

DRINKLINK & CATERED 4

FEATURES & BENEFITS OF FIXED TERM LEASING

- Fully tax deductible - Every payment made to a lease is fully tax-deductible meaning that you can claim back **up to your maximum tax rate** of the total amount that you lease. The amount of tax you save can more than cover the amount of interest you pay, whilst spreading the cost of the equipment.
- Spreads the cost of equipment over several years; over the equipment's useful life.
- Doesn't tie up capital, leaving more money to invest into your business.
- Flexible - A lease can be set up over any term, monthly, quarterly, half yearly, annually, with varying deposits needed.
- Easy to budget - A lease is a fixed term, fixed rate contract. Whatever happens to interest rates, payments stay the same throughout the life of the contract.
- Easy to set up - All documentation can be completed for you and setting up a lease is very straight forward.
- Getting the right machine for the job. Because leasing spreads the cost of financing capital equipment, it enables you to buy the right machine for the job, instead of buying the machine you think you can afford.

EXAMPLE OF THE BENEFITS OF FIXED TERM LEASING

- Cost price of goods £10,000
- 3 year lease @ 1007.50 per quarter (1 + 11)
- Total payable = $£1007.50 \times 12 = £12,090$
- You pay £2,090 over 3 years in interest
- A lease is fully tax deductible so £12,090 is allowable against tax
- $£12,090 \times 40\% = \mathbf{£4836 \text{ tax saved}}$
- $£12,090 \times 25\% = \mathbf{£3022.50 \text{ tax saved}}$
- The reduction in tax to be paid even at 25% (£3022.50) more than covers the interest (£2090) paid on the lease.
- Therefore the lease is effectively self financing and more besides

For further information and specific equipment lease pricing options please contact us on 0800 3166920 or email www.drinklinkvending.co.uk – and we will be happy to help.