Record plc

Unaudited Interim Financial Statements

For the eight months from
1 April 2021 to 30 November 2021

Registered in England & Wales
Company Registration No: 1927640

CONTENTS

Statement of comprehensive income

	Note	Eight months ended 30 November 2021 *Unaudited* £'000
Operating loss	2	**(60)**
Interest expense	3	(13)
Loss before tax		**(73)**
Taxation		11
Loss after tax		**(62)**
Income from investment in subsidiaries	4	4,600
Total comprehensive income for the period		**4,538**

The notes on pages 5 to 9 are an integral part of these financial statements

Statement of financial position

	Note	30 November 2021 *Unaudited* £'000
Non-current assets		
Investments	5	2,840
Right-of-use-assets	6	340
Deferred tax asset		5
Total non-current assets		**3,185**
Current assets		
Trade and other receivables		1,360
Cash and cash equivalents	7	3,491
Total current assets		**4,851**
Total assets		**8,036**
Current liabilities		
Trade and other payables	8	(15)
Lease liabilities	6	(351)
Provisions		(200)
Total current liabilities		**(566)**
Total net assets		**7,470**
Equity		
Issued share capital	9	50
Share premium account		1,809
Capital redemption reserve		26
Retained earnings		5,585
Total equity		**7,470**

The notes on pages 5 to 9 are an integral part of these financial statements

These financial statements were approved and signed on behalf of the Board of Directors on 19 December 2021 by:

Steve Cullen
Chief Financial Officer

Leslie Hill
Chief Executive Officer

Company registration no: 1927640

Statement of changes in equity

Unaudited	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2021		50	1,809	26	3,843	**5,728**
Total comprehensive income for the period		-	-	-	4,538	**4,538**
Dividends paid	10	-	-	-	(3,089)	**(3,089)**
Share option reserve movement		-	-	-	293	**293**
As at 30 November 2021		**50**	**1,809**	**26**	**5,585**	**7,470**

The notes on pages 5 to 9 are an integral part of these financial statements

Notes to the accounts

1. Accounting policies

Basis of preparation of interim financial information

These financial statements are for the eight month period ended 30 November 2021. They have been prepared using the same accounting policies and estimation techniques as set out in the group accounts for the year ended 31 March 2021. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2021, which have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These financial statements have been produced to satisfy the requirements of the Companies Act 2006 Sections 836 to 838.

2. Operating loss

The operating loss is comprised of gains/ losses on investments and on translation of US dollar denominated assets into sterling.

3. Interest expense

IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company 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 Company 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. For those leases which existed prior to the IFRS 16 transition date on 1 April 2019, a discount rate of 4% was used in calculating the lease liability on transition. The discounted amount over the 8 month period to 30 November 2021 is considered to be an interest expense.

4. Income from investments in subsidiaries

Income from investments in subsidiaries comprises dividends received from Record Currency Management Limited and Record Group Services Limited.

On 30 June 2021 Record Currency Management Limited paid Record plc a dividend of £120 per share (total: £1,200,000), and Record Group Services Limited paid Record plc a dividend of £50 per share (total: £500,000).

On 30 November 2021 Record Currency Management Limited paid Record plc a dividend of £290 per share (total: £2,900,000).

Notes to the accounts (continued)

5. Investments

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. Investment in funds are recognised at fair value through profit or loss.

Company	30 November 2021 £'000
Investment in subsidiaries (at cost)	
Record Currency Management Limited	10
Record Group Services Limited	10
Record Currency Management (Switzerland) GmbH	16
Record Asset Management GmbH	23
Record Portfolio Management Limited	10
Record Digital Assets Ventures Limited	103
Record Currency Management (US) Inc	-
Record Fund Management Limited	-
N P Record Trustees Limited	-
Investment in subsidiaries (at cost)	**172**
Capitalised investment in respect of share-based payments	
Record Currency Management (Switzerland) GmbH	62
Record Currency Management (US) Inc.	89
Record Group Services Limited	1,602
Total capitalised investment in respect of share-based payments	**1,753**
Total investment in subsidiaries	**1,925**
Investment in funds	**915**
Total investments	**2,840**

Particulars of subsidiary undertakings

Name	Nature of Business
Record Currency Management Limited	Currency management services
Record Group Services Limited	Management services to other Group undertakings
Record Currency Management (Switzerland) GmbH	Swiss advisory and service company
Record Asset Management GmbH	German advisory and service company
Record Currency Management (US) Inc.	US advisory and service company
Record Digital Assets Ventures Limited	UK company investing in opportunities linked to innovation and research surrounding digital assets
Record Portfolio Management Limited	Dormant
Record Fund Management Limited	Dormant
N P Record Trustees Limited	Dormant trust company

Notes to the accounts (continued)

5. Investments (continued)

The Company's interest in the equity capital of subsidiary undertakings is 100% of the ordinary share capital in all cases. Record Currency Management (US) Inc. is incorporated in the USA, Record Currency Management (Switzerland) GmbH is incorporated in Switzerland, Record Asset Management GmbH is incorporated in Germany and all other subsidiaries are registered in England and Wales.

6. Leases

The Company's lease arrangements consist of business premises property leases. Rental contracts are typically made for fixed periods of three to six years but they may have extension 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.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company 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 Company 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. For those leases which existed prior to the IFRS 16 transition date on 1 April 2019, a discount rate of 4% was used in calculating the lease liability on transition.

The lease relevant to the eight months ended 30 November 2021 period was signed on 7 September 2016, relating to a new lease on premises at Second and Third Floors, Morgan House, Madeira Walk, Windsor, at an annual commitment of £507,603, expiring 1 September 2022.

Record assesses whether a contract is or contains a lease at the inception of the contract.

Right-of-use ("ROU") assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- an estimate of costs to be incurred to restore the assets to the condition required by the terms and conditions of the lease.

Depreciation is calculated on a straight-line basis over the lease term and included within administration costs.

Notes to the accounts (continued)

6. Leases (continued)

Net book value of right-of-use assets

Year ended 30 November 2021	**Company £'000**
Net book value on transition at 1 April 2021	**642**
Addition	**-**
Depreciation	**(302)**
FX revaluation	**-**
Net book value at 30 November 2021	**340**

Lease liabilities

At 30 November 2021, the closing lease liabilities are comprised as detailed in the table below.

	Company £'000
Current lease liabilities	**351**
Non-current lease liabilities	**-**
Total lease liabilities	**351**

Lease payments
At 30 November 2021, the undiscounted operating lease payments are as follows:

	Company £'000
Within 1 year	**355**
1-2 years	**-**
2-3 years	**-**
After 3 years	**-**
Total lease payments before discounting	**355**

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.

7. Cash and cash equivalents

	30 November 2021 £'000
Cash – Sterling	**3,491**

Notes to the accounts (continued)

8. Current liabilities

Amounts falling due within one year

	30 November 2021 £'000
Accruals	8
Corporation tax payable	7
Total trade and other payables	**15**

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

9. Called up 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.

	30 November 2021	
	£'000	**Number**
Authorised		
Ordinary shares of 0.025p each	100	400,000,000
Called up, allotted and fully paid		
Ordinary shares of 0.025p each	50	199,054,325

10. Dividends

The directors have declared that an interim dividend of 1.80 pence per share will be paid to shareholders on 30th December 2021.

The dividends paid during the eight months ended 30 November 2021 totalled £3,089,258 (1.60 pence per share) being a final ordinary dividend in respect of the year ended 31 March 2021 of 1.15 pence per share and a special dividend of 0.45 pence per share.