at 31 March</b>	<b>2,774,707</b>	<b>0.51</b>	<b>473,750</b>	<b>0.31</b>
<b>Weighted average share price on date of exercise</b>		<b>0.78</b>		<b>0.81</b>
<b>Weighted average contractual life</b>		<b>3 years</b>		<b>3 years</b>

#### *Performance measures*

Performance conditions attached to all options granted to Board Directors differ to those granted for all other staff. All Executive Director option awards are subject to a performance condition and vest on each of the third, fourth and fifth anniversaries of the date of grant subject to an earnings per share ("EPS") hurdle linked to the annualised EPS growth for the respective three, four and five-year periods from grant. Vesting is on a stepped basis, as shown in the table below.

	Percentage of shares subject to the award which vest
Record's average EPS growth	
>RPI growth + 13%	100%
>RPI growth + 10%, =<RPI growth + 13%	75%
>RPI growth + 7%, =<RPI growth + 10%	50%
>RPI growth + 4%, =<RPI growth + 7%	25%
<=<RPI growth + 4%	0%

Approved and Unapproved options issued to all other staff are not subject to a Group performance measure.

Approved options issued to all other staff vest in full on the fourth anniversary of the date of grant, subject to the employee being employed with the Group at the relevant vesting date and to the extent personal performance conditions have been satisfied.

Unapproved options issued to all other staff vest in four equal tranches on the first, second, third and fourth anniversaries of the date of grant, subject to the employee being employed with the Group at the relevant vesting date and to the extent personal performance conditions have been satisfied.

#### *Clawback provisions*

In addition to the performance measures above, both Approved and Unapproved options granted to Executive Directors under the Share Scheme are subject to clawback provisions. These provisions allow the Remuneration Committee to adjust the number of shares that may be, or were, acquired to be decreased if the Committee considers that either a material breach of contract has arisen or in respect of retrospective amendments required to calculations of the Group's performance upon which vesting calculations were originally based. The clawback provisions allow the Group to take various steps until the clawback obligation is satisfied, including reduction of future share option awards, transfer of shares back to the Group for nil consideration, reduction of future payments under the Bonus Scheme or payment of sales proceeds back to the Group.

#### **c. The Record plc Share Incentive Plan ("SIP")**

The Group operates the SIP to encourage more widespread ownership of Record plc shares by employees. The SIP is a tax approved scheme offering attractive tax savings for employees retaining their shares in the scheme over the medium to long term.

As an incentive to employees, the Group matches every two shares bought by employees with a free matching share. During the year, the Group awarded 41,519 matching shares (FY-23: 31,039 matching shares) to employees. The expense charged in respect of the SIP was £31,025 in the year ended 31 March 2024 (FY-23: £24,950).

There are no restrictions over shares issued under the Record plc Share Incentive Plan.

#### **d. The Record plc Jointly Owned Share Plan ("JSOP")**

##### *Equity-settled share-based payments*

At inception the employee is required to pay the Employee Benefit Trust ("EBT") for the market value of the participation interest and the employing subsidiary has agreed to bear the expense of 50% of the amount due. The

participation interest, and the employing subsidiary has agreed to bear the expense of 50% of the amount due. The participation interest paid over at inception is non-refundable, regardless of whether the hurdle is reached. Therefore the amount paid by the employing subsidiary is expensed at inception.

The fair value of the amounts payable to employees under JSOP awards is recognised as an expense over the vesting period of the award, with a corresponding increase in equity. All such awards made by the Group involve the parent company granting rights to its equity instruments to employees of its subsidiary. Consequently the subsidiary measures the services received from its employees in accordance with the above classification under IFRS 2 and recognises a corresponding increase in equity as a contribution from the parent. The parent has the obligation to settle the transaction with the subsidiary's employees and therefore recognises an increase in its investment in the subsidiary and a corresponding increase in equity.

The JSOP scheme allows a set number of ordinary shares to be held jointly by the participant and the EBT. Under the terms of the JSOP agreement, the participant holds the beneficial interest in the future growth of the shares above the hurdle, whilst the trustee is entitled to the value up to the hurdle; the hurdle being the market price upon grant date. Upon vesting, the participant is entitled to receive the growth in value of the shares above the hurdle, which is settled in shares priced at market value on the vesting date.

