

MiFIDPRU 8 Disclosure.

Introduction

Campbell Lutyens & Co Ltd (“CL&Co” or “the Firm”) is authorised and regulated by the Financial Conduct Authority (FCA) and is required to comply with the requirements under the Investment Firms Prudential Regime (IFPR) which is set out in the FCA Handbook MiFIDPRU 8. CL&Co is classified as a Non-Small and Non-Interconnected firm (non-SNI) for the purposes of the regime and is subject to the standard requirements.

CL&Co is required to undertake an Internal Capital Adequacy and Risk Assessment (ICARA) annually under the IFPR. The ICARA process is designed to ensure that CL&Co:

(a) has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce potential material harms that may result from the ongoing operation of its business or winding down its business; and

(b) holds financial resources adequate for the business it undertakes, in order to enable to the Firm to:

- remain financially viable throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities (including both regulated activities and unregulated activities); and
- conduct an orderly wind-down while minimising harm to clients or to other market participants, and without threatening the integrity of the wider UK financial system.

CL&Co is also required to make public the following information annually. The disclosures have been prepared on a solo entity basis, in accordance with MIFIDPRU 8, as of 30th April 2023 which is the Firm’s accounting reference date.

Governance & Risk Management

The role of the Board is to provide strategic leadership for the Firm within a framework of good corporate governance and a prudent and effective control environment which enables risk to be identified, assessed and managed.

The members of the Board have management and oversight responsibility for the Firm, supported by other key members of the senior management team within the Group, including the Management Committee (ManCo) and the Operating Committee (OpCo). Risk management policies are implemented to identify, monitor and manage exposures to business, counterparty, liquidity, operational and non-operational risk to ensure that the operating activities of the Firm are managed within the risk appetite set out by the Board. Risk exposures are controlled and monitored by a number of structured committees which consist of senior management and staff members providing representation across all revenue generating areas, support and control functions within the Group.

Capital and Liquidity Requirements

The following table sets out the Firm’s own funds and liquid assets thresholds and demonstrates that the Firm’s own funds and liquid assets exceed each of the relevant thresholds, which currently benefit from a 5 year transitional period ending in 2027.

Both own funds and liquid assets thresholds are driven by the Fixed Overheads Requirement (FOR), which is currently calculated as 10% of fixed overheads of the Firm.

	Item	30 Apr 2023 Transitional Period
1	Permanent Minimum Requirement (PMR)	£55,000
2	Fixed Overheads Requirement (FOR)	£1,239,901
3	K-AUM	£nil

4	K-COH	£nil
5	K-DTF	£nil
6	Total K-factor requirement	£nil
7	Additional own funds requirement to address risks of harm on a going concern basis	£189,433
8	Level of own additional own funds required to achieve an orderly wind down	£975,000
9	Own Funds Threshold Requirement	£1,239,901
10	Firm's own funds (based on audited earnings)	£6,334,460
11	Surplus own funds over own funds threshold requirement	£5,094,559
12	Own funds indicator threshold (MIFIPRU 7.5.5R) – 110% of item 9	£1,363,891
13	Surplus own funds over own funds indicator threshold	£4,970,569
14	Basic liquid assets requirement per MIFIDPRU 6 – 1/3 of FOR	£413,300
15	Core liquid assets per MIFIDPRU 6	£8,388,673
16	Surplus core liquid assets over basic liquid assets requirement	£7,975,372
17	Firm's estimate of liquid assets required to fund its ongoing business	£600,000
18	Estimated level of liquid assets required for orderly wind down	£975,000
19	Liquid Assets Threshold Requirement	£1,013,300
20	Liquid Assets. These are core liquid assets plus non-core liquid assets	£8,388,673
21	Surplus liquid assets over liquid assets threshold requirement	£7,375,372
22	Liquid assets indicator threshold (MIFIPRU 7.5.5R) – 110% of item 19	£1,114,630
23	Surplus liquid assets over liquid assets indicator threshold	£6,260,742

Overview

The objective of the Firm's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

Diversity

The Group's aim is to recruit, train and promote the best person for the role and to create a working environment free from discrimination. The Group is committed to supporting the principle of equal opportunities, and opposes all forms of discrimination related to race, nationality, ethnic or national origin, sex, gender reassignment, marital or civil partner status, pregnancy or maternity, part-time or fixed term status, disability, age, religion or belief, sexual orientation or any other characteristics protected by the law.

Characteristics of the Firm's Remuneration Policy and Practices

The Group maintains a remuneration strategy that seeks to broadly match base compensation versus market levels and provide for incentivization and alignment of interest with the Group by way of an annual bonus as well as the benefit of equity options.

Remuneration Committee

One of the principal functions of ManCo is to determine the policy on appointments and remuneration.

The Committee aims to attract, retain and motivate high calibre individuals with competitive and proportionate remuneration packages that are managed to ensure that the risks taken by individuals are appropriate, proportionate and managed with a focus on ensuring that clients' interests are met at all times.

ManCo also considers remuneration of executives (excluding Partners) and the Operations team. ManCo is responsible for considering the balance of skills, experience, independence and knowledge, ensuring that there is strong and responsible leadership and senior executives.

The Firm is advised on its remuneration policy and practices for Partners by external advisory directors.

Framework and criteria used for ex-ante and ex-post risk adjustment of remuneration.

The performance adjustment policy applies to all entities across the Group and all staff equally (where permitted by applicable legislation). To encourage a culture of risk awareness and personal accountability, the Group approaches its incentive compensation arrangements through an integrated risk, compliance, finance, compensation and performance management framework.

The following key areas are taken into consideration:

- Three stage performance review process (360 reviews and technical assessment by line mentors and those who work closely with individuals, with further review by the senior leadership team and a final review by the partner group).
- Competency framework and set criteria which is consistent across teams (expertise, competency, commitment, personal attributes and skills, contribution to firm management / improvement and behaviour including demonstration of firm culture / guiding principles).
- Conduct, compliance with Group policies and procedures and fitness and propriety.

To hold individuals responsible for taking risks inconsistent with the Firm's risk appetite and performance criteria, and to discourage imprudent behaviour, the Group has policies and procedures that enable the Firm to take prompt and proportionate actions with respect to accountable individuals including (where permitted by applicable legislation):

- Curtailment or elimination of annual discretionary incentive compensation.
- Cancellation of deferred awards (in full or in part).
- Clawback / recovery of previously paid compensation (cash).
- Demotion, negative performance rating or other appropriate employment actions.
- Termination of employment.

The precise actions the Firm may take with respect to accountable individuals are based on circumstances, including the nature of their involvement, the magnitude of the event and the impact on the Firm and its clients.

Identification of Material Risk Takers

A Material Risk Taker (MRT) is a staff member whose professional activities have a material impact on the risk profile of the Firm. For the purposes of identifying MRT's, one or more of the following criteria must be met:

- The staff member is a Partner; or
- The staff member is a CL&Co Senior Management Function (SMF) under the Senior Managers and Certification Regime (SMCR).

Quantitative Information

In accordance with MiFIDPRU 8.6.8.(7), CL&Co has aggregated the information in this disclosure for senior management and other Material Risk Takers, where splitting the information between those two categories would lead to the disclosure of information about one or two people.

Total number of MRT's	23
Total Fixed Remuneration	£5,867,742
Total Variable Remuneration	£20,857,553
Total Remuneration	£26,725,295