

Singer Capital Markets

MIFIDPRU 8 Disclosures

Year End 31 December 2024

1. Introduction

This document sets out the disclosures required under Chapter 8 of the Financial Conduct Authority (FCA) Prudential Sourcebook for MiFID Investment Firms (MIFIDPRU). These disclosures provide information on the risk management framework, governance arrangements, capital adequacy and remuneration practices of the Singer Capital Markets Group (the “**Group**” or the “**Firm**”), in compliance with the Investment Firms Prudential Regime (IFPR).

The principal activity of the Firm is to provide investment banking, trading, market making and research services in UK small and mid-cap companies.

2. Scope of Disclosure

The Singer Capital Markets Group contains two separate operating entities authorised and regulated by the FCA; Singer Capital Markets Securities Limited (“**SCMS**”) (FRN: 453676) and Singer Capital Markets Advisory LLP (“**SCMA**”) (FRN: 568323). Both SCMS and SCMA are wholly owned subsidiaries of Singer Capital Markets Limited. SCMS is classified as a non-small and non-interconnected firm (“non-SNI firm”) whilst SCMA is a small and non-interconnected firm (“SNI firm”) under MIFIDPRU.

In this document, unless stated otherwise, disclosures reflect the position as at 31 December 2024 for both SCMS and SCMA in alignment with the Firm’s latest published financial statements.

The disclosures required under MIFIDPRU 8 are published annually on the Firm’s website following publication on the Firm’s annual financial statements. In line with the MIFIDPRU 8 requirements, the disclosures below cover the firm’s risk management approach, governance structure, composition of its own funds, regulatory capital requirements and remuneration policies and current practices. The frequency of disclosures will be assessed should there be a major change to the Firm’s business model.

3. Risk Management Overview and Governance

3.1. Introduction

The Board of Directors of Singer Capital Markets Limited (the “**Board**”) is the governing body of the Firm and responsible for the long-term success of the Group. The Board sets the firm’s strategic objectives and periodically reviews and approves the firm’s Risk Framework and risk appetite, ensuring that they remain appropriate for achieving these objectives while staying compliant with regulatory requirements.

3.2. Board Composition

Director	Role	Appointment Date	Resignation Date
Tim Cockroft	Founder & Exec Chair	23/07/2012	
Steve Pearce	Chief Executive Officer	18/03/2020	7 April 2025
Iñigo de Cáceres	Non-Executive Director	08/04/2016	
Conny Dorrestijn Prins	Non-Executive Director	29/10/2024	
Kaushalya Somasundaram	Non-Executive Director	28/10/2024	

3.3. Governance structure

The oversight of the management of the material risks has been delegated by the board to a number of committees and to the Firm’s senior management and which is underpinned by robust systems and controls

which are proportionate to the Firm's risk appetite and to the nature, scope and complexity of the Firm's activities.

The Group's governance structure is a key component of the Firm's Risk Framework and aims to ensure that there is:

- a clear organisational structure in place, with well defined, transparent and consistent lines of responsibility.
- the Board and senior managers ensure that the importance of sound risk management, including clear guidance on the firm's risk appetite, is clearly articulated.
- effective processes to identify, manage, monitor, and report the risks the Group is or might be exposed to; and
- robust internal control mechanisms, supported by policies and training.
- good conduct and values supporting a sound risk culture.

In addition, the Firm has a Senior Leadership Team whose objective is to provide an information sharing and discussion forum to facilitate the management of the Group's activities on a day-to-day basis as well as firmwide projects.

The Firm's governance structure includes the following committees which form a key part of the Firm's internal risk governance arrangements:

3.3.1 Remuneration Committee ("RemCo")

The Remuneration Committee meets at least 3 times a year but also on an ad hoc basis, as required. RemCo's core purpose is to provide independent oversight and supervision of the Firm's Remuneration Policy and has overall responsibility for determining senior compensation arrangements, approving variable remuneration (including bonus awards and the allocation of profit points to staff) and awarding equity incentives. RemCo consists of two Non-Executive Director and the Exec Chair.

