Mifidpru 8 Disclosures

As a non-SNI firm we are required under Mifidpru 8 to make disclosures regarding risk management, governance, and capital requirements.

Risk Management (Mifidpru 8.2)

The table below summarises the key risk factors facing our firm and policies for mitigating potential harm.

Risk	Mitigation
Asset management - investment decisions are unsuitable	Investment decisions and recommendations are taken on a collegiate basis by highly qualified professionals. As a small firm we have a high degree of knowledge of each client; we review client portfolios quarterly and conduct a thorough review of the client's circumstances on an annual basis.
Holding client money - transactional errors	We recognise that transactional errors may arise from time to time and we always put the client back in the position they had been in had the error not occurred. These amounts have historically been small (eg, £5,000 maximum) and are easily met out of existing resources.
Safeguarding and administration of assets	Assets are mostly held at Winterfloods and this has been a trusted arrangement for many years. We conduct an annual review of the custody arrangements and continue to be satisfied that they remain suitable.
Client order handling	All orders are checked by two persons prior to placing. We have a very small amount of execution only orders to the extent that each order is handled on an individual basis.
Concentration Risk	The client base is considered to be sufficiently fragmented that additional funds are not required to cover concentration risk. Concentration is monitored on a monthly basis.
Other activity eg, non-MiFID activity such as advising on pensions, insurance distribution activity and non-regulated activity	Whilst there may be risks associated with any non-MIFID activity conducted by the AG, we maintain PI insurance to cover this risk (£15k excess)

Governance (Mifidpru 8.3)

The management body (Partners) are responsible for the oversight and implementation of governance arrangements in line with the requirements of SYSC4.3A. They ensure the effective and prudent management of the firm, including segregation of duties (as far as is practicable), prevention of conflict of interest, and in a manner that promotes the integrity of the market and the interest of clients.

We are not required to establish a risk committee (as our assets do not exceed £100m).

The Partners are responsible for:

- the approval and implementation of the firm's strategic objectives, risk strategy and internal governance
- ensuring the integrity of the firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system.
- Overseeing the process of disclosure and communications
- Providing effective oversight of the SMCR
- Monitoring and periodically assessing
  - The adequacy and the implementation of the firm's strategic objectives in the provision of investment services
  - The effectiveness of the firm's governance arrangements
  - The adequacy of the policies relating to the provision of services to clients
- Ensuring adequate access to information and documentation necessary to oversee and monitor decision making.

The Partners are of good repute and possess sufficient knowledge, skills and experience to perform their duties and to understand the firm's activities and risks. They reflect an adequately broad range of experiences and commit sufficient time to perform their functions in the firm. They act with honesty, integrity and independence of mind to effectively oversee, monitor, assess and challenge decision making within the firm.

No member of the management body (Partners) hold any other commercial directorships.

Own Funds (Mifidpru 8.4)

We assess the adequacy of own funds in accordance with the overall financial adequacy rule and use our ICARA as the source of this disclosure

Composition of regulatory own funds			
	Item	**Amount (GBP thousands)**	**Source based on reference numbers/letters of the audited financial statements**
1	**OWN FUNDS**	**165**	**Page 7**
2	**TIER 1 CAPITAL**	**165**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**165**	
4	Fully paid-up capital instruments	165	
5	Share premium		
6	Retained earnings		
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 TER 1 CAPITAL**	**0**	
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**	**0**	
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		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited accounts				
		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	Members' Capital	165		OF1
2				
3				
4				
5				
xxx	**Total Assets**			
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1				
2				
3				
4				
xxx	**Total Liabilities**			
Shareholders' Equity				
1				
2				
3				
xxx	**Total Shareholders' Equity**			
Own funds: main features of own instruments issued by the firm				
Members' Regulatory Capital held as cash				

Own Funds Requirements, Additional Disclosures (Mifidpru 8.5)

K-AUM + K-CMH + K-ASA requirement	69
K-COH requirement	0
Fixed overheads requirement	160
We assess the adequacy of our own funds in accordance with the overall financial adequacy rule and the ICARA process. This is reported to the FCA on a quarterly basis.	