

DRIVENOW

BUSINESS LEASE

DOES YOUR BUSINESS NEED A COST EFFECTIVE MOTORING SOLUTION?

A DRIVENOW Business Lease will provide exactly that, offering your business controlled cash flow and tax efficiencies with a cost effective alternative to ownership schemes, that delivers a target rental and tax benefits.

Whilst your business will never actually own the vehicle, with a DRIVENOW Business Lease you simply pay a monthly rental to use the vehicle for the length of the agreement. Rentals can be tailored to match the cash flow of your business, using a 'balloon' rental (if required) to reach a target repayment that fits your budget. The vehicle will be shown as a leased asset on your balance sheet and all rentals are treated as a revenue expense and can be offset against your taxable profits.

THE BENEFITS:

COST EFFECTIVE

with a low initial outlay and fixed monthly rentals. There is also the ability to tailor repayments using a balloon rental as required; Road Fund License and Citroën Assistance are also included as standard throughout the primary rental period.*

TAX EFFICIENT

with the ability to offset monthly rentals against taxable profits and recover the VAT on the rentals.**

FLEXIBLE

with the option of adding a balloon rental to reduce monthly repayments, the choice of term between one to four years and the ability to include maintenance cover, the Business Lease provides further control of your motoring costs!

* Excluded from secondary 'Peppercorn' rental period **Only if VAT registered



THE BALLOON PAYMENT

This is a proportion of the loan that is repaid at the end of the agreement as a lump sum. Citroën Contract Motoring sets the balloon based on an estimate of the value of the vehicle at the end of the agreement. This amount however can be affected by market variations, so you take the risks associated with selling the vehicle at the end of the contract. Adding a balloon payment has the effect of reducing the monthly rentals, and is often paid, using the sale proceeds of the vehicle at the end of the agreement.

DON'T FORGET THE TAXATION BENEFITS

Rentals are treated as a revenue expense and can be offset against taxable profits. If your business is registered for VAT, 100% of the VAT payable on the rentals can be recovered where the vehicle is either a van, or a car used solely for business purposes. Where the vehicle is a car used for business and private mileage, then only 50% of the VAT payable on the finance element of the rentals can be recovered, but 100% of the VAT on any service element is fully reclaimable.

LOOK AT WHAT THE OPTIONAL MAINTENANCE CONTRACT COVERS

A Maintenance contract will cover service, repair, breakdown and tyre costs* (including punctures), into a fixed monthly rental. Choosing a Maintenance contract would just leave fuel and insurance as the only additional running costs!

*Excludes glass items

AND AT THE END OF THE AGREEMENT

At the end of the agreed lease period the lessee can either sell the vehicle as an agent of Citroën Financial Services whilst benefiting from 100% of the sale proceeds, or pay a “peppercorn” rental, equivalent to one month’s rental. The lessee then has a further year’s use of the vehicle. When the vehicle is sold (either at the end of the primary rental period or at any point thereafter), Citroën Contract Motoring will refund the sale proceeds as a rebate of rentals. However, if a ‘balloon’ is included, this is payable at the end of the primary rental term. Please note that should the sale proceeds fall short of the ‘balloon’ amount, the lessee is still liable for the full ‘balloon’ amount.

Finance subject to status. Finance provided by Citroën Financial Services, written quotations available on request from Citroën Financial Services, Quadrant House, Princess Way, Redhill, Surrey RH1 1QA, UK. Over 18's only. A guarantee may be required. Terms and conditions apply.



DRIVENOW

BUSINESS LEASE PLUS

Plus...

For additional financial security 'Plus' can be added to our Contract Hire and Finance Lease products.

How does it work?

In the unfortunate event of your vehicle being subject to an insurance total loss, you will be required to settle your rental agreement. Your motor insurer may offer you a settlement figure that is lower than the amount required to settle your rental agreement, leaving your business to pay the difference. If you have selected a Plus agreement all or part of this difference will be waived, minimising your financial liability.

Key features

1. Citroen Contract Motoring will waive the difference between the vehicle's market value at the time of loss and the agreement's settlement figure, up to a maximum of £7,500.
2. We will use a recognised industry guide, e.g. Glasses Guide, to determine the market value of your vehicle. Our valuation of the vehicle will be based on the retail value.
3. As the policyholder, it will be your responsibility to obtain a fair market value from your motor insurer. You should check to see if your motor insurer will calculate its settlement offer using trade or retail values.
4. If applicable, you will be required to pay any shortfall between the market value determined by Citroen Contract Motoring and that offered by your motor insurer.



COST EFFECTIVE LEASING FROM CITROËN