3.3.2 Executive Committee ("ExCo")

The Executive Committee has overall responsibility for the execution of the Group's strategy, as determined by the Board, and provides oversight of the Group's day-to-day activities. ExCo meets quarterly and consists of the CEO (Chair), Head of Investment Banking, Head of Trading, Head of Sales, Head of Investment Funds, Head of Research, CFO and Head of HR.

3.3.3 Risk Committee ("RiskCo")

The Risk Committee has overall responsibility for considering and overseeing the development of the group risk framework, group risk appetite statement, including metrics to monitor the firm's risk profile as well as providing the challenge to management on the material risks, risk culture, stress testing and ICARA.

From an Investment Banking perspective:

3.3.4 New Business Committee ("NBC")

All new client mandates or deals which the Investment Banking Department wishes to act on are brought to the NBC for approval. Meetings are held on an ad-hoc basis

3.3.5 Investment Banking Committee (“IBC”)

Where a particular client mandate or deal has been approved by NBC, the deal will then be brought to IBC to consider any relevant issues as they arise. The deal will also be brought to IBC prior to the Firm committing to any deal exposure. Meetings are held on an ad-hoc basis.

3.4. Risk Framework

The Group operates a Group risk framework, which supports consistent risk identification, assessment, management, monitoring and reporting across the firm.

The Risk Framework is reviewed and updated on a regular basis and to ensure appropriateness for

- Identification, assessment and management of risk exposures faced by the Group;
- Clear roles and responsibilities with a positive risk culture
- Policies and robust control environment to manage material risks
- A risk appetite statement which is linked to the firm’s strategic objectives;and
- appropriate oversight by the Board and Company Risk Committee, ensuring appropriate remedial actions have been taken where necessary

3.5. Financial Resources

The Internal Capital Adequacy and Risk Assessment (ICARA) which is approved by the Board is integrated within the firm’s risk management approach and is designed to ensure that the Firm maintains sufficient financial resources at all times. The ICARA incorporates assessment of stress testing scenarios to ensure that when the Group is able to meet the Overall Financial Adequacy Requirement (“OFAR”) . This includes assessing and managing material risks and harms as part of its business operations, or in the most extreme cases where it could no longer continue, that it would be able to conduct an orderly wind down.

3.6. Principal Risks

The Group has implemented a robust risk reporting framework for the measurement and reporting of the material risks to which the firm is exposed, specifically for the risks below:

3.6.1. Technology and Systems Risk

Technology and Systems Risk is the risk of loss arising from the failure, unavailability or compromise of IT systems.

The Firm mitigates this risk through an IT governance framework incorporating system ownership, access controls, cyber security measures, cyber insurance and incident management procedures. Business continuity and disaster recovery plans are maintained and periodically tested to ensure operational resilience.

3.6.2. Regulatory and Financial Crime Risk

Regulatory and Financial Crime Risk is the risk of loss arising from non-compliance with applicable regulatory requirements, including FCA rules, MiFIDPRU, Market abuse and financial crime legislation.

The Firm maintains policies, systems and controls to ensure regulatory compliance and to prevent money laundering, terrorist financing, fraud, bribery, corruption and market abuse. Compliance monitoring, staff training and escalation procedures are in place to identify and remediate issues on a timely basis.

3.6.3. Reputational Risk

Reputational Risk is the risk of loss arising from adverse stakeholder perception.

The Firm manages reputational risk through effective governance, compliance with regulatory obligations, and senior management oversight of client, counterparty and regulatory interactions.

3.6.4. Counterparty Risk

Counterparty Risk is the risk of loss arising from a counterparty's failure to meet its contractual obligations.

The Firm manages this risk by setting and monitoring counterparty exposure limits based on credit quality, financial strength and trading activity. Exposures and concentrations are reviewed regularly and escalated where limits are breached.

