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Tavistock Investments sells adviser firm to Sanlam

Tavistock Investments has entered into an agreement to sell Tavistock Financial to Sanlam UK.

Subject to FCA approval, the transaction will see Sanlam UK acquire Cheltenham-based Tavistock Financial's network of 158 financial advisers along with 25 support staff, for a total cash consideration of £1 million.

This will be used by the group for working capital purposes.

Tavistock Investments said its cash resources will be strengthened and its regulatory capital requirement will be reduced.

It said that despite a reduction in the reported level of gross revenues, there will be no material impact on the flow of funds into the group's centralised investment proposition or on the future profitability of the group.

It is estimated that in the year ended 31 March 2017 the business of Tavistock Financial, as comprised at completion, would have reported gross revenues of approximately £13.4m with attendant costs of sales of £12m, and contributed EBITDA of some £109,000.

The regulatory capital requirement of the business on a standalone basis would have been in excess of £500,000.

Brian Raven, chief executive of Tavistock Investments, said: "Our focus is on building closer relationships with our advisory partner firms, rather than on operating a traditional network business such as Tavistock Financial."