IFPR DISCLOSURE

For the year end 30 April 2023

Seccl Custody Limited

Contents

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Overview

Background

The Investment Firms Prudential Regime (IFPR) is the FCA's prudential regime for MIFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. IFPR came into effect on 1st January 2022, and its provisions apply to Seccl Custody Limited (SCL or the Firm) as an FCA authorised and regulated firm.

The public disclosure requirements of IFPR are set out in MIFIDPRU 8, replacing the previous Pillar 3 requirements of BIPRU 11.

For the 2023 financial year, SCL (a non SNI[1]) adopted the FCA's full disclosure requirements contained within MIFIDPRU 8, which requires disclosure of Risk Management (MIFIDPRU 8.2), Governance Arrangements (MIFIDPRU 8.3), Own Funds (MIFIDPRU 8.4), Own Funds Requirements (MIFIDPRU 8.5) and Remuneration Policies and Practices (MIFIDPRU 8.6) – refer below for further details:

- Risk management: drawing from the ICARA process, firms must provide details of their risk management structure and operations, including the firm's risk appetite and measurement of the effectiveness of the risk management process.
- Governance arrangements: non-SNI firms are required to disclose certain information including:
  - An overview of the firm's governance arrangements and risk committee.
  - The number of directorships held by each member of the governing body (this only applies to directorships of commercial enterprises, charities and directorships of other group entities are excluded).
  - A summary of the firm's policy on promoting diversity on the governing body.
  - Whether the firm has established a risk committee

- Own funds: firms must provide details of own funds (using the template provided in MIFIDPRU 8 Annex 1R), and a reconciliation of the same information in the firm's report and accounts (where available).

- Own funds requirements: firms must disclose details of their own funds requirements including the fixed overhead requirement (FOR) and a breakdown of their K-factor requirements (non-SNI only). All firms are also required to disclose their approach to assessing their compliance with the overall financial adequacy rule (MIFIDPRU 7.4.7R).

[1]SCL is confirmed as a non SNI MIFIDPRU investment firm after an assessment of the Basic conditions for classification as an SNI MIFIDPRU investment firm listed under MIFIDPRU 1.2.1

- Remuneration policies and practices; firms must disclose details of their compliance with the MIFIDPRU remuneration code which requires firms establish, implement and maintain policies that cover all aspects of remuneration for all staff. The disclosure requirements are divided into qualitative and quantitative factors

  Qualitative: The firm must provide a summary of the remuneration policy, including its approach to the remuneration of all staff, the objectives of the incentives, and a description of the firm's governance arrangements.

  Quantitative: The firm is required to disclose the following for each annual performance period:
  - The total amount of remuneration awarded to all staff, split into fixed and variable elements.
  - The total number of MRTS
  - The total remuneration awarded split into three categories – senior management, other MRTs and all other staff – and also split into fixed and variable.
  - The total amount of guaranteed variable remuneration awarded, split into senior management and other MRTs.
  - The total amount of any severance awards to MRTs, again split into the same categories, plus the amount of the highest single award.

SCL does not meet the criteria laid out in MIFIDPRU 7.1.4R and is therefore not required to include disclosures on Investment policy (MIFIDPRU 8.7).

Risk Management (MIFIDPRU 8.2)

Risk Management Framework

SCL manages risk using a single Risk Management Framework (RMF). Risk exists in everything the Firm does; without risk the business will never achieve its strategic goals but when taking risks, the Firm must ensure it does so in an appropriate way.

The RMF helps SCL manage risk by:

- Supporting decision making, planning and prioritisation through providing a greater understanding of business activity and volatility.
- Providing a consistent approach to risk management activities including clear roles and responsibilities, insightful reporting and appropriate oversight.

- Supporting delivery of a sustainable but agile and high growth business.
- Delivering a risk culture which is underpinned by the operating principles.

- Understanding SCL's risk performance through metrics and lessons learned, with ongoing monitoring.

The RMF applies to the whole company and is the responsibility of the Board. It is reviewed annually but is subject to ongoing review to ensure it remains fit for purpose. Implementation of the RMF is a key mechanism through which SCL's Senior Managers can demonstrate they have discharged their responsibilities under the SMCR.

