



# Annual Disclosures — Year ending 31 March 2025

## Introduction

Lincoln Private Investment Office LLP (“LPIO” or “Firm”) is required to make annual disclosures in accordance with MIFIDPRU 8. LPIO is a SNI firm and its core business involves providing discretionary and advisory services to retail and professional clients.

This document sets out the relevant disclosures that LPIO must make to satisfy its disclosure requirements.

## Risk Management Objectives

The Executive Committee (“Board”) is the governing body of the Firm and, as such, is ultimately responsible for the application of a robust internal risk management regime. The Board is aware of the potential harms to clients, market and the Firm arising from its business activities, principally those being related to the advisory and investment management services LPIO provides to clients.

In order to manage risks, the Board receives regular management information on the Firm’s financial and operational performance. In addition, the Board continuously monitors and, if necessary, enhances, the Firm’s Business Model, directs the Internal Capital Adequacy and Risk Assessment (‘ICARA’) process and receives other significant regulatory intelligence which, in aggregate, provide the requisite information to identify trends and issues particularly in relation to:

1. The adequacy of its own funds; and
2. The adequacy of its liquid resources enabling the firm to meet its liabilities as they fall due.

In each of these areas the Board’s approach is risk averse in order to ensure that the Firm has sufficient capital and liquidity to remain in business. To this end, LPIO monitors its actual and near-term capital and liquidity positions on a monthly basis and carries out stress testing of its medium-term financial plans as part of its ICARA process in order to validate the adequacy of its forecast capital and liquidity resources.

## Governance Arrangements

The partners of LPIO recognise and accept that the Board, as the governing body of the Firm, has responsibility for the implementation of governance arrangements that assure its effective and prudent management. LPIO considers that the existing arrangement whereby the Board meets quarterly satisfies this requirement. Whilst the Board readily acknowledges its collective risk management responsibility, it should be noted that the partners are also held accountable for specific areas of delivery under the Senior Managers and Certification Regime. The Board implements its collective responsibility through the policies and procedures that it approves and cascades to the employees of LPIO. The implementation of these policies and procedures not only protects the reputation of the Firm but also serves to promote market integrity and the interests of LPIO clients. The effectiveness and accuracy of their execution is validated by ongoing compliance monitoring which either validates their successful practical application or identifies failures that can be promptly remediated. The Board frequently reviews and updates the Firm’s harms register, and it carries out an extensive ICARA process at least annually.

## Board Diversity

LPIO ensures that its directors, in aggregate, have a sufficient range of skills and experience to manage a business of LPIO’s nature, scale and complexity. Whilst the Board believes that its current composition is fit for purpose at the Firm’s current scale, if additional partners are appointed in future they will be assessed on the criterion that the individual recruited would have the skills and experience that complement those of the existing partners.

## Own Funds

| 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   | 2,779                  |   |
| 2                                   | Tier 1 Capital  | 2,779                  |   |
| 3                                   | Common Equity Tier 1 Capital  | 2,779                  |   |
| 4                                   | Fully paid up capital instruments                                     | 2,779                  |   |
| 5                                   | Share premium   |                        |   |
| 6                                   | Retained earnings   |                        |   |
| 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                      |   |
| 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            |                        |   |

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

Figures shown are in GBP thousands 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                        |                                 |
| <b>Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements</b>          |                                       |   |   |                                 |
| 1  | Fixed Assets                          | 264   |   |                                 |
| 2  | Debtors                               | 2114  |   |                                 |
| 3  | Cash at Bank                          | 1,317   |   |                                 |
| 4  |                                       |   |   |                                 |
| 5  |                                       |   |   |                                 |
|  |                                       |   |   |                                 |
|  |                                       |   |   |                                 |
| xxx  | <b>Total Assets</b>                   | <b>3,695</b>  |   |                                 |
| <b>Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements</b> |                                       |   |   |                                 |
| 1  | Creditors: amounts falling due        | (916)   |   |                                 |
| 2  | within one year                       |   |   |                                 |
| 3  |                                       |   |   |                                 |
| 4  |                                       |   |   |                                 |
|  |                                       |   |   |                                 |
|  |                                       |   |   |                                 |
|  |                                       |   |   |                                 |
| xxx  | <b>Total Liabilities</b>              | <b>(916)</b>  |   |                                 |
| <b>Shareholders' Equity</b>  |                                       |   |   |                                 |
| 1  | Loans and other debts due to members  | 0   |   |                                 |
| 2  | Member's capital classified as equity | 2,779   |   |                                 |
| 3  | Other reserves classified as equity   | 0   |   |                                 |
|  |                                       |   |   |                                 |
| xxx  | <b>Total Shareholders' equity</b>     | <b>2,779</b>  |   |                                 |

**Remuneration**

LPIO is a MIFID investment firm, authorised by the Financial Conduct Authority ('FCA') to carry on the regulated activities of dealing in investments as agent, advising on investments, managing investments and arranging deals in investments. A consequence of its regulatory status is that the Firm must comply with the relevant provisions of the MIFIDPRU Remuneration Code set out in SYSC 19g of the FCA Handbook, a key element of which is that its remuneration practices are consistent with responsible risk management.

**LPIO 's Approach to Remuneration**

LPIO remunerates its employees through payment of fixed and variable remuneration. The levels of fixed remuneration are determined by the Board and relate to basic wages and salaries plus proportionate pension contributions. In setting levels of fixed remuneration for particular categories of employee, it is the partners' intention that the amounts paid should properly reflect the complexity and responsibility of the roles performed and be consistent with the rates of pay for similar positions in peer group competitor firms.

LPIO operates a variable remuneration scheme in the form of a staff bonus pool that is intended to incentivise superior performance across the business without creating a conflicting motivation for reckless or inappropriate behaviour.

LPIO defines 'variable remuneration' as non-contractual payments or provision of benefits made directly to LPIO employees. All employees are eligible to receive variable remuneration, subject to acceptable individual performance and the performance of the firm. The levels of variable remuneration paid are determined by the Board. Payment of variable remuneration is made in cash and is discretionary for all employees. LPIO does not guarantee payment of variable remuneration and it is LPIO's policy that no variable remuneration is paid if it would inappropriately dilute the Firm's liquid or capital resources.

**Partners - Advisers**

All Partners – Advisers receive an annual draw from the Partnership as their fixed remuneration. In addition, they receive variable based on their individual performance.

**Partners – Non-Advisers**

All Partners that are not Advisers receive an annual draw from the Partnership as their fixed remuneration and a discretionary bonus as their variable remuneration. The levels of variable remuneration paid are determined by the Board. Payment of variable remuneration is made in cash and is discretionary for Non-Adviser Partners. LPIO does not guarantee payment of variable remuneration and it is LPIO's policy that no variable remuneration is paid if it would inappropriately dilute the Firm's liquid or capital resources.

**Business Heads**

Business Heads receive a discretionary bonus as their variable remuneration based on the performance of the business. Payment of variable remuneration is made in cash and is discretionary for Business Heads. LPIO does not guarantee payment of variable remuneration and it is LPIO's policy that no variable remuneration is paid if it would inappropriately dilute the Firm's liquid or capital resources.

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