

Scania Financial Services

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All information correct at time of going to press. Please consult your local Scania dealer for latest details and any updates to services provided.



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A solid foundation and strength-in-depth

In a complex world, sound financial and insurance support can make a big difference to your business planning – especially if you're thinking of expanding your fleet.

To provide all the help, advice and assistance you need, Scania Financial Services provides a range of flexible services to give you predictable costs and manageable risks – over the entire life cycle of your vehicles.

At Scania Financial Services you will meet a team of transport industry specialists offering all-inclusive, competitive financing and insurance solutions for new and used vehicles, bodybuilding, trailers and accessories. Our pledge is to work with you to create a bespoke package that's right for your business. And in doing so, we will seek to develop a payment plan that will reduce your overall cost of operation while minimising expenditure.

Our financial services are an integral part of the Scania Total Transport Solutions programme, which in addition to the supply of Scania trucks, buses, coaches and industrial and marine engines includes parts and workshop services, contract services, ancillary equipment services, driver training and development, vehicle rental and much more.



Scania Financial Services: Dedicated to helping you grow and protect your business – all the way.



Choosing the funding method that's best for your business

What's right for me?

That's a good question and one to which the answer will depend on a wide variety of factors. To help you decide, our nationally-based sales team will discuss your requirements and tailor both the product and payments to suit your needs. In every case, our aim is to provide a range of finance options to help you retain your working capital and match your cash flow in the most tax efficient way.

To start the process, we have created this quick reference chart and the diagram opposite to help you determine which products to consider.

Cash or Finance?

Once again, the answer here will depend upon a number of factors and will vary from business to business. Here are some key points to consider:

If you use cash or even your overdraft you may be tying up a large amount of working capital, which could leave you exposed if your business volumes fall or if you want to expand your business to meet increased demand.

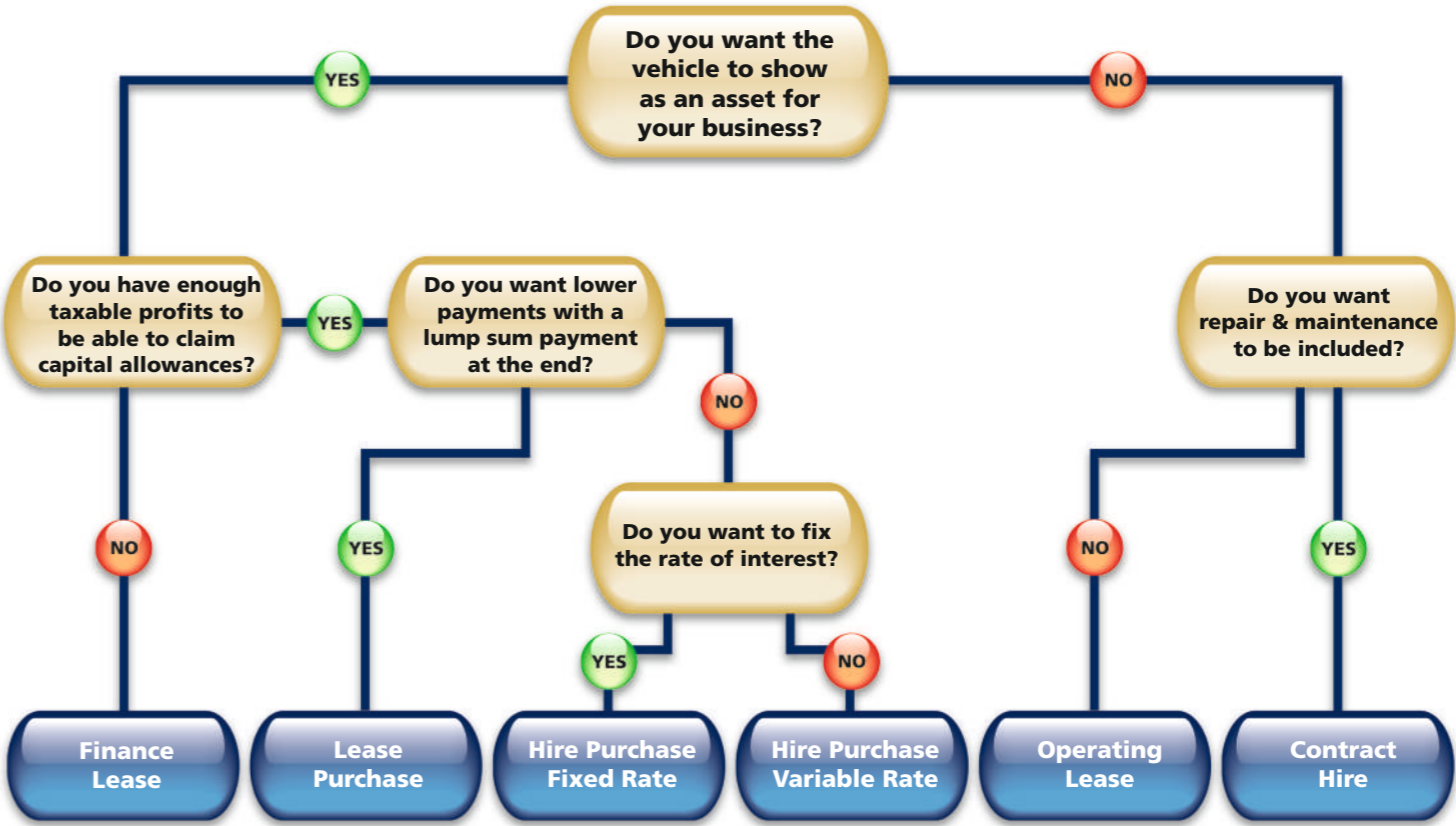
From a tax perspective, Hire Purchase (see overleaf) allows you to claim the same amount of tax relief, and at the same time, as if you had paid the full amount in cash. VAT is fully reclaimable at the start of a Hire Purchase agreement – once again, just like cash.