Risk Assessment and Risk Placemat

A key part of the Risk Management Framework is the identification and control assessment of risks. The identification of risks provides a view of the exposure SCL has to uncertainty and allows risk-based decisions to be made. Risks are identified by monitoring the internal and external environment. They can be captured by business area in a bottom-up assessment, or top-down via review of SCL's risk universe which captures the high-level categories of risk the Firm faces.

SCL has categorised its risk into seven key categories, these represent its principal risks. These principal risks are used for risk reporting through a Risk Placement and are monitored against risk appetite. Ownership of SCL's principal risks has been allocated and aligned with senior management accountabilities. SCL's seven principal risks are as follows:

- Strategic and business risk
- Operational risk
- Financial risk
- Technology risk
- Regulatory risk
- Financial crime risk
- Conduct risk

Risk measurement, monitoring and reporting

Risks are measured using a Risk, Event and Issue Impact Classification Matrix. This is used to assess whether existing controls bring the residual risk (after consideration of controls), within risk appetite. This assessment is also used to inform oversight and assurance planning activities where independent testing may be warranted.

Principal risk owners consider the applicable consolidated risk ratings, control environment, external factors and risk to business strategy in determining the overall RAG status for reporting. Risks are managed on an ongoing basis and updated to reflect changes in the business and control environment. Key indicators are created for risks to provide information on the performance of risks and controls which informs management whether the risk is within risk appetite.

Risk reporting occurs on an ongoing basis, covering SCL's risk universe, current issues and horizon scanning monitoring. The Board approved Compliance Monitoring Plan is designed to take a risk-based approach to performing second line oversight on regulatory compliance.

SCL's CRO provides the Executive Committee and Board with the latest view of the Risk profile in the monthly Board meetings and a more detailed view of the Principal Risk assessment in the Risk Placemat presented to the Risk Committee. This provides a second line of defence opinion of the risk management effectiveness at SCL. The Risk Placemat is reviewed and challenged by executive management at the SCL Risk Committee before being presented to the parent company, Octopus Group Holdings Ltd, for discussion at their Board.

Risk appetite and culture

Risk culture is a key part of SCL, it focuses on how the business thinks about risk. SCL's ambition is to rebuild the infrastructure of investments and advice, and to do this well means SCL needs to make sure it understands the risks it is taking.

SCL is responsible for developing a forward thinking and effective risk culture. If something isn't felt to be right or can be done better, it should be acknowledged. SCL's Operating Principles, noted below, play a big part in SCL's risk culture by setting out what it wants to do and how it wants to do it:

- Take ownership
- Never settle
- Be generous and candid

The governance committees and delegated authority framework supports SCL in making risk-based decisions. The CEO has overall responsibility for the culture of SCL, with the Board and Senior Management also responsible for setting and overseeing SCL's culture through their actions, words and oversight activities.

SCL has an approved Risk Appetite Framework which documents the components and process of setting, monitoring, and reporting risk appetite - that is the level and types of risk that it is willing to assume within its risk capacity to achieve its strategic objectives. It is reflected in frameworks and policies that either limit or, where appropriate, prohibit activities that could be detrimental to SCL achieving its strategic objectives. Risk appetite measures, thresholds and statements are set which define, monitor and manage the risk profile related to SCL's strategy and business plan across all teams and products.

Principle Risks identified and documented within SCL's Risk Placemat are categorised under one of the following risk appetites:

- Risks for which SCL has appetite
    - Informed decision to accept the risk
- Risks which are necessary and tolerated
    - Appropriate controls implemented to manage and monitor an occurrence and/or its impact
- Risks SCL seek to substantially mitigate or avoid
    - Informed decision to avoid the area of risk, or
    - Appropriate controls implemented to reduce the likelihood of an occurrence and/or its consequences.

Three lines of defence

SCL aims to manage risk using a three lines of defence model. The Risk function (including Compliance) act as the 2nd line of defence and advise the business in advancing the risk management processes in the 1st line of defence. Given SCL's current size, it is appropriate that it does not have an internal audit function at this time, and this is aided by the Octopus Group resource for an Annual Audit which covers 1st and 2nd line effectiveness. SCL has an internal audit function in plan for the medium term.

Assessment of harm

Aligned to MIFIDPRU 7.4, SCL has categorised and assessed potential material harms resulting from risk as either Risk to Client, Risk to Market or Risk to Firm (or a combination). The background to these categorisations and assessments is provided below.

