



IFPR Disclosures Report - 2025

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1. INTRODUCTION

James Sharp & Co. LLP (“James Sharp”) is a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive (“MIFID”).

The Investment Firms Prudential Regime (“IFPR”) sets the FCA’s rules for MIFID investment firms and aims to ensure Financial Services businesses maintain sufficient capital to sustain their business. IFPR came into effect on 1st January 2022, and its provisions apply to James Sharp as a non small and non-interconnected (“non-SNI”) MIFIDPRU Investment Firm, authorised and regulated by the FCA.

The IFPR contains public disclosure requirements as set out in MIFIDPRU 8 and, for the financial year ending in 2024, the firm must meet the following rules:

- The disclosure requirements (MIFIDPRU 8.1)
- Risk management objectives and policies (MIFIDPRU 8.2)
- Disclosure of Governance arrangements (MIFIDPRU 8.3)
- Own funds (MIFIDPRU 8.4)
- Own funds requirements (MIFIDPRU 8.5), and
- Remuneration policies and practices (MIFIDPRU 8.6).

Unless otherwise stated, all figures are taken from the firm’s audited accounts which were dated 31 December 2024, the firm’s financial year end. MIFIDPRU 8 disclosures are published annually to align with the Annual Report and Accounts which can be accessed through Companies House.

2. RISK MANAGEMENT OBJECTIVES AND POLICIES (MIFIDPRU 8.2)

James Sharp's risk management objectives are implemented through a set of policies and processes which are defined in the Risk Management Framework. This is an established set minimum requirements for operation throughout the business. It helps the firm to meet its business objectives and seeks to ensure that it balances the needs of all stakeholders.

OUR APPROACH TO RISK MANAGEMENT

James Sharp is exposed to a range of risks that could potentially cause harm to the firm's clients, the firm itself and/or the wider market in the execution of its business strategy and ongoing day to day activities. Risk management within the James Sharp business is therefore designed to increase understanding of the inherent risk in the business, and to improve decision making around the management of our risks. It aims to:

- Provide a consistent and formal structured approach to the classification and management of risk across the business.
- Enable the firm's business units to operate within the risk appetite approved by the Partnership.
- Allow risk-based decision making through informed risk output and relevant management information.
- Provide a comprehensive risk management framework by which James Sharp can identify, manage and mitigate risk, in order to minimise harm to customers, the market and the firm.

RISK MANAGEMENT OBJECTIVES

James Sharp defines “risk” as, the uncertainty that the business faces in successfully delivering its strategies and objectives. This includes material internal and external events, acts, or omissions that have the potential to threaten the success and continuing operation of the firm, or stakeholders such as the firm’s customers, employees, regulators and other market participants.

In order to provide a structured approach to identification and classification of risk across the firm, risks are categorised under the following risk categories:

Risk Category	Risk Description
Strategic Risk	The risk that failed business decisions may pose in meeting our objectives.
Business Risk	The risk of the potential for financial loss or business failure due to various internal and external factors.
Investment & Advice Risk	The risk if poor investment decisions are made or unsuitable investment advice is provided.
Liquidity Risk	The risk resulting from the inability to meet payment obligations in full and on time when they become due.
Counterparty & Credit Risk	The risk that the counterparty to a transaction could default before the final settlement of the transaction’s cash flows.
Market Risk	The risk that adverse movements in financial markets adversely affect the profitability of the firm.
Operational Risk	The risk of the potential for loss resulting from inadequate or failed internal processes, people, systems, or external events that disrupt business operations.
Legal & Regulatory Risk	The risk of the potential for financial and operational losses due to changes in laws, regulations, or legal obligations.

Our approach is to identify and assess specific risks within these groups, mitigate and manage these risks, and monitor and report against them. This, along with a strong risk culture provides the basis to enable us to deliver against our strategic objectives.

2. RISK MANAGEMENT OBJECTIVES AND POLICIES (MIFIDPRU 8.2)

RISK MANAGEMENT GOVERNANCE

The Partnership promotes a strong risk culture and expects all staff to adhere to the high standards established. It sets and implements the strategy, reviews the performance of the business and establishes the basic balance of risk vs. return. It is responsible for managing the risk associated with James Sharp business activities.

The Partnership also has responsibility for the overall effectiveness of risk management within the firm and oversight responsibility for the Risk Management Framework.

The Partnership approves the Firm's Internal Capital and Risk Assessment Process ("ICARA"), at least annually.

THREE LINES OF DEFENCE

Oversight of the Risk Management Framework is supported by the three lines of defence model. This structure is designed to provide reasonable assurance to the Partnership that the firm is safeguarding the interests of all of its stakeholders. It is composed of the following elements:

First line: formed of all staff in operational business areas. As the risk owners they have primary responsibility for managing risk during their day-to-day business activities in accordance with risk policies, approved appetite for risk, and for operational risk controls. This includes deciding upon risk acceptance within the approved risk appetite.

Second line: this is formed of the Risk & Compliance Team, who provide objective oversight, monitoring and independent challenge of first line risk taking and risk management activities. The Team will also provide challenge in the form of advising first line on risk management activities.

