WALKERCRIPS

IFPR: MIFIDPRU annual disclosures

Walker Crips Group PLC ("the Group")

For the year ended 31 March 2022

Contents

Introduction

These annual public disclosures are made in accordance with the Investment Firms Prudential Regime (IFPR) which came into effect on 1 January 2022.

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

This document sets out the public disclosures necessary under MIFIDPRU 8 for Walker Crips Group plc, the Group, for the financial year ending 31 March 2022.

Transitional provisions

The Group has adopted MIFIDPRU Transitional Provisions ("TP") 12 applicable to NON-SNI MIFIDPRU investment firms in making these public disclosures. Consequently, the scope of the information disclosed in this document is limited to governance arrangements, own funds, own funds requirements, remuneration arrangements in place and high-level overview of the risk management framework.

Additional information can be found in the Group's Annual Report for the Year ended 31 March 2022. The information contained within the annual report is audited.

Governance arrangements

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, wealth management, pensions administration, collectives model portfolio and structured investments. And through our Software as a Service subsidiary, EnOC Technologies, 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 outcome 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 Board of Directors. The Board of Directors are responsible for setting the Group's business objectives, strategy and annual budgets. The Board of Directors are responsible for ensuring effective and prudent management of the Group and has accordingly implemented segregation of duties between its business functions and control functions.

Following members served the Board during the period to 31 March 2022:

Martin Wright (Chairman)
Clive Bouch (Senior Independent Director)
David Gelber (Non-Executive Director)
Hua Min Lim (Non-Executive Director)
Sean Lam (Chief Executive)
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;
- monitoring progress towards the delivery of the Group's strategic initiatives; and
- undertaking half-yearly assessments of 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 upon them and the business model of the pandemic and, latterly, the impact of the Ukraine conflict on the global economy and capital markets.

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;
- regular discussion at Board Meetings 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; and
- periodic review and approval of all Group policies regarding conduct, health and safety, human resources and social responsibility, amongst others.

Engagement with shareholders
The Board recognises the importance of regular, meaningful, transparent and effective communications with shareholders. This is principally 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;
- 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 your 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 Senior Independent Director and ensuring these are addressed promptly and thoroughly.

Division of responsibilities
Effectiveness
The Chairman and fellow Directors are cognisant of their responsibility to direct the Group effectively, to actively participate in and contribute to Board discussions and to promote a culture of objectivity, openness and debate. The Board believes it achieves this with its current composition of two Executive Directors and four Non-Executive Directors, with separation of the Chairman and Chief Executive Officer appointments. Priority is also placed on receiving timely and relevant information, with effective support provided by an experienced Company Secretary.

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 is a partner of the Group's solicitors, Charles Russell Speechlys LLP.

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 has served on the Board since 2017, acts as Senior Independent Non-Executive Director to provide a sounding board for the Chairman and serve as an intermediary for other Directors and shareholders. He meets 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, and 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.

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 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.

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.

Composition, succession and evaluation

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.

Board composition

The Board comprises six Directors of whom two undertake executive roles as Chief Executive Officer and Group Finance Director respectively, and four are Non-Executives, including the Board Chairman.

Audit, risk and internal control

Audit Committee

The Board is responsible for establishing and maintaining an Audit Committee and for appointing its members.

The Committee comprises two members, albeit one member has been a Director for more than nine years and formerly chaired the Board. This 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.

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. This process has been in operation throughout the year and is regularly reviewed by the Board which is satisfied that it accords with the relevant guidance. 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 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. The Directors consider that the controls and risk management procedures established and to be implemented are 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.

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.

Compliance Committee
The Executive Compliance Committee monitors the Group's compliance with all regulatory matters and considers rule updates and guidance notes from the FCA, the Joint Money Laundering Steering Group, the Financial Ombudsman Service, the Financial Services Compensation Scheme and other UK regulatory and industry bodies.

The Committee is also responsible for interpreting new rules, guidance notes and regulations disseminated by the FCA and other regulatory and industry bodies. In the current financial year, the Committee has been engaged with improving our Financial Crime Compliance framework, developing our Product Governance and Environmental, Social and Governance ("ESG") framework, interpreting incoming regulatory changes on Consumer Duty and Diversity and Inclusion and how they can be embedded within the Group, and implementing the Investment Firms Prudential Regime, known as IFPR. The Committee also ensures all compliance policies, procedures and guidance are adequately and properly implemented.

