WALKER CRIPS

IFPR: MIFIDPRU annual disclosures

Walker Crips Group plc

For the year ended 31 March 2024

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1. Introduction

These annual public disclosures (the "disclosure") are made in accordance with the Investment Firms Prudential Regime ("IFPR") for the year ended 31 March 2024. The disclosure relates to Walker Crips Group plc ("the Company") and is made in accordance with the Financial Conduct Authority ("FCA") Prudential Sourcebook for Investment Firms chapter 8 ("MIFIDPRU 8").

The Company is the Parent Company of the Walker Crips group of companies ("the Group"). The Company is a public limited company incorporated and registered in England and Wales under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office of the Company is Old Change House, 128 Queen Victoria Street, London EC4V 4BJ.

The disclosure covers:

a) Governance arrangements (MIFIDPRU 8.3);
b) Remuneration policy and practices (MIFIDPRU 8.6);
c) Risk management objectives and policies (MIFIDPRU 8.2); and
d) The Group's financial strength covering own funds and own funds requirements (MIFIDPRU 8.4 and MIFIDPRU 8.5).

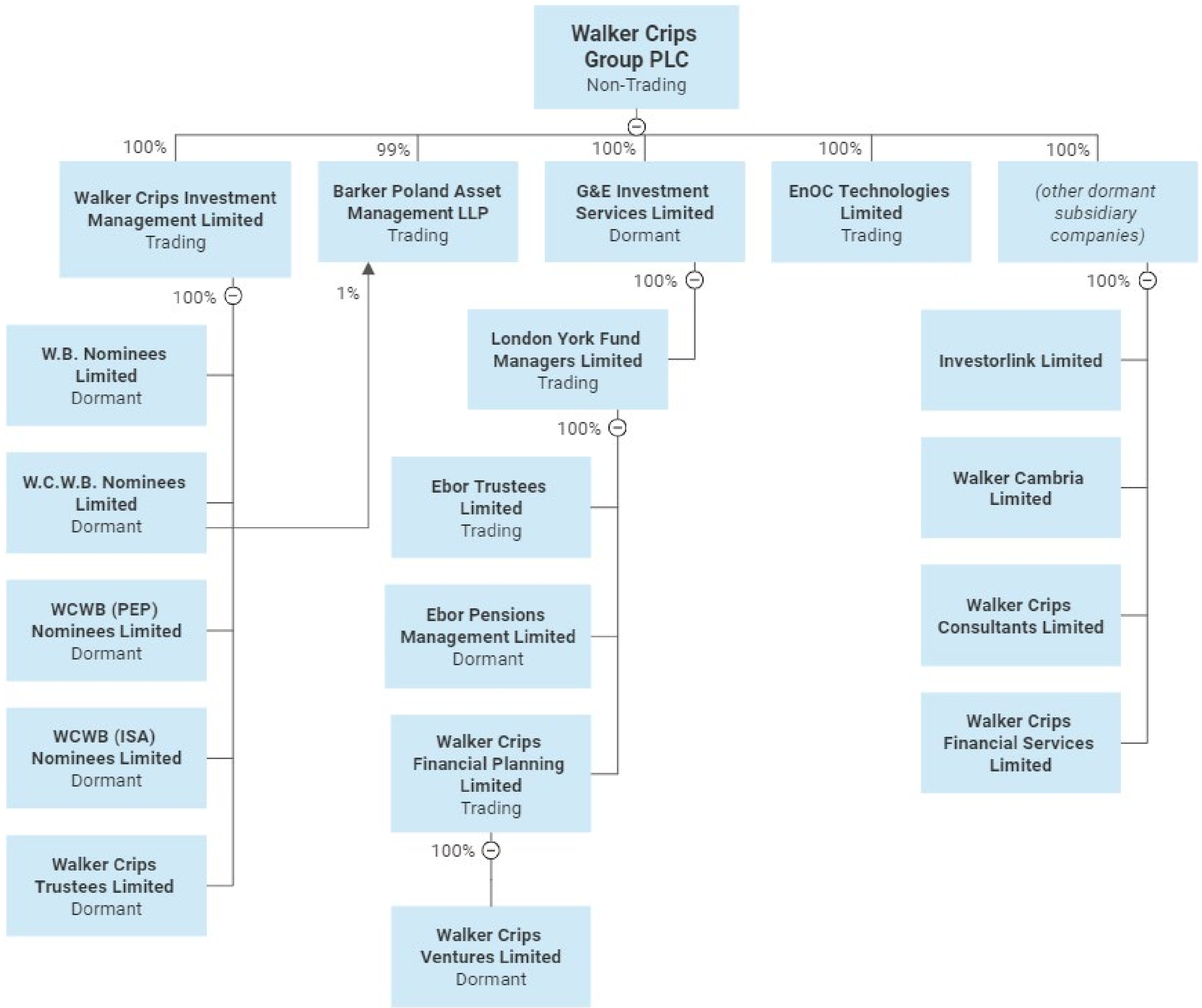
The Group overview - Regulated entities

Entity	Classification
Walker Crips Investment Management Ltd ("WCIM") FRN 226344	Non-SNI MIFIDPRU Investment Firm
Barker Poland Asset Management LLP ("BPAM") FRN 499311	SNI MIFIDPRU Investment Firm
EBOR Trustees Limited ("EBOR") FRN 462002	Article 3 MIFID exempt firm (personal investment firm)
Walker Crips Financial Planning Limited ("WCFP") FRN 114778	Article 3 MIFID exempt firm (personal investment firm)

For the purpose of this disclosure, by virtue of being part of a Non SNI Investment Group, all entities listed above are treated as non-SNI MIFIDPRU investment firms.

The Group is not within the scope of MIFIDPRU 8.7 (Investment policy). Therefore disclosure is not included within this report.

Wider Group Structure:



2. Governance arrangements

We recognise that well defined and transparent governance arrangements are an important element of effective risk management and our current arrangements are summarised below. Additional details including a Chairman's introduction and board report on corporate governance, is published with our Group annual report for 2024, available at walkercrips.co.uk/investorrelations.

Business model
The Group operates within the financial services industry and specialises in providing a range of financial services and financial products to our customers. Our core business is the provision of investment management, financial planning, pensions administration, collectives model portfolio services and structured investments. And through our Software as a Service subsidiary, EnOC Technologies Limited, we create technology for the Group and our business partners.

