Panmure Gordon

Panmure Gordon (UK) Limited

Prudential Disclosures

As at 31 December 2022
(Completed 2023)

1 Contents

2 Introduction

Panmure Gordon (UK) Limited ("PGUK") is an investment bank and stockbroker that provides independent advice, research, execution services and solutions to corporate and institutional clients. It predominately operates in equity markets, both private and public, but differentiates itself from larger competitors by specialising in servicing and trading in small to mid-cap UK companies. The Company aims to build long-term client relationships and cross-sell a range of services which builds on and continues to leverage and strengthen the strong historical brand name of the Company in this market space.

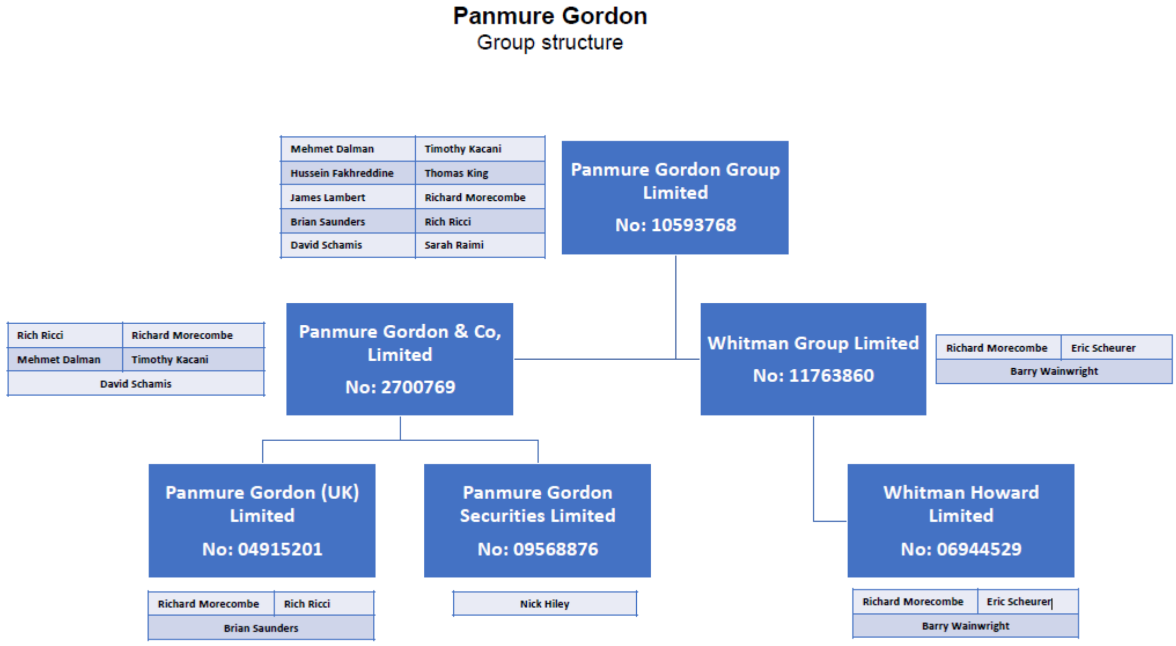
This document sets out the Investment Firm Prudential Regime ("IFPR") disclosures for the Company in accordance with the FCA Prudential Sourcebook for Investment Firms Chapter 8 ("MIFIDPRU 8"). It is a continuation of the Pillar 3 Disclosure.

