

Investment Firms Prudential Regime (IFPR) Disclosure

For the year ended 31 March 2026

IFPR Disclosures

31 March 2026

The Investment Firms Prudential Regime (IFPR), implemented in January 2022, requires all MiFID investment firms to publish specific disclosures under the Financial Conduct Authority (FCA) rules. These disclosures are intended to enhance transparency and provide insight into how firms are governed and managed.

Farley & Thompson LLP (“the Firm”) is authorised and regulated by the FCA. This document has been prepared to meet the Firm’s disclosure obligations in accordance with the requirements set out in MIFIDPRU8 of the FCA Handbook.

The reference date for this disclosure is **31 March 2026**, which is the Firm’s accounting reference date and financial year end.

Scope and application

For the purposes of this disclosure, the Firm is classified as a non-SNI MIFIDPRU investment firm based on a combination of permission-based and quantitative criteria. The qualitative disclosures provided reflect the Firm’s size, internal organisation and the nature, scope, and complexity of its activities.

Where necessary to address data privacy concerns, the Firm may present information on an aggregated basis or omit certain disclosures where an exemption applies. Any such reliance on exemptions will be clearly stated.

Governance Arrangements (MIFIDPRU 8.3)

The Firm is a small Limited Liability Partnership and governed by its members (“Principals”) who collectively form the management body and set the Firm’s strategic direction. The Firm maintains a clear organisational structure, with the Principals responsible for internal governance and for implementing a risk management framework that addresses key risks across financial control, regulatory compliance, operations, and reputation.

All Principals are FCA approved under the Senior Managers and Certification Regime (SMCR), and regulatory approval is required prior to the appointment of any Principal performing a Senior Management function.

The Principals work full time in the business and do not hold external commercial positions. The Firm is independent and has no commercial affiliations with other organisations.

Given the Firm’s size and considering the nature, scale and complexity of its operations, it is not required to establish separate Risk, Remuneration or Nomination Committees. The management body is collectively responsible for identifying and mitigating risks, reviewing management information and ensuring the robustness and integrity of the Firm’s systems and controls.

Principle activities

The Firm operates a straightforward business model focused on building long term client relationships which underpin the Firm’s ability to maintain and grow its business. It provides investment services to UK based investors and facilitates trading in UK listed securities and open-ended investment funds.

The Firm does not undertake and trading on its own account.

Own Funds (MIFIDPRU 8.4)

Composition of Regulatory Own Funds

The information below is set out according to the FCA's prescribed disclosure template. As at the 31 March 2026 and during the year the Firm complied with all regulatory capital requirements.

Table OF1 - Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	2,323	
2	TIER 1 CAPITAL	2,323	
3	COMMON EQUITY TIER 1 CAPITAL	2,323	
4	Fully paid up capital instruments	50	
5	Share premium		
6	Retained earnings	2,273	
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	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		

Reconciliation of Regulatory Own Funds to Balance Sheet in the audited financial statements

The information in this table shows a reconciliation with own funds as a breakdown by asset and liability classes reflecting the balance sheet in the Firm's audited financial statements.

Table OF2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
	Amount (GBP thousands)	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				
1	Tangible Assets	45		
2	Debtors	2,551		
3	Cash	954		
4	Client Money	8,706		
	Total Assets	12,256		
Liabilities				
1	Creditors: due within 1 yr (incl. clients free money)	9,933		
	Total Liabilities	9,933		
Shareholders' Equity				
1	Members' capital classified as equity	50		Item 4
2	Members' other interests	2,273		Item 6
	Total Shareholders' equity	2,323		Items 1,2 & 3

Own Funds Requirement (MIFIDPRU 8.5)

The Firm is required to maintain a minimum level of regulatory capital. In meeting its prudential obligations, the Firm must hold capital equal to the highest of the following: its permanent minimum capital requirement, its K-factor requirement (calculated using FCA-prescribed methodologies), or its fixed overhead requirement.

Item	Amount
Minimum Capital Requirement	£150,000
K-Factor calculation	£152,000
Fixed Overheads Requirement	£221,000

Assessment of Adequacy of Own Funds

Risk Management – the Principals assess the effectiveness of the Firm's risk management and financial control processes on an ongoing basis. This includes monitoring and analysing key management information, regulatory and operational risks, income and expenditure trends and capital adequacy. All Principals maintain active client relationships while also holding responsibility for specific operational areas. Based on the Firm's business model and activities, the Principals consider the potential for harm arising from the Firm's strategy to be low.

ICARA Process – under the IFPR framework, the Firm is required to assess and maintain adequate liquidity resources to meet the Liquid Assets Threshold Requirement (MIFIDPRU 7.7). The ICARA process enables the Firm to identify, assess and monitor business risks on an ongoing basis and to ensure that it could execute an orderly wind-down if required.

Own Funds - in assessing the adequacy of its Own Funds Requirement, the Principals have considered the key risks inherent in the Firm's operating model. Given the Firm's size and structure, its regulatory capital requirement is determined by the Fixed Overheads Requirement, calculated in accordance with FCA rules.

Concentration Risk - the Principals monitor concentration risk relating to the location of client money and custody assets. Due to the nature of the Firm's activities, the choice of providers offering Crest settlement services is limited, and this is monitored as part of the Firm's risk framework.

Liquidity - the Firm regularly reviews its liquidity position to ensure it remains sufficient under both normal and stressed business conditions and to support an orderly wind-down if necessary. The Firm's additional own funds requirement for ongoing operations and for wind-down is the same, calculated as one quarter of non-discretionary expenditure based in line with the Liquid Assets Threshold Requirement determination.

Remuneration Policy and Practices (MIFIDPRU 8.6)

The Firm is subject to the basic and standard provisions of the MIFIDPRU Remuneration Code.

Remuneration plays an important role in attracting, retaining and motivating staff alongside opportunities for professional development and the stability of long-term employment. The management body reviews remuneration annually, promoting a culture aligned with the Firm's values and client-focused ethos. Annual performance assessments consider a range of factors designed to encourage openness, regulatory compliance and sound risk management, while discouraging excessive risk-taking.

The Firm's five Principals who hold Senior Management Functions under the SMCR are identified as Material Risk Takers (MRTs).

Investment Policy (MIFIDPRU8.7)

As the Firm does not hold more than 5% of the voting rights in any listed company, it is not required to make disclosures relating to its investment policy.