



**Investing in  
your business**











## Introduction

As the Financial Services Industry continues to evolve, many business owners who decide to sell their business will be doing so as part of a planned exit strategy that they may have been working on for some time. Others may have made a decision to sell based on the occurrence of a specific event of some kind. Whatever the reason for considering the sale of your business, hopefully this brochure will assist in explaining the approach and processes used by Astute Private Wealth Ltd when considering an acquisition of a firm where the owner is wishing to sell.

## Our Business

Astute Private Wealth Ltd are a directly authorised firm of independent financial advisers and were originally set up in 2010 under the name of WTK Financial Services Ltd. With offices in Ewloe, Flintshire and city centre Liverpool, we have grown to a medium sized firm through a mix of client referrals and acquisition of other smaller sized IFA firms.

Over the past few years, we have acquired a number of other IFA firms, primarily businesses where the vendor was looking to retire, but also firms where the vendor wished to remain in the business as an appointed representative of Astute Private Wealth, continuing to service their clients until the time arrives to either 'wind down' or retire fully. As part of our process, we encourage potential vendors to speak with business owners who have already sold to Astute Private Wealth, and we are happy to put any interested parties in touch with selling parties we have worked with to date.

**So, what is our process...**



## Our Process - What happens when?





### **Initial Introduction**

We receive introductions to owners who are contemplating sale on a regular basis, whether it be from brokers or 'word of mouth', and this usually involves receiving a synopsis or profile of some kind about the business in question.



### **Business Compatibility/Assessment**

On receipt of the above introduction, an initial assessment is made of the likely compatibility of the 'selling' firm with the strategic goals of Astute Private Wealth. This initial assessment includes a review of the firm's income levels, culture and business opportunity, together with the number, demographic and geographic 'make up' of the firm's client base.



### **Face to face discussions with business owners**

Following a positive initial assessment, discussions take place between the potential vendor, one or more of our directors, and maybe one of our acquisitions team. This meeting is to consider whether a potential sale/purchase is the 'right fit' for both parties, taking into account the individual goals and objectives of each, and to provide any necessary assurances and 'peace of mind' for the vendor with regard to the ongoing service for their clients.



### **Non-Disclosure Agreements (NDAs)/Due Diligence**

Due diligence is an important part of any business acquisition, both from the perspective of the acquirer, and also the vendor. The level and detail of this part of the process is dependent on the type and circumstances of the potential deal, but as a minimum, the due diligence undertaken by Astute Private Wealth will include a review of historical advice given by the business being acquired, together with the existing service proposition being provided to clients. In addition, a review of the firm structure, governance, regulatory areas including complaint history, and the systems and processes in place would normally take place. Of course, before any due diligence of the client or any other records takes place, appropriate NDAs are drafted by Astute Private Wealth for review, agreement and signing by both parties. These NDAs are designed to maintain the confidentiality of any negotiations and the client information of both parties.



---

## Our Process - What happens when? continued



### Agreement of Commercial Terms

Once the appropriate level of due diligence has been completed, and if both parties agree there is a potential business sale agreement to be reached, commercial terms are discussed. This will include reaching provisional agreement with regard to the type of purchase transaction (e.g. shares or assets), business valuation, consideration payment terms, ongoing role of the vendor in the business (if applicable), property and employed staff (again, if applicable), and anticipated timescales for the key stages of the business acquisition to be concluded. In terms of business valuation, there are several different methods to calculate this including:

- a multiple of recurring income
- % of funds under management that generate recurring income
- a multiple of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)



### Formal Offer/Heads of Terms

A formal written offer is drafted by Astute Private Wealth Ltd, and a Heads of Terms (HoTs) provided which sets out the key aspects of any intended business sale. Once signed by both parties, the HoTs puts the buyer in exclusive negotiation with the vendor and usually includes the price, payment terms, and what exactly is being bought. This is a pre-cursor to the Share Purchase Agreement (SPA) or Asset Purchase Agreement (APA) which is a more detailed document which is drafted prior to completion.



### Contracts

Astute Private Wealth will take responsibility for drawing up all necessary contracts needed to facilitate completion of the transaction. These include some, but not all, of the following depending on the type of business transaction being planned: Share Purchase Agreement (SPA), Asset Purchase Agreement (APA), Shareholders Agreement, Call Option Agreement, Put Option Agreement, Articles of Association.

Once drafted, these are shared with both the vendor and any legal representative appointed by the vendor to advise on the business sale. The relevant contracts are agreed, and then signed and exchanged either before or at completion. If signed before the completion date, the period between exchange and completion (called the Interim Period), is utilised to make all necessary communications with clients and put arrangements in place for the transfer of clients to Astute Private Wealth Ltd once completion has taken place.



### Completion

Astute Private Wealth will maintain close contact with the vendor throughout the process outlined above, culminating in arranging of all necessary activities needed to ensure a smooth pre-completion period, and actual completion day, including the all-important processing of any consideration payments due. Our firm of solicitors have been engaged by Astute Private Wealth for a number of years, and are very experienced in working alongside vendors' legal representatives to complete acquisition deals in a 'no fuss' and timely manner. In addition, Astute Private Wealth will also apply for and obtain any FCA or other Regulatory Approval as required prior to completion, depending on the type of transaction being planned.