We are a cohort of people, both employed and self-employed, within a culture of constant development and commitment to serve our customers fairly and to help them grow their investments in line with their goals and risk appetites.

Our values
Our culture is to place customer outcomes first and we serve our customers with integrity, courtesy, fairness and loyalty.

The Board
The Group's ultimate decision-making and oversight body is the Company's Board of Directors. The Board of Directors is responsible for setting the Group's business objectives, strategy and annual budgets. The Board of Directors is responsible for ensuring effective and prudent management of the Group and has accordingly implemented segregation of duties between its business functions and control functions.

Board composition
The Board, on date of issue of this disclosure (31 July 2024) comprises five Directors of whom two undertake executive roles as Chief Executive Officer and Group Finance Director respectively, and three are non-executives, including the Board Chairman.

The following members served on the Board during the period to 31 March 2024.

- Martin Wright (Chairman)
- Clive Bouch (Senior Independent Director) – resigned on 26 June 2024
- David Gelber (Non-Executive Director)
- Hua Min Lim (Non-Executive Director)
- Sean Lam (Chief Executive Officer)
- Sanath Dandeniya (Group Finance Director)

Board leadership and purpose
Board's strategy execution, threats to plan, business risks, emerging opportunities and progress made are addressed by:

- evaluating strategic proposals to ensure that they are aimed at enhancing the business model and generating value for shareholders;
- considering the views and priorities of stakeholders and the impact on strategy;
- identifying and reviewing existing and emerging threats to plan and business risks, and how these are being managed or mitigated;
- ensuring the Group's resources and competencies are aligned with achievement of its strategic ambitions;
- reinforcing the Group's values by adopting workforce policies and practices that are consistent therewith;
- promoting effective channels for the workforce to raise any concerns;
- implementing robust procedures to manage conflicts of interest; and
- monitoring progress towards the delivery of the Group's strategic initiatives; and assessing the Group's prospects and viability and its ability to continue as a going concern.

Particular attention was given during the year to reassessing the Group's principal risks and the effects of those risks upon the business model. This included the implementation of the new Consumer Duty Regulation and the ongoing improvements being made to uplift our operational and regulatory framework. We continue to monitor the impact of the Ukraine conflict, the unrest in the Middle East region, changes to the UK and world political arena and general global events in managing our overall risks.

Culture and workforce engagement
The Board recognises the importance of workforce engagement and ensuring that the culture throughout the Group is aligned with its purpose, values and strategy. This is addressed by the Executive Directors and at Board and Committee meetings through:

- Executives' regular engagement with the workforce, including the carrying out of surveys;
- regular discussions at Board Meetings and with the head of HR on culture and matters of concern to the workforce;
- promoting our "speak up" policies and reviewing the outcomes of whistleblowing reports and remedial actions;
- monitoring levels of absenteeism and workforce turnover;
- receiving reports on conduct, including compliance breaches and any instances of fraud, and considering non-financial behaviours when assessing individual and Group performance and reward;
- periodic review and approval of all Group policies regarding conduct, health and safety, human resources and social responsibility, amongst others; and
- focused training to perform the job and personal development.

Engagement with shareholders
The Board recognises the importance of communications with shareholders. This is achieved through:

- the Company's Interim and Annual Reports and Accounts, which include a detailed review of the business and future developments and are publicly available on the Company's website at walkercrips.co.uk/investorrelations;
- the Annual General Meeting to communicate with private and institutional investors. All Directors are available at General Meetings to answer questions and the proxy votes cast on each resolution proposed are disclosed at those meetings. The Chairman actively encourages and welcomes all shareholders' participation in the AGM;
- the Chairman and Chief Executive being in regular contact with Group's major shareholders, the Lim family, with important factors arising from these discussions promptly communicated to the Board; and
- the Board also encouraging individual shareholders to raise any questions with the Chairman, Chief Executive Officer or Non-Executive Directors and ensuring these are addressed promptly and thoroughly.

Independence of Non-Executive Directors
The Board is aware that the tenure and/or interests of a majority of its Non-Executive Directors are consistent with certain of the circumstances the Code identifies as likely to impair a non-executive's independence. Specifically, Martin Wright, David Gelber and Hua Min Lim have each served on the Board for considerably more than nine years. Hua Min Lim, together with connected parties, is also a significant shareholder. Martin Wright had served for more than nine years when he was appointed Chairman of the Board and continued to be a partner of the Group's solicitors, Charles Russell Speechlys LLP throughout the year but has subsequently retired as a partner and taken on the role of senior counsel.

Although the duration of their Board appointments and the other interests are circumstances identified by the Code that could impair independence, the Board reviews the Directors' contributions every year and is satisfied that they continue to deliver both objectivity and value, providing constructive challenge and support to the Executive Directors and Management, and demonstrate an independent approach to their responsibilities. In considering effectiveness, the Non-Executive Directors' collective and individual competencies, experience and time availability to perform their roles are kept under review.

The Non-Executive Directors meet without the Executive Directors being present, further enhancing the effectiveness with which they both scrutinise the Executive Directors' performance and hold them to account. Clive Bouch, who had served on the Board since 2017, continued to act as Senior Independent Non-Executive Director throughout the year to provide a sounding board for the Chairman and serve as an intermediary for other Directors and shareholders. He met with other Directors, without the Chairman present, as required, for example when addressing the Chairman's performance and remuneration.

Division of responsibilities
There is a clear division of responsibilities between the Chairman and Chief Executive. Their responsibilities, together with those of the Senior Independent Director, the Board and its Committees, have been set out in writing, agreed by the Board and are publicly available.

Certain Executive and Non-Executive Directors of the Group are also Directors of the Boards of the main operating companies which conduct regulated investment business, thereby exerting influence and constructive challenge at an operating level.

The plan previously reported to consolidate the Group by merging certain regulated entities will allow a more holistic oversight of the business as a whole. This plan remains an intrinsic part of the Company's business plan.

Governance framework
The Board has three committees: the Audit Committee, the Nomination Committee and the Remuneration Committee, the terms of reference of each of which are available on the Company's website at walkercrips.co.uk. The Chairman of each of these Committees is responsible for reporting to the Board on how the Committee has discharged its duties. In addition, the Chairs of the Executive Risk Management Committee and the Executive Compliance Committee provide regular reports and operational input to the Audit Committee and at Board Meetings.