A Finance Lease may enable you to bring your tax benefits forward compared with either cash or Hire Purchase.

Leaving the cost of the vehicle in a deposit account not only provides a useful financial buffer, but the interest you receive partly offsets the interest on a finance agreement.

	Hire Purchase Fixed rate	Hire Purchase Variable rate	Lease Purchase	Finance Lease	Operating Lease	Contract Hire
Initial capital outlay tailored to your needs	✓	✓	✓	✓	✓	✓
Fixed budgeting	✓		✓	✓	✓	✓
Interest allowable against tax	✓	✓	✓			
Writing down allowances can be claimed	✓	✓	✓			
No disposal problems					✓	✓
Eventual ownership	✓	✓	✓			
Extra credit line	✓	✓	✓	✓	✓	✓
Fixed rate	✓		✓	✓	✓	✓
Benefits from interest rate decreases		✓				
Appears as asset on your balance sheet	✓	✓	✓	✓		
Maximum cash flow benefits			✓	✓	✓	✓
Rental allowances against tax				✓	✓	✓
Off-balance sheet					✓	✓
Reduced administration					✓	✓
Lower monthly payments			✓		✓	✓
Rental can include road fund licence					✓	✓
No depreciation loss					✓	✓
Replacement vehicle if required						✓
Maintenance included						✓
Emergency service						✓
Payments not subject to VAT	✓	✓	✓			

Helping you decide



Before making your decision, we recommend you discuss and review the options with your accountant.



Finance options

For operators seeking to own their vehicles outright, Hire Purchase provides a simple choice with a number of straightforward options



Hire Purchase – Fixed Rate

A fixed rate Hire Purchase agreement provides all the benefits of ownership without the capital outlay. After an initial deposit you pay regular fixed instalments of capital and interest. Payments may be tailored to match your income stream, enabling you to optimise your cash flow. The vehicle becomes yours once all the payments have been made.

Benefits

- Shows the vehicle as an asset on your balance sheet
- Accurate budgeting
- VAT fully reclaimable
- Tax writing down allowances available
- Interest charges allowable against tax

Hire Purchase – Variable Rate

Gives you all the benefits of a Hire Purchase fixed rate agreement except that interest is calculated daily at an agreed percentage above a base rate (normally Finance House Base Rate). This interest is payable monthly or quarterly. This is the option to choose if you expect interest rates to fall during the course of the agreement. The vehicle becomes yours once all the payments have been made.

Benefits

- Shows the vehicle as an asset on your balance sheet
- Fixed repayments of capital
- Interest payments can be made monthly or quarterly
- Benefit from savings when interest rates fall
- VAT fully reclaimable
- Tax writing down allowances available
- Interest charges allowable against tax



Finance Lease

There is little difference in the accounting and tax treatment between a Finance Lease and Hire Purchase. However with a Finance Lease you can still charge the rentals against taxable profits. This may dramatically increase the value that your business writes off against tax, especially if the vehicle is replaced at the end of the lease.

