



# Logbook Lending Asset Finance

## Corporate Overview

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# LBL

## About us

Logbook Lending Limited (t/a Logbookloans247) is an **established sub-prime consumer lending business** that currently operates exclusively in the United Kingdom.

The Company specialises in Logbook Loans and Asset Finance contracts that allow clients to borrow between £500 and £500,000 against their vehicle and/or valuable assets. The business has been in the industry for 13 years and is led by Andrew Lazarus and Matthew Miller. With almost 60 years of experience in the subprime/high-cost lending business, they have a wealth of experience and knowledge.

The Company has an established reputation built on trust and takes pride in being an ethical and responsible lender. To date, the Company has helped **over 1500 clients** raise short-term finance and has issued over **2000 loans totalling nearly £5,000,000**

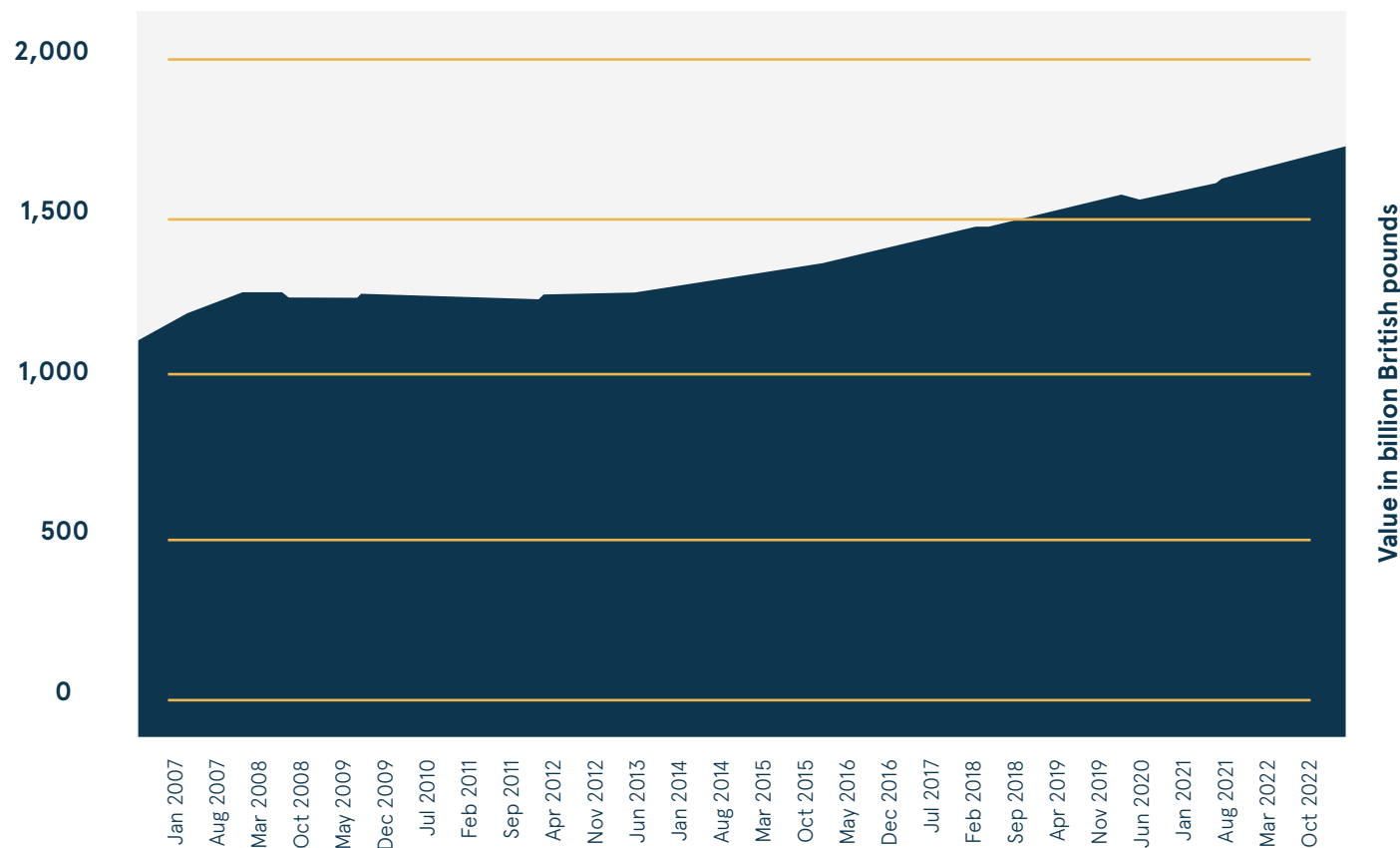
The Company has seen a surge in applications, and as such, is looking to raise funds to accommodate the demand. The Company currently receives around 25,000 enquiries per year. Logbook Lending Ltd is authorised and regulated by the Financial Conduct Authority and is a member of **the Consumer Credit Trade Association (CCTA)** and the **National Pawnbrokers Association (NPA)**.

