



**WALKERCRIPS** |  
STRUCTURED INVESTMENTS

Due Diligence 2018

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# Who are Walker Crips?

Walker Crips Group plc is a financial services company, providing London Stock Exchange listed wealth management, pensions, stockbroking and structured investment products. Through acquisitions, the company can trace its roots as far back as the 18th century, making it one of the City of London's oldest companies.

For more information on Walker Crips, you can contact Walker Crips Structured Investments on 020 3100 8880 or email [wcsi@wcgplc.co.uk](mailto:wcsi@wcgplc.co.uk).

Walker Crips Structured Investments is a trading name of Walker Crips Stockbrokers Limited which is authorised and regulated by the Financial Conduct Authority (Registration Number 226344).

Walker Crips Structured Investments is a specialist division of Walker Crips Stockbrokers Limited which provides investors, financial advisers and financial institutions with carefully considered investment opportunities. Walker Crips Structured Investments designs, markets and administers structured investment and deposit plans, it does not provide investment advice.

**Established** 1914

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**Offices nationwide** 12

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**Departments**

**WALKERCRIPS**  
STRUCTURED INVESTMENTS

**WALKERCRIPS**  
PENSIONS

**WALKERCRIPS**  
STOCKBROKERS

**WALKERCRIPS**  
WEALTH MANAGEMENT

**WALKERCRIPS**  
INVESTMENT MANAGEMENT

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**Award winning products and services**



**Website** [www.wcgplc.co.uk/wcsi](http://www.wcgplc.co.uk/wcsi)

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## Timeline

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**1914** The stockbroking firm of Weddle Beck & Company was formed in June 1914, two months before the start of World War I.

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**1923** In the early days of the firm a brisk arbitrage business was conducted with Paris and there was a banking business with the joint stock banks consisting of Barclays, Lloyds, Midland and National Provincial Banks.

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**1933** In 1933 a department was established to deal with new issues. The shares of a number of established companies were brought to the stock exchange for quotation and the firm acted as official stockbrokers to these firms.

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**1966** By the 1960s Dudley Weddle considered it would make sense to amalgamate with another stockbroking firm of a similar size.

Nothing could be more natural, therefore, than a merger with Walker, Crips and Company, as the senior partners of both firms had been friends for some considerable years. The amalgamation of the two firms was effected on 28 November 1966 resulting in Walker, Crips, Weddle, Beck & Company.

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**1996** Admitted to the London Stock Exchange as a fully listed plc.

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**2001** Acquisition of Keith, Bayley, Rogers & Co stockbroking business.

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**2005** Acquisition of London York group providing financial planning and pension management services.

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**2008** Walker Crips Structured Investments established

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**2015** Acquisition of Barker Poland Asset Management discretionary and advisory business.

# Locations

- |            |           |             |           |
|------------|-----------|-------------|-----------|
| London     | Inverness | Northampton | Swansea   |
| Birmingham | York      | Norwich     | Truro     |
| Bristol    | Lincoln   | Romford     | Wymondham |



## Security of client money and client assets

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### **How does Walker Crips hold client money?**

Walker Crips holds client money in segregated bank accounts, in accordance with the FCA client money rules.

Pooled client money is distributed across a range of major banks, each of which holds a minimum credit rating of AA or F1 with Fitch. Each of these banks is subject to regular and continuing risk assessment by Walker Crips.

Walker Crips performs daily client money reconciliations to ensure funds held in segregated bank accounts accurately reflect all client assets. It has in place a signed written undertaking from each of the underlying banks confirming that no right of offset exists between credit balances held on behalf of its clients and any indebtedness of Walker Crips, or any of its subsidiaries, held with the same institution.

In the event that any of the banks default, losses would be shared by each client in proportion to their share of total funds held with the bank which has failed. Where a shortfall is identified, investors may be entitled to claim compensation from the UK's Financial Services Compensation Scheme (FSCS).

### **How much protection is provided?**

FSCS rules have fixed the maximum compensation limit at £85,000 per person, per authorised institution. Investors should be aware however that all of their balances with any particular bank, including their personal accounts, would be aggregated in the event that the compensation scheme was triggered. More information on this is available on the FSCS website (<http://www.fscs.org.uk>).

### **What about assets held by nominee companies?**

Walker Crips uses nominee companies to register and administer holdings on its clients' behalf. Each nominee company is a separate, non-trading legal entity, wholly owned by Walker Crips. Whilst legal title of the assets is held in the name of the nominee company, beneficial ownership is retained by the client.

Client investments are held in pooled accounts with those of other clients, meaning that individual entitlements may not be identifiable by either separate certificates, other physical documents of title or electronic record.

Any irrecoverable shortfall following the default of a custodian would be shared by each client in proportion to their original share of the assets in the pool.

Clients' assets that are registered in the name of one of our nominee companies are held in trust and are not regarded by third parties as belonging to Walker Crips. In the unlikely event that Walker Crips defaults, clients' assets would remain entirely separate from those of Walker Crips and could not be used to settle any debts accrued by Walker Crips.

