

27th September 2012

Increased Productivity At Personal Touch

Personal Touch Financial Services ('PTFS'), one of the UK's largest adviser networks, has today published its 2011 annual results showing a growth in productivity on marginally reduced turnover.

Gross profit for the year stood at £9.8m with profit after tax of £1.6m. The company's net assets grew 13.7% in 2011 to reach £14.1m with cash reserves of £2.3m. Annual turnover for the year was £56.1m (2010: £59.9m) down just over 6%.

Despite a continued difficult economic climate, adviser numbers and productivity both saw a small increase. Total average productivity per adviser improved 19% with Appointed Representative firm numbers standing at 998 by the end of 2011, up 21 on the previous year. Registered Individuals numbers reached 1490.

Max Wright, chief executive officer, said:

"Since December 2011 we have had to make some brave decisions, such as increasing charges for members for the first time in three years - and it is only as a result of this that we will be able to move forward more rapidly and deliver better results for the future.

"As part of our Vision 2013 strategy further efficiencies will be made to ensure we have a lean and streamlined business for the new regulatory regime. Our new board is hard at work focusing on ensuring members are given maximum support at a difficult time for many firms and indeed for their clients – as economic problems continue to cause hardship".

During 2011 Personal Touch invested considerable resources to ensure compliance with both the Retail Distribution Review and Mortgage Market Review. Over £0.5m was invested by the company in areas such as training, technology and member support, with further costs coming from increased regulatory fees and PI insurance, as part of the continued FSA authorisation process.

Wright continues:

“The past few years have seen considerable investment in new systems and resources to support growing regulatory demands in the run up to implementation of the Retail Distribution Review in January 2013. As an example, since our last member price review in 2010 the cost of our FSA authorisation alone has increased from £548,000 to £1,264,000 - an increase of 131%. And in addition to this we have to ensure firms have the necessary tools and support required for the new era with a dedicated in-house training resource; field based training and competency teams and enhanced technology solutions.

“The industry continues to face significant challenges but we hope that by taking action now we will all benefit longer term: despite some difficult decisions having to be made short term, investing in the future is, we believe, a prudent strategy for longer term rewards”.

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For further information, please contact:

David Carrington, Marketing Director, Personal Touch	0121 767 1128 / 07590 776746
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Clare Preston, Head of Marketing, Personal Touch	0121 767 1070 / 0770 367 8041
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Nicola Mitchell, Mitchell Money Penny	01242 703266 / 07980 684240
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Notes To Editors

Personal Touch Financial Services was established in 1994, and is now one of the biggest adviser networks in the UK, based on FSA tables.*

Authorised and regulated by the Financial Services Authority (FSA), Personal Touch Financial Services provides business, technical and regulatory support to our community of members. Distributing a diverse range of products from a comprehensive panel of providers, the company has four core areas of business:

- Mortgages
- Protection
- Investments and pensions
- General Insurance

In 2006, Lloyds Development Capital (LDC) invested in Personal Touch Financial Holdings in order to support the growth strategy of the business.

In recent years, Personal Touch Financial Services has won a number of industry awards, including best mortgage proposition, best IFA network, and business leader of the year.

* FSA rankings, June 2012