Risk to Client (R-t-C)

SCL is authorised by the FCA for the provision of pension and investment services. It does not hold permission to provide advice, manage investments (i.e. funds or portfolios) or to deal on its own account. The investment types it has permissions to hold as part of its investment and pension activity is limited and does not include instruments such as futures, options and contracts for difference. SCL's pension permissions do not allow non-standard assets. SCL has implemented a Permitted Assets Policy to ensure that financial instruments provided do not post inappropriate harm for target market customers. SCL has implemented controls to ensure that client money and assets are segregated and safeguarded.

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Risk to Markets (R-t-M)

SCL is not systemically significant and does not undertake trading volumes that present a risk to markets. The FCA authorised firms that SCL provides services to are not currently systemically significant so disruption in the provision of SCL services will not have a consequential negative impact on the orderly functioning of the market. In addition, the firm does not undertake dealing on a principal basis/on own account.

Risk to Firm (R-t-F)

SCL is part of the Octopus group of companies. Approximately 80% of the business is owned by Octopus Group Holdings Limited and Octopus also provides funding to SCL (via the immediate parent, Seccl Technology Ltd). SCL has permission to provide services to all client types and enters into contracts under a CASS 'Model B' arrangement whereby it contracts with regulated entities who provide services to retail investors, either directly or through further distributors.

SCL is an HMRC approved ISA manager and makes an ISA wrapper available to its customers. It is also an authorised SIPP operator and has launched its own SIPP product. ISA and SIPP wrappers have restrictions on the type of financial instrument that can be held within them.

In line with MIFIDPRU 7.4, the following potential material harms have been identified and categorised under the above three risk types.

	Risk Name	Risk Category	RtC	RtM	RtF
1	Data protection breach	Technology Risk	x		x
2	Risk of Financial Crime	Financial Crime	x		x
3	Cyber security incident	Technology Risk	x		x
4	Risk of processing errors	Operational Risk	x		x
5	Issue with contracted third party	Operational Risk	x		x
6	Firm unable to meet liabilities as they fall	Financial Risk			x
7	Concentration risk	Strategic & Business Risk			x
8	Breach of regulations	Regulatory Risk	x		x

SCL has assessed the nature of the above risks as well as mitigants and controls in place and the probability of material harms materialising. This assessment, included within the ICARA process, incudes consideration of whether additional capital is required to be set aside against the key harms identified.

Governance Arrangements (MIFIDPRU 8.3)

Overview of Governance Arrangements

The management body of SCL (the Board) has ultimate responsibility for the overall management of the Firm.

The Board is responsible for establishing and monitoring the effectiveness of the Firm's corporate governance framework, and approving the Firm's policies, strategic direction, and risk appetite.

The Board has a duty to act in accordance with its powers and the directors must:

- Act in accordance with the company's constitution, and
- Only exercise powers for the purposes for which they are conferred.

To meet its responsibilities, the Board has delegated the day-to-day running of the Firm to the CEO and the senior management team through the following committees:

- Executive Committee
- Risk Committee
- CASS Committee
- Operations Committee
- Product & Wrappers Committee
- People Group
- Product Group

Additional oversight is provided by the Octopus Group Executive Committee

Conflicts of Interest

Information for dealing with conflicts of interest is set out in the Conflicts of Interest Policy document which is approved by the Board. The policy sets out how the Firm seeks to prevent and deal with conflicts of interest if they arise.

Directors are required to disclose any business interests that may result in actual or potential conflicts of interest with those of SCL. If a conflict or potential conflict situation arises, the directors must seek authorisation from the Board.

Board of SCL

SCL has an established Board of Directors that meet on a monthly basis, the Board of Directors consists of:

- Ruth Handcock (Chair)
- Hugo Thorman
- David Ferguson
- David Harvey
- Jack Cullis

The SCL Board of Directors meet within the wider Seccl business Board meetings. In addition to the individuals above, the Seccl Board attendees include:

- Alex Henderson (Chief Risk Officer)
- James Holmes (Chief Commercial Officer)
- Kirsty Lynagh (Chief People & Performance Officer)
- Adam Jones (Chief Technology Officer)

SCL Executive Committee

SCL's Executive Committee (ExCo) comprises the same individuals as the Board with the exception of Ruth Handcock and Hugo Thorman. The ExCo meet formally at least monthly where the general performance of the business will be discussed. The group will also typically meet less formally each week to discuss any pertinent issues, concerns or to raise any discussion points for consideration or decision.

