



**Annual MIFIDPRU 8 Disclosure Report for Financial Year ending 31
August 2024**

February 2025

Contents

Contents	2
1. Introduction.....	3
2. Business Strategy.....	3
3. Risk Management Overview	4
4. Material Risks	5
4.1. Own Funds Risk.....	5
4.2. Conduct Risk	6
4.3. Business Operations Risk	7
4.4. Other Risk	8
5. Governance Overview	8
5.1. Organisational Structure.....	8
5.2. Management and Board.....	9
5.3. External Directorships.....	9
5.4. Committee Structure	10
5.5. Promoting Diversity	11
6. Own Funds.....	11
7. Own Funds Requirements	13
7.1. Compliance with Overall Financial Adequacy Rule.....	14
7.2. ICARA Process	15
8. Remuneration Policy Framework	15
8.1. Remuneration Policy.....	15
8.2. Remuneration and Nomination Committee	16
8.3. Remuneration Structure	16
8.4. Material Risk Takers	16
8.5. Annual Quantitative Remuneration Disclosure	16

1. Introduction

Allia C&C Ltd (“Allia C&C” or the “Firm”) is a debt capital markets firm that specialises in socially responsible finance. It is authorised and regulated by the Financial Conduct Authority (“FCA” or “Regulator”) with reference number 765603.

The FCA’s Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Allia C&C. Chapter 8 of MIFIDPRU (“MIFIDPRU 8” or the “public disclosures requirements”) sets out public disclosure obligations with which the Firm must comply, further to those prudential obligations.

Allia C&C is classified under MIFIDPRU as a non-small and non-interconnected investment firm (“non-SNI MIFIDPRU investment firm”). As such, MIFIDPRU 8 requires Allia C&C to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration Policy Framework

As a non-SNI MIFIDPRU investment firm, the Firm 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 £300 million and the Firm has no trading book assets.

The Firm does not take principal risk: it acts on either a purely agency or matched principal basis; there is no proprietary trading, no capital is exposed, and no client assets are held on its balance sheet.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and data on the own funds and own funds requirements that allows stakeholders to assess its financial strength.

Certain information has been omitted from the report if, in the opinion of the management of the Firm, such information is of proprietary nature, price-sensitive, may intrude the privacy of the Firm’s clients or would not change or influence the assessment or decision of market participants or other users of the report.

In accordance with MIFIDPRU 8.1.7, the Firm has prepared these disclosures on an individual basis. These disclosures are based on the financial year ending 31 August 2024. The information provided herein will be updated no less than once a year.

2. Business Strategy

Allia C&C is a subsidiary of Allia Ltd (“Allia”), a registered society under the Co-operative and Community Benefit Societies Act 2014 (no. 28861R) and recognised by HMRC as a charity (no. XR29468) with its head office at Allia Future Business Centre, King’s Hedges Road, Cambridge CB4 2HY.

The Firm offers a range of FCA regulated activities to a client base made up of charities and other high social impact organisations and public companies looking for debt in amounts varying from £5.0m to £150m.

It provides modelling, debt advisory and fund-raising services for these clients on a retained or transaction-specific basis and services a client base that consists of about 50 organisations. In addition

to bank loans, private placements and public bond issues, it operates two proprietary lending platforms, namely, RCB Bonds, which has 12 issues listed on the ORB at the London Stock Exchange and the Scottish Charitable Bond Programme which it operates under a contract with the Scottish Government.

In addition, it operates a fixed income broking platform servicing a wide range of stockbrokers and wealth managers. This is responsible for placing any public bonds the Firm originates and facilitating trading in the after-market.

The Firm also has a wholly-owned subsidiary, Allia Bond Services Limited (ABS), which provides services to SPV lending vehicles and handles over £1.0bn of bond and loan transactions.

3. Risk Management Overview

The aim of the risk management framework is to identify, assess and mitigate relevant harms and risks in a manner that is proportionate to the nature, scale and complexity of the Firm's business.

While the Firm is of insufficient size to require a risk committee under MIFIDPRU 7.3.1R, risk management is fundamental to its operations and the Board has responsibility to determine its risk appetite and for establishment and maintenance of an appropriate risk management framework which is updated at least once annually.

The Firm's internal control framework enables it to operate in line with sound principles and practices that are commensurate with its business activities. Material controls include financial, operational and compliance controls and risk management systems.

