

Date: 10th August 2017

Publication: Proactive Investors

Journalist: Jon Hopkins

Tavistock Investments sells financial services business to Sanlam UK for £1mln in cash

The transaction will see Sanlam UK acquire Cheltenham-based Tavistock Financial's network of 158 financial advisers along with 25 support staff.

[Tavistock Investments](#) PLC ([LON:TAVI](#)) is selling its Tavistock Financial business to Sanlam Limited's UK operations for a total cash consideration of £1mln.

The transaction will see Sanlam UK acquire Cheltenham-based Tavistock Financial's network of 158 financial advisers along with 25 support staff.

The group said completion of the deal is subject only to change in control approval being granted by the Financial Conduct Authority, which is anticipated in the near future.

Tavistock Investments said the net proceeds will be used by the group for working capital purposes.

As a consequence of the transaction, it added, the group's cash resources will be strengthened and simultaneously its regulatory capital requirement will be reduced.

The firm said it currently anticipates that despite a reduction in the reported level of gross revenues following the disposal, there will be no material impact on the flow of funds into the group's centralised investment proposition or on its future profitability.

Business "no longer fits with our strategy"

Brian Raven, Tavistock Investments' chief executive 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.

"We are now working with over 100 Registered Individuals and 40 Appointed Representative Firms, all of whose businesses we would be pleased to acquire.

"Therefore, the Tavistock Financial business no longer fits with our strategy."

Tavistock estimated that, in the year ended 31 March 2017, Tavistock Financial would have reported gross revenues of approximately £13.4mmln with attendant costs of sales of £12mmln, and contributed underlying earnings (EBITDA) of some £109,000.

It said the regulatory capital requirement of the business on a stand-alone basis would have been in excess of £500,000.