The Company is subject to the Consumer Credit Acts and the CCTA's Code of Practice promoting ethical lending.



# Steady Growth

Outstanding amounts of consumer credit



## Market Focus:

- 1. Bank lending can be a long and tedious process:** While bank loans involve lengthy procedures and many formalities, HCSTC allows for faster application, underwriting and funding process.
- 2. Shortage of credit availability:** the availability of credit for small sums has been significantly reduced, as mainstream banks have become reluctant to lend to consumers with less-than-perfect credit files.

# Industry Size & Loans

- ✦ Loans between £500 and £500,000 against a vehicle and/or valuable assets.
- ✦ Standard agreements are from 7 to 18 months.
- ✦ No early settlement penalties, unlike many other loan options.
- ✦ Serving: England, Wales & Northern Ireland.
- ✦ 25,000+ enquiries per year.
- ✦ More than 1500 clients have raised short-term financing.
- ✦ Around 2,000 loans totalling almost £5,000,000 have been issued to date.



**An age old solution**



**1 million credits**



**Multibillion pound industry**



**Year-over-year growth**

# Key Team



The Company's managing director is Andrew Lazarus. Andrew has extensive knowledge of subprime lending and high-cost credit, having been involved with numerous businesses across the sector. With over 40 years of experience, Andrew is responsible for ensuring that the Company runs smoothly as a regulated subprime lending business.



Matthew Miller is well respected in the financial markets and worked for more than 20 years in banking, mergers and acquisitions at Merrill Lynch, Bank of America.

He used his expertise, to acquire various companies, one being Suttons and Robinsons Asset Finance. His skills successfully enhanced the company's profitability, improving their management and orchestrating buyouts. Matthew, successfully sold Suttons and Robinsons to The Money Shop in 2013.



Neil Petty is an accomplished Debt Buyer and Lending Principal. In 1997 he founded the UK based Lantern Debt Recovery ([www.lanternuk.com](http://www.lanternuk.com)). As well as purchasing over 2 billion of distressed debt, Neil led Lantern to becoming the first FCA accredited Debt Purchase company to operate in the sensitive high cost short-term space.

Neil sold his majority stake in Lantern in 2017 but retains a major shareholding. He has since focused on his role as Head of Collections at Logbook Lending ([www.logbookloans247.co.uk](http://www.logbookloans247.co.uk)) He focuses his efforts, not only on the collections of LBL unpaid loans, but also the purchase of other consumer debts in the market, opening up a major revenue stream for Logbook Lending Ltd.



## Career Highlights

### **Logbook Lending Ltd: 2010 – present**

Managing Director – Overseeing the smooth running of a regulated subprime lending business.

### **Best Quality Watches Ltd: 2010 – 2014**

Managing Director Supplying pre-owned luxury watches throughout the United Kingdom Interest sold to Co-Director.

### **TGS Jewellers & Pawnbrokers: 1989 – 2013**

Managing Director – Start up from scratch and expanded the business to 18 retail outlets throughout London. The company was eventually sold to The Money Shop in October 2013.

### **James Page Jewellers: 1984 – 1989**

Sales Manager – Within the jewellery & asset finance trade.