The Firm operates a 'two lines of defence' model. Individuals in the first line own and manage risk directly. The second line comprises the management/risk function which oversees the first line, sets policies and risk tolerances and ensures these are met.

The Firm identifies and categorises types of risk by likelihood and impact. The Firm maintains a risk register which is updated as necessary. The Firm's senior management is responsible for analysing all risks to which the Firm may be exposed. The Firm's business strategy reflects its low appetite for risks. The Firm considers that the potential for material harms and risks arising from the implementation of its business strategy is low.

Overall, the Firm's risk tolerance is low, and the Firm manages and mitigates identified risks accordingly.

The Firm's risk management processes are reviewed at least annually as part of its Internal Capital Adequacy and Risk Assessment ("ICARA") process (typically in October of each year). As part of the process, the Firm undertakes a review of the potential harms posed by its business to clients, counterparties and the markets in which it operates, together with the risks to the Firm itself, to assess the effectiveness of its risk management policies and processes.

The ICARA process is refreshed at least annually although, if the Firm's business model changes materially or new and unexpected risks emerge, Allia C&C will update it in a timely manner.

4. Material Risks

4.1. Own Funds Risk

Own funds risk is the risk that the Firm has an insufficient level or composition of capital to support the Firm's business activities and associated risks during both normal economic environments and under stressed conditions.

Through the ICARA process, the Firm assesses the minimum level of own funds it must maintain in order to comply with regulatory requirements, and it seeks to hold a level of regulatory capital which exceeds this minimum amount by a considerable margin. Material own funds risk identified in the ICARA process include business risk, operational risk, credit risk, liquidity risk, and other risks described below.

The impact and likelihood of a harm materialising or a risk crystallising and the systems and controls in place to mitigate them are reflected in their assessment through the ICARA process. These individual assessments contribute to the determination of the total minimum amount of own funds the Firm should hold at all times. An assessment of the financial and other impacts of the Firm winding-down is also undertaken within the ICARA process in the alternative scenario of the Firm closing. This alternative scenario also contributes to the determination of the total minimum amount of own funds that the Firm should hold by comparing its outcome with the own funds to be held on an ongoing basis. Additional information on the foregoing is contained in section 6 of this document.

Liquidity Risk

Liquidity risk is the risk that the Firm 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.

Given the nature of the Firm's business, the Firm does not run liquidity mismatches. The Firm does not have significant financial liabilities, since they are on the whole short-term and the Firm maintains sufficient cash resources to cover its immediate liabilities. The Firm monitors its liquid assets daily and reports them to the management committee on a fortnightly basis. Capital resources and liquid resources are calculated and compared with minimum thresholds. These are reviewed by the Board at each Board meeting.

The Firm does not deal on its own account or hold money or assets for clients. The Firm is exposed to liquidity risk where there is a mismatch between the Firm's anticipated cash-flow demand and the amount and quality of available assets in a form to meet this demand. This could arise because of a failure to generate revenues from new business or a delay in the timing of revenues becoming due, leading to an increased probability that the Firm would become unable to meet its liabilities as they fall due including the impact of sustained losses incurred. Consequently, the Firm has several systems, policies and processes in place to monitor and manage regulatory capital requirements, working capital needs and cash flows to help provide a sufficient buffer against liquidity risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss.

The Firm is exposed to credit risk from its operating activities (the failure of counterparties to meet contractual obligations, though in relation to broking this is significantly mitigated by settling through Pershing) and from deposits with banks and investments of its own funds.

Credit risk exposure arising from the placement of deposits and investment is mitigated through the placement of working capital funds with banks with high credit ratings or in UK Government Bonds, and an investment policy requiring the weekly monitoring of credit risk.

In addition, the Firm manages a small investment portfolio that is invested on a conservative basis. Most of the Firm's reserves are held in cash or cash-equivalent investments. This is monitored on a weekly basis and is discussed by a management investment committee consisting of the Chief Executive Officer, Finance Director and Head of Broking, which meets at least monthly.

Market Risk

The risk that the value of, or income arising from, assets and liabilities varies as a result of changes in interest rates, exchange rates or other market prices.

The Firm has no direct exposure to market risk on its balance sheet except in relation to its small investment portfolio. The Firm mitigates this risk by active monitoring and management of its investment portfolio, and by maintaining sufficient cash, capital and liquidity buffers to absorb short term losses.

