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Business Finance Leasing

Finance leasing is a long established vehicle financing method for business users. It can offer significant tax advantages and can benefit cash flow. **Business Finance Leasing is not available to Private Individuals and is the preferred option due to significant tax advantages for Sole Traders, Self Employed, Partnerships & Limited Companies.**

Once the leasing period of usually between one to five years is agreed, the business pays a deposit that can be as little as three months payments or as much as preferred. The choice is then made to spread the remaining balance over the remainder of the period or, more often to have a 'balloon rental' at the end of the term. This has the effect of keeping the monthly payments lower.

The amount of monthly payment is determined according to:

- The value of the new vehicle.
- The amount of initial deposit (variable to suit the business requirements).
- The length of the repayment period (1 to 5 years).
- The amount of the final (balloon) payment at the end of the period.
- The "balloon" payment can be set anywhere between 0% & 80% of the resale value of the vehicle based on the anticipated annual mileage. (Having a "balloon" final payment has the effect of reducing the monthly rentals).

Benefits of finance lease as agreed by accountants:

- 100% tax deductible. Reduce your costs and get back from the government between 18% & 40% of your total payments (including your deposit).
- Pay the VAT with your payments, not all up front at the start of the agreement.
- If VAT registered, claim it all back, and if not registered offset it against your tax.
- Fixed payments for the whole agreement.
- Low deposits and low monthly payments.
- No penalty charges for additional mileage or damage etc at the end of the agreement.

Why are we so cheap?

Our payments are so low because we are supported by the UK's largest Finance Institutions, who fund most of our contracts. Due to their high volume of vehicle funding and purchases each year, they negotiate "Volume Related Bonus's" from the

manufacturers, which are built into the payments. This means that you gain the benefit of the largest volume purchaser and financier of vehicles in the UK.

What happens at the end of the agreement?

You have a choice of options at the end of the agreement, which include keeping the vehicle for a low annual payment or the most popular option, part exchanging it back for a new one, using equity from your current vehicle as deposit for your next vehicle.

Frequently asked questions about Finance Leasing:

Q. Would I be better off with an H.P. or even a cash Purchase?

A. No. We recommend Finance Lease because:

- All payments, including deposit are tax deductible, which is always more tax efficient than claiming capital allowances available when cash or H.P. purchasing.
- You benefit from massive fleet discounts only available on Finance Lease.
- You gain from improved cash flow with VAT being spread over the whole of the agreement, rather than a large single payment paid with the deposit.
- No mileage or condition penalties.

Q. Do I have any value in the vehicles?

A. Yes, just like a purchase agreement you build up equity in the vehicle through the period of the agreement, so that when you change your vehicle you have money to start off your next lease.

Q. Can I pay a higher or lower deposit?

A. Yes. It is possible to increase or reduce deposits within certain minimum & maximums, this will decrease or increase your payments accordingly.

Q. Can I lease over a different period?

A. Yes. Leases run from 18 months up to 5 years depending on your requirements.

Q. Do I have to have a balloon final payment?

A. No. You can request a full payout lease.

Q. Can I have extras on my vehicle?

A. Yes. We specialise in pick-up truck accessories, and can supply and fit at very competitive prices, the cost can be added to the cost of the lease or paid for in the deposit.

Q. Why are the lease payments so low?

A. In most cases you benefit from two discounts. One is the maximum retail discount and the second is a fleet discount, volume related and linked to the purchasing power of ourselves and our funding companies.

Q. What are my options at the end of the lease?

A. You have several options [the first listed here is the most popular]:

- You can swap the vehicle in for another one. In this instance the vehicle clears its own balloon and you take the value left over to start your next lease.

- Sell the vehicle on behalf of the finance company and keep any profit made after clearing the finance company balance/interest.
- Spread the balloon payment over a further period.

Q. Can I sign write the vehicle?

A. Yes. We recommend the sticker sort so that it is easy to return the vehicle to its original paintwork on disposal.

Q. Can I settle early?

A. Yes. But we do not recommend very early settlement. This is because you have not had time to build up any equity.

If your question has not been answered here please contact one of our lease specialists.