3.6.5. Market Risk

Market Risk is the risk of loss arising from adverse movements in market prices or rates.

Market risk exposures are monitored against approved limits and reviewed on an ongoing basis to ensure consistency with the Firm's risk appetite.

3.6.6. Trading Risk

Trading Risk is the risk of loss arising from inadequate or failed systems, processes or controls related to trading activities.

The Firm mitigates this risk through defined trading procedures, segregation of duties, trade monitoring and reconciliation controls, and oversight of market conduct requirements.

3.6.7. Operational Risk

Operational Risk is the risk of loss resulting from failed internal processes, people or systems, or from external events.

The Firm manages operational risk through internal controls, incident reporting, oversight of outsourcing arrangements and periodic risk assessments.

3.6.8. Investment Banking Risk

Investment Banking Risk is the risk of loss arising from the Firm's advisory, underwriting or structuring activities.

This risk is mitigated through transaction approval processes, conflict management, legal and compliance review, and senior management oversight.

3.6.9. Conduct and Culture Risk

Conduct and Culture Risk is the risk that staff behaviour or governance arrangements result in poor conduct or client detriment.

The Firm promotes appropriate conduct through policies, training, performance management and remuneration structures aligned with regulatory expectations.

3.6.10. Legal Risk

Legal Risk is the risk of loss arising from legal or regulatory action or contractual disputes.

The Firm manages legal risk through legal review of material contracts, standard documentation and escalation of disputes and claims.

3.6.11. Governance Risk

Governance Risk arises from ineffective oversight, accountability or decision-making.

The Firm maintains a governance framework with defined responsibilities, Board and committee oversight and escalation mechanisms.

3.6.12. Capital and Liquidity Risk

Capital and Liquidity Risk is the risk that the Firm does not maintain sufficient financial resources to meet regulatory requirements or withstand stress.

The Firm monitors capital and liquidity adequacy on an ongoing basis and maintains capital planning and stress testing processes through its ICARA process.

3.6.13. People Risk

People Risk is the risk that the Firm is unable to attract, retain or adequately resource skilled personnel. This risk is managed through recruitment, training, succession planning and oversight of staff capacity and wellbeing.

4. Capital Adequacy

4.1. Own Funds

The table below shows the Tier 1 capital, specifically Common Equity Tier 1 (CET1) capital and Tier 2 capital held by the Firm. The Firm does not hold any Additional Tier 1 capital.

Own Funds	SCMS	SCMA
	31 Dec 24	31 Dec 24
	£'000s	£'000s
Share Capital/Members Capital	8	6,239
Share premium	10,065	-
Retained earnings	35,833	(1,831)
Total	45,096	4,408

4.2. Capital Requirements

The Firm's Own Funds Requirement is calculated in accordance with MIFIDPRU 4.3, which states that the Firm's Own Funds Requirement is the highest of:

- its permanent minimum capital requirement under MIFIDPRU 4.4;
- its K-factor requirement under MIFIDPRU 4.6;
- its fixed overheads requirement under MIFIDPRU 4.5

A summary of these requirements is shown within the table below.

Capital Requirements	SCMS 31 Dec 24 £'000s	SCMA 31 Dec 24 £'000s
Permanent minimum requirement (PMR)	750	75
K-factor requirement (KFR)*	3,940	-
K-CON	15	-
K-NPR	48	-
K-DTF	3,539	-
K-TCD	338	-
Fixed overhead requirement (FOR)*	4,212	2,571
Total (max of PMR, KFR & FOR)	4,212	2,571

*KFR as at 31 December 2024 / FOR for the preceding year

5. Remuneration Policy

Pursuant to MIFIDPRU 8.6, the Firm is required to disclose qualitative and quantitative details regarding its remuneration policies and procedures which are set out below.

5.1. Remuneration Committee

The Board has appointed a Remuneration Committee (RemCo), chaired by a Non-Executive Director of the Board whose remit covers the supervision and oversight of the Group's remuneration policy. This includes overall responsibility for the implementation of and compliance with the MIFIDPRU Remuneration Code.