Matters reserved for the Board
The Board has a formal schedule of matters reserved to it for decision-making, including, inter alia, developing the future direction of the Group's business, agreeing policies and procedures, approving material transactions, business plans, business risk reviews and borrowings, and monitoring the Group's progress.

The full list of matters reserved for the Board is available on the Company's website at walkercrips.co.uk/investorrelations.

All operating subsidiaries' Boards and other management or operational committees include at least one main Board Executive Director who serves as the link between the Board and Management on operational decision-making.

Diversity and inclusion
The Board recognises the governance benefits that breadth of perspective and diverse traits deliver. It is fully committed to promoting talented individuals as executives on merit, both internally and through recruitment, with the Board's whole-hearted encouragement, supported by accessible training and regular open communication between Directors and staff.

Nomination Committee
The Committee's principal responsibilities are to ensure Board appointments are subject to a formal, rigorous and transparent procedure and that succession plans are based on merit and objective criteria. It also seeks to ensure the contribution of each Director is monitored and the effectiveness of the Board as a whole is evaluated. The Committee consisted of Martin Wright (who acts as its Chairman), Clive Bouch, David Gelber and Hua Min Lim throughout the year.

The Committee will take full account of the Board's policy on diversity in considering any appointments within its remit, which encompasses gender, age, education, social and ethnic backgrounds, disability and cognitive and personal strengths, and includes the appointment of female members of staff to senior management roles within the Group.

Audit, risk, and internal control - Audit Committee
The Board is responsible for establishing and maintaining an Audit Committee and for appointing its members. The 2018 UK Corporate Governance Code ("the Code") provides that the Committee should comprise only independent Non-Executive Directors of the Company with a minimum of two members.

The Committee comprises two members, which reflects the size of the Board and scale of the business. The Board's emphasis is to ensure that those Non-Executive Directors serving on the Committee have the necessary skills, experience, objectivity and knowledge of the sector to operate effectively and to work together in providing effective guidance and challenge.

Clive Bouch, who is a Chartered Accountant with recent and relevant financial experience, served as the Committee Chairman throughout the year, and David Gelber served as the other Committee member, albeit that he has been a Director for more than nine years and formerly chaired the Board. As authorised by its Terms of Reference, the Committee invited the Group Finance Director and the Heads of Group Compliance and Group Risk to attend and report at its meetings as well as representatives of both the Group's internal and external auditors. The Group Chairman and Group Chief Executive are also invited to attend meetings.

On 27 June 2024 Clive Bouch left the Board and consequently relinquished his appointment as the Committee Chairman. As an interim measure, David has taken over the role of Committee Chairman while the Board Chairman, Martin Wright, has been co-opted to the Committee as the other member as a matter of expediency. As also noted in the Chairman's statement, we anticipate appointing two new Independent Non-Executive Directors both of whom have recent and relevant financial experience and will become Audit Committee members.

The Committee's current Terms of Reference are available for inspection on the Company's website at walkercrips.co.uk.

Main responsibilities of the Committee

The Committee assists the Board in its oversight of the:

- integrity and quality of financial reporting and disclosure;
- selection and application of accounting policies and practices;
- risk management systems and internal control environment;
- Group's compliance with legal and regulatory requirements relevant to financial reporting and accounting;
- appointment/reappointment, independence and performance of the external auditor, including the quality and effectiveness of the external audit;
- integrity of significant financial returns to regulators;
- effectiveness of internal audit;
- Group's compliance with statutory tax obligations;
- determination of distributable reserves; and
- other issues, if any, on which the Board may request the Committee's opinion.

Risk management

The Board is responsible for the identification and robust assessment of the Group's emerging and principal risks and this is carried out continually throughout the year.

The Board has been assisted in discharging these responsibilities by the Audit Committee, as well as the Executive Risk Management Committee ("RMC"), the members of which have been selected based on their experience and skill sets.

The members of the operating companies' boards, overseen by the main Board, are responsible for ensuring that adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements. The Executive Directors of each Group company are responsible for its day-to-day management.

The objectives of the RMC are to assist the Group and operating companies' boards in fulfilling their corporate governance oversight responsibilities by evaluating, reviewing and reporting on:

- risk appetite, strategy and tolerance, including integration with the Group's culture, values and behaviour; and
- the operation of risk management frameworks in the effective mitigation of strategic, operational and external risks.

The RMC ensures that all new initiatives, projects and products are formally assessed and evaluated for the degree of risk exposure and regulatory capital impact to the Group, thus enabling strategies for the management, mitigation, transfer or avoidance of risk to be formulated.

The Board assesses principal risks facing the Group, including those that threaten its business model, future performance, solvency and liquidity.

Internal control
The Board acknowledges its responsibility for the Group's system of internal control and has formalised the process for its review of internal control (including financial, operational and compliance controls as well as risk management) and defining the scope and frequency of reports to be received, both by the Board and the Audit Committee. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group as communicated through the RMC. Due to the relatively small size of the Group there is a simple organisational and reporting structure. Financial results, forecasts and projections, and other information, are regularly reported to the Board throughout the year.

The Group operates under a system of internal financial controls which have been developed and refined to meet its current and future needs. These include, but are not limited to:

- the organisational structure and the delegation of authorities to operational management;
- procedures for the review and authorisation of capital investments;
- business plans, budgets and forecasts which are reviewed by the Board;
- the reporting and review of financial results and other operating information;
- accounting and financial reporting policies to ensure the consistency, integrity and accuracy of the Group's accounting records; and
- financial and operating controls and procedures which are in place throughout the Group and monitored through various means including routine and special reviews by both the external and internal auditors.

The Directors keep the Group's internal control and risk management systems under review by conducting an annual assessment, involving dialogue with relevant senior managers, of the effective design and operation of the controls to meet key control objectives and to mitigate key risks. In recent years we have experienced too many large costs that have arisen due to key procedures and controls not operating as they should and such failures persisting over time. as referenced in the Chairman's statement, the Board is currently taking steps to address this comprehensively. Accordingly, in addition to the strengthening of our second and third lines of defence in recent years, a fresh review of all key transaction reporting controls, key risk indicators, use of systems and exception reporting are in progress. In addition, we have concluded that senior management bandwidth is too narrow and a strengthening of the management team has already commenced.

