



Stocks & Shares Individual Savings Accounts

Terms and Conditions

Important Information

These are the Terms for your Stocks & Shares Individual Savings Account (ISA) with us. You are advised to read them carefully. The terms of the Application Form and Key Features Document also form part of these Terms.

These Terms amend the terms of any agreement which we previously entered into with you in respect of the Account.

1 Definitions

In these terms:

“Account” means the Stocks & Shares Individual Savings Account (ISA) opened in accordance with these Terms, your Application Form and the Regulations;

“Account Investments” means the shares and cash held within the Account;

“Account Manager”, **“we”**, **“us”** or **“our”** means Balkerne Asset Management (regulated and authorised by the Financial Services Authority);

“Administrative Office” means 1 Balkerne Hill, Colchester, Essex CO3 3FG;

“Application Form” means the duly completed application form with which the Account was opened or such other document or method of application as is acceptable to us;

“Bank Account” means an account held with NatWest Bank Plc, administered by the Account Manager, into which cash subscribed will be deposited;

“Business Day” means any day on which we are open for business;

“Cash Account” means the component of the Stocks & Shares ISA, which comprises cash deposits in a Bank Account;

“Client Money Regulations” means the Financial Services (Client Money) Regulations 1991 as amended or replaced from time to time;

“Effective Date” means the date upon which we receive and accept both your Application Form and initial Subscription or, in respect of an application other than in writing, the date on which we receive and accept your initial Subscription;

“FSA” means the Financial Services Authority or its successor organisation;

“HM Revenue & Customs” means Her Majesty’s Revenue & Customs.

“Receipts” means any cash balance, income payments, interest and tax reclaims held on your behalf in your Account;

“Regulations” means the Individual Savings Account Regulations 2008 as amended or replaced from time to time and any other applicable statutes and regulations;

“Rules” means the rules of the Financial Services Authority or any self-regulating organisation acting within the scope of the Financial Services Act 1986 as amended or replaced from time to time in so far as the same apply to the Account;

“Subscription” means any amount received from you (or from another account manager on your behalf) in connection with your investment in the Account;

“Tax Year” means a year beginning on 6 April and ending on the following 5 April;

“Terms” means these Terms and Conditions;

“You” or **“your”** means the person whose name, address and other particulars appear in the relevant Application Form.

2 Commencement

These Terms set out the detail of an agreement between you and us, or in relation to the Cash Account (if any), between you and us and the Bank, in respect of your Account. Such agreement will come into force on the Effective Date. We reserve the right to reject an application.

3 Appointment

- 3.1 You appoint us as the Discretionary Account Manager for your Account with authority to manage it in accordance with these Terms, your Application Form and the Regulations.
- 3.2 You authorise us to undertake any functions required of an Account Manager under the Regulations on your behalf and to comply with any other legislation or regulation or Government publication which may affect, or be in any way connected with, the Account now or in the future.
- 3.3 You authorise us to apply on your behalf to HM Revenue & Customs to claim tax credits on dividends or other income of the Account and to make any other claims for the repayment of, or credit against, tax in respect of the Account and we will credit such amounts received to your Account. Such claims for payment of tax credits on your behalf will be made by us in accordance with the Regulations and, on receipt, will either be reinvested into your Account, paid to you, or, if the income withdrawal facility has been selected, held on deposit until paid to you.

4 Delegation

- 4.1 Subject to the Rules and Regulations, we may delegate any of our functions or responsibilities under these Terms to any person provided that before doing so we satisfy ourselves that such person is competent to carry out those functions or responsibilities.
- 4.2 We may appoint an Associated Company duly authorised to act as such to be manager of your Account in our place. In such circumstances, that Associate Company will manage the Account in accordance with these terms.

5 Cancellation

Cancellation rights do not apply.

6 Material Interests

We may without prior reference to you (and without having to account to you for any benefit received as a result) carry out any transaction for your Account even though:

- 6.1 A conflict may arise between our direct or indirect interest or that of any of our customers and our duty to you; or
- 6.2 We act for more than one investor (including you) collectively.

