

Arda Capital Limited

MIFIDPRU Disclosures

31 March 2025

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Introduction

Business Background

This disclosure is in relation to Arda Capital Limited (CHN: 06805506), authorised and regulated by the Financial Conduct Authority (FRN: 541623). The Company was incorporated on 29 January 2009 and changed its name from Xenfin Capital Limited to Arda Capital Limited on 27 August 2024.

Arda operates primarily as an institutional agency FX broker, with activities in investment management and corporate advisory. The Firm holds client money permissions and is classified as a MIFIDPRU investment firm within scope of the Investment Firms Prudential Regime (“IFPR”).

The Firm is required to comply with the disclosure requirements set out in the MIFIDPRU 8 section of the FCA handbook.

For prudential purposes, it is classified as a Non-Small and Non-Interconnected (“Non-SNI”) firm.

Basis and Purpose of Disclosure

This disclosure provides market participants with both qualitative and quantitative information of the Firm’s governance, risk management processes, own funds makeup and own funds requirements and the Firm’s remuneration policies and processes to a level of detail which is appropriate to the Firm’s size, and to the nature, scope and complexity of its activities.

These disclosures are revised at least annually with additional updates prepared during periods of material change and published on the company website.

These disclosures have been prepared on a solo entity basis as at 31st March 2025, being the date of Firm last published annual financial statements.

Governance & Risk Arrangements (MIFIDPRU 8.3)

Arda Capital Limited is not part of a consolidation group and is regulated on a solo basis, therefore the responsibility of risk management is held internally at the Firm level. The Directors have ultimate oversight over the governance and operation of the Firm and are ultimately responsible for instilling an appropriate risk culture within the Firm, aligning risk with the business strategy, defining the Firm's risk appetite and approving policies and infrastructure.

Directors

The Directors consist of the individual members in the table below.

Name	Individual Reference Number	FCA Role	Appointed/ Removed
Patrick Anthony LINDSAY	PAL01169	SMF3 Executive Director SMF16 Compliance Oversight SMF17 Money Laundering Reporting Officer (MLRO)	Appointed 5 th April 2023
John Charles Lloyd BOWERS	JXB01263	SMF3 Executive Director [FCA CF] Client dealing	Appointed 25 th July 2024
Duncan Thomas RUTHERFORD	DXR08703	SMF3 Executive Director [FCA CF] Client dealing	Resigned 31 st January 2025

The Directors meet quarterly and oversee the Firm's Risk management framework, identifying any potential risks and oversee the prevailing already established potential harms of the Firm. It is the Directors' responsibility to challenge the ICARA process and ultimately sign off.

Risk Appetite

In the day to day running of the business management has been and will continue to be cautious with regard to risks, as Arda has a low overall risk appetite. Specifically, Arda does not intend to take significant risk with its own capital and strives to ensure that principals of brokerage transactions are carefully matched. Any issues arising would not only affect Arda's clients but could have an adverse effect on Arda itself.

In practical terms, this low risk appetite means that whilst management would be prepared to tolerate a degree of unexpected costs as a business can never be risk-free, management would not expect a material increase to Arda's cost base. Expenditure is closely reviewed on a monthly basis, and management enforces controls through a policy of stopping, investigating and / or resolving business events

that impact Arda's profit and loss or the asset value of its clients according to a materiality scale.

Own Funds (MIFIDPRU 8.4)

Under MIFIDPRU 8.4 (Own funds), Firms are required to disclose the following information:

- a reconciliation of CET1, AT1 and T2 items including relevant deductions
- a reconciliation against the balance sheet
- a description of the CET1, AT1 and T2 makeup

Composition of Own Funds

The below figures are reported in pound sterling 31st March 2025.