The Directors consider that the controls and risk management procedures established and to be implemented will be appropriate for the Group. However, any system of internal control and risk management can only provide reasonable, not absolute, assurance against material misstatement or loss.

Compliance and Financial Crime Committees
The Executive Compliance and Financial Crime Committees assist the Group and subsidiary boards in fulfilling their legal and regulatory compliance and financial crime oversight responsibilities by evaluating, reviewing and reporting on plans of the compliance and financial crime teams, progress reports on actions, issues arising, management information, changes in regulation and enquiries from the regulator. The Committees work to ensure policies are correctly framed, there is appropriate training and a regime for ensuring adherence to the rules, and a suitable process for sanctions where that is not the case.

The Committees' aim to cultivate a culture of compliance and challenge to ensure the Group is delivering good customer outcomes and to prevent the Group being used for financial crimes.

3. Risk management objectives and policies

The Board is ultimately responsible for establishing a risk management framework to control, mitigate and manage various risks faced by the Group and allow it to achieve its strategic objectives. Our approach to risk management is continually evolving to meet the ever-present principal risks and new threats and opportunities that may arise in the short, medium and long term.

Risk management is a central part of the Group's strategic management. It is defined as the probability of an event occurring and the consequences or impact the risk would have to the organisation. Risk management focuses on identifying what could go wrong, evaluating and prioritising which risks are important to deal with and implementing strategies to mitigate those risks. An effective risk management programme can increase a business's chances of success and reduce the possibility of failure.

The main aspect of the risk management framework is the risk management system or Risk matrix which has been devised to provide an assessment of the main risks and to highlight areas which need to be targeted, having a high probability and/or impact, to ensure the organisation has sufficient regulatory capital to withstand failings in these areas.

Procedures and controls are in place to identify, assess and ultimately control the inherent operational risks prevalent in every operation which generally arise through error or failure. Steps are taken to mitigate these risks through designing, implementing and operating effective procedures and controls, efficient systems, and training and development of staff.

It is the Group's policy to fully embed risk-based principles throughout the organisation and to maintain a risk control framework and register, known as the Risk Matrix, which is used to identify, evaluate, monitor and control the risks of the business.

Effective risk management is attained by:

- Promotion of a strong risk management culture and tone from the top and within, based around our core values of integrity, courtesy, fairness and loyalty.
- Horizon scanning to ensure any developments in the risk landscape are appropriately addressed by the business.
- Ensuring new initiatives are robustly challenged via the Group's New Initiative Risk Assessment (NIRA) process, with the requisite controls embedded within any new activities.
- Establishment of risk appetites, tolerances and limits to allow business to be conducted within clear parameters and maintain an appropriate balance between risk and reward.
- Ongoing risk monitoring via quantitative and qualitative management information.
- Operation of a three lines of defence model.
- Comprehensive risk identification and assessment as part of the Group Risk Matrix and Risk of Harm Assessment.
- Articulation and assessment of the Group's overall approach to risk via the Group Internal Capital and Risk Assessment Process ("ICARA") under FCA MIFIDPRU rules.

Board

- Responsible for establishing a sound and effective risk management framework.
- Sets risk appetite.
- Identification and robust assessment of principal and emerging risks.

Audit Committee
The Audit Committee assists the Board with the following risk management framework activities:

- Oversight of the adequacy and effectiveness of the risk management systems and internal control environment.
- Assessment of the effectiveness of internal audit.

Our framework
The Group operates a three line of defence model as follows.

First Line
Senior management and operational business units are responsible for managing risks, by developing and maintaining effective internal controls to mitigate risk.

First Line Risk Owners
- Perform quarterly assessment of risks within the Company's Risk Matrix.
- Ensure risks within their areas remain robustly identified, assessed, controlled and mitigated.
- Includes Client Onboarding & Suitability, Operations, Finance, HR, T&C and Technology teams.

Second Line
The risk and compliance functions maintain a level of independence from the first line. They are responsible for providing oversight and challenge of the first line's day-to-day management, monitoring and reporting upon risks and risk management to both senior management and governing bodies.

Risk Management Committee
- This executive committee assists the Group and subsidiary boards in fulfilling their governance oversight responsibilities.
- Evaluates, reviews and reports on:
  - Risk appetite, strategy and tolerance, including integration with the Company's culture, values and behaviour.
  - The operation of risk management frameworks in the effective mitigation of strategic, operational and external risks.

Compliance Committee
This executive committee has the following objectives:

- To provide regulatory oversight to the Company, ensuring compliance with all regulatory obligations of the FCA, FOS, FSCS, LSE and other UK regulatory bodies relevant to the Company.
- To provide challenge to all levels of leadership in the Company.
- To cultivate a culture of compliance and ensure that the Company is delivering good customer outcomes.

Second Line Control Teams
- Provide independent challenge and oversight of first line control activities.
- Monitoring and reporting of risks to the Board and senior management.

Third Line
Internal audit:

- Undertakes certain assurance procedures to enable reports into the Audit Committee on the Company's governance and risk control framework.
- Provides an independent and objective appraisal of Company activities, furnishing management with analyses and recommendations.

Principal risks and uncertainties

The tables below detail the Group's principal risks and uncertainties and their status as at 31 March 2024:

