

**Annual disclosure for Blackadders Wealth Management for  
Year ending 31/3/2023**

## Introduction

The Investment Firms Prudential Regime (IFPR) came into effect on the 1 January 2022 as a new regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID).

The IFPR was implemented by the FCA as prudential regulation within the MIFIDPRU section of the FCA Handbook.

These disclosures set out Blackadders Wealth Management LLP annual public disclosures as required under MIFIDPRU 8 for the year ending 31/3/2023.

### Scope and application of disclosure

These disclosures relate to Blackadders Wealth Management, Blackadders Wealth Management is an SNI MIFIDPRU Investment firm, authorised and regulated by the FCA.

Blackadders Wealth Management is required to disclose on an individual firm basis and these disclosures have been prepared in line with the requirements of MIFIDPRU 8.

As an SNI MIFIDPRU firm under IFPR we are required to disclose the following remuneration information regarding our remuneration policy and practices under MIFIDPRU 8:

### Remuneration policy and practices

#### 1. Qualitative disclosures

- Our approach to remuneration for all staff
- The objectives of our financial incentives
- The decision-making procedures and governance surrounding the development of the remuneration policies and practices our firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:
  - Details of any external consultants used in the development of the remuneration policies and practices
- The key characteristics of our remuneration policies and practices to enable
  - An understanding of the risk profile of our firm and/or the assets it manages, and
  - An overview of the incentives created by our remuneration policies and practices
- The different components of our remuneration, together with the categorisation of those remuneration components as fixed or variable
- A summary of the financial and non-financial performance criteria used across the firm, broken down into the criteria for the assessment of the performance of
  - The firm,
  - Business units, and
  - Individuals

#### 2. Quantitative disclosures

Our Remuneration Policy is set out below:

## Overview

This policy sets out our policy with regards to the remuneration packages and incentive schemes within our firm.

All of our remuneration packages and incentive schemes are designed to ensure that our clients are treated fairly and their interests are not impaired, for example, by our remuneration policies creating a conflict of interest that encourages staff to act against the interests of any of our clients.

## Investment Scope of policy

This policy will apply to all individuals whose activities have an impact (directly or indirectly) on the investment services we provide.

- Managers
- Financial Planners
- Compliance Officer
- Directors

Individuals who hold the following positions within our firm will fall under the scope of this policy:

- **Director** of Investment Services
- **Director** of Business Operations
- Investment Manager
- Compliance Officer & Compliance Consultant
- Financial Planners

## Definition of remuneration

For the purpose of this policy, 'remuneration' means all forms of financial or non-financial benefits or payments made by our firm (directly or indirectly) to individuals who provide investment services to our clients.

For example: Pension contributions, wage increases, promotions, Death in Service, discounts on fees expense accounts, profit sharing or performance related bonuses

## Our firm's remuneration and incentive schemes

Any remuneration package or incentive scheme we have in place, or may introduce in the future, will not:

- Remunerate or assess performance of our staff in any way that conflicts with our duty to act in the best interest of our clients
- Include any arrangement by way of remuneration, sales targets or otherwise, that could provide an incentive to our staff to recommend a particular product to a retail client where a different product could be offered that would better suit their needs
- Create a conflict of interest that would encourages individuals to act against the interests of any of our clients

- Be solely or predominately based on quantitative commercial criteria

And:

- Will ensure the fair treatment of our clients and the quality of service provided
- Will take appropriate qualitative criteria into account
- Maintain a balance between fixed and variable remuneration so the structure doesn't favour our firm or staff over those of our clients

The standard approach of the firm is to pay all of its staff a high basic salary. A performance bonus scheme for employees has not been put into place or is in force at the date of writing this policy. This helps remove any bias any investment managers or financial planners may otherwise have to meet or exceed sales targets and be remunerated accordingly.

Our central philosophy is one of doing the right thing for clients, being fair and reasonable and performing to the best of their abilities with honesty and integrity. Any changes to the remuneration of any member of staff is only authorised by the firm's Board.

Salaries are reviewed on an annual basis and may vary depending on the employee's performance matrix and key performance indicators, which will include :

- Progress to achieving additional qualifications or change of role
- Complaints and breaches
- Completion of regular client reviews
- Teamwork and staff relationships
- Achievement of new business targets (where relevant)
- Marketing the firm and attracting new business
- Reporting to Compliance of breaches, complaints and working within their levels of authorisation
- Compliant client file checks and passes
- Maintaining CPD and appropriate CPD records

**The two Directors** participate in a bonus scheme whereby, providing the firm achieves a given profitability target, they will receive a percentage of that out performance on an annual basis. However, achievement of this performance target is also dependent on them meeting the other performance criteria relevant to their role. The equity partners benefit from a percentage of the firm's profit, depending on their equity stake in the firm.

Any bonuses paid to employees are at the discretion of the partners and we are ensuring on a regular basis that performance and profitability is not at variance with the firm's overarching aim to comply with FCA regulations and the firm's ethical approach to how clients are treated, with relevance given to the obligations of the Consumer Duty regime.

## Remuneration packages

### Bonus schemes

Other than the bonus arrangements for the Directors, detailed above, there are no other bonus schemes in operation within the firm.

### Executive incentive schemes

Other than the profit sharing detailed above, there is no other profit sharing scheme or agreement in place.

## Appointed representatives

We have no appointed representatives (ARs)

## Senior management responsibilities

Our Management Board:

- Has approved this policy and will be required to approve all future changes
- Is responsible for the day-to-day implementation of this policy
- Is responsible for the monitoring of compliance risks related to this policy

The approach we take is broader based than many firms and focusses on integrity and hard work as much as business target achievements. This carries its own risks and rewards. For example, the potential for staff at all levels to be offered higher salaries and / or bonuses, better employee benefit packages and other incentives by competing firms can create risks for the firm as a whole. There are also potential issues when dealing with clients who are not profitable but require a high level of servicing, especially due to changes in FCA regulations. This means we have to reassess our target markets and increase the minimum values of portfolios for example, thus widening the advice gap. However, this can also provide advisers with more client / job satisfaction, with fewer but more profitable clients to deal with.

## Reviewing this policy

To ensure this policy continues to accurately reflect the process we follow, Keith Thomson, Compliance Manager SMF16 will review this policy on an annual basis and confirm to the Wealth Management Board whether any amendments need to be made.

## 1. Quantitative Disclosures

As an SNI MIFIDPRU investment firm, we are required to disclose the total remuneration of all our staff, split between fixed and variable remuneration for our performance year end which is also our financial year end.

For our year ending 31/3/2023, our total remuneration is split as follows:

<b>Type of Remuneration</b>	<b>Amount £000s</b>
Fixed Remuneration	£ 806
Variable Remuneration	£ 135
Total Remuneration	£ 941