3 Scope of Application

3.1 Group Structure

Panmure Gordon (UK) Limited ("PGUK") is a wholly-owned subsidiary of Panmure Gordon & Co and is an FCA registered non-SNI MIFIDPRU investment firm. PGUK is the only UK regulated entity of Panmure Gordon Group Limited. The main parts of the Group reside in this entity including Investment Banking, Equities, and Investment Funds. The Group's entity structure is shown below:

Figure 1: Group Entity Structure



The Group contains three holding companies:

- **Panmure Gordon Group Limited ("PGGL")** – A United Kingdom (UK) incorporated holding company, qualifying as a "financial holding company" under MIDFIDPRU 2 and the parent institution for the regulatory consolidation group.
- **Panmure Gordon & Co Limited ("PG&Co")** – A UK incorporated intermediate holding company. This entity was the original holding company for the Group prior to the PGGL acquisition.
- **Whitman Group Limited ("WGL") (from 10 July 2020)** – A non-trading passive holding company with one subsidiary, the previously FCA regulated firm Whitman Howard Limited (WHL)

And two regulated entities:

- **Panmure Gordon (UK) Limited ("PGUK")** – Wholly-owned subsidiary of PG & Co. FCA registered non-SNI MIFIDPRU investment firm. The main parts of the Group reside in this entity including Investment Banking, Equities, and Investment Funds.
- **Panmure Gordon Securities Limited ("PGSL")** – Wholly-owned subsidiary of PG & Co. US Securities & Exchange Commission ("SEC") registered brokerage firm. This entity is used to transact in deals where US regulatory permissions are required.

Previously regulated entities:

- **Whitman Howard Limited ("WHL")** – Wholly owned subsidiary of WGL – previously a FCA registered full-scope non-significant 125K IFPRU Investment Firm. Permissions cancelled on 14 August 2021.
- **PrimeXtend Limited ("PX")** – 100% owned subsidiary of PG & Co. previously an appointed representative of PGUK. This entity has ceased trading and the FCA Regulatory Permissions were cancelled on 20 December 2021.

There are also a number of dormant entities which the Group is in the processes of closing.

3.2 Disclosure Policy

Panmure Gordon (UK) Limited ("PGUK"), as the individual MIFIDPRU Investment Firm, meets the level of application as defined in MIFIDPRU 8.1.7.

The disclosures are as at 31st December 2022 (the "Reference Date") in line with the last set of published financial statements for PGUK. All data are in thousands unless otherwise stated.

The frequency of disclosure will be assessed, should there be a material change in either the nature or scale of either the individual entity or the Group's activities.

These IFPR disclosures have been approved by the governing body and are not subject to audit, except where they are prepared under accounting requirements for publication in the financial statements.

4 Corporate Governance and Risk Management

4.1 Corporate Governance

For PGUK, all of the relevant risks and harms to the Company are identified and managed at the Group level. The below sections discuss and Corporate Governance and Risk Management at the Group level.

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

- a clear organisational structure in place, with well defined, transparent and consistent lines of responsibility;
- effective processes to identify, manage, monitor, and report the risks it is or might be exposed to;
- robust internal control mechanisms; and,
- a clear escalation route for crisis management of stress events.

The Group's governance arrangements are designed to be proportionate to the nature, scale and complexity of the business and the risks inherent in the business activities undertaken. The Group Board has overall responsibility for leadership of the Group and setting the Group's values and standards. It also is tasked with providing approval of the Group's long-term objectives and commercial strategy as well as for the annual operating and capital expenditure budgets and any material changes to them.

