



esdalesinclair & ASSOCIATES

...your local finance specialists

Welcome to our quarterly newsletter. Each quarter we provide information that details the different products and services that we offer and provides informative articles that are both business and consumer related. We welcome your feedback and trust you find the newsletter useful.

In this edition we are pleased to announce a [range of expanded services](#) offered by Esdale Sinclair & Associates. We offer a full array of financial services and professional support for your business. Feel free to contact us for a free assessment of your current finances, future succession planning and off farm investments or just the general insurance requirements for your business. We also take a look at some warning signs on whether you have [outgrown your accountant](#) and need to move on. We give some tips on what are the signs to look for so you don't get caught with [rebirthing of equipment](#). We also have a look at what is happening around the vehicle and equipment auction market in our [Quarterly market snapshot](#). If you need [cash flow for your business](#) we explain the options available that do not generally require property as security. Finally we highlight some memorable golfing quotes in our [horsing around section](#).

If we can assist with any of your finance requirements please give us a call.

Enjoy the read!



A Service Like No Other!

Esdale Sinclair & Associates (ESA) have combined forces with some of Central Queensland's leading finance businesses to offer a one stop finance shop to their clients, no matter what the distance!

Business partners Clear Waters Financial Planning, Central QLD Rural Services, Capcoast Insurance & Financial Services and Treasure Agribusiness Services have come together to form a unique service package like no other that provides complete Finance, Financial Planning, Insurance and Rural advice for clients to thrive.

Director Steve Esdale announced that they have had a close relationship with John MacKenzie and his team from Clear Waters Financial Planning for many years now and he genuinely recommends them when it comes to providing financial advice.

More recently, Esdale Sinclair and Associates Agribusiness Specialist Errol Bambrick has been working closely with John to assist rural clients. "We have travelled out as far west as Longreach and as far north as Mt Garnett to see clients who are interested," mentioned Steve. Errol and John have already completed over 30 face-to-face "on farm" visits, covering a variety of topics such as sustainable off farm investment strategies, estate & succession planning and finance assistance. "One of the significant areas of focus lately has been providing advice in relation to the future handing down of the family property," confirmed Steve. "There's no catch. We offer the initial meeting and discussion as a free service. The feedback we have received so far has been overwhelming, mainly due to the reluctance of banks and city based planners to travel out of their way to see clients. What's more, you don't have to be an existing client to use this service either."

Esdale Sinclair & Associates have also recently appointed Roslyn Johnson as their Home & Consumer Lending Specialist. Ros will be working exclusively with clients from both businesses to bring together a finance package to match the clients and their recommended investment strategies. Ros also brings to the table the ability to review the clients existing loans to ensure the loan is structured appropriately and that they are getting the best interest rates on offer in today's competitive marketplace.

Duane Roberts and Libby Murphy from Capcoast Insurance & Financial Services are on board to offer insurance services and are happy to conduct a full review of clients' farm pack policy, along with vehicle, plant & equipment and building insurance. They are also able to provide quotes for any additions, etc.

Duane regularly visits regional Queensland and would be happy to call by arrangement to discuss any insurance requirements or even conduct a "health check" on all current policies.

To add to the service we have now appointed Treasure Agribusiness Services Principal Peter Treasure as our representative in the Bundaberg and Wide Bay area. Peter and Errol have worked together for a number of years and this is a great opportunity for the expanding Business & Agribusiness services to service our southern clients. Peter has been working as an independent consultant in the area and with the added services from ESA, Peter will be able to add to the full array of Insurance and Financial Planning services to meet all Finance requirements.

Steve said the final piece to this strategic endeavour was the appointment of a property and livestock specialist to work in conjunction with our team in understanding the need of finance, production and marketing requirements specific to each customer's individual circumstance. "In this regard, I am pleased to advise that Central QLD Rural Services will assist to its fullest capacity, "Proprietor Alastair Hughes has worked in

the grazing industry all his life and will be providing valuable advice and hands on support in such matters as livestock marketing, production assistance, on-farm development alternatives and independent management options Alastair can be contacted on 0407 733 585.

Steve emphasised, “We believe we can provide a service unlike no other and add some real value for our clients, both old and new.”



Have you outgrown your Accountant?

For many individuals and small businesses, the answer to this question isn't an outright 'yes' or 'no'. We often find that with our clients the truth is simply that they do need to find a new Accountant that's better suited for them. You may suspect that you need a new Accountant however you may not know why. We thought it might be worthwhile going through a checklist below to see if your Accountant is best suited for you.

Every time you ring they are not available.

This is a common complaint. Your Accountant should be available to assist and ensure your calls and issues are answered in a timely fashion. If they are not available they should have the people around that can step in and assist. If you get frustrated every time you try to make contact then this is a good sign that you need to change Accountants.

