



esdalesinclair & ASSOCIATES

...your local finance specialists

QUARTERLY NEWSLETTER SEPTEMBER 2014

Hello and welcome to our quarterly newsletter. For our regular readers welcome back and for those of you that are receiving this newsletter for the first time we trust you will find the newsletter informative. We have designed the newsletter to cover topics that are both business and personal related.

In this edition we cover the upcoming Westech field days on the 8th and 9th September with Errol Bambrick and Peter Maver from our office attending. Our client LDE has recently expanded their fleet and we take a look at their latest Volvo fitted with an IEE Multi-Purpose Explosive Mixing Unit. We provide details about using a car buying service. If you are looking for a car this service may be a good option in seeking a competitive quote. This includes being able to provide you with a quote on the value of any trade in. We also talk about equipment assets that we can finance that you may not have considered approaching us in the past to finance. We also examine the Property Securities Act and cover where businesses and individuals are losing assets that they own (including equity in equipment if under finance) by not registering their interest on the Register. As the big four banks battle for your loyalty with fixed interest rates unheard of until now we look at whether now is the right time to borrow against your home to fund the purchase of an investment property and finally we examine some of the other business products we offer in addition to our equipment and vehicle products.

Enjoy the read and as always, if you have any queries we are just a phone call or email away.

Until next quarter...

All roads lead to WESTECH



Our Agribusiness Specialist Errol Bambrick and Commercial Finance Manager Peter Maver will be attending Westech Field Days at Barcaldine on 9th & 10th of September - We will be sharing a site with Business Partners Mack Volvo from Rockhampton who will have a range of Mack, Volvo and UD Trucks on display. Errol and Peter will be happy to have a chat and conduct a free independent Health Check of your Banking & Finance facilities, the Boys will be on site M12 & 13 or can be contacted on their mobiles Errol 0417265785 and Peter on 0427268779.



Dangerous Goods

Wayne recently spent a very cold few days in the Hunter Valley visiting clients LDE Corporation who have recently taken delivery of the last of five New Volvo 8x4 Trucks (pictured) fitted with IEE Multi-Purpose Explosive Mixing Units. With not much change out of a Million Dollars per Truck it is a significant Investment for LDE , each of these purpose built explosive trucks will be going to work for a contract with Whitehaven Coal Limited providing Down the Hole Services to their four mine sites in NSW's Gunnedah Basin. LDE have significant experience in the industry having operated a fleet of Explosive Trucks for Contracts with numerous mines in Qld, NSW, WA as well as internationally in the USA, PNG and Thailand.

Our access to a Car Buying Service could save you money!



Recently we teamed up with a car buying service to assist you our valued client in obtaining competitive pricing on the purchase of a new car. In the past you may have contacted or visited a car dealer and received a quote. Then contacted another dealer to see if you can do better. In some cases you still don't know if you are receiving a good price on the purchase and if applicable the trade in.

The good news is that there is no charge for the use of the car buying service that provides unbiased advice and has access to a comprehensive dealer network.

If you are in the process of buying a new car it is as easy as providing us with the vehicle details being the make, model, fuel type (petrol or diesel), transmission type (auto or manual), your colour preference and details of any accessories together with details of your trade in (if applicable).

We will forward your details to the Car Buying service who will make contact with you to discuss.

Even if you have a quote from a dealer make sure you check with us.

If you agree to go ahead we will organise the finance for you as well.

To find out more please talk to us.

We can now finance equipment that most traditional lenders will not normally finance.

Whatever type of equipment you are purchasing for your business make sure you talk with us about your finance options. Below are details of some of the assets that can be financed:



- GPS units in trucks (even those trucks under finance to other financiers)
- Telephone systems
- Solar Equipment
- Security Systems (CCTV's)
- Commercial LCD display panels & audio visual
- LED Lighting
- POS (point of sale) systems
- Commercial equipment for restaurants
- IT equipment
- Printers
- Gym Equipment
- Software
- Catering Equipment
- Office Furniture
- Commercial Cleaning Equipment
- Digital Photo Processing Equipment
- Electronics
- Portable Buildings
- Music Equipment
- Lighting Towers
- DVT Pumps
- Warehouse Racking, etc.

If you have any requirements to finance the above type of equipment please do not hesitate to contact us.

Legislation update - Property Securities Register - How businesses can avoid losing assets that they own.

As mentioned in previous editions of this newsletter the Property Securities Act continues to cause issues with businesses losing assets.

