



London & Capital Group Limited
Investment Firm Prudential Regime Disclosures
Year end 31 December 2024

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1. Introduction

From 1 January 2022, the Investments Firms Prudential Regime (“IFPR”) has replaced the previous Capital Requirements Regulation (“CRR”) in the United Kingdom for the purpose of formalising a single yet proportionate capital requirements regime across all investment firms.

This, in turn, is expected to promote healthy competition and enhance transparency in the industry. The regulation is presented by the Financial Conduct Authority (“FCA”) and supported by its published rules and guidelines (“FCA Handbook”), and in particular those listed in its “MIFIDPRU” chapter (Prudential Sourcebook for MIFID firms).

The present document is informed by the Internal Capital Adequacy and Risk Assessment (“ICARA”) which is kept under review and subject to a formal annual revision and internal approval.

2. Group Overview

As at 31st December 2024, London & Capital Group Limited (LCG) held Own Funds of £18,962k giving it a buffer of £13,288k over its regulatory capital requirement. As at 31st December 2024 it held Liquid Assets of £13,098k giving it a buffer of £11,207k over its regulatory liquidity requirement. The Board believes that these figures represent a well-capitalised, highly liquid company.

The Group’s ultimate parent company is London & Capital Group. The categorisation of the Group firms as small non-interconnected firms (“SNI”) has been assessed on an individual basis according to MIFIDPRU 1.2.12G; however, relevant SNI thresholds have been exceeded on a combined basis (primarily K-AUM), thereby classifying all group MiFID investment firms as non-SNI’s.

As at December 2024, the Group’s subsidiary legal entities alongside their regulatory classification are outlined in the table below:

ENTITY	REGULATOR	IFPR CATEGORISATION
London & Capital Group (LCG)	FCA	Not an investment firm
London & Capital Asset Management (LCAM)	FCA	non-SNI MIFIDPRU investment firm
London & Capital Wealth Advisers (LCWA)	FCA & SEC	non-SNI MIFIDPRU investment firm
London & Capital Europe (LCE)	CNMV (Spain)	Not FCA Regulated but subject to IFR / IFD in 2026
London and Capital Caribbean Limited (LCCL)	Unregulated	Not FCA Regulated. LCCL is excluded from the UK Consolidation Group because it falls outside the MIFIDPRU definition of an ancillary services undertaking.

Collectively these companies provide a wide range of investment and wealth management services to private clients, pension funds, professional intermediaries & trustees; financial planning advice to high-net-worth individuals and families; and multi asset and specialist funds to the retail sector.

KEY EVENTS IN JUNE 2024

On 1 July 2024, LCG announced to the market that the FCA had approved the merger of LCG and Waverton Investment Management Group (Waverton). Business integration is underway, with Guy McGlashan assuming the role of CEO for the combined company. The combined business creates an industry leading, independent wealth and asset manager. L&C* has considered the risk impact and have set aside Own Funds to reflect the elevated integration risk on Business-as-usual processes and potential programme delays. Until L&C Waverton is further through the corporate reorganisation, the LCG and Waverton are being governed separately and therefore this currently necessitates the preparation of two separate ICARAs and IFPR disclosures.

From June 2025, the two brands will be consolidated under a new name, W1M. The 2025 disclosures for the financial year ending 31 December 2024, covers LCG activities only, as the businesses were still operating as separate entities during this time.

*Please refer to section 2 Group Overview for the entities covered.

3. Frequency of Disclosure

The Firm will be making IFPR disclosures at least annually, subject to its ongoing assessment that such disclosures do not need to be made even more frequently due to the characteristics of the Firm's business.

The disclosures will be as at the Accounting Reference Date, which is the last day of the calendar year, and any figures included in this document will be based on the latest audited accounts as at that date. The disclosures will be published in conjunction with the date of publication of the financial statements.

4. Location of Disclosure

The disclosure will be published on the Firm's website.

5. Materiality & Confidentiality

If the Firm deems a certain disclosure to be immaterial, it may omit the disclosure from this document. The Firm regards information provided in disclosures as "material" if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

Investment firms may also omit items of information where they believe that those items include information that is proprietary or confidential. The Firm regards information as "proprietary" if sharing that information with the public would undermine the Firm's competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Firm's investments less valuable. The Firm regards information as "confidential" if there are obligations to customers or other counterparty relationships binding the Firm to confidentiality.

The Firm has made no omissions on the grounds that certain information is immaterial, proprietary, or confidential, other than as may be disclosed in the statutory accounts.