4.2. Conduct Risk

Business Risk

Business risk is the risk that the Firm does not respond in an optimal manner to changing market conditions such that profitability is adversely affected.

This risk can arise both from strategic decisions which fail to consider the current operating environment and from external factors, such as material changes in regulation or legislation within the financial services sector. The Firm's business model is reviewed on a frequent basis within the context of its risk appetite statement.

The Firm has two principal business divisions: (1) the provision of debt advisory and arranging services for borrowers; and (2) advisory and trading services for investors. The Firm only deals with professional clients and eligible counterparties and will only take on clients that are considered to be low risk, other than by exception. The Firm is staffed by a team with significant experience and track record in capital markets.

Before launching any new strategy or service the Firm will conduct a thorough review of strategy/direction, resources, business impact and product governance.

Regulatory Compliance and Financial Crime

Regulatory risk is the risk that the Firm might breach FCA rules and regulations which could lead to a fine or disciplinary action against the Firm.

On a day-to-day basis the compliance function oversees regulatory risk by monitoring the Firm's activities to ensure that rules in the FCA Handbook are observed and, where this is not the case, report the matter to the Board and take any remedial action that may be required. Compliance is a standing item on the Board's agenda. The Board meets at least quarterly and is presented with the compliance monitoring findings.

The Firm maintains a risk-based compliance monitoring programme that is proportionate and adequate for the nature, size, and complexity of the Firm's business model.

The Firm is committed to meeting prudential standards as determined by the FCA and to complying fully with all other regulatory requirements, specifically systems and controls, SM&CR, training and competence, conduct of business, conflicts of interest, record keeping, regulatory updates and

regulatory reporting. A fortnightly management meeting considers the Compliance Officer's report which covers the areas noted above. The Firm has staffed its compliance function with appropriately qualified resources.

Allia C&C takes a zero-tolerance stance on financial crime. Although the Firm believes that its exposure to financial crime is low, the Firm takes its anti-money laundering (AML) obligations very seriously and requires its entire staff to know and be familiar with the relevant provisions. AML risks are minimised by verifying client information via a third party. Sanctions checks are also carried out against client names.

The Firm maintains a risk-based approach to financial crime and has established processes to escalate and report suspicious activities to the National Crime Agency and suspicious transactions and orders to the FCA. Whilst the risk of unauthorised acts can never be eliminated, the Firm believes that staff supervision, adequate segregation of duties, and other checks and balances are sufficient to mitigate this risk.

Reputational Risk

Reputational risk is the risk that the Firm's ability to conduct business will be damaged because of its reputation being tarnished, including as a result of regulatory censure.

The Firm has policies and procedures in place to manage this risk to the extent possible which include, inter alia, procedures for employee hiring, the taking on of new business and conduct of business rules. It also has policies and procedures to counter fraud and corruption.

4.3. Business Operations Risk

Operational Risk

Operational risk is the risk of loss, or breach of contractual requirements, resulting from inadequate or failed internal processes, people or systems, human error or external events.

Whilst the Firm acknowledges that operational risks cannot be eliminated, it maintains a programme of identifying, mitigating and managing its potential operational risks. The Firm undertakes robust risk identification and scoring exercises across the business. The Firm has no history of material operational losses.

The Firm trades on behalf of clients and itself through Pershing Securities Ltd ("Pershing"), a division of BNY Mellon Corporation, which has a senior unsecured credit rating of AA- (as at 16 December 2024, Fitch). The Firm therefore has operational risk exposure in relation to the conduct of its business and a credit risk exposure in relation to any of its own funds held with Pershing.

Business Continuity

Business continuity risk is the risk that an internal or external event results in either failure or detriment to core business processes or services.

The Firm has a Business Continuity Plan which details business continuity arrangements in place to ensure and maintain resilience were a disruptive event to occur.

Data Security & Integrity

The risk of a lack of integrity, inappropriate access to (or disclosure of) client or company sensitive information.

This risk can arise from the Firm failing to maintain and keep secure at all times sensitive and confidential data through its operating infrastructure, including activities of employees and cyber

threats. Information security and data privacy systems and controls have been put in place to manage and mitigate any exposure to this area of risk in accordance with regulatory requirements.

