



MIFIDPRU 8 DISCLOSURES

31 March 2025



1. Introduction

1.1 Background and basis of disclosure

Retail Book Limited (“RBL” or “RetailBook”) is a non-SNI MIFIDPRU investment firm authorised and regulated in the UK by the FCA (994238). The principal activities of RBL are: (i) to connect companies seeking to raise capital with retail investors (via intermediaries) and (ii) to provide (non-regulated) education and content for participants in retail capital markets.

RetailBook became authorised on 2nd April 2024 and had 14 employees as at 31st March 2025.

This document is prepared in a proportionate manner and in accordance with MIFIDPRU 8 of the FCA Handbook as part of the UK Investment Firms Prudential Regime (IFPR).

1.2 Verification and Frequency

This document has been reviewed by the Risk Committee and approved by the Board of Retail Book Limited. Unless stated otherwise, the information is unaudited.

These disclosures are the first set of disclosures to be made by Retail Book Limited, with the Firm being authorised by the FCA on 2nd April 2024.

1.3 Scope of Application

These disclosures are made on a solo entity basis. Prudential categorisation: Non-SNI MIFIDPRU investment firm with a Permanent Minimum Requirement (PMR) of £750k.

2. Governance

The Retail Book Limited Board (“the Board”) provides oversight and management of the business of RBL in line with its strategic plans and objectives, organises and directs the affairs of RBL in a manner that complies with relevant regulatory requirements and corporate governance standards and manage RBL’s risks, setting the tone and influence of the culture of risk management and regulatory compliance within RBL. The Board meets at least 4 times a year.

2.1 Retail Book Group Committees

The RetailBook Group has established remuneration and an audit and risk committee at the parent entity, Retail Book Holdings level (“RBH”). From July 2025, the remuneration committee has been chaired by a non-executive director, prior to July 2025, remuneration decisions were taken by the RBH Board, which is chaired by a non-executive director.

RetailBook Limited operates a monthly Risk Committee chaired by the Head of Legal, Risk and Compliance (“HLRC”).

2.2 Directorships Held

The RBL Board had two members as of 31st March 2025. The members held a total of 2 relevant directorships between them, none of which were external directorships.

2.3 Diversity

RetailBook recognises the benefits of a diverse workforce and management team. As a recently FCA authorised and independent entity, a goal for the Board is to increase the diversity of the workforce as the company scales.

3. Risk Management

RetailBook operates a consistent, proactive risk management approach, avoiding or mitigating risks where possible and monitoring the firm's activities closely, with independent oversight by the HLRC. The HLRC submits a report of risk matters to the Board for consideration with recommendations where necessary. RBL. RetailBook recognises that effective risk oversight will help ensure that all material risk areas are appropriately identified, owned and managed, improving risk management and maximising value for the firm.

While it is everyone's responsibility to manage risks within their area of responsibility, the HLRC works closely with relevant staff to ensure that there is regular monitoring of key risks and controls, independent review and challenge of the risks and associated assessments, across the business units and support functions.

RetailBook is required to undertake an external annual audit, with the purpose of providing independent assurance regarding financial reporting.

3.1 Risk Culture

A positive risk culture is fundamental to the success of RBLRetailBook and the protection of stakeholders. This requires all staff to focus on risk management in their activities and encourages the necessary mindset and behaviour to enable effective risk management and promote sound risk taking within RetailBook's risk appetite.

This is achieved through:

- Clarity in roles, responsibility and accountability for managing risk at each level of the Firm;
- Maintenance of a clear, positive tone from the Board and senior management, describing risk culture expectations;
- Delivering a program of ongoing training to ensure a high level of risk awareness and understanding; and
- Recruiting and retaining people with the right skills and ensuring appropriate resource and capabilities in risk management.

3.2 Risk Management Framework

RetailBook has adopted a risk management approach, which is designed to continuously identify, assess, manage, monitor and report on risks.

Underpinning this, RetailBook operates a Risk Management Framework to ensure a holistic approach to risk management, with common processes, terminology, methodology and understanding.

3.3 Risk Identification and Management

RetailBook has identified the principal risks that might prevent it from achieving its goal of long-term, sustainable growth, and which could seriously affect its performance, prospects or reputation. Using a common risk and impact methodology within the Risk Management Framework, the likelihood and associated financial and non-financial impact of risks are considered and assessed, including the potential harms to clients and markets.

3.4 Internal Capital Adequacy and Risk Assessment

The Internal Capital Adequacy and Risk Assessment ("ICARA") is integrated within RetailBook's risk management approach. Regular reporting to the Board, including assessment of severe but plausible events and stress tests and capital and liquidity surplus', enables RetailBook to monitor its capital and liquidity requirements and ensure that it can meet the Overall Financial Adequacy Requirement ("OFAR").

4. Capital Adequacy

RetailBook is required to comply with the MIFIDPRU rulebook and hold sufficient capital resources at all times. Own Funds also referred to as regulatory capital, are the resources an FCA-regulated investment firm must maintain to meet capital requirements and absorb losses in adverse conditions. They serve as a cushion to protect clients, counterparties, and market integrity.

A reconciliation of the own funds to the balance sheet in the audited financial statements of RetailBook is presented with the Appendices.

4.1 Own Funds

The table below shows the Tier 1 capital, specifically Common Equity Tier 1 (CET1) capital held by the RetailBook as at 31st March 2025. The Firm does not hold any Additional Tier 1 or Tier 2 capital.