Remuneration
The Company's remuneration policies and practices are designed to support the business strategy and promote long-term success. In particular, the remuneration policies and structures are designed to be straight-forward and ensure executive bonus awards are subject to the Remuneration Committee's discretion, which includes consideration of both financial and non-financial performance. No Director is involved in deciding their own remuneration outcome.

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 is 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 2022 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**	**12,308**	
2	**TIER 1 CAPITAL**	**12,308**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**12,308**	
4	Fully paid-up capital instruments	2,888	1 - Share capital
5	Share premium	3,763	2 - Share premium account
6	Retained earnings	11,050	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	(10,116)	
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 2022, 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 2022		a Balance sheet as in published / audited financial statements (GBP thousands)	b Under regulatory scope of consolidation 31 March 2022	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		11 – Deduction from CET1
2	Other intangible assets	5,752		11 – Deduction from CET1
3	Property, plant and equipment	1,169		
4	Right of use asset	2,597		
5	Trade and other receivables	50,003		
6	Investments – fair value through profit or loss	1,647		
7	Cash and cash equivalents	11,113		
	Total assets	**76,669**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Trade and other payables	(49,625)		
2	Current tax liabilities	(132)		
3	Deferred tax liabilities	(414)		
4	Provisions falling due within one year	(1,137)		
5	Lease liabilities falling due within one year	(245)		
6	Deferred cash consideration falling due within one year	(89)		
7	Deferred cash consideration falling due after more than one year	(29)		
8	Lease liabilities falling due after more than one year	(2,300)		
9	Dilapidation provision falling due after more than one year	(586)		
	Total liabilities	**(54,557)**		
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	11,050		6 - Retained earnings
5	Other reserves	4,723		8 - Other reserves
	Total shareholders' equity	**22,112**		

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	Amount (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	11,050	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.

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 £750,000
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 2022 amounted to £4,676,000
3. K-factor requirement under MIFIDPRU 4.6.
   The Group's total K-factor requirements as at 31 March 2022 amounted to £3,591,000 and were made up of the sum of:
   ∑ K-AUM, K-CMH, K-ASA, K-COH, K-DTF, K-NPR.

Based on above 3 criterion, the Group's Own Funds Requirements as at 31 March 2022 is based on its Fixed Overheads Requirement and therefore set as £4,676,000.

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 0.1% 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 0.1% 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"), which is in the process of being completed. The ICARA will provide a clear 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. Until the ICARA process is embedded within the Group's risk management framework, all regulated entities within the Group will continue to follow existing requirements under its ICAAP.

Risk management objectives and policies

The Board is ultimately responsible for establishing an effective risk management framework to support the Group achieve its strategic objectives. Our approach to risk management continually evolves as we manage our principal risks and respond to emerging risks.

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. However continual assessment, monitoring and updating of procedures and benchmarks are all essential parts of the risk management strategy.

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 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 with established and effective procedures and controls, efficient systems and the adequate training 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 effectively identify, evaluate, monitor and control the risks of the business.

Effective risk management is attained by:

- Promoting a strong risk management culture and tone from the top and within, based around our long-standing and core values of integrity, courtesy, fairness and loyalty.
- Operating a three lines of defence model.
- Horizon scanning to ensure developments in the risk landscape are identified and proactively addressed.
- Subjecting new business initiatives to robust challenges via the Group's New Initiative Risk Assessment (NIRA) process, ensuring requisite controls are embedded within any new activities.
- Comprehensive risk identification and assessment captured within the Group's Risk Matrix.
- Establishing risk appetites, tolerances and limits to allow business to be conducted within clear parameters and an apposite balance between risk and reward.
- Ongoing risk monitoring and escalation via quantitative and qualitative management information.
- Articulation and annual assessment of the Group's overall approach to risk via the Group Internal Capital Adequacy Assessment Process ("ICAAP") document.

Our framework
The group adopts a three line of defence model to support its risk management framework. Under the framework responsibility and accountability for risk management are effectively broken down 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 Group Risk Matrix
- Ensure risks within their areas remain robustly identified, assessed, controlled and mitigated
- Engages with professional advisers and the second line to ensure compliance with regulatory obligations is designed and embedded in operational arrangements
- Includes Client Onboarding & Suitability, Operations, Finance, HR, T&C and Technology teams

Second Line
The risk function and compliance function 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 of risks to both senior management and governing bodies.