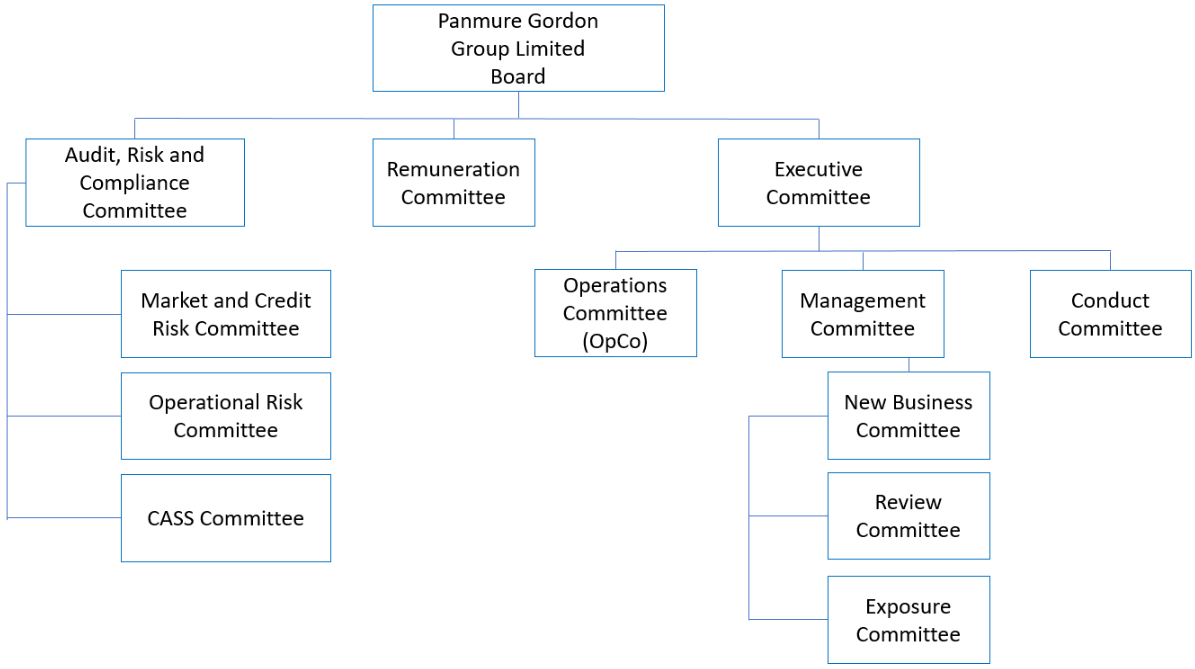
The key risk committees are as follows:

- **The Board of Directors ("the Board")** – The Board has overall responsibility for leadership of the Group and setting the company's values and standards. It is also tasked with providing approval of the Group's long-term objectives and commercial strategy as well as for the annual operating and capital expenditure budgets and any material changes to them. The Board meets on a quarterly basis.
- **The Audit, Risk & Compliance Committee ("ARCC")** – ARCC's role is to monitor and assess the Group's risk and control framework. The committee meets at least three times a year and on an ad-hoc basis if required. It reports directly to the Board.
- **Executive Committee ("ExCo")** – ExCo is the executive management body overseeing the Group. It is a decision-making body responsible for implementing the strategic plan agreed with the Group Board as well as the activation of the Recovery Plan.
- **Senior Leadership Team ("SLT")** – The objective of the Senior Leadership Team ("SLT") is to provide an information sharing and discussion forum to facilitate the management of Panmure Gordons' activities on a day-to-day basis, as well as delegating firmwide projects.
- **Remuneration Committee ("RemCo") -** Operates under delegated authority from the Board and oversees implementation of the Remuneration Policy, reviewing it annually. It ensures that the Remuneration Policy is applied in such a manner so that the Group does not remunerate or assess performance of its staff in a way that conflicts with the Group's duty to act in the best interests of its clients.
- **Market and Credit Risk Committee** – Monitors and reviews the credit and market risks to which the group is exposed through its trading and non-trading operations. This committee meets weekly.
- **Operational Risk Committee -** This committee monitors the existing and future operational risks as well as the actions underway to address those risks. This committee also reports on any New Product Process initiatives. This committee meets monthly.
- **CASS Committee -** Oversight of all CASS requirements and issues. Meets monthly.

- **Operations Committee ("OpCo") -** Oversight of the Group's infrastructure departments under the CAO. Meets bi-weekly.
- **New Business Committee -** All new clients or deals coming into the pipeline for the Investment Bank are brought to the New Business Committee for approval. Meets weekly.
- **Review Committee** - Where a particular deal has progressed after NBC it will be brought to Review Committee for scrutiny if any relevant issues with the deal arise. Ad hoc meetings.
- **Exposure Committee -** Prior to PG committing to an exposure which would already have passed the New Business Committee stage, is brought to the Exposure Committee. Meetings are ad hoc.
- **Conduct Committee -** Where there is a conduct issue, which would include for example Market Risk limit breaches, they are brought to the Conduct Committee. Meetings are ad hoc.
- **Other Committees -** In addition to the above there are control committees such as the Independent Price Verification Committee and the client credit committee which reviews receivables outstanding.