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**Additional assurances and controls for safeguarding client money and client assets**

In addition to the measures described above, Walker Crips offers the following assurances and controls for the safeguarding of Client assets:

Walker Crips' client asset processes and compliance with FCA rules are audited annually by its statutory auditors, BDO LLP (BDO). A report detailing the findings of this audit is then sent to the FCA.

Walker Crips is subject to the AAF 01/06 (assurance reports on internal controls of service organisations made available for third parties) reporting framework. This framework is a voluntary arrangement overseen by the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales (ICAEW). BDO conducts an audit of the control environment (including client asset controls) and publishes a report demonstrating the systems and controls in place at Walker Crips. This report is available on request.

Walker Crips has established an internal audit function which is operated by Smith & Williamson LLP. Internal audit carries out client asset related work as directed by the WGG Audit Committee, with results and recommendations provided for consideration.

Walker Crips is required to submit a monthly Client Money and Assets return (CMAR) to the FCA. The purpose of the CMAR is to ensure that the FCA receives regular and comprehensive information from a firm which is authorised to hold clients assets.

The FCA capital adequacy regulations under the Capital Requirements Directive also requires that Walker Crips maintain a minimum level of financial resources at all times.

Walker Crips have specialist indemnity cover in place that will protect it and its clients in the event of fraud, misappropriation or theft of any clients' assets in its custody and control, including both cash and securities.

## Client data policies

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As a registered Data Processor with the Information Commission, Walker Crips Stockbrokers Limited (WCSB) is required to comply at all times with the Data Protection Act 1998 (the "DPA"). WCSB business activities require it to hold personal data provided by its clients and obtained from other sources. In such capacity WCSB undertake that:

- (i) only use or process such Client Data for the purpose of serving its clients
- (ii) Client Data will be held securely until such time as it is not required for (i) above, when it will be destroyed in a secure fashion.

So that WCSB may comply with its responsibilities it will ensure that:

- (i) appropriate security measures are taken against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data;
- (ii) take reasonable steps to ensure the reliability of any employee who has access to the personal data;
- (iii) in the event of accidental loss or destruction of, or damage to, any personal data a plan will be implemented without delay to ensure the integrity of its client data.

### **Governance**

1. Data security is recognised as a key business risk. WCSB will adopt procedures to ensure this risk is both minimised and mitigated.
2. Data Security is recognized as an issue relevant to all business activities and is not restricted to areas such as IT.
3. WCSB will adopt an open and honest approach to data security to encourage all staff to report concerns and disclose data security breaches.
4. WCSB will ensure that data security policies will be adopted that are proportionate and appropriate to each business activity.

### **Training and awareness**

1. WCSB will ensure that staff receive training on data security and are aware of all relevant policies and procedures.
2. Staff will be made aware of the legal and regulatory requirements to protect customer data.
3. Staff will receive guidance on how data security policies and procedures contribute to the fight against financial crime.

### **Staff recruitment and vetting**

1. New recruits to WCSB will be vetted on a risk based basis.
2. Data Protection issues will be addressed within the firm's Compliance Manual, a document that all staff must ensure they are familiar with during their probationary period.
3. All new staff will confirm they accept WCSB's risk based vetting procedure and will comply with the requirements of that procedure.

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### **Access rights**

1. WCSB will only grant access to IT systems where it is required for employees to carry out their duties.

### **Passwords and user accounts**

1. All employees will receive unique user and password access to systems.
2. Multiple user access using the same password will not be permitted.
3. Sharing of passwords for system access will not be tolerated.

### **Access to customer data**

1. WCSB will only grant access to client data where it is required for employees to carry out their duties.
2. The use of client data for anything other than required by the user to carry out their duties is forbidden and may lead to disciplinary action.

### **Authentication**

1. WCSB will adopt a risk based approach to authenticating the validity of client data and instructions.
2. Client data will only be changed where authenticated and adequate supporting evidence is held.

### **Data back up**

1. Data held in electronic format will be backed up and stored in secure but external locations.
2. Data held on back-up systems will be tested regularly to ensure such data is capable of re-storing client data as part of a Business Continuity Plan.

### **Internet access and firewalls**

1. All incoming electronic data will pass through and be checked by firewall systems supervised by the IT department.

### **Physical security**

1. All WCSB offices will adopt appropriate policies to restrict access to the premises by non-WCSB personnel.
2. Visitors will be supervised by WCSB personnel and their area of access will be restricted as appropriate.
3. Client data, wherever located, will be held securely at all times.

### **Storage and disposal of data**

1. Client data will be retained in accordance with FCA and Data Protection requirements. Client Data no longer required will be disposed in a secure fashion.
2. Client data will only be stored with third parties where they have acknowledged that the data is subject to the provisions of the Data Protection Act.
3. Client data will be destroyed securely either by WCSB personnel using shredding machines or by third party providers in accordance with their terms of business.
4. Third party suppliers will be subject to visits by senior WCSB personnel to review their systems and controls over WCSB client data.



## Walker Crips Structured Investments

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