

### TALK AROUND TOWN

With the 2010 year well under way, it appears that the Transport sector continues to stand up well to the current financial pressures being experienced. The Banks are certainly not freeing up capital to small business looking to expand or indeed replace existing equipment – anyone who has sought business lending would have experienced the additional scrutiny that the Banks and Finance companies are putting business borrowers through.

Banks may advertise; **“We live in your world”**, but we think that is only true if you also sleep with the light on!

The lead up to June 30th, when larger companies with turnover over \$2.0 million must have goods ordered under the Investment Allowance installed and settled, has seen very strong demand. We trust that this demand will continue into July and beyond and that 2010 will lay the foundation for a sustained strong economic recovery.

As mentioned in the last newsletter, the Reserve Bank continues to creep up rates back to ‘normal levels’. We believe this is around the 5%-5.5% range and expect the rates to achieve this level by end 2010.

### WELCOME TO THE TEAM



John Kakavoules

We are very pleased to announce 2 new recruits to the team, John Kakavoules and Anna Grant have joined the ranks of Transport Finance.

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### QUOTE FOR THE MONTH

**“LEAD, FOLLOW OR GET OUT OF  
THE BLOODY WAY!”**

Sir Weary Dunlop

## WELCOME TO THE TEAM

### John Kakavoules

John is welcomed to Transport Finance in the capacity as a director of the company.

Brett and John are pleased that he accepted their offer to join the company and he brings a wealth of knowledge and experience from banking & finance and the transport industry to the group. John has spent 25 years in vehicle transport – the majority specializing in the trucking sector. He commenced with Hertz Car & Truck Leasing, but is best known for his time with both Daimler Chrysler Finance and Esanda/ANZ Bank. John spent 10 years as General Manager Commercial Vehicles for Daimler Chrysler and more recently held the position of Head of Commercial Vehicles for the ANZ Bank.

John is very excited about the future with Transport Finance, he says “I was extremely positive about my move into finance broking and have found myself busier than even I expected. Being able to satisfy dealers and operators with acceptable finance approvals is proving to be very rewarding. The best thing about this job is the people you meet.”

In the first 3 months John has generated significant volumes of deals and he looks forward to reacquainting himself with the many dealers, operators and people within the industry that he has known for many years.

### Anna Grant

Anna has a degree in banking & finance and worked in the finance industry for over 20 years. For 7 of those years she worked closely with John Kakavoules at Daimler Chrysler. After having such a positive experience working together previously, she decided to see if the ‘magic’ was still there. So far, so good!

Anna is also well known to quite a few of the staff at Transport Finance and they are very happy that she has joined the team. Anna is a person who always brings laughter and good humour to the office and will be a welcome addition to the team.

## CALL FOR ASSISTANCE ANSWERED

Llew Oelofsen, a neighbour and friend of John Ryan’s, approached John on the Sunday before Easter to enquire if he could suggest a transport company to assist in moving a full size trampoline from a Sydney supplier to Melbourne. The trampoline had been partially donated by the Sydney supplier for the benefit of Llew’s son Conor who has severe autism. The trampoline provides hours of enjoyment and recreation for Conor which is his only source of exercise.

John called Mick Cahill from Cahill’s Transport who immediately jumped to the challenge and arranged for their Sydney depot manager to collect the trampoline from the supplier and have it moved to Melbourne. The trampoline, packed in several boxes, some almost 5

metres in length and relatively fragile, needed to be transported on top of other palletized freight. John received a call on Tuesday afternoon to say that the trampoline was available at the Melbourne warehouse of Cahill’s Transport and that the job was to be a ‘gift’ for Conor and his family.

Llew said, “I would like to thank John and Transport Finance for jumping to the task at hand, and even more so to thank Michael Cahill and his staff for not only transporting the trampoline so quickly, but their magnanimous gesture of providing their time and efforts free of charge”

Autism affects one in every 110 Australians. Autism ranges from reasonably mild to very severe cases and is a lifelong condition. Statewide Autistic Services Inc.

[SASI], a not-for-profit autism-specific service provider does wonderful work in providing care and support not only to the sufferers but to their families as well. It is a never-ending task and Government funding can only go so far in catering to this need. SASI’s current prime goal is to suitably fit out a respite house in Langwarrin, Victoria to which autistic children will go for short stays, allowing parents/carers a well deserved break from their charges.