Risk	How it arises	Mitigation	Status
Client risk/Counterparty risk			
Client/Counterparty failure to meet its obligations to the Group **Risk appetite** – Low/Medium **Status** – Unchanged	The risk that a client or market counterparty will not meet its obligations to the Group in accordance with agreed terms resulting in losses. This risk can arise when a client fails to pay for a purchase of shares or to deliver a certificate of ownership of a stock which has been sold. A similar exposure also arises if a market maker fails to complete the same trade through corresponding payment or stock delivery.	Daily monitoring of clients' positions and counterparty exposures and individual trade limits. Credit assessments of counterparties and treasury policy to avoid concentration risk. Credit risk assessments of banks and custodians, active monitoring of exposures and use of credit ratings. Using several banks to hold both clients' and the firm's money, with levels being constantly reviewed.	Against a continuing difficult economic and geo-political environment, resulting in reduced investor confidence, trading activity and connected client exposures were lower in the period. These exposures alongside those relating to other counterparties remained well monitored and managed throughout the period.
Conduct risk			
Customer outcomes **Risk appetite** – Low/Medium **Status** – Increased	The risk that clients or the wider market suffer detriment as a result of inappropriate behaviour or actions by staff or business partners. This risk can arise when representatives of the Group are not given sufficient training or awareness of the highest standards of behaviour central to the services of the Group, those being honesty, integrity and fairness.	Clear and balanced financial promotions, suitable investment advice and complaints management. Board and management oversight, development of staff and training, strong corporate governance with defined roles, ensuring the tone from the top sets a fair, positive and ethical culture.	The Group delivered on the key requirements of the Consumer Duty regulation for the 31st July 2023 implementation deadline. The first annual assessment (Consumer Duty Board Report) of whether good customer outcomes are being achieved is nearing completion, ahead of the 31st July 2024 industry wide completion deadline. In the period, the Group's internal auditors conducted reviews on the Walker Crips Investment Management's (WCIM) Suitability and Culture & Conduct frameworks. Findings from these reviews are being addressed, and will continue to be addressed in the next period, alongside any recommendations that arise from a separate review on the customer journey by one of the firm's external assurance partners.

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Risk	How it arises	Mitigation	Status
Conduct risk (continued)			
Customer outcomes (continued)			To better support it's customers under the Duty, the Group has upgraded its Walker Crips Client Portal mobile app and enhanced the Group website, during the period. For the latter initiative, the Group was awarded the prestigious "Clear English Standard" mark by the Plain Language Commission. This is a significant achievement that underscores our commitment to clarity and accessibility in all our communications.
Regulatory risk **Risk appetite** – Zero/Low **Status** – Increased	The risk of failure to comply with new or amended regulations incurring fines and causing reputational detriment. Failure by Management to recognise the scope and impact of new or amended regulations on the business model and resources needed to implement change.	Board oversight, development of staff and training, strong corporate governance with defined roles, recovery plan, monitoring the Group's performance relative to competitors, compliance monitoring programme, regulatory development oversight, documented policy and procedures and regular contact with regulators. Peer comparison and communication, increased compliance personnel and early gap analyses conducted.	The regulatory risk landscape remains dynamic and highly challenging, with the resource required to remain compliant ever increasing. During the period the Group has invested significant financial resources on support from external consultants in support of its continued embedding of Consumer Duty regulation and remediating areas where gaps have been identified such as the control frameworks for the safeguarding of Client Money and Assets and its broader Compliance framework. An extensive review, lead and directed by the Chairman and supported by external advisors will define a target future state for risk and compliance, with significant change targeted for completion by the end of the next period.

Risk	How it arises	Mitigation	Status
Liquidity risk			
Risk appetite – Zero/Low **Status** – Increased	The risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due. This risk can arise in the stockbroking business, where large amounts of trade values are being settled daily and can lead to a funding requirement due to a delay in market delivery or late settlement by clients.	Maintenance of surplus liquid resources cash flow forecasting, experienced management team monitoring settlement performance and liquid financial trading book that can be realised. Group entities settle intercompany balances regularly and are not reliant on intra-group funding.	Late settlement by clients remains the primary source of liquidity risk for the Group. During the period there were a small number of outside of appetite incidents where this risk crystallised and accordingly processes were reviewed and additional controls implemented The Group's liquidity position remained sound with balances having increased year on year to 31 March 2024 by 6%, and budgetary projections forecasting cash balances at a similar level at the next financial year end.
Market risk			
Market risk **Risk appetite** – Low/Medium **Status** – Unchanged	The risk of losses arising as a result of exposure to market movements in the price of securities, foreign exchange and interest rates. This risk can arise when the Group's trading book positions incur losses on negative price movement.	Trading book positions are tightly controlled by centrally imposed trading limits and are regularly monitored.	Proprietary trading book activity in relation to the Group's structured investments division, and the Arbitrage trading desk, was lower than in the previous period. Both remained well managed, monitored and within risk tolerances, which were unchanged in the period.

<table>
<tr><th>Risk</th><th>How it arises</th><th>Mitigation</th><th>Status</th></tr>
<tr><td colspan="4">Business model risk</td></tr>
<tr><td>Risk appetite – Medium/High

Status – Heightened</td><td>The Group’s business is concentrated in the provision of investment management, financial planning and stockbroking to its clients. The Group accepts and manages the market, liquidity, credit, operational, reputational and regulatory risks of participating in this business as explained in other sections of this risk matrix. The scale and concentration of the business model does however expose the Group to economic cycles as follows:

The Group’s management fee revenues are highly correlated to the value of AUMA, which can be impacted by market levels and client attrition.

The Group’s commission income is driven by customer trading volumes which can be negatively impacted in times of consumer uncertainty and weakened confidence.

The Group’s revenues from managing clients’ trading cash balances are correlated with the amounts of cash held and interest rate levels.

A material proportion of the Group’s client base is through arrangements with self-employed investment managers, who may decide to move to competitors and influence their clients to move with them, leading to client attrition.

Salaries and revenue share arrangements comprise a significant part of the cost base. A tight employment market, such as that presently persisting in the financial services market, applies significant upward pressures on costs, particularly in a higher inflationary environment.</td><td>The Group’s business, although concentrated in financial services, has multiple sources of income that in part complement each other. For example, in the last financial year market conditions have favoured our continuing revenue streams arising from managing client trading cash balances at a time when the same market conditions have negatively impacted management fees, trading commissions and fees from our structured products business. Also, a large part of the Group’s Portfolio management fees are accrued on a daily basis which dampens the immediate downward impact on management fee income in declining/volatile markets.

The Group is solely equity financed and seeks to maintain capital prudently more than economic and regulatory prudential requirements. This provides a buffer to absorb periods of weak financial performance through market cycles. Economic and regulatory capital requirements and headroom are regularly monitored based on actual performance and business projections.

Regulatory capital requirements and capital adequacy are also reviewed through the Internal Capital and Risk Assessment (ICARA) Process and related stress testing. New business initiatives are examined and stress tested prior to implementation. Surplus cash balances are also maintained, and liquidity requirements carefully monitored.

Executive Management remains focused on new business initiatives and cost management.</td><td>The Group has improved its regulatory capital surplus over the year with the positive contributions from reported profits generated in the year, and a reduction in the capital deduction in relation to intangible assets, partially offset by the capital reduction resulting from dividend distributions.