Human Resources Risk

The risk of loss of key staff, lack of skilled resources and inappropriate employee behaviour or actions.

Any of these events could lead to lack of capacity or capability threatening the delivery of business objectives or negative behaviours leading to complaints, regulatory action or litigation. Support is provided to the business through the Firm's Human Resources department to ensure all potential people risks are mitigated.

Insurance Risk

The risk of a failure of insurance cover.

The Firm maintains Professional Indemnity insurance with a limit of £5 million to mitigate the impact of any claims brought by clients in respect of the Firm's services. The Firm seeks to obtain insurance only from well capitalised insurance firms to minimise the risk of loss arising from insurance claims.

4.4. Other Risk

Concentration Risk

The Firm monitors areas where it may be exposed to concentration risk via other risk policies such as its investment policy or approach to credit risk. In addition, it seeks to diversify its sources of income to avoid over reliance on either primary or secondary market activities or individual clients. The Firm does not have any material concentration exposure beyond its business risk appetite.

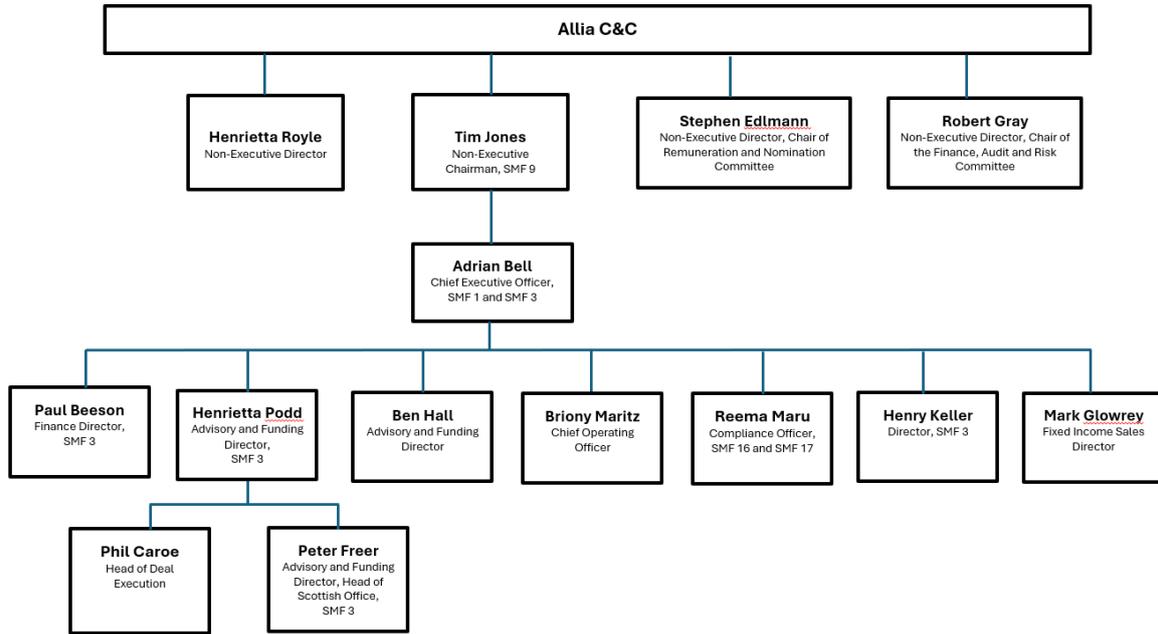
5. Governance Overview

As a MIFIDPRU investment firm, Allia C&C is subject to the requirements of the Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC") of the FCA Handbook. In accordance with SYSC, the Firm ensures that there are governance arrangements in place to ensure effective and prudent management of the business, including the segregation of duties in the organisation and the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interests of the Firm's clients.

5.1. Organisational Structure

The Firm has a simple organisational structure with appropriate lines of responsibility and effective processes to identify, manage, monitor and report on risks. See below for the Firm's organisational chart of the Board and senior management.

Organisational Chart 30
January 2025



5.2. Management and Board

The Firm is managed by its Management Committee of executive directors and senior managers, which meets fortnightly or more often as required. Reporting lines and segregation of responsibilities are defined within the organisational structure.

The Management Committee consists of the Chief Executive Officer, Finance Director, Compliance Officer, the Chief Operating Officer and five other senior executives.

