



ACORO CAPITAL PARTNERS LLP LIMITED

MIFIDPRU 8 DISCLOSURE

Related to the year ended 31 December 2022

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1. MIFIDPRU 8 DISCLOSURE

The Firm is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm is a UK domiciled discretionary investment manager to professional segregated account clients and corporate finance advice to professional clients.

The Firm does not operate a trading book or hold client money or assets. The Firm does not currently provide services to retail clients.

The Firm is categorised as a “SNI MIFIDPRU investment firm” by the FCA for capital purposes. The Firm reports on a solo basis. The Firm’s MIFIDPRU 8 disclosure fulfils the Firm’s obligation to disclose to market participants’ key information on a firm’s:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirement; and
- Remuneration policies and practices.

In making the qualitative elements of this disclosure, the Firm is required to provide a level of detail that is appropriate to the Firm’s size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure is made annually on the date the Firm publishes its annual financial statements and this disclosure relates to the year ended 31 December 2022. As appropriate, this disclosure is made more frequently, for example if there is a major change to the Firm’s business model.

2. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Firm is subject to ICARA (Internal Capital Adequacy and Risk Assessment) process requirements. The purpose of the ICARA process is to ensure that the Firm:

- Has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms; and
- Holds financial resources that are adequate for the business it undertakes.

As part of the ICARA process, the Firm sets out its risk management processes including an analysis of the effectiveness of its risk management processes.

The Firm has established risk management arrangements that seek to:

- meet regulatory requirements as detailed in the FCA handbook, including the requirement to have effective processes to identify, manage, monitor and report the risks it is or might be exposed to;
- reflect industry best practices; and
- be appropriate and effective, taking into account the Firm’s size, nature, characteristics, risk profile and risk appetite.

The Firm maintains a risk register that sets out all identified potential and actual risks, and mitigants in place. The Firm’s partners regularly review risks which the Firm is exposed to. This ICARA process forms one of the methods through which partners manage the risks within the business, in particular the deployment of risk mitigation techniques to address potential and actual material harms.

3. GOVERNANCE ARRANGEMENTS

As a small Firm, all governance is at the partner level and all key decisions are directly overseen by partners of the Firm.

4. OWN FUNDS

The Firm is a Limited Liability Company. Its capital comprises share capital and audited reserves.

Table A

As at the date of this disclosure the Firm's regulatory capital position is:

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers of the balance sheet in the audited financial statements
1	OWN FUNDS	183	
2	TIER 1 CAPITAL	183	
3	COMMON EQUITY TIER 1 CAPITAL	183	
4	Fully paid-up capital instruments	1,291	
5	Share premium		
6	Retained earnings		
7	Accumulated other comprehensive income		
8	Other reserves	(1,108)	Note 11
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL		
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		
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		

Table B

The following table sets out a reconciliation of the Firm's own funds to the balance sheet in the Firm's audited financial statements:

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial Statements				
		A	B	C
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross- reference to Table A
		As at period end	As at period end	
		Amount (GBP thousands)	Amount (GBP thousands)	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial Statements				
1	Debtors	1,199	n.a.	
2	Cash at bank and in hand	99	n.a.	
3	Total Assets	1,298	n.a.	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial Statements				
1	Creditors: amounts falling due within one year	7	n.a.	
2	Amounts due from members	1,108	n.a.	Box 8
3	Total Liabilities	1,115	n.a.	
Members' Interests				
1	Members' capital classified as equity	1,291	n.a.	Box 4
2	Amounts due from members	(1,108)	n.a.	Box 8
3	Total Members' Interests	183	n.a.	Boxes 1,2,3

5. OWN FUNDS REQUIREMENT

The Firm's own funds requirement includes the following components:

K	Amount (GBP thousands)
TOTAL K-factor requirement:	Nil
Fixed overheads requirement:	2

The Firm is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. This requires the Firm to hold financial resources that are adequate for the business it undertakes. This is designed to achieve two key outcomes for the Firm:

1. To enable it 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
2. To enable it to conduct an **orderly wind-down** while minimising harm to consumers or to other market participants, and without threatening the integrity of the wider UK financial system.