Risk Management Committee

- Evaluates, reviews and reports on:
  - risk appetite, strategy and tolerance, including integration with the Group's culture, values and behaviour.
  - the operation of risk management frameworks in the effective mitigation of strategic, operational and external risks
- Defines, monitors and review key risk indicators, evaluates risk exposure, strategy and tolerance and reviews significant risk exposures
- Reviews the ICAAP for approval by the Board

Compliance Committee

- Considers the Group's regulatory obligations and determines how they should be disseminated, engaged with and implemented
- Develops and maintains Compliance policies and ensures they are implemented and embedded
- Alerts the boards to areas of weakness and suggests remedial actions
- Escalates persistent issues of non-compliance to the Audit Committee, pursues the enforcement of remedial action, and where necessary, imposition of penalties upon non-compliant individuals
- Ensures Group's Financial Crime Framework, Suitability Framework and Training and Competence Regime, keeps pace with regulatory expectation

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
- Ensures first line risk owners adopt best risk control practice in their operational processes.
- Includes Group Risk, Group Compliance, CASS and Financial Crime teams

Third Line
The internal audit function is responsible for providing and independent assurance to both senior management and governing bodies as to the effectiveness of the group's governance, risk management and internal controls.

Remuneration (SYSC19A)

Basis of disclosure
The Group's disclosures on remuneration have been prepared in accordance with the IFPRU Remuneration Code (SYSC19A), as permitted under the transitional provisions within MIFIDPRU TP12

Decision-making process for remuneration policy
Walker Crips Group has formed a Remuneration Committee which meets regularly to consider human resources issues relating to terms and conditions of employment, remuneration and retirement benefits. Within the authority delegated by the Board, the Remuneration Committee is responsible for approving remuneration policy and in doing so takes into account the pay and conditions across our Group. This includes the terms of bonus plans, share plans, other long-term incentive plans and the individual remuneration packages of Executive Directors and other senior Group employees, including all in positions of significant influence and those having an impact on our risk profile (Material Risk Takers).

There were three meetings of the Remuneration Committee during the year ended 31 March 2022.

The members of the Remuneration Committee throughout 2022 were C Bouch, H Lim, M Wright and D Gelber. C Bouch was Chairman of the Committee throughout that period. All members were Non-Executive Directors.

External consultants
The Committee have received independent advice on executive remuneration issues from PwC. Other consultants are used from time to time to advise on specific issues.

No individual is involved in decisions relating to his or her own remuneration.

Remuneration disclosure for Walker Crips Group for the year ended 31 March 2022

a) Role of the relevant stakeholders
The Remuneration Committee takes full account of the company's strategic objectives in setting remuneration policy and is mindful of its duties to shareholders and other stakeholders. The Committee seeks to preserve shareholder value by ensuring the successful retention, recruitment and motivation of employees.

b) Material Risk Takers criteria
The following groups of employees have been identified as meeting the FCA's criteria for Material Risk Takers:

1. Directors
2. Senior Management
3. Individuals who are assessed to be capable of taking excessive risk above the Group's appetite or contrary to the strategy for growth.
4. All staff earning over EUR 750,000 (Total of Fixed and Variable Remuneration)

c) The link between pay and performance for Material Risk Takers
Remuneration for Material Risk Takers is made up of fixed pay (i.e., salary and benefits), performance-related pay. Performance-related pay is designed to reflect success or failure against a range of targets.

The Company provides incentives which are designed to link reward with the long-term profit- based success of the Company and recognize the responsibility participants have in driving its future success and delivering value for shareholders.

The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Company to operate a truly flexible bonus policy.

d) Aggregate remuneration cost for Code Staff by business area (All entities)
Across the Group 29 staff were identified as Code Staff. Aggregate remuneration expenditure in respect of Code Staff was £6.50m.

Fixed remuneration consists of base salaries for executives and fees for non-executive directors and benefits. Variable remuneration consists of bonus payments to executives, senior management, revenue generating employees, and earnings for self-employed investment managers (over EUR 750,000).

Senior management

Number of Code Staff	29
Fixed remuneration	£2.88m
Variable remuneration	£3.62m
Aggregate	£6.50m