



Contract Purchase

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This is a popular choice for companies wishing to acquire high value vehicles and have the option to purchase with no depreciation risks. In effect it combines Lease Purchase with the service options of Contract Hire. It has been designed to benefit customers who cannot register for VAT or who are partially VAT exempt. Contract Purchase is very popular with companies requiring executive cars with an anticipated low annual mileage.

How does it work?

Using our fleet purchasing power, we source the vehicle(s) of your choice and deliver free of charge. You will previously have agreed a contract term, annual mileage, service options, guaranteed option-to-purchase price, and the monthly rental. On termination of the contract you choose either to return the vehicle with no further commitment, or to pay the agreed option-to-purchase price.

The benefits

- Minimum initial expenditure (typically three months in advance)
- Fixed monthly rental allows accurate budgeting and cash flow forecasts
- No capital tied up in a depreciating asset
- If you choose not to purchase at the end of your contract, any depreciation is not your responsibility
- Constant mobility with no purchasing or disposal hassles
- VAT payable on service options only
- Vehicle shows as a balance sheet asset
- Capital allowances claimable against taxable profits

Disadvantages

- Cannot be shown off balance sheet

For further information call now on
0845 344 1435 or visit
www.fbcontracts.co.uk