



DowgateCapital

MiFID Prudential Disclosure
as at 31 December 2024

1 Introduction and Scope

This document sets out the public disclosures of Dowgate Capital Ltd (“Dowgate Capital” or “the Firm”) in accordance with the requirements of MIFIDPRU 8.

The firm has an accounting reference date of 31 December and disclosures are published annually, aligned with publication of the financial statements. However, disclosures may be published more frequently should circumstances demand it.

The financial disclosures herein are not subject to audit and do not form part of the annual audited financial statements and should not be relied upon in making any judgement about the financial position of the firm. These disclosures have been approved by the board of Dowgate Capital and are available on the firm’s website.

In accordance with the rules, the disclosures herein are appropriate to the size and internal organisation, and to the nature, scope, and complexity of the Firm’s activities.

This document will provide clarity and transparency on how the firm is run and how the business is conducted.

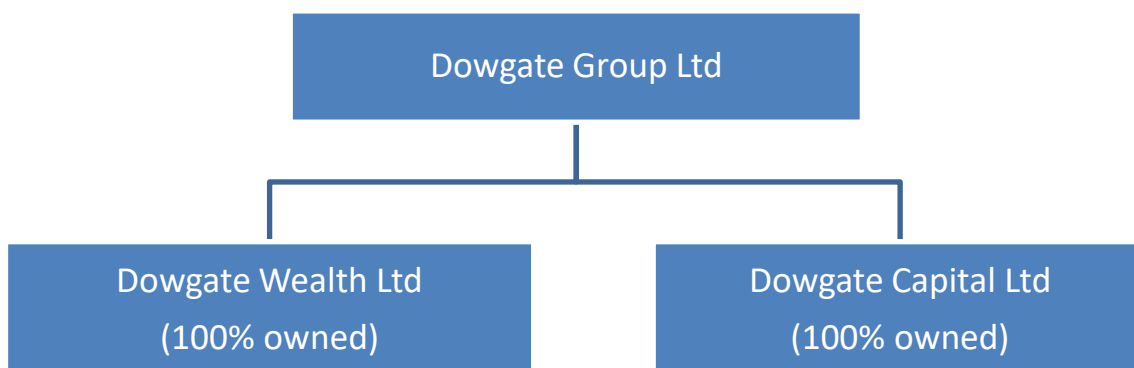
2 Governance Structure

Dowgate Capital Limited was incorporated in England in February 1990 and authorised on 10th of May 1990. The firm is a Private Limited Company. Initially it was owned between Group, Directors and the team at Dowgate Wealth Ltd (DGW). On 31 March 2024 Group acquired the balance of shares in DGW.

Both firms are 100% owned by Dowgate Group Limited, which in turn is owned by eighty shareholders, with no one shareholder owning more than 15% ownership. The DGC Board, management and staff own a total of 77% of the issued share capital of Dowgate Group Limited.

Collectively, Dowgate Group Limited, DGW and the firm qualify as an Investment Firm Group under the MIFIDPRU rules. The FCA recognise these firms as ‘Dowgate Group’. Dowgate Group Limited is not an FCA authorised company but must comply with MIFIDPRU regulations due to their ownership of authorised companies.

Dowgate Group currently has no associates or appointed representative.



As the Firm holds FCA permissions to deal on own account, it is classified as a Non-SNI MIFIDPRU firm.

3. Governance Arrangements

Dowgate Capital has planned its governance arrangements so that they are proportionate to the size and nature of its business. The Firm’s Board defines, oversees and is accountable for the governance arrangements and effective management of the business, including the prevention of conflicts of interest, in a manner that promotes the integrity of the Firm, the market and the interests of clients. They meet at least 4 times a year, and on an ad-hoc basis should circumstances demand it.