6. Risk Governance and Structure

The Group's governance structure ensures that there is appropriate challenge to business objectives and risk management. The LCG Board is ultimately accountable for setting the Group's strategic objectives, together with successful delivery of the strategy and business plans. It also provides leadership on risk management and, communicated through the Firm's corporate values, influences culture and behaviour to drive risk management in the business, enhancing the quality of risk assessment, controlled risk taking and efficiency.

Ultimate accountability for risk management resides with the LCG Board, which has delegated responsibility to the Audit, Risk & Compliance Committee (ARCC) to assist the Board in maintaining effective systems of risk management, compliance, and internal control throughout L&C. The ARCC reports into the Board of Directors of London and Capital Group Limited. The ARCC is supported by the Risk Committee, to monitor and review risk appetite metrics on a quarterly basis and report to the ARCC and the Board.

As noted above, the ARCC provides leadership and direction for L&C's overall risk appetite, risk tolerance and strategy whilst overseeing and advising the Board on the current and potential future risk exposures. The ARCC will also monitor the integrity of the Firm's financial reporting system and internal controls, review the annual accounts and consider accounting issues arising and report them to the Board. In addition, the Committee oversees the risk management framework of the group in accordance with the FCA specified requirements and will monitor its effectiveness.

The Board has delegated the responsibility for establishing, operating, and monitoring the system of risk management and controls on a day-to-day basis to the Chief Operating Officer, who in turn has delegated this to the Risk function. The activities of the Risk function include specific operational analysis, holding operational risk events forums to establish root cause analysis, ensuring constructive resolution of events including when clients are compensated appropriately for errors. Additionally, the Risk function generates the relevant Management Information, sets and monitors risk appetite metrics to ensure L&C stays within the desired appetite set by the LCG Board and lastly, Risk conducts Risk and Harm assessments with Risk owners to identify new and current risks and ensure a robust control framework is in place to mitigate these. The Chief Operating Officer reports to the ARCC, and the Executive Committee (ExCo). Each committee has Terms of Reference (ToR) in place setting out responsibilities, membership and escalation routes.

The full ICARA is initially discussed at the Risk Committee. Following this, it is presented to the ARCC and L&C Group Board, which has responsibility for formally approving the ICARA following a recommendation of approval from the chairman of the ARCC. The London and Capital Group Limited (the ultimate parent company) will note the details of the ICARA and financial implications, following Board approval.

RISK MANAGEMENT FRAMEWORK

The Firm is committed to good risk management – this is prioritised through operational structure, governance processes, monitoring and reporting activities. The senior management of the Firm are committed to and accountable for best practices in governance and oversight.

The Firm's risk governance policies are designed to provide objective assessments and monitoring of risks through independent lines of reporting for risk oversight and operations. On-going risk reporting ensures the Board and senior management are provided with risk management information concerning the Firm's risk exposure. This information also forms part of the Firm's ICARA.

Risk management within the Firm is based on a 'three lines of defence' model, as follows:

1. First line of defence: business management and staff are responsible for (i) identifying and assessing the risks faced in the business and (ii) ensuring that appropriate controls are established and maintained.
2. Second line of defence: the Risk, Compliance and Finance teams are responsible for establishing an effective policy framework for the business and conducting compliance monitoring.
3. Third line of defence: the external audit and the Firm's Board provide independent and objective oversight of the effectiveness of the risk management, control, and governance processes. The Firm does not have an internal audit function; therefore, this activity is outsourced to third parties who report directly to the ARCC and the Board on specific items at the Board's request.

The Firm is committed to on-going review and development of all three lines of defence in line with its businesses scale and risk profile.

GOVERNANCE & OVERSIGHT FRAMEWORK

The diagram below provides a summary of L&C's governance structure.

The Board is the Governing Body of the Firm. It meets at least quarterly and is comprised of Executive and Non-Executive Directors, with at least one independent Non-Executive Director.

