

# BrokerWorld

FOR THE PROFESSIONAL BUSINESS FINANCE BROKER

## Ignition for STAR

**S**TAR Capital Partners continues its consolidation of the SME asset finance market with the announcement of the acquisition of Ignition Credit plc, a leading independent asset and vehicle finance provider to UK SMEs via STAR Asset Finance ("SAF"). SAF's broader strategy is to provide a significant alternative source of finance for SMEs, who are widely seen as the engine room of the UK economy. Having been established just nine months ago, SAF is set to arrange over £90 million of financing for thousands of SMEs, over the course of 2015. Ignition represents the third acquisition by STAR since its inception in July 2014.

A unique element of SAF's strategy is to provide owners of asset finance businesses with the opportunity to take an equity participation in the longer term growth

and value creation associated with a much larger asset finance entity which has balance sheet strength, critical mass and economies of scale. Through STAR's diversified investor base and debt facilities, the vehicle has significant levels of additional capital available to invest. The long term intention of SAF is to create a broader funding platform for the SME market, which could include a peer-to-peer lending capability.

Ignition is a leading independent provider of asset and vehicle finance in South West England. Its core activity is the provision of hire purchase and leasing facilities to SMEs. One of Ignition's strengths is that it has the ability to act as a principal lender whilst having long-standing relationships with a large number of funders.

The Company will continue to be run by its existing management team consisting ►



Hugh Sigrist, Renaissance Asset Finance, page 8

### Asset Finance News

- Agri-sector gets Hitachi Capital Boost 3
- Investec puts tax bills to work 7
- Top Best of British broker 11

### Feature

- Acquisition heralds Norton Folgate expansion 10
- Asset Finance Solutions (UK) Ltd celebrate a decade of distinction 12

## Close Brothers RGF Asset Purchase Scheme

The Close Brothers Asset Purchase Scheme can help businesses secure funding from the Government's Regional Growth Fund (RGF) to put towards a deposit for an asset purchase.

Our scheme has already assisted more than 400 businesses access over £20 million of government funding, enabling SME's across England to create or safeguard more than 2000 jobs in a wide range of sectors.

“Our turnover has grown exponentially and business is booming thanks to the Regional Growth Fund.”

*Customer comment*

For further information call 0330 134 6739 email [rgf.broker@closebrothers.com](mailto:rgf.broker@closebrothers.com) or visit [www.closebusinessfinance.co.uk/rgf](http://www.closebusinessfinance.co.uk/rgf)

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## Asset Finance News

### NEWS IN BRIEF

comply with the policies they submitted. That may be a challenge for some."

There have been 10,829 applications for FCA authorisation from consumer credit firms in total, in the period under survey.

LDF and other large firms that have already earned their authorisations are saying that a good alternative to full FCA authorisation is to apply for Appointed Representative ("AR") status. An AR is a person or firm who conducts regulated activities and acts as an agent for a firm directly authorised by the FCA. The directly authorised

Principal takes full responsibility for ensuring that all its ARs comply with FCA rules.

LDF was one of the first organisations to be approved as an FCA-regulated Principal to help SME finance brokers manage their regulatory responsibilities under the new FCA-run consumer finance regime. This means that it provides a complete, ready-made regulatory infrastructure and license for SME finance brokerages operating under the LDF umbrella as Appointed Representatives. LDF already has all

necessary compliance, reporting systems and documentation in place, and can make these available to brokers who are approved ARs.

Callum Stevenson concluded, "Applying for appointed representative status is a sensible alternative for many smaller firms that want to remain active. Deferring responsibility for compliance with FCA rules to a principal company removes huge pressures. SME finance brokers are crucial to the growth UK's smaller businesses and we want to help the industry through the challenges it now faces."

## Who better than a broker to understand a broker?



**H**ugh Sigrist is the MD of Renaissance Asset Finance ("RAF") and is delighted with the way his new lending business continues to grow.

