

Welcome to

Hythe Ethical Financial Services

Important information for new and existing clients of Hythe Ethical Financial Services



Independent Financial Advisers

Hythe Ethical Financial Services, 11 Ethelbert Square, Westgate on Sea, Kent CT8 8SR

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Authorised and Regulated by the Financial Services Authority under number 431588

(Rev HE 1.9 – April 2011)

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Hythe Ethical Independent Financial Advisers

Our Objectives

Hythe Ethical always aims to offer its clients quality independent financial advice at a competitive price. This statement is part of that process and is intended as a clear intent of the basis on which we will offer our professional services.

Our Commitment to You

We will

- Represent your interests maintaining your information confidential at all times.
- Advise you on the most tax efficient solution based on your individual circumstances
- Ensure you are regularly informed of progress and in the event that there is none when you can expect to hear from us.
- Avoid using technical jargon when writing to you
- Deal with your queries promptly and it is our intention wherever possible to achieve a same day response. Where this is not possible this will be the next working day.

Hours of Business

Normal Office opening hours are between 9.30 am and 4.30 pm Monday to Friday. We do not close for lunch and reception is manned during these hours. Appointments can be made at any time outside of these office hours by arrangement and at a mutually acceptable location.

Background

Hythe Ethical prides itself on being a highly motivated and successful financial team, our advisers are professionals and work at keeping their knowledge and skills up to date. At the end of 2012 financial advisers will be required to meet a minimum qualification requirement to be able to continue to offer unrestricted and independent financial advice. We are pleased to you that our advisers are already qualified to this standard and have higher level qualifications in addition. Our focus is on you, the customer, and each and every case we undertake carries our badge of commitment and integrity.

Hythe Ethical Independent Financial Advisers was formed in 1996 and are authorised and regulated by the Financial services Authority (FSA) under membership Number 431588

Originally based in Hythe we have been located in Westgate since 2003 but have access to office locations in Whitstable, Ashford and Broadstairs. Our expert team have many years experience between them in assisting clients with their financial arrangements and can draw on a huge range of technical knowledge to ensure clients benefit from the right information at the right time.

For peace of mind Hythe Ethical can access the whole financial market, as we are not linked to a particular provider and this ensures that you can consider the most appropriate and cost effective products for your individual circumstances.

What Hythe Ethical Do

Pensions

- Personal and Group Pensions including arranging Stakeholder Schemes
- Self Invested Pensions (SIPs) for discerning clients wishing to take more control over their personal investments
- Annuity Purchase when you wish to take Retirement Benefits
- Phased Pension Withdrawals and Income Drawdown for clients looking to take Tax Free cash and/or income whilst keeping pension funds invested
- Advice on Company Pension Schemes to ensure the right option for your whether you are a member or the sponsoring company
- Pension Transfers for those who feel they may benefit from moving their funds to an alternative pension

Investments

- Longer Term Investments in Stocks and Shares, Property and Fixed Interest for clients looking for alternatives to Banks and Building Societies
- School Fees Planning
- Investments to produce Income, Growth or a mixture of Growth and Income
- Trust and Trustee Investments

Inheritance Tax Planning (IHT)

- Financial Planning to assist in reducing IHT liabilities in the event you are concerned about leaving part of your estate to the Inland Revenue

Personal Protection

- Term Assurance to cover your major financial obligations for a fixed term at a low cost
- Whole Life Insurance to ensure that resources to cover funeral expenses, Inheritance Tax and the needs of your dependents are available when you die
- Protection for Mortgages, High Value Loans, Overdrafts, Family and Other Commitments

Business Protection

- Keyman Assurance to help Businesses continue in the event of losing a Key Individual
- Shareholder protection
- Partnership protection
- Corporate investment

Mortgages

- Sourcing and Arranging Mortgages from an often confusing and complicated marketplace.