However, the Group’s underlying financial performance has deteriorated, against the prior period, with the cost of continued investment in the regulatory control framework and lower trading commissions and management fees, not being fully offset by higher interest income on managing customer deposits and the firm’s own money, as explained in the Finance Director’s review.

During the period a detailed review was conducted on the Group’s retention of interest revenue from managing client trading cash balances, supported by external advisers. The Group will continue to monitor its arrangements in this area to ensure good customer outcomes are being achieved, striking the appropriate balance between business sustainability, interest rates paid to clients and maintaining competitive core fees.

The Group remains focused on the need to grow its core investment and wealth planning businesses, continuing to sharpen and broaden its product offering, whilst exploring synergies and improving collaboration between various divisions and subsidiaries.</td></tr>
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Risk	How it arises	Mitigation	Status
Business model risk (continued)			
			Budgetary projections for the year ended 31 March 2025 forecast the continued positive, but significantly reduced impact, of contribution to earnings from, and reliance upon, the higher interest rate environment and related revenues for managing clients' trading cash balances.
Operational risk			
Business disruption **Risk appetite** – Medium **Status** – Unchanged	The risk that an internal or external event (e.g., COVID-19) causes failure of core business activities or IT systems supporting them. This risk can arise if we fail to effectively control or administer the operating systems at the root of operations, fail to manage resource requirements properly, maintain inadequate security arrangements, or fail to operate effective business recovery plans.	Business and information system recovery plans are approved, tested and maintained. Data incident log records and analyses all unforeseen events to prevent recurrence or mitigate impact by increasing operational resilience. Insurance cover in place for certain causations (e.g., financial crime and consequential loss).	The Group continued to invest in initiatives to enhance our operational resilience during the period. Key activities included review of our core investment platform, enhancement of recovery planning via the ICARA process, more in depth testing of certain technological aspects of disaster recovery planning and implementation of enhanced outsourcing\supplier policies and procedures. Improvements in our operational control environment to allow us to deliver critical business services to customers efficiently and effectively, will continue to be strategic imperative.
Cyber security **Risk appetite** – Zere/Low **Status** – Unchanged	The risk of fraudulent action by internal or external parties maliciously breaching or misusing the Group's internal systems. This risk can arise from failure to implement sufficient controls over security access to all IT systems, failure to provide effective training, and failure to maintain effective controls.	Senior Management oversight, in depth cyber security training programme, policies and procedures (including working from home policies), encryption and protection software installed, prevention procedures, segregation of duties between front and back office, system authority and payment limits and system access controls and heightened employee awareness based on experience to match the greater risk presented by recent threats reported in the sector. Insurance cover in place for certain causations (e.g., cyber crime, data losses).	Risks in the cyber threat environment continue to evolve, driven by technological advances and volatility in the geo-political and economic backdrop. We continue to make the requisite investments in our control environment to ensure our infrastructure remains well protected and our people educated and alert to the dangers we face.

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Risk	How it arises	Mitigation	Status
Operational risk (continued)			
Personnel **Risk appetite** – Zero/Low **Status** – Increased	The risk of losing key staff and self-employed investment managers who are the drivers of significant components within the Group. This risk can arise from the failure to reward individuals with challenging performance targets, and competitive levels of financial compensation.	Succession and contingency planning and appropriate compensation levels to reward and retain staff. Investment in staff through training, key person insurance cover and contractual restrictive covenants.	The Group experienced a year on year increase in staff turnover as it continued to experience pressures from a dynamic financial services employment market. This was accompanied by a marked decline in the Employee Net Promoter Score (ENPS). Additionally, an internal review identified a number of personnel related shortcomings including constraints on senior executive bandwidth, lack of succession planning, and an underdeveloped people and culture risk monitoring framework. In response to these challenges, a number of senior hires have been made, with plans for further hires in progress. The above self-identified people risks will be addressed over the next year as part a broader and comprehensive enhancement plan in relation to the Group's Culture and Conduct framework. During the period, the Group continued to upgrade its people management capabilities, implementing an enhanced appraisal process and rolling out a number of DE&I initiatives which received industry recognition, with the Group being shortlisted for multiple awards from a trade body and a global financial services media publication.

4. Remuneration policies and practices

The remuneration policy, which is designed to support the business strategy and promote long-term success of the Group, is built around a set of key principles to ensure that remuneration is fair, recognises performance, is competitive within our market, and rewards appropriately against risk appetite, promoting the right culture, values and behaviours, including a strong focus on our customers and sound risk management. The remuneration principles aim to be clear and simple, and strengthen the link between reward, exceptional performance, and balanced risk-taking, as well as emphasising the importance of collaboration.

Variable awards are discretionary and subject to review, challenge and approval by the Remuneration Committee, including consideration of both financial and non-financial performance. No individual is involved in deciding their own remuneration outcome.

Our compensation objectives and strategy
The Group is committed to a responsible and appropriate compensation structure that is designed to align performance and conduct of its workforce to the Group's strategy and the interests of shareholders.

The objectives are to:

- promote the Group's sustainable long-term value creation and thereby support the Group's mission of making investment rewarding for our clients, our shareholders, and our staff, and give our customers a fair deal.
- align behaviours with the Group's strategy, risk appetite, core values of integrity, courtesy, fairness, loyalty and delivering good customer outcomes.
- support the Group's ability to attract, motivate and retain qualified and high-performing employees in a competitive market by enabling an appropriate total remuneration package.

Remuneration Committee
The Group has established a Remuneration Committee ("the Remuneration Committee"). The Remuneration Committee is responsible for defining the general principles governing staff remuneration across the Group.

The Committee is authorised by the Board to:

- undertake any activity within its Terms of Reference; and
- seek any information it requires from within the Group and any independent professional, technical and/or legal advice or other resources from outside the Group, at the Group's expense, as and when it considers this necessary.

The duties of the Remuneration Committee included:

- Setting of the Group's policy on Remuneration for staff and Directors;
- Review and approval of material risk takers ("MRTs");
- Review and approval of annual staff salary increases;
- Review and approval of Director's salary and awards;
- Review and approval of annual variable pay; and
- Reporting to the Board on the nature and content of the Committee's discussion recommendations and actions to be taken.

