



## **1. Introduction**

### **1.1 Purpose and Scope**

This document presents the FCA Disclosure Requirements (previously referred to as the Pillar 3 disclosures) for Titan Private Wealth Ltd ('TPWL' or 'the Firm') which is authorised and regulated by the Financial Conduct Authority ('FCA'). From 1st January 2022, TPWL has been regulated under the FCA's new Investment Firm Prudential Regime ('IFPR') as a Non SNI (non-small and non-interconnected) MiFID investment firm.

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.

These FCA requirements are intended to ensure that TPWL'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 2024 in line with the Firm's financial year end. All disclosures are for TPWL on a standalone or company basis.

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 TPWL'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.

TPWL'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 formally circa four times during the financial year. Meetings are minuted and the Board has a schedule of regular and standing agenda items.

As at 31 March 2024, the number of external directorships held by members of the Board outside of the Titan Wealth Group were as follows:

Name	Position	Directorships Held
Mark Puleikis	Chief Executive Officer	1
James Crewe	Executive Director	0
Andrew Fearon	Non-Executive Director	16
Peter Heckingbottom	Executive Director	0
Paul Hunt	Executive Director	3

For details of the directors who held office during the year and up to 31st March 2024 please see the Directors Report included in TPWL's Annual Report and Financial Statements.

## 2.1 Board Level Committees

The Directors of TPWL manage the business through a clearly defined and robust governance and decision-making framework.

TPWL's Board is responsible for overseeing the effectiveness of risk management, compliance and TPWL's internal control framework. It also sets TPWL risk appetites and approves key policies.

The Board is also responsible for:

- Monitoring TPWL's key current and emerging risks and opportunities.
- Reviewing and monitoring TPWL's risk profile based on information generated from the Risk Management Framework.
- Reviewing significant findings of the external audit, reports of fraud or other financial irregularities, together with management's responses.
- Monitoring TPWL's relationship with the FCA and other key regulators. This includes reviewing TPWL's responses to regulatory reports, compliance breaches and regulatory changes.
- TPWL's risk culture is effectively embedded across all activities.
- Reviewing risk events including near misses.

TPWL's Remuneration Committee considers staff and remuneration policies. Annual remuneration is determined on a discretionary basis accounting for a variety of factors including performance and risk behaviours. There is no set formula directly linked to performance. The Remuneration Committee refers its recommendations to the Board for approval.

## 2.2 Executive Committees

The Executive Committee is responsible for the day-to-day activities of the firm and ensuring that business operations are within the parameters of the risk management framework. It meets weekly and is comprised of six members.

As appropriate, the Executive Committee will establish committees and Working Groups to advise on specific projects, issues or risks. These currently include a Management Committee, an Investment Committee and a Sales Committee. They

meet regularly and key findings are escalated to the Executive Committee and, where appropriate, the Board or the relevant Board committees.

### **3. Risk Management**

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

#### **3.1 Risk Management Framework**

TPWL'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:

- Setting out the risk culture of TPWL
- 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**

##### ***Strategic Risk***

Strategic risk is the risk from failures in business planning and execution, or changes in operating environment or the structure of target markets that make any current strategies inappropriate. This risk is managed through financial management information, monitoring of economic data and market trends as well as keeping close to our clients, bankers, dealers and potential investment opportunities.

##### ***Credit Risk & Settlement Risk***

Credit Risk is the risk of default if a client or a counterparty is unable to meet its obligations as they fall due. This includes the credit and settlement risk related to transactions that the firm may enter into in its own name and any exposures inherent in its balance sheet. It excludes the risks associated with transactions a firm may arrange for its portfolios or clients that the firm may manage.

##### ***Operational Risk***

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This covers both the operational risks inherent in the firm's operational arrangements as well as the operational risks inherent in business processes. Operational risk includes IT risk, fiduciary risk and the risk of non-compliance with legal and regulatory requirements. An Operational Risk Management Policy and Framework has been endorsed by the Board and sets out how the firm manages operational risks.

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.

### ***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. TPWL is subject to liquidity risk when it cannot pay monies due to a client, counterparty or creditor, where TPWL does not have sufficient money to pay for a share or bond purchase or where liquidity is only available at an excessive cost.

### ***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.

### ***Regulatory Risk***

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

## **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.

TPWL 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.

This assessment has been conducted in accordance with the FCA's Internal Capital Adequacy And Review Assessment (ICARA) requirements and expectations.

In accordance with the overall financial adequacy rule, TPWL 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, TPWL 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 2024

TPWL's Own Funds as at 31st March 2024 shown were calculated in accordance with IFPR and reconciled to TPWL's audited Company Statement of Financial Position as indicated below.

Item	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000	Reference to audited financial statements
OWN FUNDS	7,904	3,593	
TIER 1 CAPITAL			
COMMON EQUITY TIER 1 CAPITAL	7,904	3,593	
Fully paid up capital instruments	100	107	As shown in the Company's Statement of Financial Position in the audited financial statement (page 14) and Note 17 / 18.
Share Premium	2,054	2,058	
Retained Earnings	5,750	2,532	
(-) Total Deductions from COMMON EQUITY TIER 1	0	(1,104)	
CET1: Other capital elements, deductions and adjustments	0	(1,104)	Intangible assets (£Nil) as shown in the Company's Statement of Financial Position (page 14) and note 11.

Breakdown by asset & liability classes according to the audited Company Statement of Financial Position as at 31st March 2024	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
<b>Assets</b>		
Intangible assets	0	1,104
Tangible assets	335	394
Investments	0	0
Long-term debtors	16	0
Trading assets	0	0
Amounts owed by group undertakings	1,853	0
Client debtors	404	583
Corporation tax repayable	2,490	0
Prepayments	730	479
VAT asset	0	0
Cash at bank and in hand	3,355	5,053
<b>Total assets</b>	<b>9,184</b>	<b>7,612</b>
<b>Liabilities</b>		
Trade liabilities	0	0
Trade creditors	0	0
Other taxation and social security	(113)	0
Other creditors	(311)	(501)
Corporation tax	0	(1,023)
Accruals	(801)	(1,335)
Deferred tax	(56)	(57)
<b>Total Liabilities</b>	<b>(1,281)</b>	<b>(2,915)</b>
<b>Net Assets</b>	<b>7,904</b>	<b>4,697</b>
<b>Shareholders' Equity (Capital and reserves)</b>		
Share capital	100	107
Share premium account	2,054	2,058
Profit and loss account	5,750	2,532
<b>Total Shareholders' equity (Capital and reserves)</b>	<b>7,904</b>	<b>4,697</b>

TPWLs share capital consists of allotted, called up and fully paid ordinary shares.

#### 4.2 Own Funds Requirement as at 31st March 2024

As at 31st March 2024, TPWL had the following minimum capital requirements:

Item	Year ended 31 March 2024 £'000
K-AUM requirement	317
K-CMH requirement	357
K-ASA requirement	596
Total K Factor requirements	1,270
Fixed Overheads Requirement	2,784
<b>Total Own Funds Requirement</b>	<b>2,784</b>

## 5. Remuneration

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 TPWL 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**

TPWL 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 TPWL 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.

TPWL has identified approximately 28 staff who have a material impact on the risk profile of the Firm; for the financial year to 31 March 2024, the total remuneration for these staff was circa £2.5m.