

Solutions For a New Economy

Leasing Benefits

Acquire the latest technology -

Leasing allows you to buy the latest technology, today, and at the end of the lease, either upgrade or buy the equipment already in use for a nominal amount.

Minimise your tax bill -

Each repayment is a "lease rental" and as such, you are allowed to write off each "rental" as a business expense – therefore reducing the tax you pay on your profits. Buying your

equipment outright means you can only "write off" a percentage of the total cost – meaning that you could pay more tax than if you had leased!

Most assets depreciate -

A wise man once said "If it appreciates in value – buy it. If it depreciates in value – finance it". Why would you want to

tie up valuable funds in assets that are depreciating? Most businesses no longer buy company cars - so why would you buy IT Hardware or Office Equipment? – It makes more commercial sense to Lease!

Fixed Budgeting -

You will know how much that piece of equipment will cost you every month for the term of the lease – maintenance can even be packaged as part of the lease!



This issue
Equipment Leasing

No budget to augment your network, need additional capacity, or just want to deploy new technology solutions, have you considered leasing?

How does it Work?

You simply choose your equipment from us, once the final solution is agreed, we arrange a lease. We then propose your application to our underwriters for a credit decision. Once your proposal has been approved we then provide an agreement detailing your payment amount and term, for your authorisation. We then deliver, install and commission your equipment . Only when you are satisfied that everything is complete you sign off the deployment. You then make monthly or quarterly fixed payments for your equipment.

How Does this Help your Business?

This allows you to get the equipment you need now regardless of budget restrictions. It allows you to keep up with modern technology. As you are not paying cash you can reinvest this for more profitable use elsewhere in your business. It keeps you tax efficient - all lease agreements are 100% tax allowable Spread the cost over the life of the equipment.

Can you Upgrade the Equipment?

You have the option the swap out the equipment during the term of the lease and replace the old equipment. This varies from case to case but is usually most cost effective about 2/3 of the way through the agreement.

What does it cost?

One of the main benefits of leasing is that leasing rentals are deductible against tax.

Option 1: Cash Purchase - cost £10,000 + vat

Tax allowance relating to capital purchases

Year 1:£4000

Year 2:£1,500

Year 3:£1,125

Total £6,625 *30% (tax Rate) = £1987.50

Option 2: Finance Lease - £10,000+vat -

Assume 3 payments in advance followed by 33 payments of £350.30

Year 1:£4904.20

Year 2:£4,203.60

Year 3:£3,503.00

Total £12,610 * 30% = £3783.24

Tax saved at end yr 3;

Leasing £3,783.24

Purchase; £1,987.50

Saving £1,795.74

Benefits of leasing

- ? Minimal down payment
- ? Primary period to match asset Depreciation period
- ? Leasing rental 100% deductible against Tax
- ? VAT is paid each month on the rental And is therefore effectively deferred.

Contact us for a quotation now -

Modular Network Solutions Ltd
Unit 78 Basepoint
Metcalf way
Crawley
West Sussex
Rh11 7XX
www.modular-solution.com

