



esdalesinclair & ASSOCIATES

...your local finance specialists

Welcome to our first quarterly newsletter since the end of the financial year and a big thank you for making our year another great success and for putting your trust in us to assist with your finance requirements.

July 28th saw a momentous milestone achieved by Esdale Sinclair celebrating 20 years in business and this month sees us travelling to Barcaldine for the Westech Field Days. You can find us onsite with joint venture partners Mack Volvo Rockhampton and Clearwater Financial Planners.

In this edition of our newsletter we take a look at:

- What types of scams are currently being targeted at individuals and businesses and some helpful steps to take so you don't get caught?
- How a real estate business streamlined their approach to company cars therefore saving them money and time
- The way changes to financier contracts recently announced will assist business customers and;
- How one in 10 firms are receiving payments 60 days after the payment due dates and if you are in this situation how a funding solution may help

Last quarter we also asked the question "What could you do with an extra \$50,000 in your business?" We take a further look at unsecured finance options available to businesses. Make sure you talk with us first as we can assist in tailoring a suitable option to your needs.

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

Enjoy the read!



Look Out! - Don't let yourself or your staff get caught out by



Case Study – Could you save on your company car expenses like a Real



Legal – Small businesses taking out loans with the big four

Ransomware, Malware or email scams!

Australians lost nearly \$300 million to scams in 2016. And that figure is set to rise for 2017 as scammers look at alternative ways to target businesses and individuals. Recently in the press it was announced that several major companies got caught by a Ransomware scam however many people are still not aware of the various scams and what to look out for.

If you're a business owner and your employee clicks on a false link what impact will that have on your business and systems? In this article we briefly take a look at recommendations made on the website www.scamwatch.gov.au about what are the types of scams and how you can protect yourself and if applicable your business.

So what are some of the most common scams?

Estate business recently did?

When a Real Estate business undertook an analysis of their costs in providing company cars they thought there has to be a better solution.

Costs were continuing to increase combined with the administrative functions of having a staff member manually follow up receipts and manually undertake monthly reconciliations on the costs associated with each car.

They wanted a simple solution that would provide their sales staff with company cars however reduce the administrative burden and be more cost effective.

What happened?

When reviewing their requirements they chose from the options available a fully maintained operating lease.

banks are set to benefit from changes to contract terms imposed by ASIC and sought by the small business ombudsman.

The Australian Securities and Investments Commission (ASIC) has issued recent advices indicating that all four of the nation's major banks have agreed to eliminate unpopular 'unfair terms' from their loan contracts to small business. In the context of small business loans, this means for loans of up to \$3 million that are provided in standard form contracts to small businesses employing fewer than 20 staff are covered by the legal protections. It is expected other small business funders will follow.

ASIC said the changes will mean that the banks are:

- Removing 'entire agreement clauses' from small business

Phishing—a scammer contacts you out of the blue via email, phone, Facebook or text message pretending to be from a legitimate business such as a bank, phone or internet service provider. They direct you to a fake version of the business’s website asking for your personal details to verify customer records due to a technical error.

Remote access scammers call you on the phone claiming that your computer is infected by viruses. If you follow their instructions, it will allow them to access and control your computer where they can steal information or install malware. They may also try to convince you to purchase ‘anti-virus’ software, which usually turns out to be overpriced or freely available on the internet.

Malware is a term for any malicious software that can be installed on your computer or other devices including viruses,

Each Sales team member is now:

- Given the option of selecting a vehicle from three different types of vehicles approved by the Company.
- Provided with a Fuel Card and a simple phone number is available for any maintenance requests.

For the Real Estate business:

They are now provided with:

- Full Reporting (Online reporting, including FBT and a detailed operating cost analysis on each vehicle)—Therefore significantly reducing the administrative burden
- Monthly payments are known as

- contracts. These are concerning terms that absolve the lender from responsibility for conduct, statements or representations they make to borrowers outside of the contract.
- Removing financial indicator covenants from many applicable small business contracts. For example, loan-to-valuation ratio covenants that give lenders the power to call a default when the value of secured property falls, even where a small business customer has met financial repayments, will be removed.
- Removing material adverse event clauses from all small business contracts. These

spyware, ransomware, trojan horses and keystroke loggers.

Keystroke loggers and spyware allow scammers to record exactly what you type on your keyboard to find out passwords and bank details or access personal information and send this anywhere they want. Once installed, scammers can control your email and social media accounts and grab whatever information is on your device, including passwords. They can also use your accounts to send more scams to your friends and family.

Ransomware is another type of malware that encrypts or locks your device to prevent you from using it until a payment is made to unlock it. Paying up doesn't guarantee it will be unlocked or be free from hidden viruses, which can also spread and infect other computers or devices on your network. Malware is commonly delivered by email and can appear to

there are no surprises with all maintenance and fuel, registration and Insurance built into the monthly payment based on the estimated km's of the driver each year. This was based on the history of the drivers.

- They outsourced their residual value risk and their company car fleet is now off balance sheet
- Management of fuel cards, registration, insurance and maintenance are all handled without the company needing to be involved.
- 24-hour, 7 day, emergency breakdown assistance contact details are provided to their Sales Staff

are concerning terms that give lenders the power to call a default for an unspecified negative change in the circumstances of the small business customer.

- Significantly limiting the operation of indemnification clauses. These are concerning terms that aim to broadly protect the lender against losses, costs, liabilities and expenses that arise even outside the control of the small business borrower.
- Significantly limiting the operation of unilateral variation clauses. In addition to providing applicable small business customers with a minimum of 30

be from legitimate sources, such as your utility provider, a government agency or even the police purporting to issue a fine. Don't click on the link or open any attachments that you aren't absolutely sure about. You may be downloading malicious software instead. These scams target both individuals and businesses.