The fair value of the JSOP award is measured at grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted including any performance conditions, and using quoted share prices.

No JSOP agreements were entered into during the year.

The Group share based payment expense in respect of the JSOP scheme was £30,075 for the year ended 31 March 2024 (FY 23: £2,384).

#### *Outstanding JSOP options*

At 31 March 2024, the total number of ordinary shares outstanding under the Record plc JSOP was 641,250. These shares are jointly owned and are ring-fenced within the EBT. The JSOP award vests immediately on the vesting date, and the participant is entitled to any value over the hurdle; the trustee is then entitled to the value up to the hurdle.

The following table summarises the outstanding options for the JSOP awards as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	1,274,375	0.40	1,907,500	0.39
Granted	-	-	-	-
Vested	(633,125)	0.39	(633,125)	0.39
Forfeited	-	-	-	-
<b>Outstanding at 31 March</b>	<b>641,250</b>	<b>0.40</b>	<b>1,274,375</b>	<b>0.40</b>

There are no Directors' interests in the JSOP scheme. No performance measures are attached to the JSOP.

During the year 633,125 shares over which a JSOP agreement had been granted vested. The weighted average share price at the vesting date was £0.79.

The JSOP scheme rules contain clawback provisions allowing re-transfer of the participant's interest and/or any vested shares for nil consideration under certain circumstances including a material breach of contract or an error in performance of duties.

#### **e. The Record plc Long-Term Incentive Plan ("LTIP")**

##### *Equity-settled share-based payments*

The fair value of the amounts payable to employees under these awards is recognised as an expense over the vesting period of the award, with a corresponding increase in equity. All such awards made by the Group involve the parent company granting rights to its equity instruments to employees of its subsidiary. Consequently, the subsidiary measures the services received from its employees in accordance with the above classification under IFRS 2 and recognises a corresponding increase in equity as a contribution from the parent. The parent has the obligation to settle the transaction with the subsidiary's employees and therefore recognises an increase in its investment in the subsidiary and a corresponding increase in equity.

The fair value of LTIP awards granted is measured at grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted including any market or performance conditions, and using quoted share prices.

The Record plc LTIP scheme started in April 2022, and allows nil-cost options to be granted to employees and Directors in the Record Group.

##### *LTIP awards granted during the period*

LTIP awards over an aggregate of 1,641,000 shares were granted under the LTIP scheme during the year (FY-23: 2,890,000). Vesting of awards is subject to the employee being in employment with the Group at the relevant vesting date and to the extent performance conditions have been satisfied. Early vesting for good leavers is subject to approval by the Remuneration Committee.

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the LTIP awards granted in the year ended 31 March 2024, and for which a charge to profit or loss was made in the year, were determined using a Black-Scholes option-pricing method and the following assumptions:

Model input	Weighted average value
Share price	67p
Dividend yield	5.88%
Expected volatility	42.70%
LTIP award life	3 years
Risk-free interest rate (%)	4.16%

Expected volatility is based on historical volatility.

The Group share based payment expense in respect of the LTIP scheme was £460,628 for the year ended 31 March 2024 (FY 23: £344,231).

#### *Outstanding LTIP awards*

At 31 March 2024, the total number of LTIP awards outstanding under Record plc share compensation schemes was 3,793,602 (FY-23: 2,890,000). These LTIP awards are over issued shares, a proportion of which are hedged by shares held in an EBT. Details of outstanding LTIP awards to employees are set out below:

The following table summarises the outstanding options for the LTIP as at 31 March 2024:

	2024		2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 April	2,890,000	0.69	-	-
Granted	1,641,000	0.67	2,890,000	0.69
Vested	-	-	-	-
Forfeited	(737,398)	0.68	-	-
<b>Outstanding at 31 March</b>	<b>3,793,602</b>	<b>0.68</b>	<b>2,890,000</b>	<b>0.69</b>

#### *Performance measures*

Performance conditions attached to all LTIP awards granted to Board Directors are the same as to those granted for all other staff. LTIP awards granted to Executive Directors and all other staff vest after three years and vesting is subject to Record's average annualised EPS growth and Total Shareholder Return ("TSR") over the relevant period since grant as follows:

Two-thirds of the vesting for LTIP awards is subject to a three-year cumulative EPS threshold target of 15 pence, resulting in the EPS portion vesting at 25%, rising on a straight-line basis to 100% vesting for a three-year cumulative EPS of 18 pence at the end of the performance period.

