



5 useful ways  
financial planners  
can add value to  
accountants' clients

Working with a financial planner can add huge value to your clients.

Teaming up with an expert ensures your clients get a joined-up service when it comes to tax, saving and investing, business and personal protection, and retirement planning.

Your clients get the benefit of fixed-fee, high-quality financial planning advice that can help them grow their wealth, pay less tax, and protect their family, health, and business.

You will also benefit from working with a trusted and transparent partner who'll enhance the service you offer clients, and always keep you informed.

“Look at it through the eyes of a client. Clients very much regard their Chartered accountant as a trusted adviser [...] and the client wants a simple, joined-up solution...”

*John Gaskell, Institute of Chartered Accountants in England and Wales (ICAEW)*

When you meet with your clients, they will probably have questions such as:


- “If I sell my business tomorrow, will I have enough income to retire on?”
- “How do I make the most of my capital?”
- “How can I invest for me and my family's future in the most tax-efficient way?”

If you can provide answers to these questions, or work with someone who can, you strengthen the relationship with your client. A financial planner has the right in-depth knowledge and, importantly, the regulatory authority to help your client determine if they can meet their goals and objectives.

In addition, if your clients have financial issues that span generations, you're more likely to retain clients and benefit from recommendations to other family members and friends.

At Grey Parrot we have experience working with accountants to offer clients a joined-up, holistic service.

Read on to discover the many benefits of partnering with us. Or, to discover the value we can add to you and your clients, get in touch.

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## Become your client's "financial GP"

When your clients come to see you, they will often have questions they need answers to. So, when you work with a qualified financial planner, you can provide these answers more of the time.

You become a "problem solver" – someone a client can call – rather than just a specific expert.

Think of yourself as a "financial GP". You can diagnose the issue and refer the client to a specialist, such as a solicitor or financial planner, if necessary.

This partnership can make a real, tangible difference to a client. For example, they may benefit from answers to important questions, such as "when can I retire?" and "how much capital and income will I need to retire?"

Working with a financial planner can help you to attract and retain good quality clients.

Building a trusted team of advisers can also extend the longevity of the relationship when your client sells their business.

Additionally, it can help with succession planning and intergenerational planning, meaning you can benefit from adding younger family members as clients.

Planners can help you to identify clients that may be suitable for certain types of advice. For example, partnering with us might help you to work with people who need advice relating to:

- Pension allowances such as the Annual or Lifetime Allowance
- Venture Capital Trusts (VCTs), the Enterprise Investment Scheme (EIS), and other tax-efficient investments
- Pension sharing on divorce
- Estate and intergenerational wealth planning, especially for people with a potential Inheritance Tax liability.

Simply, building a trusted team of experts can help your clients to grow their business, plan for their retirement and maximise their tax-efficient saving and investment portfolio.

Your clients trust you and look to you for answers to their problems. So, being able to sit in a room with your client and a financial planner can ensure you come up with a strategy that works.

For example, you can create a cashflow forecast for the business, while we create a personal cashflow that looks at whether the client has "enough income" to retire.

# How our fixed-fee model benefits your clients

If you have referred clients to a financial planner or adviser before, you may already know that they usually charge a percentage fee based on the value of your client's investments.

We don't work in that way.

We don't think it's right that someone with £1,000,000 invested should pay 10 times as much as someone with £100,000 invested if they receive a broadly similar service. We also don't think it's right that the service your client receives should be determined by how much money they have.

In addition, fixed fees are fairer and are typically more cost-efficient for your client.

Here's an example.

Rachel and Colin have £250,000 to invest and are considering two financial planners. One charges a fixed fee of £2,500 a year. The other charges an annual fee of 1% of their investment value.

