

Wm Thomson
& Sons

WM THOMSON & SONS

MIFIDPRU 8 DISCLOSURE

As at 31st December 2025

1. Overview

The Investment Firms Prudential Regulations (IFPR), implemented in January 2022, requires investment firms to make a public disclosure concerning their adherence to these regulations. This disclosure is in relation to these obligations to disclose details of the firm's risk management, governance, own funds, own funds requirement and remuneration.

2. Governance

The Managing Board of Wm Thomson & Sons (WTs) is composed of the Directors of the Partners who are responsible for the ultimate oversight of WTs. The Board holds formal quarterly meetings and receives reports from Compliance. They are ultimately responsible for overseeing the firm's governance arrangements and ensuring robust internal controls and risk management is maintained.

Chief Executive Officer (CEO) and Joint Chief Investment Officer (CIO)**,** Benedict Lawson, is responsible for the day-to-day running and oversight of the firm.

Directors of Partners

Andrew Thomson
Christopher Thomson
Richard Hall
John Thomson
David Thomson

3. Risk Management

The Board is responsible for risk management of the firm and have set out its business strategy and acceptable level of risk. The firm's risk framework focuses on identifying, assessing, prioritising and mitigating the potential for loss and ensuring it is considered at all levels of the firm and regularly reviewed. WTs, in general, has a low appetite to risk which is linked to:

- the business model and strategy of the firm
- the potential and historical loss experiences
- the skills, resource and technology the firm has to monitor and mitigate risk

The management of the identified risks is treated by either:

- Avoidance – stop performing the activity
- Reduction – Reduce severity and likelihood through controls, procedures and monitoring
- Sharing – Share risk with others (eg Insurance)
- Retention – accept and where applicable budget with ongoing reviews

WTs considers the risks to which it is exposed are limited due to the size, client base and complexity of the business.

4. Own Funds – Capital Resources

An internal review of own funds is undertaken by the Internal Capital Adequacy Risk Assessment (ICARA).

Concentration Risk

Liquidity Risk

Liquidity risk is the risk that the firm does not have sufficient assets available to meet its obligations as they fall due. To manage this risk WTs cash flows are monitored on an ongoing basis, to ensure that financial liabilities can be met in a timely manner.

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**		
2	**TIER 1 CAPITAL**		
3	**COMMON EQUITY TIER 1 CAPITAL**		
4	Fully paid up capital instruments	578	
5	Share premium	-	
6	Retained earnings	520	
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**	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	**TIER 2 CAPITAL**	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	Debtors	384	
2	Prepayments and accrued income	37	
3	Cash at bank and in hand	1353	
	Total Assets	**1774**	
1	Trade Creditors	586	
2	Other Creditors	88	
3	Total Liabilities	675	
	Net current assets	**1098**	
	Capital Accounts	**987**	
	Current Accounts	**111**	
	Total Shareholders Equity	**1098**	

5. Own Funds Requirement

Under ICARA WTs is required to meet its overall financial adequacy rule (OFAR)

Higher of	**£k**
Permanent minimum capital requirement (PMR)	150
Fixed overhead requirement (FOR)	636
K-factor requirements	
K-AUM	102
K-CMH	89
K-COH	1
K-ASA	85
Total K-Factors Requirement (KFR)	**276**
Own funds requirement (higher of PMR,FOR and KFR)	636
Own Funds Surplus	462

6. Remuneration Policy and Practices

The Chief Executive is responsible for the implementation of remuneration policies and practices in accordance with the principles of the Remuneration Code. The Board is responsible for reviewing and approval of fixed and variable remuneration.

The policy is designed to ensure that remuneration is proportionate to the nature, scale and complexity of the firm's risks and aligns with the firm's strategic objectives. The firm ensures it provides fair rewards to all staff in all roles.

The key principles of the policy are:

- Simplicity and transparency
    - Is easily understood and monitored
- Risk Management
    - To promote sound and effective risk management

Fixed Remuneration

Fixed remuneration applies to all employees and includes salary, retirement and other benefits. All staff receive fixed remuneration which is determined by experience and organizational responsibility as set out in job descriptions. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable Remuneration

In exceptional cases Outstanding Performance Reward (OPR) may be made as a one-off payment and made in line with regulatory requirements.

OPRs will be based on non-financial performance only. They will be for the calendar year, approved in the following March and paid in April Salary.

OPRs will not represent more than 20% of the individual's annual remuneration.

Severance Pay

In determining severance payments, the firm considers the individuals role and length of service to ensure that they are determined in a way that does not reward failure or misconduct.

7. Material Risk Takers (MRTs)

Under MIFIDPRU Remuneration Code WTs is required to identify MRTs. WTs has identified all Board Members, the Chief Executive, Joint Chief Investment Officer and Compliance Officer as MRTs. In the current period no variable remunerations have been awarded to MRTs and WTS has not disclosed fixed remuneration so as not to lead to disclosure of information about specific individuals.