Third line: as a small investment firm James Sharp does not have an Internal Audit Team. However, the firm has engaged the services of independent external auditors to provide objective assurance activity to the Partnership in key business areas.

MANAGEMENT COMMITTEES

Operating and reporting within the Risk Management Framework is delegated to the following management committees:

- Product Governance Committee
- Investment Committee
- CASS Committee
- Consumer Outcomes Forum

The committees comprise of senior business managers who are responsible for the risks in their business areas. They review and challenge risk information, and allow reporting to flow up and down through the governance structure.

3. GOVERNANCE (MIFIDPRU 8.3)

James Sharp’s corporate structure is that of a Limited Liability Partnership. It is controlled by four members (“Partners”), who collectively possess a broad range of skills, experience and knowledge to enable them to provide effective oversight and control of the firm’s business.

The governance structure clearly defines responsibilities within the business, which helps us achieve good outcomes for our clients, while also supporting the firm’s strategic business plan for long term growth.

In order to promote good corporate governance, the firm’s governance arrangements include:

- Regular Partnership meetings
- Defined roles and responsibilities for Senior Management
- Transparent decision making
- Identification and management of conflicts of interest
- Supporting the firm’s business plan

EXECUTIVE ROLES

The following information relates to the appointments of members of the Partnership in senior management roles, including at organisations associated with James Sharp & Co. LLP.

**TABLE 1: EXECUTIVE ROLES
(DATA IS CORRECT AS OF 31ST DECEMBER 2024)**

Partner	Executive roles (non-associated companies)	Executive roles (associated companies)
Ian Bolton	0	4
Michael Tulip	0	4
Martin Entwistle	0	4
Stephen Ross	0	1

MANAGEMENT COMMITTEES

Due to its size, nature and complexity of the business activities, James Sharp is not required to have a Risk Committee, a Nomination Committee or a Remuneration Committee as part of its governance arrangements, as set out in MIFIDPRU 7.1.4R. The firm does however have a number of management committees to assist with governance, risk management and internal controls:

Product Governance Committee (“PGC”)

The PGC will assist the Partnership in ensuring that James Sharp has effective governance, risk management, and internal controls, specifically in the area of product governance. This includes overseeing compliance with the FCA’s PROD handbook’s description of good product governance. The PGC will also be responsible for how James Sharp complies with the requirements of Consumer Duty. The PGC meets at least quarterly and reports to the Partnership on a quarterly basis, or more frequently if required.

Investment Committee (“IC”)

The IC is a delegated committee of the PGC and provides oversight of the investment performance and risk limits of James Sharp discretionary portfolios and approved product list, including investment selection, to ensure they are effectively implemented and complied with in line with their stated risk profile and customers’ expectations. The IC will review information that allows it to monitor and challenge the investment performance, risk and liquidity of all James Sharp discretionary portfolios. The IC meets monthly, or more frequently where required. Matters reviewed and recommended by the IC that require approval will be escalated to the PGC by the IC Chair.

Consumer Outcomes Forum (“COF”)

The COF provides oversight, challenge, and support to the firm’s implementation and ongoing compliance with the FCA’s Consumer Duty. The forum ensures that the firm consistently delivers good outcomes for retail customers and identifies and addresses foreseeable harms. The COF meets at least quarterly and reports directly to the Partnership on a quarterly basis, or more frequently if required.

CASS Committee (“CC”)

The CC holds a remit to ensure FCA Client Assets (“CASS”) rules are adhered to by the firm and to scrutinise any systems, policies, and processes relevant to the firm’s CASS arrangements. The CC meets at least half yearly and reports directly to the Partnership on at least an annual basis.

4. OWN FUNDS DISCLOSURE (MIFIDPRU 8.4)

TABLE 1: COMPOSITION OF REGULATORY CAPITAL

	Item	Amount £000's	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	OWN FUNDS	£4,529	-
2	TIER 1 CAPITAL	£4,529	-
3	COMMON EQUITY TIER 1 CAPITAL	£4,529	Total of items 4 & 6
4	Fully paid up capital instruments	-	-
5	Share premium	-	-
6	Retained earnings	£4,529	Page 11
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	N/A
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	N/A
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 adjustment	-	-

In accordance with MIFIDPRU 8.4, adjacent is a reconciliation of CET1, additional tier 1 items, tier 2 items (if applicable) and deductions to our firm's own funds.

As at 31 December 2024, James Sharp & Co LLP held own funds of £4,529,000. Additionally, as per MIFIDPRU8.4.1, all capital is derived from Member's capital. There are no hybrid instruments or complex financial arrangements.

TABLE 2: OWN FUNDS - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS.