Dowgate Capital Board will:

- Deliver the strategic vision and long-term direction of Dowgate Capital, ensuring alignment with the Firm’s objectives and values;
- Maintain financial oversight, ensuring the sound financial health and sustainability of the Firm
- Oversee the Firm’s organisational compliance with all relevant laws, regulations, and internal policies to uphold high standards of governance;
- Oversee Operational matters to ensure the Firm has sufficient resources and operational capabilities in order to continue delivering its vision, growth, whilst continuing to deliver a high level of service to it’s clients;
- Maintain and monitor a robust risk management framework to identify, assess, and mitigate potential risks to Dowgate Capital, safeguarding the organisation’s assets and reputation;
- Provide high level reports to Dowgate Group on the above matters for informational purposes

The Board is composed of experienced directors, who are free to challenge business strategies and risks to ensure the Firm’s high self-expectation of integrity and best interests of its clients. The table below shows the board members and their number of external directorships as is required to be disclosed by MIFIDPRU 8.3.1R(2):

Name	Position	Number of External Directorships (as per MIFIDPRU 8.3.1R(2):
Lorna Tilbian	Chair of the Governing Body & Executive Director	4
Stuart Parkinson	Executive Director	1
David Lis	Non-Executive Director	4

MANCOMM

Below Board level, the Management Committee (MANCOMM) is responsible for the day-to-day management of the business, under the authority of the Chief Executive Officer. This committee supports the Board with the Risk Management Framework through risk management and mitigation strategies.

Finance, Audit and Risk Committee

The Dowgate Board has established a Finance, Audit and Risk (FARC) Committee as one of its committees to support the Board by ensuring that there are effective arrangements for governance, risk management,

internal control and financial reporting and accounting for the Firm. The main purposes of the Committee are:

- Oversight regarding financial management and reporting, financial sustainability and the annual reports and accounts;
- Ensuring the firm hold sufficient of own funds and liquid assets to meet the regulatory requirements to comply with the Overall Financial Adequacy Rules (OFAR).
- Ensuring that there is an adequate and effective risk management framework in place and that these are reviewed to meet the needs of the Dowgate Board
- Oversee the effectiveness of internal and external audit to ensure transparency and effective governance

The Committee shall comprise of: Chairperson, CFO, CEO and Compliance Officer, Non-Executive Director. External auditor, and internal auditor may attend as advisors.

Monthly SMCR meetings

The purpose of the SMCR meeting is to provide a platform for senior managers to discuss and review the organization's adherence to the Senior Managers and Certification Regime (SMCR) requirements. The meeting will focus on ensuring proper governance, clarity in responsibilities, compliance with regulatory requirements, and management of risks related to the SMCR.

The meeting also aims to review the implementation, performance, and risks associated with the regime, discuss any breaches, and propose corrective actions as necessary.

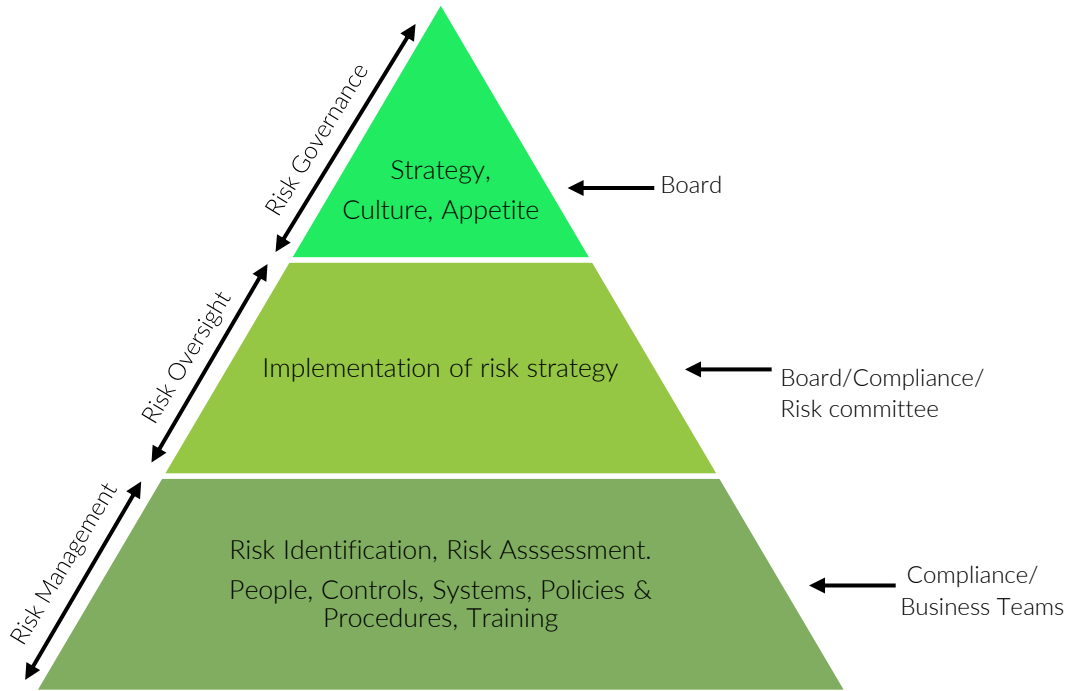
4 Risk Management Framework and Internal Controls