SCL Risk Committee

Under FCA rules, SCL is not currently required to have a risk committee. SCL has, however, chosen to operate a risk committee to enhance its governance structure. The Risk Committee (RiskCo) oversees the risk profile and risk management activities. Its remit is defined in a documented Terms of Reference.

The RiskCo, which meets quarterly, has delegated responsibility from the Board and assists the Board in fulfilling its oversight responsibilities. Its primary role is to discuss and oversee risk matters as well as monitor compliance with the regulations, system of controls and risk management.

Attendees to the quarterly SCL Risk Committee will vary based upon the agenda and risks that need discussing but standing attendees are aligned to the Board meeting attendees noted above.

SCL Operations and CASS Committees

The SCL Board has delegated the authority for the day to day running of the SCL Operations and CASS functions to the SCL Operations Committee (OpCo) and CASS Committee (CASSCo). The responsibilities of these groups include, amongst others, the implementation and monitoring of effective Operational and CASS controls and policies, approval of new or changed policies or procedures and regular review of performance, breaches and other business MI. Issues arising out of the OpCo and CASSCo will be reported up to the SCL ExCo/Board where appropriate.

OpCo and CASSCo attendees will vary depending on the nature of the topics under discussion.

Group Committees

Octopus Group has established a number of governance committees, compositions of the committees are dictated by the nature of the governance group but typically include both members of its Board and senior management from the Business Units.

Matters relating to the Seccl business are typically reported to, and discussed at, the Octopus Capital Board. Members of the Octopus Capital Board for the period were as follows:

- Simon Rogerson (Octopus Group CEO)
- Chris Hulatt (Founder)
- Ruth Handcock (OIL CEO until February 2023, then CEO of Octopus Money)
- John Browett (NED)
- Stuart Quickenden (NED)

The Octopus Capital Board meets regularly and is responsible for oversight of all Octopus Group subsidiary entities.

Directorships

The following directors have held office in executive and non-executive functions throughout the financial year ending 30th April 2023:

Name	Group Directorship 2023 (2022)	Other Directorship in scope of MIFIDPRU 8.3.1R(2)
Ruth Handcock	18 (15)	3 (3)
Hugo Thorman	5 (5)	1 (1)
David Ferguson	5 (5)	0 (0)
David Harvey	5 (5)	0 (0)
Jack Cullis	1 (1)	0 (0)

Diversity

As part of the Octopus Group of companies, the Firm is committed to providing a workplace that seeks and respects diversity and inclusion at every level of the business including the executive and non-executing board members. We believe that anyone who joins the business should benefit from the opportunity to develop, progress, and succeed within the company. We are at the start of this journey and recognise that recruiting and retaining a truly diverse and inclusive workforce requires long term commitment from across the business.

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Own Funds (MIFIDPRU 8.4)

Composition of Regulatory Own Funds

The Firm's own funds are exclusively CET1 capital. As at 30 April 2023 and during the year, the Firm complied with all externally imposed capital requirements in accordance with the rules set out in IFPR. Tier 1 capital consisted of fully issued ordinary shares, satisfying all the criteria for a Tier 1 instrument as outlined in IFPR and audited reserves.

Table OF1: 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	2,221	
2	TIER 1 CAPITAL	2,221	
3	COMMON EQUITY TIER 1 CAPITAL	2,221	
4	Fully paid-up capital instruments	5,300	Note 10
5	Share premium		
6	Retained earnings	(2,830)	Statement of Changes in Equity
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		

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10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	249	Note 6, 8
19	CET1: Other capital elements, deductions, and adjustments		
20	**ADDITIONAL TIER 1 CAPITAL**	0	
21	Fully paid-up 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**	**0**	
26	Fully paid-up capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions, and adjustments		

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Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below shows a reconciliation with own funds in the balance sheet where assets and liabilities have been broken down by asset and liabilities classes respectively. The information in the table below reflects the balance sheet in the audited financial statements as at 30th April 2023.

