LeaseLogic

Lease Vs Purchase Cost Analysis

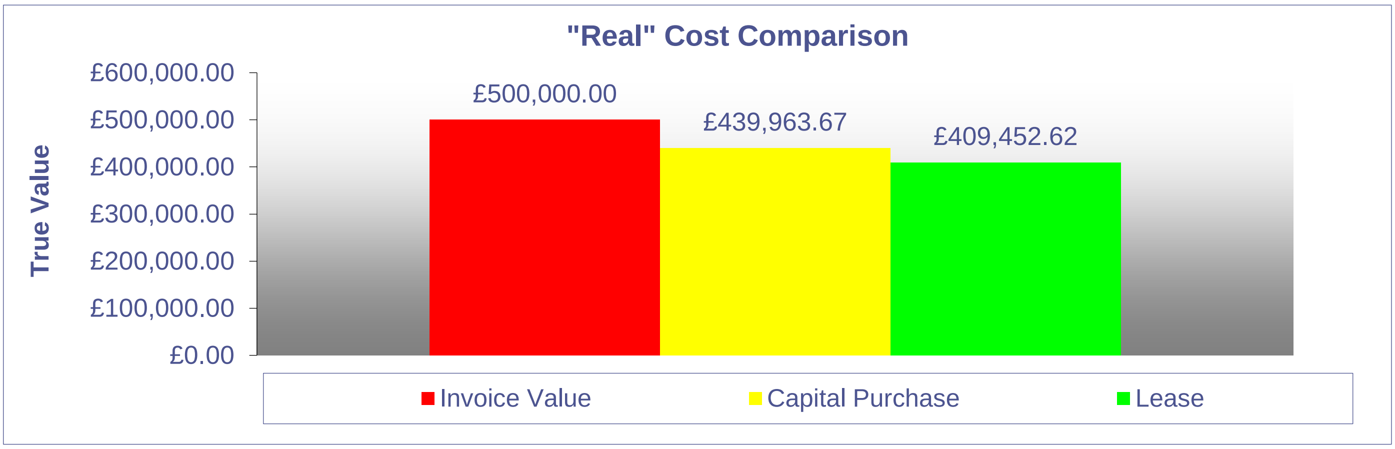
Company Name:	Example Ltd
Solution Description:	Lease
Date Reference:	January

Lease Contract Terms:	
Initial Solution Value	£500,000.00
Number of Payments	12
Number of Payments Per Year	4
Periodic Rentals	£44,864.24
Number of Units	1
Periodic Rentals	£14,954.75

Financial Assumptions:	
Start of Agreement (Month)	February
Customer Cost of Funds	6.00%
Tax Year End	December
Rate of Taxation	19%
Taxable Allowances (WDA)	18%
Payment Type	Direct Debit

Results	
Net Discounted Cost of Lease	£409,452.62
Net Discounted Cost of Capital Purchase	£439,963.67

Conclusion	
Analysis illustration in favour of Lease with a net saving of	*£30,511.06*
Cost Differential	*6.93%*
Net Present Value of the Cost of the Acquisition	*£409,452.62*



The Lease Vs Purchase analysis provided assumes:

1. The Lessee is a net tax payer of UK corporation/income tax. If they have taxable losses (and therefore not in a tax paying position) they have the future ability to utilise their losses.
2. Tax payments are delayed for approximately nine months
3. In the case of outright purchase, it is assumed that the customer does not sell the asset
4. Balance of WDA is taken in 9th year
5. All rentals payable on the first of the month.

Attention is drawn to the assumptions listed above. If this illustration does not meet your specific circumstances you should seek your own independent financial advice.The above is prepared subject to credit and deal structure sanction and changes in cost of funds. Payments will be collected quarterly by Direct Debit. All costs exclude VAT.