



A Guide to Catering & Bakery Equipment Leasing



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About AFE Group Ltd

The AFE Group is a leading international business specialising in the innovative design, manufacture and service support of professional cooking, bakery and refrigeration equipment for the global food service market. We employ over 1500 people across 15 locations worldwide.

Our premium brands are some of the best known in the industry and bring together an extensive range of products, offering the very best assurances of performance, quality and reliability to every chef and baker in the Catering and Hospitality Industry – no matter how big or small their kitchen.

We are uniquely placed in the UK to offer nationwide support for all aspects of service, planned, preventative and reactive maintenance for both the catering, bakery and retail sectors.

Our extensive product offer is supported by a network of skilled and experienced dealers who work closely with our factories to offer the assurance of expert advice and a total food service solution to meet your specific needs.



About Academy Leasing

Academy Leasing Ltd has been established for almost three decades, launched by the current MD in 1987 - Academy has been able to offer its customers continued funding regardless of economic conditions. This level of funding has been rare, particularly through the recent recession of 2008.

Unlike many competitors, Academy is wholly independent so does not have to follow the lead of mainstream banks or satisfy needs of investors.

We are placed to help when banks can't

We are here to offer a commercial and flexible approach to funding

We accept 87% of all funding proposals

Our extensive cash reserves as well as an extensive panel of funders ensures that Academy can structure a deal for ANY type of business. This includes new start companies, established SME's, Blue Chip organisations, Schools and the NHS.

Since April 2014 we have been an authorised leasing company of the NHS via the Supply Chain Framework offering funding to a range of hospitals for equipment varying from vehicles to MRI machines.

Academy Leasing is Authorised and regulated by the Financial Conduct Authority for Consumer Credit.

Why is Academy Leasing different?

Academy Leasing is 100% independent and has the backing of over 20 lending institutions. Some are specialist UK funders, and many are European merchant banks with UK subsidiaries with very competitive terms available. Often these funders' only route to market is through elite brokers such as us.

This independence - along with our own portfolio of funds - has helped promote Academy Leasing to one of the UK's most respected catering equipment leasing companies. We always look to find acceptable ways to manage any risk, whether it's a new start, an expanding company, or local authority.

It is easy to provide all the normal finance facilities; at Academy Leasing we go that one stage further. We take the time to understand your business, and we build that in to the decision-making process to ensure flexible funding for your restaurant, chip shop, cafe, takeaway premises, etc.

What is leasing?

“Leasing is a contractual agreement where a leasing company (lessor) makes an asset it owns available for use by another party (a lessee), for a certain period of time and in exchange for payment.”

The Use of Leasing Amongst European SMEs Executive Summary, Oxford Economics

Leasing is a form of finance used throughout the world by governments, businesses and people, to finance a wide variety of different activities. Leasing can help pay for equipment (see below), vehicles, property, and more.

What is equipment leasing?

Equipment leasing is a vital tool for all businesses – not just catering – looking to grow and finance equipment, especially when the current UK recovery is so fragile. It allows you to agree a fixed term contract with which you can lease brand new equipment without a big outlay in Capital Expenditure (CAPEX), instead paying for your equipment with tax-deductible Operational Expenditure (OPEX).

Equipment leasing contracts are typically marked by a securing of the agreement against the catering equipment alone, and with regular fixed-amount payments which do not affect other credit lines or banking relationships. Repayments are designed to be taken over the useful life of the equipment.

Leasing is ideal for equipment which primarily increases revenue or reduces costs, meaning an immediate return on investment (ROI).

Why should I choose equipment leasing?

There are a number of reasons why equipment leasing is a much better alternative than paying cash for new catering equipment.

Here are the main reasons why:

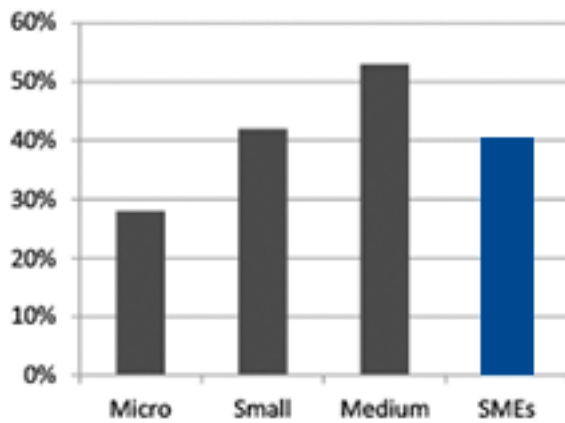
1. Rather than using your hard-earned and precious cash, pay for your equipment over the term of its useful life. This makes repayments much easier to budget.
2. Leasing agreements often have minimal or no deposits.
3. Start using your new equipment immediately, rather than when you can afford to buy it.
4. By using Operational Expenditure (OPEX) you can write off the total amount of your leasing agreement against corporation tax.

