



## Vehicle Reports – Frequently Asked Questions

At LeasePlan we want you to have control over your vehicle budget. Our Vehicle Reports are designed to allow you to accurately monitor how the costs of your vehicle compare to the budget established at the beginning of your lease. This is important, as monies unspent will be returned to you at lease end. Because it is comprehensive, your first Motor Vehicle Report may seem somewhat difficult to understand.

Attached is a “How to Read Your Motor Vehicle Report” guide and below are answers to questions we are frequently asked. We hope you will find these documents useful. However, if you have further questions, please don’t hesitate to contact our Customer Care Centre or 132 572.

### **Question: Why is there a gap between Interest due and Interest paid?**

Answer: The actual interest cost is based on the amount financed. Because the vehicle’s value reduces each month (as amortisation payments are being made), the interest due (“Actual Costs”) is higher at the beginning of the lease and then decreases each month. To make budgeting possible, we have divided the total amount of interest due over the entire lease period by the number of months in the lease, so that you pay us the same amount of money for interest each month. That is the amount displayed in the “Budgeted Costs” column. At the end of the lease (if the lease is not early-terminated) the total amount paid (“Budgeted Costs”) will equal the total amount due (“Actual Costs”).

### **Question: The Insurance costs do not seem right?**

Answer: Although you are insured from day 1, we charge insurance costs to your budget once a year only. On the month that we input the insurance premium to your budget, it will appear in the “Actual Costs” part of your report. The amount displayed in the “Budgeted Costs” column is the yearly insurance cost divided by 12 and corresponds to what you pay us for insurance each month. Over a 12-month period, “Budgeted Costs” and “Actual Costs” even each other out.

### **Question: Why are there TWO entries for Registration costs?**

Answer: Registration may appear as two different entries on your vehicle report. One entry may be the registration itself while the other may be the Compulsory Third Party insurance charge. It may also happen that our accounting staff *processes* those two entries across a two-month period (for example, on April 30 and May 1). Your report may therefore display two separate entries for registration in the actual costs column, sometimes in two different months, within the same 12-month period.

### **Question: What is included in Other Provisions?**

Answer: Several items are excluded from standard maintenance programs – for example broken glass, minor impact damage, repairs to broken aerials, etc. A budget called “Other Provisions” may have been built into your total budget to accommodate these costs. Insurance excess can also be “charged” against the Other Provisions budget if your insurance is with LeasePlan. The benefit for you is that you are able to pay for all of your vehicle-related costs with pre-tax dollars. Excluded from the Other Provision budget however are items that would cause the vehicle’s FBT base value to increase (such as hi-fi systems, alloy wheels, etc.).

### **Question: Why is there an actual cost for Maintenance on this month’s report?**

Answer: Costs appear on your report at the end of the month during which we have processed the cost in our systems. There may be one or two months’ delay between your taking the vehicle to a repairer, the repairer sending us their invoice and our Accounting Team processing the invoice. This explains why there may suddenly be an “actual cost” during a month where no work was done on your vehicle.