



T H WHITE
PRO AGRI



BUYING AND MAINTAINING AGRICULTURAL MACHINERY

Experience the T H WHITE difference.

Helping customers get the best from machinery,
land and buildings since 1832.



T H WHITE
AGRICULTURE



BUYING AND MAINTAINING AGRICULTURAL MACHINERY

The T H WHITE difference

T H WHITE Agriculture is the official dealer for many industry-leading machinery brands such as Case IH, Pottinger, Kuhn, Manitou, McConnell and Opico to name a few.

T H WHITE ProAgri is the sub-brand we give to our Case IH product portfolio. We specialise in the supply and maintenance of high quality

Case IH equipment backed by expert knowledge and reliable service and support.

We understand that every machinery purchase is unique. Our manufacturer-trained technical staff have years of expertise in specifying agricultural machinery, making them best placed to create a solution that's perfectly suited to you.

Here's how we go about it:



THE FACT-FIND

1: THE NEED

Let's take the example of a tractor purchase. Our expert staff will begin with a discussion to understand your needs. We will establish what you plan to do with your piece of machinery, how

frequently it will be used and for what type of work. In this example it could be that you need a tractor for ...



Heavy draft (ploughing)



Corn carting



Road work



Baling



Deep or shallow cultivation



Grass harvest



PTO work



Yard work



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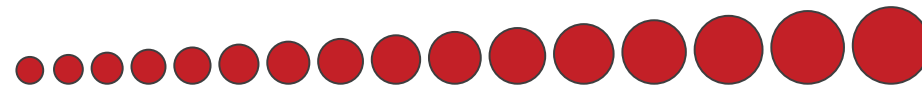
2: PRODUCTIVITY

We will ask you how much use this product is likely to get. This is critical to ensure we recommend the correct model to meet the demands of your tasks and ensure it lasts for the life-span you specify before you consider a

change. We will also ask you how long you need to run this tractor for. A typical lifespan may range from 3-5 years and this, combined with the expected hours, will help us determine the requirement for care and maintenance.

LOW USE

200-400 hrs a year



HIGH USE

2,000 hrs a year

3: FUNCTIONALITY

Next we explore the functionality you require. Do you wish to:

DRILL • PLOUGH • POWER HARROW • SUB SOIL • RAKE • BALE • MOW?

All these choices and preferences will enable our specialists to ensure you end up with exactly the right kit for your requirements. We don't want

you to buy more than you need, but equally we want you to be confident that your machinery is ready for what you expect of it.

OPTIONS

The final part of our fact-find is to discuss options with you.

Have you considered your comfort needs? If you have indicated a 2,000 hour yearly use you will be looking for ergonomic, possibly heated seating and enhanced suspension to create a truly comfortable environment for the extended time spent in your cab. We will discuss your lighting requirements should you need to work after dark and we'll ensure you have the necessary supply spools for hydraulics.

We will talk you through the Advanced Farming System (AFS) tools to ensure you are optimising your equipment's productivity, as well as telematics technology to allow monitoring of service requirements. We'll also examine the security of your equipment, ensuring you understand the risks and can make informed decisions about whether you wish to purchase security features.

You can rest assured that we won't discuss options that aren't relevant to the needs you have disclosed.

T H WHITE Pro Agri has spent almost two centuries building relationships, helping customers to get the best from their machinery, land and buildings. For us it's not about the short term – our whole philosophy revolves around working with you to help you build and sustain your business no matter what challenges may occur along the way.

By working with you in the long-term, we want to be there alongside you to look after your equipment for its – and your – lifetime, to help you get the most from your planned activities. This is how we have served the generations we have worked with, and will continue to do so.

With the fact-find complete, we are now ready to discuss the right purchase route for you.



PURCHASE ROUTE

There are various routes available to you allowing you to buy outright, lease or contract hire.