AFE Group Ltd and Academy Leasing have compiled this helpful Guide to Catering & Bakery Equipment Leasing to assist end users in reaching an informed decision as to how they may consider investing in new catering equipment assets for their business.

Academy Leasing also provides you with a number of extra benefits that you may not receive with other leasing companies, including:

1. Agreements are very simple to arrange, and you often get an answer within 24 hours.
2. Choose the terms of repayments to suit your own business.
3. Clarity regarding end of lease from the start. Choose between flexible options at the end of the contract, upgrade, keep using the equipment or simply return it.
4. We currently operate with a 92% acceptance rate.
5. New start catering businesses and restaurants given real consideration.
6. Over 30 years combined industry experience.

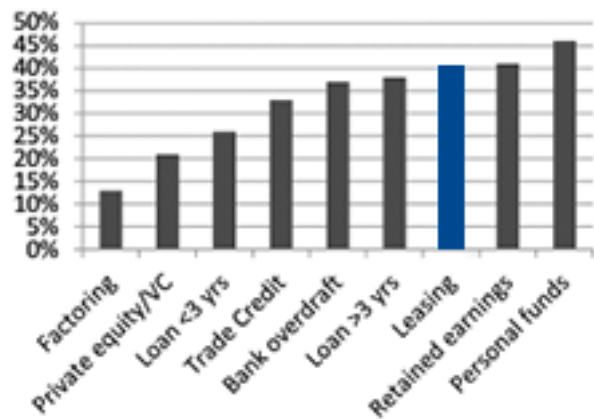
Quick facts about Leasing



Proportion of firms using leasing, 2013

Of the SMEs surveyed, 45% used leasing in 2013. By size, the figures include 24% of micro firms, 43% of small firms, and 54% of medium firms.

Source: Finance and Leasing Association (FLA)



Investment by funding type, all SMEs

Leasing has been more popular with SMEs than any other form of bank lending and has seen the fastest growth in 5 years

£22 Billion
almost **30%**

In 2013, FLA members provided £22 billion of asset finance to businesses and the public sector, representing almost 30% of all fixed capital investment (excluding property and own-account software) in the UK.)

Source: Finance and Leasing Association

750,000

In 2013, FLA members provided leasing finance to around 750,000 small and medium-sized businesses (SMEs).

Source: Finance & Leasing Association (FLA)

What kind of equipment can I lease?

Whether you are looking to finance a single item of equipment or an entire refit of your premises, we promise to react quickly and access our panel of independent funders to get you an answer as soon as possible. It doesn't matter to us whether you are an established business or a brand new one, we will do our very best to provide you the same great level of service.

AFE Group can help introduce Academy Leasing for you to access finance for:

- **Cooking equipment**
- **Refrigeration equipment**
- **Cold rooms**
- **Bakery equipment**

Academy Leasing and the AFE dealer network is also able to assist in financing other areas of your catering equipment needs such as:

- **Ware washing Equipment and Ice Machines**
- **Coffee and beverage dispensing equipment**
- **Food handling, processing preparation and packaging equipment**
- **Shop fitting and fabrication**
- **EPOS and cash registers**



10 benefits of leasing

Leasing provides a great number of benefits. Here are just 10 main benefits:

1. Tomorrows technology, today

Customers can take the advantage of the latest range of equipment and spread payments over a 2 to 5 year term.

2. Conserves working capital

Capital can be put to work for other more profitable purposes.

3. Payment reflects usage

Pay for the equipment as it is used and spread the cost through its working life i.e. 2 to 5 years.

4. Tax allowable

If a Company leases an asset it can claim a tax allowance for rentals it pays

5. Upgrade facility

Take advantage of new equipment and ranges by simply upgrading or extending current usage.

6. Plan budgets

With rental payments, you know when and how much you have to pay. This is a FIXED TERM and FIXED RATE facility.

