



Finance options for new machinery

Our client is a family farming business in the Angus area, arable and potato farmers growing around 1,500 acres of cereals and 400 acres of potatoes.

Our Corporate Finance team assisted our client with finance options to purchase a new Grimme Variation self propelled potato harvester.

EQ Agriculture and EQ Taxation provided valuable support throughout the finance process to ensure our clients received the best outcome and ensure the most tax effective options.

The Transaction

EQ liaised with client and supplier of machine, establishing overall cost to change, taking into account trade in, then agreeing the top line value to ensure the most tax efficient figures would be invoiced.

We sourced 3 different options in terms of finance providers, with a variety of repayment terms. We prepared a summary of options for client and advised on the most efficient provider. We advised that had they agreed to finance the machine with the supplier, they would cost their business a further £8,000 in Hire Purchase interest charges.

Given we were engaged at the point of agreeing invoice values, we were able to reduce the clients tax liability in the first year by £33,000. We also ensured their cash flow was not adversely affected by the timing of the VAT deposit.

For more details on this transaction or to speak to someone about how we can assist you, please contact:

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You can also contact one of our EQ Agriculture team via:

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Or call your local office using the numbers below.

