

This Report sets out the Group's policy and disclosures in relation to Directors' remuneration. At the Annual General Meeting of the Company to be held on 22 September 2009, this Report will be submitted to shareholders for their approval. This Report has been produced in accordance with the Directors' Remuneration Report Regulations 2002.

Composition and terms of reference of Remuneration Committee

The Remuneration Committee ("the Committee") is responsible for determining the remuneration and the terms and conditions of service of the Executive Directors. The Committee is chaired by Mr P E Selway-Swift and its other members are Ms B P Blow and Mr A P Shearer, all of whom are Non-Executive Directors. The Board has accepted all the recommendations of the Committee without amendment.

Details of the Directors retiring at the Annual General Meeting to be held on 22 September 2009, are given in the Directors' Report.

Non-Executive Directors

The remuneration of the Non-Executive Chairman is reviewed by the Committee Chairman and Chief Executive Officer who make their recommendation to the Board. The remuneration of the other Non-Executive Directors is reviewed by the Chairman who makes recommendations to the Board. The Board determines the remuneration of the Non-Executive Directors within the limits set out in the Articles of Association. The responsibilities of the role and the level of fees paid in UK organisations of a similar size and complexity to the Group are considered in setting remuneration policy for Non-Executive Directors.

Remuneration policy for Executive Directors

In determining the remuneration policy for Executive Directors, the Committee has considered a number of factors including:

- the importance of attracting, retaining and motivating management of the appropriate calibre to further the success of the business;

- the linking of reward to both individual and business performance; and
- ensuring that the interests of the Directors are aligned with those of the shareholders.

To this end, the Committee seeks to approve a package for Executive Directors consisting of basic salary, benefits, share options and incentives, bonuses and pensions.

During the year the Committee sought advice from independent consultants in determining the remuneration policy for the Executive Directors.

The Committee believes that the policy adopted in the Group's remuneration of Executive Directors and senior managers will contribute to the long term success of the Company. This policy has enabled the Company both to attract and keep a high calibre management team essential for a well run business. This policy will continue to be reviewed in the light of changes in market practice and legislation which impact upon the Company.

The current elements of the remuneration packages can be summarised as follows:

Base salary and benefits

Base salaries for Executive Directors are reviewed by the Committee, normally annually, having regard to competitive market practice and individual performance for the financial year.

The general benefits provided to the Executive Directors are a fully-expensed car (or cash alternative), pension, life and private health insurance.

Annual performance-related bonus

Having taken advice from independent consultants the Committee determined that Executive Directors who participated in the Long-Term Incentive Plan can also receive a performance related cash bonus. For the year commencing 1 April 2008, Mr D B Harris, Mr A D Rose and Mr M Ashley were entitled to a cash bonus scheme which has a maximum of 75% of salary and pays:-

25% of salary for achieving budget (the achieved numbers include the cost of the scheme);

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10% of salary for 90% of budget achieved (nothing for less);

50% of salary for 10% over budget and 75% of salary for 15%+ over budget.

A straight-line graph determines the points between 10% and 75% of salary.

No cash bonus was payable for the year ended 31 March 2009. A similar scheme is being finalised for the year ending 31 March 2010.

Share option schemes

Tax approved and unapproved Executive Share Option Schemes (ESOS) are available to Executive Directors and Senior Managers. Following advice received from independent consultants the Committee has determined that Executive Directors who participate in the Long-Term Incentive Plan, should also be entitled to further grants of options under these schemes. Options granted to Executive Directors under the terms of the 1996 Executive Share Option Schemes and the renewed 1996 Executive Share Option Schemes are not normally exercisable until the third anniversary of the date of grant and subsisting options are subject to the following performance conditions:-

(a) 1996 Executive Share Option Schemes.

Over a continuous period of at least three years commencing no earlier than the financial year during which the option is granted, the average percentage growth in the adjusted EPS (earning per share) of the Company must exceed the average percentage growth in the Retail Prices Index over the same period by a minimum of 2 per cent. per annum.

These conditions apply to options granted prior to 1 April 2007 and were based on standard practice prevailing at the time the schemes were established. The conditions have not yet been met for the relevant subsisting options as detailed below.

