CAMcap Markets Limited

Disclosure under the public disclosure requirements of the Investment Firms Prudential Regime

For the year ending 30 November 2023

1. Introduction

This document is presents the FCA Disclosure Requirements for CAMcap Markets Ltd ("CAMcap" or the "Firm") which is authorised and regulated by the Financial Conduct Authority (FCA). The Firm is regulated under the Investment Firm Prudential Regime as a Non SNI MiFIDPRU investment firm and is required to make annual disclosures in accordance with MIFIDPRU 8.
MIFIDPRU 8 requires the Firm to publicly disclose information relating to capital resources, governance and the categories of material risk or harm it faces to enable participants to assess the Firm's risk profile and capital resources on a basis comparable with other regulated investment firms. The Firm publicly discloses the information on its website from the date on which it publishes its audited financial statements.
The reference date is the 30th November 2023 which is the Firm's accounting reference date and financial year end.

2. Governance

The Board of Directors is the governing body of the Firm and is ultimately responsible for the development of the Firm's business strategy, directing the Firm's business and the management of risks that arise in the course of doing business.

3. Risk management objectives and policies

The Firm has established a risk management process to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The Board of Directors take overall responsibility for this process and the risk appetite of the Firm and has responsibility for the implementation and enforcement of the Firm's risk policies. Senior management engage in the Firm's risk management through a framework of policies and procedures having regard to the relevant laws, standards, regulatory principles and rules. These policies are updated as required.
Senior management directs the Internal Capital Adequacy and Risk Assessment (ICARA) process to formally review risks on an annual basis. The Firm performs it's ICARA process review in May and the ICARA process reference date is the preceding 30th November.
The Firm has in place appropriate monitoring procedures, including the regular provision of management information to senior management, to assess potential risks as they arise throughout the course of business. Action is taken where risks are identified which fall outside of the Firm's tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the Firm's mitigating controls. The material risks to the Firm's business identified by Senior Management are summarised below.

4. Summary of Principal Risks

Business Risk
This is the risk of the Firm not being able to generate fee income and control costs on an on-going basis and in-line with business plans. The Firm closely monitors costs and revenues and performs stress tests scenario analysis of revenues versus its liquidity requirements.

Operational Risk
Operation risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Firm places strong reliance on the operational procedures and controls that it has in place to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.
The Firm has identified what it considers to be the key operational risks. These relate to disruption of the office facilities, system failures, cyber security considerations, trade execution error, trade settlement failure and failure of third-party service providers. Appropriate policies and business continuity plans are in place to mitigate against risks.
The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge, though it considers this as part of its process to identify the level of risk-based capital required.

Counterparty Risk
Counterparty risk is the risk that a counterparty will not meet its obligations under a transaction in a financial instrument or a contract resulting in a financial loss to the Firm. The Firm has adopted processes to monitor counterparty risk however, the majority of the Firm's counterparties are well-capitalised, regulated financial institutions.

Credit Risk
The main credit risk to which the Firm is exposed is in respect to the failure of its debtors to meet their contractual obligations. The majority of the Firm's receivables are related to the fees and commissions earned on the distribution of structured products issued by investment banks. The Firm believes that there is a low risk of non-payment since its debtors are predominantly investment banks with investment grade credit ratings. In addition, the Firm maintains a disciplined approach to the monitoring of receivables, ensuring all amounts due are current and that none become overdue.
Credit exposure from the Firm's bank deposits is mitigated by only placing funds with domestically systemic banks.

Liquidity Risk
Liquidity risk is the risk that the Firm, although solvent, is unable to generate sufficient cash or other liquid assets in a timely and cost-effective manner to meet its commitments as they become due. The Firm is subject to liquidity risk when it cannot pay monies due to a client, counterparty or creditor and may crystallise if sudden unexpected cash flows are experienced. The Firm has systems and processes in place to monitor and manage cash flow, working capital and regulatory capital requirements to help provide a sufficient buffer against liquidity risk.

Market Risk
Market Risk is the risk of loss due to adverse changes in the price of financial assets. The Firm does not take any proprietary positions and therefore market risk is limited to foreign exchange risk on its accounts receivable and bank account balances in foreign currencies. In line with the Firm's low risk policy foreign currency exposure is continuously monitored and the Firm has direct access to the spot foreign exchange markets at competitive rates. Whilst market risk has the potential to negatively impact the Firm's profitability it is not considered a potential risk of material harm to clients or suppliers.