### Integration

Whilst it may be thought that Completion signals the end of the process, Astute Private Wealth dedicates a significant amount of time, effort and resource in integrating both clients and where necessary, the selling firm's systems and processes, with our own. We believe the initial 30 to 90 days post-completion period of any business acquisition is critical, and crucial for retaining clients and ensuring a long-term business relationship.

**Astute Private Wealth therefore follow a tried and tested process, which is regularly reviewed, to ensure a successful client and business integration.**



---

## Testimonials

In closing, we have taken the opportunity to include below a number of testimonials from business owners who have either joined us as an appointed representative, or who we have helped to achieve their objective of selling their business.

### **Bache Financial Services Ltd, Chester – 2015**

‘Having spent more than 30 years building my business, the most important decision I had to make was to find the best retirement route for myself, whilst protecting my clients’ interests. Having met with numerous potential buyers and studying various proposals, the WTK offering best met both my clients’ and my own needs. Having agreed on a proposal, it was planned and executed, in a professional manner, within the timescale set. I was impressed by the efforts made by the directors of WTK to ensure the seamless transfer of business, which benefitted all parties. Since retiring, I have been pleased to hear from former clients and they highly rate the ongoing service they receive from WTK. I couldn’t be happier!’

**Judith Morris-Stephan – Vendor**

### **Robinson Insurance Services Ltd, Liverpool – 2016**

‘WTK acquired our business in 2016. From the initial discussions through to completion, all negotiations were carried out in a friendly, courteous and professional manner. Both companies have a similar culture, philosophy, and approach to business and therefore the integration for both staff and clients was virtually seamless.

Four years on and the feedback, I hear from all concerned, remains reassuringly positive.’

**Ray Jones – Vendor**

### **Paul HT, Cheshire – 2016**

‘I enjoyed my time with WTK. The office backup was friendly and quick and business processing was dependable. I found the monthly team meetings were enjoyable, relevant and informative and I felt part of a team and listened to. The WTK buyback of my client bank was conducted promptly within the agreed timescale and terms that we had agreed, all in a convivial way. This was exactly what I was expecting from my experience of having worked with such an ethical, professional company.’

**Paul HT – AR and Vendor**







## **Wain-Hobson Consultancy Services Ltd, Anglesey – 2017**

'I have been an IFA since 1988 so it was imperative that I sold to a large professional firm of IFAs. WTK Financial Services are Chartered Financial Planners and had the resources to service my clients. From the initial discussions to the final completion, all the staff at WTK were very professional and consistent. They did exactly what they said they would do, and I never had any misgivings about the transaction. They were at pains to introduce me to their staff and we spent time in their offices with ample opportunity to ask lots of questions and for me to get a feel for how they did business.

The client retention rate has been very high with favourable feedback. One of my best clients, a chartered accountant, with substantial assets that I had been nurturing for years, said "Thank you for selling your business to such a nice bunch of guys". The chemistry was right for me and my clients'.

**Tim Wain-Hobson – Vendor**

## **Roel Solloway Financial Planning Services Ltd, 2015-2020**

'I joined WTK as an Appointed Representative in January 2015 and I can honestly say that in over 40 years in financial services, this has been one of the best decisions I have made. The support provided at the outset was simply brilliant meaning that the transfer of agencies, the setting up of new systems, the licensing and approval process and the overall transition for me and my clients was as easy as it could have been. Since that time the ongoing support with compliance, technical matters and portfolio management have all made the day to day managing of my business that much easier than it ever was under previous regimes. Equally important, it has allowed me to concentrate more on the needs of my clients which in turn has seen a large increase in my profits!

Lastly, but equally important, it has given both myself and my clients, the peace of mind that comes with knowing that I have an exit strategy which is right for all concerned, and following my forthcoming retirement in 2020, that clients will see a continuation of the same level of service and methods as I have employed with them over the last 5 years.

I would unreservedly recommend that any independent adviser looking to take their business to the next level to consider what WTK (now Astute Private Wealth), has to offer them'.

**Geoff Forster – AR and Vendor**





---

## Next Steps

The purpose of this briefing is to give you a brief introduction of how Astute Private Wealth's business acquisition process works, and hopefully you have found the information helpful.

If you are interested in selling your business, wish to gain any further clarity with regard to our approach, or indeed anything else at all, please contact either your initial contact at Astute Private Wealth, or our Acquisitions Director, **Mark Wignall** on [mwignall@astutepwLtd.co.uk](mailto:mwignall@astutepwLtd.co.uk) who will be happy to assist.

In addition, we would invite you to visit our website on [www.astuteprivatewealth.co.uk](http://www.astuteprivatewealth.co.uk) to gain some further insight into our business.

Thank you for taking the time to read this brochure, and best of luck with your future plans.

**Astute Private Wealth Ltd.**









**Liverpool Office**

14-20, Pall Mall, Liverpool, L3 6AL

Tel: 0151 236 9507

**Chester Office**

2nd Floor, Vista Building, St David's Park, Ewloe, Flintshire, CH5 3DT

Tel: 01244 660793