The Board is ultimately responsible for identifying, evaluating and managing significant risks faced by the firm. It is responsible for the systems of internal controls and for setting the control framework including financial, operational, compliance controls and risk management systems. It recognises the potential harms associated with their business model. It has considered each key risk and assessed the level of risk of potential harm that the firm is willing to accept in order to achieve its business objectives.

The Board reviews the 'Risk Appetite Statement' and framework annually and has appointed the FARC to manage risk for the firm. The FARC discusses the top risks and looking at the controls to determine what action should be taken to keep the risk within an acceptable level.

The FARC minutes and actions log are sent to the board for review and comment each quarter which assesses the effectiveness of the firm's systems and controls in line with the risk management framework. The system of controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives.

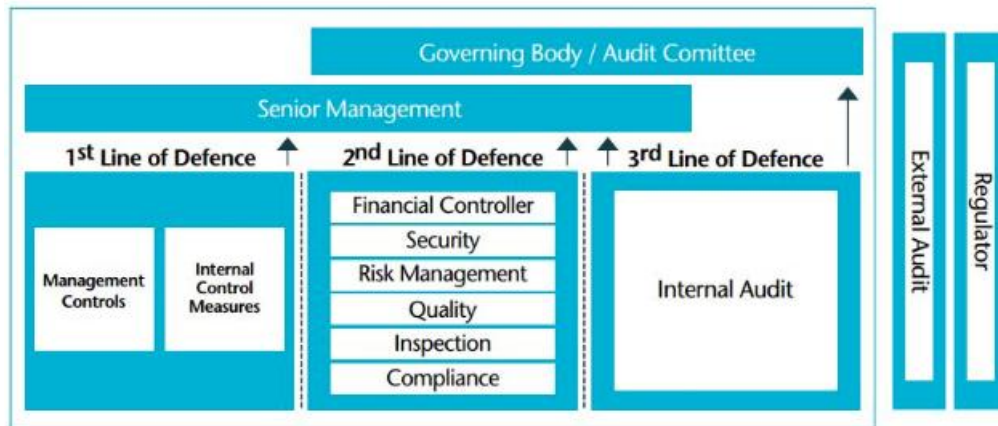
The visual below provides high level confirmation of the framework.



Three Lines of Defence

The 'Three Lines of Defence' is used by many financial firms, large and small, as a structured, and robust approach to managing risk.

Dowgate applies the model proportionally given its business model, size, and complexity of activities, products, and services. Dowgate broadly follows the same model.



Dowgate due to size does not have a dedicated first line assurance team or person who would complete independent testing on the effectiveness of control processes or a dedicated risk team and currently is not required to have one. Therefore, the Compliance team fulfils this activity on a day-to-day perspective with oversight from the Risk Committees.

5 Risk Appetite Statement

Dowgate's primary objective is to ensure that its client's wealth is preserved and developed in a sustainable manner and that good outcomes are achieved for all clients. Dowgate aims to minimise both its client and

stakeholder risks to the greatest extent possible by adopting a conservative and practical approach to risk management.

Dowgate will ensure it makes strategic decisions to create long term value for its clients.