Financial Information is not provided in a timely manner.

We or your Bank need your Financials for the last financial year or require interim accounts, budgets or other financial information. You approach your Accountant who says they will have the information requested to you by later this week or early next week. Next week comes and goes. You have to follow up again and again without success.

Financial Statements and Information provided doesn't make sense.

Your Accountant provides financial statements or other information that you don't understand. They do not take the time to explain in a way you understand. A good Accountant will make sure you fully understand your financial statements. They will clearly spell out the positives and negatives with any financial advice they provide. Their role is to help you to become savvy when it comes to handling your finances and to be in a position where you can proactively work with them on budgeting, profitability, growth and cash flow.

You only hear from them when you contact them.

Your Accountant should be proactive in providing information that is specific to you. During the year they should be making contact and doing health checks on your financial status. If they are not doing this then it is time to consider a change.

They aren't familiar with your business or industry.

Having an Accountant who understands your business AND your industry is probably one of the most important aspects of receiving quality advice. They are in a position where they can benchmark your business against other businesses in the same industry and provide information on experiences that have occurred with other businesses in any tenders or growth opportunities. Some telling signs that they don't know enough about your business or industry is that they keep asking you to explain your business indicating that they haven't spent any time getting to know your business and they don't offer industry-specific advice or solutions that maximise your tax deductions.

You're having disagreements regarding important matters.

Being able to approach your Accountant at any time with any issues or concerns you have is critical. If disagreements occur over the way your tax and accounting matters are being handled or your financial information has discrepancies, errors or there is inaction on their part, then it would be best to just let them go.

We can help in finding the right Accountant who is not only an expert at their field but is also proactive, efficient and considerate of your specific situation. We deal with a number of Accountants and can provide recommendations on who may be suitable. Finally, it is crucial that your Accountant is providing the best financial outcomes for you or your business. If you experience any of the warning signs above, then it's time to switch to a more suitable accounting firm – one that you know will deliver an exceptional level of service.



Buyer Beware - Is what you are buying the real deal?

You have seen that equipment or boat advertised and the price seems sensational! You inspect the equipment or boat and it looks great. So why is the price so cheap?

There is a good chance that the equipment or boat may be a “rebirth” although it all appears legitimate. So what is a rebirth? A rebirth is effectively the way of converting a stolen piece of equipment into a seemingly legitimate piece of equipment. In the past thieves have targeted motor vehicles to rebirth.

With the tightening of written off vehicle regimes this has seen the reduction in the pool of available vehicles by up to 30%.

Whilst thieves still target this area a number have moved into the parts and scrap metal markets that have a large proportion of unregulated businesses and deal in cash as a better way of moving stolen vehicles.

Thieves are now targeting other pieces of equipment that are not registered for road use. In this case unless the asset is financed or it has been placed on the [Personal Properties Securities Register](#) there is no permanent record of ownership.

In addition plates can be changed and they can be very easy to sell in the second-hand market. If equipment is transported interstate and sold to a potential buyer they would never know it was stolen.

Equipment being loaded onto the back of a truck is a common sight and it is almost impossible for the average person to identify it as theft, unlike someone smashing the window of a vehicle in the street.

How to identify a rebirthed or stolen piece of equipment?

- The equipment is being provided by a person who does not normally specialise in selling this type of equipment.
- The identification plates look new or appear to have been replaced. Also if the identification plates show the equipment as being "Home Made" then this is often a way equipment can be transferred interstate and reregistered.
- You can see faint marks where numbers have been removed from the equipment.
- The equipment has been recently spray painted or sections of the equipment have been spray painted.

- No manual is provided with the equipment or the manual looks newer than the age of the equipment.
- No service records are available

Other items

- The best way to convert equipment is to swap it with legitimate equipment. If you are asked to hand over a piece of equipment you own then this is a very easy way to convert the equipment.

What are some questions to ask?

- Ask information about the history of the equipment, who services the equipment and any other information specific to the equipment? If your questions are brushed off or the answers are not clear you should continue checking.
- Check Identification Plates. Don't be afraid to contact the manufacturer of the equipment to confirm the information on the equipment is correct.
- Check to see if the equipment is registered on the [Personal Properties Securities Register](#).
- Use the internet. Source as much information on the equipment from the internet.

In summary whilst thieves will always try to find ways to defraud innocent people if you have your wits about you and do your checking hopefully you will not be in a situation where you purchase equipment that is a rebirth.



Product Focus for our Business Clients - Cash Flow Finance

As we are in a small business we understand that every business needs access to cash flow. Based on our experience many businesses are struggling to obtain flexible, affordable forms of finance from traditional lenders and are seeking other ways to obtain finance. With property valuations also difficult to predict, equity is becoming harder to provide as security for an overdraft. This is where we can often help. We have access to a wide range of cash flow finance solutions from Debtor finance to unsecured short term funding options.

