Business

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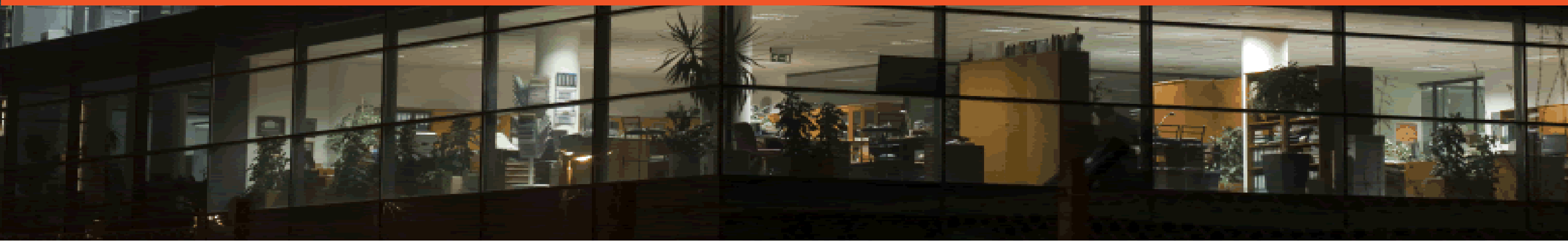
CATALYST ENERGY SOLUTIONS

Keeping you up to date with our latest business developments.



Benefits of Leasing

Who Benefits The Most From Leasing?

Benefits for the lessee include:

- ✓ Payments which are 100% tax deductible (this applies to finance lease only);
- ✓ Leasing payments which are fixed;
- ✓ An alternative funding source;
- ✓ There is a pay as you earn/return on investment;
- ✓ A hedge against inflation
- ✓ The ability to have the best product available and the ability to preserve cash flow.

Payments are 100% Tax Deductible

- ✓ All leasing payments are rental payments and as such they are an allowable business expense.
- ✓ Leasing payments are fixed payments.
- ✓ All our leases are on a fixed interest basis. Irrespective of what happens to bank Base Rates, the payments remain fixed throughout the period of the lease.
- ✓ We are able to confidently state that the fixed nature of the payments can protect your business against future interest rises; allowing you to budget accurately.

It is an Alternative Funding Source

By using leasing to acquire your business equipment our clients are protecting their other lines of credit. Business loans or overdraft facilities should be used for non-asset based investments such as stock, staff, advertising or marketing.

If a company uses its available capital or overdraft facilities to purchase capital assets it is exhausting its cash and credit lines.

This could leave the company in a vulnerable position should it need to invest in a non-asset related area of business in the future.

Preservation of capital allows the customer to respond to unforeseen circumstances and react to competitive pressures.

Traditionally businesses organise the majority of their finances via their high street bank.

Companies will go to their bank to organise the commercial mortgage for the premises, provide an overdraft and organise leases via their leasing subsidiary or offshoot.

Everything therefore remains uneventful and 'safe' in this relationship until trading becomes tough and cash flow slows down.

Suddenly the bank, which is heavily committed to the company becomes more aware of degrees of risk in the relationship and may restrict applications for further credit or support, making it for difficult for the customer to obtain finance.

We believe it is financially prudent to spread the credit requirements of a business over a number of providers, thus avoiding having all of their eggs in one basket, and being controlled by one finance provider.

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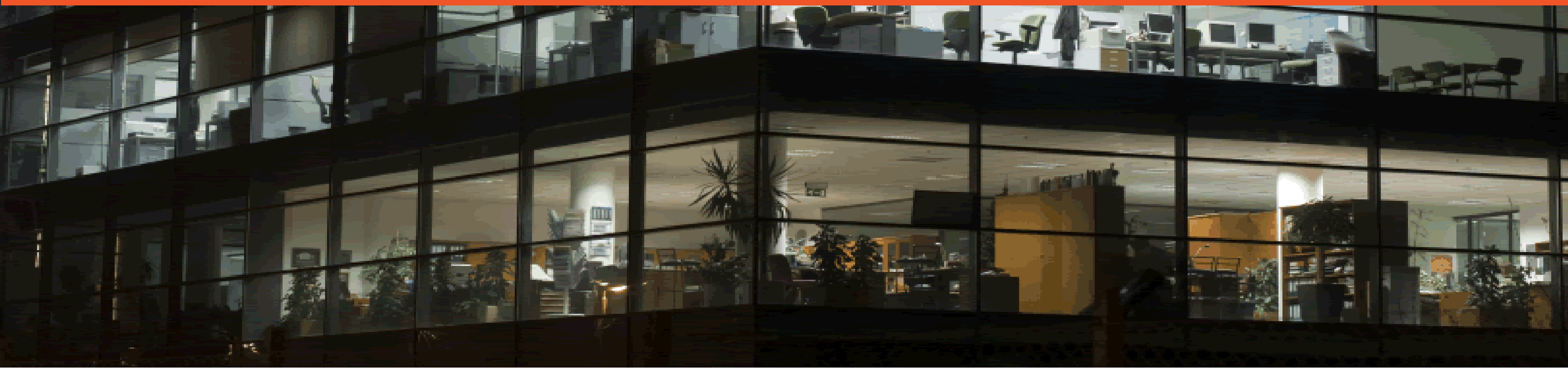

Benefits of Leasing

Pay as You Earn / Return on Investment

Most capital asset acquisitions are for one or two purposes.

Equipment is acquired either to make money or to save money.

By using a lease arrangement no major upfront cost is needed.

An initial payment allows the business to start using the equipment immediately and potentially to start to make or save money.

Protection against Inflation

It is possible to have state of the art equipment and pay for it with tomorrow's cash flow as already stated.

This position provides a degree of protection against the effects of inflation. There is no guarantee that the current low rate of inflation will continue.

As the customers payments are fixed from the start of the agreement, this means the cost of the equipment, reduces in real terms.

The Ability to Have the Best Product Available

When a business needs a new piece of equipment, they normally obtain three or four quotes before deciding what is best to acquire.

Often the decision is to take the cheapest deal that will do the job.

However, we all know that the cheapest option is very rarely the best in the medium to long term.

As there is no capital outlay with leasing this gives the customer the option to acquire state of the art equipment as they have the option to pay monthly payments out of future cash flow.

Funded Solution Examples:

- Lighting
- Solar PV
- Biomass
- VO
- AD Plants
- CHP
- Wind Turbines