# Asset Finance (FCA Regulated Practice)

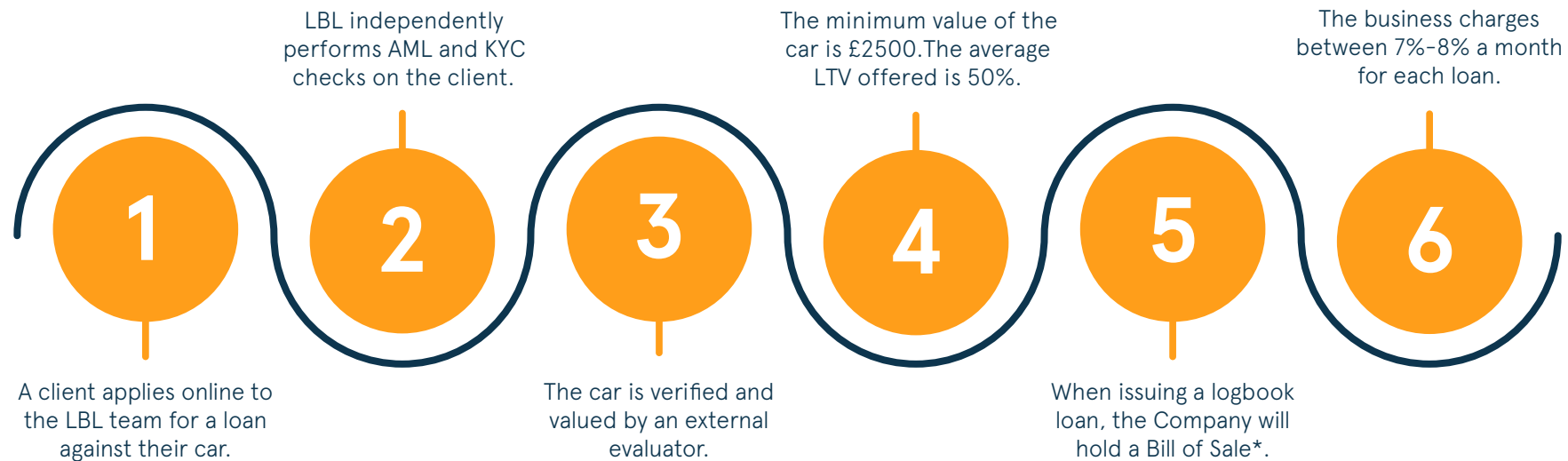


## Strategy

- By borrowing at 10-11%, the Company can deploy the funds into the subprime market at around 70% per annum. This figure takes into account their defaults which currently sit below 10% - a testament to robust underwriting.
- By providing a loan at 8% per month and receiving monthly capital repayments from their clients, the business will be able to pay its coupon to investors and repay the loan at each maturity, while also becoming self-sufficient by lending out its own funds.

\* On top of signing a credit agreement, there will be a separate form called a Bill of Sale registered with the High Court, which gives the lender the legal right to repossess the client's car if they fail to keep up with repayments.

# Logbook Loans (FCA Regulated Practice)



## Strategy

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# Use Of Proceeds

- ✦ Logbook lending LTD intends to be one of the largest asset backed lenders in the UK.
- ✦ The Company has seen a surge in applications, and as such, is looking to raise funds to accommodate the demand.

Maximum fundraising target of **£27 million**

The Lending and Asset Finance market is a key expansion target for the Company which is looking to increase access to loans against Cars, watches, art, antiques, boats, light aircraft, and other high value assets.



The Company's enlarged loan book is backed by over **£50 million** assets

The Company has extensive knowledge in the high-cost lending space and will acquire and operate alternative lending licenses and other high-cost and subprime lending businesses, as well as offer other financing. Solutions in the lending and debt arena.



Around **£3 million** cash is generated per month

The funds raised will be used to lend to UK and overseas consumers - subprime and debt lending is a huge opportunity across the globe.

# Security

## Debenture

The Notes will be secured by a debenture containing a floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Company.

## Security Trustee

The benefit of the security will be held on trust by Amicorp (UK) Limited (in its role as Security Trustee).

The floating charge enables the Security Trustee to take security over assets whilst at the same time enabling the Company to continue to operate its business without the restrictions that would follow from granting fixed charges over those assets and/or interests in them.

### Debenture Higher Ranking

**Proceeds of floating charge assets, debenture**  
First, the Company's obligations to make payment to the Security Trustee, and then second, the Company's obligations to make payment to the Noteholders in relation to the Notes

### Unsecured obligations, including guarantees in respect of them

Trade creditors and other unsecured obligations such as banking facilities and other financings

### Shareholders Ordinary Shareholders

### Lower Ranking

# LBL Asset Finance Market

## Regulation

Modern (asset financing) legislation began with the Pawnbrokers Act of 1800 making this industry one of the oldest in the UK. The business has changed drastically over the years with more control being implemented by the likes of the FCA (Financial conduct authority) who are a prominent figure in keeping control of ethical and affordable lending. LBL Asset Finance explain their processes in a separate slide.