Debtor Finance

Debtor Invoice Finance, Invoice Discounting or Factoring are all variations of a loan product which gives businesses a line of credit against accounts receivable, i.e. outstanding invoices. This provides a higher level of funding than an overdraft and has the advantage of delivering increased cash availability in line with sales levels.

Debtor Finance is ideal for wholesale businesses that sell goods or services on credit terms. We have strategic alliances in place with debtor finance partners to provide this cash flow solution.

If this is something that may be of interest to your business, speak to us for more details.

Unsecured Short term funding options

Other options for short term funding are available where we can finance up to \$250,000.

How it works?

- You can obtain finance for periods of 3 months to 12 months.
- Payments are made monthly
- Latest financial statements (profit and loss balance sheet) are generally required.
- Approval can usually occur within 2 business days.

Such examples where this product would be used are:

Purchasing increased levels of Stock

You need the right amount of stock in the right place at the right time or help to buy larger amounts of stock at discounted prices on better terms.

Renovating or expanding your business

It may be renovating your existing location, opening another location or diversifying your business by selling new products or services.

Paying suppliers for better term

Making upfront payments to suppliers may generally result in reduced discounts.

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



A bit of fun – Famous Golf Quotes

In our last quarterly newsletter we had a fun look at some famous sport quotes. This quarter we narrow our focus and look at some famous golf quotes. Enjoy!

The only time my prayers are never answered is on the golf course - Billy Graham

He who has the fastest golf cart never has a bad lie - Mickey Mantle

If you are caught on a golf course during a storm and are afraid of lightning, hold up a 1-iron. Not even God can hit a 1-iron. - Lee Trevino

I have a tip that will take five strokes off anyone's golf game. It's called an eraser. Arnold Palmer

If you think it's hard to meet new people, try picking up the wrong golf ball - Jack Lemmon

It took me seventeen years to get three thousand hits in baseball. I did it in one afternoon on the golf course - Hank Aaron

Golf is a game in which one endeavours to control a ball with implements ill adapted for the purpose. - Woodrow Wilson

Give me golf clubs, fresh air and a beautiful partner, and you can keep the clubs and the fresh air - Jack Benny

If you watch a game, it's fun. If you play it, it's recreation. If you work at it, it's golf - Bob Hope



Market Snapshot – What is happening at the Auctions?

Slattery Auctions have monthly auctions of Motor Vehicles and Plant and Machinery around Australia. They produce a quarterly report on what they are seeing in each industry. Highlights from their last report are below. To subscribe to their quarterly

newsletter [click here](#)

Civil and Earthmoving

- Small and mid-size assets used in civil construction have continued to sell very well through all of our auctions nationally.
- A number of large operators appear to have placed large fleets of trucks on care and maintenance.
- Slattery has seen significant interest coming from international buyers for mid-size equipment and has transacted with buyers from the middle-east and Asia over the last quarter. There are no significant changes to report in the **mining and earthmoving equipment sector** from previous quarterly reports. Sales results for ultra-class assets used in mining are still depressed. The positive news is that it is still possible to execute sales on these assets and the market has not been flooded with equipment. The smaller to medium sized equipment continues to sell very well.

Road Transport

- New heavy duty truck sales have been mixed in the second quarter of 2016.
- Some dealers have reported low stock levels which has driven competition & prices for well-maintained units
- Fleet sell downs have occurred due to distressed factors or a need to realise underutilized assets.
- Used heavy duty truck sales have seen significant fluctuations in values
- NSW has seen an increase in demand for lower rated prime movers and good quality tipper trucks
- We continue to have a strong demand and achieve solid prices for medium duty trucks, especially Japanese medium rigid trucks.

The **new truck sales figures** in Australia saw a slight pick-up in March to round out the first quarter however it appears new truck sales slumped again in the second quarter of 2016. In the **medium duty sector new sales are up 5% year to date**. The **light duty sector** (3.5 tonne – 8 tonne) was up 11% year to date

Motor Vehicles

Key Point Summary

- New car sales increased 3.5% year on year.
- We have seen an increase in volumes of cars over the past 3 months.
- Strong used-car sale results were achieved Australia wide, despite a weak WA car market.
- The Toyota Hilux and Ford Ranger continue to compete with each other and receive outstanding results at auction.
- Our Brisbane site now hold weekly car auctions due to an increase in stock.

New vehicle market

There does not appear to be any signs of struggle in the new car sector with the industry reporting the best first half result in new car sales since sales volumes have been recorded.

The increase of 3.5% on the year prior dents the theory the elections dampen consumer purchasing decisions with April, May and June all setting new monthly records.

SUVs again appear to be the darling of the sector with market share for SUVs increasing again. Small SUVs experienced the greatest growth with a jump of 18% on June last year.

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