

June 2023

Hire Purchase or Lease? Find out more ...

Following our emails about getting cash into your business (through refinancing, asset finance, unsecured loans and invoice finance), we've been asked a few questions about products, and which might be the best for your circumstances. Today we want to highlight similarities and differences between hire purchase and lease when deciding which finance option to take.

What is hire purchase? Hire Purchase means that you own the asset outright on completion of the deal by spreading the cost over a fixed period.

What is lease? Leasing means that you have the use of an asset without owning it yourself and make payments over the course of the term.

Hire Purchase	Lease
Fixed monthly repayments	Fixed monthly repayments
Seasonal payment plans (that work with your cashflow)	Tailored repayment options
Tax efficient – you can offset the hire purchase interest and charges against your pre-tax profits	Repayments can be treated as a trading expense
Flexible deposit terms	Low initial outlay
Reclaim 100% of VAT	Claim VAT on rentals
VAT deferment	No VAT deferment
Ownership on completion of the hire purchase agreement	No automatic ownership at the end of the lease

If you want to have a chat about any of the above, then drop us an email or give us a call on **0345 565 2603**.

Best Wishes

BEN & PAUL

* We always recommend seeking advice from your accountant regarding your tax implications.



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