Dowgate's approach to risk is clearly defined and considered within the Business Plan, Risk Management Framework, Business Risk Assessment, Compliance Monitoring Plan and Internal Audit programme. The risk appetite is reviewed annually, and the risk committee meets quarterly to review the principal risks and their associated controls, as well as any emerging risks to improve efficiency and align strategy, process, technology and people.

Risk should be managed in a proactive and systematic manner. This allows Dowgate to minimise its exposure to reputational, regulatory, and financial risks which accepting a degree of risk in the pursuit of the business plan and strategy.

The appetite for risk can vary according to the business activity undertaken. All potential benefits must be fully understood before any new services or products are made available whilst implementing sensible measures to mitigate the associated risk of such products and services.

Dowgate will at all times comply with the laws and regulations to apply to the firm.

Dowgate is committed to maintaining the integrity of the financial markets, protecting the reputation of the firm and preventing the financial impact on clients and staff in relation to market abuse.

Dowgate has a low appetite for investments and clients in high-risk jurisdictions. The focus is on jurisdictions that have a stable political and economic environment, transparent legal systems and robust regulatory frameworks.

Dowgate will comply with all relevant laws and regulations to ensure our clients and staff prevent any association with money laundering, the financing of terrorism and proliferation financing, as well as deterring harm to our clients or staff as a result of the impact of internal and external fraud.

Dowgate requires high standards of conduct from all employees, especially when dealing with clients, third parties and other staff members.

Dowgate's investment strategies follow robust processes with clear boundaries and strong governance.

Dowgate only works with trusted and recognised third-party banks, custodians, and service providers to ensure that client assets are held securely and there is no reputational damage to the firm.

Dowgate will at all times maintain a strong financial position and a robust and transparent capital and liquidity policy to ensure that all financial obligations can be met even in times of economic stress.

Cyber and data risk is a huge risk to the business and Dowgate will put in place all possible controls to mitigate this risk as it continually evolves. Data will be managed in line with data protection regulation to minimise the risk of breaches and protecting the sensitive information of our clients and staff.

6 Principal Risk

Dowgate has both internal and external risks. Dowgate has identified the following 'Principal Risks' to which all other risks will become subsets of these principal risks:

- Regulatory & Legal Risk

Regulatory risk - is the risk that Dowgate faces for any failure to adhere to any existing or updated regulations or legislation, which may affect Dowgate and/or Dowgate's clients by way of reputational damage, financial penalties or material loss.

Legal risk - is the risk of losses arising from an unintentional or negligent failure to meet a professional (legal) obligation to specific clients or from the nature or design of a product.

AML/TF risk - is the risk determined by the profile of its clients and the types of products and services it offers, and the extent to which those risks are mitigated by the firm. Financial crime extends to money laundering, terrorist financing, proliferation financing and bribery and corruption.

Market Abuse - is the risk consisting of insider dealing, unlawful disclosure of inside information and market manipulation of the financial markets, by either an employee, client or any other stakeholder, which could arise from distributing false information distorting prices or improper use of inside information.

Fraud Risk - is the risk that of individuals within or external to the firm use deception to dishonestly make a personal gain for oneself and/or create a loss for another.

Conduct Risk - is the risk Dowgate poses to its clients from its interaction with them. This includes how well the firm, and its employees are complying with regulatory requirements as set by the FCA and consequently how well it is achieving good client outcomes. All employees are responsible for ensuring they observe the highest standards of integrity and fair dealing in the conduct of its business.

- **Operational Risk**

Operational risk - is the risk of loss because of ineffective or failed internal processes, people, systems, or external events which can disrupt the flow of business operations. For Dowgate, operational risk includes employee/people, data and cyber security, business continuity and outsourcing. Dowgate has an Operations team which reports to the Chief Operations Officer (COO).

Employee/people risk - is the risk that Dowgate cannot attract and/or retain the talent with the experience, skills and knowledge to grow and maintain Dowgate's business.

Data & Cyber risk - is the risk of financial loss, operational disruption or damage, from the failure of digital technologies employed for informational and/or operational functions from the unauthorised access, use, disclosure, disruption, modification or destruction of the manufacturing system.

