

Close Brothers Group plc acquires specialist lender Novitas Loans Ltd.

04 May 2017

Close Brothers is pleased to announce the acquisition of Novitas. The Salisbury-based firm, which is a leading provider of loans to the legal sector, will become part of Close Brothers Invoice Finance and Rentals, led by David Thomson.

Novitas specialises in providing working capital for law firms and also loans to their clients purchasing specific legal services, from divorce and contested probate to clinical negligence. The firm will retain all of its staff, including the senior management team, and remain based in Salisbury.

As a specialist lender for the legal profession, Novitas strengthens the balance sheets of law firms and helps fund access to legal services. The company is a strategic acquisition for Close Brothers, which as a group is focused on building leading positions in the specialist markets in which it operates. Both companies anticipate strong growth in the legal funding sector where growing strains on cash flow are becoming an increasing impediment to accessing legal services.

Novitas brings a breadth of experience in the legal sector and the acquisition will strengthen Close Brothers' existing offering to the sector, which currently includes professional indemnity funding, VAT loans and practice loans.

David Thomson, Chief Executive of Close Brothers Invoice Finance and Rentals Division, said: "We are committed to growing our market-leading working capital funding proposition both organically and with selective and high-quality acquisitions. The acquisition of Novitas fits perfectly with this strategy and we are looking forward to working with a strong team of people in an area where we anticipate a strong growth trajectory."

Jason Reeve, Managing Director of Novitas, commented: "In Close Brothers we have found the right partner to support our firm and allow us to unlock our growth potential. The company's experience and approach to doing business complements ours and I know our clients will benefit from the stable funding and lending expertise that Close Brothers brings. We are looking forward to exciting times ahead as we scale up both within the Salisbury area and around the country."

The time is right to increase our already strong loan book, and working with Close Brothers will help us with our ambitious growth plans".