



















# ASSET FUNDING OPTIONS COMPARED

Knowing which finance product is right for you and the asset you wish to fund can be complex. That's why we have put together this handy reference guide which will allow you to see, at a glance, a summary of the key features and differences. Of course, every situation is different and we'd always recommend talking to one of our experts for tailored advice.

PRODUCTS	FINANCE LEASE	HIRE / LEASE PURCHASE	CONTRACT HIRE	CONTRACT PURCHASE	OUTRIGHT PURCHASE	OPERATING LEASE	ADDITIONAL NOTES
Does it require an initial deposit?	✗	✗	✗	✗	✓	✗	An initial deposit may be required under the finance options depending on any credit decision.
Can it be treated as capital expenditure?	?	✓	✗	✓	✓	✗	Finance lease depends on the company's internal budget process. Lease outgoings are met from revenue. HP/LP is normally part of a capital budget as is outright purchase.
Does it require regular instalments?	✓	✓	✓	✓	✗	✓	The size of these instalments could change.
Can the contract be reduced or extended?	✓	✓	✓	✓	✗	✓	Everything can usually be extended or terminated early, although early termination fees usually apply. Outright purchase offers the greatest flexibility.
Fixed interest rates? *	✓	✗	✓	✗	✗	✓	Whilst variable rates are available across all funding options, fixed rates are only available on finance lease, operating lease and contract hire.

RESPONSIBILITIES	FINANCE LEASE	HIRE / LEASE PURCHASE	CONTRACT HIRE	CONTRACT PURCHASE	OUTRIGHT PURCHASE	OPERATING LEASE
Who will be overall owner of the asset?	 The funding company who will extend the lease or dispose of the asset.	 The customer (at the end of the contract based on T&Cs being met and including any final balloon payment).	 The funding company	 The customer can either return the asset or pay a balloon to own the asset.	 The customer	 The funding company
Who is responsible for servicing and management of the asset?	 Either the customer or the funding company - this will be decided before the contract is signed.	 The customer	 Either the customer or the funding company - this will be decided before the contract is signed.	 Either the customer or the funding company - this will be decided before the contract is signed.	 The customer	 Either the customer or the funding company - this will be decided before the contract is signed.
Who is liable for the risk?	 The customer will be responsible for insuring the equipment.	 The customer will be responsible for insuring the equipment.	 Same as operating lease however, majority of contract hire agreements including a maintenance package to remove this risk.	 Split between the customer or the funding company.**	 The customer	 Split between the customer or funding company.**

 Funding company  
  Customer  
  Customer or funding company

\* Variable rates available on all options except outright purchase.

\*\* The funding company holds residual value risk and customer is responsible for insuring and maintaining equipment to agreed standard.



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To find out more about any of these finance options, speak to one of our experts on 0191 411 3366 or email us at [enquiries@angloscottishfinance.co.uk](mailto:enquiries@angloscottishfinance.co.uk)