An example of where you can lose your asset is if you hire a piece of equipment that you own or are paying off to a third party for more than 90 days. If you do not register your interest in the equipment on the Property Securities Register and the third party goes into Administration/Liquidation you would lose the asset (and any equity in it) to the Administrator/Liquidator of the third party. What has happened is that the law has turned upside down the whole idea that your asset is your asset forever!

So how do you get help if you do hire assets?

Firstly find out about the Act and the Register at www.ppsr.gov.au. We would recommend that you don't try to register your interest in equipment on the register yourself. You can do it but if you don't do it correctly you can have an invalid registration. So you could still lose your asset. Talk to your accountant or there are people such as [EDX Australia](#) that specialise in this area. We recommend you make sure you know about this legislation as some businesses have lost thousands and other millions of dollars in assets that they owned and more will follow.

Investing in property using current equity

The sustained period of low interest rates has got many people wondering whether it's time to buy an investment property.

But how do you do that if you're already paying off one mortgage?

It is important not to base your decision on interest rates alone. Variable rates are just that: variable. If your objective is to produce rental income and capital growth, your investment needs to allow you to achieve this. It must be the right decision for you in the long run.



How can I borrow against my current mortgage?

Unfortunately, not everyone is lucky enough to have a bank account full of instantly accessible cash. However, it is possible to borrow against your current mortgage to fund a new investment.

If you have lender's mortgage insurance (LMI), the bank will allow you to borrow up to 95% of the entire value of your property. Without it, you can borrow up to 80%. This applies to the property you currently own. It is possible to use this borrowed money to fund the deposit for your next investment property.

Once you've decided on a second property, you can borrow 80% (without LMI) against this property as well. The idea is that you then use your salary and rental income from your investment to pay off your loans.

Before all this is possible you will be required, at the very least, to provide proof of current income and predicted rental return to your bank or lender.

Other things to consider...

This might sound fairly straightforward, but there are many other things that need to be taken into account when deciding whether or not to purchase a property.

Does the property need renovations? Will you need to use a property manager? Will you be paying hefty strata fees? Is it close to schools, shops and transport? All of these things will affect your yield over the long term, and property investment is a long-term commitment.

There is no substitute for homework, so before making a commitment, ensure you have done all necessary research and are confident with the decision you are making.

Do you know about the full range of product and services we offer for Businesses?



In addition to our extensive range of vehicle and equipment finance options we also offer you a complete service for all your business finance needs

These include:

- Trade Finance and Progressive Payment facilities
- Debtor Finance
- Insurance Premium Funding
- Banking and Business Finance

Trade Finance & Progressive Payment Facilities for an Equipment Purchase

We can arrange trade facilities where equipment is being imported including where equipment is being constructed and progress payments are required by the manufacturer. In this case repayments are

interest only on the outstanding balance during the construction stage and converted to an asset finance product on completion.

Security (subject to credit approval) is the asset being financed with no reliance on property security or other bank held security such as a General Security Agreement (Fixed and Floating Charge).

Debtor Finance

We can assist your business free up cash in your invoices to help your business grow.

Why Debtor Finance?

- As your business grows, the finance facility grows with it
- Unlike overdrafts, does not require real estate security
- Is a self-liquidating facility, meaning that your business isn't taking on any additional debt
- A stand-alone facility that can be separated from your other Bank borrowings and Bank security
- Fast access to your debtor's outstanding invoices - no more waiting 30 or 60 days

Insurance Premium Funding

With insurance being one of the largest annual expenses of most businesses it makes sense to spread the cost by making monthly payments.

We can arrange the funding and you will benefit from:

- Improved cash flow through no large upfront payments
- Additional line of credit without security
- A stand-alone facility that can be separated from your other Bank borrowings and Bank security
- Fixed interest rate

Banking Relationships

We have the ability to offer Banking Introductions to our business clients at Retail, Business Banking & Corporate levels.

If you are looking to change Banks or require additional assistance from your own Bank we can assist. Our role is to assist you in the relationship and make appropriate recommendations.

Commercial Property Finance

Over the years, we have successfully obtained finance for many clients for the Purchase or refinance of properties that are either Owner Occupied or held for Investment purposes.

We have access to a wide range of Commercial Property Finance products available from major and second tier banks or non-Bank institutions.

To find out more about the above please do not hesitate contact us to discuss your requirements.

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