

Mergers & acquisitions

Fairstone   
INVESTING IN GROWTH

- BROCHURE

# Individual Buy Out

A detailed look at our  
unique IBO proposition





## Many independent financial advisers operate across the UK as sole practitioners.

This number is reducing year on year as IFAs face rising operational costs, increasing regulatory pressure and asset value erosion. Inflationary pressures alone suggest that double digit growth is now probably required in order to achieve a marginal increase in profitability.

Growing a business and planning for retirement when working alone can be a real challenge.

*“Fairstone and the IBO proposition delivers a well-thought out and structured exit strategy for advisers when they choose to retire and crucially provides client security by protecting their interests at all times.”*

*Mark John Crichton, Independent Financial Adviser*



## How it works

This is a partnership not a purchase and as part of the proposition, advisers integrate with Fairstone over a minimum two-year period and commit to a 12-month handover ahead of retirement.

The integration period allows for full alignment with our systems and processes and focuses on the growth of your business whilst preparing it for sale. Over the first year we will work in partnership to develop a growth strategy that enables you to optimise the value of your business and achieve your aspirational sale value.

## Optimising your value

We are committed to investing in growth and providing the platform for you to achieve your optimal value.

As part of the IBO proposition we offer:

- Access to organic growth funding
- Business development consultancy and growth support
- New opportunities generated by our customer acquisition programme
- A pay-as-you-go paraplanning service
- Adviser and staff development via the Fairstone academy
- Marketing support\*

\* including access to our TrustPilot and VouchedFor review programmes

## How your plan might look

The Individual Buy Out (IBO) offers three times recurring income paid over four years.

### The scheme offers:

- ✓ **Growth support** to optimise future sale value
- ✓ Total capital value calculated at **3.1x recurring income**
- ✓ An initial payment of equal to **70%** of the previous 12 months' recurring income at acquisition.
- ✓ **60%** of ongoing recurring income paid monthly over four years

Based on **£200,000** recurring income in the last 12 months:

70% capital payment on completion	£140,000
48 monthly payments totalling	£480,000 (£10k per month) (4x £200k @ 60%)
<b>Total consideration</b>	<b>£620,000</b>





To discuss your options  
call  
0845 605 0680 or email

## Interested in joining us?

When it comes to partnering with individual IFAs we have a series of minimum requirements and characteristics that we aim to meet.

We have a preference for Chartered individuals with no previous high-risk business and we look for IFAs based within 25 miles of a Fairstone office.

### We would love to hear from you if you have:

- ✓ Aspirations for growth
- ✓ Minimum recurring income of **£200,000**
- ✓ Total revenue of between **£200,000** and **£500,000**
- ✓ Minimum **70%** as **recurring income**
- ✓ An average **client portfolio** size **above £250k**

If you recognise these characteristics, we'd love to discuss your future growth plans and how we can work together to deliver a strong, sustainable business.

## A partnership not a purchase

Speak to our Mergers & Acquisitions team to find out more about how we could grow together.



### Head Office:

8 Camberwell Way,  
Doxford International  
Business Park,  
Sunderland, SR3 3XN

0845 6050 680

[joinus@fairstone.co.uk](mailto:joinus@fairstone.co.uk)

[www.fairstonegroup.co.uk](http://www.fairstonegroup.co.uk)

### London Office:

2nd Floor  
88 Leadenhall Street  
London  
EC3A 3BP

0207 665 8560



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