FCA Disclosure Requirements

(previously referred to as Pillar 3 Disclosure Requirements)

As at 31 March 2022

1. Introduction

1.1 Purpose and Scope

This document presents the FCA Disclosure Requirements (previously referred to as the Pillar 3 disclosures) for Global Prime Partners Ltd ('GPP' or 'the Firm') which is authorised and regulated by the Financial Conduct Authority ('FCA'). From 1st January 2022, GPP has been regulated under the FCA's new Investment Firm Prudential Regime ('IFPR') as an Non SNI MiFID investment firm. Previously it was regulated as an IFPRU €750K Limited Activity firm and made these disclosures in accordance with Part Eight of the Capital Requirements Regulation ('CRR') (EU Regulation 575/2013).

This document contains the disclosures required by the FCA rules at MIFIDPRU 8. It requires Non SNI investment firms to publicly disclose certain details regarding capital resources, risk exposures and governance and risk management arrangements. GPP is relying on the FCA's transitional provision at TP12 2.6 R to continue to apply Part Eight of the CRR to its Risk Management Disclosures (Section 3) and TP 12.8(2) R to apply Section 450 of the CRR to its Remuneration Disclosures (Section 5).

These FCA requirements are intended to ensure that GPP's disclosures are sufficient to allow participants to form an assessment of the Firm's risk profile and capital resources on a basis comparable with other regulated financial services firms.

1.2 FCA Disclosure Policy

All disclosures, unless otherwise stated, apply as at 31 March 2022 or for the 12 months ending 31 March 2022 in line with the Firm's financial year end. All disclosures are for GPP on a standalone or company basis. Further information on the firm's subsidiaries and associate are included in Note 13 of GPP's 2022 Annual Report and Consolidated Financial Statements.

The disclosures are prepared on an annual basis solely for the purposes of complying with FCA requirements. The disclosures have not been audited and do not form part of the annual audited financial statements of the Firm. However, they are subject to internal review and verification and are approved by GPP's Board of Directors. The Firm may consider it appropriate to publish updated disclosures more frequently should a significant change in business or operating environment require this.

GPP's disclosures are considered to be appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

2. Governance Structure

The Board of Directors is the ultimate decision-making body for the Firm. The Board defines the purpose and values of the Firm, develops the Firm's business strategy, and is responsible for directing the Firm's business and the management of risks that arise in the course of doing business. The directors meet regularly and are collectively responsible for ensuring that the Firm's operations are aligned to the strategy, regulatory compliance requirements and good governance practices, including how the Firm will act fairly with all stakeholders. The Board met seven times during the financial year. Meetings are minuted and the Board has a schedule of regular and standing agenda items.

As at 31 March 2022, the number of directorships held by members of the Board outside of the Titan Wealth Group were as follows:

Name	Position	Directorships Held
		2022
Tony Best	Chairman	5
Julian Parker	Chief Executive Officer	-
Ken Coveney	Executive Director	-
Amit Unalkat	Executive Director	1
Damian Sharp	Executive Director	1
Raj Somal	Executive Director	1

For details of the directors who held office during the year and up to 31st March 2022 please see the Directors Report included in GPP's Annual Report and Financial Statements.

The Firm is committed to providing equal opportunities and fair remuneration based on role and performance for all staff, irrespective of gender or ethnicity, including at Board level.

The Firm has policies in place for recruitment, equal opportunities, disciplinary and grievance, and remuneration. The Firm recognises the importance of diversity and has started recording and reporting the gender split across the group companies.

In order to support effective governance and management of the Board's responsibilities, the Board has created a committee structure with various delegated authorities. All committees have documented information and escalation paths with scheduled reporting. On occasion additional committees may be established by the Board or management to monitor and investigate a specific topic or issue in more detail.