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

	Amount (GBP thousands)	Balance sheet as in audited financial statements As at period end	Under regulatory scope of consolidation As at period end	Cross-reference to template OF1
Assets				
1	Tangible fixed assets	0		
2	Intangible fixed assets	0		
3	Debtors – within one year	921		
4	Debtors – due after one year	0		
5	Financial assets	0		
6	Cash at bank and in hand	2,017		
7	**Total Assets**	**2,938**		
Liabilities				
1	Creditors – due within one year	468		
2	Creditors – due more than one year	0		

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3	Provisions	0	
4	**Total Liabilities**	**468**	
Shareholders' Equity			
1	Called up share capital	5,300	Item 4
2	Other reserves	0	
3	Retained earnings	(2,830)	Item 6
4	**Total Shareholders' Equity**	**2,470**	Item 1, 11

Main Features of Own Instruments Issued by the Firm

The table below provides information on the ET 1, AT1 and Tier 2 instruments issued by the Firm. There were no changes since last financial year. Only CET1 was held.

Issuer	Seccl Custody Limited
Governing law of the instrument	UK
Regulatory treatment	
Regulatory classification	Common Equity Tier 1
Instrument type	Ordinary Shares
Amount recognised in Audited Financial Statements	GBP 5.3m
Nominal amount of instrument	GBP 5.3m
Issue price	GBP 1

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Rights of redemption	None
Accounting classification	Shareholders' Equity
Dividends	
Full discretionary, partially discretional or mandatory (in terms of timing)	Fully discretionary
Full discretionary, partially discretional or mandatory (in terms of amount)	Fully discretionary

Own Funds Requirements (MIFIDPRU 8.5)

K-Factor Requirement and Fixed Overheads Requirement

The table below shows the K-factor requirement ("KFR"), broken down into three groupings and the total amount of fixed overheads requirement ("FOR").

Item – Amount (GBP thousands)		
K-Factor	Σ K-AUM, K-CMH and K-ASA	393
	Σ K-DTF and K-COH	4
	Σ K-NPR, K-CMG, K-TCD and K-CON	0
Fixed Overheads Requirement ("FOR")		969

Approach to assessing the adequacy of own funds

ICARA Process

The internal capital adequacy and risk assessment process (the "ICARA process") is the core risk management process for FCA investment firms. The ICARA process is a continuous assessment of the harm a firm may pose to clients and markets as part of its ongoing business and during wind-down.

SCL will review the adequacy of the ICARA process at least once every 12 months and following any material change in the Firm's business or operating model.

The ICARA document and associated external disclosures have been reviewed by SCL's Executive Committee and has had senior management input throughout the document's development. The document was presented to the Board of Directors for review and sign off.

The ICARA process has been developed from a risk review of SCL and its annual budget exercise. It is therefore already integrated into the Firm's procedures and has been approved by the Board.

To ensure SCL meets its ongoing capital needs and liquidity requirements, these will be reviewed each month in management information which distributed to the Executive Committees and the Board.

On this basis the Board are satisfied that the Firm has sufficient own funds and liquid assets to meet its Overall Financial Adequacy Rule (OFAR) both as to amount and quality to ensure that:

- it is able to remain financially viable throughout the economic cycle, with the ability to address material potential harm that may result from its ongoing activities; and
- its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

Remuneration policies and practices (MIFIDPRU 8.6)

Overview

The remuneration disclosure is made under MIFIDPRU 8.6 on behalf of SCL. The information in this section may include employees and directors of group companies including the parent company Seccl Technology Limited, where they undertake activities on behalf of, or which have an impact on SCL. The disclosures made align to SCL's categorisation as a non-SNI MIFIDPRU investment firm falling within SYSC 19G.1.1R(2.

Remuneration Policy

The aim of this policy is to ensure that remuneration arrangements at the Firm reward employees appropriately, but also promote sound and effective risk management. In particular, the remuneration arrangements at the Firm aim to avoid excessive risk-taking. It is also designed to ensure that, when taking decisions about remuneration, the impact of reward arrangements on SCL's long-term sustainability are considered.