SASI needs your support. Should you care to add SASI to your “charities of choice” please visit [www.sasi.org.au](http://www.sasi.org.au) to view the services offered, by an exceptional group of staff and volunteers, to Conor and his fellow sufferers.

**THE LENDER'S ASKED FOR WHAT?**

There is no doubt that the way in which Banks assess potential applicants has changed. In fact we believe that it is still a 'moving target'. We have attempted to outline a number of issues that are being raised by lenders at present and try to put some reason and thinking behind their requests.

**SWOT ANALYSIS**

**Strengths, Weaknesses, Opportunities, Threats – SWOT**

Lenders are looking to see that you have a firm grasp on not only what your business is doing, but what your opposition are doing, what areas are available for you to grow your business and what are the areas that could hamper that growth or even see your business lose ground.



**CAN YOU REPAY THE LOAN?**

Lenders are looking to see consistent reporting of turnover and profitability over at least the 2 previous years. In reviewing this, they are also looking at your debtors listing, are you collecting the money that is owed to you in 'good time' or do you have a number of large amounts owed that are over 60/90 days or worse. This impacts on your ability to meet loan repayments as and when they fall due each month.

**WHAT SECURITY/COMFORT CAN THE LENDER GRAB?**

Security offered for any loan is a tricky area. Historically lenders had been prepared to look at past performance and time in business when assessing what 'comfort' they would require.

Lenders comfort can take a number of roads; it could be that a cash deposit and/or GST rebate would provide sufficient security for a bank to advance the loan. It may be that the lender will require ALL associated persons and/or Companies and Trusts to provide guarantees in order to provide the lender with additional comfort and security.

If the total debt at any one lender is under say, \$1.0 million – then they will be more likely to consider requests to waive a person/spouse from the loan or consider removing a non-earning company from the guarantees required.

Once exposure passes the \$1.0 million mark, the lender will look to capture all parties to the borrower and have them provide guarantees. Our experience shows that the majority of lenders will require the guarantee of a spouse if the property is in joint names or their name solely, even if they are not a shareholder/director of the business.

**WHAT CAN I DO TO ASSIST THE APPLICATION?**

Many businesses we deal with fail in having their finance approved because they take a 'need to know' approach and do not provide us with all relevant information upfront. If we are going to provide your business with the best opportunity to secure the right loan for you – first time, we need to be provided with the full picture.

The lenders do their own research and have avenues available to them to check the history of both business and owners. These include other lenders, credit checks and work and trade references.

If you do not fully disclose information upfront, you will get caught out and the lender will think, "What else have I not been told about his client".



**MYOB**

By ensuring that your accounting software is kept up to date so that you are in a position to provide 'management accounts' showing year to date performance for your company at a moment's notice will also assist and support your application, especially at this time of year when lenders are looking at June 09 financials which are some 9+ months out of date.

# NEWSLETTER AUTUMN 2010

## RAISE AWARENESS

Transport Finance was pleased to be in a position to lend a hand at a recent fund raiser to assist Lifeline and raise awareness for depression in the community.

### The Jason Clark Foundation "Encouraging Community Consciousness"

39 South Street, Belmont Victoria 3216  
ABN 69029323274

Dear Brett and John,

On behalf of The Jason Clark Foundation, I wish to thank-you for your support of our recent "Hitting Depression for Six" Charity Cricket match.

The day was an outstanding success with an estimated crowd of some 600 people attending, we were able to distribute several hundred beyondblue: the national depression initiative show bags and raise a considerable sum of money for Lifeline.

The Foundation has donated to Lifeline a cheque of \$8000, which in real terms equates to Lifeline having the ability to have two staff members attending an intensive training course in Adelaide for the 'LivingWorks' ASSIST suicide first aid workshop course and the Safe TALK suicide awareness program. On their return they will be qualified to run community workshops and training seminars for the prevention of suicide.

The funds raised from the event will make a difference to Lifeline Geelong's community support work and in light of a spate of youth suicides last year in our region there is an urgent need to train more interested groups within our community to give them the skills to recognise the signs of people at risk with severe depression and how best to engage them to assist in the prevention of suicide.

The event also drew considerable attention from the media both local and national, once again placing the issue of depression and its consequences at the forefront of people's minds.

Brett and John, due to your support and generosity we have indeed made a difference, we look forward to your continued support as your significant sponsorship as naming rights sponsor was paramount to the success of the day.

Kindest Regards



Andrew Green  
Chairperson Jason Clark Foundation  
39 South St Belmont Victoria

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