Interest Rate Risk
The Firm does not rely on income generated from its cash deposits and does not require debt funding for normal day to day operation of its business, therefore it is envisaged that a material change (200 bps or greater) in current interest rates (whether positive or negative) would have no adverse impact on the Firm's business or liquidity.

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 Firm's risk assessments for operational credit, market and operational risk.

Regulatory Risk

Regulatory risk is the risk of the effect of changes in, or the breaching of laws and regulations that could cause a loss to the Firm. As an FCA regulated firm CAMcap is required to follow all relevant rules and requirements and a breach of regulations could lead to disciplinary action against the Firm and a fine.

The firm has a dedicated Compliance function to support the business in maintaining adherence to it's regulatory requirements and mitigates regulatory risk through:

- A compliance monitoring programme covering regulatory risks,
- Policies and procedures covering the Firm's obligations,
- Reports and updates to the Board of Directors,
- Regular mandatory staff training on personal and the Firm's obligations.

5. Internal Capital Management

The Firm's capital management strategy is to maintain sufficient capital resources for the scale and complexity of its current business and to facilitate future growth.

The Firm monitors its financial adequacy regularly and undertakes a formal internal capital adequacy and risk assessment (ICARA) at least annually to identify and manage its principal risks and capital requirements. The assessment is conducted in accordance with the FCA's ICARA requirements. The Firm monitors its principal risks and considers the impact of stressed scenarios to determine the amount of own funds and liquid assets it requires:

- to remain financially viable throughout the economic cycle,
- to address any material potential harm that may result from its activities, and
- to ensure that in the event of a wind down the Firm could complete the process in an orderly manner, minimising harm to clients and other market participants.

6. Own Funds as at 30th November 2023

CAMcap's Own Funds as at 30th November 2023 were calculated in accordance with IFPR and reconciled to the Firm's audited financial statements.

OF1 - Composition of regulatory own funds.

	Item	Amount (GBP thousands)	Source based on the balance sheet in the audited financial statements
1	Own Funds	2,161	
2	Tier 1 Capital	2,161	
3	Common Equity Tier 1 Capital (CET1)	2,161	
4	Fully paid up capital instruments	100	Page 11, note 14
6	Retained earnings	2,061	Page 11, note 15
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-) Total deductions from CET1	0	
19	CET1: Other capital elements, deductions and adjustments	0	
20	Additional Tier 1 Capital	0	
25	Tier 2 Capital	0	

Own funds: reconciliation of regulatory own funds to balance sheet included in the audited financial statements

		Balance sheet as per published/audited financial statements	Under regulatory scope of consolidation	Cross reference to table OF1
		As at period end	As at period end	
Assets		Amount (GBP thousands)	Amount (GBP thousands)	
	Fixed Assets			
	Tangible Assets	0		
	Investments	1,807		
	Current Assets			
	Trade Debtors	377		
	Other Debtors	1,237		
	Prepayments	23		
	Cash at bank	243		
	Total Assets	**3,678**		
Liabilities	Creditors - amounts falling due within 1 year	1,526		
	Long term Liabilities	0		
	Total Liabilities	**1,526**		
Shareholders Equity				
	Called up share capital	100		Item 4
	Retained earnings	2,061		Item 6
	Total shareholders Equity	**2,161**		

CAMcap's share capital consists of allotted, called up and fully paid ordinary shares. The Firm does not hold any Additional Tier 1 or Tier 2 Capital.

7. Own Funds Requirement

As a non SNI MIFIDPRU investment firm CAMcap's Own Funds Requirement is the higher of:

i. its permanent minimum capital requirement,
ii. its fixed overheads requirement*, or
iii. its K-factor requirement.

*The fixed overheads requirement of a MIFIDPRU investment firm is an amount equal to one quarter of the firm's Relevant Expenditure during the preceding year.

As at 30th November 2023 CAMcap had the following minimum capital requirements.

