

Directors' Remuneration Report

The Board has prepared this Report in accordance with the requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. Ordinary Resolutions for the approval of this report and the Directors' Remuneration Policy will be put to shareholders at the forthcoming AGM.

The law requires the Company's Auditor, Ernst & Young LLP, to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 29 to 32.

ANNUAL STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2017.

Having reviewed the current level of remuneration payable to Directors in accordance with the Remuneration Policy, the Committee has determined, after reference to RPI and the peer group, the fees shown on page 27 for the year ending 31 March 2018. The Directors' fees, before this adjustment, were last changed in 2014.

There is no significant change in the way the current, approved Remuneration Policy will be implemented during the course of the next financial year.

Remuneration Committee

The Remuneration Committee is comprised of all Directors and meets as required for the purpose of considering levels of remuneration paid to the Board. Each Director of the Company takes no part in discussions concerning their own salary.

Directors' Fees

	2017 £	2016 £
Chairman of the Board	29,000	29,000
Chairman of the Audit Committee	23,000	23,000
Senior Independent Director	21,000	21,000
Other Directors	20,000	20,000
	93,000	93,000

Directors' Emoluments for the Year (Audited)

The Directors who served in the year received the following emoluments in the form of fees:

	2017		2016	
	Fees [†] £	Total [†] £	Fees [†] £	Total [†] £
Roger Cuming	25,000	25,000	21,000	21,000
Kate Bolsover	20,500	20,500	20,000	20,000
Arthur Copple*	1,666	1,666	–	–
Kathryn Matthews**	23,295	23,295	29,000	29,000
James Robinson	23,000	23,000	23,000	23,000
Michael Moule [#]	–	–	6,667	6,667
	93,461	93,461	99,667	99,667

* Appointed 1 March 2017.

** Resigned 8 March 2017.

[#] Resigned 31 July 2015.

[†] The Directors received no taxable benefits.

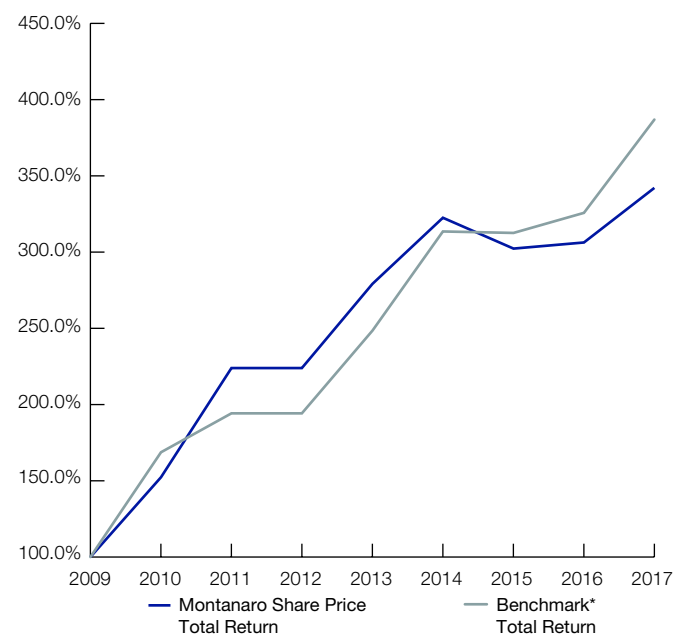
Kathryn Matthews stepped down as Chairman on 22 July 2016 and Roger Cuming assumed the role on the same day. Roger Cuming stepped down as SID on 22 July 2016 and Kate Bolsover assumed the role on the same day. The fees for 2017 for these Directors reflect these changes.

No sums are paid to any third parties in respect of Directors' services.

Your Company's Performance

The following graph compares the total return (assuming all dividends are reinvested) over the past eight years to Ordinary shareholders to the total shareholder return of the NSCI. The NSCI was adopted as the new benchmark from 1 April 2013.

Total Return vs Benchmark* (rebased from March 2009)



Source: Capita Sinclair Henderson Limited.

* The Benchmark is a composite index comprising the FTSE SmallCap Index (excluding investment companies) until 31 March 2013 and the NSCI from 1 April 2013 onwards.

Voting at AGM

The Directors' Remuneration Report for the year ended 31 March 2016 and the Directors' Remuneration Policy were approved by shareholders at the AGMs held on 22 July 2016 and 30 July 2014 respectively. The votes cast by proxy were as follows:

Directors' Remuneration Report (2016 AGM)

	Number of votes	% of votes cast
For	20,701,637	100.00%
Against	0	0%
At Chairman's discretion	0	0%
Total votes cast	20,701,637	100.00%
Number of votes withheld	0	