One-third of the vesting for LTIP awards is subject to a relative TSR using a benchmark of the FTSE Small Cap index. The threshold target for the TSR portion is a TSR outcome in the 25th percentile of the index at which 25% of the TSR portion will vest, rising on a straight-line basis to 100% of the TSR portion at a TSR outcome in the 75th percentile of the index.

A principal strategic objective of the business is to create shareholder value for our investors over the long term. The Board considers this to be delivered by consistent growth in earnings of the business, and the chosen performance conditions and the EPS and TSR outcome which determine the number of LTIP awards that ultimately vest under the scheme rules reflect this.

The Directors' interests in the combined share schemes are as follows:

	31 March 2024 Number of shares	31 March 2023 Number of shares
<b>Record plc Group Bonus Scheme (interest in restricted share awards)</b>		
Leslie Hill	607,726	591,284
Steve Cullen	46,072	44,896
Jan Witte (appointed 1 January 2024)	652,451	-
<b>Record plc Share Scheme (interest in unvested share options)</b>		
Leslie Hill	191,666	383,333
Steve Cullen	86,666	173,333
Jan Witte (appointed 1 January 2024)	1,530,000	-
<b>Record plc LTIP Scheme (interest in unvested LTIP awards)</b>		
Steve Cullen	510,000	325,000
Jan Witte (appointed 1 January 2024)	1,363,000	-

#### *Clawback provisions*

In addition to the performance measures above, LTIP awards granted to Executive Directors under the Share Scheme are subject to clawback provisions. These provisions allow the Remuneration Committee to adjust the number of shares that may be, or were, acquired to be decreased if the Committee considers that either a material breach of contract has arisen or in respect of retrospective amendments required to calculations of the Group's performance upon which vesting calculations were originally based. The clawback provisions allow the Group to take various steps until the clawback obligation is satisfied, including reduction of future share option awards, transfer of shares back to the Group for nil consideration, reduction of future payments under the Bonus Scheme or payment of sales proceeds back to the Group.

## **24. Financial risk management**

The Group's current activities result in the following financial risks and management responses to those risks in order to minimise any resulting adverse effects on the Group's financial performance.

#### ***Objectives, policies and processes for managing risk and the methods used to measure the risk***

Financial assets principally comprise trade receivables, accrued income, other receivables, money market instruments, cash and cash equivalents and derivative financial assets. Financial liabilities comprise trade and other payables, financial liabilities relating to investment in seed funds, lease liabilities and derivative financial liabilities. The main risks arising from financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and concentration risk, each of which is discussed in further detail below.

The Group monitors and mitigates financial risk on a consolidated basis. The Group has implemented a framework to manage the risks of its business and to ensure that the Directors have in place risk management practices appropriate to a listed company. The management of risk is directed by the Board and controlled and reviewed by the Head of Business Risk.

The Company's material financial instruments are investments in the seed funds, cash and cash equivalents, and balances due to/from Group undertakings. Intercompany balances are classified as loans and receivables and are repayable on demand. No interest is charged on these balances. The Group has sufficient cash resources and hence management does not believe that the Company has a material exposure to credit risk. The Company's financial risk is managed as part of the Group financial risk management process and therefore separate disclosures for the Company have not been provided. Market risk is not considered to have a material impact on financial instruments,

neither is it one of the Group's principal risks; however, the second order effects of market movements are discussed on page 56.

