



Mike Hughes & Partners Finance Brokers (South West) Newsletter Issue # 9, March 2010

A Minute with the Partners

Welcome to 2010!

We can only hope that this year brings improved optimism and success for everybody involved in small business. It is safe to say that 2009 was extremely difficult for many people involved in businesses covering various industries.

Banks and other lenders are continuing their line on enforcing strict lending guidelines to anybody seeking credit, so it is imperative that when seeking new finance, you ensure that your tax returns are completed and that your overall general conduct with existing loans is first class. Credit history does play a major role in obtaining new finance, especially in the current lending climate. On a positive note, interest rate movements have generally steadied, with rates keeping fairly constant over the last few months. Together, we need to work hard to ensure that 2010 can be a successful and profitable year for all.

Please feel free to contact us at anytime should you have any financial enquiries. Our staff at Mike Hughes & Partners – South West are always willing and waiting to assist and support in anyway possible.

Our Experience Servicing You

Joke of the Issue

A rich dying man laid on his deathbed, requesting to be joined at his bedside by his vicar, his bank manager and his lawyer. He instructed them that he wished to be buried, when he finally passed away, along with all his money. He gave each of them fifty thousand pounds and asked them to throw the money on top of his coffin, in the burial plot, when he died. A couple of days later the old man passed away and was buried within the week. At the wake, the three men were chatting and the vicar was suddenly overcome with guilt. He confessed to the other two that he had only thrown half the money onto the coffin, as the church needed urgent repairs to the roof. The bank manager thought, "What the heck, if we are having a confession," and told the other two men that he had also only thrown half the money in, as the 'Credit Crunch' was hitting hard and he needed some money for the bank to stop it going bust. The lawyer jumped up and said to the other two, "I think that is a shameful act on both of you. I threw a cheque in for the full amount!"



Product Overview Debtor Finance

In this issue of our Newsletter, we would like to take the opportunity to explain to you the benefits of Debtor Finance and how it can be useful to your business.

With banks being extremely stringent at present with their lending criteria, businesses need to look elsewhere for specific finance products, which assist with cashflow problems. One form of such finance is Debtor Finance.

Debtor Finance (also known as Factoring) provides lines of credit based on unpaid invoices for businesses with a turnover generally greater than \$100,000 per annum.

Most businesses have to wait 30, 45 and even 60 days before they receive payments from their debtors. By engaging a Debtor Finance facility, businesses no longer have to wait for their income to be paid and can usually receive advances of up to 90% (depending on the type of facility used) of the value of their invoices within 24 to 48 hours of implementation.

This allows for greater flexibility within the business, which inevitably contributes to overall growth and an improved cashflow position.

As with any type of finance, you need to ensure that you obtain

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advice from your accountant ensuring that it is the correct type of finance for your business.

So, if you think your business requires a cashflow 'kick start' please feel free to contact our office where we will be happy to provide more detailed information on this very valuable finance product.

Industry News:

Keyperson Insurance

Obviously, when running your own business, a major component of that business is ensuring that you are well insured. Most business owners insure items such as buildings, motor vehicles, plant equipment and even stock. Sometimes unforeseen events occur whilst we are working, that can have a detrimental effect to your business. If this does arise, one form of insurance worth considering, is 'Keyperson Insurance.' Keyperson Insurance will insure you (the employer) against the incapacitation or death of a key employee. You can obtain a keyperson insurance policy on the health or life of your employees whose work, knowledge or contribution is considered to be beneficial to your company/business. It allows you to offset the losses and costs, which you will bear should you lose a key member of your staff. If you feel your business can benefit from such an insurance policy, you will need to get in contact with your insurance broker in order to explore the finer details of what is suitable for your business. If you do not have an insurance broker, please feel free to contact our office and we can put you in touch with an

experienced insurance broker who can assist you with all your insurance requirements. As with anything, what may be suitable for one type of business, is not always suitable for another. Protecting yourself against unforeseen problems can assist those around you who are left to continue what has been started.

2009 Tax Returns Reminder

Financial Year Ended 2009 Financials and Tax Returns are now mandatory for all new finance applications. Please remember that in the current lending environment, banks are always looking for the most up to date information possible when assessing credit applications. If you have the capability of providing interim figures via an MYOB program or similar, in addition to the finalised financials required, it could be extremely helpful in obtaining the necessary finance required for your business.

Our Website

Over the next few months, we intend to review and expand our current website - www.mikehughespartners.com.au.

With this in mind, we will be introducing some new pages to the site including a 'Business Services Directory' page and a 'Testimonials' page. The Business Services Directory will allow all our clients access to various services which may be of interest or beneficial to your current business. We invite all of you to become a part of this new initiative. If you feel that it would be advantageous to have your business mentioned on the Business Services Directory

page, please contact our office and we will arrange for your inclusion.

Clients in Focus

Evo's Transport Pty Ltd was established in 1997 under the directorship of Robert Evans. The company, operating out of his Warwick Farm NSW depot, provides goods delivery service throughout the Sydney metropolitan area, country NSW and various interstate destinations. It currently specialises in the cartage of groceries, IT and paper products, whilst also engaging in other general pallet delivery when required. Evo's Transport Pty Ltd has grown considerably over the last 13 years as a result of Robert's hard work ethic and the overall service he provides to his customer base, on a day to day basis. Should you require the services of an efficient and reliable transport company, please feel free to contact our office and we will be only too pleased to pass on Robert's contact details to you.



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