BUY OUTRIGHT, OR...	
Hire Purchase	An instalment plan where the asset is acquired and repayment is agreed in instalments over a contracted period of time. This route gives the same tax benefits and ownership rights as if paying in cash but allows payment to be spread and fixed at the outset.
Finance Lease	A finance company buys the asset on your behalf and rents it to you for an agreed period. Ownership remains with the leasing company and full repayments are allowable against your taxable income.
Operating Lease	An operating lease offers a short-term lease relative to the economic (useful) life of the asset. This is an off-balance sheet form of funding.
Contract Hire	A short-term hire may be appropriate for a specified period or number of hours. This is often termed a Contract Hire.

Our Sales representatives can discuss the various financial pathways available to you. There are many factors to consider for each pathway which you might like to discuss with your Financial Advisor.

Feature / Benefit	HP	Finance Lease	Operating Lease	Contract Hire
Cashflow				
Buy at today's cost with tomorrow's income	X	X	X	X
Enables cashflow planning	X	X	X	X
Leaves other credit lines free	X	X	X	X
No risk of interest rate rises	X	X	X	X
No risk of forced early repayment	X	X	X	X
Cost of purchase spread over term of agreement	X	X		
Reduced rentals during lease period			X	X
Customer benefits from sales proceeds	X	X		
Peace of mind – one all-inclusive rental covers use and maintenance of goods				X
Tax				
Capital allowance claimable by customer	X			
Interest allowable against tax	X			
All rentals offset against tax		X	X	X
VAT payable up-front	X			
VAT payable on rentals		X	X	X
Balance sheet				
Off balance sheet – improves gearing			X	X
Ownership				
Customer retains ownership at the end of the agreement	X			
Customer substitutes use for ownership		X	X	X
All maintenance included				X



REMEMBER TO CONSIDER YOUR TAX POSITION

Depending on the time of year and your company's year end, it may alter the decision you make due to the tax treatment. Tax falls into three categories:

- VAT
- Capital Allowances
- Income/Corporate Tax

VAT
Whatever your purchase route, VAT is payable on receipt of goods and payment of the invoice. However, many purchasers may have the ability to reclaim this VAT, either monthly or quarterly. In any scenario, this can be a burden on cashflow. A lease enables the VAT to be charged in lease payments, thus spreading the impact of the VAT value across the full rental period.

CAPITAL ALLOWANCES
Capital allowances allow you to write-off the full value of machinery against your profits which in turn enables you to reinvest in other areas of your business.

It is important to note that calculating this correctly between HMRC year-end (the beginning of April) and a customer's year end can be complex and requires an accountant to advise on the benefits as well as the dangers. This will ensure a business still has tax efficiency in subsequent years, as a write-off amounts to taking all the benefit in one go.

INCOME/CORPORATE TAX
This works alongside capital allowances and again requires your accountant to advise which way to go as one will impact the other.

If you indicate you are looking particularly to reduce income/corporate tax, then we are likely to suggest hiring as an attractive option.

Cashflow is an important consideration. If you are at the start of a tax year, then rental will spread the tax payable throughout the year as well as throughout the hire period which may be longer. Conversely if your purchase consideration is made towards the end of a tax year, then the attraction of delaying tax due or even receiving a tax refund through an outright purchase or hire purchase may influence your choice.

Although T H WHITE does not provide financial advice, our sales experts will happily provide information on tax implications but we also strongly advise a conversation with your accountant to advise on the best approach for your individual circumstances.

All our sales representatives are manufacturer-trained to ensure they have comprehensive knowledge of all the options available to meet specific challenges



COVER / LIABILITY NEEDS & SERVICE CONTRACTS

From the machinery use and desired length of ownership we now tailor your purchase to your exact goals by determining your liability needs. Ideally this liability cover should align with the period of ownership (the Contract Period). All Case IH equipment comes with a ONE year full manufacturer’s warranty.

Case IH offers a **Premier Protection Plan** for mid to high horsepower tractors (from the Maxxum 145 hp and above) designed to give you complete and long lasting peace of mind by providing extended cover for up to 3 years (base warranty plus 2 years, 3000 hours maximum). The **Premier Protection Plan** give you maximum control over your operating costs with fixed payments and no additional outlay for breakdowns or failures ensuring minimum downtime to your business.