Put simply, a three-year Finance Lease will result in 100% of the rentals being written off against taxable profits. In comparison, a Hire Purchase agreement would take ten years to write off more than 90% of the asset-value when using writing down allowances on a reducing balance basis.

Also, with a Finance Lease you have a low initial outlay and the VAT, which is collected with the rentals, is spread over the period of the agreement.

At the end of the agreed lease period you can continue using the vehicle for a nominal annual amount.

When you no longer require the vehicle, the vast majority of the net sale proceeds are returned to you as a rebate of rentals.

Benefits

- Shows the vehicle as an asset on your balance sheet
- Low capital outlay
- Payments fixed at the start of the agreement
- Accurate budgeting
- VAT collected on each rental rather than at the start of the agreement
- Option to extend the lease for a small annual amount
- On sale of the vehicle you get the majority of the sale proceeds back

Finance options

A Finance Lease means your vehicle is hired to you for a fixed period of time without the option of ownership. At the end of the agreement the vehicle will be sold on with the proceeds, minus a small arrangement fee, being repaid to you



Finance options

Lease Purchase features lower regular repayments by including a final lump sum 'balloon payment' at the end of the contract



Lease Purchase

Lease Purchase is a fixed rate Hire Purchase agreement with lower than usual payments as a result of a 'balloon payment' (a final lump sum) which is made at the end of the contract. This means a percentage of the capital borrowed remains unpaid until the end of the agreement.

We deliberately set the balloon payment at the end of the agreement below the estimated future trade-in value in order to help you with a deposit on your next vehicle.

Benefits

- Shows the vehicle as an asset on your balance sheet
- Lower fixed payments
- Accurate budgeting
- VAT fully reclaimable
- Tax writing down allowances available
- Interest charges allowable against tax



Operating Lease

With an Operating Lease your vehicle is hired to you for a fixed period and an agreed maximum annual mileage. The rental cost is calculated on the purchase price of the vehicle, less its estimated resale value at the end of the contract, plus finance charges. Consequently, you benefit from lower monthly payments as a result of us taking into account the expected future value of the vehicle. In effect, you are paying for the expected depreciation of the vehicle plus interest.

That means you don't have to take any risk in the resale value of the vehicle or become involved in trying to sell it. That's all handled by us.

At the end of the contract you simply return the vehicle to us and, providing it meets the return conditions and mileage parameters agreed at the outset, there is nothing more for you to pay.

From an accounting point-of-view the vehicle does not appear as an asset in your accounts. The rentals are shown as an obligation and are taken as expensible payments.

Benefits

- Low initial outlay
- Fixed repayments
- Lower than usual monthly payments
- Rentals are allowable against taxable profits
- VAT on rentals is claimable
- No risk or administration at the end of the agreement providing the vehicle meets return and mileage conditions
- Off balance sheet funding

Finance options

With lower monthly payments and no disposal worries at the end of the contract, an Operating Lease is an attractive option for many operators



Finance options

Contract Hire

Contract Hire represents the best way of fixing the majority of your vehicle acquisition and operating costs, excluding fuel and drivers. Put simply, Contract Hire combines the benefits of an Operating Lease with a Repair and Maintenance contract – all within one monthly payment.

In addition, a Contract Hire agreement can also include Road Fund Licence, tyres, replacement vehicles and maintenance of ancillary equipment, as well as collection and delivery when maintenance is due.

And with the majority of Scania's dealer network offering extended opening hours, you can minimise downtime by booking the vehicle in for work at times to suit you.

Proper maintenance schedules also minimise the potential for problems occurring. However, should a failure ever occur, a replacement vehicle can be provided as part of the agreement. And if roadside assistance is needed – anywhere in Europe – the round-the-clock service provided by Scania Assistance can come as part of the Scania Contract Hire package too.

And at the end of contract, the vehicle is simply returned to the supplying dealer, thereby reducing both your risk and administration time when it comes to disposing of the vehicle. In terms of the condition expected of vehicles upon their return, Scania follows the Return Condition guidelines issued by the British Vehicle Rental and Leasing Association (BVRLA).

