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JAY CITY FINANCE FINANCE LEASE'S EXPLAINED

Acquiring essential equipment through finance is a smart way to get what you need without straining your cash flow, and it may also offer tax benefits, such as the ability to deduct payments as a business expense. With flexible payment options, you can spread the cost over time while keeping your business running smoothly. Here's a guide to help you understand how finance leases work and the benefits of financing.

What is a Finance Lease?

A finance lease is a smart way for businesses to acquire essential assets without any upfront costs. Instead of purchasing outright, you pay fixed installments over the defined term, gaining full operational use while spreading the cost. Unlike short-term rentals, a finance lease lets you benefit from tax advantages, balance sheet recognition, and ownership options at the end of the term.

If you're looking to preserve cash flow while accessing high-quality assets, a finance lease could be the perfect solution for your business.

Benefits of a Finance Lease

- ✓ **100% Financing** – No upfront deposit, preserving cash flow.
- ✓ **Tax Efficiency** – Monthly lease payments can be offset against taxable profits, reducing overall tax liability.
- ✓ **Flexibility** – At the end of the term, you can either extend the lease, return the asset, or take title and ownership of the assets for one monthly rental.
- ✓ **Fixed Monthly Payments** – The monthly rentals are fixed and can include servicing and warranty.

Tax Efficiency in Numbers Example

You utilise a Finance Lease for £50,000+vat, over a **3 year term**

The monthly payments would be £1,694.46+vat over **36 months**.

Total paid over the term of the lease would be £61,000.56

19% tax can be reclaimed on the full capital and interest over the **3 years, giving a tax relief of £11,590.11**

The Net Cost of this example is therefore £61,000.56 - £11,590.11 = £49,410.45

Frequently Asked Questions

How do I know the business qualifies for funding?

Answer: The approval of the facility will depend on numerous factors. We have a panel of funders that will support projects of all values. We will work with you to discover the most appropriate finance solution for your requirements.

How quickly can I get approved for a finance lease?

Answer: Approval times vary, but many of the funders on our panel can approve applications within 24 to 72 hours.

Will I need to provide a deposit?

Answer: No. Finance Leases do not require an initial deposit and are structured with 100% financing, meaning no upfront costs. However, if you would like to pay a deposit this can be arranged as part of the finance agreement.

Do I own the equipment at the end of a finance lease?

Answer: You have the option to take title to all of the assets at the end of a successfully paid minimum term and once you have given notice to terminate the lease for a one off fee. If you don't want to take title to the assets, you may have the option to extend the lease or return the equipment.

What information do I need to provide?

Answer: Our team will ensure applying for a finance lease is quick and straightforward. Depending on your business, you may need to provide company details and financial records. Some businesses may not need to provide anything at all.

Our team will guide you through the process to make it simple and stress-free.



Contact Details



Adam Rogers

Sales Director

Mobile: 07824 860 069

Email: arogers@jct-finance.com



Jack Spencer

Head of Vendor Programmes

Mobile: 07901 144 376

Email: jspencer@jct-finance.com



Sales Support Team

Contact: 01923 299 970

Email: sales.support@jct-finance.com