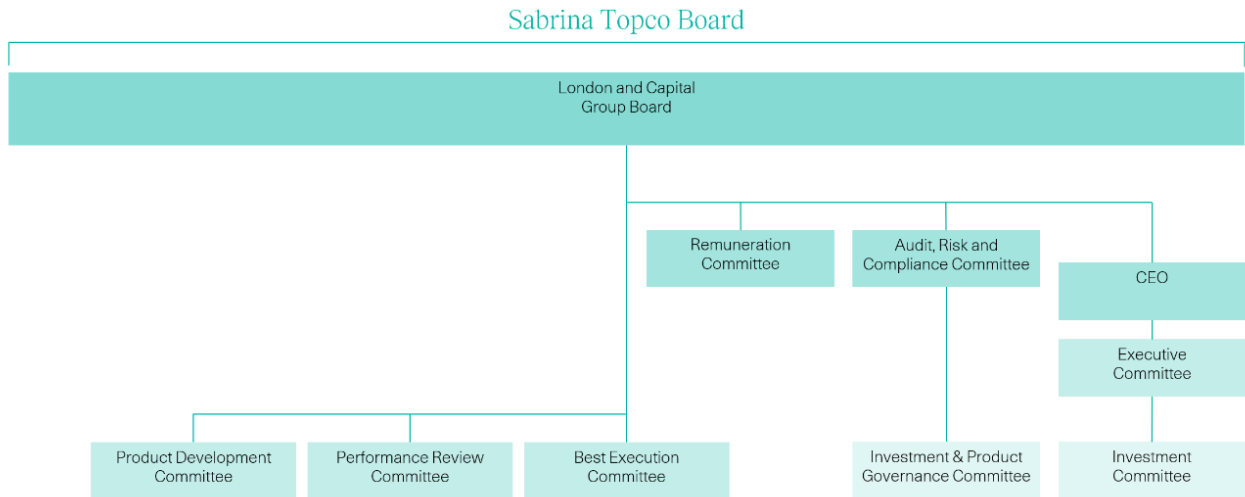
The Remuneration Committee ("Remco") agrees remuneration policy and approve staff remuneration. The committee meets a minimum of three times a year and include the Non-Executive chairman and one Non-Executive Director alongside the Chief People Officer and Chief Executive Officer. It shall meet to decide any ad hoc matters as necessary.

The Audit, Risk and Compliance Committee (ARCC) meets quarterly and is the escalation point for Risk and Compliance functions. The ARCC retains oversight of both the internal and external audit functions. The Committee is comprised of three Non-Executive Directors and one Executive Director.

As indicated in the governance structure below, there are Product Governance and Investment Committee sub-committees that report into the ARCC and Executive Committee respectively.

Compliance, as an independent function, has a compliance monitoring programme in place to monitor for non-compliance with L&C's policies and procedures and with all relevant rules and regulations.

Board Governance Structure – L&C Group



BOARD DIRECTORSHIPS

The table below lists the number of directorships held by each member of the Board as at 31 December 2024. Specifically excluded are any directorships held in organisations which do not pursue predominantly commercial objectives and executive and non-executive directorships held within the same group or within an undertaking in which the firm holds a qualifying holding, as per MIFIDPRU 8.3.2 R.

As at 31 December 2024:

Board member 1	5
Board member 2	0
Board member 3	0
Board member 4	9
Board member 5	4
Board member 6	0
Board member 7	0
Board member 8	3
Board member 9	5
Total	26

APPROACH TO DIVERSITY

Diversity, Equality, and Inclusion (“DEI”) is a core part of the Group’s business strategy. At L&C, the promise is to nurture an inclusive culture that values and supports our people and their views, regardless of their background. Diverse perspectives, experiences and backgrounds make the organisation more creative and dynamic in helping the company grow.

Significant focus continues to be on improving gender diversity across the business, with improved levels of female representation across the firm, including at Board level and on the Executive Committee.

The Group’s emphasis on and commitment to promoting a diverse and inclusive workplace is set out in various Group policies relating to DEI, which are committed to promoting a culture of equality and diversity in the organisation, that actively values difference, providing an inclusive workplace and eliminating any unfair or unlawful discrimination.

BOARD RECRUITMENT AND DIVERSITY

The approach to Board recruitment, which is subject to Board approval, combines an assessment of a broad set of qualities including skills, technical capabilities, and knowledge as well as clear alignment to the Group’s guiding principles.

The Board and the Board Committees and Executive Committee are evaluated annually to ensure they are suitably constituted, with an appropriate balance of skills, experience, knowledge, and diversity.

The Committee also recommends Board and Board Committee appointments, and monitors succession planning at the Group’s leadership levels to ensure the Group’s continued ability to implement its DEI strategy and operate effectively. The Executive Committee takes an active role in the setting and monitoring of diversity objectives and strategies undertaken by the Group and embraces the benefit of having a diverse Board drawing on the knowledge, skills, experience, and expertise of directors from a range of backgrounds. Whenever external search consultancies are used in the recruitment of the Board and senior management, they are asked to provide diverse lists of candidates.