Outsourcing - is the risk that engaging a third party to provide services may adversely impact Dowgate's performance and risk management.

- **Business Risk**

Business risk - is the risk of Dowgate not executing its business model as set out or performing well against model projections. Business risk is both propositional and commercial and Dowgate will consider competition, marketplace, target market and competition when assessing this risk.

Market risk - is the risk which reflects the uncertainty of an assets future price and includes both direct and indirect factors. Such factors include the health of the balance sheet, strength of the management team, stock prices, interest rates, foreign exchange rates, commodity prices and changes in real or implied volatility.

- **Financial Risk**

Financial risk is the risk of Dowgate not acting prudently with its resources when executing its strategy and business plans and fulfilling obligations when due. This risk includes capital, credit, and liquidity risks. **Capital risk** – is the risk that arises mainly as a result of the quality or quantity of capital available, the sensitivity of Dowgate’s exposures to external shocks and/or the level or cost of capital management and planning.

Credit/Counterparty risk – is the risk of financial loss arising from an obligor, borrower, issuer, surety, guarantor or counterparty that fails to meet its obligations with Dowgate as they fall due in accordance with agreed terms.

Liquidity and Financial Resources risk - is the risk that Dowgate will not be able to fund its cash outflows as they fall due or that Dowgate fails to meet its regulatory obligations with respect to the required liquidity calculations.

- **Governance Risk**

Governance risk – is the risk that the overall oversight and control mechanisms which a firm has in place to ensure that is soundly and prudently managed are not effective. There are a range of areas that require assessment – Dowgate’s policy and procedures, culture, and practical approach to corporate governance, which includes its risk management approach, the composition and quality of executive and non-executive board members, committee structures and remuneration policies.

Reputational risk – is the risk of threat or danger to the name or standing of Dowgate with our clients and within the marketplace in which we operate.

7 Own Funds

Under MIFIDPRU 7.4.7R, the Firm must, as all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- a. The Firm can remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- b. The Firm’s business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

The process of considering the factors and figures involved is captured in the ICARA process and documented in the ICARA document. This is updated annually or more frequently should circumstances demand it. The ICARA process considers the levels of harm that could be faced from the Firm’s ongoing business, the levels of funds and/or liquid assets that will be required at any point in the financial year, and the potential impact of a wind down. The process ultimately provides the Firm with its Own Funds Threshold Requirement “OFTR” figure. These figures are presented to the Board on a quarterly basis with the Firms current level of actual own funds and liquid assets in order to provide them with a complete picture of the strength of their financial position against worst case scenarios, including a theoretical requirement to wind down the Firm. Consideration is also given to the quality of the capital and liquid assets as part of this consideration.

Dowgate undertakes stress testing and reverse stress testing as part of the ICARA process. The full ICARA risk assessment, along with the firm's own risk management process provides the board with a full view of the potential for harm associated with its business strategy.

Table 2 – OF1 Own Funds

Composition of regulatory own funds			
	Item	Amount (£'000)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	3,997	
2	TIER 1 CAPITAL	3,257	
3	COMMON EQUITY TIER 1 CAPITAL	3,257	
4	Fully paid up capital instruments	395	Share Capital
5	Share premium		
6	Retained earnings	3,014	Net P&L Reserves
7	Accumulated other comprehensive income		
8	Other reserves	588	Capital Contribution Reserve
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
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		

Table 3 – Reconciliation of OF1 to Balance Sheet

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

	a	b	c
	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to table 2 - OF1
	As at period end	As at period end	Dec24
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Tangible assets	68	
2	Investments	79	
3	Debtors	3,850	
4	Cash	2,161	
	Total Assets	6,157	
Liabilities			
1	Due within 1 year	2,047	
2	Provisions	99	
3	Deferred Tax	14	
	Total Liabilities	2,160	
Shareholders' Equity			
1	Share Capital	395	Table 2 OF1 - Item4
2	Capital contribution	588	Table 2 OF1 - Item 8
3	Retained earnings	3,014	Table 2 OF1 - Item 6
	Total Shareholders' equity	3,997	

8 Own funds requirements

Dowgate Capital carries out Own Funds calculations on a quarterly, or more frequent if required, basis using the required parameters within the MIFIDPRU sections of the FCA Handbook. The firm's own funds requirements is the highest of its "permanent minimum capital requirement", "fixed overheads requirement", or "K-factor requirement".