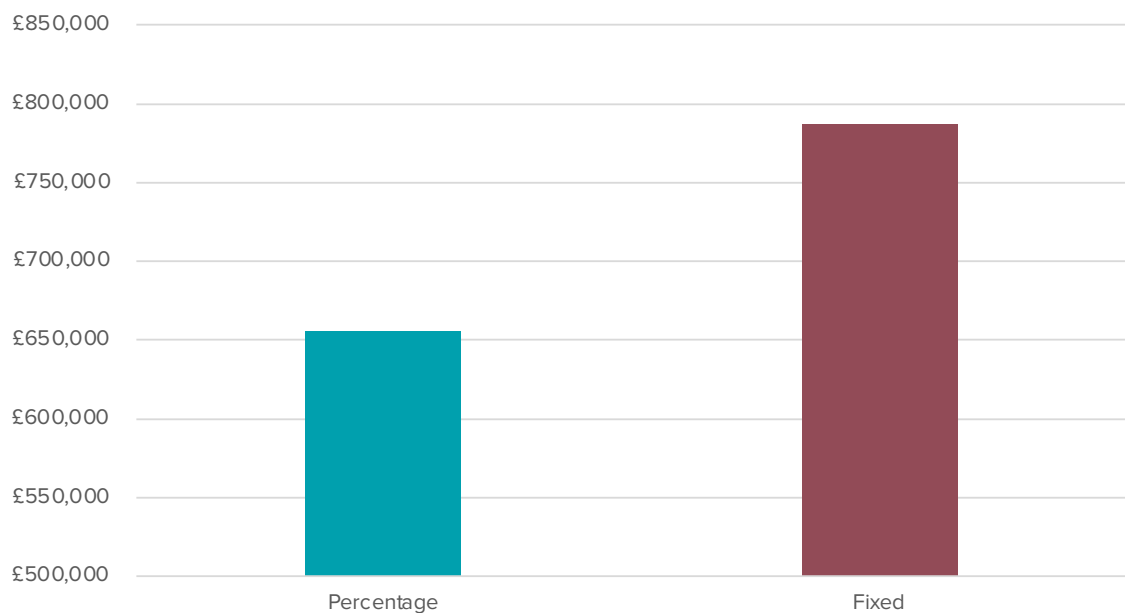
On day one, both planning firms charge the same fee of £2,500.

However, Rachel and Colin's portfolio starts to grow. Let's assume it grows at 6% a year over a 20-year period.

The chart below shows the effect on future values of both a percentage-based and fixed fee charging structure.

## How percentage fees affect your investment values?

\*assumes £250k invested over 20 years with gross growth rate of 6% per annum.



*Using this example, the effect of the fixed charges means that an additional £131,000 has been added to the value of their investment as Rachel and Colin's portfolio grows.*





## Already work with a financial planner?

You may already work with an in-house financial planner, or you recommend another firm.

However, just as all accountants are not the same, neither are all financial planners.

Advisers tend to be called either “financial adviser”, “wealth adviser”, “wealth manager” or “financial planner”. We prefer the term financial planner because planning for your client’s focuses on their outcomes”

We begin with finding out what a client’s aims and life goals are. We see their financial plan as the engine that powers their goals – not as an end in itself.

Only when we have established a client’s goals and ambitions can we begin to look at devising a plan that will help them to get there. It’s not about “selling products” or “opening accounts” – it’s about helping clients to live the lifestyle they want.

## A second opinion is often worthwhile

If you already understand the value of working with a financial planner, think about giving your client the option of speaking with more than one firm. This can help them to find the firm or individual they are most comfortable working with.

When you’re looking for a builder to build an extension, you’re likely to work from recommendations and request several quotes. The same principles should apply to financial planning.



## An example of how we can help your clients

A couple, business owners aged 50 and 46, came to us with a specific goal of retiring in 15 years' time. They had built up assets of £725,000.

Cashflow analysis of their situation revealed that they were a long way off being able to achieve their desired outcome. Using prudent assumptions, their funds would run out 15 years into retirement. To correct this, they needed an additional £60,000 of annual savings.

Although they were small business owners, they were not confident that there was an exit value to their business as they themselves were the main asset. They worried that they would have to continue working in their business for longer than they wanted.

Detailed expenditure analysis uncovered £33,000 of annual disposable income. Of this £33,000, the clients were confident that they could commit £20,000 to their financial plan. But how could we turn £20,000 per annum into the required £60,000?

Here's how we did it.

## Stage 1 – Using their income and tax allowances

We used the £20,000 to contribute to the clients' pensions. With basic-rate relief, this became £25,000.

Claiming the higher-rate pension tax relief, and reclaiming some of the clients' Personal Allowance, added a further £9,000. The clients agreed to round this up to £10,000 a year, and contributed this to an ISA.

Stage 1 has allowed the client to get from £20,000 to £35,000. Simply factoring this into their plan meant that their funds would now last an additional seven years. However, this still wasn't enough.