7 Notices

- 7.1 All notices and instructions and any other documents relating to these Terms must be sent to us at our Administrative Office.
- 7.2 We will send you all statements, notices and other documents relating to these Terms to your most recent address notified to us. They will be deemed to be received by you on the fifth Business Day after posting.
- 7.3 You will promptly advise us of any change in any of the information we hold in respect of your Account. You must immediately inform us in the event of your ceasing to be eligible under the Regulations to subscribe to or hold your Account. No further contributions will be accepted to your Account if you cease to be eligible in this way.

8 Management

- 8.1 The Account is subject to our minimum subscription limit and the maximum subscription limit applicable from time to time under the Regulations. The minimum subscription limit is indicated on the Application Form and in the current Key Features Document. We will apply your Subscriptions in acquiring Account Investments in accordance with the instructions contained in your Application Form.
- 8.2 Investments held within the Account are restricted to Account Investments.
- 8.4 Subject to compliance with the Rules and the Client Money Regulations, receipts and other monies pending investment will be deposited as client money in a client account with the Bank. We will not be liable for any default of the Bank. Except as stated in Clauses 3 and 14, interest derived from monies deposited in such account for you will be credited to your Stocks & Shares Account net and will be added to the monies to be invested in Shares.
- 8.5 Interest will be paid as a gross amount in respect of your Cash Account. In respect of your Stocks and Shares Account, in accordance with the Regulations, we are required to deduct and pay to HM Revenue & Customs an amount representing lower rate income tax in respect of interest paid or credited to your Stocks and Shares Account. The net amount of such interest shall be credited to your Stocks and Shares Account quarterly in March, June, September and December.
- 8.7 If requested by you at the time of making your investment, income will be distributed either monthly or quarterly directly to your bank or building society account on 18 of each month or for quarterly income, 18 January, 18 April, 18 July and 18 October each year.
- 8.8 We may retain within the Account a small cash balance, which we may utilise in acquiring Shares for your Account.
- 8.9 We or any Associated Company may aggregate any transaction for you with those of other investors although this may result in a less favourable transaction price than might have been achieved had the transaction been effected separately.
- 8.10 You may not create any security over, or transfer your rights in, the Account Investments.

9 Custody

You will be the beneficial owner of your Account Investments. However, any Shares and Cash in your Account will be registered in our name or the name of our nominee (Balkerne Nominees Ltd), or jointly in your name and the name of our nominee, or jointly in our nominee name and your name and held as nominee for you as beneficial owner. Documents of title (if any) will be held by us or as we direct and will not be lent to a third party or used as security for borrowings. You may not agree or undertake to transfer beneficial ownership of the Account Investment to another person(s). You may not use your Account as security for a loan although it may be used as a means of funding the repayment of a loan.

10 Investment Objectives and Restrictions

- 10.1 Our policy is to invest in Stocks and Shares, UK blue-chip equities, fixed-interest/bond investments, collective investments and other securities.
- 10.2 Subject to any restrictions in the Regulations we will have absolute discretion to use the receipts in your Account to acquire Shares which will then be added to your Account.
- 10.3 We will act as an intermediary in making arrangements for the purchase of Shares for your Account.

11 Charges

- 11.1 The charges which apply to your Account are those which (subject to any other provisions of these Terms) are disclosed in our current Key Features Document.
- 11.2 By giving you at least one month's prior written notice, we may increase the rate or vary the basis of such charges.
- 11.3 Our Initial Charge is payable on the Effective Date. This is deducted by us from your Subscriptions before they are used to purchase Shares. There is also an Annual Management Charge, which is taken from fund(s) held within your Account.

- 11.4 We will be entitled to charge you or, at our discretion, deduct from your Account:
- i) £15 for providing a duplicate of information that has been previously supplied to you;
 - ii) Any charges, fees or expenses payable to us under the Account.
- 11.5 The amounts referred to in Clause 11.4 above may be increased.
- 11.6 In addition and where relevant, we may recover from your Account with your agreement the expense of providing any guarantee by way of an insurance policy or otherwise.