7. Acquire what is needed

You can acquire the equipment you need now, not just what you can afford.

8. Simple direct debit

One rental can include all equipment and ancillary cost i.e. installation, training, and maintenance costs.

9. Leasing does not affect existing credit lines.

This has no impact on your existing bank facilities.

10. Flexible end of lease options

Terminate repayments and obtain title OR upgrade to new equipment.

What is the process of acquiring leasing?

With Academy, the process is very straight-forward. Typically leasing agreements run like this:

Step 1

AFE finalises the order specification with its client. AFE introduces the client to Academy as its preferred source of leasing.

Step 2

Academy provide an immediate reply to the client with what, if any information is needed to secure your credit.

Step 3

Academy performs credit searches

Step 4

The client is provided with leasing proposals from Academy and can review these, and thereafter select and sign the lease arrangement paperwork.

Step 5

Academy co-ordinates with AFE to arrange delivery and installation of the equipment (if selected).

Step 6

The contract then begins between Academy and the client. Payment of the first invoice is made upon authorisation of AFE's satisfactory delivery of the equipment.

What are the tax benefits of leasing?

When it comes to tax benefits, there is no doubt that you are much better off if you choose leasing.

When you buy outright, although you do get some tax relief, the amount compares unfavourably with the tax allowances on a lease agreement, these benefits can be individual. Please call Academy Leasing for more details of the tax benefits particular to your enquiry.

How much can I borrow?

Whether you're replacing single items of equipment or have large set-up costs for a new start venture, we can help you get finance.

We typically deal with companies looking for finance anywhere between £1,000 to £250,000, however we can just as easily help you find £500,000 or more.

Common Client FAQs

How do I pay the leasing contract?

Payment starts when the contract begins (Step 6 in our “what is the process” guide above), and when the equipment supplier has been paid.



Your payments are made by direct debit until the end of the contract term.

How to get the ball rolling?

In many cases finance is approved on the name or registration numbers of your company, so no additional information is needed.

But for your reference, below we have listed some of the additional information we may request. This can sometimes help manage expectations, when for example, we ask for personal bank statements if businesses are new, etc. Don't panic if you do not have all of this information available, it's only to give you a guide of what might be asked.

New start businesses:

- Business Plan
- Cash flow forecasts
- Directors Background/CV's
- Details of investment (cash, bank, venture capital etc...)
- Details of premises location (leasehold/freehold terms)
- Permission to credit search the directors
- Directors “personal wealth statement” (guide of personal assets and liabilities, we can provide a template)
- Copy of directors personal bank statements (recent 3 months)
- Rough equipment guide

Often much of the business plan can be answered in a conversation should you not have one.

Established businesses (3+ years):

- Finance is often approved on your name and/or registration numbers of your company
- Copy of most recent year end accounts
- Copy of recent management accounts OR 3 months recent business bank statements
- Rough equipment guide.

Common FAQs

What is an Academy lease?

A tax efficient borrowing facility specially designed for businesses acquiring equipment. The finance company buys the equipment on behalf of the customer and then leases it back to them over an agreed term.

Why is an Academy Leasing lease so tax efficient?

If a Company leases and asset it can claim a tax allowance for the rentals its pays in addition to capital allowances

Is borrowing from a bank cheaper?

Over the course of the lease the greater tax savings will usually mean the lease compares favourably with a bank loan or overdraft – ask your accountant.

If bank finance and lease finance are similar in cost in the long run, why shouldn't I just go with my bank?

Bank lending is nearly always secured on your personal or business assets, or both! Our lending is unsecured. Also, bank loans and overdrafts are normally repayable on demand – check the small print! Providing rental payments are paid on time, our facility is fixed until the term ends.

Can I upgrade during the term?

Yes but it's only usually worthwhile more than halfway through the term.

What happens at the end of the lease term?

We will transfer title (ownership) of the asset for 1 months rental.

Are there any hidden costs?

No. All figures are agreed in advance enabling you to plan with confidence.

AFE – An outline of our procedures

- AFE sales person establishes client interest in leasing.
- client name, contact and proposed equipment requirements.
- Academy Leasing create a client file which is passed to underwriting
- Academy will Accept / decline or request further information
- On acceptance Academy Documents sent same day/special delivery/ email direct to client
- Documents / invoice received, delivery check complete – payment same day

For an idea of leasing costs, please visit our [online lease calculator](#)

Academy Leasing Contacts

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