### **Credit risk**

The Group has established a cash management team to manage Group cash in accordance with an approved cash management policy. The policy stipulates exposure limits by instruments, counterparty, tenor and duration. Counterparty exposures are measured against ratings published by credit rating agencies and are monitored daily. The maximum single exposure to any counterparty under the policy is 20% of total assets managed as cash.

The primary objective of the cash management team is to diversify and manage counterparty risk within the risk appetite of the Group and the limits set by the policy. The secondary objective is to maintain yield given the constraints under the policy whilst ensuring sufficient liquidity to meet future cash flow commitments as instructed by the Finance team.

The Chief Financial Officer is responsible for reviewing the Group's credit exposure and ensuring that any credit concerns are raised to the Risk Management Committee and that action is taken to mitigate these risks.

The quality of our clients and banking counterparties is reflected in the business having not suffered from any credit default for over 20 years through various market crises and cycles, and we do not anticipate this changing under the current circumstances.

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

	2024 £'000	2023 £'000
Financial assets at 31 March		
Trade receivables	9,149	10,185
Accrued income	1,505	1,743
Other receivables	935	685
Derivative financial assets	63	54
Money market instruments	8,264	4,549
Cash and cash equivalents	9,221	9,948
<b>Total financial assets</b>	<b>29,137</b>	<b>27,164</b>

The debtors' age analysis is also evaluated on a regular basis for expected credit losses. It is management's opinion that there is no requirement to provide for any expected credit losses. The table below is an analysis of trade receivables and accrued income by due date:

	2024				2023			
	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000	Carrying amount £'000	Neither impaired nor past due £'000	0-3 months past due £'000	More than 3 months past due £'000
Trade receivables	9,149	8,717	419	13	10,185	9,775	309	101
Accrued income	1,505	1,505	-	-	1,743	1,743	-	-
<b>Total</b>	<b>10,654</b>	<b>10,222</b>	<b>419</b>	<b>13</b>	<b>11,928</b>	<b>11,518</b>	<b>309</b>	<b>101</b>
		96%	4%	-%		97%	2%	1%

The Group offers standard credit terms of 30 days from invoice date. It is the Group's policy to assess debtors for expected loss on an individual basis and to make a provision where it is considered necessary. In assessing recoverability, the Group takes into account any indicators of impairment up to the reporting date, adjusting to incorporate any relevant forward-looking information. The application of this policy generally results in debts that are past due not being provided for unless individual circumstances indicate that a debt is impaired.

Trade receivables are made up of 125 debtors' balances (FY-23: 113). The largest individual debtor corresponds to 19% of the total balance (FY-23: 16%). Debtor days, based on the generally accepted calculation of debtor days, is 74 days (FY-23: 83 days). This reflects the quarterly billing cycle used by the Group for the vast majority of its fees. As at 31 March 2024, 4% of debt was overdue (FY-23: 3%). No debtors' balances have been renegotiated during the year or in the prior year.

### **Liquidity risk**

The Group is exposed to liquidity risk, namely that it may be unable to meet its payment obligations as they fall due. The Group maintains sufficient cash and marketable securities to be able to meet all such obligations. Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet the future working capital requirements and to take advantage of business opportunities. The average creditor payment period is 11 days (FY-23: 9 days).

### **Contractual maturity analysis for financial liabilities**

	2024				2023			
	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000	Carrying amount £'000	Due or due in less than 1 month £'000	Due between 1 and 3 months £'000	Due between 3 months and 1 year £'000
Trade payables	212	154	-	58	221	221	-	-
Accruals	3,997	1,440	1,244	1,313	5,074	486	2,001	2,587
Derivative financial liabilities	9	-	9	-	5	-	5	-
<b>Total</b>	<b>4,218</b>	<b>1,594</b>	<b>1,253</b>	<b>1,371</b>	<b>5,300</b>	<b>707</b>	<b>2,006</b>	<b>2,587</b>

Lease liabilities are not included within the table above, please see note 12 for further details.

### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest-bearing financial assets and liabilities held by the Group. Interest-bearing assets comprise money market instruments and cash and cash equivalents which are considered to be short term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does not therefore incur interest on overdue balances.

A sensitivity analysis has not been disclosed for the impact of interest rate changes as any reasonable range of change in interest rate would not directly have a material impact on profit or equity.