We also provide advice and can arrange the following

- Permanent Health Insurance (PHI) – Personal Protection
- Group Death in Service Schemes – Business Protection

Beyond our core Financial Services and through affiliated businesses that share our work ethic we are proud to be able to access the following services on behalf of our clients

- Commercial Finance – Asset finance, Commercial Mortgages, Invoice Discounting etc
- Accountancy Services encompassing Audit and Tax advice
- General Insurance Services from Home Insurance to Public Liability to Fleet Car Insurance Schemes
- Property Management Services
- Probate and Will Writing Services
- Independent Solicitors
- Equity Release/Lifetime Mortgages
- Long Term Care Insurance



Client Agreement

Our Status

Hythe Ethical Financial Services are independent financial advisers and is authorised and regulated by the Financial Services Authority (FSA). We are bound by the FSA's rules and operate under the registered number 431588

Our Products and Services

We are authorised to provide investment advice and arrange and effect a wide range of financial services. These are broadly summarised as Collective Investments including

Unit Trusts

Investment Trusts and OEICs

ISA's

PEP's (formerly)

TESSA's (formerly)

Life Assurance

Pensions and Pension Transfers

Bank and Building Society Investments

Term Assurance

You can research these products further on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting the FSA on 0845 6061234

Investment Objectives

Before making a detailed investment recommendation, we will require completion of a financial planning analysis questionnaire to clarify your investment objectives and your attitude to loss. This forms the basis of our advice to you and ensures that any recommendations are suitable for your individual circumstances.

Details of your stated investment objectives will be included in the suitability report we will issue to you confirming our recommendations.

Unless detailed in writing to the contrary we will assume you do not wish any restriction to be made on the advice we are providing to you. When this cannot be done and before proceeding, consideration will be given as to whether Hythe Ethical should undertake the transaction as "not relevant business" on either an execution only basis i.e. directly on your instructions or on the basis that the firms'

recommendations were made on restricted information and its liability will be naturally limited accordingly.

Our Dealings With You

We will if required by yourself or your agent supply copies of contract notes, vouchers and copies of entries in books, records and computerised records relating to you. We undertake to maintain such records for a period of at least six years from the date of each transaction.

Material Interests

Hythe Ethical Financial Services offers independent advice, but occasions can arise where we or one of our other clients will have some form of interest in business being transacted for you. If this should happen or we become aware that our interests or those of one of our clients conflicts with your interests, we will write to you and obtain your consent before we carry out your instructions and detail the steps we will take to ensure fair treatment.

Instructions

Normally we ask clients to provide instructions in writing by completing the relevant application form and signing any appropriate declaration.

Our authority to act on clients behalf can be terminated at any time by either side in writing without prior notice and without penalty. This will be effective from the date the written notification is received. However if transactions already initiated remain outstanding the notification will only be effected once these have been completed.

You will be liable to pay for any transactions made prior to termination and any fees that may be outstanding.

Accounting To You

Other than in exceptional circumstances we will confirm to you in writing the basis of our reason for recommending the transaction executed on your behalf.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them. Where a number of documents relating to a series of transactions is involved we will normally hold each document until the series is completed at which time we will forward them to you.

Cancellation Rights

We will arrange for you to be informed in writing of any right you have to withdraw or cancel that you may have or if it is the case that no such rights will apply.

Payment for Services

We will issue our statement for fees and commission – Keyfacts: About the Cost of Our Services before carrying out any work on your behalf. This explains the available payment options and the maximum we will charge. We will agree with you the final amount of any fee or commission payable.

Level of Service and Review

When we have arranged any investments for which you have given instructions we will ask you to choose between four levels of service. This will determine the frequency and level of contact with us. If at any time the level of service is not as you would expect, we would ask you to write to the adviser in the first instance. See complaints process regarding what to do next in the event you remain dissatisfied.

Client Money

Hythe Ethical Financial Services DOES NOT HANDLE CLIENTS MONEY

We never accept a cheque made out to us unless it is a payment representing settlement of charges or disbursements for which we have sent you an invoice. We never handle clients' cash.

Complaints

If you should have any complaint about the advice or product you receive we have an internal procedure for handling complaints fairly and speedily. We will happily provide you with a copy of our complaints procedure on request. Initially please write with full details to:-

Mr R Alamilla

11 Ethelbert Square, Westgate on Sea, Kent CT8 8SR

If your complaint remains unresolved following our internal complaints procedure we are members of the Financial Ombudsman Service, which is an independent dispute resolution service, and details are available on request.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment and home finance business are covered for 100% of the first £50,000. Deposits with UK banks and 'subsidiaries' of foreign banks which operate in the UK are covered up to £85,000 per investor, per investment institution. Insurance business is generally covered for 90% of the claim value without limit. Further information about the compensation arrangements is available from the Financial Services Compensation Scheme and details can be found on their website www.fscs.org.uk

Data Protection

Information provided by you may be held, processed, disclosed and used by ourselves, in serving our relationship with you. However strict confidentiality will be maintained at all times.