Set out below are the Firm's K-factor requirements and the fixed overhead requirement. The Firm has maintained surplus capital resources at all times to satisfy these minimum capital requirements.

Requirement	As at 30 Dec 2023 (GBP '000)
<u>Permanent Minimum Requirement</u>	750
<u>K-factors</u>	
K-AUM	111
K-COH	2
K-DTF	1

Sum of K-factors	114
Fixed Overhead Requirement	1,098

In addition to the above Own Funds calculations, Dowgate assesses its capital and liquidity arrangements and requirements to ensure compliance with the Overall Financial Adequacy Rule (“OFAR”). This involves the addition of wind down calculations, ICARA risk assessments and levels of liquid funds which are required under both FCA and internal risk tolerance levels. The firm has complied with the OFAR requirements at all times.

9 Equality and Diversity

The firm is fully committed to diversity, equality and inclusion and is an equal opportunities employer. The firm is committed to providing a service and following practises which are free from unfair and unlawful discrimination in relation to selection for employment, promotion, training or any other related activity. All employees are helped to develop their full potential and their talents and resources will be fully utilised by the firm.

There is currently a split of 59:21 men/women employees and there is currently one women representative at executive committee level. This will continue to be under review.

Internal and external recruiting is ran gender, race and orientation blind.

10 Remuneration policy and practices

The remuneration policy for Material Risk Takers is determined by the board of the firm. The policy helps support the firm in achieving its strategic and business objectives by managing risk and conflicts of interest as well as supporting retention and reward of employees who contribute to those objectives.

The policy also enables the firm to measure and deliver its regulatory and governance obligations.

The implementation of the policy ensures a strong link between pay and performance and that employees are incentivized appropriately, deterring them from adopting poor conduct and behaviours and inappropriate risk practices.

A Material Risk Taker (“MRT”) is a staff member whose professional activities are deemed to have a material impact on the Firm’s risk profile. As at December 31 2024, Dowgate Capital has 9 MRTs.

Remuneration for MRTs in Capital consists of base salary, discretionary bonus scheme, pension and non-monetary insured benefits.

Base salaries are set with reference to external market data and with consideration to providing an appropriate balance of fixed and variable pay relevant to the role and supports risk mitigation and business objectives within the remuneration policy.

Base salaries take into account market conditions, experience of the individual and the cyclical, non-recurring revenue type of business that Dowgate Capital’s business model operates.

The variable remuneration element consists of a discretionary bonus scheme determined by the board after they have considered the performance of the individual, the business unit concerned and the overall results of the firm over the preceding 3 years. The aim of the bonus scheme is to align the incentives of the individual members of staff eligible for the bonus scheme with the interests of the business, in order to drive long-term value creation.

The performance of an individual is determined by a performance appraisal using qualitative and quantitative factors relevant to the individual's role with particular emphasis on the MRTs performance, contribution and behaviours. A combination of weightings is used around specific metrics such as conduct, performance, regulatory, teamwork etc. The individual's line manager will complete the appraisal and feedback the final weightings, comments and potential bonus award to the board for consideration.

Appraisals are undertaken twice a year and bonuses may be payable. Bonuses are cash bonuses and not paid in financial instruments. They are subject to a clawback mechanism should information come to light or risks crystallise in such a way as to cast doubt upon the merit of a bonus award in the three years after the award has been made. The board may in its discretion claw back up to 100% of the prior variable remuneration award.

11 Remuneration in the period

The table below shows the remuneration of the MRTs, and all other staff paid during the 2023 financial year, split into fixed and variable. Variable remuneration was paid in cash in this period.

(£'000)	MRTs	All Staff (excluding MRTs)
Total Remuneration	1,274	4,058
Fixed	828	1,666
Variable	446	2,392