The Group's Board and management committee structure is shown in Figure 2.

Figure 2: The Group Board and management committee structure chart



4.2 Risk Governance

Risk is an inherent part of Panmure Gordon's business activities. The Group's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interest of its clients and investors while at the same time protecting the safety and soundness of the Group.

Firmwide Risk is overseen and managed on an enterprise-wide basis, encompassing each individual risk type in each business as well an overall holistic view of the Group's risk. The Group's approach to risk management covers a broad spectrum of risk areas with controls and governance established for each area, as appropriate. The Group believes that effective risk management requires:

- A defined risk appetite that is clearly articulated and meaningfully cascaded throughout the Group in its governance structure and control environment;
- Acceptance of responsibility, including identification and escalation of risk issues in a timely manner, by all individuals within the Group;
- Ownership of risk identification, assessment, data, and management within each line of business and corporate functions; and
- Firmwide structures for risk governance.

The Group actively promotes a culture of risk transparency where its people and systems are appropriately configured to promptly identify risk issues. All employees are encouraged to raise and escalate issues without hesitation, knowing that they will be dealt with appropriately.

The Group adopts three lines of defence ("3LOD") operating model, designed to segregate risk management responsibilities across the Group. The Group's executive management, Front Office and Risk Management operate as the first line of defence. Risk, Finance, Compliance, and the ARCC are considered the second line of defence and the Internal Audit runs the third line of defence.

The Group has a Board approved Risk Appetite Statement which defines the principles on which Risk is accepted and managed. The Risk Appetite statement drives the capture, monitoring and control of risk within the group across the different dimensions whether that be Market, Credit, Operational etc. It therefore also drives the Risk Management Framework and the approach to risk/reward with the group.

The Risk Appetite Statement ("RAS") and the Risk Management Framework ("RMF") map out the required risk oversight and so aid in defining the appropriate controls at each level of the organisation to control the Group's risks.

4.3 Risk Appetite Statement ("RAS")

The Group's overarching risk appetite has been determined by its senior management and the Executive Committee ("ExCo"), reviewed by the Audit Risk and Compliance Committee ("ARCC"), and reviewed, challenged, and agreed by the Board. The Risk Appetite has been described such that its principles can be applied to each of the Group's current business segments as well as any new business initiatives in the future.

The Risk Appetite has been determined in such a way as to consider not only outright market and credit risk, but also includes liquidity, capital adequacy, operational, cyber security and data protection risk, regulatory, strategic and environmental, social and governance risk.

The Risk Appetite is applied to each business area whose management have the responsibility for determining the appropriate measures and controls applicable that will ensure compliance with the Group's risk appetite.

The Risk Appetite is part of the framework to support delivery of the business strategy approved by the Board. It is recognised that in exceptional circumstances the Exco has the authority to review additional factors in order to commit to transactions or ratios in excess of the stated Risk Appetite for a limited period of time. The positions would be agreed by the Executive Committee, which includes the Chief Risk Officer (CRO), to ensure there is no undue risk to the firm.

The Group's independent risk function provides leadership by establishing standards for the management of risk which are then articulated at the business line/desk level via a risk appetite framework of measures and limits across all material risk types. The business heads are responsible for the development of detailed procedures, processes and operating controls that are designed to mitigate these risks in line with the risk appetite.

4.4 Risk Management Framework ("RMF")

The RMF aims to institutionalise how the Group manages its risks and embeds risk management practices within the Group's culture. It looks to achieve this by:

- Defining the Group's approach to risk management and how it supports the execution of the Group's strategy and the delivery of business objectives.
- Setting the key principles to guide the consideration of risk in the Group's decision making.
- Outlining the framework to support the management of risk within the Group's risk appetite.
- Setting out clearly the Group's risk categorisation and creates clear ownership and accountability for each risk within it.
- Identifying the governance committee structure that will provide oversight and challenge of the risk management process.
- Bringing clarity to the overall risk management process and ensures alignment between related risk activities.

