

Notes to the financial statements

for the year ended 31 March 2015

13 Share-based payments

The Group had five share-based payment schemes (2014: five) in existence during the year ended 31 March 2015. The Group recognised a total charge of £1,846,000 (2014: £1,919,000) in the year relating to equity-settled share-based payment transactions.

Share options and Long-Term Incentive Scheme (LTIS)

Share options including LTIS (issued after 7 November 2002)

	Options	Weighted average exercise price (pence)
Outstanding at the beginning of year and end of year	42,189	Nil

The share options, including LTIS, outstanding at 31 March 2015 had a weighted average exercise price of Nil pence and a weighted average remaining contractual life of Nil years (the Directors have assumed all shares will vest at the earliest available date). Options were granted at £Nil cost for this equity settled scheme. No options were granted in the year ended 31 March 2015. The options become exercisable between three and 10 years from grant date, provided that the employee remains in employment. Out of the 42,819 outstanding options (2014: 42,189), all were exercisable at 31 March 2015.

The assumptions used in the Monte Carlo model for the options outstanding at the beginning of the year are as follows:

	2006 grant	2005 grant	2004 grant	2003 grant
Share price (on date of official grant) (pence)	65.9	60.4	64.8	54.3
Exercise price (pence)	Nil	Nil	Nil	56.8
Expected dividend payments (%)	2	1	Nil	Nil
Expected term (years)	3	3	3	6.5

Share Incentive Plan (SIP)

The SIP is open to all employees and offers partnership, matching and free shares (the basis depends on the individual's contribution into the scheme). No performance criteria are attached to these matching shares other than an employee must remain employed by the Group for five years from the date of grant to be able to have their free and matching shares. In 2014/15, 1,452,145 (2014: 1,399,194) matching shares were granted during the year.

	Number	Weighted average exercise price (pence)
Outstanding at the beginning of the year	8,269,254	Nil
Granted during the year	1,452,145	Nil
Lapsed during the year	(2,615,169)	Nil
Outstanding at the end of the year	7,106,230	Nil

Smart421 Incentive Scheme (SIS)

The SIS is an equity-settled share-based payment scheme open to senior management in the Smart421 brand. The awards were granted at £Nil cost on 1 August 2011 and vest dependent on specific non-market performance conditions over a three year performance period. The plan's performance target measures annual and cumulative profit before tax of Smart421 Limited for the 2012, 2013 and 2014 financial years. On 4 June 2014, the Remuneration Committee agreed that all non-market performance measures had been achieved and all awards would vest in full.

	Number	Weighted average exercise price (pence)
Outstanding at the beginning of year	1,500,000	Nil
Vested during the year	(1,494,890)	Nil
Lapsed during the year	(5,110)	Nil
Outstanding at the end of the year	—	Nil

Notes to the financial statements continued

for the year ended 31 March 2015

13 Share-based payments continued

Executive Incentive Plan (EIP)

For the EIP, the performance condition was based on the TSR of share price plus dividends paid and was measured on a rolling three month basis during a three year performance period. For further information on the performance conditions and the vesting of the scheme see the Remuneration report on page 52.

Award date	Vesting release date	Number	Number at date of grant	Outstanding at the beginning of the year	Vested and released	Outstanding at the end of the year	Fair value (pence)
EIP awards							
24/07/2009	24/07/2013	1	7,480,000	—	—	—	12
24/07/2009	24/07/2013	3	3,630,000	—	—	—	11
24/07/2009	24/07/2014	3	1,815,000	—	—	—	11
24/07/2009	24/07/2014	3	1,815,000	1,017,268	(1,017,268)	—	11
19/11/2009	19/11/2013	17	3,038,364	—	—	—	27
19/11/2009	19/11/2014	17	1,519,182	—	—	—	26
19/11/2009	19/11/2014	17	1,519,182	906,902	(906,902)	—	25
25/02/2010	25/02/2014	17	591,636	—	—	—	32
25/02/2010	25/02/2014	17	295,818	—	—	—	31
25/02/2010	25/02/2015	17	295,818	168,478	(168,478)	—	30
Total			22,000,000	2,092,648	(2,092,648)	—	

The awards have been valued using a Monte Carlo simulation model.

Long-Term Incentive Plan (LTIP)

The LTIP is an equity-settled share-based payment scheme open to the Executive Directors and selected senior employees at the discretion of the Remuneration Committee. The awards were granted at £Nil cost and vest dependent on TSR performance over a three year performance period relative to the TSR performance of each company within a comparator group. For further information on the grants and the performance conditions, see the Remuneration report on page 51.

	Number	Weighted average exercise price (pence)
Outstanding at the beginning of the year	3,982,093	Nil
Granted during the year	1,669,640	Nil
Lapsed during the year	(512,206)	Nil
Outstanding at the end of the year	5,139,527	Nil

The awards have been valued using a Monte Carlo simulation model.

The average assumptions used are as follows:

Share price at date of grant (pence)	76.35
Exercise price (pence)	Nil
Volatility (%)	33.28
Risk free rate (%)	0.18
Dividend yield (%)	—