



Cash Deposit Management





Take a different path

Volatile stock markets, institutional failures and concerns about world credit markets mean that investors are increasingly turning to cash holdings with banks, building societies and other institutions for their savings, pensions and other investments. This reflects a desire for safety, security and consistently positive returns free from market volatility. However, how do you decide which institutions are safe and which are not?

Moore Stephens Financial Services provide Cash Deposit Management Services for clients seeking to invest cash capital sums of £50,000 or more (however the service is most effective for sums over £250,000). As Independent Financial Advisers we are able to research the many banks, building societies and other deposit takers on your behalf. Our service is designed to deliver;

- Above average returns for you, typically 1% higher than is available in the high street.
- A well diversified spread of accounts, across different providers, to maximise investor security and minimise default risk.
- Consolidated reporting of the portfolio, with Moore Stephens handling the correspondence with the various banks and building societies on your behalf.

If you would like to arrange a free initial meeting, please get in touch with your usual Moore Stephens contact or get in touch with us using the details overleaf.

Why use the 'Moore Stephens Cash Management Service'?

Our experience of managing over £140M in client portfolios over an extended period of time and across all asset classes, means we have the systems and processes in place to not only select the best investments for your funds, but also to manage them effectively over time.

We are able to constantly monitor the accounts offered by the many different banks and building societies, and then assess their credit ratings, the economic background and likely future market movements. This enables us to provide a proactive approach to managing your cash portfolio. We have access to up-to-the-minute credit listings, rate availability and analysis in order to deliver this capability and have a successful track record in providing investment management services.

Managing your cash

You can be assured that your cash portfolio will be regularly monitored, adjusted and maintained with changing market conditions.

Where will the money be invested?

Good returns can be achieved by using a combination of fixed rate, notice and variable interest accounts, based both in the UK and offshore.

There are a huge number of options to choose from at any given moment from an extensive number of providers. Moore Stephens will never hold your money directly and we will only use banks, or building societies and other institutions that are financially secure and can be monitored on an ongoing basis. These will be a minimum of 'A' rated institutions (please see our summary of credit ratings for further information on what this means).



We do not use currency speculation as an investment tool as we believe it significantly increases risk for our clients.

Clients who are seeking higher returns and are willing to accept a little more risk, may prefer to use our Wealth Management Service, which offers the opportunity to invest in cash deposits and a broad range of other assets including investment funds such as OEICS, Unit Trusts, Stocks & Shares and Government Bonds.

'How can I reduce my tax burden?'

It is sometimes said that tax is only paid by those who have poorly structured their affairs. It is certainly possible to create a portfolio of holdings that will utilise all of an individual's tax allowances and reliefs. Established tax rules can be used to defer tax payable, whilst drawing an income that is tax free at the point of payment. It may also be possible that qualifying individuals can, with careful planning, legitimately avoid paying any tax at all on their investments. This would normally apply to individuals who become non-resident for tax purposes in the year in which they realise their investment gains.

Many individuals are now paying tax on their offshore cash deposits since the introduction of the European Savings tax directive in July 2005. However it is usually possible to restructure these holdings using various approved means in order that no immediate tax liability is incurred.

How much does the service cost?

We are a fee based Independent Financial Adviser and we believe in treating our customers fairly and with transparency at all times. This means that,

rather than take commissions from product providers, we will charge a modest retainer to cover the costs of ongoing research and administration. Full details of our fee charging structure are available upon request.

How long is the lock in period?

You are not tied in to using our management service for any time period whatsoever. If you feel that you are not getting value for money from our management, you are free to terminate our services and transfer to another manager or regain control yourself at any time without penalty.

In summary there are five primary reasons for taking professional advice when you are considering the investment of a large cash sum. This applies equally to individuals or businesses, trusts or charities.

1. Professional Advisers, like Moore Stephens Financial Services, have extensive knowledge and research capabilities that are not available to most individual investors.
2. Risk can be minimised through the diversification of holdings (i.e. keeping your eggs in different baskets) and holding your capital with several different institutions.
3. Investment returns can be maximised through continuous analysis and ongoing fund management.
4. Taxation can be mitigated or even avoided altogether through careful planning.
5. We will reduce the administration burden for you.

Credit Ratings

Moody's Ratings Definitions

N.B. Moore Stephens only use 'A' rated (or better) banks.

Aaa	Banks rated Aaa for deposits offer exceptional credit quality and have the smallest degree of risk. While the credit quality of these banks may change, such changes as can be visualized are most unlikely to materially impair the banks' strong positions.
Aa	Banks rated Aa for deposits offer excellent credit quality, but are rated lower than Aaa banks because their susceptibility to long-term risks appears somewhat greater. The margins of protection may not be as great as with Aaa-rated banks or fluctuations of protective elements may be of greater amplitude.
A	Banks rated A for deposits offer good credit quality. However, elements may be present that suggest a susceptibility to impairment over the long term.
Baa	Banks rated Baa for deposits offer adequate credit quality. However, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.
Ba	Banks rated Ba for deposits offer questionable credit quality. Often the ability of these banks to meet punctually deposit obligations may be uncertain and therefore not well safeguarded in the future.
B	Banks rated B for deposits offer generally poor credit quality. Assurance of punctual payment of deposit obligations over any long period of time is small.
Caa	Banks rated Caa for deposits offer extremely poor credit quality. Such banks may be in default or there may be present elements of danger with regard to financial capacity.
Ca	Banks rated Ca for deposits are usually in default on their deposit obligations.
C	Banks rated C for deposits are usually in default on their deposit obligations and potential recovery values are low.

Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa. The modifier 1 indicates that the bank is in the higher end of its letter-rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the bank is in the lower end of its letter-rating category.

Moore Stephens in the UK

Moore Stephens is currently the UK's 11th largest independent accounting and consulting association, comprising over 1,500 partners and staff in 39 locations.

Our objective is simple: to be viewed by clients as the first point-of-contact for all their financial, advisory and compliance needs. We achieve this by providing sensible advice and tailored solutions to help clients achieve their commercial and personal goals.

Clients have access to a range of core and specialist services including audit and tax compliance, business and personal tax, trust and estate planning, wealth management, IT consultancy, governance and risk, business support and outsourcing, corporate finance, corporate recovery and forensic accounting.

Our success stems from our industry focus, which enables us to provide an innovative and personal service to our clients in our niche markets. Specialist sectors include energy and mining, financial services, insurance, not-for-profit, pensions, professional practices, real estate, shipping, transport and public sector.

Moore Stephens globally

Moore Stephens International Limited is a global accountancy and consulting association with its headquarters in London.

With fees of US\$2.24 billion and offices in 98 countries, you can be confident that we have access to the resources and capabilities to meet your needs. Moore Stephens International independent member firms share common values: integrity, personal service, quality, knowledge and a global view.

By combining local expertise and experience with the breadth of our UK and worldwide networks, clients can be confident that, whatever their requirement, Moore Stephens will provide the right solution to their local, national and international needs.

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