The RMF is owned by the CFO/CRO and is subject to a full review and approval by ARCC. The Group's risk function provides leadership by establishing standards for the management of risk which are then articulated at the business line/desk level via a risk appetite framework of measures and trigger/limit Early Warning Indicators across all material risk types. The business heads are responsible for the development of detailed procedures, processes and operating controls that are designed to mitigate these risks in line with the risk appetite.

The Group has designed a risk taxonomy used for classifying and reporting on risks, incidents, and scenarios. The Group's risk taxonomy follows industry best practice and closely based on Basel III's risk classification; and covers firmwide risks such as financial risk, operational risk, and reputational risk. In addition, the Group recognizes the harms those risks are posing to the clients, markets, and the firm. The Group has mapped and linked its risk taxonomy to Harms to Clients and Harms to Markets and Harms to Firm.

5 Capital Resources

As a non-SNI MIDFIDPRU investment firm, PGUK's capital resources are determined by the instrument eligibility criteria and deductions under MIDFIDPRU 3. At end-December 2022, the Company held Common Equity Tier 1 ("CET1") instruments of £18,552k. The Company does not hold other forms of eligible capital, for example Additional Tier 1 (AT1, convertible debt) or Tier 2 (subordinated debt). CET1 deductions, in accordance with MIDFIDPRU 3.3.6 and MIDFIDPRU 3 Annex 8R for Prudent valuation and additional valuation adjustments, totalled £12k at end-December 2022. Total PGUK's capital resources were £18,540k at end-December 2022.

Figure 3 provides a detailed breakdown of capital resources for PGUK as at 31-December 2022.

<u>CET1 Capital</u>

At end-December 2022, PGUK held Common Equity Tier 1 ("CET1") instruments, in accordance with MIDFIDPRU 3.3, of £18,552k (see Figure 3). This was comprised of:

- **Called-up share capital of £84,466k;**
- **Share premium of £0k;**
- **Prior year retained earnings of (£66,445k);**
- **Accumulated other comprehensive income of £530k** – Represents mark-to-market movements in PGUK's gilt portfolio which are accounted for as Fair Value Through Other Compressive Income ("FVOCI") and Share Based Payments

PGUK does not hold other forms of eligible capital, for example Additional Tier 1 (AT1, convertible debt) or Tier 2 (subordinated debt).

<u>CET1 Capital Deductions</u>

CET1 deductions, in accordance with MIDFIDPRU 3, totalled £12k at end-December 2022. This included:

- **Losses for the current financial year** – As detailed by MIDFIDPRU 3.3.6 R, losses, i.e., losses after tax, must be deducted from CET1 throughout the year irrespective of when a firm's financial accounts are closed and audited. At end-December 2022, post audit completion, all retained earnings were classified as prior year.

- **Prudent Valuation** – Prudent Valuation adjusts the value of trading book assets where their accounting value may be overstated (for example, due to model error or market price uncertainty). MIFIDPRU 3 Annex 8R outlines the methodology for calculating Additional Valuation Adjustments ("AVAs"). This method multiplies PGUK's absolute value of fair-valued assets and liabilities by 0.1%; giving a Prudent valuation adjustment of £12k at end-December 2022.

- **Other Intangible assets** – As per MIDFIDPRU 3.3.6 R, intangible assets, net of any associated deferred tax liabilities that would be extinguished if the intangible assets became impaired or were derecognised, must be deducted from CET1. In addition, the amount to be deducted shall include goodwill included in the valuation of significant investments of the institution. At end-December 2022, PGUK's intangible asset deduction was £0k while PGUK's goodwill deduction was £0k.

- **Deferred Tax Assets ("DTAs")** – As per MIDFIDPRU 3.3.6 R, DTAs that rely on future profitability and do not arise from temporary differences, net of associated tax liabilities, must be deducted from capital. At the end-December 2022, the DTA deduction was £0k.

