

## Competitive finance for

### Griggs Direct Client

# GRIGGS DIRECT

The following illustration provides budget figures to help with your purchasing decision.

| Fixed Term Lease  | 2 years | 3 years | 4 years | 5 years |
|-------------------|---------|---------|---------|---------|
| No of rentals     | 24      | 36      | 48      | 60      |
| Monthly rental    | £58.28  | £40.84  | £32.18  | £27.01  |
| Weekly equivalent | £13.45  | £9.42   | £7.43   | £6.23   |

#### Leasing v Cash

By paying cash, the amount you can deduct from your tax bill is limited to capital allowances on the purchase. Also don't forget the interest (or other return on capital employed - "ROCE") that is lost.

|                                |                  |
|--------------------------------|------------------|
| Cash Price                     | £1,152.50        |
| Less tax relief                | £206.82          |
| Plus lost ROCE                 | £381.48          |
| <b>Net cost of paying cash</b> | <b>£1,327.16</b> |

By leasing you will get tax relief on every payment

|                                 |                |
|---------------------------------|----------------|
| Total Rentals                   | £1,470.24      |
| Less tax relief                 | £588.09        |
| <b>Net cost of lease option</b> | <b>£882.15</b> |

...and you are improving cashflow, the lifeblood of your business.

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|                          |                |
|--------------------------|----------------|
| <b>Example based on</b>  | 36 month lease |
| Highest tax rate of      | 40%            |
| Capital allowance - Yr 1 | 18%            |
| ROCE per annum of        | 10%            |

#### Some other benefits

Have what you need today with **no cash outlay**

Independent finance cannot be withdrawn and **keeps existing credit lines open**

Use bank funding for working capital to maintain a **healthy business**

Fixed payments for the term means **easy budgeting**

Pay for the equipment as you gain the benefit - **not before**

Let the equipment pay for itself with **immediate return on investment** - you wouldn't pay your staff 3 years in advance!

Have **what you need** - not what your budget limits you to

Leasing may **overcome budgetary restrictions** which prevent capital outlay

All figures provided are subject to credit approval. E&OE.

All payments are exclusive of VAT at the current rate and assume payment by direct debit.

The lease illustration assumes the Annual Investment Allowance has been exceeded. Hire purchase may also be available.