SP Angel Corporate Finance LLP

Annual MIFIDPRU disclosure report

As at 31 March 2024

Introduction

Background

SP Angel Corporate Finance LLP ("SP Angel" or the "Firm") is authorised and regulated by the Financial Conduct Authority ("FCA"). SP Angel is designated as a non-SNI MIFIDPRU firm under the FCA Prudential Sourcebook for MiFID Investment Firms ("MIFIDPRU"). This document sets out the Investment Firm Prudential Regime ("IFPR") disclosures for the Firm in accordance with MIFIDPRU, Chapter 8. This includes transitional provisions relating to disclosures as outlined in MIFIRDPRU TP12.

Basis and frequency of disclosure

The Firm has an accounting reference date of 31 March, which was changed from 30 September on 1 October 2023. The information in this document has been prepared as at 31 March 2024 or for the 12 months to 30 September 2023 as appropriate. The disclosures are not subject to audit and have not been independently verified but have been reviewed and approved by the Firm's Partners (who are its senior management).

MIFIDPRU 8 disclosures are made annually and published on the Firm's website (www.spangel.co.uk) as soon as practicable after completion of the annual financial statements unless circumstances warrant update on a more frequent basis.

Corporate structure and business

SP Angel is a UK based limited liability partnership and commenced trading in 2006. There are no other operating entities owned by it.

SP Angel acts as a Nominated Adviser ("Nomad") for AIM purposes and is a member of the London Stock Exchange. The Firm's business comprises the provision of investment banking services, including corporate finance, Nomad and corporate broking services to public and private companies.

Governance arrangements

Organisational structure and principal committees

The Firm is a partnership, and the senior governing body, equivalent to a board of directors, is the Designated Partners Committee ("DP Committee") which comprises the six Designated Partners. The Committee meets at least quarterly.

The Committee provides strategic leadership, sets the strategic objectives, ensures that the necessary financial and human resources are in place to meet its objectives and reviews management performance in meeting those objectives. The Committee sets the firm's values and standards and ensures that its obligations to other stakeholders are clearly understood.

The Committee has ultimate responsibility for the overall risk management process and for forming an opinion as to its effectiveness.

The DP Committee has established the New Business Committee ("NBC") to manage and oversee new business proposals and client risk assessments consistent with the overall risk appetite set by the DP Committee. It meets regularly each week and more often as required. The NBC is comprised of the Designated Partners, other Partners, the Compliance Officer and other senior managers. The NBC is responsible for considering and approving the taking on of every new client and every new transaction. It also conducts periodic risk reviews of all existing clients.

There is also an Executive Committee ("ExCo") which usually meets weekly and is responsible for the daily management, implementation of strategy and oversight of the business. The committee is made up of the executive Partners, the Compliance Officer and other senior managers. The committee is responsible for oversight of all functions delegated by the DP Committee and the day-to-day operational business.

The ExCo is responsible for ensuring execution of the strategy articulated by the DP Committee, considering issues raised to it by the NBC, the AIM Rules Committee or the Compliance Officer and, if necessary, bringing the DP Committee's attention to any matter that should be known and considered by the Designated Partners. The ExCo is also responsible for ensuring timely identification and resolution of regulatory compliance issues and to act as a communication forum for all attendees. Regulatory compliance explicitly includes appropriate segregation of duties (such as an independent Compliance Officer and separation of front and back office functions) and the management of conflicts of interest (through measures including physical and procedural barriers, explicit consideration at committee meetings and policies governing personal account dealing and the pricing and allocation of share placings).

The Firm is not required by the MIFIDPRU rules to establish a risk, remuneration or nomination committee. Matters designed to be covered by these committees are covered by a combination of the Firm's committees described above.

Directorships held

The table below shows the number of directorships held by each Designated Partner as at 31 March 2024:

Name	Number of executive and non- executive directorships held
J Keating	1
E Leggat	2
J Mackay	5
J Meyer	2
R Parlons	1
R Wooldridge	6

Directorships (including equivalent Partnership interests) held within the same group are counted as a single directorship and those in non-commercial organisations are excluded.

Diversity

The Firm recognises the benefits of a diverse workforce and management team in terms of innovation, creativity and decision making. Diversity is promoted through hiring practices and objectives established by ExCo and subject to DP Committee oversight. The Firm recognises this as an area of ongoing development for the Firm and financial services industry generally and will continue to monitor and report on progress.

Risk management objectives and policies

The Firm's risk appetite is determined by the DP Committee and reviewed at least annually as part of its review and documentation of its Internal Capital Adequacy and Risk Assessment (ICARA) process as required under MIFIDPRU.

