



BLACK PEARL SECURITIES LIMITED

ANNUAL MIFIDPRU PUBLIC DISCLOSURE REPORT

Entity: Black Pearl Securities Limited (BPSL / BP Prime) | FRN: 688456 | Company No: 08823678
Registered Office: 28 King Street, London, EC2V 8EH, United Kingdom
Prudential Regime: FCA MIFIDPRU (Non-SNI Investment Firm)
Reporting Period: Financial Year Ended 31 March 2026

1. Introduction and Basis of Disclosure

This document constitutes the annual public disclosure required under the Investment Firms Prudential Regime (IFPR), governed by Chapter 8 of the Prudential Sourcebook for MiFID Investment Firms (MIFIDPRU) in the FCA Handbook. BPSL is an FCA-regulated investment firm categorised as a Non-SNI (non-small and non-interconnected) MIFIDPRU Investment Firm by virtue of holding client money under CASS 7.

The figures in this document are derived from calculations under MIFIDPRU using audited data from BPSL's Annual Report and Financial Statements for the financial year ended 31 March 2026. This report is released annually following statutory filing. Ad-hoc updates will be issued should any material changes occur to the firm's business model, permissions, or capital structure.

2. Risk Management Objectives and Policies (MIFIDPRU 8.2)

2.1 Principal Activities & Technology Infrastructure

BPSL operates as a Matched Principal Broker providing Contract for Difference (CFD) and spot foreign exchange products to retail and professional clients. Trading execution is facilitated across the MetaTrader 4 (MT4), MetaTrader 5 (MT5), and direct FIX API platforms, supported by the firm's proprietary order matching and aggregation bridge. Trades are executed back-to-back with qualified liquidity providers.

2.2 Harm Assessment & The ICARA Process

The Internal Capital Adequacy and Risk Assessment (ICARA) process under MIFIDPRU 7 is the operational foundation for monitoring and mitigating harms across Risk to Client (RtC), Risk to Market (RtM), and Risk to Firm (RtF). The Board reviews and approves the ICARA at least annually.

- Risk to Client (RtC): 100% of client money is held strictly segregated in designated statutory trust accounts with authorised UK credit institutions under FCA CASS 7. Retail accounts are protected by mandatory Negative Balance Protection (NBP).
- Risk to Market (RtM): Governed by automated trade validation, slippage controls, and the UK Market Abuse Regulation (UK MAR).
- Risk to Firm (RtF): Modeled through operational stress testing, liquidity buffers, and wind-down cost projections under the Overall Financial Adequacy Rule (OFAR).

2.3 Concentration & Liquidity Risk

- Client Funds Concentration: All client funds are held with authorised UK credit institutions. In strict accordance with CASS 7 rules, client money is never held or co-mingled with liquidity providers.
- Liquidity Provider (LP) Concentration: Credit and operational thresholds are maintained per provider. The firm actively monitors counterparty exposure and is onboarding independent third-party LPs to diversify liquidity panel exposure.
- Liquidity Management: BPSL continuously monitors liquid resources against the basic liquid asset requirement (at least one-third of the Fixed Overhead Requirement) and ICARA wind-down liquidity triggers.

3. Corporate Governance Arrangements (MIFIDPRU 8.3)

Pursuant to MIFIDPRU 8.3.1R(2) and SYSC 4.3A, the table below discloses the number of external directorships held by the member of BPSL's management body as of 31 March 2026. (M Bray resigned on 5 February 2026; intra-group directorships are omitted in accordance with SYSC 4.3A.6R).

Name	Executive Directorships	Non-Executive Directorships
Keith McCulloch (Executive Director / SMF3 / SMF16 / SMF17)	1	0

4. Own Funds and Balance Sheet Reconciliation (MIFIDPRU 8.4)

Table OF1: Composition of Regulatory Own Funds (MIFIDPRU 8 Annex 1R)

Item	Own Funds Component	Value (£)
1	OWN FUNDS (Tier 1 + Tier 2)	£985,581
2	TIER 1 CAPITAL	£985,581
3	COMMON EQUITY TIER 1 (CET1)	£985,581
4	Fully paid-up capital instruments (Ordinary Shares)	£475,200
5	Share premium account	£269,960
6	Retained earnings / Profit & Loss reserves	£240,421
7	Applicable regulatory deductions (Intangibles net book value £0)	£0.00
8	TIER 2 CAPITAL	£0.00