12 Statements

We will send you a half yearly statement and a valuation of your Account as at or near to 5 April and 5 October. This will be sent to you within 21 days of the relevant date. The statement will show details of all sales and purchases effected for your Account, income received and withdrawals since the date of the previous statement. The valuation will be based on the mid price of Shares but it will not include any measure of performance.

13 Income Withdrawal Facility

- 13.1 Where available, you may elect (either on the Application Form or by notifying us in writing) to receive any income received in respect of the Account Investments (whether by way of dividend, distribution, tax reclaims thereon or otherwise) or a fixed amount as determined by you. Where you have made such an election, unless otherwise stated in the Key Features Document, all such income will be paid out on 18 of each month or for quarterly income, 18 January, 18 April, 18 July and 18 October each year. It will be credited direct to your bank or building society account, details of which you will need to have completed on the Application Form or to have notified us for this purpose. Pending its distribution, any income credited will be held for your benefit in the client account referred to in Clause 8.4.

14 Termination, Transfer and Withdrawal

- 14.1 You may transfer ISAs held with other ISA Managers to your Account. We will contact the manager(s) concerned on your behalf and effect the necessary transfers. All transfers to the Account must be made in cash or stock transfer.
- 14.2 Subject to any other provisions of this Clause and in accordance with the Regulations, at your written request and within the time stipulated by you, we will transfer all or part of your Account to another ISA manager at any time provided they agree to such a transfer. Following receipt of your written request, in the case of a Cash Account we will transfer the cash balance of your account to the ISA manager of your choice and, in the case of a Stocks and Shares Account, we will encash any Shares in your Account and transfer the cash value of your Account or if requested by you to transfer the Account Investments (without first realising the Shares i.e. in specie) to the ISA manager of your choice. Transferring the account investments in specie are subject to a charge of £25 plus VAT per holding. Any outstanding management fees will be debited to all ISA's transferred to another provider up to and inclusive of the date of transfer.
- 14.3 Subject to any other provisions of this Clause, you may withdraw all or part of your Account. At your written request and normally within seven Business Days of receipt by our Administrative Office of your request, we will:
- i) pay you the amount of the withdrawal; or
 - ii) Transfer to you, Account Investments to the value of the amount requested for withdrawal.
- 14.4 Interest will cease to be payable in respect of the cash within your Account on the day that the principal settlement is made in response to your request under Clauses 14.2, 14.3 and 14.7.
- 14.5 Before we make a payment to you or transfer all or any Account Investments pursuant to these Terms, we shall be entitled to deduct from the Account an amount necessary to discharge any obligations or liabilities (including tax liabilities or amounts representing tax as estimated where necessary by us) which may be due from you.
- 14.6 No withdrawal may be made for an amount of less than our minimum withdrawal limit or which would, if effected, reduce the value remaining in your Account to less than our minimum subscription limit. We reserve the right to amend these limits at any time without giving you prior notice. We will send you the net proceeds of the sale of any Account Investments sold under this Clause as soon as reasonably practicable after the settlement of any necessary sale transaction.

- 14.7 You may terminate your Account at any time by giving us written instructions and within the time stipulated by you, we will pay to you the value of your Account. However if you so request in writing we will instead transfer the Account Investments to you without first realising the Shares.
- 14.8 We may terminate the Account after giving you 14 days' written notice if we reasonably believe you have not complied with the Regulations (or if you notify us that you are no longer eligible under the Regulations to keep the Account), or if we are of the opinion that it is impracticable to administer the Account in accordance with the Regulations.
- 14.9 On termination or transfer of the Account any fees due to the date of termination or transfer including a pro rata proportion of any periodic fees will be payable by you and deducted by us from your Account.
- 14.10 On termination, we will continue to operate your Account to facilitate the settlement of all outstanding transactions, for example receipt of income and tax reclaims which may be due. After such transactions have been settled and their value has been paid to you these Terms will terminate. We shall not be responsible for reclaiming on your behalf any tax which is refundable to you in respect of:
- i) income arising from the Account Investments the payment date for which occurs after the Account is closed; or
 - ii) Interest credited to the Account after the Account is closed.
- 14.11 Subject to the Regulations, we may at our absolute discretion terminate your Account at any time by giving written notice to you. Such notice will take effect 30 days after posting and as soon as reasonably practicable thereafter we will (subject to Clause 14.5) transfer the value of your Account to you (or as you otherwise direct).
- 14.12 The Account will terminate on your death, although transactions in respect of Account Investments which have been commenced at the time of your death will be completed. Your personal representatives should provide proof of the date of death and of their appointment. Following receipt of such proof as is acceptable to us, we will deal with the Account Investments in accordance with the instructions of your personal representatives. Any tax refunds claimed on your behalf after your death will be repaid to HM Revenue & Customs.

