

Finance Lease

Finance Lease

This is a popular choice for VAT registered companies looking for vehicle funding only. You can run one car or a whole fleet with no capital outlay, but have the asset showing on your balance sheet. At the end of the lease period you sell to an independent third party and retain up to 98% of the sale proceeds. You can choose to pay the entire cost over the agreed lease period, plus an interest charge, or pay lower monthly rentals and a final payment which is calculated on the anticipated residual value.

How does it work?

Using our fleet purchasing power, we source the vehicle(s) of your choice and deliver free of charge. You pay fixed monthly payments for the duration of the agreed lease period. At the end of your contract you can opt either to sell the vehicle(s) yourself or ask us to negotiate a sale (a free service). Proceeds are offset against the final payment. Should proceeds exceed the residual value, you receive the excess as rebate of rental.

What else can be included?

- We offer a maintenance package which includes all routine servicing, mechanical repairs, tyre replacement, exhausts and batteries, and a full range of competitive insurance products.
- Costs paid from income not capital (no capital tied up in a depreciating asset)
- Fixed monthly rental allows accurate budgeting and cash flow forecasts
- Leasing company can reclaim all VAT on vehicle purchase price to give you lower monthly payments
- Minimal initial expenditure, typically three months in advance
- Rentals allowable against taxable profits
- For new cars and VAT qualifying used cars, assuming some personal use, current legislation allows reclaim of 50% of VAT on your monthly rental against your VAT liability. The other 50% can be offset against taxable profits
- For pool cars and commercial vehicles, current legislation allows reclaim of 100% VAT and offset 100% of monthly rental against tax
- A final payment (residual value) can be included in the lease to reduce monthly rental

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