The Partners consider the Firm's business to be low risk and to have a low potential for harm. This assessment reflects the advisory based nature of its services, the absence of any trading or capital risk activities, asset or wealth management activities, the contractual nature of its income and the experience of the Firm's Partners and senior employees.

Operational and day-to-day risk management is the responsibility of the committees described above.

Own funds and own funds requirements

The Firm is required to maintain capital resources in accordance with the FCA's 'overall financial adequacy requirement'. 'Own funds' describes the available capital resources of the Firm while 'own funds requirement' describes the capital funds required as a result of the business activities of the Firm. The Firm is also required to provide information on how these reconcile with the Firm's balance sheet and a description of the main features of the Own Fund instruments it has issued.

Own funds

Composition of regulatory own funds		
	Item	**Amount (GBP thousands)**
1	**OWN FUNDS**	**1,158**
2	**TIER 1 CAPITAL**	**1,158**
3	**COMMON EQUITY TIER 1 CAPITAL**	**1,158**
4	Fully paid up capital instruments	1,158
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	

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**
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

Balance sheet reconciliation

	Balance sheet as in audited financial statements	Under regulatory scope of consolidation	Cross reference to Own funds table
	31 March 2024 £000s	**31 March 2024 £000s**	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements			
Fixed Assets	15		
Investments	360		
Trade and other debtors	658		
Prepayments and accrued income	378		
Cash	1,362		
Total	**2,773**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
Trade and other creditors	509		
Accruals and deferred income	401		
Total	**910**		
Members' Interests			

Loans and other debts due to members	763		
Members' Capital	1,100	1,100	4
Total Members' interests	**1,863**		

Own funds: main features of own instruments issued by the firm
Own funds comprise capital committed by the Partners held in Capital Accounts which satisfy the conditions set out in MIFIDPRU 3.3.17.

Own funds requirements

The Firm's own funds requirement is calculated in accordance with the MIFIDPRU rules, which state that the Firm's own funds requirement is the highest of:

- its permanent minimum capital requirement (set by the FCA);
- its fixed overheads requirement (set at ¼ of the Firm's annual overheads); and
- its K-factor total requirement

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

As at 30 September 2024	£000s	£000s
Permanent minimum requirement		750
Fixed overhead requirement		982
Sum of K-factor requirement		
K-AUM, K-CMH and K-ASA	2	
K-COH and K-DTF	1	
K-NPR, K-CMG, K-TCD and K-CON	0	
TOTAL K-factor requirement		3
Own funds requirement (highest of above)		**982**

Meeting the overall financial adequacy rule

Firms authorised by the FCA must always meet the 'overall financial adequacy rule'. This states that a firm must, at all times, hold own funds and liquid assets which are adequate, both in their amount and quality, to make sure the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities. In addition, a firm must ensure that it has adequate own funds and liquid assets such that its business can be wound down in an orderly manner.

The Firm assesses the adequacy of its own funds in accordance with the prescribed permanent minimum capital, fixed overheads and applicable K-factor requirements and through the ICARA process required by MIFIDPRU. The ICARA process requires a firm to consider what own funds and liquid assets it might need over and above the prescribed minima to (i) address the material risks and potential harms associated with its ongoing business operations and (ii) facilitate an orderly wind-down of the business.

Under the ICARA process, the Firm's Partners have concluded that its own funds and liquid assets are sufficient to meet these requirements and that no additional own funds or liquid assets are required.

Remuneration policy

SP Angel's remuneration policy is determined by the Partners with no input from external advisers and is reviewed annually. It is designed to attract and retain high quality individuals having regard to the Firm's business objectives and strategy and its values (including risk appetite) and culture.

The Partners meet annually to consider fixed base salary levels and variable performance awards to all employees. Performance awards are based on a combination of financial and non-financial criteria including at least the following factors (in no particular order): performance over both the short and long term, compliance with and positive contribution to the Firm's culture, team spirit and leadership, prudential behaviour and management of risk, especially where any of these exceed normal standards or reasonable expectations.

Remuneration disclosures for the year ended 30 September 2023

Quantitative Disclosures For the Year ended 30 September 2023	
Material Risk Takers and Senior Management	
Number	7
Fixed Remuneration (£'000)	863
Variable Remuneration (£'000)	132
Other Staff	
Number	26
Fixed Remuneration (£'000)	2,260
Variable Remuneration (£'000)	249
Sign on payments	0
Severance payments	0
Number of Partners and employees earning more than €1 million	0