



FLA Toolkit: Getting Match Fit for Finance

Applying for asset finance for equipment is a crucial step for businesses looking to acquire necessary assets while conserving capital. This process document aims to guide business applicants through the steps involved in applying for asset finance. It also highlights the information they should prepare and considerations to keep in mind during the application process.

1. Research and Identify Equipment Needs

Before initiating the asset finance application process, it is essential to conduct thorough research to identify the specific equipment needs of your business. Consider factors such as the type of equipment required, specifications, estimated costs, potential suppliers, and any additional services or product that might be required.

This preliminary information will help streamline the application process and enable you to provide accurate details in your application. Most importantly, consider “lead times” for the equipment and challenge the supplier on this point. It’s not much use agreeing to purchase equipment you need inside 3 months which is not going to be delivered for another 6 months.

2. Choose a Suitable Lender

Selecting the right lender is a critical decision when applying for asset finance. Research and evaluate different lenders based on their reputation, terms and conditions, customer service, and flexibility. Determine whether the lender specialises in financing the type of equipment you require. Comparing multiple lenders will enable you to make an informed choice that aligns with your business's financial needs and goals. Early engagement and discussion with lenders will save you a considerable amount of time and effort. You may wish to use a broker to help you identify a lender that suits your needs.

3. Prepare the Required Information

To complete the asset finance application successfully, gather and organise the following information beforehand:

Business Information:

- Legal business name and address
- Type of business entity (e.g., sole proprietorship, Limited Company, PLC)
- Contact information (phone, email)
- Company registration number and VAT number

Financial Information:

- Latest full set of annual accounts
- Latest set of management accounts
- Bank statements for the last 12 months
- Profit and loss statements for the last 3 years
- Details of existing loans/liabilities

Equipment Details:

- Description of the equipment to be financed
- Purchase price or cost estimate
- Manufacturer, model, and specifications
- Equipment supplier details
- Estimated delivery date

Business information:

- Overview of your business and its operations
- Management team and their qualifications
- Marketing and sales strategies
- Proofs of identity for directors and guarantors

4. Understand the lender's approval process and timeline.

Be prepared to provide additional documentation or answer queries during the assessment period. In particular, both you and the lender have legal obligations with respect to anti money laundering (AML) checks which must be fulfilled. This will involve providing proof of your identity and any other business information required promptly to the lender.

Once approved, clarify the disbursement process and any associated fees or charges.

5. Submitting the Application

Once you have gathered all the necessary information and carefully reviewed it, complete the lender's application form. Ensure that all required fields are filled accurately and attach the supporting documents as requested. Submit the application through the designated channel, such as an online portal or by email.

6. Follow-up and Review

After submitting the application, follow up with the lender to confirm receipt and inquire about the expected timeline for processing. Stay engaged and responsive during the evaluation process, promptly addressing any additional information or documentation requests. Review the loan agreement and terms thoroughly before accepting the offer.

7. Checking the agreement

Read your business finance agreement carefully before signing it.

In particular make sure you understand what your obligations are under the agreement and that you are happy that what is being provided meets your needs. For further information consult the FLA's [checklist on business finance](#).

8. Conclusion

Applying for asset finance requires thorough preparation, accurate documentation, and careful consideration of lender options. By following the steps outlined in this process document and considering the provided information, you can increase your chances of successfully acquiring the equipment finance needed for your business. Remember to review the terms and conditions carefully before proceeding with the agreement.

About the FLA

The Finance & Leasing Association is the leading trade body for the asset, consumer and motor finance sectors in the UK. Our members include banks, subsidiaries of banks and building societies, the finance arms of leading retailers and manufacturing companies, and a range of independent firms.

In 2022, members of the Finance & Leasing Association (FLA) provided £150 billion of new finance to UK businesses and households, £51 billion of which helped consumers and businesses buy new and used cars, including 84% of private new car registrations. £34 billion of finance was provided to businesses and the public sector to support investment in new equipment, representing almost a third of UK investment in machinery, equipment and purchased software in the UK last year.