

# AN INTEGRATED FINANCIAL PLANNING SERVICE FOR PROFESSIONAL PRACTICES



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# AN INTEGRATED FINANCIAL PLANNING SERVICE

Most professional practices, whether large or small, would like to offer a comprehensive wealth management service to complement the other services they offer clients. In reality, however, very few manage to do so successfully.

## Proven track record

At LighthouseCarrwood we have been working in and with accountancy practices and legal firms since 1994. In fact LighthouseCarrwood was born out of an accountancy practice. Many of our key staff, myself included, have worked alongside accountants giving advice to their clients. This puts us in the enviable position of having **the experience to understand first-hand how professional advisers work** with their clients, enabling us to provide that fully-integrated wealth management service that so many practices desire.

## How do we do it?

The service works best when **one of our independent financial advisers is based in your office(s)** one day a week (or more frequently), becoming an integrated member of your team. This enables them to identify clients' financial planning needs, working closely with the partners of your firm. The service can be branded as you wish – your firm's brand, jointly branded or as LighthouseCarrwood. In each case **we take responsibility for all costs and liability**, while you receive a **share of the revenue** from the outset.

We currently have over 80 introducer agreements in place with practices of all sizes around the country.

This brochure will hopefully give you a fuller picture of what we offer and how it could work for your firm. However, experience has taught me that every professional practice is different and I would welcome an initial meeting to discuss how we could provide a highly professional financial planning service for your clients, generating immediate profit for your firm. I look forward to meeting you.

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# WHY CHOOSE LIGHTHOUSECARRWOOD?

**We are one of the UK's leading providers of independent wealth management services to professional practices. Moreover, we are part of Lighthouse Group plc, an AIM-listed company that is profitable and financially robust, has an exemplary compliance record and is the largest autonomous, independently-owned IFA group in the UK.**

LighthouseCarrwood has been providing independent wealth management advice working with accountancy practices and legal firms for over 15 years. This is our core competence and our mission is to be the undisputed leader of this market. We have agreements in place with over 80 practices: we work with each individually to achieve maximum potential.

Our business was created in conjunction with a UK top-50 accountancy practice. As a result, we understand the highly professional level of service required and how to make it work for all parties – the practice, its partners and its clients. We believe that this sets us apart from other IFAs.

## DELIVERING A HIGH QUALITY PROFESSIONAL SERVICE

- We are totally independent: our service is bespoke and unbiased.
- We advise on all areas of financial planning, including investments, mortgages, pensions, employee benefits and, working with your in-house team, tax-planning. You can therefore refer all wealth management business to one adviser who has a holistic view of clients' affairs.
- Our advisers are carefully selected, receive ongoing individual training and are employed (rather than self-employed), ensuring you receive the highest standard of service. Our management support structure ensures they focus on building and maintaining client relationships, thereby achieving a highly professional service.
- Your dedicated adviser is supported by experienced paraplanners and specialist research staff who provide the expert knowledge and market updates our IFAs require to offer a complete, informed service.
- Our back office client management system ensures that business is processed quickly and efficiently, with accurate reporting.



## AREAS OF ADVICE

Clients increasingly expect integrated advice on all aspects of their financial affairs, particularly where a considerable amount of wealth is tied up in a business. Ensuring this wealth remains within the family is often a primary concern. Working closely with you, we make a holistic assessment of clients' current situation and their objectives and advise accordingly. Our expertise covers all areas of wealth management, which broadly include:

- **Investment strategies:** including risk profiling, asset allocation and portfolio rebalancing.
- **Lifestyle protection:** life assurance, personal medical insurance, private health insurance, critical illness cover, income protection, accident sickness and unemployment cover, buildings and contents insurance.
- **Tax-planning:** we advise on minimising income tax, capital gains tax and inheritance tax liabilities, working with your in-house team.
- **Pensions and retirement planning:** pension consolidation, post-retirement planning, and SIPP and SSASs.
- **Exit strategies:** succession planning and estate planning.
- **Mortgages:** we advise on all types of mortgages: residential, buy-to-let, overseas property, bridging finance and commercial lending.\*
- **Employee benefits:** we have a wealth of experience in advising on employee benefits packages, including group pension schemes, group life assurance, group income protection, group critical illness and employee assistance programmes. We make sure clients comply with current legislation and explain the tax benefits such schemes can offer.

### We also advise on more complex solutions, for instance in areas such as:

- individual final salary pension transfers
- specialist unsecured pensions
- corporate final salary scheme reviews
- lifetime allowance reviews
- transferring to qualifying overseas schemes
- VCTs and EISs
- property investment within self-administered schemes.

