

Volvo Financial Services

# YOUR WAY FORWARD



Your Volvo truck is a vehicle of the highest quality that is both safe and customised to suit your business perfectly. The same goes for our financial offer, which combines industrial expertise with a desire to keep your business and truck rolling.

## **FINANCE OPTION 1**

#### **HIRE PURCHASE**

- Flexible payments (pay monthly or quarterly)
- Full ownership once all payments havem been made (subject to payment of Option to Purchase Fee)
- Tax allowances may be deducted from taxable profits
- The equipment is shown as an asset on your balance sheet
- Interest allowable against taxable income

#### With fixed rate

- No extra costs if interest rates rise
- Fixed payments for accurate budgeting
- Variable Rate allows you to link your payment to rises or falls in interest rates during the term

#### With optional balloon payment

- Lower monthly payments
- Fixed payments for accurate budgeting
- Flexibility to buy at the end of term or re-finance the balloon payment

## **FINANCE OPTION 2**

#### **CONTRACT HIRE**

- Reduced initial payment
- Tax deductible fixed monthly rentals
- Fixed costs for budgeting and improved cash flow
- Enjoy the benefits of a Volvo Gold Contract Maintenance and minimise business risk and disruption
- Removes worry and risk of unexpected repairs
- No disposal risks subject to vehicles meeting return and mileage conditions
- Option to extend Contract Hire at the end of the primary term

#### Some additional options

- 24 hour breakdown cover
- Replacement tyres
- Ancillary equipment (tail lift/body)
- Replacement vehicle facility
- Annual Road Fund Licence

# **FINANCE OPTION 3**

# LEASE SOLUTIONS

#### **Operating Lease**

- Reduced initial payment
- Tax deductible fixed monthly rentals
- No disposal risks subject to vehicles meeting return and mileage conditions.
- Option to extend the lease at the end of the primary term

#### Finance Lease

- VAT chargeable on rentals (reclaimable), reducing initial capital outlay
- Tax deductible fixed monthly rentals
- Option to lower monthly outgoings by adding a balloon payment
- Flexibility at contact end: benefit from majority of net sale proceeds or extend the lease at minimal cost

PLEASE NOTE: The New IFRS16 (International Financial Reporting Standard) standard for lease accounting became effective from 01 January 2019. It applies to the reporting of leases by listed companies and any other companies that report under IFRS. It does not currently apply to those companies that report under UK GAAP. VFS Financial Services Ltd are not in a position to provide specific advice for individual customers regarding these matters. We strongly recommend you obtain your own professional advice on these matters.