2.1 Board Level Committees

Audit & Risk Committee: The Audit & Risk Committee (ARC) oversees the Risk Management Framework and Internal and External Audit reviews of the Firm in accordance with its delegated authority from the Board. ARC is also responsible for monitoring the overall financial adequacy of the firm and reviewing the firm's Internal Capital and Risk Adequacy (ICARA). (The ICARA replaced the Internal Capital Adequacy Assessment Process or ICAAP from 1st January 2022,). ARC is chaired by the Firm's Chairman who was appointed SMF10 (Chair of the Risk Committee) and SMF11 (Chair of the Audit Committee) and is comprised of Board level staff.

Staff Committee: The Staff Committee is responsible for all aspects of staffing across the group, including the remuneration of senior staff in accordance with its delegated authority from the Board. The committee ensures that the remuneration arrangements support the strategic aims of the business, while complying with regulatory requirements including its corporate culture and approach to risk management. It is chaired by the Firm's Chairman with membership comprising Board level and executive staff.

2.2 Executive Committees

Executive Management is responsible for the day-to-day activity of the Firm and ensuring that business operations are within the parameters of the risk management framework. It meets weekly and is comprised of four members. As at 31st March 2022 all of its members were also executive Board members.

As appropriate, executive management will establish management Committees and Working Groups to advise on specific projects, issues or risks. These currently include a Risk Working Group and a CASS Committee. They meet regularly and key findings are escalated to the executive management and, when appropriate, the Board or the relevant Board Committees.

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3. Risk Management

In order to ensure appropriate management and monitoring of the firm's risk profile, GPP has established the governance framework outlined above. The Board has approved a Risk Management Framework which sets how out the Firm's approach to risk appetite, governance and management processes.

3.2 Risk Management Framework

GPP's Risk Management Framework ("RMF") defines the firm's approach to risk appetite, governance and management processes. The Risk Management Framework (RMF) is designed to provide senior management with assurance that risks are being appropriately managed and that the system of internal risk control is adequate, with assurance provided through transparent, timely and objective risk reporting and disclosure. The RMF includes the following components:

- Risk Appetite Statements for each key risk
- Setting out the risk culture of GPP
- Defined scheme of risk classification (Risk Taxonomy)
- Maintaining three lines of defence for risk ownership, oversight and assurance
- Risk identification, assessment and measurement and management processes
- Risk monitoring and reporting process based on key risk indicators
- Scenario analysis and stress testing

3.2 Principal Risks

Credit Risk

Credit Risk is the risk of default if a client or a counterparty is unable to meet its obligations as they fall due. GPP's main sources of credit risk are:

- Amounts due from its Clearing and Custody Clients: GPP mitigates this risk by requiring client purchases to be prefunded and/or appropriates margins to be lodged. Client accounts are monitored daily to ensure that accounts remain adequately funded and exposures do not exceed limits. End service providers are reviewed regularly to ensure their risk profile remains appropriate.
- Cash placed at banks: GPP mitigates this risk by only placing funds with globally or domestically systemic banks.

The Firm maintains a Credit Risk policy that is reviewed and updated regularly.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. GPP recognises that given the nature of Operational Risk, it is present in all aspects of the business however the manifestations differ by department. In order to appropriately identify, manage and monitor this risk on a firm-wide basis, GPP has implemented an Operational Risk Framework. All operational risks are logged, analysed by Risk and are reporting to executive management. Operational incidents with a significant impact, may also be escalated to the ARC and the Board.

The Firm undertakes a detailed risk assessment process annually across all departments to identify potential sources of operational risk, on an inherent basis, including identification of controls with an assessment of the residual risk per event. Residual risks that are determined to have a high impact and likelihood are reviewed with a view to implementing additional controls or strengthening current controls.

To manage, monitor, and mitigate operational risks, GPP has established:

- Annual Risk Assessment using risk matrices
- Security standards for technology infrastructure
- Business Continuity Planning
- Daily reconciliations
- Regular management information and escalation paths for incidents/events
- In-depth analysis of new products or business initiatives

Liquidity Risk

Liquidity Risk is defined as the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost. GPP is subject to liquidity risk when it cannot pay monies due to a client, counterparty or creditor, where GPP does not have sufficient money to pay for a share or bond purchase or where liquidity is only available at an excessive cost.