The Firm achieves this via its Internal Capital Adequacy and Risk Assessment ("ICARA") process. The Firm sets out:

- A clear description of the Firm's business model and strategy and how this aligns with the Firm's risk appetite;
- The activities of the Firm, with a focus on the most material activities;
- Whether or not the ICARA process is 'fit-for-purpose'. Where this is the case, the Firm must explain why it has reached this conclusion. Where this is not the case, the Firm must set out the improvements needed, the steps needed to make the improvements and the timescale for making them, and who within the Firm is responsible for taking these steps;
- Any other changes to the Firm's ICARA process that have occurred following the review and the reasons for those changes;

- An analysis of the effectiveness of the Firm's risk management processes during the period covered by the review;
- A summary of the material harms identified by the Firm and any steps taken to mitigate them;
- An overview of the business model assessment and capital and liquidity planning undertaken by the Firm;
- A clear explanation of how the Firm is complying with the overall financial adequacy rule ("OFAR") (i.e. the obligation to hold adequate own funds and liquid assets) vis-à-vis the Firm's ongoing business activities and wind-down arrangements;
- A summary of any stress testing carried out by the Firm;
- The levels of own funds and liquid assets that, if reached, may indicate that there is a credible risk that the Firm will breach its threshold requirements;
- The potential recovery actions that the Firm has identified; and
- An overview of the Firm's wind-down planning.

6. REMUNERATION POLICIES AND PRACTICES

The Firm is subject to the Remuneration Code (the "Code") for MIFIDPRU Firms as codified in Section 19G of the SYSC sourcebook of the Financial Conduct Authority handbook.

This disclosure sets out qualitative and quantitative information on the Firm's remuneration processes and practices.

A. Qualitative Information

The Firm must establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote effective risk management and do not encourage excessive risk taking.

The Firm ensures that the remuneration policy and its practical application are consistent with the Firm's business strategy, objectives and long-term interests.

Given the nature and small size of our business, remuneration for all employees is set by the management body and reviewed by the partners which is responsible for agreeing remuneration packages, including variable remuneration, for staff.

Staff receive a salary which reflects their market value, responsibilities and experience and all staff may also receive variable remuneration, such as an annual bonus, where the individual operates within the risk appetite of the company and has demonstrated appropriate behaviour.

Variable remuneration is intended to reflect contribution to the Firm's overall success. Staff are assessed throughout the year and rated based on group, company and individual performance. The performance assessment considers both financial measures and non-financial measures.

The Firm's linkage between variable remuneration and performance is based upon the following tenets:

- I. Ensuring an appropriate balance of financial results between staff and members;
- II. Attraction and retention of staff members;
- III. Linking a proportion of a staff member's total compensation to the Firm's performance;
- IV. Discouraging excessive risk-taking; and
- V. Ensuring client interests are not negatively impacted.

- Material Risk Takers

The Firm is required to disclose the types of staff it has identified as material risk takers: these are individuals whose professional activities have a material impact on the firm's risk profile.

Material risk takers are subject to additional requirements regarding variable remuneration, including provisions related to guaranteed variable remuneration, retention awards, severance pay, buy-out awards, performance adjustment, discretionary pension benefits and personal investment strategies.

Only partners of the Firm are currently Material risk takers.

- Guaranteed Variable Remuneration

It is not the Firm's policy to pay guaranteed variable remuneration.

- Severance Pay

It is not the Firm's policy to pay severance pay.

B. Quantitative Information

The following quantitative information is with respect to the financial year ended 31 December 2022.

Number of material risk takers:	1
The Firm has disapplied the requirement to provide aggregated remuneration for reasons of confidentiality/privacy, including to prevent individual identification of a material risk taker.	