It is understood that unless you notify us to the contrary, you agree to the storage, use and disclosure of such information. This information may be disclosed to third party product providers in the course of completing our analysis and servicing our relationship with you. No information will be passed to another party without your prior consent unless we are legally obliged to do so.

We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or e-mail to keep you informed and up to date as well as informing you of new investment opportunities.

UK Anti-Money Laundering Regulations

We are obliged to conform to the UK Anti-Money Laundering Regulations and also adhere to the guidance notes from the Joint Money Laundering Steering Group, which requires financial institutions to verify the identity and place of residence of each investor. We will also request that you inform us how any monies being invested were obtained/accumulated. This process may mean we require sight of certain documentation. If you provide false or inaccurate information and we suspect fraud or money laundering we will record this. We will not forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in investing where Anti-Money Laundering verification is outstanding.

In the circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) may be returned to you uninvested.

Client Protection

We maintain Professional Indemnity Insurance for the protection of our clients.

Clients Risk

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not necessarily a guide to future performance.

Clients Consent

I understand and consent to the above terms and I hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties.

I agree that the Client Agreement (Rev HE 1.9 – April 2011) will come into effect from the date of issue.

Client Names (s)

Client Signature (s)

Date of Issue



About our independent financial advice services and costs

Our Service

We are Independent Financial Advisers and we research the whole of the market before recommending products and product providers to you.

We analyse your current circumstances and work with you to understand your demands and needs. We will then advise you and recommend certain solutions.

What are your payment options?

We will not charge you anything until you have agreed how we are to be paid.

Paying by fee. Whether you buy a product or not, you will pay us a fee for our advice services. If we also receive commission from the provider when you buy a product, we will pass on the value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.

Paying by commission (or product charges). If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing upfront, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

Paying by a Combination of Commission and Fee. In some circumstances, we also charge a fee on top of any commission we might receive.

How much might our services cost?

If you choose the fee option

We will agree the rate we will charge before beginning work and provide a written estimate of cost. We will tell you if you have to pay VAT.

Our typical charges are:

The Investment Adviser rate is £150 per hour.

Pension instructions would be £200 rising to £250 per hour for specialist work involving Drawdown, Phased Retirement Plans or Pension Transfers.

In addition a fee of between 0% and 3% of the value of any lump sum investments or pension transfers, and 0.25% and 1% fee annually of the value of the fund, to reflect the responsibility of monitoring investments.

Where work is required to be undertaken at short notice or take priority over other pipeline cases for whatever reason, a standard fee of £300 per hour is payable.

An additional £100 per hour for out of office or unsociable hours work.

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.

If you choose the combination of commission and fee option

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you and will be agreed in advance.

If you choose the commission option

The level of commission varies depending on a number of factors and we will always inform you at the time we recommend a particular product what the commission payment would be.



about our insurance services

Hythe Ethical Independent
Financial Advisers

11 Ethelbert Square, Westgate on Sea, Kent CT8 8SR

Date of issue

Client name

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

2. Whose do we offer?

- We offer products from a range of insurers for all types of Life Assurance, Permanent Health Insurance (Income Protection) and Critical Illness Cover.
 - We only offer products from a limited number of insurers.
 - We only offer products from one specific provider or group of companies.
-

3. Which service will we provide you with?

- We will advise and make a recommendation for you after we have assessed your needs.
 - You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
-

4. What will you have to pay us for this service?

- No fee. We will be paid commission from the lender.
 - A fee of £250 payable per application at the point the application is submitted to insurers. We will also be paid commission from the insurance provider. We will refund initial commission up to a maximum of £250 on completion of the application.
You will receive a client specific illustration when considering a particular insurance that tells you about any fees relating to it.
-

5. Refund of fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

- A full refund if the insurer rejects your application.
- A refund of commission to a maximum of £250 will be made from initial commission received by Hythe Ethical when the policy goes on risk. This represents a refund of the £250 application fee. This can be reclaimed from you, in full or in part, in the event the policy is subsequently cancelled and a return of commission is demanded by insurers.
- No refund.

