



esdalesinclair & ASSOCIATES
...your local finance specialists

Welcome to our first quarterly newsletter for the 2022 financial year.

In this edition we take a look at:

- [The instant asset write off has been extended to 30th June 2023](#)
- [Recent changes to the SME Recovery Scheme](#)
- [Why invoice finance may be a good choice for your business.](#)
- [Release your adventurous spirit with our Consumer Finance options including our access to a car buying service](#)
- [How to avoid becoming a victim of a payment redirection scam?](#)
- [The ability for the ATO to disclose tax debts to credit bureaus](#)

As always, if we can help with any aspect of your finance, or if you know of someone that would benefit from our services, please do not hesitate to contact us on (07) 4922 7221 to discuss.



You didn't miss out - Instant Asset Write-off - Extended to 30 June 2023

The Federal Government has announced a further extension of the Instant Asset Write-off which allows eligible businesses who invest in vehicles and equipment to claim an immediate deduction for certain costs relating to depreciating assets.

How it works

- Businesses with an aggregated turnover of up to \$5 billion may be eligible.
- Depreciating assets may include new business vehicles and equipment. For businesses with aggregated turnover of less than \$50 million, the assets can be second hand.
- Depreciating assets must be acquired after 6 October 2020 and installed ready for use by 30 June 2023.
- Businesses may be able to borrow funds to purchase equipment and still claim a deduction for the cost of eligible items.
- Deduction claims may be made for the year in which the equipment is used or installed ready for use. This may be the same year in which the equipment is financed.
- Unlimited numbers of new eligible assets of any dollar value (and eligible asset improvements for new and existing assets), if the business has an aggregated annual turnover of less than \$5 billion.

Some assets are excluded and a car depreciation limit applies to the cost of passenger vehicles.

The car depreciation limit applies (except a motorcycle or similar vehicle) to a vehicle designed to carry a load less than one tonne and fewer than 9 passengers. The car limit is \$60,733 for the 2021–22 income year.

We therefore recommend that you check with your tax adviser or accountant to make sure the asset you are purchasing is eligible

You can find out more information from the ATO website [here](#)



Government SME Recovery Scheme

The Treasurer recently announced changes to the above scheme

Eligibility criteria used to be that the business had needed to have claimed JobKeeper between the 4th of January and 28th of March 2021 but this has now been axed.

The main criteria is as follows:

- Business turnover needs to be less than \$250 million per annum.
- Loans up to M\$5 for eligible Businesses.
- Loan Terms up to 10 Years.

Funds can't be used to:

- Purchase residential property;
- Purchase financial products;
- Lend to an associated entity; or.
- Lease, rent, hire or hire purchase existing assets that are more than half way into their effective life.

More information can be found at the Treasury's SME Recovery Loan Scheme website [here](#)



Improve your cash flow with Invoice Finance!

From providing finance for one debtor to multiple debtors we can assist your business free up cash in your invoices with our access to various invoice finance options.

What are some of the signs for an Invoice Finance Requirement?

- “I have all my money tied up in one or more invoices”
- “I wish my major customer or all my customers paid on time”
- “If only I had more money, I could grow my business and take on some more work”

Why Invoice Finance?

- As your business grows, the finance facility grows with it
- Unlike overdrafts, you do not require real estate security
- Is a self-liquidating facility, meaning that your business is not 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 outstanding invoices – no more waiting 30, 60 or 90 days to be paid.

How it works?

Various options are available that include the ability to have:

- all invoices subject to the invoice finance arrangement;
- have a single invoice facility; or
- a selective invoicing facility.

The good news is that a number of the invoice finance facilities are confidential to your customers.

What security is generally required?

The financier uses the invoice as security. The financier may take a fixed charge over the Debtors of your business. In the majority of cases you do not need to provide any other form of security therefore keeping other security (such as property security) held by financiers free for other uses.

If invoice finance is something that would assist your business please do not hesitate to make contact to discuss.



Consumer Finance that is tailored to your individual requirements.

Whether you're buying a Boat, Jet Ski or Caravan for your next adventure or any of the assets below, we can source competitive consumer finance options from a wide range of financiers (even some financiers that you may not have ever heard of).

The assets we can also arrange finance includes:

- Motor Vehicles;
- Motorcycles;
- Camper Trailers;
- Trailers (Bike and Boat);
- Horse floats;
- Golf Carts;
- Ride On Mowers; and
- All-Terrain Vehicles (four wheelers).

In addition to providing finance we can also offer you with an introduction to our car

buying service. We know that finding the perfect car can be time consuming, That's where our car buying service can help.

Our car buying service offers:

- **An obligation free quote. Some of our clients have saved thousands of dollars** on the purchase of a new vehicle. They obtain competitive pricing by sourcing pricing from a number of dealers across all vehicle manufacturers, including access to **fleet purchasing and discounts.**
- **receive professional unbiased car advice** (they offer vehicle, service & re-sale advice)
- **a complete concierge service**

If you would like to discuss your financing options and/or require access to our car buying service please make contact.



Beware – Payment redirection scams are on the rise!

According to the ACCC's latest [Targeting Scams report](#), payment redirection scams were the most financially damaging scams for Australian businesses in 2020. Combined losses for these scams reported to Scamwatch, other government

agencies, banks and payment platforms totalled \$128 million last year.

What is a payment redirection scam?

In a payment redirection scam, scammers often pretend to be one of your suppliers. They will sometimes hack your computer so they know exactly who you make regular payments to and what their emails look like.