15 Complaints and Compensation Rights

- 15.1 You should address any complaints in connection with the Account to the Compliance Officer at Balkerne Asset Management, 1 Balkerne Hill, Colchester, Essex, CO3 3FG. In addition, for the Stocks and Shares and Cash Accounts, you have the right to complain direct to the Financial Ombudsman Service. This address is available on request from our Administrative Office.
- 15.2 Balkerne Asset Management as a trading style of Capel Court Plc is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. The limits for compensation are set out by the FSCS as follows:
- Investments: protection for 100% of £50,000*
- 15.4 Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme, details of which may be provided to you on request from our Administrative Office.

16 General

- 16.1 Information about you and the conduct of your Account may be put onto our database and used by us. This information may also be disclosed to others to provide you with the service applied for, for the purposes of fraud prevention, audit and debt collection, and so that services may be processed for us (in the UK and abroad).
- 16.2 To help improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Our recordings are and shall remain our sole property.
- 16.3 We will provide HM Revenue & Customs with all the relevant particulars of the Account and its investments and any other information pertaining to the Account that they may reasonably request.
- 16.4 We will notify you in writing, if by reason of any failure to satisfy any provision of the Regulations the Account is no longer exempt from tax by virtue of the Regulations.
- 16.5 You will be liable to pay any applicable Value Added Tax chargeable in respect of any charges or fees payable by you under the Account. If there are insufficient uninvested monies in your Account to pay any charges or fees which become due to us, we shall be entitled to deduct from any future Receipts, or dispose of Account Investments, for the purpose of realising an amount necessary to pay such fees.

- 16.6 Subject to Clause 16.9 we may amend these Terms by giving written notice to you. Any such amendment will come into force 14 days after notice of it is given to you. We may amend these Terms at any time without notice if we are required to do so by the Board of HM Revenue & Customs or by reason of any amendment to the Regulations or the Rules. In such an event we shall inform you as soon as practicably possible.
- 16.7 **The value of the Shares and the income from them can go down as well as up. Accordingly, the Shares are at risk.**
- 16.8 We will not be liable for any loss arising from strikes, interruption of power supplies, machinery or computer (hardware or software) failures or causes beyond our control. We will also not be liable for loss arising from your investment in the Account unless caused by our negligence, fraud or wilful default or that of our nominees.
- 16.9 In relation to a Cash Account, we may amend the Terms which apply to such Account by giving you at least 30 days' written notice before any change takes effect.

17 Governing Law

This investment is governed by the Law of England and Wales.

18 Voting and Annual Report & Accounts

- 18.1 If you so request in writing, we will arrange for you to receive a copy of the annual report and accounts issued by every Company or other concern in respect of shares, securities or units which are held directly in the Account. A charge will be made for this service.
- 18.2 If you so request in writing, we will arrange for you to attend and vote at Shareholders, Securities holders or Unit holders. A charge will be made for this service.
- 18.3 In the absence of any specific instruction we may, subject to the Rules, make arrangements when appropriate, to exercise the voting rights of your Account Investments at our discretion.

19 Additional Terms

Any additional terms will be provided separately, and in the event of any inconsistency with these Terms, the additional terms shall take precedence.

Health warning

The value of investments can go down as well as up, and as a consequence, the value of your portfolio at any given point in time cannot be guaranteed. Upon withdrawal or transfer of your portfolio you may not realise the sum originally invested. Past performance is not necessarily a guide to future returns.

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