Figure 3 – CET1 Capital Resources (£000's) as at 31-December 2022[1]

CET1 Capital	PGUK
Called-up Share Capital	84,466
Share Premium	0
Prior Year Retained Earnings	(66,445)
Accumulated other comprehensive income	530
Total CET1 Capital Instruments	**18,552**

CET1 Capital Deductions	PGUK
Prudent Valuation	(12)
Goodwill	0
Other Intangible Assets	0
Deferred Tax Assets	0
Total Capital Deductions	**(12)**

Total Capital Resources	**18,540**

Appendix A provides further details regarding own funds, balance sheet reconciliation and description of CET1 instruments in accordance with MIDFIDPRU 8 Annex 1R.

[1] The capital resources are based on December 22 month-end trial balance and include £5mil capital injection received on 4th January 2023.

6 Capital Requirements

A UK-regulated entity, PGUK is subject to overall financial adequacy rule under the Investment Firm Prudential Regime ("IFPR") regulation and the relevant MIFIDPRU chapters of the FCA's handbook.

The Own Funds Requirement ("OFR") is the maximum of the Permanent Minimum Requirement ("PMR"), the Fixed Overheads Requirement ("FOR") and the K-Factor Requirement ("KFR"). At end-December 2022, PGUK's Own Funds Requirement was £7,940k which was driven by the Fixed Overheads Requirement.

As discussed previously, PGUK is a non-SNI MIFIDPRU investment firm with permission to deal on own account. PGUK does not operate an organized trading facility. While PGUK could underwrite financial instruments, it is a rare occurrence. The Permanent Minimum Capital Requirement ("PMR) for PGUK is £750k.

K-factors are a series of risk parameters representing the specific risks the Company face (Risk-to-Firm) and the risks they pose to the Company's customers (Risk-to-Client) and markets (Risk-to-Market). As of end-December 2022, PGUK's K-factor requirements are £3,105k. PGUK's independent Risk department have performed an assessment of the additional own funds required to address the material harms to Firm, harms to Markets and harms to Clients. PGUK considers an additional £301k capital to be added for the K-Factor which brings the total K-Factor Requirement to £3,405k at end-December 2022.

MIFIDPRU 4.5 details the Fixed Overheads Requirement ("FOR") of a MIFIDPRU investment firm. This amount is equal to one quarter of the firm's relevant expenditure during the preceding year. The FOR is calculated based on the last 12-months audited financial results. As of end-December 2022, the Fixed Overheads Requirement ("FOR") for PGUK is £7,940k.

PGUK's Own Funds Threshold Requirement ("OFTR") was £10,177k, which was driven by the Transitional Provision (TP 10) based on its historical Pillar 1A and its Individual Capital Guidance ("ICG") issued by the FCA in 2009. PGUK expects the Transitional Provision (TP 10) to lapse six months after it submits answers to the MIF007 Questionnaire. The Company submitted its MIF007 Questionnaire in December 2022. Therefore, the Transitional Provision 10 is expected to be applicable to PGUK between December 2021 and end-June 2023. As the expiry of the Transitional Provision 10 has happened, PGUK's Own Funds Threshold Requirement is driven by its Fixed Overhead Requirement.

PGUK has sufficient capital resources to meet its Own Funds Threshold Requirement. As at 31 December 2022, the capital surpluses above the Own Funds Threshold Requirement are £8,363k for PGUK.

Figure 4: Capital Requirements (£000's) as at 31 December 2022

CAPITAL REQUIREMENTS	PGUK
Own Funds Requirement (OFR): max(PMR, FOR, FKR)	**7,940**
Permanent Minimum Requirement (PMR)	750
Fixed Overheads Requirement (FOR)	7,940
K-Factor Requirement (KFR)	3,405
Own Funds Threshold Requirement (OFTR)	
Transitional Floor (Historical Pillar 1A and ICG)	10,177
Capital Surplus vs. Own Funds Threshold Requirement	**8,363**

6.1 Internal Capital Adequacy and Risk Assessment ("ICARA")

From 1st January 2022, the Investment Firm Prudential Regulation ("IFPR") comes into force and replaces previous Internal Capital Adequacy Assessment Process ("ICAAP") and Individual Liquidity Adequacy Assessment ("ILAA") with the Internal Capital Adequacy and Risk Assessment ("ICARA"). In addition, ICARA process consolidates recovery planning and wind-down planning into a single document. The Group has developed an ICARA governance framework to measure, monitor, report all material risks and adopt an efficient capital and liquidity planning process to ensure sufficient capital and liquidity resources are available to meet the usual business activities and any unforeseen contingencies.