Approach to Remuneration

The remuneration approach, aimed at ensuring the competitiveness and the effectiveness of its policies, is based on the following key principles:

- that remuneration structures drive ethical behaviour of employees.
- there is clear governance around remuneration decisions.
- remuneration programmes should drive both business results and desired behaviours which, overall, aim to align the interests of individual employees with the long-term interests of SCL and its customers.
- the remuneration structure must avoid incentives that would encourage employees to take unnecessary and/or excessive risks.
- sustainability of SCL's business and alignment of remuneration with corporate results and individual performance.
- to retain and develop key talent at all levels of the organisation.

Governance Arrangement for Remuneration

SCL, and its immediate parent entity Seccl Technology Limited (together, the Business), have a Remuneration Committee which:

- approves the Remuneration Policy and the arrangements of any individual incentive or reward schemes, to ensure that the remuneration arrangements the firm has in place adhere to the principles outlined in this Policy.
- ensures that the policy is effectively implemented.
- receives input from the firm's Risk and Compliance teams, with respect to the setting of individual remuneration awards where they have concerns about the behaviour of the individuals concerned or the riskiness of the business undertaken.
- ensures that the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components:

- includes adjustments for all types of current and future risks and considers the cost and quantity of the capital and the liquidity required by the Firm; and
- takes into account the need for consistency with the timing and likelihood of the Firm receiving potential future revenues incorporated into current earnings; and
- ensures that the allocation of variable remuneration components also reflects all types of current and future risks to the Firm.

• is responsible for ensuring that remuneration policies and practices are designed in such a way so as not to create a conflict of interest or incentive that may lead employees to favour their own interests or those of the Firm to the potential detriment of any client.

Material Risk Takers (MRTs)

In accordance with the FCA rules, the Firm is required to identify the categories of staff whose professional activities are deemed to have a material impact on the risk profile of the Firm. These are referred to as 'Material Risk Takers', and the firm ensures that it applies all of the necessary remuneration requirements to these staff, taking into account the size and complexity of SCL's business, and how it is organised internally.

'Material Risk Takers' are identified in line with the criteria included within relevant guidance, but broadly, they include SCL's Senior Management, and those individuals whose role means they can expose the Firm, or the assets it administers for clients, to material risk.

Compensation Arrangement

The Business aims to deliver total remuneration (which may be a combination of fixed and variable compensation) at a level that is aligned to the market for each individual role, whilst also rewarding the overall performance of the Business and the individual's performance.

Remuneration at the Business can be made up of a combination of two broad components:

- basic fixed remuneration (e.g. salary plus any allowances) in line with the employee's professional experience and role within the Company.
- variable remuneration (e.g. corporate bonus, long term incentive plans, performance fees) that reflects performance - which may be subject to performance adjustment.

Any variable remuneration is paid or vests only if it is sustainable according to the financial situation of the Business as a whole, and is based on the performance of the Business, the business unit and the individual concerned.

Variable Remuneration

The Business currently operates a Corporate Bonus Scheme which may lead to individuals being awarded a discretionary cash bonus. The award that an individual receives varies on an

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annual basis and is dependent on Business and individual performance (and market norms) for the role they perform. Individual performance is rewarded across both behavioural and competency-based measures, including consideration of whether the individual consistently displays appropriate risk and compliance behaviours. All permanent employees are eligible to participate in the Corporate Bonus Scheme.

Clawback Arrangements

Performance adjustment is in place for all MRTs within SCL. A 3-year clawback period exists from the date the award is made and may be used in the following situations:

- The MRT, participated in, or was responsible for, conduct which resulted in significant losses to the firm.
- The MRT failed to meet appropriate standards of fitness and propriety.
- The firm or the relevant business unit suffers material failure of risk management, resulting in FCA censure and/or penalties.

Aggregate remuneration for MRTs and all staff

SCL is required to disclose the aggregate remuneration of MRTs and non-MRTs for the year ending 30th April 2023, split into fixed and variable elements – please see table below (note this represents remuneration paid for the Business as a whole):

(GBP thousands)	MRTs – Senior Management	MRTs – Other	Non-MRTs
Number of Staff	7	4	139
Total Remuneration	893	357	6,162
Total Fixed Remuneration	780	357	6,010
Total Variable Remuneration	113	0	152
- Of which, awarded in cash	113	0	152
- Of which, awarded in non-cash	0	0	0

Proportion of total variable remuneration which is guaranteed	0	0	0
Proportion of total variable remuneration deferred	0	0	0
Total Severance Payment	0	0	0