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Tavistock eyes dividend as losses fall



AIM-listed consolidator [Tavistock](#) plans to pay its first dividend after reducing losses last year to £1.1 million. The company noted a 'significant improvement' in its financial performance in the second half of the year ending 31 March, as it generated £497,000 in cash.

This followed the acquisitions of national IFA [Abacus Associates Financial Services](#) in a deal worth £5.2 million in March 2016 and regional network [Price Bailey Financial Services](#) in a deal worth up to £3.6 million in November 2016. Tavistock chief executive Brian Raven (pictured) said it was possible the consolidator would start paying dividends in the next 12 months after the improvement in its performance.

In the year to the end of March 2016 Tavistock made a post-tax operational loss of £3.2 million. In the same period this year the company's post-tax operational loss was £576,000.

'We have previously said we would like to introduce a dividend stream at the earliest opportunity. Last year we had a post-tax loss of over £3 million and this year we have a post-tax loss of just over £500,000,' he said.

'It is quite feasible that that would be in the course of the next year.'

Raven said the continued losses were due to investment in the future of the Tavistock, including plans to launch an international business.

'The reason there is still a loss is because we are still investing heavily for growth. Apart from the recruitment side where we have traction, it is still early days for growth in some of the marketing areas.

'Looking ahead, the bulk of our growth will be organic, marketing our services outside the group in the UK and, in due course, off shore,' he said.

He used the increased numbers of advisers at Abacus as an example of traction in recruitment.

'Abacus had 44 advisers when we acquired them they now have 66. That was through our recruitment team,' said Raven.

New Model Adviser® understands Tavistock has spoken to potential buyers about selling a small part of its advice business. This is unlikely to affect the bulk of its national advice business.

Raven declined to comment, but said the business is always under review.

'Are we reviewing the business? Well of course we are. We look at potential deals all the time,' he said.

Tavistock Wealth, the group's investment management arm, launched three new exchange traded [funds](#) in June this year 'in response to a consistent demand from IFAs for asset-specific strategies' and to be 'better able to mitigate risk'. Of the £769 million funds under management held by Tavistock £603 million are managed in-house on a discretionary basis.