	Item	Amount (GBP)	Source based on reference numbers of the audited financial statements
1	OWN FUNDS	692,120	
2	TIER 1 CAPITAL	692,120	
3	COMMON EQUITY TIER 1 CAPITAL	692,120	
4	Fully paid-up capital instruments	1,579,975	Ordinary Share Capital
5	Share premium		
6	Retained earnings	(887,855)	Prior Year 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		
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			

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 (GBP)	Under regulatory scope of consolidation	Cross reference to template OF1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Tangible Assets	12,879		
2	Debtors: amounts falling due after more than one year			
3	Debtors: amounts falling due within one year	160,855		
4	Cash and cash equivalents	2,712,219		
5	Total Assets	2,885,953		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
6	Creditors: amounts falling due within one year	2,041,749		
Equity				
7	Called Up Share Capital	1,579,975		4
8	Profit and loss account	(735,771)		6 & 11

9	Total equity	844,204		1
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Own funds: main features of own instruments issued by the Firm

Arda's total own funds is £692,120 at 31st March 2025 which consists of ordinary share capital and the Firm's prior year audited reserves. This capital meets all the requirements of CET1 capital and at the reference date met the Firm's own funds requirements.

Own Funds Requirements (MIFIDPRU 8.5)

Arda Capital Limited is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. As at 31st March 2025, The Firm's basic own funds requirements as a NON-SNI Firm in accordance with MIFIDPRU 4.3 were as follows:

Permanent Minimum Requirement ("PMR")	150,000
K Factor Requirement ("KFR") (sum of below) :	3,783
<i>K-AUM – Assets Under Management</i>	<i>1,424</i>
<i>K-ASA – Client Assets Safeguarded and Administered</i>	<i>2,357</i>
<i>K-CMH – Client Money Held</i>	<i>2</i>
Fixed Overhead Requirement ("FOR")	283,780
Basic Own Funds Requirement	283,780

As the Firm holds client money permissions the Firm's permanent minimum requirement is set at £150,000. During the year ended 31st March 2025, the Firm has begun to offer Investment Management services in line with its MiFID regulatory permissions. The Firm's main source of income continues to arise from spot FX trading which is unregulated.

K-AUM now reflects a combination of:

- K-AUM – the firm's discretionary EAM mandates at third-party custodians
- K-ASA – clients' assets safeguarded and administered by the Firm in third-party money market funds
- K-CMH – clients' money temporarily held, whilst in process to the aforementioned money market funds, in the Firm's pooled client money bank account.

The KFR is currently immaterial, but the Firm continues to monitor and forecast to ensure any future increases are covered, in advance, with sufficient own funds.

From the above the basic own funds requirement of the Firm is the FOR at £283,780 based on the Firm's prior year audited accounts at 31st March 2024. Arda monitors the ongoing expenditure of the Firm and prepares forward looking financial forecasts to ensure that the FOR does not move more than 30% or £2m which would trigger a material change for the Firm to update its FOR mid-year.

The Firm is also obliged to consider risks on top of its basic requirement through its ICARA process in MIFIDPRU 7.6.2. A reasonable estimate is required to ensure Firms hold enough own funds to cover its risk identified in the below:

1. The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities; and
2. The Firm's business can be wound down in an orderly manner.

The Firm's 2024 ICARA assessment yielded no incremental own funds required to fund ICARA based risks. Therefore, the Firm's Own Funds Threshold Requirement is the Firm's FOR at £283,780. The Firm is currently undergoing its 2025 ICARA assessment and does not expect this to yield any incremental own funds requirements.

Remuneration policy and practices (MIFIDPRU 8.6)

Approach to remuneration

The Directors are responsible for the remuneration policies of Arda Capital Limited, and the Firm aims to be compliant with the remuneration requirements set out in the IFPR.

As the Firm is categorised as a Non-SNI Firm, the Firm is subject to all of the requirements in the FCA's Remuneration Code for MIFIDPRU Firms (the "Remuneration Rules").

