



LEX AUTOLEASE

CONTRACT HIRE

A simple and cost effective way to fund any number of vehicles.

WHAT IS CONTRACT HIRE?

Contract hire is a popular funding option to finance fleets of all shapes and sizes. You lease the vehicles required from your lease provider for a fixed monthly rental over a fixed term, usually 2-5 years and for an agreed contractual mileage. At the end of the term you return the vehicles and providing there is no excess mileage or damage to the vehicles there is nothing further to pay. You can also include a maintenance contract over the same period, paying a fixed monthly amount to cover servicing, tyre replacement, maintenance and repair costs.

Funding by contract hire means you are not exposed to losses on resale as the residual value risk sits with the lease provider. Therefore your costs are fixed over the contract term (subject to excess mileage and end of contract damage charges) allowing you to budget effectively. All you need to decide is the length of the contract and expected mileage and we will look after the rest.

KEY ADVANTAGES:

- Fixed monthly rental payments allow you to manage your fleet costs effectively
- No residual value or maintenance risk (if a maintenance contract is taken)
- VAT benefits include 50% recovery for company cars; 100% recovery for commercial vehicles (subject to your VAT recovery rate)
- Monthly lease payments are available for offset against corporation tax
- Off balance sheet accounting treatment*

With Lex Autolease Contract Hire you are able to choose from most makes and models of vehicles. It's a flexible service, too – you can change the agreed mileage or term length if you need to.

At Lex Autolease, we go the extra mile to make sure your fleet is just right for your business. With all Contract Hire vehicles – both cars and vans – you can take advantage of our useful extra services, all designed to take the hassle out of fleet management. Some of the services we offer are:

- Roadside assistance
- Technical support
- Accident management
- Fleet maintenance management
- Online reporting with Lex Autolease Interactive

KEY FEATURES:

- Your vehicles remain a business expense, but never appear on your balance sheet*
- Enjoy fixed monthly payments due to the VAT advantages of leasing
- You can obtain 50% VAT recovery on finance costs in relation to company cars (subject to your VAT recovery rate)
- Operational costs are more predictable, so you can manage your fleet effectively
- You can add ancillary services such as vehicle maintenance, fleet administration, or duty of care
- You don't need to worry about having to sell vehicles yourself
- Your cashflow is freed up for you to use elsewhere in your business
- There are cost implications if you terminate your funding agreement early (although this applies to all forms of funding but may not be so transparent)
- Excess mileage charges may apply
- The vehicle must be returned in good condition - please see the BVRLA fair wear & tear guide for more information: http://www.lexautolease.co.uk/assets/lex_autolease_dual_licence_2014.pdf

WE'RE HERE TO HELP

Each funding option is designed to cater for different, specific fleet needs. Although a simple concept in principle, fleet funding can be a minefield if you're not properly prepared. With so many companies, deals and advice out there in the market, it's easy to get confused about which option is best for your business.

The type of funding you choose can make a significant difference to your overall costs, risk and flexibility – so it's crucial to understand everything properly before making your decision.

Lex Autolease can help you understand more about the impact of the various funding options available to you and can help identify the most appropriate funding method for your needs.

*Operating leases, which include contract hire, are likely to be required to be reported on balance sheet, following the release of the proposed new lease accounting standard, expected during 2015. This is likely to apply to all UK limited companies (except SME companies) and those registered on a European Stock Exchange (including London Stock Exchange) and any organisations which choose to report under International Financial Reporting Standards. These new requirements are likely to be effective from 2018, possibly later.

For further information please contact your Customer Relationship Manager or

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