### **Interest rate profiles**

## Interest rate profiles

	2024			2023		
	Fixed rate	No interest rate	Total	Fixed rate	No interest rate	Total
At 31 March	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>						
Trade receivables	-	9,149	9,149	-	10,185	10,185
Accrued income	-	1,505	1,505	-	1,743	1,743
Other receivables	-	935	935	-	685	685
Derivative financial assets at fair value through profit or loss	-	63	63	-	54	54
Money market instruments	8,264	-	8,264	4,549	-	4,549
Cash and cash equivalents	9,221	-	9,221	9,948	-	9,948
<b>Total financial assets</b>	<b>17,485</b>	<b>11,652</b>	<b>29,137</b>	<b>14,497</b>	<b>12,667</b>	<b>27,164</b>
<b>Financial liabilities</b>						
Trade payables	-	(212)	(212)	-	(221)	(221)
Accruals	-	(3,997)	(3,997)	-	(5,074)	(5,074)
Lease liability	-	(185)	(185)	-	(979)	(979)
Derivative financial liabilities at fair value through profit or loss	-	(9)	(9)	-	(5)	(5)
<b>Total financial liabilities</b>	<b>-</b>	<b>(4,403)</b>	<b>(4,403)</b>	<b>-</b>	<b>(6,279)</b>	<b>(6,279)</b>

### Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group makes use of forward foreign exchange contracts to manage the risk relating to future transactions in accordance with the Group's risk management policy.

The Group is exposed to foreign currency risk on revenue invoices and cash holdings that are denominated in a currency other than sterling. The principal currencies giving rise to this risk are the US dollar, the Swiss franc, the euro and the Australian dollar.

During the year ended 31 March 2024, the Group invoiced the following amounts in currencies other than sterling:

	2024		2023	
	Local currency value	Value in reporting currency	Local currency value	Value in reporting currency
	£'000	£'000	£'000	£'000
US dollar (USD)	28,787	22,841	24,978	20,869
Swiss franc (CHF)	16,152	13,321	16,138	14,223
Euro (EUR)	2,934	2,645	4,293	3,748
Australian dollar (AUD)	6,734	3,592	1,089	612
Canadian dollar (CAD)	296	177	1,618	1,014
Japanese yen (JPY)	12,329	89	8,795	54

The value of revenues for the year ended 31 March 2024 that were denominated in currencies other than sterling was £42.7 million (31 March 2023: £40.2 million).

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

The settlement of these forward foreign exchange contracts is expected to occur within the following three months. Changes in the fair values of forward foreign exchange contracts are recognised directly in profit or loss.

The cash denominated in currencies other than sterling (refer to note 19) is covered by the Group's hedging process, therefore the Directors consider that the foreign currency risk on cash balances is not material.

### Foreign currency risk - sensitivity analysis

The Group has considered the sensitivity to exchange rate movements by considering the impact on those revenues, costs, assets and liabilities denominated in foreign currencies as experienced in the given period.

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Sterling weakening by 10% against the dollar	1,072	1,000	1,072	1,000
Sterling strengthening by 10% against the dollar	(1,072)	(1,000)	(1,072)	(1,000)
Sterling weakening by 10% against the Swiss franc	992	755	992	755
Sterling strengthening by 10% against the Swiss franc	(992)	(755)	(992)	(755)

### Sterling/US dollar exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historical basis and market expectations for future movement. When applied to the average sterling/USD exchange rate of £1 = \$1.26 this would result in sterling weakening to £1 = \$1.15 and sterling strengthening to £1 = \$1.40.

### Sterling/Swiss franc exchange rate

The impact of a change of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historical basis and market expectations for future movement. When applied to the average sterling/CHF exchange rate of £1 = CHF 1.21 this would result in sterling weakening to £1 = CHF 1.10 and sterling strengthening to £1 = CHF 1.35.

Sensitivity analyses have not been disclosed for other currencies as any reasonable range of change in exchange rate would not have a material impact on profit or equity.

