



3 Year Rental Option

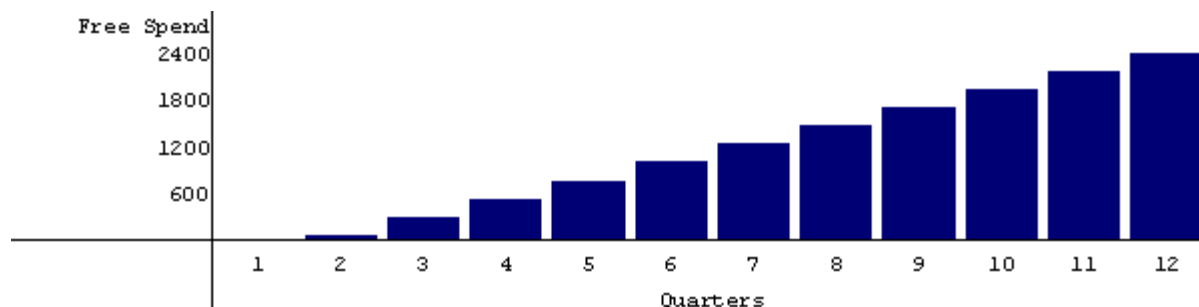
Presented for general quotation

Smart Computers & Networks Limited constantly adapt to our customers' needs. In line with this, the Smart Computers & Networks Limited Corporate IT Equipment Rental Option has been introduced. Under this scheme the Monthly payments for your particular requirement are outlined below. This option provides your company with evidence that increases in productivity and service can be made without incurring a high initial investment.

Term	Rental
3 Years - Monthly Payment	£76.95 *

** Please note that the equipment that you are looking to acquire **must** be insured. The above rental figure does not include insurance. If you require insurance, this can be provided.*

Our Rental Option incorporates an upgrade path which enables you to add further equipment during the term of the agreement without increasing the monthly payments. This is achieved by simply extending the term of the agreement at the time the new equipment is acquired, to take account of the increased lifespan of the enhanced system. Based on the solution you are considering, the value of additional equipment which could be added to your agreement is outlined on the graph below:



As stated above, the Corporate IT Equipment Rental Option is designed to offer significant tax efficiency by classing the rentals as a revenue expense (subject to auditor approval). This provides significant tax benefits which, when taken in conjunction with the additional revenue you could generate by maintaining the capital in your business, present a major saving.

RENTAL BASIS		NPV	TOTAL COST	Customer Assumptions	
Rentals	£2,770.35			Corporation Tax Rate	19%
Tax Saving	£526.37			Return on Capital Employed	15%
Net Rental Cost	£2,243.99			Discount Rate	10%
NPV		£2,018.13	£2,018.13	First Year Allowance	40%
CASH BASIS					
Capital Cost	£2,221.00				
Tax Saving	£279.57				
Net Capital Cost	£1,941.43				
NPV of Net Capital Cost		£1,976.51			
NPV of Opportunity Cost (Cash tied up in Assets)		£328.36	£2,304.87		
Customer Saving using Leasing			£286.74		

All figures are quoted for indicative purposes. They are based on current interest rates with an initial administration charge and assume credit and documentation approval. If you wish to see how this saving figure is achieved, please contact your account manager for a copy of the discounted cash flow document related to this quote.

Your quote has been prepared by **Nigel Beatson**.