

# PILLING & Co

## STOCKBROKERS

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### Nominees Service

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INDEPENDENT STOCKBROKERS  
SINCE 1893

# PILLING & CO STOCKBROKERS

Pilling & Co is proud of the firm's independence in offering skilled Stockbroking and Investment Management Services over three centuries. Our head office is named after our founder, Henry Pilling, who launched the firm in 1893. We offer a professional and friendly service to clients around the world and were pleased to receive our fourth award in the last eight years from the Investors Chronicle whose readers voted us the UK's "Best Execution Only Stockbroker" in 2007 for "Customer Service".

We pioneered Personal Equity Plans (PEPs) and their replacement Individual Savings Accounts (ISAs), and also defined the development of this special market nationally. Our expertise in ISAs now covers Child Trust Funds (CTFs) and also "self-invested" Personal Pensions (SIPPs) of which many clients have already taken full advantage. However, we do not just give you sound information to enable you to choose your own investments, all administered by us, we also offer Investment Management and Discretionary services.



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Our aim is to help you achieve your investment goals with the minimum of fuss. This is why we offer an unrivalled telephone service where calls to Pilling & Co go directly to experienced staff.

The main number **0161 832 6581** is answered by qualified stockbrokers who have immediate access to the markets and can normally deal for you instantly. We also have a direct line **0161 819 4850** to our Cashiers Department for enquiries relating to cash and a direct line **0161 819 4808** to our Settlement Department for stock enquiries to save you annoying call transfers. This makes your phone call shorter and means your needs are dealt with more efficiently.

We find this the best way of giving you an efficient service, particularly in busy periods when rapid market movements mean a surge of calls. In volatile market conditions the ability to trade instantly is critical, which gives Pilling clients a major advantage. We pride ourselves on our ability to answer promptly, even in very busy periods.

# Nominee Service General Terms and Conditions

## Nominee Service Key features include:-

- no administration fee
- minimum commission only £20
- optional quarterly income payments direct to your bank
- on-line valuations
- annual statement
- interest on cash while you wait to invest
- investment managed and discretionary services also available
- consolidated tax vouchers

This brochure is issued in accordance with the safe custody and client asset rules of the Financial Services Authority (FSA) which require, amongst other things, that all new and existing clients of UK regulated financial services firms be informed of the arrangements and risks involved in registering their investments in the name of a nominee company and authorising the firm to hold their cash in a deposit style facility.

## Your Questions Answered

### **Q. How are my investments registered?**

**A.** Through CREST, where available, in our nominee “St Anns Square Nominees Limited”. **You are always the beneficial owner of the investments.** They are never part of Pilling & Co’s assets nor, indeed, of the nominee company’s assets. There may be occasions when identical stocks are pooled together within Crest, or at another custodians, as one block under the title of SASNL. These cannot then be attributable to any individual client and ownership will be evidenced by an electronic bookkeeping entry at Pilling & Co instead of a physical certificate. In these circumstances you are warned, that in the unlikely event of an unreconcilable shortfall after the failure of a custodian, clients may share in that shortfall in proportion to their original share of the assets in the pool.

### **Q. Can I have a joint nominee account with another person(s) ?**

**A.** Yes, each person who is party to the account must sign the nominee agreement, where the agreement is signed by more than one person, it is assumed that they are the joint owners of all cash, securities or other property held and that on the death of any one of the parties to the agreement such ownership will automatically accrue to the survivor(s) who will continue to be bound by the nominee account terms and conditions as if they had signed alone.

### **Q. Are my investments secure?**

**A.** Yes. Pilling & Co **accepts absolute responsibility** for St Anns Square Nominees Limited. Your investments are not only protected under the Financial Services Compensation Scheme (FSCS), but, with the security of Pilling clients in mind, we also maintain additional professional financial risks insurance to cover the changing level of turnover in our business. If your investments must be held by a third party, we will use our best endeavours to make

sure that only recognised and well-respected financial institutions are used. There may be further risk with non UK based custodians because of different settlement, legal and regulatory requirements. In some cases dividend payments may be briefly held in a custodians overseas bank account before payment is made to Pilling & Co. However, we do not accept responsibility for such third party safe custody obligations.