Some suggested ways to protect yourself

- Do **not** open suspicious texts or emails – delete them.
- Verify the identity of the contact by calling the relevant organisation directly – find them through an independent source such as a phone book or online search. Do not use the contact details provided in the

- The purchase price of each vehicle was at a reduced amount from the dealer due to the financiers buying power thus providing a more competitive monthly cost to the company
- At the end of the agreed term of the Operating Lease (that can be between 1 and 5 years) on each company car the company can simply return the vehicle (subject to meeting the return condition)

Whist in this case a fully maintained operating lease where fuel and maintenance are built into the finance there are very similar options also available with a Finance Lease Product. With an Operating Lease product the financier has ownership of the Car

days' notice for any contract changes, banks will clearly limit the circumstances in which unilateral variations can be made. The banks have agreed that all customers who entered or renewed contracts from 12 November 2016 – when the protections for small businesses began – will have the benefit of the changes agreed with ASIC.

Despite the date above in many cases, banks have agreed to implement the changes so that they apply to all existing applicable small business customers.

ASIC Deputy Chairman Peter Kell said: "We made it clear that lenders had to significantly improve their lending agreements to small business to ensure

message sent to you.

- Never send money or give credit card, online account details or copies of personal documents to anyone you don't know or trust and never by email.
- Choose passwords that would be difficult for others to guess, and update them regularly. Don't use the same password for every account, and don't share them with anyone.
- Make sure passwords are not stored on your devices enabling easy access for others
- Secure your networks and devices with anti-virus software

where with a Finance Lease Product you have ownership of the car.

Even if you have an existing fleet we can talk to you about doing a Sale and leaseback on your Fleet.

If you would like to more information please do not hesitate to contact us.



Nearly one in 10 firms are receiving payments more than 60 days past the invoice terms, new figures show, as late payments continue to wipe out otherwise sustainable businesses. Is Debtor Finance an option for your business?

Concerted efforts by the Small Business Ombudsman Kate Carnell and the Business Council of Australia to tackle

they meet the new rules." "It is important that the banks have committed to improving their small business loan contracts. ASIC will be following up with the big four banks – and other lenders – to ensure that small business contracts do not contain unfair terms."

For further details [click here](#)



Need unsecured business finance to help your business grow?

With the rise in the number of financiers offering Unsecured Business Finance it can become confusing on who to approach?

If you are looking for:

- An extra working cash flow buffer

- and a good firewall.
- Make sure all computers, tablets and other devices are receiving software updates and these are being installed on the device.
 - Avoid using public computers or Wi-Fi hotspots to access or provide personal information.
 - Be very careful about how much personal information you share on social network sites. Scammers can use your information and pictures to create a fake identity or to target you with a scam.
 - Put a lock on your mailbox and shred or destroy any documents containing personal

Australia's late payment culture may be gaining traction but the country's leading companies have far more to do.

According to Dunn & Bradsheet's latest Australian Late Payments Analysis "Late Payments fell during the second quarter of 2017 by 4.6%, while prompt payments rose sharply. On average, 63.8 percent of Australian businesses paid their bills on time, reflecting a step change in how credit risk portfolios are being managed with varying results across the country"

Dunn & Bradsheet also said *"It is interesting to note that once firms have moved from start-up to becoming established, with 2 to 5 years of operations, late payments are on average above the average for all businesses. This is a well-established trend even though the broad trends in late payments, higher and lower, are similar across*

- To purchase stock & inventory
- Renovating or upgrading your business premises
- Fleet or Equipment Upgrades
- Staff hires OR
- Any other general business requirement

Please have a chat with us first. We have access to a number of providers and will explain the various options available that are best suited to your needs including the costs associated with such finance.



Horsing around

Don't know where your kids are in the house? Turn off the internet and they'll show up quickly -

information
before disposing
of them.

To stay one step ahead of scammers, learn more by visiting the ACCC's Scamwatch website www.scamwatch.gov.au where you can sign up for free email alerts on new scams targeting consumers and small businesses.

all businesses. It suggests that 2 to 5 year old firms are more vulnerable to cash flow constraints from higher late payments, which appears to have some impact on the trend in business failure rates."

If you are experiencing cash flow problems due to late paying debtors Debtor Finance may be the answer.

We can assist your business free up cash in your invoices with our debtor finance options to help your business grow.

Why Debtor 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

Anonymous

Being married means mostly shouting "What?" from other rooms. - **Anonymous**

Marriage is the bond between a person who never remembers anniversaries and another who never forgets them - **Ogden Nash**

Silence is golden, unless you have kids, then silence is just plain suspicious - **Anonymous**

- 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, 60 or 90 days

How it works?

Debtor finance can be disclosed or undisclosed to your customers. You have the option to have a full ledger facility (where all invoices are subject to the debtor finance arrangement) or other arrangements where you only require a selective invoicing facility. So you can send through as many or a few invoices as you need.

Who would use Debtor Finance?

Any business may have a use for debtor finance. It can be particularly useful if you are in a growth

phase or you debtors keep extending their payment terms to you. Because the invoices are used as the security by the financier the credit approval process is streamlined. This is because the financier looks at the strength of the debtor rather than you.

What percentage of the Debtors Invoice can be financed?

In some cases up to 90% of the approved value of invoices (subject to credit approval*) can be financed, less fees, within 24 hours of processing.

What security is generally required?

The financier uses the invoice as security. The financier will 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 this security free for other uses (such as property).

Please go to our contact us to discuss how we can tailor the ideal debtor finance package for your business.

**All applications are subject to the credit approval criteria being met.*



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