		A	B	C
Amount in £000's		Balance sheet as in published / audited financial statements	Under regulatory scope of consolidation	Cross reference to own funds table 1
As at period end		31/12/2024	31/12/2024	-
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Tangible Assets	90	-	-
2	Investments	1	-	-
3	Debtors	3,121	-	-
4	Cash and short term deposits	5,196	-	-
	Total Assets	8,317	-	-
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors due within 1 year	3,878	-	-
	Total Liabilities	3,878	-	-
Members' Equity				
1	Members capital classified as Equity	1,800	-	Item 4
2	Members capital classified as a liability	2,729	-	Item 6
	Total Members' Equity	4,529	-	Item 3

5. OWN FUNDS REQUIREMENTS (MIFIDPRU 8.5)

As a MIFIDPRU investment firm we are required to hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- Our 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; and
- Our firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants

Since 1 January 2022, the firm has been monitoring the Overall Financial Adequacy Rule ("OFAR").

We monitor the OFAR by monitoring the 'own funds threshold requirement' and 'liquid assets threshold requirement'. We review these requirements monthly.

These requirements are formally reviewed by the Partnership when approving the firm's Internal Capital at Risk Assessment (ICARA).

In accordance with MIFIDPRU8.5, the tables below set out our firm's K- factor requirements and fixed overheads requirement. We have also included our Permanent Minimum Capital Requirement.

K Factor	£000's
Sum of the K-AUM, the K-CMH and the K-ASA	841
Sum of the K-COH and the K-DTF	1
Sum of the K-NPR, the K-CMG, the K-TCO and the K-CON	0
Total K Factor	842

Fixed Overheads Requirement	£000's
Based on our audited accounts as at 31/12/2024	861

Permanent Minimum Capital Requirement	£000's
Based on MIFIDPRU4.4.4	861

As a result, James Sharp's Own Funds Requirement is to maintain capital of £861,000 which is comfortably below the level of regulatory capital we hold. Our current Capital Surplus is £3,668,000.

In completing our most recent assessment, we were able to satisfy our management body and our regulator that we hold sufficient capital and liquid resources to address any potential harms presented by our business.

6. REMUNERATION POLICIES AND PRACTICES (MIFIDPRU 8.6)

James Sharp has a Remuneration Policy which aims to reward performance whilst maintaining robust risk management. The policy is aligned to the business strategy and values which are broadly to deliver long-term growth for our client.

The Remuneration Policy is aligned with SYSC 19G and is available on request.

REMUNERATION GOVERNANCE

The Remuneration Policy is the responsibility of a senior manager within the firm. It is approved by the Partnership, with oversight provided by the Risk & Compliance department.

The Remuneration Policy is reviewed annually to ensure continued alignment with James Sharp's risk profile and business strategy.

The Partnership are responsible for:

- Monitoring the performance of staff
- Approving new hires
- Approving Pay, Bonus and Benefits for all staff
- Agreeing the framework of any staff bonus schemes

REMUNERATION COMPONENTS

James Sharp aims to offer attractive remuneration to all of its staff to ensure it remains competitive in the market and rewards the performance of its people. Our remuneration structure is simple and consists of a combination of fixed and variable remuneration.

These elements are summarised as:

Fixed Remuneration - This is the basic salary plus other benefits such as death in service, medical cover and contributions towards a pension scheme. Salaries reflect each individual staff member's role within the firm.

Partners are self-employed and receive a fixed profit share.

Variable Remuneration - Discretionary individual staff bonuses are based on a balanced scorecard approach and funded from business profits. They reflect the performance of the individual and the firm, which can be broken down as:

- Financial criteria: Profitability, efficiency, client retention
- Non-financial criteria: Conduct, attendance, training, regulatory compliance

6. REMUNERATION POLICIES AND PRACTICES (MIFIDPRU 8.6)

DEFERRAL AND CLAWBACK

The firm does not meet the deferral thresholds under SYSC 19G.1.1R(2) but reserves the right to apply an ex-ante risk adjustment and/ or ex-post clawback if misconduct or material errors are identified.

MATERIAL RISK TAKERS

As a non-SNI MIFIDPRU investment firm we are required to identify staff who are material risk takers (MRTs).

Within James Sharp designated MRTs include:

- SMF Role Holders
- Senior Investment Managers
- Department Heads

AGGREGATE REMUNERATION (2024):

- **Total Remuneration (All Staff):** £1,219,000
- **Total Remuneration (MRTs):** £391,000
- **Number of MRTs:** 7

Remuneration Aggregate Data

A breakdown of the fixed and variable remuneration components are detailed in the table below:

Category	Fixed (£)	Variable (£)	Total (£)
MRTs	£358,000	£33,000	£391,000
Other staff	£625,000	£204,000	£829,000

7. DIVERSITY AND INCLUSION

James Sharp values diversity and inclusivity as key components of long-term sustainability.

While the Partnership structure naturally limits external recruitment at the most senior levels, the firm promotes:

- Equal opportunity hiring practices.
- Continuing professional development for all staff.
- Inclusion of diverse perspectives in business decision-making.
- The firm does not currently publish a Gender Pay Gap report but reviews workforce diversity annually.

8. FUTURE DISCLOSURES AND UPDATES

This report will be reviewed and updated annually. Final remuneration and governance disclosures will be completed within four months of each financial year-end.

For further information, please contact:
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Sharp & Co LLP (OC422665)
Members of the LLP are referred to as Partners