The Remuneration Committee consists of three Non-executive Directors, and is chaired by the Senior Non-Executive Director who also chairs the Audit Committee. Other members of the Board of Directors, the Executive Leadership Team, and relevant employees of the Group, such as the Group Head of HR, participate in meetings of the Remuneration Committee at the request of the Committee. The Company Secretary acts as secretary to the Remuneration Committee.

The Remuneration Committee also has responsibility for determining and approving the principles and parameters for the Group's remuneration policy and its application and overseeing compliance.

In making its decisions the Remuneration Committee has regard to:

- the views of the Group's shareholders and other stakeholders;
- the risk appetite of the Group;
- alignment of the Group's long-term strategic goals;
- linking rewards to corporate and individual performance; and
- promoting the long-term success of the Group.

The Remuneration Committee has due regard to market competitiveness, internal relativities, individual and corporate performance when setting and reviewing remuneration. The Remuneration Committee also has regard to the principles of good corporate governance, including but not limited to the UK Corporate Governance Code, the FCA MIFIDPRU Remuneration Code and guidelines laid down by the investor community.

Risk alignment
Remuneration policies and practices across the Group seek to promote sound and effective risk management in accordance with the Group's risk management policy, which is made up of a framework and processes in place to identify, measure, monitor, manage and report the financial and non-financial risks that the Group is (or could be) exposed to.

To support this, processes are in place to:

- identify and record all material financial and non-financial risk exposures;
- regularly monitor actual exposures versus appetite;
- take action to address identified issues;
- accurately measure risk-based capital requirements; and
- produce timely and accurate reporting for stakeholders, including regulators.

Group performance
Certain employees of the Group are eligible to receive annual incentive from the Group's bonus pool. The Group bonus pool is calculated by reference to the Group's net revenues and is adjusted to reflect the Group ongoing capital requirements and financial and non-financial risk events or exposures that impact the Group.

Individual performance measures
Individual performance assessment is supported by a structured performance management framework. In reviewing an individual's performance against their objectives, the individual's conduct and approach to risk management is considered when determining the overall level of bonus pay out.

The Heads of Group Risk and Compliance conduct an annual review of the proposed recipients of variable remuneration to assess their non-financial performance across a range of metrics and MI captured as part of the Group's overall Risk Management Framework. The results of this review are then communicated to the Remuneration Committee for consideration as part of the its approval of variable remuneration.

These non-financial metrics and MI include:

- Suitability Variances
- Conduct Risk Dashboard
- Incidents Log
- Error Dealing Log
- HR appraisal completion
- Outside of risk limits/Risk Appetite Event
- Policy acceptance
- Disciplinary / Conduct issues
- Complaints Log
- Financial Crime Log
- Gifts and Hospitality Log

The results of the review are then communicated to the Remuneration Committee for consideration as part of the variable remuneration approval process.

Categories of employees eligible to receive variable pay
All employees of WCIM/BPAM are eligible to receive variable pay. Variable pay awarded to employees employed for less than 12 months, reflects their performance over their period of employment.

Elements of total pay and how these are classified as fixed and variable pay
Remuneration components that employees can receive include:

- Fixed remuneration consisting of base pay, benefit and pension;
- Guaranteed variable pay;
- Severance Pay;
- Variable remuneration

Guaranteed variable pay
Guaranteed variable pay awards that may be made by the Group to its employees include guaranteed bonus awards and sign-on awards to new joiners and retention awards to existing employees. The Group does not typically make these awards. Any such awards will be scrutinised by the Board and the Remunerations Committee and are only made in very rare and exceptional situations. Any guaranteed variable pay would be subject to review and approval by the Remuneration Committee and subject to malus and clawback provisions.

Severance remuneration
Any severance payments made by the Group to its employees are intended to reflect their performance and contribution to the Group over their period of employment. Severance payments will be reduced or not paid in the events where poor conduct or behaviours are identified. All proposed severance payments are subject to approval by the Remuneration Committee.

Variable pay
Variable pay of employees can comprise annual incentives and deferred annual incentive awards. Variable pay is designed to reflect success against a range of performance measures and targets considering the businesses performance and other non-financial measures. Incentives awarded to employees are designed to reward financial and non-financial performance that support the Group’s business strategy and taking into account the Group’s risk appetite.

The Group also has contractual income sharing arrangements with Self-employed associates. On an annual basis a percentage of their contractual income share (“variable pay”) is retained until their individual performance is vetted against non-financial metrics and completion of the annual appraisal process.

Identification of Material Risk Takers (MRTs)
The Group has identified its material risk takers in line with the IFPR Remuneration Rules. The following categories of employees have been identified as MRTs for the period ending 31 March 2024:

a) Members of the management body (SYSC 19G.5.3 R (1))
b) Members of the senior management team (SYSC 19G.5.3 R (3))
c) Members who are responsible for managing information technology (SYSC 19G.5.3 R .8a)
d) Individuals responsible for a high proportion of revenue (SYSC 19G.5.4 G (3))

MRT category	Group
Members of the management body (SYSC 19G.5.3 R (1))	13
Members of the senior management team (SYSC 19G.5.3 R (3))	13
Members who are responsible for managing information technology (SYSC 19G.5.3 R .8a)	4
Individuals responsible for a high proportion of revenue (SYSC 19G.5.4 G (3))	2
	32

Malus and clawback criteria and how these are applied
Conduct matters escalated through the Group's Conduct / Risk Program are reviewed to determine whether they should lead to clawback or cancellation of previously awarded compensation, as well as downward adjustments to current year compensation.

Variable pay awarded to MRTs is subject to malus and clawback that can be applied in the circumstances that include:

- financial misstatement,
- factual error in calculating payment/ vesting,
- personal misconduct,
- material failure of risk management,
- conduct resulting in serious reputational damage to WCG or any of its businesses,
- material downturn in performance, and
- other circumstances determined by the Remuneration Committee to be similar in nature or effect.

5. Own funds

Composition of Regulatory Own Funds
The information below is set out according to the FCA's prescribed disclosure template. Group's own funds (Capital Resources) are comprised exclusively of Common Equity Tier 1 Capital (CET 1 capital) which consists of fully issued and paid-up ordinary shares, share premium, audited retained earnings and other reserves with a deduction taken to discount goodwill and intangible assets. As at the 31 March 2024 and during the year the Group complied with all regulatory capital requirements.

