

GREEN ASH PARTNERS LLP

The following pages do not form part of the statutory accounts.

GREEN ASH PARTNERS LLP

PILLAR 3 DISCLOSURE AND POLICY – 2018/19

The following appendix does not form part of the audited accounts

Background

The LLP is authorised and regulated by the Financial Conduct Authority and is categorised as a BIPRU Limited Licence Firm for regulatory purposes. The disclosure has been prepared by the firm in accordance with BIPRU 11 and summarises the material disclosures the firm is required to make under Pillar 3 of the Capital Requirements Directive.

Risk Management Objectives and Policies

The business strategy and risk appetite are determined by the Partners. Based on this, a risk management framework, geared to the specific risks that are applicable to the firm, is devised and put into practice.

The LLP's main categories of risk and its management objectives and policies for these categories are as follows:

Risk	Strategy/process to manage risk	Structure of risk management function	Risk reporting and management systems	Policy for hedging and mitigating risk
Operation risk	All of the firm's procedures are documented in its compliance manual which is read by all key staff.	The firm is small and has a simple operating infrastructure. Compliance is overseen by the Compliance Officer.	Report compiled quarterly by the Compliance Officer and discussed at meetings of the partners.	The opportunity to mitigate operational risk is reviewed regularly by the partners.
Business risk	The firm's risk appetite and its willingness to accept business risk are defined by its partners.	The risk management function is overseen by the partners.	Business risk is discussed at regular partners' meetings.	Business strategy is managed and updated on a day to day basis by the firm's partners.
Credit risk	No credit beyond 30 days is extended to clients.	A list of firm's exposures to counterparties is maintained as part of the accounting function.	Monthly management accounts detail the firm's exposure to credit risk.	Management fees are collected within one month.
Market risk	The firm does not believe market risk to be material.	Market risk is monitored as part of the accounting function.	Monthly management accounts reviewed regularly by the partners.	Where non-sterling fees occur, foreign currency hedges would be entered into when deemed appropriate.

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Risk	Strategy/process to manage risk	Structure of risk management function	Risk reporting and management systems	Policy for hedging and mitigating risk
Financial risk	The risk of firm breaching regulatory capital requirements or falling short of its cash flow obligations is monitored as part of the accounting function.	Reviewed by partners. Where necessary external advice is sought from compliance consultants and or accountants	Internal reporting to the partnership is on a monthly basis. Regulatory reporting to the FCA is on a quarterly basis.	Potential deficits are identified at an early stage and further capital/loans injected as necessary.

Remuneration Risk

As a €50,000 Limited Licence Firm, Green Ash Partners LLP falls within Tier 4 of the proportionality guidance notes issued by the Financial Conduct Authority in December 2010. The firm has applied the principles of proportionality in the disclosures made within this statement.

All decisions in relation to remuneration are made by the two funding designated members of the firm. Remuneration is based on the performance of the firm as a whole and not on a single investment strategy. The firm is comprised of one business area: investment management and the remuneration relating to that business area for the financial year ended 31 March 2019 is set out in the reconciliation of members' interests and Note 5 to the financial statements. The total remuneration set out in the reconciliation of members' interests and Note 5 to the financial statements related to senior managers and staff whose actions could have a material impact on the risk profile of the firm.

Capital Resources

The LLP is a BIPRU Limited Licence Firm and has calculated its capital resources in accordance with GENPRU 2.2. The firm's capital resources are detailed in the table below.

	2019 £'000	2018 £'000
Tier 1 capital resources	300	300
Tier 2 capital resources	-	-
Tier 3	-	-
Deductions form total capital e.g illiquid assets	-	-
	<u>300</u>	<u>300</u>

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PILLAR 3 DISCLOSURE AND POLICY – 2016/17

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Capital Resource Requirements

The Firm's Pillar 1 requirement is calculated as the higher of:

1. The Base Capital Requirement (€50k)
2. The sum of:
 - The Credit Risk Capital Requirement; and
 - The Market Risk Capital Requirement.
3. The Fixed Overheads Requirement

In the opinion of the partners the higher of these three is always likely to be the Fixed Overhead Requirement and therefore none of the Base Capital Requirement, the Credit Risk Capital Requirement or the Market Risk Capital Requirement are material to the Firm.

Pillar 1

As at the date of this report the Firm has a surplus of capital resources over its Pillar 1 capital resources requirement.

Pillar 2

The Firm has undertaken an Internal Capital Adequacy Assessment Process (ICAAP) to determine whether it needs any further regulatory capital due to the operational, business, credit and market risks it faces.

As a result of this the Firm has concluded that it does not need any further regulatory capital to meet its requirements under Pillar 2.

Verification

The information contained in this document has not been audited by the LLP's external auditors and does not constitute any form of financial statement.
