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1. Introduction

London & Eastern LLP (“L&E”, “the firm”, “we” or “our”) is authorised and regulated by the Financial Conduct Authority (“FCA”) under Firm Reference Number 534484, with authorisation granted on 23 February 2011. L&E qualifies as a Small and Non-Interconnected (“SNI”) investment firm under MIFIDPRU 1.2 of the FCA’s Prudential Sourcebook for MiFID Investment Firms (“IFPR”). The firm reviews its business model on an ongoing basis to ensure it continues to meet the SNI thresholds and requirements.

L&E operates a social copy-trading technology platform and provides white-label technology solutions to regulated brokers. The firm conducts the following regulated activities:

- Advising on investments (excluding Pension Transfers and Pension Opt-Outs)
- Advising on Peer-to-Peer (P2P) agreements
- Arranging (bringing about) deals in investments
- Making arrangements with a view to transactions in investments
- Managing investments
- Agreeing to carry on a regulated activity

In accordance with its current FCA permissions, L&E cannot hold and cannot control client money.

London & Eastern LLP is connected to Kin Capital Ltd (FRN 655342) and Pelican Exchange Limited (FRN 739090). The firm’s statutory accounts are publicly available through UK Companies House.

This MIFIDPRU 8 disclosure has been reviewed, ratified, and approved for publication by the management body of London & Eastern LLP.

2. Risk management objectives and policies

London & Eastern LLP recognises that effective risk management is essential to the stability, soundness, and continuity of its business operations. As an FCA-authorized firm operating under the SNI classification, L&E maintains a proportionate but robust risk management framework designed to identify, assess, and manage the risks to which the firm is exposed.

Risk is an inherent part of the firm’s operational and business environment. L&E’s risk management objectives are guided by its overall business strategy and organisational goals, which provide clarity on the firm’s risk appetite, operational priorities, and control expectations. These objectives ensure that the firm adopts a structured and consistent approach to identifying, monitoring and mitigating the various risks that may arise from its activities, systems, and relationships.

L&E’s risk management framework ensures that:

- Risks are identified and assessed on a regular basis
- Controls and mitigants are appropriate for the firm's scale and nature
- Risks outside the firm's appetite are escalated and addressed promptly; and
- The firm remains compliant with regulatory requirements, including those under IFPR and MIFIDPRU.

This framework supports the firm's strategic objectives while safeguarding clients, stakeholders, and the integrity of the markets in which it operates.

2.1 Risk Management Policy

L&E maintains a risk management policy that is proportionate to the **nature, scale, and complexity** of its business activities. The purpose of this policy is to provide a structured framework for identifying the key risks faced by the firm and establishing the principles and processes used to manage and mitigate those risks. While the firm seeks to minimise risks wherever possible, it recognises that the complete elimination of all risks is neither practical nor achievable.

The management body considers several key factors when setting and implementing the risk management policy:

Identification of key business risks and assessment of the controls and mitigants in place to manage them.

Evaluation of appropriate risk management techniques to measure and monitor the firm's exposure to relevant risks, including operational, market, credit, liquidity, and compliance risks.

Consideration of risks inherent to the firm's client base and service offering, including risks commonly encountered by investors and counterparties.

The overarching objective of the management body is to ensure that the firm can identify and assess the commercial, operational, and prudential risks that may affect its ability to meet its strategic objectives. The risk management policy establishes the internal controls required to manage these risks effectively and sets out the reporting and monitoring processes used to ensure the ongoing effectiveness of these controls.

Regular reviews are undertaken by the management body to ensure that the risk management framework remains appropriate, effective, and aligned with regulatory requirements under MIFIDPRU and the firm's evolving business model.

2.2 Risk Management Structure and Operations

The management body of London & Eastern LLP holds overall responsibility for the firm's risk management framework. This includes overseeing the identification, assessment, and monitoring of risks,

as well as ensuring the effectiveness of the firm's internal controls, compliance arrangements, and regulatory processes. The management body meets at least monthly to review operational, financial, and compliance reports, and to address any risks or issues escalated by relevant functions or committees.

L&E operates under a clear and proportionate organisational structure that defines roles, responsibilities, and reporting lines. This structure ensures accountability and supports effective risk oversight across the firm's functions. The firm has established appropriate processes to:

- Identify emerging and existing risks
- Implement and maintain controls to manage and mitigate these risks
- Monitor ongoing exposures; and
- Report risks promptly to the management body when required.

These processes help ensure that risks and potential adverse impacts arising from the firm's activities are understood and properly managed with respect to:

- The firm's clients
- The markets in which the firm operates; and
- The firm's own operational and financial resilience.

The firm periodically reviews its governance and risk management arrangements to ensure they remain effective, well-documented, and aligned with regulatory expectations and the firm's business model.