ICARA is an integral part of the Group's risk governance and is embedded in many aspects of the Group's business, risk management and corporate governance activities. Within the ICARA document, the Group has included the relevant capital and liquidity requirements for PGUK, as well as the Group.

The ICARA process is run annually. Whilst the ICARA process may be run annually, this will happen should there be any material changes to the Group's business model or strategy.

7 Remuneration

PGUK is subject to the provisions of the FCA's Remuneration Code for non-SNI MIFIDPRU investment firms, as set out in SYSC 19G of the FCA's Handbook. Its Remuneration Policy is therefore required to comply with the Code to the extent that is proportionate to its size, internal organisation and the nature, scope, and complexity of its activities.

7.1 Remuneration Policy

The Company has an approved Remuneration Policy in place which reflects the Company's approach to remunerating its staff, the objective of which is to be competitive in the marketplace while promoting sound risk management practices within the business and complying with the legal and regulatory environment. The Company is committed to ensuring that robust and comprehensive procedures, supported by appropriate and effective controls, are in place across the business. The Policy supports the business strategy, objectives, values, and long-term interests of the Company. The Policy does not encourage risk taking beyond the Risk Appetite and also helps to manage conflicts of interests between the Company and its clients.

7.2 Remuneration Committee

The Remuneration Committee operates under delegated authority from the Board and oversees implementation of the Remuneration Policy, reviewing it annually. It ensures that the Policy is applied in such a manner so that the Company does not remunerate or assess performance of its staff in a way that conflicts with the Company's duty to act in the best interests of its clients.

7.3 Link between Remuneration and Performance

During the year, remuneration comprised of fixed and variable compensation. The variable compensation is in the form of discretionary bonus, paid in cash bonus and subject to claw back under certain conditions.

The aggregated discretionary bonus awarded in any year is determined based on profits before interest and taxation and is available for distribution across all areas of the Company. The Remuneration Committee will, at its sole discretion, determine the individual discretionary bonus amounts in order to ensure that actual remuneration is appropriate and reflective of all appropriate performance-related and risk-adjusted factors following input from the Risk, Compliance, and People departments.

7.4 Fixed and Variable Remuneration

The Company seeks to achieve the right balance between fixed and variable remuneration to support its risk management objectives, and to ensure that the remuneration structure does not favour the interests of the Company or its staff against the interests of any client. Levels of fixed remuneration will be adjusted to take account of prevailing market conditions.

The table below provides analysis of the aggregate remuneration for the financial year for employees and those employees designated as Material Risk Takers (MRT) whose professional activities have a material impact on the Company's risk profile.

Figure 5: Remuneration (£000's) for the year ended 31 December 2022

	Non-MRTs	MRTs	Total
Number of employees	**135**	**14**	**149**
Aggregate fixed and variable remunerations	**£'000**	**£'000**	**£'000**
Fixed compensation	16,742	2,600	19,342
Variable compensation	2,404	381	2,785
- Cash	2,404	381	2,785
- Non cash	-	-	-
Total remuneration	**19,146**	**2,981**	**22,127**

Fixed remuneration comprises salary, pension and benefits and variable remuneration comprises bonuses. All remuneration was in the form of cash.

7.5 MRT Remuneration

The Company has conducted a review of the activities of its business divisions to determine those employees whose activities might expose the Company to material risk. Such individuals, along with senior management, have been identified as Material Risk Taker (MRT).