5.2. Remuneration Policy

The Board has developed the Group's Remuneration Policy regarding employee remuneration, which is reviewed on an annual basis to take into account relevant regulatory developments and to ensure alignment with the firm's strategic objectives. It also reviews and approves compensation decisions made in respect of executive directors and those members of staff determined to be Material Risk Takers ("MRTs") under the FCA's MIFIDPRU Remuneration Code regulations set out at SYSC 19G. The Remuneration Policy is applicable to all of the Firm's staff and is designed to attract and retain high calibre individuals, and to support and encourage employees to fulfil their potential, to deliver their best performance consistently, and to be incentivised to do so by rewarding them for their contribution to the Firm achieving its strategic and financial goals.

The Group's remuneration policy and practices must:

- promote sound and effective risk management;
- have a clear distinction between the criteria that determines fixed and variable pay, with an 'appropriate balance' between those elements;
- be gender neutral and based on equal pay for male and female workers for equal work or work of equal value;
- not affect the Group's ability to ensure a sound capital base.

5.3. Components of remuneration

The Group's remuneration structure is comprised of fixed and variable components.

Fixed: Comprising principally of base salary, determined by the position/role held by an individual, length of service, internal pay relativities and local market salary practices for similar positions ("Fixed Remuneration").

Variable: Comprising of the following two elements ("Variable Remuneration"):

- Employees may be paid a discretionary 'out-performance' bonus ("Out Performance Bonus"). Such Out Performance Bonus is determined on a case-by-case basis and is only payable at the end of the financial period where overall Group performance and profit supports doing so.
- Employees may participate in the Group's 'Profit Share', a variable but non-discretionary quarterly payment to those individuals who are awarded Profit Share points ("Profit Share"). The Group's distribution of Profit Share is mechanical in nature and is driven by the size of the Profit Share pool, based on overall Group performance and profitability, and the number of Profit Share points in issue. Profit Share points are typically awarded or approved by the RemCo at the start of the financial period based on an individual's role, responsibilities and experience.

Total Remuneration is therefore comprised of both Fixed Remuneration and Variable Remuneration ("Total Remuneration").

5.4. Link between variable remuneration and performance

Further to SYSC 19G.4.5R to 19G.4.12G, the Group ensures that fixed and variable components of the Total Remuneration are appropriately balanced. This is achieved by the RemCo ensuring that the Fixed Remuneration component represents a sufficiently high proportion of the Total Remuneration to enable the operation of a fully flexible policy on Variable Remuneration, including the possibility of paying no Variable Remuneration component. The Fixed Remuneration component paid by the Group to workers is in line with known fixed remuneration ranges paid for similar positions in the marketplace at the time of assessment.

The Group sets the appropriate maximum ratios between the Variable Remuneration and Fixed Remuneration components of Total Remuneration.

Where a ratio is exceeded, the RemCo will defer payment of the excess remuneration ("Deferred Variable Remuneration") for a minimum deferred period to ensure effective risk management and to discourage risk-taking that exceeds the level of risk tolerance of the Group. The payment of any Deferred Variable Remuneration may be reduced, in whole or in part, or deferred beyond the minimum deferred period in the event that the RemCo determines, in its absolute discretion that:

- the information or calculation of the Deferred Variable Remuneration was based on a material error; or
- the individual's employment has been terminated for any reason with the exception of redundancy; or
- the individual has given notice of resignation; or
- the individual is in any way connected to a disciplinary proceeding; or
- the Group suffers a material loss, where the individual has been found to be operating outside the risk parameters of their role and/or Group's risk tolerance.

In determining whether to exercise its discretion to reduce or further delay any Deferred Variable Remuneration, the RemCo takes into account all relevant circumstances it has available to it at the time of the assessment and individuals may be given the opportunity to make representations to the CEO and RemCo before a decision is made.