(b) Renewed 1996 Executive Share Option Schemes.

For Executive Directors - Should the increase in the share price between the date of grant and the third anniversary of the grant be:

i) over 30%, then 25% of the option granted can be exercised.

ii) over 60%, then 100% of the option granted can be exercised.

iii) between 30% and 60%, the number that can be exercised will be determined by a straight-line graph.

Executive Directors are also entitled to participate in the UK Inland Revenue approved Savings-Related (SAYE) Share Option Scheme which is available to all UK employees. The scheme is subject to a cumulative maximum investment of £250 per month for each individual. The share option runs for either three, five or seven years. At the end of the chosen period, the shares may be purchased by the employee at a 20% discount to the share price at the invitation date.

Both the 1996 Executive Share Option Schemes and 1996 Savings-Related Share Option Scheme were renewed in September 2006.

The beneficial interests of the Executive Directors in share options granted under the particular schemes are as follows:

(1) 1996 Executive Share Option Schemes:

Exercise Price	1 April 2008	Granted during the year ended 31 March 2009	Lapsed during the year ended 31 March 2009	Exercised during the year ended 31 March 2009	31 March 2009
D B Harris					
(d) 73.25p	100,000	-	-	-	100,000
	100,000	-	-	-	100,000
A D Rose					
(c) 73.25p	40,955	-	-	-	40,955
(d) 73.25p	59,045	-	-	-	59,045
	100,000	-	-	-	100,000
P J Cannon					
(d) 73.25p	30,000	-	30,000*	-	-
	30,000	-	30,000	-	-
M Ashley					
(a) 373p	8,042	-	-	-	8,042
(b) 373p	1,958	-	-	-	1,958
(d) 73.25p	100,000	-	-	-	100,000
	110,000	-	-	-	110,000

* At date of retirement.

The options are exercisable between the following dates:

(a) 1 July 2008 and 30 June 2015

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- (b) 1 July 2008 and 30 June 2012
- (c) 8 January 2011 and 7 January 2018
- (d) 8 January 2011 and 7 January 2015

(2) 1996 Savings-Related Share Option Scheme:

Exercise Price	Granted during the year ended		Lapsed during the year ended		Exercised during the year ended	
	1 April 2008	31 March 2009	31 March 2009	31 March 2009	31 March 2009	31 March 2009
A D Rose						
(a) 350p	568	–	–	–	–	568
(c) 62.4p	29,366	–	–	–	–	29,366
	29,934	–	–	–	–	29,934
M Ashley						
(b) 62.4p	15,384	–	–	–	–	15,384
	15,384	–	–	–	–	15,384

The options are exercisable between the following dates:

- (a) 1 February 2010 and 31 July 2010
- (b) 1 March 2011 and 31 August 2011
- (c) 1 March 2015 and 31 August 2015

In addition, the ESOP Trust held 678,112 Ordinary Shares in the Company for beneficiaries including, inter alia, Directors and employees of the Company and its subsidiaries. The Executive Directors, being members of a class of potential beneficiaries of the ESOP, are, to that extent, interested in all the Company's shares acquired by the ESOP and not allocated.

No options were exercised during the year.

The market price of the Company's shares on 31 March 2009 was 31.5p per Ordinary Share and the high and low share prices during the year to 31 March 2009 were 67.75p and 23.25p, respectively.

Long-Term Incentive Plan

The following awards of shares have been granted under the terms and subject to the conditions of the rules of the Long-Term Incentive Plan:

Date of award	Market price on date of award	Granted during the year ended		Lapsed during the year ended		
		1 April 2008	31 March 2009	31 March 2009	31 March 2009	
D B Harris						
(a) 01.07.05	377.5p	61,069	–	61,069	–	–
(b) 01.07.06	207.0p	121,733	–	–	–	121,733
		182,802	–	61,069	–	121,733
A D Rose						
(a) 01.07.05	377.5p	41,341	–	41,341	–	–
(b) 01.07.06	207.0p	82,252	–	–	–	82,252
		123,593	–	41,341	–	82,252
P J Cannon						
(a) 01.07.05	377.5p	9,324	–	9,324	–	–
(b) 01.07.06	207.0p	17,831	–	17,831*	–	–
		27,155	–	27,155	–	–

* At date of retirement

(a) As neither of the two performance targets detailed below were met the awards granted on 1 July 2005 lapsed and the shares were retained by the Trust.

