



ATLANTIC HOUSE
GROUP

Atlantic House Group Limited

IFPR Disclosure

For The Year Ended 30 June 2023

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Overview

Background

The Investment Firms Prudential Regime (“IFPR”) is the FCA’s new prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms.

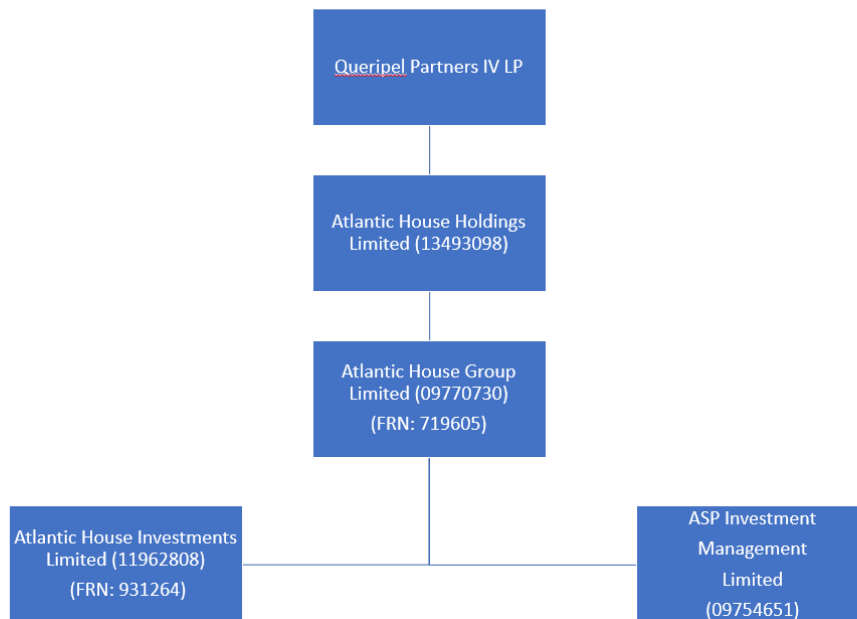
The IFPR came into effect on 1st January 2022 and its provisions apply to Atlantic House Group Limited (“AHG”) as an FCA authorised and regulated firm. The IFPR has been implemented by way of a new chapter “MIFIDPRU” which replaced BIPRU in the FCA Handbook (the “Handbook”), accompanied by amendments to other Handbook chapters.

The public disclosure is an important part of the IFPR because it increases transparency and confidence in the market and gives stakeholders and market participants an insight into how the Firm is run.

Structure

Atlantic House Group Limited via Atlantic House Holdings Limited is majority-owned by Queripel Partners IV LP.

Atlantic House Group Limited Organisation Structure Chart



Principal Activities

Atlantic House Group Limited and its subsidiaries primarily acts as an Asset Manager, providing investment management to mutual funds, segregated mandates, model portfolio services and arranging bespoke derivative brokerage services to professional clients and advisers. It is authorised and regulated by the Financial Conduct Authority (FCA).

Basis of Disclosure

This document has been prepared following the disclosure rules set out in MIFIDPRU 8, pertaining to the UK IFPR.

The Firm has adopted the FCA’s transitional provisions for disclosure requirements contained in MIFIDPRU TP12 12.6R, which require the Firm to only disclose information relating to governance, own funds and own funds requirements.

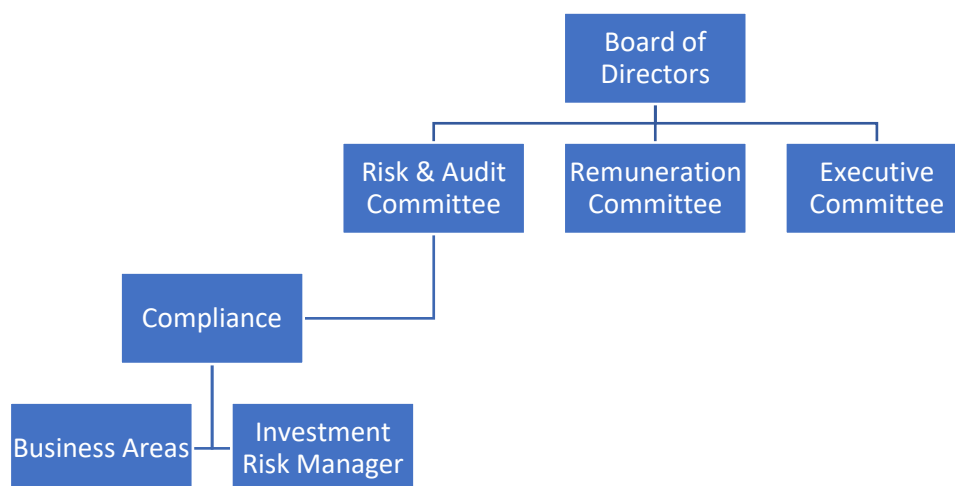
In addition, the disclosure of the Firm’s remuneration arrangements found in the Remuneration section has been prepared according to previous rules applicable to AHG, which were set out in SYSC19A referred to as the IFPRU Remuneration Code. When the Transitional Period expires on 31 December 2026 the Firm will apply the MIFIDPRI Remuneration Code requirements.