### Concentration risk

The Group is exposed to concentration risk in respect of product, client type and geographical location, which could lead to over-reliance on any one category of revenue. Note 4 provides detail on clients contributing greater than 10% of revenue. Mitigating activities are detailed in the Risk management section of the Annual Report.

### Concentration risk - sensitivity analysis

The Group has considered the impact of losing the Group's largest client assuming that only variable remuneration

The Group has considered the impact of losing the Group's largest client, assuming that only variable remuneration costs can be reduced in the short term.

	Impact on profit after tax for the year ended 31 March		Impact on total equity as at 31 March	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loss of largest client	5,057	3,486	5,057	3,486

## 25. Fair value measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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

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

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

	2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Financial assets at fair value through profit or loss</b>				
Impact bonds	-	-	-	-
Investment in funds	3,412	961	-	2,451
Other investments	1,537	-	-	1,537
Forward foreign exchange contracts held to hedge non-sterling assets	63	-	63	-
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts held to hedge non-sterling assets	(9)	-	(9)	-
<b>Total</b>	<b>5,003</b>	<b>961</b>	<b>54</b>	<b>3,988</b>

  

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

There have been no transfers between levels in the reporting period (FY-23: none).

### **Basis for classification of financial instruments classified as level 1 within the fair value hierarchy**

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

### **Basis for classification of financial instruments classified as level 2 within the fair value hierarchy**

Forward foreign exchange contracts and options are both classified as level 2. Both of these instruments are traded on an active market. Options are valued using an industry standard model with inputs based on observable market data whilst the fair value of forward foreign exchange contracts may be established using interpolation of observable market data rather than from a quoted price.

### **Basis for classification of financial instruments classified as level 3 within the fair value hierarchy**

Direct investments in private funds and share capital of start-up companies in the digital sector have been classified as level 3. There is no observable market for these investments, therefore fair value measurements have been derived from valuation techniques that include inputs that are not based on observable market data. The private funds are valued at net asset value in accordance with independent professional valuation reports or International Private Equity and Venture Capital Valuation Guidelines where relevant. The direct investments in capital of the start-up companies are valued at cost.

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

	2024 £'000	2023 £'000
At start of period	2,053	326
Additions	1,883	1,742
Disposals	(356)	-
Net gain or loss	408	(15)
<b>At end of period</b>	<b>3,988</b>	<b>2,053</b>

### **Classes and fair value of financial instruments**

It is the Directors' opinion that the carrying value of all financial instruments approximates to their fair value.

### **Categories of financial instrument**

Financial liabilities measured	Assets at fair value	Liabilities at fair value
--------------------------------------	-------------------------	---------------------------------

At 31 March 2024	Note	Assets at amortised cost £'000	at amortised cost £'000	through profit or loss £'000	through profit or loss £'000
Impact bonds	14	-	-	-	-
Investment in funds	14	-	-	3,412	-
Other investments	14	-	-	1,537	-
Trade and other receivables (excludes prepayments)	17	11,779	-	-	-
Money market instruments	19	8,264	-	-	-
Cash and cash equivalents	19	9,221	-	-	-
Derivative financial assets at fair value through profit or loss	18	-	-	63	-
Trade payables	20	-	(212)	-	-
Accruals	20	-	(3,997)	-	-
Derivative financial liabilities at fair value through profit or loss	18	-	-	-	(9)
<b>Total</b>		<b>29,264</b>	<b>(4,209)</b>	<b>5,012</b>	<b>(9)</b>

At 31 March 2023	Note	Assets at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Assets at fair value through profit or loss £'000	Liabilities at fair value through profit or loss £'000
Impact bonds	14	-	-	770	-
Investment in funds	14	-	-	2,530	-
Other investments	14	-	-	1,601	-
Trade and other receivables (excludes prepayments)	17	12,613	-	-	-
Money market instruments	19	4,549	-	-	-
Cash and cash equivalents	19	9,948	-	-	-
Derivative financial assets at fair value through profit or loss	18	-	-	54	-
Trade payables	20	-	(221)	-	-
Accruals	20	-	(5,074)	-	-
Derivative financial liabilities at fair value through profit or loss	18	-	-	-	(5)
<b>Total</b>		<b>27,110</b>	<b>(5,295)</b>	<b>4,955</b>	<b>(5)</b>

## 26. Cash flows from operating activities

This note should be read with the statement of cash flows. It provides a reconciliation to show how profit after tax, which is based on accounting rules, translates to cash flows.