For the year ended 31 March 2025	£'000	£'000
Share Capital and Premium	5,032	
Deductions	(3,799)	
CET 1 Capital Total Own Funds	1,233	
Total Own Funds		1,233

4.2 Own Funds Requirements

Total Own Funds Requirement is the highest of PMR, FOR and K-factor requirement (KFR). For RetailBook as of 31 March 2025:

For the year ended 31 March 2025 £000	£'000	£'000
Permanent Minimum Requirement (PMR)	750	
Fixed Overhead Requirement	1,041	
K-Factor Requirement	0	
Total Own Funds Requirements		1,041

4.3 Adequacy of Own Funds

RetailBook undertakes an assessment of the adequacy of the Own Funds held within its ICARA. The ICARA facilitates the identification of additional requirements from the material risks associated with ongoing business operations and the ability to facilitate an orderly wind-down of the business.

The ICARA process established that RetailBook holds sufficient own funds capital to meet the Overall Financial Adequacy Rule (OFAR).

5. Remuneration

RetailBook's Remuneration Policy (the "Policy") is designed to support key business strategies and to create a strong performance-orientated environment which does not encourage loss making and excessive risk-taking strategies. At the same time, the Policy should attract, motivate and retain talent.

The Policy encourages responsible business conduct, fair treatment of customers and the avoidance of conflicts of interest in our relationships with clients and ensure that the current practices are consistent with and promote sound and effective risk management.

The Policy follows SYSC Chapter 19G and addresses the importance of ensuring that all variable remuneration is subject to risk-based profit performance and is not seen to reward misconduct or poor performance at the individual, business unit or firm level.

5.1 Material Risk Takers

RetailBook identifies Material Risk Takers (MRTs) as all employees whose professional activities have a material impact on its risk profile, including executive directors and other senior staff and those with significant influence functions.

As at 31st March 2025, RetailBook had 14 employees. All employees that held a Senior Manager Function and / or Certified Staff under the Senior Manager and Certification Regime (SM&CR) were classified as MRTs.

5.2 Remuneration Characteristics

RetailBook offers several types of remuneration to its employees. All employees are offered a fixed base salary in addition to a 10% SIPP (pension), of which there is a maximum employer contribution of £10,000 per annum and benefits such as private medical insurance, income protection and life assurance.

Variable remuneration, such as an annual bonus award or equity incentives may be offered and takes account of financial and non-financial performance criteria via an appraisal process covering firm performance, conduct, risk management and compliance.

Where variable remuneration is awarded, RetailBook will consider risk adjusting the award in order to promote effective risk management and behaviours that are aligned with the wider risk appetite strategy.

Guaranteed variable remuneration is not part of RetailBook's remuneration plans.

Where severance packages are required and relate to the early termination of an employee's contract, the payment reflects the individual's performance whilst an employee and do not reward failure or misconduct.

5.3 Variable Performance, Clawback & Malus

RetailBook operates both a post-payment clawback in addition to a pre-vesting malus provision. Clawback and malus will be required in respect of all variable remuneration and not just deferred variable remuneration.

RetailBook reserves the right to demand full or partial repayment from the individual who has been awarded variable remunerations in the following conditions: fraudulent conduct of staff member, misleading information by a staff member or breach of ESMA guidelines.

5.4 Quantitative Remuneration Disclosure

For the year ended 31 March 2025 £000	Senior Management	Other MRTs	Other Staff	Total
Fixed Remuneration	466	266	486	1,218
Total Variable Remuneration	0	0	0	0
of which: guaranteed variable remuneration	0	0	0	0
Total Remuneration	466	266	486	1,218

RetailBook identified 10 employees as MRT's during the year to 31st March 2025.

5.5 Severance Payments

During the year ended 31 March 2025, there were no guaranteed or severance payments made to MRTs

6 Investment Policy

RetailBook meets the conditions set out in MIFIDPRU 7.1.4R, therefore no disclosure under MIFIDPRU 8.7.1 is required.

7 Appendices

7.1 Own Funds Templates

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	1,233	
2	TIER 1 CAPITAL	1,233	
3	COMMON EQUITY TIER 1 CAPITAL	1,233	
4	Fully paid up capital instruments	490	1E
5	Share premium	4,542	2E
6	Retained earnings	(1,072)	3E
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(2,727)	1A, 3E
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

7.2 Balance Sheet Reconciliation

		a	b	c
		Balance sheet as in	Under regulatory	Cross–
		published/audited financial statements	scope of consolidation	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 A	Intangible Assets	854	854	11
2 A	Tangible Assets	31		
3 A	Cash and Cash Equivalents	1,632		
4 A	Other Current Assets	3		
5 A	Prepayments	23		
	Total Assets	2,542		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1 L	Trade and other Payables	131		
2 L	Employment Related Securities	124		
3 L	Other Current Liabilities	199		
	Total Liabilities	454		
Shareholders' Equity				
1 E	Issued Capital	490	490	4
2 E	Share Premium	4,542	4,542	5
3 E	Retained Earnings	(2,944)	(2,944)	6, 11
	Total Shareholders' Equity	2,088		

7.3 Description of Common Equity Tier 1 Instruments Issued

1	Issuer	Retail Book Limited
2	Instrument Type	Equity
3	Governing Law	English Law
4	Nominal	£1.00
5	Perpetual or dated	Perpetual
6	Floating or Fixed Dividend	Floating
7	Regulatory Treatment	Common Equity Tier 1
8	Amount Recognised in regulatory capital	5,032