7. Capital Resources & Requirements

OWN FUNDS (MIFIDPRU 8.4)

The following tables present the Own Funds for L&C’s FCA solo regulated entities, London and Capital Asset Management Limited (“LCAM”) and London and Capital Wealth Advisers Limited (“LCWA”).

Under MIFIDPRU, L&C is required to disclose:

1. A composition of the regulatory Own Funds and the applicable regulatory deductions and applicable filters – see Table 1 below.
2. A reconciliation of regulatory Own Funds (above) with the equity capital in the audited financial statements of the relevant entities – see Table 2 below.
3. A description of the main features of Own Funds instruments issued by the entities – see comments below.

COMPOSITION OF REGULATORY OWN FUNDS

The Own Funds for LCAM and LCWA* comprise exclusively of common equity tier 1 (CET1) capital. CET1 capital consists of fully issued ordinary shares, satisfying all criteria for a CET1 instrument in accordance with IFPR.

*Now known as W1M Wealth Management Limited for the 31 Dec 2024 Annual Reports and Financial Statements filed at the Companies House.

YE December 2024

Table 1: OF1 - Composition of Regulatory Own Funds

Amount in GBP thousands At period end	London and Capital Asset Management Limited 31-Dec-24	Cross ref. to table 2	W1M Wealth Management Limited 31-Dec-24
1 OWN FUNDS	5,290		8,179
2 TIER 1 CAPITAL	5,290		8,179
3 COMMON EQUITY TIER 1 CAPITAL	5,290		8,179
4 Fully paid up capital instruments	65	Table 2 - E1	1,100
5 Share premium	-		-
6 Retained earnings	5,225	Table 2 - E5	7,079
7 Accumulated other comprehensive income	-		-
11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-		-
19 CET1: Other capital elements, deductions and	-		-
20 ADDITIONAL TIER 1 CAPITAL	n/a		n/a
25 TIER 2 CAPITAL	n/a		n/a

Reconciliation of regulatory OWN FUNDS to balance sheet in audited financial statements

LCAM and LCWA's financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the regulatory Own Funds are prepared under prudential rules. The table below describes the reconciliation between regulatory Own Funds and the accounting balance sheet per the financial statements as at 31 December 2024. The disclosures align with the template clarified in MIFIDPRU 8 Annex 1R, where assets and liabilities have been identified by their respective classes. As highlighted below, there is no difference between the accounting shareholders' funds and the regulatory Own Funds.

YE December 2024

Table 2: OF2 - Reconciliation of regulatory own funds to balance sheet in audited financial statements

Amount in GBP thousands At period end	London and Capital Asset Management Limited		Cross ref. to table 1	W1M Wealth Management Limited	
	Balance sheet per audited financial statements	Under regulatory scope of consolidation		Balance sheet per audited financial statements	Under regulatory scope of consolidation
	31-Dec-24			31-Dec-24	
A1 Property and equipment	-			-	
Intangible Assets	682			-	
A2 Deferred tax assets	-			1	
A3 Trade and other receivables	4,405			7,096	
A4 Cash and cash equivalents	3,140			5,089	
A5 Investment	-			-	
Total assets	8,227			12,186	
L1 Trade and other payables	(2,937)			(4,007)	
L2 Provisions	-			-	
Total liabilities	(2,937)			(4,007)	
Net assets	5,290			8,179	
E1 Called up share capital	65		Table 1.4	1,100	
E2 Share premium reserve	-			-	
E5 Retained earnings	5,225		Table 1.6	7,079	
Total shareholders equity	5,290			8,179	

8. K-Factor & Fixed Overheads Requirements

L&C is required to disclose the K-Factor Requirement ("KFR") and the Fixed Overheads Requirements ("FOR") in relation to its compliance with the Own Funds Requirements ("OFR") set out in MIFIDPRU 4.3. Per MIFIDPRU 4.3.1, an investment firm must at all times maintain Own Funds that are at least equal to its OFR.

The OFR of a non-SNI MIFIDPRU investment firm is the highest of the following three requirements:

1. Permanent minimum capital requirement ("PMR") per MIFIDPRU 4.42.
2. FOR per MIFIDPRU 4.5
3. KFR per MIFIDPRU 4.6

The PMR is a flat minimum requirement and is based on the investment firms MiFID activities and services. The PMR thresholds are £75,000, £150,000, and £750,000. Neither LCAM or LCWA deal on their own account, but they do both have MiFID permission for Portfolio Management and providing investment advice, and this means their PMR is £75,000.

FOR:

The FOR of a MIFIDPRU investment firm is equal to one quarter of the Firm’s relevant expenditure during the preceding year.