We use independent analysts to validate our recommendations and ensure that clients only invest in solutions that are suitable for their individual circumstances and needs. Providers of such solutions must be able to demonstrate expertise in the specific areas of investment and, importantly, be able to provide evidence that strong risk controls are in place.

\* The FSA does not regulate buy-to-let mortgages, overseas mortgages, bridging finance or commercial lending.



# SETTING UP THE SERVICE

**Financial planning complements the services traditionally offered by professional advisers and will add value to your practice. Your LighthouseCarrwood IFA will work closely with you to deliver an integrated service that will benefit the personal and business aspects of your clients' financial affairs.**

Yet all too often accounting and financial advisory services are treated as separate disciplines, with the result that conflicting advice is given, albeit inadvertently. Our business models are designed to promote full integration, with LighthouseCarrwood responsible for management, compliance, back office systems and marketing, while the practice is responsible for integrating the service in a way that generates maximum business efficiently. We achieve this jointly by:

- obtaining 'buy in' from your partners and staff
- making joint decisions when appointing advisers
- presenting the service and its capabilities to your staff
- providing all your employees with an information pack about the service
- helping the IFA develop a full working knowledge of your practice
- identifying potential clients among your client base
- implementing joint marketing initiatives to promote the service
- identifying additional marketing opportunities, such as joint seminars on pension planning, IHT, etc
- monitoring and evaluating the service
- providing on-going in-house training for partners and staff.

The profile of your practice and your main client types, for example commercial, personal tax, family, etc, will determine the areas of wealth management likely to be most appropriate.

*“Having LighthouseCarrwood as an integral part of our wealth management service has enabled us to provide a more comprehensive service to our clients. This partnership complements and supplements our range of services. Our close working relationship quickly identified new opportunities for PEM and Lighthouse.”*

**Derek Carr, Peters Elworthy & Moore, Cambridge**



## MAKING IT WORK

The service works best when your LighthouseCarrwood IFA is an integral part of the practice and you introduce them as the person in your team of specialists who provides integrated, strategic and holistic financial advice. Each practice, and the individual partners within it, has different requirements and we therefore agree with you the best way of operating. However, the points below are a reasonable guide. Your adviser will:

- Establish best working methods with your practice and the partners within it, including establishing and confirming business goals and commercial targets.
- Attend partner/manager meetings to give a summary of the month's activity and progress against the goals. They will also give an update on any regulatory and legislative changes and opportunities arising from them and provide an update of any changes within LighthouseCarrwood and Lighthouse Group.
- Meet each partner regularly (at least monthly) to give an update on the clients with whom they are currently working. They will also discuss clients the partner will be seeing, to establish business potential prior to the partner meeting them and agree a course of action. In addition they may suggest specific initiatives of interest.
- Work closely with the tax and other specialist departments, for instance holding regular meetings with the private client and/or tax partners to identify potential business, or searching your data base to identify certain categories of clients (eg, those with high income, high net worth, receiving deposit interest, dividend income, making pension contributions, of a particular age, etc).
- Inform partners when he/she is going to see one of their clients and give a brief report after the meeting.
- Inform partners of any recommendations he or she is making to the client, together with potential earnings.
- Ensure the client's introducer/earnings retention letter has been issued by the practice (if applicable) and that a copy is kept on the adviser's file.

*“I find LighthouseCarrwood professional and easy to deal with. They are interested in long-term relationships and always put the clients' interests first.”*

**Philip Charge, Richardson  
Watson, Surrey**



# BUSINESS MODELS

Working with LighthouseCarrwood enables you to offer a professional financial planning service with little risk and no investment.

You gain an in-house, expert IFA who has access to extensive know-how and research, without having to deal with recruitment, employment, management, training or any of the regulatory requirements and compliance issues and associated costs.

The service should make a noticeable and direct contribution to your profitability, producing a significant revenue stream at little or no cost to the practice. Importantly, it should enhance the service you provide clients, help protect your client base and make it easier to attract new clients.

**We offer two business models: introducer agreement and strategic partnership.**

## **Introducer agreement**

This is a good way of testing the potential of the wealth management service. The agreement works as follows:

- A dedicated LighthouseCarrwood IFA is assigned, in consultation with your firm, to offer wealth management advice to clients. The IFA will be based in your offices on agreed days to see clients and establish working relationships with the partners and managers.
- The service can operate under your brand or be co-branded with LighthouseCarrwood.
- All recruitment and employment costs are borne by us.
- All responsibility for compliance, training and development is borne by us.
- Members of the LighthouseCarrwood management team and the practice's partners coordinate the development of the service.
- The practice receives 25% of income generated through the service, including fund-based renewal income.