		2024		2023	
	Note	Group £'000	Company £'000	Group £'000	Company £'000
<b>Profit after tax</b>		<b>9,253</b>	<b>6,810</b>	<b>11,339</b>	<b>10,615</b>
<b>Adjustments for:</b>					
Depreciation of right of use assets	12	278	244	375	338
Depreciation of property, plant and equipment	13	213	29	285	17
Amortisation of intangible assets	11	232	-	135	-
Impairment of intangibles		1,937	-	-	-
Loss on asset disposals		-	-	11	-
Share-based payments expense for the period		1,146	-	916	-
Non-cash movements in derivatives		(247)	-	(175)	-
Non-cash movements in investments		(865)	885	(371)	(155)
FX movements on cash		287	13	(147)	-
Leasehold modification		48	48	-	-
Loss from sale of subsidiary		-	210	-	-
Intercompany loan write-off		188	343	-	-
Other non-cash share-based payments movements <sup>9</sup>	33	302	-	751	-
Finance income		(394)	(9)	(181)	(1)
Finance expense		33	27	55	43
Tax expense	7	3,658	(185)	3,259	5
Dividends received from subsidiaries		-	(9,876)	-	(10,500)
<b>Changes in working capital</b>					
Decrease/(increase) in receivables		1,316	1,717	(4,490)	1,094
(Decrease)/increase in payables		(1,081)	1,193	1,290	794
Decrease/(increase) in provisions		-	-	(78)	(78)
<b>Cash generated from operations</b>		<b>16,304</b>	<b>1,449</b>	<b>12,974</b>	<b>2,172</b>
Corporation tax (paid)/refunded		(3,249)	106	(2,433)	(6)
<b>Net cash inflow from operating activities</b>		<b>13,055</b>	<b>1,555</b>	<b>10,541</b>	<b>2,166</b>

9. See note 33 for details of the presentational adjustment resulting in the restatement of prior year amounts.

The Group has made a presentational change by moving the cash flows from operating activities from inclusion in the face of the statement of cash flows, to a note disclosure. The reason for this presentational change is to improve the readability of the face of the statement of cash flows and to allow expansion on the items adjusted for in the cash flows from operations, so that more reliable and relevant information is presented.

## 27. Related parties transactions

### Company

Details of transactions between the Company and other Group undertakings, which are related parties of the Company, are shown below:

### Transactions with subsidiaries

The Company's subsidiary undertakings are listed in note 14, which includes a description of the nature of their business.



	2024 £'000	2023 £'000
Amounts due to subsidiaries	(5,879)	(3,415)
Dividends received from subsidiaries	9,876	10,500

Amounts due to subsidiaries consist of funds lent by the subsidiaries to the Company to facilitate the Company's investing activities. Amounts due to subsidiaries are disclosed as a net amount, and also consist of amounts owed to Group undertakings in note 20 and trade receivables in note 17. All amounts owed to and by related parties will be settled in cash. No guarantees have been given or received. No provisions for expected credit losses have been raised against amounts outstanding (FY 23: £nil). No expense has been recognised during the year in respect of expected credit losses due from related parties.

#### Group

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

#### Key management personnel compensation

	2024 £'000	2023 £'000
Short term employee benefits	9,532	10,311
Post employment benefits	399	327
Share based payments	1,581	3,539
<b>Total</b>	<b>11,512</b>	<b>14,177</b>

#### Key management personnel dividends

The dividends paid to key management personnel in the year ended 31 March 2024 totalled £4,518,926 (2023: £4,073,511).

