



Welcome to our last quarterly newsletter for this year.

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

- [A proposed reduction in financial reporting requirements that will benefit 2,200 businesses;](#)
- [As we are entering the holiday season we take a look at how playing a round of golf will change from the 1st January 2019;](#)
- [We take a look at how we can finance equipment not purchased through a recognized supplier or dealer;](#)
- [If you are in business why knowing about your business credit file is so important; and](#)
- [finally we take a look at Novated Leasing.](#)

With Christmas fast approaching I would also like to wish you and your family all the best for a safe and happy festive season.

If I 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 me to discuss.

Enjoy the read!



Business News - A proposed reduction in financial reporting requirements to ASIC.

The government in late November detailed plans to reduce the number of businesses that need to comply with financial reporting obligations.

Currently, businesses need to comply if they meet at least two of three thresholds for any given financial year:

- a minimum of \$25 million in consolidated revenue;
- a minimum of \$12.5 million in consolidated gross assets; and
- at least 50 employees.

With the changes proposed from the 1st July 2019 these thresholds will be lifted to a minimum of \$50 million in consolidated revenue, a minimum of \$25 million in consolidated gross assets, and at least 100 employees.

The great news is that these changes will exempt one-third of business (2,200 out of approximately 6,600) from their financial reporting and audit requirements with the Australian Securities and Investments Commission (ASIC).

These businesses will save an estimated \$81.3 million per year as a result, as it costs an average of \$36,950 per business per year to prepare and audit financial reports, according to the government.

Small businesses are still legally required to keep written financial records, and may need to prepare or audit financial reports if directed by either ASIC or 5 per cent or more of their shareholders.



Relaxation News - A must read if you play golf!

You may not be aware that as of 1st January 2019, the results of the first major review of Golfing rules in 34 years comes into effect. From new rules on how a ball is dropped and from what height to now being able to remove loose impediment in a bunker or a penalty area. If you are a serious or casual golfer make sure you are one step ahead by knowing the new rules.

But remember, the new Rules aren't in place until the New Year!

Find out more at the Golf Australia [website](#)



What is a Private Sale?

We often receive enquiries on whether we can finance the purchase of a car or other equipment from a person who is not a dealer or supplier. The good news is we can with this known within our industry as a "private sale".

When purchasing under this scenario the key items to consider:

- Can the person selling confirm they have legal title?
- Is the car or equipment under finance?

There are additional requirements with a private sale to confirm the above and we work with you on what is required.

Typically this includes:

- The seller producing evidence that they own the goods (such as the original invoice from a dealer or supplier) and confirmation of payment OR a payout letter from the financier if the asset is currently under finance
- The seller signing a Statutory Declaration that they are the owner of the goods (if required – generally only needed if the above evidence cannot be provided).
- A Certificate of Registration (if registered goods)
- If an individual seller a copy of their drivers licence (to enable the search to be undertaken on the PPSR)
- Confirmation of the seller's bank account details for payment (e.g. copy of a deposit slip or top section of bank statement with transaction details removed)
- An inspection of the equipment by us or a representative for us.
- A search of the Personal Property Securities Register ("PPSR") that confirms the details of the goods and whether any encumbrance (such as finance is with a financier) exists (this is completed by us)

Whilst the above can look daunting the advantages of a private sale might be that you are able to negotiate a better price than what you could obtain from a dealer or supplier. Make sure you talk with us if you are wanting to finance a private sale.



Why your business credit file information is so important!

Based on our experience a number of our business customers do not know their credit score or whether adverse information has been placed on their credit file.

In this article we take a look at why it is worthwhile knowing the details of your business credit file and credit score.

Who looks at your business credit file?

Generally financiers and suppliers to your business. They can now obtain an increased level of data from credit reporting bureaus including credit [scores](#). They use this information to assess applications for finance or for your business to have an account on credit terms.

What is the advantage to you knowing your credit score and business file?

By having this information it can remove the risk of being in a situation where a default has been placed on your business credit file (where you do not know) resulting in delays in obtaining finance or being approved for credit with a supplier. In some cases defaults can be recorded on the business credit file where for example you have a disagreement over payment of an invoice.

How do you find out your businesses credit score?

Credit Reporting Agencies such mycreditfile.com.au (part of the Equifax Group) and illion (formerly Dun & Bradstreet) can provide information on your company. In some

cases they can provide alerts when your business information changes.

With these services you can therefore:

Manage your business credit profile

Understand how lenders and other suppliers view your business.

Be alerted to potential fraud (some agencies charge a yearly fee to provide this information)

Reduce risk by detecting anything out of the ordinary.

Protect your business credit reputation

Know what is on your business credit report before you apply for credit.

Know your business' history

Understanding your business credit report puts you in the driver's seat. Your business credit report includes information on credit enquiries that have been made on your business when you have applied for terms of supply or an application for credit has been made as well as any overdue debt like defaults, as well as public record information including court writs and judgements and bankruptcy details.

Below are links to two credit reporting agencies that provide information on access to details of your business credit file.

<https://www.mycreditfile.com.au/products-services/business-credit-alert>

<https://express.illion.com.au/home>



Personal Finance - Tax benefits - have you thought about a Novated Lease?

Novated Leases are increasingly popular offering benefits to employees. So, what are novated leases and how do they work?

What Is A Novated Lease?

A Novated Lease is a three way agreement between you, your employer and a finance provider.

When you enter into a Novated Lease you enter into the Agreement in your name. You also enter into what is known as a novation agreement that transfers the obligations you have under your lease to your employer.

Your employer will then take on the responsibility to pay the lease payments.

By the employer making payments this will mean tax savings for you, as your taxable income will be lower (as the payments are deducted from and therefore the tax bill will also be lower.

If you leave that employer, you will then take responsibility for these costs yourself.

Employee Benefits of a Novated Lease

Novated leases offer employees:

- tax savings as the lease payments are taken out of your pre-tax salary;
 - freedom to choose the vehicle;
 - the use of the vehicle for both work and private purposes; and
 - the ability to be able to own the vehicle outright at the end of the lease term.
- If as an employee you leave your employment before completing the lease agreement, you have the option to novate the vehicle to a new employer (if the

new employer agrees to take over the novated lease), or you can make the lease payments.

Novated Leases and Fringe Benefits Tax (FBT)

FBT is a Federal Government tax imposed on certain fringe benefits provided to employees by their employer and is paid by the employer. This includes Novated Leases.

The FBT liability is generally charged to the employee by the employer as a salary deduction.

Should you get a Novated Lease?

The majority of employees will benefit from a novated lease as the payments are taken out of their pre-tax salary. However we recommend that you should check with your Accountant first to make sure that a Novated Lease is suitable for your requirements. And also check with your Employer as well.

If you are looking for a Novated Lease make sure you contact us to discuss.

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