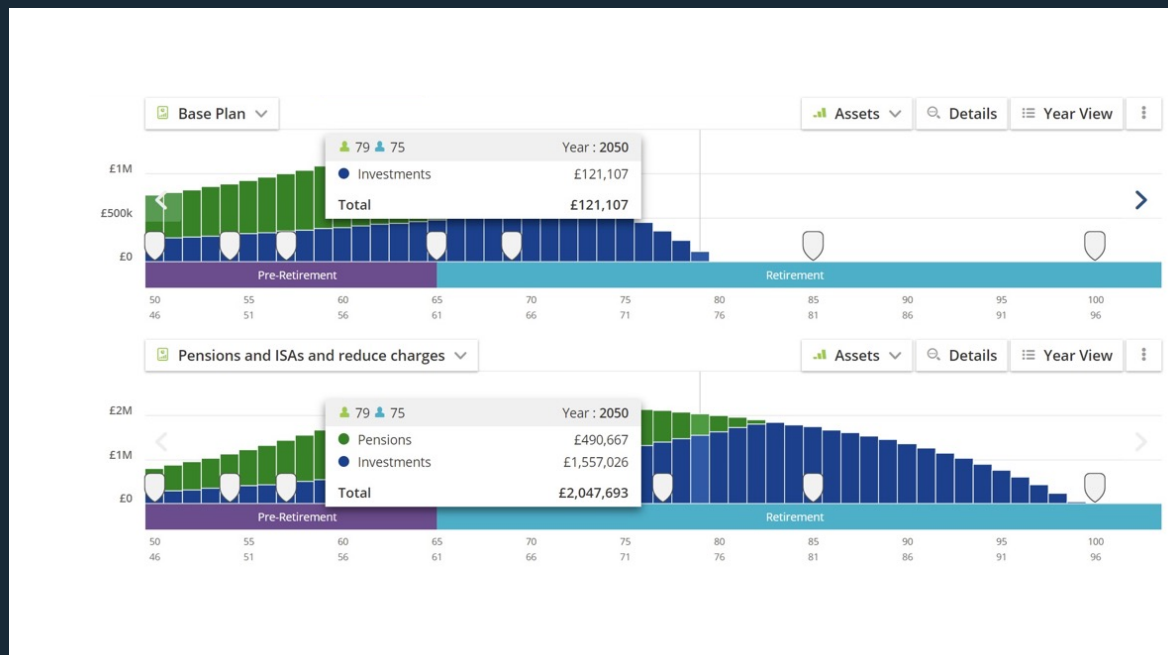
## Stage 2 – Changing the way they pay their adviser

The next stage was to offer the clients more value for their money as they were paying their adviser the traditional way – a percentage-based fee.

We showed them that, by switching to the Grey Parrot fee model, we could redirect fees away from their adviser's pocket and back into their plan every year for the remainder of their lives.

The effect was to ensure that their funds lasted an additional 12 years.

Their funds had been due to run out at age 80 and 76. However, at the point where their funds ran out with the old model, there was still a staggering £2 million in their pot in the Grey Parrot model.



These two steps changed the client outcomes almost beyond recognition. Instead of funds running dry at the age of 80 and 76, our process meant that the clients' funds were now running right up until the age of 99 and 95.

It is difficult to overstate the effect of our process on our clients' outlook. Prior to meeting us, they worried constantly that they could never properly retire because their business had little resale value.

After going through the process, they not only stopped worrying about this, but have now started to explore the possibility of retiring up to five years earlier than they had planned.



# 5 practical ways we can add value to your clients

## 1. Family and business protection

If your clients have a spouse or partner, children or grandchildren, or a mortgage or other debts, it's likely they will need to consider some sort of financial protection.

And, if they own their own business, there may be other risks that they need to consider. Perhaps the business is reliant on a key member of staff and would struggle if something happened to them?

We can give your clients the peace of mind that they and their loved ones will receive financial support when they need it.

## 2. Pensions and retirement planning

You have probably heard some or all these questions from your clients:

- Have I got enough money to retire?
- Can I retire early?
- Will I run out of money in later life?

We can give clients the confidence that they have "enough". And, if they are not quite there yet, we can build a plan to help them achieve the retirement they want. The example on the previous page illustrates this.

Contributing into a pension through a business can be incredibly tax-efficient. However, the rules are complicated and it's easy to end up with a tax charge if contributions or drawings are not carefully considered.

In addition, if you have clients going through a separation or divorce, pensions can often be one of the most significant assets to divide.

## 3. Business owner advice

You're likely to act as a business adviser to your clients, helping them navigate their accounting and reporting. When you partner with us, we can add genuine value when it comes to issues such as:

- Corporation Tax mitigation
- Shareholder agreements and protection
- Business protection, such as relevant life insurance or death in service
- Managing cash within a business, and investing if necessary
- Pensions, including self-invested personal pensions (SIPPs).





We're business owners ourselves who have created successful start-ups and bought and sold businesses over the last 25 years. So, we're ideally placed to help your clients to maximise their tax efficiency and minimise their financial risks.

#### 4. Investment management

If your clients have significant assets – perhaps they have received an inheritance from a loved one – they may simply not know what to do with the money.

We work closely with all clients to devise a strategy that ensures their money supports their life goals and ambitions, while minimising the amount of tax they will pay.

