



asset finance ltd

Company Reg No: 04940940

Lease Finance Options

provided by GB Asset Finance Ltd



- GB Asset Finance Ltd is a finance broker established for 20 years working primarily in injection moulding, engineering, plant, and recycling sectors.
- There are two employees, Richard Briggs, and Greg Hopping. With over 50 years combined asset finance experience we have all the necessary FCA, data protection and compliance authorisations to trade as a finance intermediary. We are members of the National Association of Commercial Finance Brokers.
- GB Asset Finance is a sales aid business supporting suppliers with finance products to facilitate the sale of new machines and ancillary equipment. For example, we work with companies such as Negri Bossi and Boy Ltd in injection moulding and NCMT Ltd (Okuma and Makino machines) in the engineering sector.
- We are an approved introducer to a panel of circa 20 funders from high street lenders offering highly competitive interest rates to subprime lenders who assist with more difficult credit covenants and deal profiles.
- 99% of deals are hire purchase, where the customer owns the goods at the end of the term, but we do also fund equipment on finance leases (full pay-out) and operating leases (residual value).
- Standard deal terms are 12 months to 84 months. Each deal is treated individually, with interest rate and deal structure typically driven firstly by customer requirements along with underwriting items such as perceived security in the equipment and credit covenant of the business.
- The normal process is to work with the supplier or indicative finance figure for a prospect to include a quick overview of credit worthiness based on filed company information. If the customer chooses to go ahead, we may ask for financial information from the customer for formal underwriting before agreeing final terms and documentation of the finance transaction.
- We are always happy to attend site meetings to properly understand a customer's requirements and to add value to your sales process wherever we can.

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Deal Example: Established business looking to fund 100K of equipment on standard terms

Purchase price £100,000.00 plus VAT of £20,000.00

Fixed Rate - Hire Purchase	
Typical Deposit	£10,000.00 (10%) + full VAT
Balance to Finance	£90,000.00
36 x repayments	£2,715.00 monthly in arrears
48 x repayments	£2,093.00 monthly in arrears
60 x repayments	£1,719.00 monthly in arrears

With a hire purchase agreement, full VAT is payable upfront with no VAT on the instalments. The VAT is reclaimed in the customer's quarterly return. We can offer a VAT deferral to assist with cashflow which involves paying the full VAT once the customer has reclaimed it.

With hire purchase the asset goes on the customers balance sheet and they can claim the capital allowance.

Fixed Rate - Finance Lease	
Purchase Price	£100,000.00 + VAT
Initial Rental	3 rentals in advance followed by 33, 45 or 57 rentals.
36 x repayments	£2,997.00 + VAT monthly
48 x repayments	£2,305.00 + VAT monthly
60 x repayments	£1,885.00 + VAT monthly

With a finance lease agreement, the VAT is paid on a monthly rental. The asset notionally sits on a customers' balance sheet, but the capital allowances are claimed by the finance company. At the end of the primary period of the lease the agreement goes into secondary rental which is typically an annual payments of 1.00% of the asset cost.

Fixed Rate - Operating Lease	
Purchase Price	£100,000.00 + VAT
Initial Rental	3 rentals in advance followed by 33, 45 or 57 rentals.
36 x repayments	£2,279.00 + VAT monthly
48 x repayments	£1,915.00 + VAT monthly
60 x repayments	£1,673.00 + VAT monthly

With an operating lease agreement, VAT is paid on the monthly rental. The rental is reduced compared to a finance lease as the finance company put a residual value on the asset.

- From an accounting viewpoint the rental is offset against the customers profit and loss account. There are 3 options at the end of an operating lease:
1. Return the goods with nothing further to pay.
 2. Extend the lease over a to be agreed term and rental.
 3. Purchase the goods for their fair market value.

Operating leases tend to only be underwritten for stronger credit covenants. Operating leases are often used when companies have run out of budget for the year as in most cases the operating lease is not classed by customers as capital expenditure.