The Allia C&C Board is the governing body of the Firm and is responsible for providing oversight and management of the profitable development of the Firm, in accordance with current strategic plans and objectives. The Board is also responsible for managing the Firm's risks and setting the tone and influence of culture and conduct within the Firm. The Board is the "responsible body" under the Internal Capital and Risk Assessment (ICARA) process which must be updated to reflect any changes to the Firm's business and risk profile and in any case at least annually.

The Board meets quarterly, and consists of the Non-Executive Chairman, the Chief Executive Officer, the Finance Director, three Non-Executive Directors and two Executive Directors.

The Firm ensures that the members of the Management Committee and Board of Directors possess sufficient knowledge, skills and experience to perform their duties as well as a sound understanding of the Firm's activities and main risks.

5.3. External Directorships

The table below shows the directors of the Allia C&C Board along with the number of external directorships (not including directorships of companies in the Allia Group or of other charities or companies with non-commercial objectives) held by each person at 31 August 2024:

Name	SMF/Role	Number of directorship (executive and non-executive)
Tim Jones	SMF 9, Non-Executive Chairman	4
Adrian Bell	SMF 1 and SMF 3, Chief Executive Officer	2
Paul Beeson	SMF 3, Finance Director	3
Henry Keller	SMF 3, Executive Director	1
Henrietta Podd	SMF 3, Executive Director	1
Robert Gray	Non-Executive Director	3
Stephen Edlmann	Non-Executive Director	1
Henrietta Royle	Non-Executive Director	4

5.4. Committee Structure

Whilst the Firm is not required to establish a risk committee per MIFIDPRU 7.1.4R(1) due to its size, the Firm has two separately constituted standing Board Committees, namely, the Finance, Audit and Risk Committee and the Remuneration and Nomination Committee.

The Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee operates within defined terms of reference which include a clear purpose and authority, duties and requirements for management information. They also have access to the minutes from their respective sub-committees.

The committee is chaired by an independent non-executive director and has two other non-executives as directors. It meets quarterly and can invite the Finance Director to attend as an observer if it is considered appropriate. The committee is responsible for risk management, financial reporting, appointment and remuneration of external auditors and the review of the content of the annual report and accounts.

Remuneration and Nomination Committee

The Firm's Remuneration and Nomination Committee ("ReNCo") is accountable for the oversight and implementation of the Remuneration Policy. The ReNCo is chaired by an independent non-executive director and includes other two other non-executive directors and can invite members of the Management Committee to attend as appropriate. It meets at least twice a year, or more often as required.

The ReNCo governs the Remuneration Policy and checks that it complies with regulation and is consistent with the promotion of the Firm's effective risk management, its business objectives and values.

It is also responsible for approving the general principles of remuneration plans, ensuring the balance of pay is in line with market, and reviewing Remuneration Policy and controls to ensure they do not encourage any risk-taking that exceeds the Firm's tolerated level of risk or have other unintended detrimental consequences.

The ReNCo also takes into account various factors such as the Firm's past and projected profits and its capital and liquidity position. Finally, it approves all compensation of executive directors, including salary, bonuses and stock awards. The committee will seek input from senior management and/or the control functions as and when necessary.

The ReNCo will also be involved in any decision to effect malus and clawback provisions to variable remuneration that might be proposed by the Firm in accordance with FCA regulation and internal policy.

5.5. Promoting Diversity

The Firm is an equal opportunities employer. The Firm recognises the benefits of a diverse workforce and senior management team in terms of innovation, creativity and decision making. Diversity is promoted via a range of Firm-wide activities, including hiring practices, senior management objectives, training and awareness sessions and Board level oversight.

The Firm recognises this as an area of ongoing development for the Firm and for the financial services industry generally and will report annually on progress.

6. Own Funds

The Firm is required to always maintain sufficient capital resources. The term “own funds” describes the available capital resources of the Firm, and the Own Funds Requirement describes the capital resources required because of the business activities of the Firm.

The Firm’s own funds as at 31 August 2024 are set out below in Table OF1.

A reconciliation of the Firm’s own funds as at the date of its audited financial statements for the financial year ended 31 August 2024 is set out in Table OF2.

Both tables are in the format prescribed by the rules of the FCA.