If the introducer agreement is successful, the firm may decide to move to our strategic partner business model, to ensure the service reaches its full revenue potential. The strategic partnership model has the added benefit of building a capital value for the practice.



## BENEFITS OF A STRATEGIC PARTNERSHIP

- **Revenue generation:** you receive monthly revenue from the strategic partnership.
- **Increased capital value:** it should add capital value to your practice, with capital payments every five years.
- **Increased marketing opportunities:** we provide as much or as little marketing support as required. This can include hosting seminars and breakfast meetings, and direct mail campaigns. As well as promoting the wealth management service, these will help raise your profile among current and potential clients.
- **Better integration:** both your firm and LighthouseCarrwood have a vested interest in the success of the service. Employees view the service as part of the practice rather than an independent, outsourced service.
- **Protecting your reputation:** LighthouseCarrwood is a subsidiary of Lighthouse Group plc which has an exemplary regulatory record. Lighthouse Group plc works closely with the FSA to maintain this and is regularly consulted by the FSA on regulatory issues.

### Strategic partnership to build capital value

For larger practices a strategic partnership is generally the best business model. This integrated approach enables you to build capital value and fosters a stronger commitment to the partnership. The objective is to build a wealth management team which is part of your firm, while benefiting from the support of a large, autonomous wealth management group.

### The strategic partnership model operates as follows:

- The service can be branded as you wish: for instance, as the wealth management division of your practice, or co-branded as YourNameCarrwood.
- LighthouseCarrwood is responsible for compliance and PI, thereby reducing the risk to your firm.
- IFAs, employed by LighthouseCarrwood, are appointed and are based in your offices.
- Your practice receives up to 25% of revenue generated, with the possibility of additional revenue where appropriate.



- In addition the practice receives valuable capital payments every five years, based on clients' funds invested via certain platforms and subject to certain conditions. This enables you to build a service that creates intrinsic and growing value, which will be reflected in the value of your practice.
- LighthouseCarrwood is responsible for management, recruitment, back office systems, IT, training and marketing.
- You are responsible for integrating the joint venture into your practice and for referring clients to the strategic partnership.

## £14,000 A MONTH TURNOVER WITHIN SIX MONTHS

Aston Murray (not their real name) is a firm of chartered accountants with specialist skills in:

- preparing accounts
- business consultancy
- corporate finance
- project management
- executive recruitment
- audit, tax-planning
- strategic planning
- financial management
- forensic accounting.

The practice, which has 37 staff including three partners, has achieved annual fee growth of more than 25%. Although it had been offering clients a financial planning service for a number of years, the partners were referring clients to a local IFA who was not solely dedicated to their firm. As a result, the service was not performing well, especially when compared to the growth the practice was experiencing in other areas.

Aston Murray decided to set up a strategic partnership with LighthouseCarrwood, called Aston Murray Wealth Management. One of our IFAs works in their office two days a week and within six months the business was turning over on average £14,000 a month. This is in line with the average performance of LighthouseCarrwood IFAs.



*“LighthouseCarrwood understand the importance we place on our client relationships and they have been able to develop these relationships further with their sound advice and products. Everything is working really well with Richard – he makes a real effort to get on with everyone in the office and is successful in his efforts. He feels like he's part of our company – which is a good thing!”*

Rebecca Tait, Richard Place Dobson

*“We have found it extremely hard to find IFAs that work the way we do, to the extent that I eventually qualified as an IFA myself to look after our clients. I am only too pleased to hand this work to LighthouseCarrwood whose approach is everything we could wish: proactive but not pushy, supportive to practice staff and above all efficient. I have no hesitation in recommending them to colleagues and clients.”*

Darryl Ashing, FCA, Ashings

*“Financial advice is another service that an accountant must have at his or her fingertips. It is also vital that this advice is delivered in a way that is both complementary to and compatible with the other services provided. LighthouseCarrwood happily meets these objectives.”*

Brendan Sharkey, MacIntyre Hudson

*“We have worked with several independent financial advisers over the years and it is fantastic to find an organisation and individual that we can rely on and that gives good, sound advice. We have no hesitation in recommending LighthouseCarrwood to our clients. The feedback is normally excellent.”*

David Rice, Rice Associates, Crowthorne

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