| | |
|------------------------------|---|
| Firm Categorisation: | Non-SNI MIFIDPRU Investment Firm |
| Applies to: | AHG is required to disclose only on an individual entity basis |
| Reference Date: | This document has been prepared as at 30th June 2023, which is the Firm’s accounting reference date and financial year-end. |
| Disclosure Frequency: | This Disclosure is published annually alongside the Statutory Accounts, or more frequently, if the business undergoes a significant change. |
| Disclosure Location: | AHG website Resources Legal/Polices |

Governance Arrangement (MIFIDPRU 8.3)

Oversight

The Firm has the following governance arrangements in place:



The Board of Directors have ultimate responsibility for the management of AHG and have set up several committees to support the Governance Framework. The Board have also delegated the daily running of AHG to the CEO, who in turn has delegated some tasks to Senior Management and this has been documented in the Management Responsibilities Map under the Senior Management and Certification Regime (SMCR).

At the start of all committee meetings a quorum must be established, and it is a requirement to declare any conflicts of interest.

Although AHG is not classed as a ‘Significant Firm’ as per SYSC1.5 or classed as an ‘Enhanced Firm’ under the SMCR the Board agreed that it would be good governance to establish a Risk and Audit Committee and Remuneration Committee as a best-in-class practice.

The Risk and Audit Committee (RAC) is made up of two Non-Executive Directors one of which is the Chairman of the Board of Directors and One Executive Director (CEO) plus Senior Management one of which is the SMF16 & 17 Head of Compliance. The RAC meets once a quarter where a Risk Dashboard is reviewed along with a Compliance Report.

The key role of the Risk Committee is to provide oversight of AHG’s risk management framework, risk appetite statement, risk strategy and risk culture.

The Remuneration Committee (RemCo) has oversight of the remuneration policies and practices of AHG. RemCo is aligned to the business strategy and objectives, corporate culture including the long-term interests of its employees and Shareholders. Salary and bonuses are discussed and agreed at this committee. Bonuses are discretionary and are linked to the performance of the business and employee and their compliance status.

The Executive Committee’s purpose is to assist the CEO in the performance of their duties within the bounds of their authority as set out in the Terms of Reference, including:

- overseeing people and culture;
- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operational and financial performance;
- the assessment and control of risk; and
- the prioritisation and allocation of resources.

Directorships

The following Directors held office during the financial year and at the time of publication.

| SMF | Name | Other Directorships in scope of MIFIDPRU 8.3.1R (2) |
|------------|--|---|
| SMF1 & 3 | Thomas May – Exec Director | 4 |
| SMF9 | Christopher MacDonald – NED Chairman | 4 |
| N/A | Michael Vogel – NED | 2 |
| N/A | Luke Wiseman – NED | 5 |
| N/A | Paul Tobias – NED | 0 |
| SMF16 & 17 | Trevor Davies – Head of Compliance | 0 |
| Retired | | |
| N/A | Andrew Lakeman – NED 19/05/2022 | N/A |
| SMF1 & 3 | Antony Stenning – Exec Director 08/11/2022 | N/A |

Diversity and Inclusion

AHG values the innovation and creativity that diversity of thought brings to the Firm and understands that diversity, equity and inclusion play a critical role in establishing strong governance and maintaining a healthy culture from the top as part of delivering higher standards of conduct and success of the business.

The Firm approaches diversity in the broadest sense, recognising that successful businesses embrace diversity at all levels, including the board and senior management. AHG has been building on its diversity, equity and inclusion strategy to increase gender balance.

Own Funds (MIFIDPRU 8.4)

Table OF1 Composition of Regulatory Own Funds

| Composition of regulatory own funds | | | |
|--|--|---------------------------------------|---|
| | Item | Amount (GBP thousands) | Source based on Reference numbers/letters of the balance sheet in the audited financial statements |
| 1 | OWN FUNDS | 5,890 | |
| 2 | TIER 1 CAPITAL | 2,190 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 3,700 | |
| 4 | Fully paid up capital instruments | 0 | |
| 5 | Share premium | 9,311 | Audited Account #20 |
| 6 | Retained earnings | 0 | |
| 7 | Accumulated other comprehensive income | 4,682 | Audited Account #20 |
| 8 | Other reserves | 632 | Audited Account #19 |
| 9 | Adjustments to CET1 due to prudential filters | 0 | |
| 10 | Other funds | 0 | |
| 11 | (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | 0 | |
| 19 | CET1: Other capital elements, deductions and adjustments | 0 | |
| 20 | ADDITIONAL TIER 1 CAPITAL | 0 | |
| 21 | Fully paid up, directly issued capital instruments | 0 | |
| 22 | Share premium | 0 | |
| 23 | (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 | 0 | |
| 24 | Additional Tier 1: Other capital elements, deductions and adjustments | 0 | |
| 25 | TIER 2 CAPITAL | 0 | |
| 26 | Fully paid up, directly issued capital instruments | 0 | |
| 27 | Share premium | 0 | |
| 28 | (-) TOTAL DEDUCTIONS FROM TIER 2 | 0 | |
| 29 | Tier 2: Other capital elements, deductions and adjustments | 0 | |