The table below sets out the aggregate remuneration for MRTs. Fixed compensation includes base salary. Variable compensation includes cash bonuses in respect of performance during the year:

Figure 6: MRT Remuneration (£000's) for the year ended 31 December 2022

	Senior management	Other MRTs	Total
Number of MRTs	**5**	**9**	**14**
Aggregate fixed and variable remunerations	**£'000**	**£'000**	**£'000**
Fixed compensation	1,448	1,152	2,600
Variable compensation	200	181	381
- Cash	200	181	381
- Non cash	-	-	-
Total remuneration	**1,648**	**1,333**	**2,981**

7.6 Deferred Remuneration

There was a long-term incentive plan in effect as at 31 December 2022, which was awarded in 2020, and no deferred remuneration was awarded during 2022.

7.7 Sign-on and Severance Payments

During the year, there were 4 sign-on cash payments of £186k in total and £651k were paid in respect of bonus buy-outs.

An aggregate amount of £391k was paid and accrued in respect of severance.

7.8 Remuneration Bands

For the year ended 31 December 2022, no MRTs received remuneration of EUR 1 million or more.

No employees received remuneration in excess of EUR 1 million.

8 APPENDIX A – MIDFIDPRU 8 ANNEX 1R

Figure 7 – PGUK's Composition of Regulatory Own Funds as at 31 December 2022

Composition of regulatory own funds		PGUK	
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the
1	**OWN FUNDS**	**13,540**	
2	**TIER 1 CAPITAL**	**13,540**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**13,540**	
4	Fully paid up capital instruments	79,466	Note 17
5	Share premium	0	
6	Retained earnings	(66,445)	
7	Accumulated other comprehensive income	(11)	
8	Other reserves	541	
9	Adjustments to CET1 due to prudential filters	(12)	
10	Other funds	0	
11	**(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	0	
19	CET1: Other capital elements, deductions and adjustments	0	
20	**ADDITIONAL TIER 1 CAPITAL**	**0**	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	**TIER 2 CAPITAL**	**0**	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Figure 8 – PGUK's Balance Sheet Reconciliation as at 31 December 2022

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
Flexible template - rows to be reported in line with the balance sheet included in the audited financial				
Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of				
Figures should be given in GBP thousands unless noted otherwise.				
		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Crossreference 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	Securities held for trading	6,405		
2	Financial investments	1,490		
3	Debtors: amounts falling due within one year	41,145		
4	Cash and cash equivalents	4,334		
5	**Total Assets**	**53,374**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Securities held for trading	(3,688)		
2	Creditors: amounts falling due within one year	(20,599)		
3	Overdrafts	(15,535)		
4	**Total Liabilities**	**(39,822)**		
Shareholders' Equity				
1	Called up share capital	79,466	79,466	4
2	Retained losses	(66,444)	(66,444)	6
3	Other reserves	530	530	7, 8
4	**Total Shareholders' equity**	**13,552**		

Figure 9 – Description of Common Equity Tier 1 Instruments Issued

1	Issuer	Panmure Gordon (UK)
2	Unique identifier	Not Applicable
3	Governing law(s) of the instrument	English law
4	Instument type	Equity
5	Regulatory treatment	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital	£79.466m
9	Par value of instrument	£79.466m
10	Accounting classification	Shareholders' equity
11	Perpetual or dated	Perpetual
12	Original maturity date	Not Applicable
13	Issuer call subject to prior supervisory approval	No
14	Optional call date, contingent call dates and	Not Applicable
15	Subsequent call dates, if applicable	Not Applicable
16	Fixed or floating dividend/coupon	Floating dividend
17	Coupon rate and any related index	Not Applicable
18	Existence of a dividend stopper	No
19	Fully discretionary, partially discretionary or	Fully discretionary
20	Existence of step up or other incentive to redeem	No
21	Non-cumulative or cumulative	Non-cumulative
22	Convertible or non-convertible	Non-convertible
23	Write-down feature	No
24	Position in subordination hierarchy in liquidation	Not Applicable
25	Non-compliant transitioned features	No