Table OF2: Balance Sheet Reconciliation to Regulatory Own Funds

Balance Sheet Line Item	Audited Value (£)	Cross-Reference to Table OF1
Tangible Fixed Assets (Fully depreciated)	£0.00	N/A
Intangible Fixed Assets (Fully amortised)	£0.00	N/A
Debtors (amounts falling due within one year)	£35,049	N/A
Cash at bank and in hand (Operational firm cash)	£1,592,008	N/A

TOTAL ASSETS	£1,627,057	Audited Balance Sheet (p. 11)
Creditors: amounts falling due within one year	£641,476	N/A
Creditors: amounts falling due after more than one year	£0.00	N/A
TOTAL LIABILITIES	£641,476	Audited Balance Sheet (p. 11)
Called-up Share Capital (475,200 Ordinary £1 shares)	£475,200	Table OF1, Item 4
Share Premium Account	£269,960	Table OF1, Item 5
Profit and Loss Reserves (Retained Earnings)	£240,421	Table OF1, Item 6

Table OF3: Main Features of Own Funds Instruments (MIFIDPRU 8 Annex 1R)

Feature Parameter	Instrument Details
Issuer	Black Pearl Securities Limited
Governing Law	Laws of England and Wales
Instrument Classification	Ordinary Shares of £1.00 each (Common Equity Tier 1)
Amount Recognised in Regulatory Capital (£)	£475,200 (475,200 shares fully paid up)
Accounting Classification	Shareholders' Equity
Perpetual or Dated	Perpetual (No fixed maturity date)
Coupons / Dividends	Fully discretionary, non-cumulative dividends

5. Own Funds Requirements (MIFIDPRU 8.5)

Under MIFIDPRU 4.3, BPSL's Own Funds Requirement (OFR) is determined as the HIGHEST of:

1. Permanent Minimum Requirement (PMR): £750,000 (statutory floor for firms holding client money);
2. Fixed Overhead Requirement (FOR): £161,964 (one-quarter of relevant annual audited expenditure);
3. K-Factor Capital Requirement (KFR): The aggregate sum of applicable K-factors.

K-Factor Component	Calculation Basis	Requirement (£)
K-CMH (Client Money Held)	0.4% of average segregated client funds (£222,380)	£889.52

K-COH (Client Orders Handled)	0.01% of average daily derivative volume	£2,140.00
K-TCD (Trading Counterparty Default)	Counterparty exposure under MIFIDPRU 4.14	£12,450.00
TOTAL K-FACTOR REQUIREMENT (KFR)	Sum of K-factors	£15,479.52

Overall Financial Adequacy Assessment (OFAR):

Metric	Resources Held (£)	Threshold Requirement (£)	Capital Buffer (£)
Own Funds Adequacy	£985,581	£750,000 (PMR Floor)	£235,581 (+31.4%)
Liquid Assets Adequacy	£1,592,008	£53,988 (1/3 of FOR)	£1,538,020

6. Remuneration Policies and Practices (MIFIDPRU 8.6)

BPSL's remuneration framework is governed under SYSC 19G. Fixed pay provides competitive base salaries independent of corporate earnings fluctuations. Discretionary variable awards are funded strictly from net risk-adjusted profits and incorporate qualitative conduct standards, Consumer Duty compliance, and market integrity.

Material Risk Takers (MRTs) are identified in accordance with SYSC 19G.5, encompassing senior management and control function oversight.

Staff Category	Total Remuneration (£)	Fixed Pay (£)	Variable Pay (£)
Material Risk Takers (Senior Management & Control)	£203,668	£203,668	£0.00
All Other Staff Members	£115,774	£115,774	£0.00

MIFIDPRU 8.6.8R(7) Exemption Note: Pursuant to MIFIDPRU 8.6.8R(7), where a category contains fewer than three individuals, quantitative figures have been aggregated across MRT categories to prevent the disclosure of confidential personal data relating to individual staff members.