Table OF2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

| Amount GBP 000s | | A | B | C |
|--------------------|--|--|--|------------------------------------|
| | | Balance sheet as in published/audited financial statements | Under regulatory scope of consolidation | Cross reference to template OF1 |
| | | As at period end | As at period end | As at period end |
| Assets | | | | |
| 1 | Intangible assets | 2,961 | | |
| 2 | Tangible assets | 77 | | |
| 3 | Debtors | 2,016 | | |
| 4 | Cash at bank and in hand | 9,643 | | |
| 5 | Total Assets | 14,697 | | |
| Liabilities | | | | |
| 1 | Creditors: amounts falling due within one year | -5,168 | | |
| 2 | Provisions for liabilities | -15 | | |

| | | | | |
|---------------------|-----------------------------------|---------------|--|--|
| 3 | Total Liabilities | -5,183 | | |
| Shareholders Equity | | | | |
| 1 | Called-up share capital | 632 | | |
| 2 | Reserves | 13,992 | | |
| 3 | Total Shareholders' equity | 14,624 | | |

Table OF3 Main features of own instruments issued by the Firm

The table below provides information on the CET1 Instruments issued by AHG.

| Issuer | AHG |
|---|------------------|
| Public or private placement | Private |
| Instrument type | Ordinary |
| Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date) | 632 |
| Issue price (GBP whole number) | £1 |
| Redemption price | N/A |
| Accounting classification | Ordinary shares |
| Original date of issuance | 9 September 2022 |
| Perpetual or dated | Perpetual |
| Maturity date | N/A |
| Issuer call subject to prior supervisory approval | N/A |
| Optional call date, contingent call dates and redemption amount | N/A |
| Subsequent call dates, if applicable; Coupons/dividends; Fixed or floating dividend/coupon; Coupon rate and any related index Existence of a dividend stopper | N/A |
| Convertible or non-convertible | N/A |
| Write-down features | N/A |
| Link to the terms and conditions of the instrument | N/A |

Own Funds Requirements (MIFIDPRU 8.5)

K-Factor Requirement and Fixed Overhead Requirement

AHG's capital requirement is calculated as the higher of:

- (a) permanent minimum capital requirement of £150,000;
- (b) total K-Factor requirement; and
- (c) the fixed overheads requirement.

As at 31 June 2023, AHG's Fixed Overhead Requirement of **£1,272,594** establishes its capital requirement, being higher than the base capital requirement and the total K-Factor requirement.

The table below shows the K-Factor (KFR) and the Fixed Overhead Requirements (FOR)

| Amount in GBP 000s | | |
|-------------------------------|--|-------------|
| K- Factor | K-AUM, K-CMH, K-ASA, K-DTF, K-COH, K-NPR, K-CMG, K-TCD and K-CON | 0 |
| Fixed Overhead Requirement | | 1272 |
| Own Funds Requirements | | 1272 |

Assessing the Adequacy of Own Funds

Under IFPR, AHG will assess own funds and liquidity requirements set out in the ICARA process and ensure sufficient own funds and liquidity resources are held at all times to meet the Overall

Financial Adequacy Rule (“OFAR”). The ICARA process within AHG has been established and was approved by the Board of Directors on 21/10/2022. The adequacy of the ICARA process will be reviewed on an annual basis thereafter, or more frequently, should there be any material changes to the business risk profile or business model.

The ICARA process encompasses various aspects of internal governance with a particular focus on:

- identification, monitoring and mitigation of harms;
- business model planning and forecasting; recovery and wind-down planning; and
- assessing the adequacy of financial resources

As part of the ICARA process, AHG establishes its own funds threshold requirement and its liquid assets threshold requirement. For harms not adequately mitigated through systems and controls or driven by an activity not covered by the K-Factor Own Funds Requirement, AHG assesses whether additional own funds and/or liquid assets are required.

The wind-down planning includes triggers (own funds and liquid assets) and timelines. The Firm considers different scenarios that could cause a need to wind-down the business. These underlying drivers could result in the need for different resources (financial and non-financial) during the wind-down period. The Firm sets resources aside so that sufficient own funds and liquid assets are always available to enable an orderly wind-down.

The ICARA process includes AHG’s Key Risks and Harms Assessment Table where all key risks are noted and cross referenced to possible ICARA harms (client, market, firm) and where appropriate additional funds to be held noted.

AHG’s Own Funds Threshold Requirement is **calculated to be £1,476,387 this is the amount that we must hold as a minimum**.

Remuneration (SYSC 19A)

BIPRU 11.5.18R requires that a firm makes a disclosure of details regarding its remuneration policy.

Given the relatively small size of the firm, remuneration policy for all code staff is set by the board. The board review remuneration for code staff based upon individual, both financial and non-financial criteria, and overall firm performance. Individual performance is also reviewed over an extended period to ensure the long-term objectives of the staff and the firm are not in conflict. The overall level of remuneration is set in the form of a fixed base salary and a flexible bonus. The resources available for bonuses are directly linked to the performance of the firm.