#### Directors' remuneration

	2024 £'000	2023 £'000
Emoluments (excluding pension contribution)	1,829	3,580
Pension contribution (including payments made in lieu of pension contributions)	107	101
<b>Total</b>	<b>1,936</b>	<b>3,681</b>

During the year, two Directors of the Company (FY-23: none) participated in the Group Personal Pension Plan, a defined contribution scheme. Further detail on Directors' remuneration is provided in the Remuneration report.

#### 28. Interests in unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has concluded that the investment funds managed by Group entities in their capacity as investment managers, through contractual agreements, are structured entities. The investment funds are not consolidated into the Group's financial statements as the Group is judged to act as an agent rather than having control under IFRS 10.

The purpose of the investment funds is to invest capital received from investors in a portfolio of instruments in order to generate a return in the form of capital appreciation, income from the assets, or both.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of shares. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit and loss in the statement of financial position.

Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees and any uncollected fees at the period end date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments. The funds do not have any debt or borrowings and are financed through the issue of shares to investors.

The following table shows the details of unconsolidated structured entities in which the Group has an interest at the reporting date:

	Number of funds	Net AUM of funds of \$bn	Fair value of investment £m	Management charge in the year £m	Management charge receivable at year end £m
<b>As at 31 March 2024</b>	<b>3</b>	<b>1.32</b>	<b>0.83</b>	<b>4.86</b>	<b>0.81</b>
As at 31 March 2023	1	1.04	-	5.16	0.40

The management charge in the year comprises both management and performance fees and is included within revenue in the consolidated statement of comprehensive income.

The fair value of investment is included within investments in the consolidated statement of financial position. The management charge receivable comprises both management and performance fees receivable and is included within trade and other receivables in the consolidated statement of financial position.

#### 29. Contingent liabilities and commitments

The Group has committed to subscriptions to equity capital of \$1,791,870, of which \$1,571,820 has been called.

On 20 January 2023, the Group committed to a licence to use an office in London. The commitment is to 28 February 2025 and the outstanding amount to be paid at 31 March 2024 was £792,165 (FY-23: £1,628,225). The full amount is payable within twelve months (FY-23: £836,060).

#### 30. Capital management

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern; (ii) to provide an adequate return to shareholders; and (iii) to meet regulatory capital requirements under the relevant jurisdictions (FCA and BaFin).

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets, while also continuing to ensure that the minimum required regulatory capital is maintained. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares. The Group had no debt in the current or prior financial year and consequently does not calculate a debt to adjusted capital ratio.

The Group's capital structure consists of the following:

	2024 £m	2023 £m
Equity <sup>10</sup>	1.9	1.9
Retained earnings attributable to the equity holders	27.1	26.4
<b>Total capital</b>	<b>29.0</b>	<b>28.3</b>
Required regulatory capital	8.3	7.1
<b>Surplus capital</b>	<b>20.7</b>	<b>21.2</b>

<sup>10</sup>. Issued share capital, share premium and other equity reserves.

Total capital covers the Group's regulatory capital requirements, and the surplus capital covers the Group's internal operational and investment capital requirements. The Directors consider that the surplus capital significantly exceeds the actual day-to-day operational requirements.

### 31. Ultimate controlling party

As at 31 March 2024 the Company had no ultimate controlling party, nor at 31 March 2023.

### 32. Post-reporting date events

In April 2024 Record plc entered into an agreement to reduce the Company's shareholding held in Dair Record Limited, from 50.1% to 5%. This transaction completed in June 2024. As a result, going forward, this investment will no longer be recognised as a joint venture.

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

### 33. Restatement of purchase of own shares in the consolidated statement of cash flows

For the prior year ended 31 March 2023, the consolidated statement of cash flows previously showed the purchase of own shares of £3,572,000, which included non-cash amounts of £1,722,000. In order for the purchase of own shares figure to correctly show cash amounts only, this figure has now been updated in the FY-23 comparative figure to purchase of own shares of £1,850,000. A corresponding adjustment to decrease in non-cash items has also been made in order to move the non cash movement to cash flows from operating activities, in line with the Company policy.

Since this represents a presentational adjustment only, the restatement does not impact the total reported for cash inflow for the year, nor the closing balance for cash and cash equivalents for the year.

### Notes to Editors

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

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

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

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

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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