Table OF1

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	3,412	Sum of items below
2	TIER 1 CAPITAL	2,932	
3	COMMON EQUITY TIER 1 CAPITAL	2,932	
4	Fully paid up capital instruments	333	Note 12
5	Share premium	939	Balance sheet
6	Retained earnings	1,660	Balance sheet
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued 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	480	Note 11
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

Table OF2

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		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	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets	-		
2	Tangible assets	52		
3	Investments	750		
4	Stocks	539		
5	Debtors: amounts falling due within one year	767		
6	Cash at bank and in hand	2,285		
	Total Assets	4,393		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors: amounts falling due within one year	981		
2	Creditors: amounts falling due after more than one year	480		
	Total Liabilities	1,461		
Shareholders' Equity				
1	Called up share capital	333		Item 4
2	Share premium account	939		Item 5
3	Profit and loss account	1,660		Item 6
	Total Shareholders' equity	2,932		

Own funds: main features of own instruments issued by the Firm

The Firm's share capital consists of 333,001 ordinary shares at £1.00 each. The amount recognised in regulatory capital is £333k along with associated share premium of £939k, which are included in Own Funds requirement total.

7. Own Funds Requirements

The Firm is a MIFIDPRU 750k Firm (matched principal firm and previously categorised as a BIPRU firm) which means it must at all times have capital resources at least equal to the greater of £750,000 (subject to transitional increments over 5 years), one quarter of the previous financial year's annual expenditure after distribution of profits or the sum of the relevant 'K-Factors' (K-DTF is the only K-factor that applies to the Firm). According to the transitional provisions in MIFIDPRU TP 2.18, the Firm's permanent minimum capital requirement from 1 January 2024 to 31 December 2024 is £330,000 and from 1 January 2025 to 31 December 2025 is £470,000. The Own Funds requirement is £779,000 which is set out in Table OF3 below. The information below is correct as at 31 August 2024.

Table OF3

Capital requirement summary	(£'000)
Requirements - higher of:	
Base capital	330
K-factor	8
Fixed overhead requirement	779
Minimum capital requirement	779

K-factor additional information

K-DTF is calculated by taking the average value of daily trades multiplied by 0.10%.

K-factor requirements	(£'000)
Average daily trades	7,565
K-DTF	8
K-factor requirement	8

MIFIDPRU contains details on other K-factors which do not apply to Allia C&C.

7.1. Compliance with Overall Financial Adequacy Rule

In accordance with FCA rules on the Overall Financial Adequacy Rule ("OFAR"), the Firm must hold adequate own funds (eligible regulatory capital) and liquid assets (assets that can be easily, securely, and quickly exchanged for legal tender) which are adequate, both as to their amount and their quality, to ensure that:

- a) the Firm can remain financially viable throughout the economic cycle, with the ability to address any material harm that may result from its ongoing activities; and
- b) the Firm's business can be wound down in an orderly manner whilst minimising harm to clients or to other market participants.

The total Own Funds Threshold Requirement for Allia C&C on an individual basis to comply with its OFAR obligations is £954k. Please note that the Firm is eligible for the application of the Transitional Provisions to the Firm's Own Funds Requirement. Allia C&C has own funds of £3,412,000.

The Firm undertakes an assessment of its Own Funds Requirement via the ICARA at least on an annual basis to identify additional requirements from (i) the material risks associated with ongoing business operations and (ii) the ability to facilitate an orderly winddown of the business. The Own Funds Requirement is formally reviewed, challenged and approved by the Board.

The Firm has assessed its additional Own Funds Requirement and holds sufficient capital resources to meet the OFAR.

7.2. ICARA Process

Central to the Firm's risk management framework under the regulatory regime is the Internal Capital Adequacy Assessment Process (ICARA), which is not only integral to how the Firm manages risk but is also central to how the FCA manages the risk of the firms that it supervises. As part of the ICARA process the Board oversees and assesses:

- the identification and monitoring of risks or harms;
- the details of any financial and non-financial mitigations implemented;
- the forecast of capital and liquidity needs on an ongoing basis and where the Firm may have to wind- down;
- the determination of appropriate and credible recovery actions to prevent breaching a threshold requirement;
- wind-down planning; and
- the assessment of the adequacy of the Firm's own funds and liquidity requirements.

