Barker Poland Asset Management LLP
Pillar 3 Disclosure: 31 March 2020

1. Introduction

Barker Poland Asset Management LLP (the Firm) provides discretionary and advisory investment management services and strategic financial planning to private clients.

The European Capital Requirements Directive (“the Directive”) established a revised regulatory capital framework across Europe governing the amount and nature of capital which credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority (“the FCA”) in its regulations through the General Prudential Sourcebook (“GENPRU”) and the Prudential Sourcebook for Banks, Building Societies and Investment Firms (“BIPRU”).

The Directive’s framework consists of three “Pillars”:

Pillar 1 sets out the minimum capital amount that meets the firm’s credit, market and operational risk;

Pillar 2 requires the firm to assess whether its capital is adequate to meet its risks that are not covered by Pillar 1 and is subject to review by the FCA; and

Pillar 3 requires public disclosure of qualitative and quantitative information about the underlying risk management controls and capital position of a firm.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet the Firm’s Pillar 3 obligations.

The Firm is permitted to omit required disclosures if it believes that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information. In addition the Firm may omit required disclosures where it believes that the information is regarded as proprietary or confidential. The Firm has made no omissions on the grounds that it is immaterial or proprietary (see Part 5. - Remuneration).

2. Scope and application of the requirements

The Firm is authorised and regulated by the Financial Conduct Authority as a €50k limited licence firm (i.e. subject to the minimum regulatory capital requirements). The Firm is an investment management limited liability partnership and has no trading book exposures. The Firm does not hold client money and assets.

3. Risk management

The Firm is prepared to take a balanced approach toward risk, although it wishes to have a reasonable margin of safety in its assessment of its capital requirement. The Firm takes a pragmatic approach to risk assessment.

Credit risk. There are no long-term loans outstanding nor does the Firm currently trade in derivatives. It is not considered that there is exposure to counterparty risk.

Market risk. The Firm does not have a trading book; nor does it maintain positions or portfolios on its own account. It does not consider that additional capital resource is required to mitigate this risk.

Liquidity risk. The Firm does not hold any significant illiquid assets and does not intend to in the future and, therefore, this risk does not apply. A detailed liquidity assessment is completed in the Firm's separate Liquidity Adequacy Assessment document.

Business risk. The Firm has demonstrated its ability to maintain capital adequacy under various stress tests. It does not, therefore, consider that additional capital resources are required in this regard.

4. Regulatory Capital

Calculation of Pillar 1 Requirement:

A limited licence firm's capital resources requirement is the greater of:

1) the base capital resource requirement (€50,000); or

2) the sum of the credit risk requirement plus the market risk requirement; or

3) the fixed overhead requirement (operational risk).

In calculating its Pillar 1 Requirement, the Firm has adopted the fixed overhead requirement method to calculate operational risk and the simplified method of risk weighting to calculate its credit exposure, if any. As the Firm does not act as principal or hold proprietary positions in financial instruments, it does not have any market risk requirement under this heading.

The capital requirement calculation is set out below:

Pillar 1 Requirement Summary

	Minimum capital in £
Base Capital Requirement	44,000
Credit Risk Requirement	0
Market Risk Requirement	0
Fixed Overhead Requirement (FOR)	388,721
Pillar 1 Requirement (higher of base capital requirement, total of credit and market risk requirement or FOR)	388,721

Pillar 2 (ICAAP) Requirement Summary

	Firm's Pillar 2 Additional Capital Requirement in £
Credit risk	0
Market risk	0
Liquidity risk	0
Business risk	0
Total	0
Additional capital to cover stress testing	0
Pillar 2 (ICAAP) total capital requirement	0

The Firm’s capital resources based on the accounts for the year ended 31 March 2020 is set out below:

Core tier 1	£1,210,795
Tier 2 Capital	£0
Total Capital Resources	£1,210,795

5. Remuneration

The Firm is categorised as a proportionality level three firm. The Firm operates a remuneration code and policy to which all staff are subject. Given the limited number of staff and the ease with which individual remuneration may be assessed, the Firm has not disclosed remuneration levels for reasons of confidentiality.

Remuneration Code Disclosure

The Firm falls within the scope of Remuneration Code as a tier 4 firm. This means that it must disclose certain information about its remuneration policy and details in aggregate of the remuneration of Code Staff.

The information that must be disclosed is as follows:

a) The process for determining remuneration policy

b) The link between pay and performance (including the main performance metrics and the forms of remuneration)

c) Aggregate quantitative remuneration data by business area

d) Aggregate quantitative remuneration data broken down by reference to senior management and other staff whose actions have a material impact on the risk profile of the firm.

The Firm, being a limited liability partnership, has two corporate members. The Firm does not employ any risk takers.

Employee remuneration is agreed by the members. The link between performance and pay is inevitable in a relatively small firm but the Firm’s risk adverse strategy and robust risk management systems mean that individual employees have no opportunity to artificially influence variable remuneration.

As allowed by FCA rules, quantitative data is withheld because it could lead to identification of specific individuals.