**Q. How do you look after my money?**

**A.** We deal with your money in accordance with the client money regulations of the FSA which, amongst other things, require us to ensure that your funds are clearly segregated from our own in special trust status accounts at banks which are approved by the FSA and subject to an annual risk assessment by us.

Your money however will be held by the approved bank(s) in a pooled account with other client's money and will not therefore be separately designated with your name. In the unlikely event of the failure of the approved bank resulting in an un-reconcilable shortfall clients may share in that shortfall in proportion to their original share of the cash in the pool.

We require your written authority to hold cash in a deposit style account facility with an approved UK bank.

Should you hold non-UK investments, cash generated from these such as interest and dividends may be held temporarily in overseas banks or branches of approved banks situated outside the UK. You should be aware that client money held in such banks might not be protected as effectively as if held in banks in the UK. The legal and regulatory regime applying to banks in overseas jurisdictions will be different from that operating in the UK. In the event of failure of a bank overseas your money may be treated in a manner different from that which would apply in the UK.

**Q. Can I buy and sell shares held in my nominee account?**

**A.** Yes. You can trade as often as you wish, simply ring our team of dealers who will be pleased to assist you on **0161 832 6581**.

**Q. Do you deal "instantly?"**

**A.** Yes. Unlike some nominee schemes, we will deal for you as soon as possible. We **do not** deal only "**once a day**", or even just "**on certain days of the week**". If preferred, you can often hold on the telephone while your deals are being done.

**Q. How do you confirm my deals?**

**A.** A contract note is sent to you for every deal showing price, commission etc. If you do not have a contract note, or the contract you have received is incorrect please tell us without delay and at least **within 2 business days**. Regardless of cause, we can accept no financial liability for missing or incorrect contract notes unless brought to our attention within **10 business days** of the original deal(s).

**Q. What happens to the proceeds from the shares I sell?**

**A.** They are automatically credited to your account awaiting re-investment or, alternatively, you can ask to have the money paid to you.

**Q. Do you pay interest on cash?**

**A.** Yes. Quarterly, we pay gross interest on your cash on a tiered system at rates fixed by Pilling & Co after a variable administrative deduction. An example of the rates are detailed below and our current rates are always available on request.

£	RATE
0 - 6999	0.10%
7000 - 24999	0.20%
25000- 49999	0.40%
50000 and over	0.50%

Interest is credited quarterly. Amounts less than £0.50 will not be credited

**Q. Who chooses the Investments?**

**A. You.** Our dealers are pleased to provide free investment guidance (always on a general "Execution Only" basis) to enable you to make your final investment decisions. However, you are always responsible for suitability and future investment performance. Our Investment Managers will be happy to provide more detailed personal analysis of your investment portfolio once you return our "Client Agreement." Details are available on request.

**Q. Can I transfer shares in my own name into a nominee account?**

**A.** Yes. We need your share certificate(s) and a signed CREST transfer form for each holding. However, the name on the certificate must be yours, your spouse's or joint names. (see below and the "Charges Section" on page 8).

**Q. Do you accept instructions from a third party?**

**A.** Unless otherwise agreed in writing, we will act on any instructions we reasonably believe came from you to enter transactions or deal with your assets, regardless of the circumstances and method of communication. If you wish another person or firm to deal with us as your agent you must notify us in writing, giving details of any restrictions concerning their authority to act on your behalf. We will not be liable for any loss or inconvenience suffered by you if we act on any instruction, consent or information given to us by your agent within the limits specified by you.

**Q. How are dividends dealt with?**

**A.** Dividends are credited to your account and attract interest. At the end of each tax year we will produce a consolidated tax voucher for you detailing all income including your dividends, tax credits and interest which can be used in preparation for your tax return.

**Q. Can I have my income paid out to me?**

**A.** Yes. With the Pilling Income Distribution System all your income is automatically paid straight to your bank or building society account on a quarterly basis. We send you a statement showing the dividend(s) and the amount paid to your bank account.