About our ongoing services and costs

Hythe Ethical Master Account Triple A

An exclusive and accessible service for clients who wish to use our professional expertise on a regular basis. Particularly suited to those clients with more complex investment, pension, estate planning or taxation situations and generally those with larger value portfolios. Clients in this category will be allocated a named and authorised adviser who will personally undertake client meetings and client contact.

- Four Annual Reviews in total split: -
- Half Yearly visit x 2 to Clients premises or Hythe Ethical Offices (customer's decision)
- Half Yearly x 2 Desk Top Review and valuation
- Newsletter
- Investment Capped Charge Structure (see below)
- Master Account Review Folder
- Tax Card

Charges 1% per annum

Maximum 2% capped on Initial Investment of New Money

Annual Fee subject to Discussion/Negotiation

Hythe Ethical Master Account Double A

An accessible service for clients who wish to use our professional expertise on a regular basis. Particularly suited to those clients with investment, pension, estate planning and/or taxation situations and constructed portfolios. Clients in this category will be allocated a named and authorised adviser who will personally undertake client meetings and regular contact.

- Two Annual Reviews in total split: -
- Annual visit x 1 to Clients premises or Hythe Ethical Offices (customer's decision)
- Annual x 1 Desk Top Review and valuation
- Newsletter
- Investment Capped Charge Structure (see below)
- Master Account Review Folder
- Tax Card

Charges 0.5% per annum

Maximum 3% capped on Initial Investment of New Money

Annual fee minimum £500 per annum

Hythe Ethical Master Account A

A straightforward timely service for those clients where requirements are less complex or where the client is happy to monitor their finances personally but with the backup of professional involvement and review annually. Clients in this category will be allocated a named and authorised adviser who will usually undertake client meetings and regular contact.

- One Annual Review : -
- Annual visit x 1 to Clients premises or Hythe Ethical Offices (customer's decision)
- Newsletter
- Master Account Review Folder

Annual fee minimum £200 per annum

Hythe Ethical Client

Typically this service is for clients who do not need ongoing advice or where a review is sought as a "one off" arrangement. This service proposition also caters for those who simply wish to have access to an Independent Financial Adviser as and when they choose.

Clients wishing to take benefits from a pension scheme arrangement and where suitable advice is required.

Clients who self monitor their investments but require an occasional professional overview to ensure that they have made sound decisions.

Fees agreed based upon complexity of the required task



Information and Documentation we require from you.

Financial Objectives

Before we can make a detailed recommendation, we will require completion of a financial planning analysis questionnaire to clarify your financial objectives and ensure that recommendations are suitable for your individual circumstances. Details of your stated financial objectives will be included in the suitability report we will issue to you confirming our recommendation. Unless confirmed in writing to the contrary we will assume that you do not wish to place any restriction on the advice we give you. When this cannot be done, or is not relevant, business will be transacted on either an execution only basis i.e. directly on your instructions or on the basis that the Firms recommendations were made on restricted information and its responsibility will be, naturally, limited accordingly.

UK Anti-Money Laundering Regulations

We are obliged to conform to the UK Anti-Money Laundering Regulations and also adhere to the guidance notes from the Joint Money Laundering Steering Group which requires financial institutions to verify the identity and place of residence of each investor. We will also request that you inform us how any monies being invested were obtained/accumulated. This process may mean we require sight of certain documentation. For example it may be necessary to provide some of the following

- Current Full Signed Passport
- Current UK/EU Photo Driving Licence
- Current Full UK Driving Licence (Old Style)
- Inland Revenue Tax Notification
- Current Local Authority Tax Bill
- Bank/Building Society Statement (must be no more than 3 months old)
- Utility Bill (not mobile phone)

If you provide false or inaccurate information and we suspect fraud or money laundering we will record this. We will not forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in investing where Anti-Money Laundering verification is outstanding.

In the circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) may be returned to you uninvested.

A signed Client Agreement and confirmation of service

These documents are the confirmation of your requirements, your instructions to us and agreement on the way Hythe Ethical will be remunerated. This will be issued following our initial consultation.