GPP maintains a Liquidity Risk Management Framework and a Contingency Funding Plan which ensures compliance with all relevant BIPRU requirements and, from 1st January 2022, MIFIDPRU.

Market Risk

Market Risk is the risk of loss due to adverse changes in the price of financial assets. GPP does not take any proprietary positions and therefore has no direct market risk arising from holding securities or investments. GPP only executes an order in the underlying market once it has received a client order, this process can be considered instantaneous. It is not GPP policy to make money from holding client positions and attempting to hedge at a preferential market rate. GPP may only hold principal positions as a result of settlement mismatches.

GPP exposure to foreign exchange risk on balances held in currencies other than the Firm's functional currency of GBP, is mitigated as fees are predominantly charged in EUR, USD and GBP, limiting the number of currencies GPP has exposure to. Currency exposures are also regularly assessed and large currency balances converted to GBP to prevent the build-up of large currency balances and therefore the potential FX impact.

GPP mitigates its market risk through:

- Daily monitoring of the market value of incidental positions
- Defined FX limits per currency which are monitored daily
- Regular management reporting

Concentration Risk

Concentration risk is the risk arising from exposures to groups of connected parties, counterparties in the same sector, or counterparties undertaking the same activity. Concentration risks are incorporated into the specific risk assessments for credit, market and operational risk as indicated above.

Interest rate risk

Interest rate market risk is defined as the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes to the yield curve and volatilities in market interest rates.

The firm does not hold financial instruments and therefore its main exposures to interest rate risk is to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The interest rates charged to clients on overdrawn balances, cash and stock shortfalls are at a margin over or below relevant market benchmarks for deposits and loans respectively.

Strategic Risk

Strategic Risk is defined as the risk that the Firm's strategy is not adequately executed or is not appropriate in the operating environment. This includes business risk as being the risk that GPP is not able to earn enough revenue to pay off the expenses of the business. Strategic Risk is mitigated by:

- Articulated business strategy that is cascaded amongst the business
- Monthly financial reporting against budget
- Regular strategic reviews
- Governance oversight, analysis and decision making

Regulatory Risk

This is defined as the risk of the effect of changes in laws or regulations that could potentially cause losses to GPP. As an FCA regulated firm, GPP is required to follow all relevant FCA rules and requirements in addition to relevant EU Regulations and MiFiD and MiFiR specific requirements. Under GPP's business model the Firm holds customer assets under the FCA's CASS requirements.

The Firm mitigates and controls its regulatory risk through:

- A Compliance monitoring plan designed to cover all regulatory risks
- Relevant policies and procedures covering the Firm's obligations
- Regular management information and updates to the ARC
- Regular mandatory staff training on Firm and personal obligations and responsibilities

4. Internal Capital Management

The Firm's capital management strategy is to maintain sufficient capital resources for its size and complexity of business both in the present and in order to facilitate future growth.

GPP monitors its financial adequacy regularly and undertakes a formal internal capital and risk assessment at least annually to identify and manage its principal risks and capital requirements in both business-as-usual and stressed scenarios.

From 1st January 2022 this assessment has been conducted in accordance with the FCA's Internal Capital Adequacy And Review Assessment (ICARA) requirements and expectations. Previously this assessment was in accordance with the approach outlined in the CRR's ICAAP requirements.

In accordance with the overall financial adequacy rule, GPP manages and monitors its principal risks and considers the impact of stressed scenarios on its requirements to determine the amount of own funds and liquid assets, in terms of both amount and quality, it requires to remain financially viable throughout the economic cycle and to address any material potential harm that may result from its ongoing activities. It also considers the amount of own funds and liquid assets it would require if, for whatever reason, GPP decided to wind down to ensure that this would be done in an orderly manner, minimising harm to consumers or to other market participants.