The shares conditionally awarded on 1 July 2006 are held in trust for a period of three years from the award date (the "performance period") and their release no earlier than 1 July 2009 is conditional and will be allocated in equal portions to the achievement of two performance targets during the performance period namely:

(i) a target ("the TSR target") under which the increase in the Company's Total Shareholder Return ("TSR") (namely share price appreciation plus dividends) through the performance period must exceed the average TSR during the same period, of the applicable sub-section of the FTSE Actuaries Industry Sector by 9% or more (in which event, 50% of the shares conditionally awarded will be released); and/or

(ii) a target ("the EPS target") under which the average percentage increase in the Company's normalised Earnings Per Share during its three financial years commencing on 1 April immediately preceding the award date must exceed

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the average percentage increase in the Retail Prices Index during the same period by 3% per annum or more (in which event 50% of the shares conditionally awarded will be released).

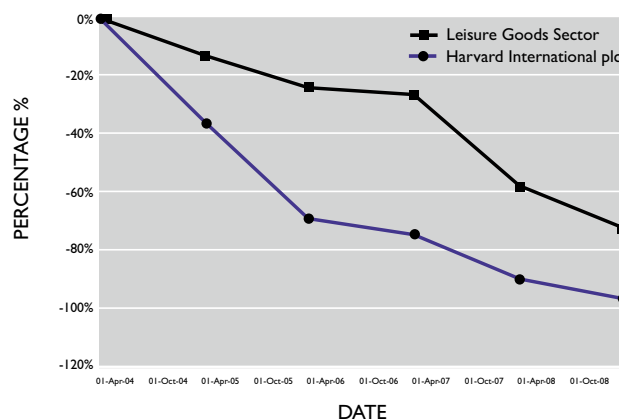
If in relation to either of the above targets the Company's growth achievement against the relevant comparative during the performance period is (in case of the TSR target) 6% or more but less than 9% or (in case of the EPS target) 2% per annum or more but less than 3% per annum, then the percentage of the shares released to the grantee will be proportionately reduced from a level of 50% of the award if the growth achieved is at the higher percentage to a level of 25% of the award if the growth achievement is at the lower percentage. If the growth achievement is less than the lower percentage, no shares will be released to the grantee. These performance targets were based on standard practice prevailing at the time the plan was established and were discussed with and approved by major institutional shareholders prior to implementation of the Long-Term Incentive Plan.

Neither of the performance targets set out in sections (i) and (ii) above has been achieved in respect of the shares granted on 1 July 2006 and, therefore, the shares conditionally awarded will lapse. The shares shall be retained by the Trust.

The Long-Term Incentive Plan which was adopted by the Company on 18 September 1998, terminated on the tenth anniversary of its adoption by the Company. The Remuneration Committee is considering the terms of a new plan.

Total shareholder return

The following graph shows the Company's total shareholder return compared to that of the Leisure Goods Sector of the FTSE/DJ Industry Classification Benchmark (ICB) over the past five years. Given that the Company was not a constituent of the FTSE-250 index during the year under review, the Leisure Goods Sector is deemed to be the most appropriate comparator:



Source: Hemscott

Pensions

Mr D B Harris, Mr A D Rose and Mr M Ashley were members of the Alba plc Group Retirement and Death Benefit Scheme. On 1 July 2005, this contracted-in money purchase (defined contribution) scheme with no underlying benefit guarantees was closed and comparable money purchase benefits are provided through a Stakeholder Pension Plan. Mr P J Cannon had a Personal Pension Scheme into which the Company contributed until his retirement. The Company contributions into these schemes, which are based on a percentage of pensionable salary, are set out in the table under the Directors' detailed emoluments.

Service contracts

Each of the Executive Directors is employed on a rolling contract subject to one year's notice on either side except in the case of Mr M Ashley whose contract of employment is subject to six months' notice on either side.

