



Ignite Growth completes debut investment, acquiring Cornerstone Healthcare Group

London, 25 September 2018 – Ignite Growth (“Ignite”), a UK-based investor focused on supporting the growth of ambitious, fast growing companies, today announces that it has acquired Cornerstone Healthcare Group (“Cornerstone” or “the Group”), a specialist care home operator in the South East, as the first stage in a buy and build growth strategy. This is Ignite’s debut investment. The financial terms of the transaction are undisclosed.

Cornerstone operates two specialist nursing homes (Kitnocks House and South Africa Lodge) in Hampshire, working with the NHS to provide specialist care to older people with complex mental and physical health problems including late stage Dementia, Mental Illness and Huntington’s Disease. Across the two sites, the Group has 154 beds. Both homes operated by Cornerstone are rated as “Good” by the Care Quality Commission and both have a strong reputation with NHS Commissioners.

Ignite has identified a compelling investment opportunity within the specialty care sector, where there is an undersupply of beds for individuals with neuro-degenerative illnesses and mental health issues coupled with challenging behaviour. There are currently only 5,000 beds for over 15,000 people who require this type of specialist care and this figure is set to increase by 3 percent year-on-year. Patients are often placed in generalist nursing homes or mental health wards in hospitals, which are less well-equipped to provide the requisite level of care. As such, there is strong demand for the high-quality, specialist care that businesses such as Cornerstone can provide to patients.

The acquisition provided an exit solution to Dr Oliver Sargent and his family, who have owned and managed the Group since it was founded in 1998. Ignite has built an industry-leading team to take over Cornerstone’s management, whilst the current home managers and 280 strong team of nurses, carers, and support staff will continue to manage the homes’ operations.

Cornerstone’s incoming management team comprising Johann van Zyl, CEO, and Dara Ní Ghadhra, COO, is highly-experienced and have been brought in to drive the next phase of the Group’s growth. Johann and Dara have a strong track record of working together in the specialty healthcare sector, having previously led the development of PJ Care into one of the UK’s leading providers of neurological care and treatment. Additionally, they will be supported by the incoming Chairman, Stephen Collier, Chair of NHS Professionals and former CEO of BMI Healthcare, the UK’s largest private hospital operator.

Ignite will work closely with management to build a specialist nursing home group by pursuing an acquisitive strategy, the funding of which has already been secured, in addition to investing in the Group’s existing staff and culture.

Forbes Stuart, Partner at Ignite Growth, said: *“Cornerstone is a clear leader in its field and is well-positioned for future growth in a sector that is ripe for consolidation. We were struck by the high quality of service that Cornerstone provides to its residents and the fantastic culture within the business, and we’re confident that we can support the group as it moves to its next phase of development.”*

Andrew Leek, Partner at Ignite Growth, said: *“We’re delighted to be announcing Ignite’s first investment and are excited to begin working with Johann, Dara, Stephen and the Cornerstone*



team to grow the business. We'd like to take this opportunity to thank Dr Sargent and his team for their immense contribution to Cornerstone over recent years."

Johann van Zyl, CEO at Cornerstone Healthcare Group, said: *"I speak for Dara and Stephen when I say that we're thrilled to be joining Cornerstone at such an exciting time in its development. We look forward to working with Ignite to build a business that will advance standards across the industry."*

Funds for the investment have been partially arranged by Kvika Securities and debt for the investment was provided by Metro Bank and Alpha Real. Ignite was advised by Alantra (financial advisors), Cushman Wakefield (property site finder), Knight Frank (property valuations) Trowers & Hamlins LLP (legal advisors), BDO (financial and tax due diligence), Armstrong Transaction Services (commercial due diligence), and Andy Johnston Associates (regulatory and compliance due diligence). Management was advised by EMW Law (legal advisors).

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Notes to editors:

About Ignite Growth

Founded in 2016, Ignite Growth is a lower-mid market private equity investor focused on acquiring UK-based businesses with development potential worth up to £30 million. Ignite Growth's team, led by Andrew Leek and Forbes Stuart and supported by the firm's Development Partners, has significant experience of both running businesses and investing in them. This has informed four key areas that Ignite Growth believes small businesses require support in to grow to the next level: talent and HR, strategy, management information and digital development. Ignite addresses these through its operational expertise and the use of ambitious capital to fuel growth.

<https://ignite-growth.co.uk/>