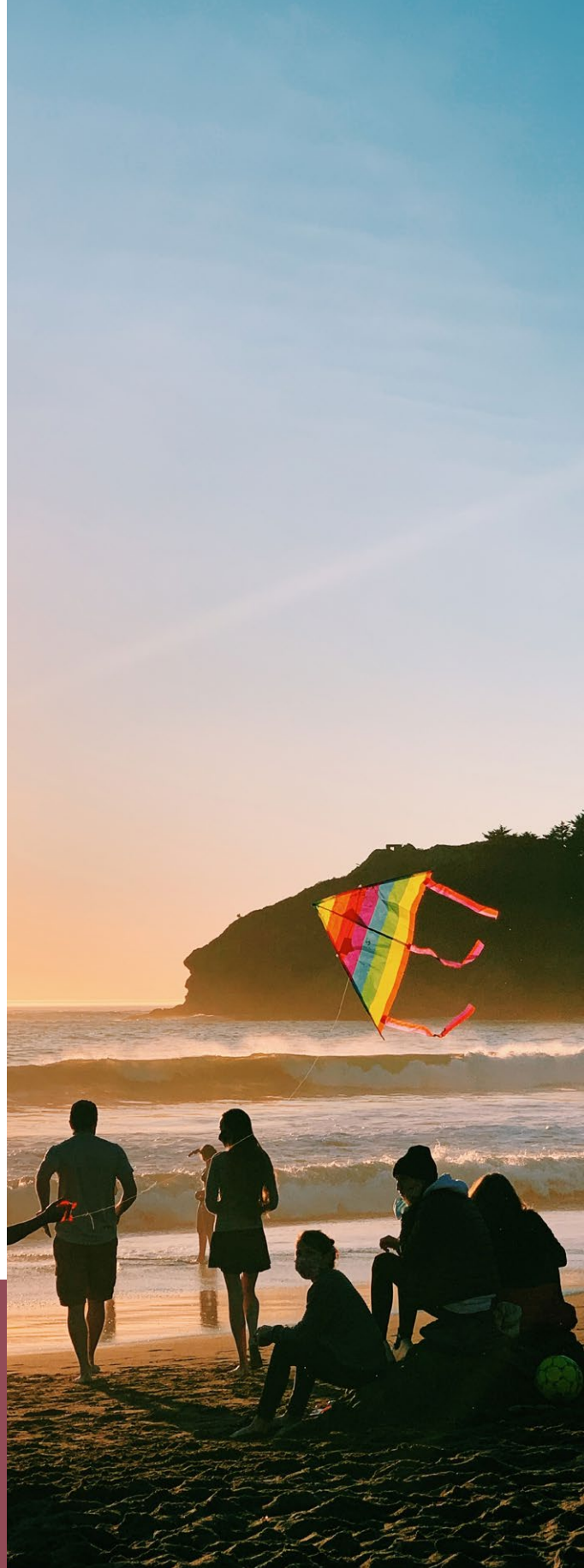
Business owners with significant assets also benefit from a trusted expert who can ensure their money works as hard as possible.

We use a low-cost, evidence-led approach to investing. Minimising charges ensures a client's hard-earned money isn't eaten up by high charges, while creating a highly diversified portfolio, aligned with your client's tolerance for risk, ensures there is potential for investment growth.

#### 5. Inheritance Tax planning

With the Inheritance Tax threshold frozen until 2026, rising investment values and house prices will see more and more people face an Inheritance Tax liability in the future.

We'll work closely with your clients to ensure their loved ones inherit as much of their hard-earned wealth as possible.






## 5 valuable ways working with Grey Parrot benefits your clients

1. Years of experience – We work collaboratively with many clients and accountants. Our job is to enhance the relationship you have with your client, and to add real value.
2. Fixed fees – Our fixed-fee approach is fair and ensures a complete focus on your clients' outcomes. We believe your client should receive an exceptional service irrespective of their level of wealth. It's also more cost-efficient for many clients.
3. Transparency – These are your clients, and, subject to their agreement, we'll always be completely transparent and let you know what work we're doing with them.
4. Expert advice – Our highly qualified team can help your clients plan their future, maximise tax efficiencies, save effectively for their retirement, and protect their family and their business.
5. Client-focused outcomes – We're financial planners, which means our focus is always on your clients' aims and goals. We're interested in what your client wants to do with their life and their financial plan puts these ambitions front and centre.

To find out more about how working with Grey Parrot can add value to your clients, please get in touch.

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## Get in touch

Find out how we can help you.



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## Please note

A pension is a long-term investment. The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. Your pension income could also be affected by the interest rates at the time you take your benefits. The tax implications of pension withdrawals will be based on your individual circumstances, tax legislation and regulation, which are subject to change in the future.

The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.

The Financial Conduct Authority does not regulate estate planning, tax planning or will writing.

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