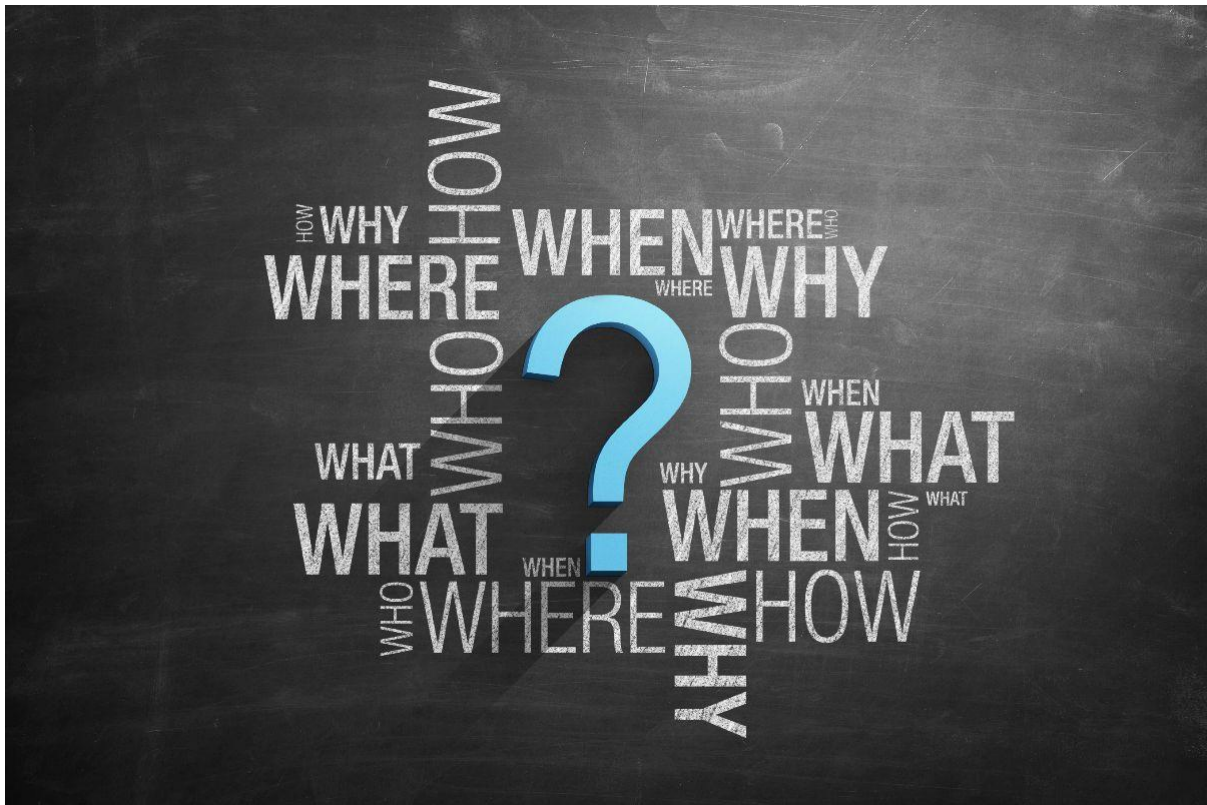
Scammers then will send your business an email that looks like an email from your supplier but with 'updated bank details'. These details are the scammer's personal bank account.

Scammers can search online to quickly find the names of senior staff from a business and the likely format of staff email addresses. They can also hack into email accounts, including through information gathered in phishing scams.

How to protect your business

- Ensure your staff know about your payment processes and what the warning signs are for false billing scams.
- Take time to consider if a payment request is genuine even if you are told that it is urgent.
- Check that emails that ask you for payments or provide you with bank details are real by checking the sender's email address.
- Check if a payment request is real by getting in touch with the business asking for payment using a contact method you have used before.

More information on scams is available on the Scamwatch [website](#), including how to make a report and where to [get help](#).



ATO - Disclosure of business tax debts to Credit Bureaus

The Australian Taxation Office (ATO) can now disclose information surrounding businesses' tax debts to registered credit reporting bureaus. This legislation became law in October 2019. When Covid-19 hit last year implementation was delayed.

The ATO's new powers represent part of the government's strategy to improve transparency when it comes to business debt disclosures.

When can the ATO commence action to advise a Credit Reporting Bureau?

If a business has an outstanding ATO debt and it meets the following criteria:

- have an Australian business number (ABN), and are not an excluded entity
- have one or more tax debts, of which at least \$100,000 is overdue by more than 90 days
- are not engaging with the ATO to manage their tax debt

Subject to the above the ATO may send the business an "Intent To Disclose Notice" and the business has 28 days to act.

What is the impact?

Disclosure of an unpaid debt by the ATO will affect a company's credit rating. This could have serious ramifications for small businesses that need support from suppliers and financiers.

What to do?

1. If you're a small business owner with tax worries, it is a good idea to be proactive and liaise and speak with your tax adviser and work proactively with the ATO.
2. Ensure contact details such as the company's email address and postal address are up to date with the ATO

Further information can be found [here](#)

Copyright © 2021, Esdale Sinclair & Associates (Esdale Sinclair & Associates is a business name of Esdale Sinclair and Associates QLD Pty Ltd ABN 78 138 553 483). All rights reserved.

DISCLAIMER: *The information contained in this communication is of a general nature and does not take into consideration your own circumstances. It is recommended that seek your own independent advice. To the extent permitted by law neither Esdale Sinclair & Associates or any related party will be liable to anyone who relies on this information contained in this communication. Articles contained in this communication are not to be construed as an offer of finance and all applications are subject to Credit Approval.*

Our mailing address is: Esdale Sinclair and Associates, 184 Musgrave Street, North Rockhampton, QLD 4701