

New boss takes the helm at Johnston Financial after MBO

Edinburgh firm unveils £1 billion ambition to double in size in five years

Johnston Financial which is a firm of Chartered Financial Planners is on the verge of completing a two-year management buyout, which will accelerate a period of ambitious growth that aims to double the size of the business.

The company has been operating in Edinburgh since 1987 and now has more than £420 million of assets under management.

Next month the MBO process will be completed with founder and Chairman, Adrian Johnston selling his remaining 27% stake in the business.

Mr Johnston's shares will be bought by business partner John McArdle,

who became Managing Director in May 2018 and will now own 90% of the company. Another director, Suzanne Gray, will own the remaining 10% stake.

The new management structure has ushered in a new era for the firm,

with plans in place to reach £1 billion of assets under management within five years, more than doubling the size of the company.

Mr McArdle said: "Adrian started the business from one room in an

office in Northumberland Street back in the 1980s. We are still in Northumberland Street today, but now have 2000 active

clients, a turnover of more than £2M a year and occupy three floors of the same building.

“It’s testament to his vision and talent that the company has built not only such deep and loyal client base, but also a strong and talented 18-strong team. All of this gives us the perfect platform to evolve and grow even further

“After such an impressive career, it was only right that we made sure succession was also going to be as smooth and seamless as possible. Indeed, we’ve been speaking with our clients about this for many years to prepare them.

“What’s most pleasing is that this allows Adrian to keep an active role in the company as he winds down until retirement.”

Mr McArdle, who joined the business in 1997 as a Financial Planner, rose through the ranks, eventually becoming a 50-50 shareholder with Mr Johnston. He said the buyout deal, negotiated by legal firm Rooney Nimmo in Edinburgh’s West End, had been funded from retained profits.

He added: “We are a very successful business and as a result, a well-known name in the financial sector. Interestingly for us, we seem to be the automatic choice for investment professionals seeking financial planning. However, in terms of the wider public we have rather flown under the radar. Now the time is right to switch things up.

“It will be a period of evolution, not of wholesale change. The company holds Chartered status which is the gold standard for our industry and do a lot of things extremely well. We have a first class advisory team assisted by superb client

support looking after our clients needs for very competitive fees. We intend to build on all of that and are highly optimistic about the next chapter for Johnston Financial.

“Suzanne’s elevation to become a shareholder is a clear statement of our ambitious intent and we’ll be bringing on board other talent to ensure we continue to grow, while delivering the same exceptional service to our clients.”

<https://www.johnstonfinancial.co.uk/>