"We have always enjoyed high levels of repeat business and this continues within RAF. Reputation is everything in our market place and we are delighted that so many brokers wish to deal with us. We have always focussed on providing the highest possible levels of customer service; Our mission statement says it all: To provide our customers with a personal service level which consistently exceeds their expectations. This is achieved by bringing together all our experience and expertise to make Renaissance the lender that everyone wants to deal with in the SME and HNWI sector."

Hugh feels the experience and expertise of his team, in both broking and lending to the broker market, is unrivalled. That, combined with the highest possible reputational status obtained in over 30 years dealing through brokers in the asset finance market and being backed by a first rate challenger bank, Bank of London and the Middle East ("BLME"), puts RAF in a great position to build on its initial success.

This is what RAF's brokers say: Andy Wise, Thames Valley Asset Finance: "Thames Valley Asset Finance thanks to Hugh Sigrist, Phil Oatham and all the team at Renaissance Asset Finance for their speed of underwriting (5 hours) for turning around a £260K asset finance opportunity. Our client has now taken delivery of 26 vans for their growing van hire business. Efficient, professional and aware of the need to act with great speed. Keep up the good work."

Adam Posthup owner of Essex Finance Ltd: "In a very short period, Renaissance have delivered all that they have said they would and I have already discounted £1M of business with them. The team are all very competent, having worked

together previously, and I know they take my business very seriously. They are more than happy to go on a joint visit with me to meet my customers. Often, they will also set a larger credit line than I had first requested, which helps me write additional, incremental business.

The other reason I am happy to deal with them, is that if one of the customers I ever introduced to him made a direct approach behind my back, Hugh would always refer the client back to me and pay me a commission. It is so important to be able to trust the lenders you deal with. I have never been let down in this respect. I have done and will continue to recommend Renaissance Asset Finance to any other broker in the market." **BW**



L-R: Stacey Millburn, Kevin Dew, Victoria Fisher, Hugh Sigrist, Ann Isaac, Alan Beardsworth, Danielle Mattell, Matthew Wats, Phil Oatham, Mark Lester

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Once upon a time the local bank manager enjoyed autonomy to assess a trusted business customer and make a decision to facilitate an overdraft or loan to accommodate the working capital, growth aspirations, or acquisition costs of that business. The borrowing was usually repaid without incident, and all was sweet in the local supermarket, pub, or golf club.

But those times are no more. Help for viable businesses remains available through traditional bank and independent funders, however post 2008 much of the flexibility has been lost due to restraints applied by the Bank of England, the UK Government, the EU and beyond.

So what to do to fund growth for business owners underpinning our economic recovery? Alternative funding markets over the last few years have evidenced a significant evolution of ideas to bridge the voids created by the hardening stance

of our institutional lenders. Close Brothers Group ("CBG"), an innovator of alternative finance, remains one of the pioneering champions of this independent sector having developed a significant lending portfolio across many different products which include asset and invoice finance, refinancing of working assets, marine, and commercial mortgages.

One of CBG's divisions, Close Brothers Business Finance ("CBBF"), is one of the UK's leading finance providers for acquisition of working assets through structured Hire Purchase and Leasing, specifically secured against the business assets, thus preserving bank facilities for working capital and the odd rainy day. CBBF and other independent lenders are also increasingly helping businesses to raise working or growth capital, reduce debt burden and improve cash-flow via refinancing of existing business assets and restructuring of existing asset finance. Understanding and accessing the

myriad of available funders and finance elements can be a conundrum for most business owners so it is almost certainly no coincidence that the growth of independent finance brokers reflects and complements this growing diversity.

Established in 2006, B2B Cashflow Solutions ("B2B") is one such brokerage and consultancy working with CBBF and many other funding partners in support of these "whole life-cycle funding" traditional lenders cannot, or will not, support their business customers. Specialising in partnering our banking and accountancy colleagues to provide packaged funding to their business communities, B2B continually strives to improve capability by identifying new lending partners and alternative funding solutions delivered through a growing, strategically located, and highly experienced team.

Over the past four years B2B has been recognised in the Business Moneyfacts Awards ("Best Asset Based Broker"). **BW**

### Flexibility Matters

# choice

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