

Finance Lease

A particularly flexible form of fleet funding.

A Finance Lease is ideal if you prefer to retain the residual value risk and benefits, and want an on-balance sheet funding method but prefer a fixed monthly payment option.

What is Finance Lease?

Finance Lease is an on-balance sheet method of funding where you retain use of the vehicle throughout the period of the contract. We purchase the vehicle and estimate its re-sale value at the end of the contract, based on the predicted total mileage. The difference between the purchase price and the re-sale price is then charged to you in the form of monthly payments.

However, in order to reduce payments, we don't charge you the full amount of the difference. Instead, we set aside a percentage of the difference that you will be required to pay at the end of the contract, which we call a 'balloon' payment.

At the end of the contract, we sell the vehicle. The 'balloon' payment is then settled for you from the proceeds of the vehicle re-sale. The actual mileage of the vehicle could have a positive or negative impact on the 'balloon' payment based on the accuracy of the initial prediction.

The benefits.

This method of funding offers you the security of fixed monthly payments, as well as lower rentals that are not based on the full depreciation cost.

It gives you the option to reclaim 50% of VAT on vehicle rentals (vehicles used for business & private use) or 100% of VAT on vehicle rentals when used for business use only.

Finance Lease includes:

- Fixed monthly payments, which provide even cash flow
- Flexible terms and mileage – minimum 24 months to maximum 60 months
- Low monthly payments, due to VAT implications, our purchasing power and the 'balloon' payment at the end of the contract
- Tailored payment plans dependant on your needs
- No excess mileage applies, as you retain the risk and reward on residual value
- Other services can be added such as Fleet Management
- Flexible term and mileage for the contract.

How it works.

We can offer Finance Lease for contracts from 24 months to 60 months on all fleet sizes.

For further information on Finance Lease please contact your Relationship Manager or

call: 0800 085 4128

email: marketing@lexautolease.co.uk

or visit: www.lexautolease.co.uk