ELIGIBLE COMPONENTS	PREMIER cover for Maxxum 145/150, Puma, Optum CVX, Magnum, Quadtrac tractors*
Engine	X
Fuel System	X
SCR System	X
Transmission	X
Drive Line	X
Hydrostatic System	X
Hydraulic Pumps	X
Hydraulic Valves	X
Hydraiulic Cylinders	X
Electrical	X
Hydraulic Pipes	X
Track System	X
Chassis/Mainframe	X

*For any further details, please refer to Protection Plan coverage sheets detailing full terms, conditions, and exclusions). Other levels of cover available on request for all products.

Premier level cover extends to Harvester equipment with extended cover available for 3 years (base manufacturer warranty plus 2 years) again with a SAFEGUARD maintenance contract.

These transferable programmes can be passed between owners and offer professional support including high quality repairs by fully trained technicians, express parts and a specialist support centre. What’s more, a **Premier Protection Plan** creates a higher residual value for our machinery which in turn strengthens your retail opportunities.

For smaller tractors Case IH offers **Powertrain** and **Powertrain Plus** Protection Plans providing component cover for purchases of Quantum, Farmall, Luxxum and selected Maxxum models.

Using our tractor purchase example once more, if you indicated you wish to keep this piece of equipment for five years we now work with you to extend this Case IH base warranty for an additional three years. Personal excess levels range from £0-250 across the tiers. The cost of your extended cover choice can be included in the sales price or financed within your lease or contract payments.



T H WHITE service technicians all undertake a rigorous training programme leading to industry-recognised qualifications

TAILORED SERVICE CONTRACT

The final step is to work through your tailored service contract. We help you understand that warranty cover is only valid when supported by a regularly serviced and maintained piece of equipment and that if no extended cover is taken the costs of failure (even a day outside of warranty) are your complete responsibility. This is exactly why we are on hand with competitive options to extend your protection and service your machinery.

Here again we offer various service contract options and payment paths to make the process easy:

Our dedicated aftersales teams operate from our branch and mobile workshops to service your agricultural equipment and support breakdowns

PAY UP FRONT*

Based on communicated years of ownership and agreed estimated hours, a monthly charge to cover projected service work is calculated. This can be added to the sales price or financed.

*FIXED LABOUR CHARGES

Set at the beginning of a service period and honoured for up to 5 years

MONTHLY STANDING ORDER*

Based on communicated years of ownership and use hours, a monthly charge to cover projected service work is calculated and debited through a monthly standing order.

Set at the beginning of a service period and honoured for up to 5 years

MONTHLY INVOICE*

Based on communicated years of ownership and use hours, a monthly charge to cover projected service work is calculated and a pro-rata invoice is issued for payment monthly.

*FIXED LABOUR CHARGES

Set at the beginning of a service period and honoured for up to 5 years

PAY AS YOU GO (PAYG)

So long as you sign a PAYG Service Contract committing to your obligations to service your equipment at regular intervals based on the regulatory requirements of use, we will book in the service work and charge you accordingly based on parts and labour rates at that time.

WHY WE RECOMMEND EXTENDED COVER AND SERVICE CONTRACTS

- Product complexity and value has led to these costs rising significantly in recent years so the ability to fix these costs upfront and take advantage of manageable payment terms can mitigate these increases.
- Manufacturers often include extended cover free of charge on condition that a service contract is in place, so it's well worth taking a service contract in order to benefit from this.
- As machinery becomes increasingly complex, specialist training is essential as servicing and repair mistakes can be costly. We only use genuine parts and oil as approved by manufacturers to avoid any issues.
- Manufacturers will often prioritise rectification of failures where cover and service contracts are in place.
- Investments in extended cover, training and back-up resources are all designed to make your ownership hassle-free so that in the unfortunate event of product failure, a swift resolution with no unforeseen costs will get you back in action quickly.
- Improves reliability and reduces downtime

Use this checklist to define your requirements:

Machine type	Comfort	AFS
Annual hours of use	Lighting	Telematics
Functions (PTO etc)	Spools supply	Security

Purchase routes, cover and service

Buy outright	Extended cover
Lease	Service contracts
Contract hire	Finance option & payment terms

Our service coverage extends from Wiltshire to the Welsh borders and from Hampshire to Gloucestershire

CASE II
AGRICULTURE

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