For the avoidance of doubt, Deferred Variable Remuneration payable in future periods shall not count towards the Variable Remuneration paid in that future period and thus shall be excluded when calculating the maximum

ratio between Variable Remuneration and Fixed Remuneration for that period.

The RemCo meets at least annually with the CEO, CFO and Head of HR to determine appropriate levels of remuneration for all employees. In determining the appropriate balance between Fixed Remuneration and Variable Remuneration, the Group has regard to:

- the level of pay required to keep and attract experienced and qualified employees;
- any upcoming financial obligations;
- performance KPI's;
- material risk, policy breach, conduct or control issues; and
- any other information available to allow a fair process.

5.5. Risk adjustment of variable remuneration

Further to SYSC 19G.6.15 R to SYSC 19G.6.18 R, and in summary, the Group adopts a top-down approach with a multi-year lookback period in respect of remuneration. This ensures that Variable Remuneration is only paid from risk-adjusted profits based upon the performance of the business as a whole, as well as the business line and individual's performance and only after the Group's liquidity and capital requirements have been considered as well as the long-term effects of the investment decisions taken.

The Group ensures its total Variable Remuneration is generally considerably contracted, including through malus or clawback arrangements, where the financial performance of the firm is subdued or negative.

A clawback also applies to the Variable Remuneration paid to certain senior individuals and front office staff in the event that they resign or otherwise leave employment. The clawback provisions may be waived at the Board's sole discretion.

5.6. Key non-financial performance measures

Any Out Performance Bonus award made to the RemCo, take into consideration non-financial performance measures. These measures are linked to core competencies, achievements and behaviours in line with the Group's values and the FCA's conduct rules and guidelines. Both financial and non-financial performance measures are considered in equal measure when reviewing Out Performance Bonus awards.

The non-financial measures used, but not limited to, for recommendations to the RemCo to determine individual Out Performance Bonus awards include:

- reputational impact to the Group;
- individual conduct;
- compliance with the Group's policies and procedures;
- contribution to training and development;
- achieving customer outcomes;
- championing the Group's core values in their role;
- contribution to the Group's strategy; and
- contribution to innovation and development.

5.7. Discretionary factors

The performance measures are reviewed by the Board at least annually. The Group's CFO and Head of HR challenge the Board where appropriate to ensure that the RemCo remains effective and in line with the Group's strategy.

5.8. Identification of Material Risk Takers

The total number of MRTs whose professional activities have a material impact on the risk profile of SCMS and SCMA for the year ended 31 December 2024 was 16 employees.

In identifying the MRTs, the Firm complies with the qualitative criteria set out in SYSC 19G.5.3R, which provides that a staff member is an MRT of the Firm where they:

- are a member of the management body in its management function;
- are a member of the management body in respect of the management body in its supervisory function;
- are a member of the senior management;
- have managerial responsibility for business units that provide regulated activities (arranging and dealing in investments);
- have managerial responsibility for the activities of Compliance;
- have managerial responsibility for the prevention of money laundering and terrorist financing; and
- have managerial responsibility for managing information technology, information security and/or outsourcing arrangements of critical or important functions.

The Firm also applies the FCA guidance in SYSC 19G.5.5 to identify the Head of Research, Head of Trading, Head of Sales Trading and the Markets Strategist as MRTs.

5.9. Quantitative disclosure

The table below sets out the aggregate remuneration for MRTs and Other Staff. Fixed remuneration includes base salaries paid in respect of the year. Variable remuneration includes Out Performance cash bonuses and Profit Share distributions.

For the year ended 31 December 2024	Material	Other
Amounts in £'000	Risk Takers	Staff
Fixed remuneration awarded	2,208	8,704
Variable remuneration awarded	2,123	4,784
Total amount of remuneration awarded (Fixed + Variable)	4,331	13,488

There were no guaranteed variable remuneration or severance payments awarded to an individual MRT during the year.



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