Item		Total (GBP)
K-factor	Sum K-AUM, K-CMH, K-COH, K-ASA	0
	Sum K-NPR, K-CMG	0
	Sum K-TCD, K-DTF, K-CON	2053
Total K-factor		2053
Fixed Overhead Requirement		128,911
Permanent Minimum Requirement*		330,000
Own Funds Requirement		330,000

*Under MIFIDPRU TP 2.18 R Own fund requirements: transitional rules the Firms own funds requirement from 1st January 2024 is £330,000 and will increase to £750,000 in the following increments:
from 1st January 2025 to 31 December 2025: £470,000;
from 1st January 2026 to 31 December 2026: £610,000; and
from 1st January 2027 to £750,000.

CAMcap does not have the Managing assets, Safeguarding and administration of client assets permissions & cannot hold client money, therefore it does not incur a requirement under K-AUM, K-CMH & K-ASA.
The Firm is a matched principal broker and does not have a trading book therefore it does not incur concentration risk as defined under K-CON.

8. Remuneration Code Disclosure

CAMcap Markets Ltd is a MIFIDPRU investment firm authorised and regulated by the FCA and is required to comply with the MIFIDPRU remuneration code set out in chapter 19G of the FCA Handbook. We are required to disclose certain information on at least an annual basis regarding our remuneration policy and practices for those Staff whose professional activities have a material impact on the risk profile of the Firm. The aim of the rules is to ensure an appropriate alignment between risk and individual reward, discourage excessive risk taking and to encourage better risk management.
As a non-SNI MIFIDPRU investment firm CAMcap meets the conditions in MIFIDPRU 7.1.4R(1) for reduced disclosure requirements on the basis that the value of the firm's on and off-balance sheet items over the preceding 4-year period is a rolling average below £100million.

Application of the requirements.
Given the nature and size of the Firm the Remuneration Policy is determined and administered by the Board of Directors. The remuneration policy of the Firm is intended to ensure that the Firm will attract and retain the most talented staff whilst taking into account the Firm's strategic objectives and the long-term interests of the shareholders and other stakeholders.
The Remuneration policy, and the practices supporting the policy, are gender neutral. The policy seeks to ensure all employees and job applicants are treated fairly and on merit, regardless of their race, gender, marital status, age, disability, religious belief, gender identity or sexual orientation.
The Firm's policy is reviewed at least annually or following any material change to the policies, practices and procedures of the business.

Summary of how the Firm links pay and performance.
CAMcap remunerates its employees through the payment of fixed and variable remuneration. The levels of fixed remuneration are determined by the Board and are comprised of a basic salary plus proportionate contributions to a defined contribution pension scheme. Levels of fixed remuneration are determined with the intention that the amount paid should appropriately reflect the complexity and responsibility of the role

performed whilst being consistent with the rates of pay of firms within its peer group for similar positions.
The Firm determines remuneration levels using quantitative and qualitative criteria. The quantitative remuneration criteria primarily rely on financial data relating to the performance of the individual as well as the performance of the Firm. In addition to the quantitative criteria, the Firm has put in place qualitative criteria which include compliance with regulatory requirements and internal procedures as well as the sustainable growth of the business and the fair treatment of clients.
All salaried employees are eligible to receive variable remuneration subject to acceptable performance. The levels of discretionary variable remuneration paid to staff are determined by the Board. In addition to fixed salaried staff the Firm employs individuals in certain roles which are not salaried. The variable remuneration paid consists of a pre-determined share of the monthly commissions generated. When determining the level of variable remuneration, and the ratio of fixed to variable remuneration, the Firm's aims are to discourage excessive risk taking in the management of the business and

- promote sustainable growth in the business,
- protect client interests and treat clients fairly, and
- protect shareholder value and the reputation of the Firm.

Material Risk Takers

The Firm is required to identify the Material Risk Takers (MRT) within the firm. An MRT is a staff member whose professional activities have a material impact on the risk profile of the firm.
The material risk takers in CAMcap are the Firm's 3 senior managers, as the individuals who execute the commercial strategy of the Firm, supervise the Firm's sales desk and oversee regulatory compliance.
In the year ending 30th November 2023 the total remuneration paid to the Firms material risk takers was:

	MRT's	Non-MRT's
Number of Staff	3	6
Total Fixed Remuneration (£'000)	70	213
Total Variable Remuneration (£'000)	504	273
of which rewarded in cash (£'000)	504	273
of which rewarded in non-cash (£'000)	0	0
Total Remuneration (£'000)	574	486