The Firm has ensured that its procedures and practices are appropriate and proportionate to the nature, scale and complexity of the risks inherent in its business model and activities. More generally in complying with the Remuneration Rules, the Firm seeks to do so in a manner that is appropriate to:

- its size and internal organisation; and
- to the nature, scope and complexity of its activities. complying with the remuneration requirements to the extent that is appropriate to its size, nature and scope of its activities.

Development of remuneration policies and practices

The Policy is based on the following principles:

- **Fairness and Transparency:** Remuneration decisions will be fair, transparent, and merit based.
- **Performance-based:** Remuneration will be linked to individual, team, and Firm-wide performance.
- **Risk Alignment:** Remuneration will be aligned with the level of risk associated with the role and activities performed.
- **Avoidance of Conflicts of Interest:** Remuneration structures shall be designed to prevent conflicts of interest and ensure that the interests of clients are prioritised.

- **Compliance:** Remuneration arrangements will comply with all relevant legal and regulatory requirements.

Objectives of financial incentives

General

The Firm's objectives of financial incentives can be summarised as follows:

- Attract and retain highly motivated, talented and goal orientated employees,
- Encourage, drive and motivate staff to meet their performance targets, and
- Individuals are rewarded based on their contribution to Arda's overall strategy.

Components of remuneration

The Firm's remuneration included in this disclosure is made up of the following components:

Employees:

- Fixed remuneration (i.e. salary)
- Variable remuneration (i.e. Performance bonus 'Cash Bonus' & 'Commission')
- Insurances and benefits (i.e. life insurance, critical illness, private medical, dental, wellbeing allowance, holiday allowance, pension)

Performance criteria used for assessment

Arda's remuneration policy set by the members defines the performance criteria used across the Firm and for individual performance.

The remuneration decisions across the Firm are made based on a combination of:

- The Firm's long-term sustainability and viability including looking through the business and economic cycles;
- The impact on The Firm's Overall Financial Adequacy Rule and Threshold Conditions; and
- The Firm's business performance and results against its strategic objectives.

Individuals and Members are remunerated based on a combination of the below:

- Quality of work delivered
- Satisfaction of clients
- Level of seniority and responsibility within the Firm
- Compliance with business policies and procedures, and
- Contribution to the Firm's overall strategy.

Fixed Remuneration

Salaries: Fixed remuneration is determined based on the role being performed. The Firm regularly compares its levels of remuneration with those of other, comparable

companies and conducts an annual review of remuneration which is subject to business performance and affordability.

Variable Remuneration

Bonus: The Firm operates a fully discretionary variable cash compensation scheme for employees (“Bonus”). Variable bonuses are completely discretionary and are not guaranteed year on year, amounts may vary from each award period.

Material Risk Takers

The Firm has used the guidance in SYSG 19G.5.3 to identify the Firm’s material risk takers (MRTs). The Firm’s MRTs are made up solely of the Firm’s senior management, individuals responsible for the Firm’s regulated activities and ultimately have a direct impact on the Firm’s risk profile. The Directors are responsible for reviewing existing MRTs and identifying new MRTs. At the time of this disclosure the Firm held 2 material risk takers, with only 1 receiving remuneration from the Firm, therefore Arda has taken the exemption set out in MIFIDPRU 8.6.11 to set out the MRT data separately.

Performance adjustment

The Firm will only pay or award variable remuneration where the Board is satisfied that performance criteria has been met. Arda will apply in-year adjustment, malus and clawback as the Firm feels necessary.

Due to the nature of the Firm’s current variable remuneration these adjustments will currently only be applied on individuals’ commission payments where the Firm proves that fraud/deceit has taken place.

Quantitative disclosure

Aggregated quantitative information for all remuneration paid to all staff, split between material risk takers and other staff was as follows:

	All Staff including MRTs
Fixed Remuneration	£372,109
Variable Remuneration	£141,926
Total Remuneration	£514,035

At the time of this disclosure the Firm had 3 members of staff, of which 1 is a Material Risk Taker.

No severance payments were awarded during the year.