2.3 Risk Assessment

London & Eastern LLP is responsible for maintaining systems and controls that enable the firm to identify, monitor, and where necessary, mitigate any material risks that may arise from its ongoing business activities or, if required, during an orderly wind-down. The firm also ensures that it maintains adequate financial resources to support its operations in accordance with MIFIDPRU requirements.

To achieve these objectives, the firm conducts regular assessments of the risks associated with:

- Its core business model and strategic objectives
- Day-to-day operational activities
- Changes to the business or operating environment; and
- External threats that may impact clients, markets, or the firm itself.

As part of this process, the firm evaluates the effectiveness of the controls in place to manage these risks and identifies any areas where additional mitigants may be required.

The firm's risk officer utilises a number of tools and assessments to support the ongoing monitoring and management of risk, including:

- The **Internal Capital and Risk Assessment (ICARA)** process
- Monitoring of **Operational Risk Events**
- Tracking of **Key Risk Indicators (KRIs)**; and

- Periodic reviews of governance, compliance, and financial controls.

ICARA Risk Assessment Summary:

Through the ICARA process, L&E identifies the key harms and risks relevant to its business model and evaluates the adequacy of its financial and non-financial resources. The ICARA also considers wind-down planning, stress scenarios, and the firm’s ability to remain financially and operationally resilient under adverse conditions.

L&E seeks to manage these risks through regular monitoring, ongoing oversight, and a proportionate risk management framework that supports the firm’s ability to win, grow, and retain customers while maintaining regulatory compliance and operational stability.

Summary of key risks and potential harms as assessed through L & E's ICARA process		
Risk	Risk Materialisation Harms	Description
Credit Risk	Harm to the firm	This refers to the potential for sudden financial losses arising from clients or counterparties failing to meet their financial obligations to the Firm. L & E mitigate this risk by undertaking appropriate assessments before entering into significant contractual arrangements and by regularly reviewing the financial soundness of the Firm’s own position and that of its banking providers.
Market Risk	Harm to the firm	The Firm’s financial position may be affected by adverse market movements, including changes in interest rates or foreign exchange rates. Given the Firm’s business model and the nature of its regulated activities, exposure to market risk is considered minimal.
Operational Risk	Harm to the firm/ Harm to the clients & counter parties, Harm to the market	Operational risk relates to potential losses resulting from inadequate or failed internal processes, systems, people, or external events. This includes risks associated with errors, system failures, legal issues, or financial crime, but excludes strategic, reputational or business model risks. L & E mitigates operational risks through active Board oversight, maintaining adequate working capital, regular IT system maintenance, comprehensive policy frameworks, and ongoing monitoring and enhancement of internal controls and regulatory compliance processes.
Liquidity Risk	Harm to Firm	Liquidity risk arises from the Firm’s inability to adequately manage cash flows or maintain the balance between inflows and outflows. This may occur if revenue streams are significantly reduced or interrupted due to economic downturns or wider market stress. Management monitors liquidity levels on an

		ongoing basis to ensure sufficient liquidity buffers and to meet the FCA's liquid asset requirements at all times. liquidity reserve and to fulfill the liquid asset requirements stipulated by the Financial Conduct Authority (FCA).
Strategic Risk	Harm to Firm	Strategic risk results from changes in the external business environment or the Firm's inability to execute its strategy or business plan effectively. Although the Firm faces some strategic risk due to less-than-optimal performance in certain areas, it is not considered material. The management team has extensive sector experience and a strong track record within the industry the Firm operates in.
Reputational Risk	Harm to Firm	Reputational risk includes exposure to regulatory breaches, legal non-compliance, or failures in financial crime controls, all of which could lead to regulatory sanctions and damage to the Firm's reputation. L & E maintains an extensive compliance framework, with monthly internal monitoring performed by the Compliance Officer and periodic independent reviews by external compliance consultants, ensuring ongoing adherence to regulatory standards.

3. Governance

The ultimate responsibility for the Firm's governance rests with the Board of Directors. The Board is accountable for setting the Firm's risk appetite within the established risk management framework and for ensuring the continued success, sustainability, and growth of the Firm's operations.

In addition, the Board is responsible for overseeing the Firm's strategic direction, long-term objectives, and financial performance. The Board also ensures that an effective system of internal controls and risk management is implemented and maintained across the organisation.

The Composition of the Board

The Board comprises individuals with the requisite skills, experience, and expertise relevant to the Firm's business model and regulatory obligations. The composition ensures appropriate oversight, challenge, and decision-making across key areas, including strategy, finance, risk management, compliance, and operational matters.