**Q. How is withholding tax on foreign dividends / cash proceeds dealt with ?**

**A.** Generally we do not make provision for the receipt of gross (or withholding tax adjusted) foreign dividends / cash proceeds but will, if requested investigate the feasibility of doing so on a bespoke basis subject to charges. Claims for withholding tax already deducted will not be made by Pilling & Co without prior agreement. Any reporting of tax/gains required by overseas authorities is your responsibility.

**Q. How do you deal with “Corporate Actions?”**

**A.** We write to tell you of any action effecting your investments including conversion and subscription rights, takeovers and similar offers. We process any capital reorganisations, demergers etc. Where investments are pooled, entitlements are allocated on a “pro rata” basis and are rounded down to the nearest whole unit.

**You must give your clear instructions (preferably in writing) direct to the Settlement Department by the requested date, or we can accept no responsibility whatsoever for any resulting losses or liabilities.**

**Q. Do I get statements or valuations?**

**A.** Yes, we send you an annual **statement**. You will be able to view your valuations on line as often as you wish once you have registered to do so. Simply email your account numbers to us at [info@pilling.co.uk](mailto:info@pilling.co.uk) and we will send you instructions and a password.

**Q. Can I have Company Reports and Accounts?**

**A.** Yes. We can arrange this but, to keep down costs, we suggest you get these from the Company Registrars direct. Alternatively, they may be available from websites such as Annual Report Services.

**Q. Do I have the same rights as an ordinary shareholder?**

**A.** Yes. By negotiation, we can arrange for you to attend company meetings, to vote and to receive any other relevant information that is sent to share or unitholders direct.

**Q. Can my investments be sold without my permission?**

**A.** We reserve the right to sell or realise any investment which we are holding (or entitled to receive) on your behalf in order to meet any liabilities you may have incurred to us. Our right to sell any such investment will arise immediately upon default by you in making payment of any amount due to us and in that event we are entitled to sell or dispose of all or any part of such investment (whether these be investments in respect of which the default arises or any other investments for the time being held by us or which we are entitled to receive on your behalf) *after the expiry of any statutory notice period.*

We shall not be liable to you in respect of any loss arising nor in respect of any choice made by

us in selecting the investments to be sold. We will apply the proceeds of sale (net of costs) in or towards discharge of your liabilities to us and will account to you for the balance. In the event that such proceeds are insufficient to cover the whole of your liabilities to us, you remain liable for the balance.

We shall be entitled, without further reference to you, to buy any investment in the market to close any short position created by you and then, *subject to any statutory notice period*, sell or dispose of any other investments held by us or which we are entitled to receive on your behalf to satisfy in whole or in part the sums due on settlement of any such purchase and its associated costs. We shall not be responsible for advising you about the investment merits of any transactions effected by us pursuant to this section which in all cases will be treated as *execution only* deals.

**Q. Do you offer a probate service ?**

**A.** Yes, we can value the shares at the date of death and send out the appropriate probate valuation, the cost is £10 per stock (subject to a minimum of £30) + vat. Additionally we can release funds to HMRC to cover tax before the probate is released subject to certain conditions. Executors can be spared a significant amount of administrative problems particularly in respect of foreign registered securities by having stock registered in a nominee name

**Q. What are the dealing charges?**

**A.** With a **minimum of only £20**, our commission per deal is 1.65% of the first £10,000 value, 0.5% of the next £90,000 and 0.4% of any excess. We must charge you Government stamp duty at 0.5% of the value when buying shares, preference stocks and convertibles.

**Q. Any commission on unit and investment trust deals?**

**A.** Yes. The commission for buying and selling investment trusts is our normal scale, as are unit trust sales. **No commission** will be charged on buying unit trusts when we are paid commission from the managers direct.

**Q. Are there any extra charges on overseas securities?**

**A.** Whenever possible we trade and hold overseas securities through Crest and although the handling costs are higher than UK securities, Pilling & Co absorb the fees and no extra charge is made.

However, if you choose an investment which cannot be traded or held via Crest and a third party has to be used, there may be extra cost incurred which will be passed on to you. This could be £50.00 per trade and £50.00 annual holding fee and largely depends on the third party we need to use. Please enquire at the time of dealing or transferring stocks.

**Q. What are the charges to transfer stock out to my own name or that of another broker?**

**A.** Transfers out of stocks not purchased through us or purchased through a different Pilling & Co account are subject to a charge of £20 + VAT per security.