## Resilience to economic change

The industry has also stayed strong with more modern changes to the high street, showing the business is resilient to change. The UK high street has been slowly decimated over the past 15 years, first by the after-effects of the financial crisis of 2008, then by the relentless shift of consumer spending to online, and finally by Covid and its impact on some well-established brands that were forced to shut their high-street locations. Although we have seen many famous names disappear, in that time there has also been growth, and some hope that our high streets can, and will, survive. Leading that, has been Cash Converters, the pawnbroker and second-hand goods retailer with over 180 stores across the UK.



# LBL Asset Finance Market



## Asset Rich / Cash Poor

The biggest change to come we believe is the type of borrowers that are approaching LBL and others. Asset Finance businesses used to be confined to back ally lending. But they are ascending the social scale, with shops thriving in middle-class havens such as Harrogate in North Yorkshire and Mayfair London. People are trading luxury goods from Rolex watches and diamonds to fine art and Rolls-Royce cars in exchange for fast cash. Two asset finance companies, H&T and Ramsdens, are listed on the stock market, and their shares have soared in the past year (2023). Ramsdens is up 36 per cent, while H&T is up 48 per cent. Both reported booming business in the run-up to Christmas. People are resorting to asset finance companies as an alternative to mainstream banks and to payday lending, which has been hit with a clampdown by regulators.

Furthermore the industry has expanded in assisting wealthy, asset rich, but cash poor entrepreneurs that are seeking loans for the purpose of finalising a large project or cash flow for their businesses. We have seen a huge move into this sector in the recent years due to the availability of information on value high value assets in an instant.

## High value Items

The Asset Finance business began with low value commodity based loans in precious metals, but has moved dramatically to high value ultra-liquid assets, such as classic and modern high performance / luxury vehicles. The business has also seen an upturn in requests for loans on boats and light aircraft. This presents enormous opportunities for LBL.

## Why use high cost credit

Very simply, LBL offer high-speed short-term loans in a regulated, controlled capacity. Something the banks can't offer!



# Key Terms

Status	Secured loan notes
Issuer	Logbook Lending Limited
Issue date	2023
Minimum Investment	10,000 GBP,USD, EUR
Interest	Between 10% & 12% per annum
Currency	USD/GBP/EUR
Security Trustee	Amicorp (UK) Limited
Registrar	Neville Registrars
Legal adviser to the company (English law)	RW Blears LLP

## Note Information

### Transferable

	Term	Interest	Payment
GBP	GB00BP82LN22	11%	Quarterly
USD	GB00BP82LN22	11%	Quarterly
EUR	GB00BP82LN22	11%	Quarterly

Max Raise **£7 million**

### Non-Transferable

	Term	Interest	Payment
	Two Years	10%	Quarterly
	Three Years	11%	Quarterly
	Two Years	11%	On Maturity
	Three Year	12%	On Maturity

Max Raise **£20 million**

# Competitors

## Asset Fianance



## Logbook Loans



# Due Diligence For Issuing Loans

## Asset Finance Loans

1. Following an application for a secured Asset Finance loan, LBL would initially require proof of ID, usually valid passport or driving licence together with proof of address. This would typically be in the form of a recent utility bill dated within the last 3 months.
2. As we would hold the asset for the duration of the loan, no affordability checks are required for this type of loan.
3. Proof of ownership (title) of the asset must be established. In the case of a vehicle, a copy of the V5 Logbook together with a purchase invoice is required. For luxury watches and other such valuables, proof of purchase would be required. The client would also be asked to complete an online declaration form confirming ownership, address and other relevant information.
4. Clear photographs of all aspects of the item(s) is required to help establish condition & value of the asset.
5. For vehicles LBL relies on HPI CAP value (Trade) as well as a network of higher end dealers who would in certain cases underwrite the value. For luxury items such as Watches & Diamonds, we rely on our vast experience in this sector together occasionally taking advise from people within the industry and again some cases getting the assets underwritten.