Table 1 - Composition of regulatory own funds

No.	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	**13,441**	
2	**TIER 1 CAPITAL**	**13,441**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**13,441**	
4	Fully paid-up capital instruments	2,888	1 - Share capital
5	Share premium	3,763	2 - Share premium account
6	Retained earnings	10,259	4 - Retained earnings
7	Accumulated other comprehensive income	0	
8	Other reserves	4,723	5 - Other reserves
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(8,192)	
19	CET1: Other capital elements, deductions and adjustments		
20	**ADDITIONAL TIER 1 CAPITAL**	0	
21	Fully paid-up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	**TIER 2 CAPITAL**	0	
26	Fully paid-up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Reconciliation of regulatory own funds to balance sheet in the audited financial statements
The table below describes the reconciliation with own funds as at 31 March 2024, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the balance sheet in the audited financial statements.

Table 2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

As at period end - 31 March 2024		a Balance sheet as in published / audited financial statements (GBP thousands)	b Under regulatory scope of consolidation 31 March 2024	c Cross-reference to Table 1 (Composition of regulatory own funds)
Assets - ***Breakdown by asset classes according to the balance sheet in the audited financial statements***				
1	Goodwill	4,388		
2	Other intangible assets	3,741		
3	Property, plant and equipment	815		
4	Right of use asset	2,075		
5	Trade and other receivables	31,902		
6	Investments – fair value through profit or loss	538		
7	Cash and cash equivalents	13,863		
	Total assets	**57,322**		
Liabilities - ***Breakdown by liability classes according to the balance sheet in the audited financial statements***				
1	Trade and other payables	(31,961)		
2	Current tax liabilities	(242)		
3	Deferred tax liabilities	(260)		
4	Provisions falling due within one year	(355)		
5	Lease liabilities falling due within one year	(718)		
6	Deferred cash consideration falling due within one year	(25)		
7	Deferred cash consideration falling due after more than one year	(15)		
8	Lease liabilities falling due after more than one year	(1,736)		
9	Dilapidation provision falling due after more than one year	(689)		
	Total liabilities	**(36,001)**		
Shareholders' equity				
1	Share capital	2,888		4 - Fully paid-up capital instruments
2	Share premium account	3,763		5 - Share premium
3	Own shares	(312)		11 – Deduction from CET1
4	Retained earnings	10,259		6 - Retained earnings
5	Other reserves	4,723		8 - Other reserves
	Total shareholders' equity	**21,321**		
	Total Shareholders' equity	21,321		
	Less:			
	Goodwill and Intangible assets net of deferred tax	(7,880)		
	Own Funds (see Table 1)	**13,441**		

Main features of own instruments

The table below provides information on the Common Equity Tier 1 Capital Instruments of the Group.

Table 3 - Own funds: main features of own instruments issued by the firm

No.	Capital instrument	GBP (thousands)	Description
1	Fully paid-up capital instruments	2,888	43,327,328 Called-up, allotted and fully paid Ordinary Shares of 6 2/3p each.
2	Share premium	3,763	The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value noted above in 1.
3	Retained earnings	10,259	The net cumulative audited earnings of the Group, which have not been paid out as dividends.
4	Other reserves	4,723	The cumulative premium on the issue of shares as deferred consideration for corporate acquisitions and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares.

6. Own funds requirement

Components of own funds requirement
The Group is classified as a Non-SNI Investment Group. As such, the Group's own funds requirements is determined by the highest of the following three requirements under MIFIDPRU 4.3.2 R:

1. Permanent Minimum Capital Requirement (PMR) (MIFIDPRU 4.4) The Group's PMR is £825,000
2. Fixed Overheads Requirement (FOR) (MIFIDPRU 4.5)
   The fixed overheads requirement of a MIFIDPRU investment Group is an amount equal to one quarter of the Group's relevant expenditure during the preceding year. The Group's FOR as at 31 March 2024 amounted to £5,075,000 (31 March 2023: £4,854,000)
3. K-factor requirement under MIFIDPRU 4.6.
   The Group's total K-factor requirements as at 31 March 2024 amounted to £3,511,000 (31 March 2023: £4,411,000) and were made up of the sum of:
   $\sum$ K-AUM, K-CMH, K-ASA, K-COH, K-DTF, K-NPR.

Based on the above 3 criterion, the Group's Own Funds Requirements as at 31 March 2024 is based on its Fixed Overheads Requirement and therefore set as £5,075,000.

Description of K-factors applicable to Group:

K Factor	Description and basis of calculation
K-AUM	The K-AUM requirement of a MIFIDPRU investment Group is equal to 0.02% of the Group's average Asset Under Management (AUM) and is calculated in accordance with MIFIDPRU 4.7
K-CMH	K-CMH requirement of a MIFIDPRU investment Group is equal to 0.4% of average Client Money Handled (CMH) held by the Group in segregated accounts and is calculated in accordance with MIFIDPRU 4.8.
K-ASA	The K-ASA requirement of a MIFIDPRU investment Group is equal to 0.04% of the Group's average Assets Safeguarded and Administered (ASA) and is calculated in accordance with MIFIDPRU 4.9
K-COH	The K-COH requirement of a MIFIDPRU investment Group is equal to the 0.10% of average Client Orders Handled (COH) attributable to cash trades and is calculated in accordance with MIFIDPRU 4.10.
K-DTF	The K-DTF requirement of a MIFIDPRU investment Group is equal to the 0.10% of average Daily Trading Flow (DTF) and is calculated in accordance with MIFIDPRU 4.15
K-NPR	The K-NPR (Net Position Risk) requirement of a MIFIDPRU investment is calculated in accordance with MIFIDPRU 4.12

Meeting the Overall Financial Adequacy Rule ("OFAR")
MIFIDPUR 7.8 of the Investment Firms Prudential Regime (IFPR) requires the Group to assess its own funds and liquidity requirements and document these in its Internal Capital Adequacy and Risk Assessment process ("ICARA"). The ICARA, which is updated and reviewed annually or more regularly if there were substantial changes to the Group's operations or business model, provides explanation of how the Group is monitoring and complying with its OFAR giving particular attention to Own Funds, available Liquid Assets and Group's threshold requirements.

At 31 March 2024, the Group's Own Funds Threshold Requirement (Pillar 2) was set at £7.0 million (31 March 2023: £7.2 million).

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