KFR:

The KFR is the amount of Own Funds required to cover the risk of harm from the ongoing operation of a firm’s business. At 31 December 2024, the following K-factors were applicable:

- K-AUM (assets under management): This incorporates discretionary funds managed and non-discretionary funds managed on an ongoing basis.
- K-COH (client orders handled): This covers the risks of failure of client orders, mistakes or failure of best execution may lead to client harm.

Table 3: Components for determining OFR for FCA solo regulated entities.
For both firms, the OFR is determined by the FOR.

K-factors
December 2024 YTD

Amount in GBP £'000	Dec-24 London and Capital Asset Managemnt Limited	Dec-24 W1M Wealth Management Limited	Dec-24 LCE	Dec-24 Group consolidated
Permanent Minimum Requirement	75	75		
Fixed Overhead (PMR)Requirement	2,628	3,056		
K-AUM	761	401	12	1,174
K-COH (cash trades)	0.30	0.13	-	0.43
K-COH (derivative trades)	0.17	-	-	0.17
Total	761	401	12	1,175

APPROACH TO ASSESSING THE ADEQUACY OF OWN FUNDS AND LIQUIDITY

L&C is further required to disclose its approach to assessing the adequacy of its Own Funds and Liquid Assets, in accordance with the Overall Financial Adequacy Rule ("OFAR") as outlined in MIFIDPRU 7.4.7R.

The OFAR requires that, at all times, L&C entities hold adequate financial resources, both in amount and quality, to ensure that:

1. they remain financially viable throughout the economic cycle and can address and mitigate any material potential harm that may result from their ongoing activities; and
2. they need to be prepared for an orderly wind-down, while minimising harm to customers or to other market participants, and without threatening the integrity of the UK financial system.

Overall Financial Adequacy Rule:

L&C utilise several approaches to ensure that it remains compliant with the OFAR, both in terms of Own Funds and liquidity resources. Foremost is the annual assessment of Own Funds and liquidity adequacy conducted during the Internal Capital Adequacy and Risk Assessment ("ICARA") process, which considers the Firm's resource requirements under 'business as usual' and a variety of severe yet plausible stressed scenario contexts. These requirements are forecast over a five-year time horizon and test several key sensitivities of the Firm's business lines and balance sheet. The Firm then ensures that its current level of financial resources is adequate to remain a going concern during this period under all scenarios considered.

ICARA PROCESS

The ICARA process, which has replaced the former Internal Capital Adequacy Assessment Process, serves as a means of assessing key risks to which the business is exposed. Further, it assists with identifying and managing material harms that L&C may cause through its business activities.

The following are the key ICARA elements that are assessed as part of the process:

- Business strategy and growth plans
- Risk management framework ("RMF") and governance overview
- Comprehensive key risk and harms assessment
- Internal assessment of Own Funds adequacy
- Internal assessment of liquidity adequacy
- Capital and liquidity planning (i.e., financial, Own Funds and liquidity)
- Compliance with OFAR
- Stress testing and reverse stress testing
- Recovery planning
- Wind-down planning

The adequacy of the ICARA process will be reviewed at least annually or more frequently, should there be any material changes to L&C's risk profile or business strategy, and will be formally approved by the Board.

Depending on the nature of the potential harms identified, the only option to mitigate them and comply with the OFAR may be to hold additional Own Funds or additional Liquid Assets, above the Firm's OFR or Basic Liquid Assets Requirement. However, in other cases, it may be better to manage the potential harms, for example,

through implementing additional internal systems and controls, strengthening governance and oversight processes, or changing the way the Group conducts certain business.

The recovery action planning contains appropriate recovery actions to restore Own Funds and Liquid Resources to avoid breaching threshold requirements, and to assist the firms, when approaching trigger levels, to set out credible actions to help reverse or repair any adverse trends.

The wind down plan seeks to identify the potential triggers and risks that could cause the Firm to become unviable, acting to turn things round if possible and then, once invoked, to provide a clear timeline of actions to wind down the business in an orderly way. A key part of the wind down plan is the assessment of resources required to wind down in an orderly manner and these are always maintained to enable the orderly wind down.

It should be noted that the ICARA has undergone an external review in November 2024. There are a number of recommendations that have resulted from this review, which L&C will actively work towards putting in place in 2025.

9. Threshold Monitoring & Wind Down

L&C's wind down plan has been reviewed and approved by Board.

10. MIFIDPRU 8.6 – Remuneration Policy and Practices

Please note Remuneration Policy and Practices are separately disclosed on the website. Please refer to the L&C Remuneration Disclosure report.