# CHARGES AT A GLANCE

## COMMISSIONS & CHARGES

### DEALING COMMISSION (per Deal)

#### 1. UK Equities, Preference Shares, Convertibles, Investment Trusts, Overseas Transactions, UK Gilts, Debentures and Loan Stocks etc.

Minimum	£20
1.65% on the first	£10,000
0.50% on the next	£90,000
0.40% on the excess over	£100,000

UK purchases add 0.5% Stamp Duty

For Overseas transactions please add any Overseas Tax or Stamp Duty, plus transaction and annual charge of £50 where a 3rd party settlement agent is required. (As stocks vary, please enquire at the time of dealing).

#### 2. Unit Trusts/OEICS

Sales are on the same scale as (1) above. Purchases are usually nil commission due to a rebate to Pilling & Co by the Managers, otherwise they are charged as (1) above.

#### 3. Nominee Administration

Transfer-in stock	Free
Income distribution	Free
Rights issues, takeovers, open offers	Free
Annual statement	Free
Consolidated tax voucher	Free
Transfer stock out of nominees	£20 + vat (per stock)*

\* Only charged on stocks not purchased through us or purchased through a different Pilling & Co account

## WHAT TO DO NEXT

To open a nominee account with Pilling & Co, simply complete the relevant form which is enclosed. Please ensure that you complete all sections of the form to enable us to process your application as swiftly as possible.

To simply deal with no advice, please send the Application Form with either a cheque payable to Pilling & Co or share certificates with signed transfers (a blank one is enclosed). If you wish us to contact you before dealing please indicate this with your application and our dealing department will be happy to call you and discuss your requirements.

Feel free to call us with any questions you may have on **0161 832 6581** between 8.00am and 5.15pm on any business day when there is always somebody here to help you.

## ENCLOSURES

Enclosed are the following documents which you may need. Photocopies of all these forms are acceptable providing that all copies contain an original signature. Additional copies are also available from our website [www.pilling.co.uk](http://www.pilling.co.uk) or by request by phoning **0161 819 4808**.

- **Nominee Application Form**
- **Crest Transfer**

## IMPORTANT NOTICE PLEASE READ CAREFULLY

Pilling & Co is authorised and regulated by the Financial Services Authority (FSA) No. 141242 and therefore subject to the jurisdiction of the Financial Ombudsman Service (FOS).

A leaflet detailing our own internal Complaints Handling Procedure is available on request together with booklets describing the operation of the FOS and the Financial Services Compensation Scheme (FSCS) and how to get in touch with them.

Information in this brochure is for guidance only. It is not a recommendation for our nominee service or any other product or to join the Pilling Investment Management or Discretionary Service without proper consideration of your personal financial circumstances and investment needs. Whilst every effort is made to ensure accuracy, we cannot be held liable for any errors or omissions in this brochure. The past is not a guide to future performance, and the tax treatment of investments depends on individual circumstances and is subject to statutory change. Since the value of investments and the income they produce can go down as well as up, you may not always get back the full amount originally invested.

## Pilling & Co Nominee Application form

Title  Your Pilling Account number (if known)

First Names (in full)

Surname

Address   
Postcode

Tel (Home)

E-Mail

Tel (Work)

Mobile Tel

### Income

I wish to retain any income as cash on deposit in my account (See page 4)

I wish to have my income paid quarterly directly into my bank or building society account (See page 6)  
(give details below)

Bank  Branch  Sort Code

Account Number  Customer Ref (if required)

### Money

I / We authorise Pilling & Co to hold my cash (such as dividends, interest and proceeds from sales) in a deposit style account held with a FSA approved bank. I understand that if I were to have overseas investments my money may be deposited in non-UK jurisdictions where my rights and protections may be reduced.

### Custody

I / We authorise Pilling & Co to hold my investments and register them in the name of St Anns Square Nominees Limited or a nominated sub-custodian subject to a written agreement with Pilling & Co, I understand that if I were to have assets in non-UK jurisdictions my rights and protections may be reduced and there may not be separate identification of investments.

I / We understand and agree to the terms and conditions in this brochure or available on request.

Signed

Date