

# Deal done

## **BFS raises £675K finance to support growth plans for well-known MK IFA firm**

Just over 12 months ago an existing client of BFS approached us to discuss the future plans for his business and the funding required to achieve these plans.

Having been the subject of approaches to buy his business our client (Tony) did not think now was the right time to sell but in fact was an excellent time for him to build his business by some strategic acquisitions of other smaller independent IFA businesses.

In order to pursue such a strategy Tony believed that he needed to re-align his current borrowings which he had taken on a couple of years prior when buying out his previous equity partner and that he would also be prepared to consider both new loan and equity options to help in this process. BFS agreed to help in the pursuit of his objectives and agreed that in order to present the best proposition to potential lending and equity partners that a Business Plan be prepared.

Having agreed terms of engagement, that involved a nominal monthly retainer and a success fee, BFS worked with Tony and his external accountant to produce a Business Plan that reflected the funding required to re-finance existing loan commitments and acquire an IFA business that he had identified and had already made an offer to buy.

Once the Business Plan was finalised, BFS explored potential funding options and identified a private fund that provided both equity and lending facilities. Tony was introduced to the directors of the private fund who had experience of the IFA market and after several weeks of negotiation, they agreed to provide new loan facilities of £400k at more competitive terms and subscribe £275k of new equity for a minority stake in the business in order for the first proposed acquisition to be completed.

The whole process from the initial instruction until delivery of the funding took several months including the inevitable drawn out legal process required with such deals. However by BFS working with our client and their external accountants they ensured that the business was 'funder and investment ready', a strategy that has paid dividends as Tony has successfully raised the funds, he required for his business.

Tony is very pleased with the introduction BFS have made to his new equity and funding partner not least because they have indicated their willingness to look at supporting him with future acquisitions once the first one has been successfully integrated.

It is worth mentioning at this point that, here at BFS, we never approach any funding project with a single-source objective. Working with private investors prepared to provide a combination of equity and loan finance is a regular occurrence. In other cases more 'traditional' funding combinations may be used e.g. Invoice finance + Asset finance. At the end of the day we will recommend what best suits the client.

In conclusion we are pleased to say that Tony not only has the finance needed to expand his business but has been able to tidy up the Company finances and reduce costs by borrowing an additional amount to consolidate a number of other outstanding loans. As is normal we will keep in regular touch with Tony and we look forward to working with him on further similar projects in the future. If you have a similar project or would like to find out more about the services that BFS provides please contact us at [enquiries@bufinserv.co.uk](mailto:enquiries@bufinserv.co.uk) or call us on 0800 093 5240. We look forward to hearing from you.