As part of the process, the Firm considers whether the risk of material potential harms can be reduced through proportionate measures (other than holding additional financial resources) and, if so, whether it is appropriate to implement such measures. The Firm then assesses whether it should hold additional own funds (or additional liquid assets) to mitigate any material potential harms where, for example, it has applied such measures but there is a residual risk of harm. An estimate is also made of the own funds required to wind down the Firm's business. An assessment of whether additional capital or liquid assets are required to mitigate any material harms that could arise during the process forms part of this element of the process.

The Firm is required to provide information from the ICARA to the FCA on a periodic basis via a number of regulatory returns including an annual ICARA questionnaire (regulatory return MIF007). The outcome of the ICARA is formally approved by the Board at least annually; more frequent reviews would be conducted following a fundamental change to the business or the operating environment.

8. Remuneration Policy Framework

8.1. Remuneration Policy

The Firm maintains a written Remuneration Policy ("Policy") which outlines the approach to remunerating its employees and is designed to ensure alignment with the business strategy, objectives and long-term interests of the Firm. The Policy is approved by ReNCo and complies with MIFIDPRU regulatory requirements to promote sound and effective risk management. The Policy is designed to align with Chapter 19G of the MIFIDPRU Remuneration Code as set out in SYSC, and any associated regulations and guidance. The Policy is applicable (where relevant) to current and former employees, executive and non-executive directors, permanent or temporary employees and interns.

The Firm's approach to the remuneration of its staff recognises that effective remuneration is an important part of the Firm's business and ethos. The Firm does not incentivise behaviour that results in the taking of risks that are not in line with the Firm's risk appetite. Instead, it aims to promote risk awareness and prudent risk-taking as well as to encourage responsible business conduct. The Firm is subject to the FCA Rules on remuneration as they apply to a non-SNI MIFIDPRU investment firm.

The Firm operates a gender-neutral Policy, based upon principles of equal remuneration of all employees for equal or equivalent work.

8.2. Remuneration and Nomination Committee

As mentioned above, ReNCo is accountable for the oversight and implementation of the Policy. The ReNCo is responsible for approving the general principles of remuneration plans and ensuring that the balance of pay is in line with market.

8.3. Remuneration Structure

The Firm distributes remuneration in cash to every staff member and employee including fixed as well as variable performance linked payment.

Most of the Firm’s employees, both front and back-office staff, are paid a fixed salary, which is intended to reflect an employee’s professional experience and organisational responsibilities. Employees are also eligible for a discretionary bonus. Should a discretionary bonus be payable, it will be based on the following factors:

- the Firm’s overall profitability and the size of the bonus pool;
- the contribution of the area where the employee works; and
- the individual’s own performance, which will include conduct, compliance with internal rules and guidelines, display of prudence and sound judgement and demonstration of the corporate values of the Firm.

A bonus pool will only be declared after the financial year end and after the Board is satisfied that there is sufficient headroom in the Firm’s regulatory capital requirements and for investment in delivering its future strategy.

A small number of front office brokers work for the Firm, including two former proprietors, on a commission-only basis. Variable pay under this arrangement is based on productivity of the broker through payment of a percentage of the revenue such broker generated for the Firm. The intention in this scheme is to motivate and reward revenue generation. A broker’s contract will detail the payment terms under this scheme. They are not eligible for any other variable remuneration.

As well as encouraging and rewarding those who contribute to its continued success, the Firm believes that no one should benefit from wrongdoing as signalled by the FCA in its approach to remuneration in a regulated environment.

8.4. Material Risk Takers

The Firm reviews its list of individuals whose role is considered to have a material impact on the risk profile of the Firm on an annual basis, known as Material Risk Takers (“MRT’s”). During the period, there were 9 members of staff categorised as MRT’s.

8.5. Annual Quantitative Remuneration Disclosure

The information in the table below relates to the year ended 31 August 2024 and has been provided in accordance with MIFIDPRU 8. Fixed remuneration includes gross salary, non-cash benefits and employer payments to defined contribution pension plans. Variable remuneration comprises cash bonuses.

	Fixed remuneration	Variable remuneration	Total
All staff	£1,221,688	£218,746	£1,440,434

The Firm has identified that one MRT is paid variable remuneration under the criteria set out in the FCA's MIFIDPRU Remuneration Code.

The Firm has relied upon the disclosure exemption permitted in MIFIDPRU 8.6.8R(7) on the basis that disclosure of fixed and variable remuneration would result in the disclosure of information about one or two people.