Benefits

- Low initial outlay
- Fixed repayments
- Lower than usual monthly payments
- Rentals are allowable against taxable profits

- VAT on rentals is claimable
- No risk or administration at the end of the agreement providing the vehicles meet return and mileage conditions
- Off balance sheet funding
- Repair and Maintenance contracts included offering fixed cost finance and vehicle maintenance
- Reduced fleet administration
- Scania Assistance – roadside repair and recovery no more than an hour away

Scania Ancillary Services

Combined with our Contract Hire packages and designed to make maintenance of ancillary equipment easier and more convenient, Scania Ancillary Services is available at your premises, at any of Scania's 90-plus UK service centres or, if necessary, at the roadside. The service covers a wide range of ancillary equipment, including tail-lifts, refrigeration units, shutter doors, air-conditioning systems and passenger lifts.

Scania Ancillary Services represents a £1m investment in staff training and state-of-the-art service vehicles and equipment. In addition to repair and maintenance, the programme offers a complete nationwide parts service, plus installation and safety-certification to ensure on-going legal compliance.

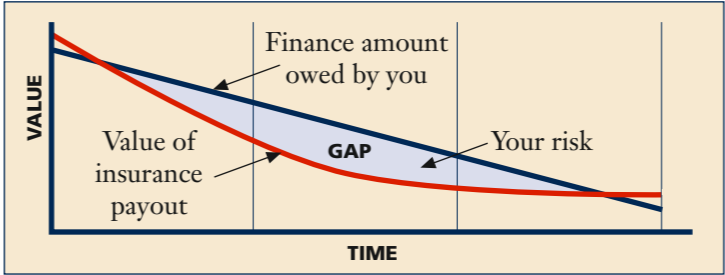
Scania Insurance

Insurance products to protect you and your vehicle

Scania GAP Plus and Return to Invoice Insurance

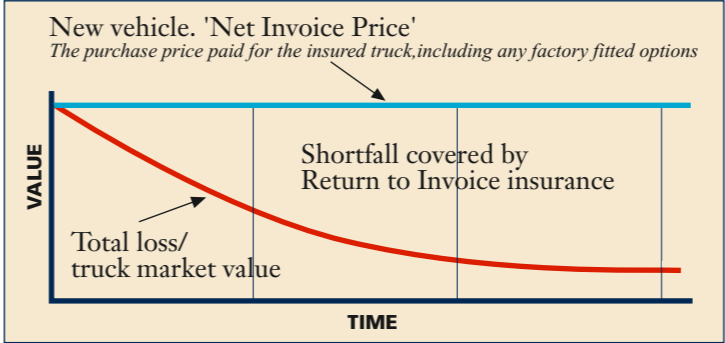
Protecting you against insurance write-offs:

- Protects your investment in your vehicle(s) in the event of theft or total loss on rentals is claimable
- May help to prevent you having to find additional cash for a replacement vehicle
- Can help you get a like-for-like replacement vehicle rather than having to trade down



GAP Plus Insurance†

Write-off protection against the potential shortfall between the amount your insurance company will pay out and your finance settlement figure.



Return to Invoice Insurance†

Write-off protection so you're covered for the difference between the motor insurance settlement (market value) and the original price you paid for the vehicle.

Vehicle Insurance

Specialist HGV insurance from Scania Insurance Services

Scania Insurance Services is the vehicle insurance solution that has been specially designed to help make obtaining HGV insurance straight-forward and easy for you.

Supported by excellent customer service, risk management updates and dedicated claims support, the priority is to ensure your insurance accurately reflects your requirements, helps protect your vehicles and provides you with peace of mind*.

Whether you run a single truck, a fleet of trucks, own non-standard vehicles, buses or coaches, Scania Insurance Services can tailor the cover to ensure it's right for you.

* As with all insurance policies, terms and conditions apply. Scania Insurance Services is a trading name of Marsh Ltd. Scania Finance Great Britain Limited and Scania (Great Britain) Limited are Introducer Appointed Representatives of Marsh Ltd and do not form part of the same group as Marsh Ltd. Marsh Ltd is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales Number: 1507274, Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU.

† GAP Plus and Return to Invoice insurance are provided through ITC Compliance Limited. Scania Finance Great Britain Limited is an appointed representative of ITC Compliance Limited which is authorised and regulated by the Financial Conduct Authority (their registration number is 313486) and which is permitted to advise on and arrange general insurance contracts.