

ALPHABET



# Alphabet Contract Purchase

All the benefits of a managed vehicle with the option to buy once your contract ends



Contract Purchase is a fixed-term monthly rental agreement that offers you all of the advantages of a managed vehicle. It's especially ideal for companies who cannot fully reclaim VAT.

With Contract Purchase, you agree on a set monthly payment for a fixed term, with a variety of options once your contract ends:

- At the end of the term, you can choose to buy the vehicle by paying an 'option to purchase fee' as well as one final balloon payment.
- If you don't want to take ownership, you can simply return the vehicle to us at the end of your contract.
- Alternatively, you can formally extend your contract – although this needs to be done well in advance of the original contract end date.



# What can Contract Purchase do for you?

## Better budgeting

Fixed-cost motoring allows for more accurate budgeting, improved cash flow, and reduced capital expenditure.

## Claim capital allowances

Rental payments will be on your balance sheet, which means you can claim capital allowances.

## VAT benefits

The finance element of the rental payments is not subject to VAT, which is helpful if you aren't able to recover VAT.

## Reduced risk

Contract Purchase means you have no residual value or maintenance risk.

## Option to reduce monthly rental payments

You'll have the option of making an initial payment at the start of your contract, which is then deducted from the capital cost of your vehicle. This reduces your monthly rental payments.

## Keep your options open

At the end of your contract, you can choose to keep your vehicle or return it (subject to conditions).

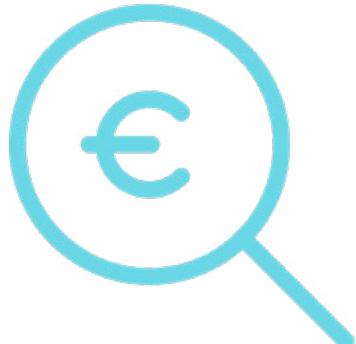
## What about mileage and damage charges?

If you return your vehicle to Alphabet at the end of your contract, you'll be liable for any excess mileage or damage charges that may apply. If you decide to keep the vehicle and make the respective payments to become the legal owner, excess mileage charges will only apply to the maintenance element of the monthly rental.

## What if you end the agreement early?

If you decide to end the contract early, you'll be liable to pay any outstanding finance, the option to purchase fee, and the final balloon payment to Alphabet.

If you've chosen budgeted maintenance, then any difference between actual and budgeted cost will be included in the early termination calculation.





# Take the next step

To find out more about what Contract Purchase can do for your business, get in touch today.

Call us on **0370 50 50 100**  
or visit [www.alphabet.co.uk](http://www.alphabet.co.uk)

**Registered office address:** Alphabet (GB) Limited, Alphabet House, Summit Avenue, Farnborough, Hampshire GU14 0FB. Registered in England and Wales 3282075.

**Disclaimer:** The information provided in this guide is for general information purposes only and is correct to the best of our knowledge at the time of publication (September 2023). Neither Alphabet nor the author can be held responsible for any actions or consequences arising from acting or refraining from taking any action, as a result of reading this.