Name	Role at London & Eastern LLP Capital Markets	Number of External Directorships (for profit organisations only)
Michael Alexander Leonard Read	LLP Designated Member	2
Peter Ellery Bruce Read	LLP Designated Member	3

4. Own Funds

Table 1 shows a breakdown of London & Eastern LLP regulatory Own funds and confirms there are no regulatory deductions

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	85	
2	TIER 1 CAPITAL	85	
3	COMMON EQUITY TIER 1 CAPITAL	85	
4	Fully paid up capital instruments	65	
5	Share premium	0	
6	Retained earnings	20	Members' Other Interest
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
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	

Table 2 shows a reconciliation of London & Eastern LLP's regulatory Own funds with its balance sheet from the annual accounts

Own funds: reconciliation of regulatory own funds to balance sheet in the annual financial Statements				
Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.				
Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.				
Figures should be given in GBP thousand unless noted otherwise.				
		A	B	C
		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 - Breakdown by asset classes according to the balance sheet in the audited financial Statements				
1	Fixed Assets	120		
2	Bank balances	59		
xxx	Total Assets	179		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial Statements				
1	Creditors	93		
xxx	Total Liabilities	93		
Shareholders' Equity				
1	Total Members Interests	65		Box 3
2	Current Year Earnings	20		
xxx	Total Shareholders' equity	85		

5. Own Funds Requirement

London & Eastern LLP's Own Funds Requirements are determined as the highest of the following five requirements under MIFIDPRU 4.3.2 R:

Requirement	Amount (GBP Thousand)	Additional comments
Permanent Minimum Capital Requirement (PMR)	65	Transitional provision TP2.12R was applied.
Fixed Overhead Requirement (Inc FOR)	60	Based on audited results for the financial year 31 st March 2025
Wind-down Cost	60	
Own funds Threshold requirement (Higher of PMR, FOR and wind down cost)	65	

London & Eastern LLP's Own Funds Requirements are therefore determined by the Permanent Minimum Capital Requirement (PMR), i.e., £65,000, which is the highest of the relevant requirements (PMR, Fixed Overhead Requirement, and Wind-down Cost).

6 Remuneration

6.1 Approach to Remuneration

London & Eastern LLP's remuneration policy is designed to ensure that we comply with the MIFIDPRU Remuneration Code and that our remuneration arrangements are consistent with and promotes sound and effective risk management, do not encourage undue risk taking, include measures to avoid conflicts of interest and are in line with the Firm's business strategy, objectives, values and long-term interests.

6.2 Governance

6.2.1 Remuneration Committee

Due to its size, the Firm does not have a remuneration committee so the Management Body fulfils the responsibility for decisions regarding remuneration, taking into account the long-term interests of the Firm, it's shareholders and other stakeholders, and the public interest.

6.2.2 Conflicts of Interest

The Firm recognises that conflicts can arise where employees are responsible for determining the remuneration of their own business areas, however the scale of the firm means that this may be unavoidable. The Management Body will be responsible for determining all remuneration packages

across the company with approval for their own remuneration sought from others on the Management Body.

To avoid conflicts of interest, variable compensation is not linked to sales or volumes but determined by the employee's performance against set objectives which will take into account a number of different factors including a good standard of compliance, treating customers fairly and quality of services to clients. This will ensure that an employee does not have an incentive to favour their own interests, or that of the Firm to the detriment of a client.

6.2.3 Control Functions

The remuneration of the risk management and compliance functions will be overseen by Management Body. The Management Body will ensure that the method for calculating the remuneration of the compliance function will not or will not be likely to compromise their objectivity.

The scale of the Firm means that employees who hold control functions are not always independent from the business units that they oversee, however they have the appropriate authority to take action where necessary and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The Firm ensures that remuneration packages for control function employees are adequate to ensure that the quality and experienced staff are attracted and that the package is dependent on the achievement of the Firm's objectives and the objectives linked to the business areas that they control.

6.2.4 Risk Management

In order to promote effective risk management and discourage risk taking that exceeds tolerated levels, the Firm will consider the following when awarding variable remuneration:

- Key Risk Indicators, assigned to teams and individuals
- Performance against risk objectives set
- Compliance by employees to regulations and best practice

The Firm's risk management strategy, appetite and tolerance is stated in its Risk Framework. Operating within the scope of the Firm's risk framework, including environmental, social and governance factors, is a pre-requisite to the award of any variable remuneration.

6.3 Remuneration Framework

Employees' remuneration consists of fixed remuneration (base salary) which is paid through its partner company Pelican Exchange Limited. No variable remuneration is awarded.

6.3.1 Fixed Remuneration

Fixed remuneration is predominantly based upon the employee's professional experience and organisational responsibility as set out by their job description and terms of employment.

6.3.1.1 Base Salary

Purpose: Base salary provides a core reward for undertaking the role, positioned at a level needed to recruit and retain the talent required to develop and deliver the business strategy.

Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience and salary benchmarks (where available).

6.4 Quantitative disclosures for financial year ending 31st March 2025

The Firm has not provided the remuneration figures to prevent the disclosure of information for one or two individuals.