Details of the employing company and dates of contract are as follows:

Director	Date of Contract	Employing Company
Mr D B Harris	4 September 1987	Harvard International plc
Mr A D Rose	4 September 1987	Harvard International plc
Mr M Ashley	4 October 2004	Alba Broadcasting Corporation Limited

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The Committee believes that, in order to attract Executive Directors of the right calibre and to compete for talent with our competitors, it is necessary to offer service contracts with notice periods of up to one year. Under the terms of the Executive Directors' service contracts, on termination by the employing company, except in the case of dismissal for cause, the employing company shall make a payment to the Executive Director equal to:

- the Executive's basic salary for the period of notice, and
- the cost of provision of pension and benefits for the notice period.

Such payment will be reduced proportionately in the event that the Executive Director works part of his period of notice.

Non-Executive Directors do not have service contracts and with the exception of Mr P E Selway-Swift, whose re-appointment is considered annually, their re-appointment is considered every three years by the Board and, if the Board recommends such re-appointment, by the Company. The year when each Director was appointed is shown in the Directors' biographies on pages 13 and 14. There are no compensation provisions for early termination of Non-Executive Director appointments.

Directors' detailed emoluments

The Directors' remuneration in total is analysed as follows:

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Emoluments for qualifying services	923	1,291
Bonus payment	46	–
Ex-Gratia payment	200	–
Contributions to money purchase pension schemes and SIPPs	154	202
Benefits	64	61
	1,387	1,554
Fees	185	146
Total	1,572	1,700

The remuneration of each Director for the year ended 31 March 2009 is made up as follows:

	Emoluments for qualifying service £'000	Pension contributions £'000	Benefits £'000	Total £'000	Prior year total £'000
J E Harris*	–	–	–	–	56
D B Harris	350	69	15	434	608
A D Rose	250	49	15	314	410
P J Cannon**	*** 273	12	25	310	217
A Coda	–	–	–	–	81
D W Allen	–	–	–	–	43
M Ashley	**** 296	24	9	329	**** 139
P E Selway-Swift	40	–	–	40	50
D M Jones	–	–	–	–	13
B P Blow	110	–	–	110	80
A P Shearer	35	–	–	35	3

* Up to date of retirement on 4 October 2007. Subsequent to that date Mr J E Harris has received a fee of £50,000 pa

** Up to date of retirement on 23 September 2008

*** Includes £200,000 ex-gratia payment.

**** Includes £46,000 bonus payment.

***** From date of appointment on 4 October 2007.

Mr D B Harris agreed to a reduction in his base salary from £350,000 to £300,000 and Ms B P Blow agreed to a reduction in her fee from £110,000 to £95,000 with effect from 1 April 2009.

Interests in contracts

There were no contracts of significance subsisting during or at the end of the year in which a Director of the Company is or was materially interested.

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Interests in shares

The Directors' beneficial and non-beneficial interests in the share capital of the Company are shown below:

	Beneficial 31 March 2009	Beneficial 31 March 2008	Non-Beneficial 31 March 2009	Non-Beneficial 31 March 2008
D B Harris	6,089,818	6,089,818	900,000	900,000
A D Rose	231,649	231,649	–	–
M Ashley	–	–	–	–
P E Selway-Swift	5,760	5,760	–	–
B P Blow	10,000	10,000	–	–
A P Shearer	–	–	–	–

On 3 April 2009, 540,000 ordinary shares of 10p each in the Company held by Mr D B Harris and his sister Mrs A J Kaye as Trustees of the 1987 John Harris Grandchildren's Settlement, were transferred into two family trusts with Mr D B Harris continuing to have a beneficial interest in 270,000 of such ordinary shares.

As at 31 July 2009 there had been no other alterations to the Directors' interests since 31 March 2009.

The Report of the Auditors on the Financial Statements covers the disclosures contained in this Report that are specified for audit by the Financial Services Authority. The following sections of this Report are audited:

Share option schemes
Long-Term Incentive Plan
Pensions
Directors' detailed emoluments

Approved by the Board and signed on its behalf:

J E Malin Secretary

31 July 2009