# Due Diligence For Issuing Loans

## Logbook Loans

- 1 Following an application & subject to the vehicle having a minimum trade value of £2500, LBL would request proof of ID either a valid passport or driving licence, a copy of the V5 Logbook, A recent utility bill (dated within the 3 months), a link to complete an online declaration to confirm address, employment status and other relevant information.
2. On receipt of the above information the affordability process is initiated. A credit check is then carried out and this will determine whether LBL are able to proceed with the application.
3. The next stage involves the applicant clicking a link giving LBL access to the past 3 months bank activity via Open Banking. Underwriters will then scrutinise the data looking for any vulnerabilities such as gambling, disability payments etc..
4. One of the underwriting team will then contact the applicant to go through an income & expenditure exercise via a recorded telephone call. To be able to offer a logbook loan the weekly payments must not exceed more than 50% of the disposable income in line with FCA guidelines. LBL prefers to work typically at 40% of disposable income.
5. On acceptance of a loan the applicant would sign electronically the following documents, Pre-Contract Information Sheet, Early Settlement Schedule together with Loan Agreement.
6. A signing agent would be sent to meet the applicant, check the vehicle is as described and get the Bill of Sale document signed & witnessed.
7. LBL would register its interest in the vehicle on the HPI register. This would prevent the vehicle being sold whilst the loan is active.



# Summary Of Key Investment Merits

- ✦ Robust level of demand for high-cost, short term credit
- ✦ Sustainable business model with diversified loan book and minimal default rate
- ✦ A trusted client base and respected reputation in the industry
- ✦ Extensive portfolio with a strong demonstrable track record
- ✦ Experienced team with almost 40 years in asset financing and lending
- ✦ High level of Investor Security with debenture and Security trustee
- ✦ Competitive annual yield hedging against inflation
- ✦ Diversification into a new asset class not correlated to the financial markets
- ✦ Short investment term of 2 or 3 years



# Frequently Asked Questions

**Q. How many UK competitors / LBL licenses in the UK?**

**A.** Can't be certain - however as far as we know there are only 5 active lenders in this sector including ourselves.

**Q. Loan time for each company?**

**A.** Our Logbook Loan product, has a contract duration of 18 months, however the average loan is paid back after 1 year. Asset Loans, contract length is much shorter at 7 months. The interest here is accrued. The average loan period in this instance is typically 5 months.

**Q. What is the size and dynamic of the LBLs market?**

**A.** The size of the subprime lending market within the UK runs into the £ billions. With investment we expect to grow our higher value loans to encapsulate the prestige and luxury market. We are getting more enquiries from more sophisticated clients with high higher value assets. These people tend to be asset rich and cash poor and require quick funds for various types of transaction such as property development or stock purchases etc..

**Q. Why has only 5 million GBP been lent since inception (2010)?**

**A.** Up until 2013, Logbook Lending Ltd was part of a larger group TGS Pawnbrokers which was sold to The Money Shop in October 2013. At that time The Money Shop was in the process of obtaining authorisation with the newly formed FCA and decided against purchasing the LBL business which was hived out from the sale of TGS. Andrew Lazarus retained ownership of the LBL business keeping it ticking over whilst focusing on other interests. In 2020 after teaming up with Matt Miller it was decided to concentrate on the LBL model and grow the business.



# Frequently Asked Questions (continued)

**Q. What are the advantages of LBL's business model in relation to rivals? What does it mean for investors?**

**A.** The advantages of our business model are directly reflected in the risk for the investors. We have two lending models. The logbook loan contract, allows the borrower to keep use of their car. This product is for smaller loans, on average around £2000. The risk here for investors becomes minimal, as in the event of theft or fraud (which are both rare), the loss as a percentage of our total loan book is miniscule. On the larger loans, which are typically Asset Finance agreements, we keep the vehicle in our secure facility. For example of a recent loan: We have loaned £165k on a Rolls Royce Ghost valued at £330k. While this is a much larger loan, the risk is zero, as the vehicle is in our possession. The combined lending of both our models, allows us to access both ends of the market while keeping investors' money

**Q. What is the current default rate?**

**A.** Current default rate is approximately 9%. Please request the 'Default Management' document from your advisor / Introducer or directly from our investment team on [investments@logbookloans247.co.uk](mailto:investments@logbookloans247.co.uk) This will give you full details of Neil Petty and his team, it will also outline the stringent process they implement to keep the defaults so low.

**Q. Do clients pay on a monthly basis?**

**A.** The majority of Logbook Loans are weekly payments including interest & capital. Asset Finance contracts are payable on either renewal or redemption of the loan.

**Q. What bank does LBL use to receive investor's capital?**

**A.** Our primary UK bank is Metro. We use Revolut on FX transactions as this seems the most competitive way

# Contact



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