

# DLL Product Comparison Matrix

Regulated by the Consumer Credit Act 1974 (as amended)				
Description	Loan	Hire Purchase	Full Payout Lease	Operating Lease
Deposit required	No	Yes plus VAT on cost of goods	Minimal	Minimal
VAT deferral for up to 3 months?	N/A	Yes	N/A	N/A
Pay for full value of equipment over the term?	N/A	Yes	Yes	No - depreciation only
Own goods/ equipment	Yes	Not until all payments made and option to purchase fee paid	No	No
Right to return goods/ equipment	N/A	After 50% paid	No	No
Can I sell the goods/ equipment?	N/A	Only with DLL permission	No	No
Fixed monthly/ periodic payments	Yes	Yes	Yes	Yes
Pay for damage on return of equipment?	No	No	No	Yes
Excess wear and tear costs?	No	No	No	Yes
Depreciation in value of equipment risk	Yes	Yes	Yes	No
Early redemption fees	No	No	N/A	N/A
Secured by title to the equipment	No	Yes	Yes	Yes
VAT	N/A	Payable in full at start	Paid on each rental	Paid on each rental
Accounting treatment*	Interest deductible as trading expense	Interest deductible as trading expense; asset and liability on balance sheet	Interest deductible as trading expense; asset and liability on balance sheet	Rentals deductible as trading expense
Benefit from Sale Proceeds	Yes - when a tangible asset	Yes	Yes - after any costs	No

\* Your accountant or financial advisor will help you determine the appropriate accounting and tax treatment of your business