4.1. Own Funds as at 31st March 2022

GPP's Own Funds as at 31st March shown were calculated in accordance with IFPR and reconciled to GPP's audited Company Statement of Financial Position as indicated below.

	Item	£'000	Reference to audited financial statements
1	OWN FUNDS	39,429	
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1 CAPITAL	39,429	
4	Fully paid up capital instruments	2,093	As shown in the Company's Statement of Financial Position in the audited financial statement (page 20) and Note 18.
5	Share premium	127	
6	Retained earnings	37,874	
7	Accumulated other comprehensive income	-	
8	Other reserves	1,323	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(1,988)	
19	CET1: Other capital elements, deductions and adjustments	(1,988)	The sum of intangible assets (£1,197K) and investments (£791K) as shown in the Company's Statement of Financial Position (page 19) and notes 11 & 13.

Breakdown by asset & liability classes according to the audited Company Statement of Financial Position as at 31st March 2022		£'000
	Assets	
1	Intangible assets	1,197
2	Tangible assets	108
3	Investments	791
4	Long-term debtors	619
5	Trading assets	148,963
6	Amounts owed to group undertakings	3,242
7	Other debtors	87
8	Corporation tax repayable	209
9	Prepayments	358
10	VAT asset	88
11	Cash at bank and in hand	1,736
	Total Assets	**157,398**
	Liabilities -	
1	Trade liabilities	(114,564)
2	Trade creditors	(256)
3	Other taxation and social security	(159)
4	Other creditors	(15)
5	Accruals	(948)
6	Deferred tax	(38)
	Total Liabilities	**(115,980)**
	Net Assets	**41,418**
	Shareholders' Equity (Capital and reserves)	
1	Share capital	2,093
2	Share premium account	127
3	Capital redemption reserves	1,323
4	Profit and loss account	37,875
	Total Shareholders' equity (Capital and reserves)	**41,418**

GPP's share capital consists of allotted, called up and fully paid ordinary shares.

4.2 Own Funds Requirement as at 31st March 2022

As at 31st March 2022, GPP had the following minimum capital requirements:

	£'000
Sum of K-CMH & K-ASA requirement	1,834
Sum of K-COH and K-DTF requirement	222
Sum of K-NPR and K-CMG requirement	4,788
Total K Factor requirements	6,844
Fixed Overheads Requirement	2,923
Total Own Funds Requirement	6,844

GPP does not engage in asset management and therefore does not incur a K-AUM requirement. In addition, as a matched principal broker, its only trading book exposures are incidental to its main activities and therefore it does not incur any concentration risks as defined in K-CON.

5. Remuneration

FOR GPP: In accordance with the CRR remuneration disclosure requirements (Article 450), as further elaborated in the FCA's "General Guidance on Proportionality: The Remuneration Code (SYSC 19A)", as an IFPRU limited activity firm GPP falls within proportionality level 3. The Firm is required to provide the following disclosures regarding its remuneration policy and practices for those categories of staff whose professional activities have a material impact on its risk profile.

5.1 Policy and Governance

GPP has established a remuneration policy in accordance with the FCA's Remuneration Code, which is the responsibility of the Board. The aim of the remuneration policy and governance framework is to establish, implement and maintain remuneration policies, procedures, governance and practices that:

- are in line with the business strategy, and the sustained, long-term performance of the Firm;
- neither encourage, nor reward risk taking outside the Board's appetite; and
- promote sound and effective risk management.

5.2 Link between Pay and Performance

Remuneration at GPP is comprised of fixed pay and variable, performance-related pay.

Fixed pay refers to the employee's base salary. This forms the core element of pay and reflects the individual's role and position within the Firm.

Variable, performance related pay refers to discretionary bonus payments. The Firm considers both individual and firm level performance as factors to determine bonus payments.

GPP has identified nine staff who have a material impact on the risk profile of the Firm; for the financial year to 31 March 2022, the total remuneration for these staff was £1,250,844.